



**GRID BATTERY METALS INC.**

**ANNUAL GENERAL AND SPECIAL MEETING**

**TO BE HELD ON APRIL 9, 2024**

**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING**

**AND**

**INFORMATION CIRCULAR**

**MARCH 7, 2024**



Dear Shareholders,

The directors of Grid Battery Metals Inc. (the “**Company**”) invite you to attend the annual general and special meeting (the “**Meeting**”) of the holders of common shares of the Company (the “**Shareholders**”) to be held at 3028 Quadra Court, Coquitlam, BC V3B 5X6 at 10:00 a.m. (Vancouver time) on April 9, 2024.

At the Meeting, Shareholders will be asked to, among other things, pass a special resolution approving a statutory arrangement (the “**Arrangement**”) involving, among other things, the distribution of common shares (the “**AC/DC Shares**”) of AC/DC Battery Metals Inc. (“**AC/DC**”), currently a wholly-owned subsidiary of the Company, to the Shareholders on the basis of 0.05 of an AC/DC Share for each common share of the Company (each, a “**Common Share**”) held.

Prior to the completion of the Arrangement, the Company will transfer to AC/DC ownership of its interests in its Hard Nickel Group of properties in British Columbia, which consists of five mineral titles in three non-contiguous claim groups (Hard Nickel Three, Hard Nickel Centre and Hard Nickel South) with a combined area of 5,000 hectares. The Hard Nickel Group of properties is located in the Takla Lake area of central British Columbia, in close proximity to the Decar Project of FPX Nickel Corp (TSXV:FPX), approximately 100 kilometres west of Centerra Gold Inc.’s (TSX:CG) Mount Milligan Copper Gold Mine., and 100 kilometres northwest of Fort St. James, B.C., in the Omineca mining division. The board of directors of the Company (the “**Board**”) believes that the creation of two separate public companies, one a TSX Venture Exchange-listed exploration company focused on its Nevada-based Lithium Projects (Texas Springs, Volt Canyon and Clayton Valley Lithium Projects) and the other a TSX Venture Exchange-listed exploration company focused on nickel in Canada, will enhance their respective business operations and provide Shareholders with additional investment choices and flexibility.

After careful consideration, the Board has unanimously determined that the Arrangement is fair to Shareholders and is in the best interests of the Company. A description of the various factors considered by the Board in arriving at this determination is contained in the enclosed management information circular of the Company dated March 7, 2024. **The Board has unanimously approved the Arrangement and recommends that Shareholders vote in favour of the special resolution approving the Arrangement.**

To be effective, the Arrangement must be approved by a special resolution passed by at least two-thirds of the votes cast by Shareholders present in person or represented by proxy at the Meeting. Shareholders are entitled to one vote for each Common Share held.

Your vote is important regardless of how many Common Shares you own. If you are a registered holder of Common Shares, we encourage you to take the time now to complete, sign, date and return the enclosed form of proxy in the return envelope addressed to Odyssey Trust Company to be received no later than 10:00 a.m. (Vancouver time) on April 5, 2024 to ensure that your Common Shares are voted at the Meeting in accordance with your instructions, whether or not you are able to attend in person. If you hold your Common Shares through a broker or other intermediary, you should follow the instructions provided by your broker or other intermediary to vote your Common Shares.

On behalf of the Company, we would like to thank all of our Shareholders for their ongoing support.

Yours very truly,

**ON BEHALF OF THE BOARD**

*“Tim Fernback”*

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Tim Fernback  
President and Chief Executive Officer

**GRID BATTERY METALS INC.**

3028 Quadra Court  
Coquitlam, BC, V3B 5X6  
604- 428-5690

[www.gridbatterymetals.com](http://www.gridbatterymetals.com)

**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS**

**NOTICE IS HEREBY GIVEN** that an annual general and special meeting (the “**Meeting**”) of the shareholders (the “**Shareholders**”) of Grid Battery Metals Inc. (the “**Company**”) will be held at 3028 Quadra Court, Coquitlam, BC V3B 5X6 on April 9, 2024 at 10:00 a.m. (Vancouver time) for the following purposes:

1. to receive and consider the audited financial statements of the Company for the three months ended September 30, 2023 and the year ended June 30, 2023, together with the auditor’s reports thereon;
2. to fix the number of directors at four;
3. to elect directors for the ensuing year;
4. to appoint Dale Matheson Carr-Hilton Labonte LLP, Chartered Professional Accountants, as auditor of the Company for the ensuing year and to authorize the directors to determine and approve the remuneration to be paid to the auditor;
5. to approve as an ordinary resolution the amendment to the Company’s Stock Option Plan, as more particularly described in the accompanying Information Circular.
6. to consider and, if thought fit, pass, with or without variation, a special resolution to approve an arrangement under Division 5 of Part 9 of the *Business Corporations Act* (British Columbia), the full text of which is set forth in Schedule “B” to the accompanying management information circular (the “**Circular**”) of the Company dated March 7, 2024, which involves, among other things, the distribution of common shares of AC/DC Battery Metals Inc. to the Shareholders, all as more particularly described in the Circular;
7. subject to the approval of the special resolution approving the plan of arrangement, re-appoint Shim & Associates LLP, Chartered Professional Accountants, as auditor of AC/DC for the ensuing year and to authorize the directors to determine and approve the remuneration to be paid to the auditor;
8. subject to the approval of the special resolution approving the plan of arrangement, consider and if deemed appropriate, approve as an ordinary resolution adopting the AC/DC stock option plan as more specifically described in the accompanying Circular;
9. to consider and, if thought fit, pass, with or without variation, an ordinary resolution to approve the AC/DC Private Placement, as more particularly described in the Circular; and
10. to act upon such other matters as may properly come before the Meeting or any adjournment(s) or postponement(s) thereof.

The Circular provides additional information relating to the matters to be addressed at the Meeting and is deemed to form part of this Notice.

The board of directors of the Company (the “**Board**”) has set March 5, 2024 as the record date for determining the Shareholders entitled to receive notice of and vote at the Meeting or any adjournment(s) or postponement(s) thereof.

All Shareholders are entitled to attend and vote at the Meeting in person or by proxy. The Board requests that all Shareholders who will not be attending the Meeting in person read, date and sign the accompanying proxy and deliver it to Odyssey Trust Company (“**Odyssey**”). If a Shareholder does not deliver a proxy to Odyssey, Attention: Proxy Department, 323-409 Granville St., Vancouver, British Columbia, V6C 1T2, Canada, by 10:00 a.m. (Vancouver time)

on April 5, 2024 (or prior to 48 hours, excluding Saturdays, Sundays and holidays, before any adjournment of the meeting at which the proxy is to be used) then the Shareholder will not be entitled to vote at the Meeting by proxy. Only Shareholders of record at the close of business on March 5, 2024 will be entitled to vote at the Meeting.

DATED at Vancouver, British Columbia, the 7<sup>th</sup> day of March, 2024.

**ON BEHALF OF THE BOARD**

*"Tim Fernback"*

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Tim Fernback  
President and Chief Executive Officer

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**GRID BATTERY METALS INC.**

3028 Quadra Court  
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[www.gridbatterymetals.com](http://www.gridbatterymetals.com)

**INFORMATION CIRCULAR**

(as at March 7, 2024 except as otherwise indicated)

**NOTICE TO READERS**

This Circular is provided in connection with the solicitation of proxies by the management (“**Management**”) of the Company. The form of proxy which accompanies this Circular (the “**Proxy**”) is for use at the annual general and special meeting of the shareholders of the Company (the “**Shareholders**”) to be held on April 9, 2024 (the “**Meeting**”), at the time and place set out in the accompanying notice of Meeting (the “**Notice of Meeting**”). The Company will bear the cost of this solicitation. The solicitation will be made by mail, but may also be made by telephone.

All capitalized terms used in this Circular (including the Schedules hereto) but not otherwise defined herein have the meanings set forth under the heading “*Glossary of Terms*”. Except where otherwise expressly noted, information in this Circular is given as of March 7, 2024.

No person has been authorized to give any information or to make any representation in connection with the Arrangement and any other matters described herein other than those contained in this Circular and, if given or made, any such information or representation should not be considered to have been authorized by the Company or AC/DC.

This Circular does not constitute the solicitation of an offer to purchase, or the making of an offer to sell, any securities or the solicitation by proxy by any person in any jurisdiction in which such solicitation or offer is not authorized or in which the person making such solicitation or offer is not qualified to do so or to any person to whom it is unlawful to make such solicitation or offer

In considering whether to vote for the approval of the Arrangement, Shareholders should be aware that there are various risks, including those described under the heading “*Risk Factors*” in this Circular. Shareholders should carefully consider these risk factors, together with the other information included in this Circular, before deciding whether to approve the Arrangement.

Information contained in this Circular should not be construed as legal, tax or financial advice and Shareholders are urged to consult their own professional advisors in connection therewith.

Descriptions in the body of this Circular of the terms of the Arrangement Agreement and the Plan of Arrangement are merely summaries of the terms of those documents. Shareholders should refer to the full text of the Arrangement Agreement and the Plan of Arrangement for complete details of those documents. The full text of the Arrangement Agreement is attached to this Circular as Schedule “C” and the Plan of Arrangement is attached as Exhibit “A” to the Arrangement Agreement.

**INFORMATION FOR UNITED STATES SHAREHOLDERS**

The securities to be distributed to Shareholders pursuant to the Arrangement described in this Circular have not been and will not be registered under the 1933 Act or any U.S. state securities laws, and are being issued in reliance on the exemption from registration under the 1933 Act set forth in Section 3(a)(10) thereof. Section 3(a)(10) of the 1933 Act provides an exemption from registration under the 1933 Act for offers and sales of securities issued in exchange for one or more outstanding securities where the terms and conditions of the issuance and exchange of such securities have been approved by a court authorized to grant such approval after a hearing upon the fairness of the terms and conditions of the issuance and exchange at which all persons to whom the securities will be issued have the right to appear. The Court is authorized to conduct a hearing at which the fairness of the terms and conditions of the Arrangement will be considered. The Court issued the Interim Order on March 6, 2024 and, subject to the approval of the Arrangement by the Shareholders at the Meeting on April 9, 2024, it is expected that the hearing on the



Arrangement will be held by the Court on or about April 11, 2024 at 9:45 a.m. (Vancouver time) at the Law Courts, 800 Smithe Street, Vancouver, British Columbia. All Shareholders are entitled to appear and be heard at this hearing. The Final Order will constitute a basis for the exemption from the registration requirements of the 1933 Act provided by Section 3(a)(10) thereof with respect to the securities to be issued pursuant to the Arrangement. Prior to the hearing on the Final Order, the Court will be informed of this effect of the Final Order. See “*The Arrangement – Court Approval of the Arrangement*” in this Circular.

The solicitation of proxies for the Meeting made pursuant to this Circular is not subject to the requirements applicable to proxy statements under the 1934 Act by virtue of an exemption applicable to foreign private issuers (as defined in Rule 3b-4 under the 1934 Act). The securities to be issued to Shareholders pursuant to the Arrangement described in this Circular will not be listed for trading on any United States stock exchange or registered under the 1934 Act. Accordingly, the solicitations and transactions contemplated in this Circular are made in the United States for securities of a Canadian issuer in accordance with Canadian corporate and securities laws, and this Circular has been prepared solely in accordance with disclosure requirements applicable in Canada. Shareholders in the United States should be aware that such requirements are different from those of the United States applicable to registration statements under the 1933 Act and proxy statements under the 1934 Act.

The financial statements and pro forma and historical carve-out financial information included in this Circular have been prepared based upon IFRS and are subject to Canadian auditing standards and auditor independence standards and thus are not comparable in all respects to financial statements prepared in accordance with United States GAAP and subject to standards of the Public Company Accounting Oversight Board. Likewise, information concerning the operations of the Company and AC/DC contained herein have been prepared based on IFRS disclosure standards, which are not comparable in all respects to United States disclosure standards.

The enforcement by investors of civil liabilities under the United States securities laws may be adversely affected by the fact that the Company and AC/DC and certain of their respective subsidiaries are organized under the laws of jurisdictions outside the United States, that certain of their officers and directors are residents of countries other than the United States, that the experts named in this Circular are residents of countries other than the United States and that a significant portion of the assets of the Company and AC/DC and their respective subsidiaries and substantially all of the assets of certain such persons are located outside the United States. As a result, it may be difficult or impossible for Shareholders in the United States to effect service of process within the United States upon the Company and AC/DC, their respective officers or directors or the experts named herein, or to realize against them upon judgments of courts of the United States predicated upon civil liabilities under the federal securities laws of the United States or “blue sky” laws of any state within the United States. In addition, Shareholders in the United States should not assume that the courts of Canada: (a) would enforce judgments of United States courts obtained in actions against such persons predicated upon civil liabilities under the federal securities laws of the United States or “blue sky” laws of any state within the United States; or (b) would enforce, in original actions, liabilities against such persons predicated upon civil liabilities under the federal securities laws of the United States or “blue sky” laws of any state within the United States.

In addition, when used in respect of the projects in which the Company and AC/DC has an interest, the terms “mineral reserve” and “mineral resource” have been reported in accordance with Canadian reporting standards. Canadian reporting requirements for disclosure of mineral properties are governed by NI 43-101. U.S. reporting requirements are governed by Guide 7. The information included or incorporated by reference in this Circular includes estimates of the “mineral reserve” and “mineral resource” reported in accordance with NI 43-101. The reporting standards under NI 43-101 and Guide 7 are materially different. For example, under Guide 7, mineralization may not be classified as a “reserve” unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve determination is made, which is not the case under NI 43-101. Consequently, the definitions of “proven mineral reserve” and “probable mineral reserve” under NI 43-101 differ in certain material respects from the standards of the SEC. In addition, the Company and AC/DC also report estimates of “mineral resource” in accordance with NI 43-101. While the terms “mineral resource”, “measured mineral resource”, “indicated mineral resource” and “inferred mineral resource” are recognized by NI 43-101, they are not recognized under the standards of the SEC. As a result, U.S. companies are generally not permitted to report estimates of “mineral resource” of any category in documents filed with the SEC. As such, certain information included in this Circular concerning descriptions of mineralization and estimates of “mineral reserve” and “mineral resource” reported in accordance with Canadian standards is not comparable to similar information made public by United States

companies subject to the reporting and disclosure requirements of the SEC. Readers are cautioned not to assume that all or any part of a “measured mineral resource” or “indicated mineral resource” estimate will ever be converted into a “mineral reserve”. Readers should also not assume that all or any part of a “mineral resource” will ever be upgraded to a higher category. In particular, an “inferred mineral resource” has a great amount of uncertainty as to its existence and as to its economic and legal feasibility and, under NI 43-101, an “inferred mineral resource” estimate may not form the basis of feasibility or other economic studies. Readers are, therefore, further cautioned not to assume that all or any part of an “inferred mineral resource” exists or is, or will ever be, economically or legally mineable.

The securities to be distributed to Shareholders pursuant to the Arrangement will generally be freely transferable under U.S. federal securities laws, except by persons who are “affiliates” (as such term is understood under U.S. securities laws) of the Company and AC/DC after the Effective Date, or were “affiliates” of the Company and AC/DC within 90 days prior to the Effective Date. Persons who may be deemed to be “affiliates” of an issuer include individuals or entities that control, are controlled by, or are under common control with, the issuer, whether through the ownership of voting securities, by contract, or otherwise, and generally include executive officers and directors of the issuer as well as principal shareholders of the issuer. Any resale of such securities by such an affiliate (or former affiliate) may be subject to the registration requirements of the 1933 Act, absent an exemption therefrom. See “*Certain Securities Law Matters – United States Securities Laws*”.

NONE OF THE ARRANGEMENT, THIS CIRCULAR OR THE SECURITIES ISSUABLE PURSUANT TO THE ARRANGEMENT HAVE BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES REGULATORY AUTHORITY IN ANY STATE OF THE UNITED STATES, NOR HAS ANY OF THE FOREGOING AUTHORITIES OR ANY CANADIAN SECURITIES COMMISSION PASSED UPON OR ENDORSED THE MERITS OF THE ARRANGEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.

#### **FORWARD LOOKING STATEMENTS**

This Circular includes and incorporates statements that are prospective in nature that constitute forward-looking information and/or forward-looking statements within the meaning of applicable securities laws (collectively, “**forward-looking statements**”). Forward-looking statements include, but are not limited to, statements concerning the completion and proposed terms of, and matters relating to, the anticipated election of the Company’s proposed directors, the acquisition by AC/DC of the Canadian Assets, the completion by AC/DC of the AC/DC Private Placement and the expected timing related thereto, the Arrangement and the expected timing related thereto, the tax treatment of the Arrangement, the treatment of the AC/DC Shares as qualified investments for the purposes of a Registered Plan, the expected operations, financial results and condition of the Company and AC/DC following the Arrangement, each company’s future objectives and strategies to achieve those objectives, the future prospects of each company as an independent company, the intention to list the AC/DC Shares on the TSX-V, AC/DC seeking to be a “mining issuer” under the policies of the TSX-V, the continued listing of the Company on the TSX-V, any market created for either company’s shares, the estimated cash flow, capitalization and adequacy thereof for each company following the Arrangement, the expected benefits of the Arrangement to, and resulting treatment of, shareholders of each company, holders of options of each company, and each company, the anticipated effects of the Arrangement, the estimated costs of the Arrangement, the satisfaction of the conditions to consummate the Arrangement, as well as other statements with respect to management’s beliefs, plans, estimates and intentions, and similar statements concerning anticipated future events, results, circumstances, performance or expectations that are not historical facts. Forward-looking statements generally can be identified by the use of forward-looking terminology such as “outlook”, “objective”, “may”, “will”, “expect”, “intend”, “estimate”, “anticipate”, “believe”, “should”, “plans” or “continue”, or similar expressions suggesting future outcomes or events.

Forward-looking statements reflect Management’s current beliefs, expectations and assumptions and are based on information currently available to Management, Management’s historical experience, perception of trends and current business conditions, expected future developments and other factors which management considers appropriate. With respect to the forward-looking statements included in or incorporated into this Circular, Management has made certain assumptions with respect to, among other things, the anticipated approval of the Arrangement by Shareholders and the Court, the anticipated receipt of any required regulatory approvals and consents (including the final approval of the TSX-V), the expectation that each of the Company and AC/DC will comply with the terms and conditions of the Arrangement Agreement, the expectation that no event, change or other circumstance will occur that could give rise

to the termination of the Arrangement Agreement, the belief that the assumptions underlying the AC/DC Carve-Out Financial Statements are reasonable, the expectation that no Court approval, if obtained, will be set aside or modified, the expectation that the Court will determine that the Arrangement is procedurally and substantively fair and that such determination will form the basis for an exemption from the registration requirements of the 1933 Act pursuant to Section 3(a)(10) of the 1933 Act, that no unforeseen changes in the legislative and operating framework for the respective businesses of AC/DC and the Company will occur, the belief that separation of the Nevada Assets and Canadian Assets will enable investors to more accurately compare and evaluate each company, the belief that each company will benefit from pursuing independent growth and capital allocation strategies, that each company will meet its future objectives and priorities, that each company will have access to adequate capital to fund its future projects and plans, that each company's future projects and plans will proceed as anticipated, as well as assumptions concerning general economic and industry growth rates, commodity prices, currency exchange and interest rates and competitive intensity.

Readers are cautioned not to place undue reliance on forward-looking statements, as there can be no assurance that the future circumstances, outcomes or results anticipated or implied by such forward-looking statements will occur or that plans, intentions or expectations upon which the forward-looking statements are based will occur. By their nature, forward-looking statements involve known and unknown risks and uncertainties and other factors that could cause actual results to differ materially from those contemplated by such statements. Factors that could cause such differences include, but are not limited to: conditions precedent or approvals required for the Arrangement not being obtained; the potential benefits of the Arrangement not being realized; the risk of tax liabilities as a result of the Arrangement, and general business and economic uncertainties and adverse market conditions; the potential for the combined trading prices of the Common Shares and the AC/DC Shares after the Arrangement being less than the trading price of Common Shares immediately prior to the Arrangement; there being no established market for the Common Shares or the AC/DC Shares; the Company's ability to delay or amend the implementation of all or part of the Arrangement or to proceed with the Arrangement even if certain consents and approvals are not obtained on a timely basis; the reduced diversity of the Company and AC/DC as separate companies; the costs related to the Arrangement that must be paid even if the Arrangement is not completed; obtaining approvals and consents, or satisfying other requirements, necessary or desirable to permit or facilitate completion of the Arrangement; global financial markets, general economic conditions, competitive business environments, and other factors may negatively impact the Company's and AC/DC's financial condition; future factors that may arise making it inadvisable to proceed with, or advisable to delay, all or part of the Arrangement; and the potential inability or unwillingness of current Shareholders to hold Common Shares and/or AC/DC Shares following the Arrangement. For a further description of these and other factors that could cause actual results to differ materially from the forward-looking statements included in or incorporated into this Circular, see the risk factors discussed under the heading "*Risk Factors*", as well as the risk factors included in the Company's management discussion and analysis for the year ended June 30, 2023 and for the interim period ended September 30, 2023 and as described from time to time in the reports and disclosure documents filed by the Company with Canadian securities regulatory authorities, which are available under the Company's profile on SEDAR at [www.sedarplus.ca](http://www.sedarplus.ca). This list is not exhaustive of the factors that may impact the Company's forward-looking statements. These and other factors should be considered carefully and readers should not place undue reliance on the Company's forward-looking statements. As a result of the foregoing and other factors, there can be no assurance that actual results will be consistent with these forward-looking statements.

All forward-looking statements included in or incorporated by reference into this Circular are qualified by these cautionary statements. The forward-looking statements contained herein are made as of the date of this Circular and, except as required by applicable law, neither the Company nor AC/DC undertakes any obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

**Readers are cautioned that the actual results achieved will vary from the information provided herein and that such variations may be material. Consequently, there are no representations by the Company or AC/DC that actual results achieved will be the same in whole or in part as those set out in the forward-looking statements.**

### **DOCUMENTS INCORPORATED BY REFERENCE**

The following documents are incorporated by reference and form part of this Circular. Copies of these documents may be obtained by accessing the SEDAR website at [www.sedarplus.ca](http://www.sedarplus.ca) under the profile of the Company. In addition, copies of the following documents may also be obtained on request without charge from the Company's CEO at [tfernback@shaw.ca](mailto:tfernback@shaw.ca):

- (a) the unaudited condensed consolidated interim financial statements of the Company for three months ended September 30, 2023, together with the notes thereto;
- (b) management's discussion and analysis for the three months ended September 30, 2023;
- (c) the audited consolidated financial statements of the Company for the years ended June 30, 2023 and 2022, together with the notes thereto and the auditor's report thereon; and
- (d) management's discussion and analysis for the year ended June 30, 2023.

## GLOSSARY OF TERMS

The following is a glossary of certain terms used in this Circular, including the summary hereof and the Schedules to the Circular.

“**1933 Act**” means the *United States Securities Act of 1933*, as amended, and all rules and regulations thereunder.

“**ACB**” has the meaning given to it under the heading “*Material Income Tax Considerations - Holders Resident in Canada*”.

“**AC/DC**” means AC/DC Battery Metals Inc., a wholly-owned subsidiary of the Company (formerly 1427652 B.C. Ltd.)

“**AC/DC Audit Committee**” has the meaning given to it in Schedule “G” under the heading “*AC/DC Audit Committee*”.

“**AC/DC Board**” means the board of directors of AC/DC, as constituted on closing of the Arrangement.

“**AC/DC Carve-out Financial Statements**” means the carve-out financial statements of AC/DC for the three months ended September 30, 2023 and the year ended June 30, 2023, attached as Schedule “H”.

“**AC/DC Charter**” has the meaning given to it in Schedule “G” under the heading “*AC/DC Audit Committee - Audit Committee Charter*”.

“**AC/DC Options**” means share purchase options of AC/DC to be issued pursuant to the AC/DC Option Plan;

“**AC/DC Option Plan**” means the stock option plan of AC/DC.

“**AC/DC Private Placement**” the non-brokered private placement of up to 40,000,000 AC/DC Units.

“**AC/DC Pro-forma Financial Statements**” means the pro forma financial statements of AC/DC, attached as Schedule “I”.

“**AC/DC Shares**” means no par value common shares in the capital of AC/DC.

“**AC/DC Unit**” has the meaning given to it in Schedule “G” under the heading “*Available Funds and Principal Purposes - Available Funds*”.

“**allowable capital loss**” has the meaning given to it under the heading “*Material Income Tax Considerations - Holders Resident in Canada - Taxation of Capital Gains and Losses*”.

“**Arrangement**” means the arrangement of the Company under Section 288 of the BCBCA on the terms and subject to the conditions set out in the Plan of Arrangement, subject to any amendments or variations thereto made in accordance with the Plan of Arrangement or the Arrangement Agreement or made at the direction of the Court in the Final Order and acceptable to the Company.

“**Arrangement Agreement**” means the arrangement agreement dated September 27, 2023 between the Company and AC/DC, a copy of which is attached as Schedule “C”, and the amending arrangement agreement dated February 20, 2024, a copy of which is attached as Schedule “C-1”, as they may be amended or modified from time to time.

“**Arrangement Resolution**” means the special resolution to be considered by the Shareholders at the Meeting to approve the Arrangement, and which shall be in, or substantially in, the form set out at Schedule “B”.

“**Audit Committee**” has the meaning given to it under the heading “*Audit Committee*”.

“**BCBCA**” means the *Business Corporations Act (British Columbia)*, as amended.

“**Beneficial Shareholder**” has the meaning given under the heading “*Appointment and Revocation of Proxy - Advice to Beneficial Holders of Common Shares*”.

“**Board**” means the board of directors of the Company, as currently constituted.

“**Broadridge**” has the meaning given under the heading “*Appointment and Revocation of Proxy - Advice to Beneficial Holders of Common Shares*”.

“**Business Day**” means a day which is not a Saturday, Sunday or statutory holiday in Vancouver, British Columbia.

“**Canadian Assets**” has the meaning given to it in Schedule “G” under the heading “*Description of the Business*”.

“**Circular**” means this management information circular dated March 7, 2024, together with all schedules, appendices and exhibits hereto, as amended, supplemented or otherwise modified from time to time.

“**Common Shares**” means the common shares without par value in the capital of the Company, as constituted on the date hereof.

“**Company**” means Grid Battery Metals Inc.

“**Odyssey**” has the meaning given under the heading “*Appointment and Revocation of Proxy*”.

“**Court**” means the British Columbia Supreme Court.

“**Depository**” means Odyssey Trust Company, or such other depository as the Company may determine.

“**Dissent Notice**” has the meaning given to it under the heading “*Dissent Rights*”.

“**Dissent Procedures**” has the meaning given to it under the heading “*Dissent Rights*”.

“**Dissent Rights**” means the right of Registered Shareholders to exercise a right of dissent under the BCBCA in strict compliance with the Dissent Procedures.

“**Dissenting Resident Holder**” has the meaning given under the heading “*Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada – Dissenting Resident Holder*”.

“**Dissenting Shareholder**” means a Registered Shareholder who exercises Dissent Rights in respect of the Arrangement in strict compliance with the BCBCA, as modified or supplemented by the Interim Order, Plan of Arrangement or any other order(s) of the Court and who has not withdrawn or have been deemed to have withdrawn such exercise of such Dissent Rights and who is ultimately entitled to be paid fair value for his, her or its the Company Shares.

“**Distribution Record Date**” means the close of business on the last trading day on the TSX-V immediately prior to the Effective Date, or such other date as the Board may determine.

“**Effective Date**” means the effective date of the Arrangement, which shall be two Business Days following the date on which all of the conditions precedent to the completion of the Arrangement have been satisfied or waived in accordance with the Arrangement Agreement (other than conditions which cannot, by their terms, be satisfied until the Effective Date, but subject to satisfaction or waiver of such conditions as of the Effective Date) or such other date as may be mutually agreed by the Company and AC/DC, and the Company and AC/DC shall execute a certificate confirming the Effective Date.

“**Effective Time**” means 12:01 a.m. on the Effective Date, or such other time on the Effective Date as may be mutually agreed by the Company and AC/DC.

“**Final Order**” means the final order of the Court approving the Arrangement.

“**forward-looking statements**” has the meaning given to it under the heading “*Forward Looking Statements*”.

“**Grid Nickel Project Technical Report**” means the “Technical Report for the Grid Nickel Project” authored by Jeremy Hanson, P. Geo, with an effective date of December 4, 2023.

“**Grid Options**” means share purchase options issued by the Company pursuant to the Stock Option Plan which are outstanding on the Effective Date.

“**Grid Warrants**” means the common share purchase warrants issued by the Company which are outstanding on the Effective Date.

“**Guidelines**” has the meaning given to it under the heading “*Corporate Governance Disclosure*”.

“**Holder**” has the meaning given to it under the heading “*Material Income Tax Considerations - Certain Canadian Federal Income Tax Considerations*”.

“**Interim Order**” means the interim order of the Court dated March 6, 2024, in respect of the Meeting and the Arrangement, a copy of which is attached as Schedule “D”.

“**Intermediary**” means an intermediary with which a Beneficial Shareholder may deal, including banks, trust companies, securities dealers or brokers and trustees or administrators of self-directed trusts governed by registered retirement savings plans, registered retirement income funds, registered education savings plans (each, as defined in the Tax Act) and similar plans, and their nominees.

“**Meeting**” means the annual general and special meeting of Shareholders to be held on April 9, 2024, and any adjournment(s) or postponement(s) thereof, held in order to, among other things, consider and, if thought fit, approve the Arrangement.

“**Nevada Assets**” has the meaning given to it in Schedule “L” under the heading “*Description of the Business*”.

“**NI 43-101**” means National Instrument 43-101 *Standards of Disclosure for Mineral Projects*.

“**NI 52-110**” has the meaning given to it under the heading “*Audit Committee*”.

“**NI 54-101**” has the meaning given under the heading “*Appointment and Revocation of Proxy - Advice to Beneficial Holders of Common Shares*”.

“**NOBOs**” has the meaning given under the heading “*Appointment and Revocation of Proxy - Advice to Beneficial Holders of Common Shares*”.

“**Non-resident Dissenter**” has the meaning given under the heading “*Certain Canadian Federal Income Tax Considerations – Holders Not Resident in Canada – Dissenting Non-Resident Holders*”.

“**Non-resident Holder**” has the meaning given under the heading “*Certain Canadian Federal Income Tax Considerations – Holders Not Resident in Canada*”.

“**Notice of Hearing**” means the notice of hearing for the hearing of the Final Order attached as Schedule “E” hereto.

“**Notice of Meeting**” has the meaning given to it under the heading “*Notice to Reader*”.

“**Notice of Meeting**” means the notice of annual and special meeting in respect of the Meeting.

“**OBOs**” has the meaning given under the heading “*Appointment and Revocation of Proxy - Advice to Beneficial Holders of Common Shares*”.

“**Plan of Arrangement**” means the plan of arrangement of the Company, substantially in the form set forth in Exhibit A to Schedule “C” hereto, and any amendments or variations thereto made in accordance with the Plan of Arrangement or upon the direction of the Court in the Final Order.

“**Proposed Amendments**” has the meaning given to it under the heading “*Certain Canadian Federal Income Tax Considerations*”.

“**Proxy**” has the meaning given to it under the heading “*Notice to Readers*”.

“**PUC**” has the meaning given to it under the heading “*Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada – Exchange of the Company Shares for AC/DC Shares*”.

“**Record Date**” means the record date for notice of and voting at the Meeting, being fixed as March 5, 2024.

“**Registered Plans**” has the meaning given under the heading “*Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada – Eligibility for Investment – AC/DC Shares*”.

“**Registered Shareholders**” has the meaning given under the heading “*Appointment and Revocation of Proxy*”.

“**Registrar**” means the Registrar of Companies appointed pursuant to Section 400 of the BCBCA.

“**Regulations**” has the meaning given to it under the heading “*Material Income Tax Considerations - Certain Canadian Federal Income Tax Considerations*”.

“**Resident Holder**” has the meaning given under the heading “*Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada*”.

“**RRIF**” means a registered retirement income fund.

“**RRSP**” means a registered retirement savings plan.

“**SEDAR**” means the System for Electronic Document Analysis and Retrieval of the Canadian Securities Administrators, accessible at [www.sedarplus.ca](http://www.sedarplus.ca).

“**Share Exchange**” has the meaning given to it under the heading “*Material Income tax Considerations - Holders Resident in Canada*”.

“**Shareholders**” has the meaning given to it under the heading “*Notice to Readers*”.

“**Stock Option Plan**” has the meaning given to it under the heading “*Particulars of Matters to Be Acted Upon - Confirming Stock Option Plan*”.

“**Tax Act**” means the Income Tax Act (Canada), including the regulations promulgated thereunder, as amended.

“**taxable capital gain**” has the meaning given to it under the heading “*Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada – Taxation of Capital Gains and Capital Losses*”.

“**TFSA**” means a tax-free savings account.

“**TSX-V**” means the TSX Venture Exchange Inc.

“**VIF**” has the meaning given to it under the heading “*Appointment and Revocation of Proxy - Advice to Beneficial Holders of Common Shares*”.



## SUMMARY OF CIRCULAR

*The following is a summary of information relating to the Company and AC/DC and should be read together with the more detailed information and financial data and statements contained elsewhere in this Circular.*

### **The Meeting**

The Meeting will be held at 3028 Quadra Court, Coquitlam, BC V3B 5X6 on April 9, 2024 at 10:00 a.m. (Vancouver time) for the purposes set forth in the Notice of Meeting. At the Meeting, Shareholders will attend to certain annual and special business, including the election and appointment of the directors of the Company. Shareholders will also consider and vote upon the Arrangement to be implemented pursuant to the Arrangement Resolution. See “*Particulars of Matters to be Acted Upon*”.

### **The Companies**

*Grid Battery Metals Inc.*

The Company is a Canadian based company which is focused on exploration for precious and base metals in North America. Its head office is located at 3028 Quadra Court, Coquitlam, BC, V3B 5X6. The Company is primarily focused on the exploration for battery minerals in North America.

The Common Shares are currently listed for trading on the TSX-V under the symbol “CELL”. On September 27, 2023, the date immediately preceding the announcement of the Arrangement, the closing price for the Common Shares was \$0.135.

*AC/DC Battery Metals Inc.*

AC/DC is a wholly-owned subsidiary of the Company and was incorporated on July 14, 2023 under the name 1427652 B.C. Ltd., pursuant to the provisions of the BCBCA. On October 16, 2023 the name was changed to AC/DC Battery Metals Inc. Since incorporation, it has carried on no business other than as otherwise described in this Circular. The registered and records office is located at Suite 501, 3292 Production Way, Burnaby BC, V5A 4R4. The sole director of AC/DC is Tim Fernback.

### **The Arrangement**

The purpose of the Arrangement and the related transactions is to reorganize the Company into two separate publicly-traded companies: (a) the Company, which will be an exploration company focused on lithium exploration in Nevada; and (b) AC/DC, which will be an exploration company focused on Canada holding the Canadian Assets which include the Company’s current interest in the Hard Nickel Projects. The Arrangement will result in, among other things, participating Shareholders holding, immediately following completion of the Arrangement, all of the outstanding Common Shares at the Effective Time. For a summary of the steps of the Arrangement and related transactions, see the section entitled “*The Arrangement – Details of the Arrangement*”.

### **Reasons for the Arrangement**

The Board believes that the separation of the Nevada Assets and the Canadian Assets into two separate publicly-traded companies will provide a number of benefits to the Company, AC/DC and the Shareholders, including: (a) providing Shareholders with enhanced value by creating a company focused on the development of the Nevada Assets and a company focused on the development of the Canadian Assets; (b) providing Shareholders with 100% ownership of the Company; (c) providing each company with a sharper business focus, enabling them to pursue independent business and financing strategies best suited to their respective business plans; (d) enabling investors, analysts and other stakeholders or potential stakeholders to more accurately compare and evaluate each company; (e) enabling each company to pursue independent growth and capital allocation strategies; (f) allowing each company to be led by experienced executives and directors who have experience in each company’s respective resource sector; and (g) allowing the reorganization to occur on a tax-deferred basis for Shareholders resident in Canada who hold their Common Shares as capital property.

See further details under the section entitled “*The Arrangement – Reasons for the Arrangement*”.

### **Recommendation of the Board**

The Board, having reviewed the Plan of Arrangement and related transactions and considered among other things the reasons for the Arrangement, has unanimously determined that the Arrangement is in the best interests of the Company and the Shareholders. **The Board has unanimously approved the Arrangement and the transactions contemplated thereby, and unanimously recommends that Shareholders vote FOR the Arrangement Resolution.**

See further details under the section entitled “*The Arrangement – Recommendation of the Board*”.

### **Fairness of the Arrangement**

The Arrangement was determined to be fair to the Shareholders by the Board based upon the following factors, among others:

- (a) the procedures by which the Arrangement will be approved, including Shareholder approval of the Arrangement Agreement and approval by the Court after a hearing at which the fairness of the Arrangement will be considered; and
- (b) the opportunity for Shareholders who are opposed to the Arrangement, upon compliance with certain conditions, to exercise Dissent Rights under the BCBCA, as modified by the Interim Order.

See further details under the section entitled “*The Arrangement – Fairness of the Arrangement*”.

### **Conditions to Closing**

The Arrangement will be subject to the satisfaction or waiver, as applicable, of certain conditions, including the following:

- (a) the Arrangement Resolution must be approved by at least 66⅔% of the votes cast by Shareholders present, in person or by proxy, and entitled to vote at the Meeting, in accordance with the Interim Order;
- (b) the Arrangement must be approved by the Court and the Final Order obtained in form and substance satisfactory to the Company;
- (c) the TSX-V must have approved the Arrangement and the transactions contemplated thereby; and
- (d) all other consents, orders and approvals that are required, necessary or desirable for the completion of the Arrangement must have been obtained or received, each in a form acceptable to the Company.

See further details under the section entitled “*The Arrangement – Conditions to the Arrangement*”.

### **Court Approval**

An arrangement under the BCBCA requires approval of the Court. Prior to mailing this Circular, the Company obtained the Interim Order, which provides for the calling and holding of the Meeting, Dissent Rights and certain other procedural matters. A copy of the Interim Order is attached as Schedule “D”.

Subject to the approval of the Arrangement Resolution by Shareholders at the Meeting, the hearing for the Final Order is currently schedule to take place on or about April 11, 2024 at 9:45 a.m. (Vancouver time) in Vancouver, British Columbia. At the hearing, any Shareholder or other interested party who wishes to participate or be represented or present arguments or evidence may do so by serving a response to petition in compliance with the Interim Order, a copy of which is attached as Schedule “D”.

See further details under the section entitled “*The Arrangement – Court Approval of the Arrangement*”.

### **Effective Date**

Upon receipt of the Final Order, the Company will announce by news release the proposed Effective Date of the Arrangement, which is expected to be in late April, 2024. The record date for determining the Shareholders entitled to participate in the Arrangement will be the Distribution Record Date.

### **Stock Exchange Listings**

The Common Shares are currently listed and traded on the TSX-V under the symbol “CELL”, and, following completion of the Arrangement, the Common Shares will continue to be traded on the TSX-V under the same symbol.

AC/DC will use commercially reasonable efforts to meet the initial listing requirements for a “mining issuer” under the policies of the TSX-V and to apply for the listing of the AC/DC Shares on the TSX-V following completion of the Arrangement. Listing of the AC/DC Shares on the TSX-V will be subject to satisfying all of the TSX-V’s initial listing requirements.

### **The Company Following the Arrangement**

Following completion of the Arrangement, the Company will continue to explore and develop the Nevada Lithium Assets. The Common Shares will continue to trade on the TSX-V under the symbol “CELL”.

See “Schedule “L” - *Grid Battery Metals Inc. Following the Arrangement*” for information regarding the Company following completion of the Arrangement.

### **AC/DC Following the Arrangement**

Following the Arrangement, AC/DC will be a non-listed reporting issuer and will own the Canadian Assets. AC/DC intends on using commercially reasonable efforts to take the necessary steps to meet the initial listing requirements of a “mining issuer” on the TSX-V and to apply to have the AC/DC Shares listed on the TSX-V.

Under TSX-V Policy 2.1 – *Initial Listing Requirements*, an issuer applying to list as a “mining issuer” must have significant interest in a qualifying property or the right to earn a significant interest in a qualifying property which there has been exploration previously conducted including “qualifying expenditures” of at least \$100,000 by the issuer or predecessor during the most recent 36 months. The issuer must have obtained an independent report that meets the requirements of NI 43-101 or any successor instrument and that recommends further exploration on the property, with a budget for the first phase of at least \$200,000. Adequate working capital and financial resources to carry out the recommended work program for 12 months following listing and \$100,000 in unallocated funds. The issuer must have a public float of 500,000 shares with 200 public shareholders each holding board lot with no resale restrictions and 20% of the issued and outstanding shares in the hands of the public shareholders. If the issuer does not have title to the property, it must have the means and ability to acquire an interest in the property upon completion of specific objectives or milestones within a defined period. “Qualifying expenditures” include exploration expenditures related to geological and scientific surveys to advance mineral project but do not include general and administrative, land maintenance, property acquisition or payments, staking, investor or public relations, non-domestic flight expenditures or taxes.

There is no guarantee that AC/DC will meet the initial listing requirements for a “mining issuer” on the TSX-V or that the AC/DC Shares will be listed on the TSX-V. Listing of the AC/DC Shares on the TSX-V will be subject to satisfying all of the TSX-V’s initial listing requirements.

Management of AC/DC intends to complete the AC/DC Private Placement concurrently with the completion of the Arrangement. Pursuant to the AC/DC Private Placement, AC/DC will issue up to 40,000,000 AC/DC Units at a price of \$0.05 per unit. Each AC/DC Unit will be comprised of one AC/DC Share and one AC/DC Warrant. Each AC/DC Warrant will be exercisable into one AC/DC Share at an exercise price of \$0.06 for a period of five (5) years from the closing of the AC/DC Private Placement.

See “Schedule “G” - *AC/DC Battery Metals Inc. Following the Arrangement*” for detailed information regarding AC/DC following completion of the Arrangement.

### **Selected Unaudited *Pro-Forma* Consolidated Financial Information for AC/DC**

The selected unaudited *pro-forma* financial information contained in this Circular for AC/DC is based on the assumptions described in the notes to AC/DC’s unaudited *pro-forma* condensed statement of financial position as at September 30, 2023. See Schedule “I” for the AC/DC Pro-forma Financial Statements.

### **Distribution of Shares**

As soon as practicable after the Distribution Record Date, the Company will deliver AC/DC Shares to the Shareholders of record on the Distribution Record Date on a *pro rata* basis based on the number of Common Shares outstanding on the Distribution Record Date. Each Common Share held by the Shareholders will receive 0.05 of an AC/DC Share.

### **Dissent Rights**

Registered Shareholders are entitled to exercise Dissent Rights by providing written notice to the Company at or before 10:00 a.m. (Vancouver time) on April 5, 2024 (or on the Business Day that is two Business Days immediately preceding any adjourned or postponed Meeting) in the manner described under the heading “*Dissent Rights*”. If a Registered Shareholder exercises Dissent Rights in strict compliance with the BCBCA and Interim Order and the Arrangement is completed, such Dissenting Shareholder is entitled to be paid the “fair value” of the Common Shares with respect to which the Dissent Rights were exercised, as calculated immediately before the passing of the Arrangement Resolution. Only Registered Shareholders are entitled to exercise Dissent Rights. Shareholders should carefully read the section of this Circular entitled “*Dissent Rights*” and consult with their advisors if they wish to exercise Dissent Rights.

### **Canadian Securities Laws Matters**

The securities of AC/DC to be distributed to Shareholders pursuant to the Arrangement will be distributed pursuant to exemptions from the registration and prospectus requirements contained in applicable provincial securities legislation in Canada. Under applicable provincial securities laws, the AC/DC Shares may be resold in Canada without hold period restrictions, provided that the sale is not a “control distribution” as defined by applicable securities laws, no unusual effort is made to prepare the market or create a demand for the securities, no extraordinary commission or consideration is paid in respect of the sale and, if the selling securityholder is an insider or officer of the Company or AC/DC, as applicable, such securityholder has no reasonable grounds to believe that the Company or AC/DC, as the case may be, is in default of securities legislation.

See further details under the section entitled “*Certain Securities Law Matters – Canadian Securities Laws*”.

### **United States Securities Law Matters**

The AC/DC Shares to be distributed pursuant to the Arrangement will not be registered under the 1933 Act or the securities laws of any state of the United States and will be distributed in reliance upon the exemption from registration provided by Section 3(a)(10) of the 1933 Act and available exemptions from applicable state registration requirements. The AC/DC Shares will generally not be subject to resale restrictions under U.S. federal securities laws for persons who are not affiliates of the Company or AC/DC following the Arrangement or within 90 days prior to the Arrangement.

See further details under the section entitled “*Certain Securities Law Matters – United States Securities Laws*”.

### **Certain Canadian Income Tax Considerations**

A summary of certain Canadian federal income tax considerations for Shareholders who participate in the Arrangement is set out under the heading “*Certain Canadian Federal Income Tax Considerations*”.

Shareholders should carefully review the tax considerations applicable to them under the Arrangement and are urged to consult their own legal, tax and financial advisors in regards to their particular circumstances.

**Certain United States Income Tax Considerations**

Shareholders who are resident in, or citizens of, the United States are advised to consult their own tax advisors to determine the particular United States tax consequences to them of the Arrangement in light of their particular situation, as well as any tax consequences that may arise under the laws of any other relevant foreign, state, local, or other taxing jurisdiction. This Circular does not contain a description of the United States tax consequences of the Arrangement or the ownership of AC/DC Shares.

**Risk Factors**

Shareholders should be aware that there are various known and unknown risk factors in connection with the Arrangement and the ownership of AC/DC Shares following the completion of the Arrangement. Shareholders should carefully consider the risks identified in this Circular and in Schedules “G” and “L” under the headings “*Risk Factors*” and before deciding whether or not to approve the Arrangement Resolution.

## APPOINTMENT AND REVOCATION OF PROXY

The persons named in the Proxy are directors and/or officers of the Company. A registered Shareholder (each, a “**Registered Shareholder**”) who wishes to appoint some other person to serve as their representative at the Meeting may do so by striking out the printed names and inserting the desired person’s name in the blank space provided. The completed Proxy should be delivered to Odyssey Trust Company (“**Odyssey**”) by 10:00 a.m. (Vancouver time) on April 5, 2024, or prior to 48 hours (excluding Saturdays, Sundays and holidays) before any adjournment of the Meeting at which the Proxy is to be used.

The Proxy may be revoked by:

- (a) signing a proxy with a later date and delivering it at the time and place noted above;
- (b) signing and dating a written notice of revocation and delivering it to Odyssey, or by transmitting a revocation by telephonic or electronic means, to Odyssey, at any time up to and including the last business day preceding the day of the Meeting, or any adjournment of it, at which the Proxy is to be used, or delivering a written notice of revocation and delivering it to the Chairman of the Meeting on the day of the Meeting or adjournment of it; or
- (c) attending the Meeting or any adjournment of the Meeting and registering with the scrutineer as a shareholder present in person.

### Provisions Relating to Voting of Proxies

**The Common Shares represented by Proxy in the form provided to Shareholders will be voted or withheld from voting by the designated holder in accordance with the direction of the Registered Shareholder appointing him. If there is no direction by the Registered Shareholder, those Common Shares will be voted for all proposals set out in the Proxy and for the election of directors and the appointment of the auditors as set out in this Circular. The Proxy gives the person named in it the discretion to vote as such person sees fit on any amendments or variations to matters identified in the Notice of Meeting, or any other matters which may properly come before the Meeting. At the time of printing of this Circular, Management knows of no other matters which may come before the Meeting other than those referred to in the Notice of Meeting.**

### Advice to Beneficial Holders of Common Shares

**The information set forth in this section is of significant importance to many Shareholders, as a substantial number of Shareholders do not hold Common Shares in their own name.** Shareholders who hold their Common Shares through their brokers, intermediaries, trustees or other persons, or who otherwise do not hold their Common shares in their own name (referred to herein as “**Beneficial Shareholders**”) should note that only Proxies deposited by Registered Shareholders who appear on the records maintained by the Company’s registrar and transfer agent as registered holders of Common Shares will be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a Beneficial Shareholder by a broker, then those Common Shares will, in all likelihood, not be registered in the Shareholder’s name. Such Common Shares will more likely be registered under the name of the Shareholder’s broker or an agent of that broker. In Canada, the vast majority of such Common Shares are 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). In the United States, the vast majority of such Common Shares are registered under the name of Cede & Co., the registration name for The Depository Trust Company, which acts as nominee for many United States brokerage firms. Common Shares held by brokers (or their agents or nominees) on behalf of a broker’s client can only be voted or withheld at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the broker’s clients. Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.

Existing regulatory policy requires brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholder 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 instrument of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is substantially similar to the 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 (“**VIF**”), mails those forms to Beneficial Shareholders and asks Beneficial Shareholders to return the VIFs 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 Common Shares to be represented at the Meeting. **A Beneficial Shareholder who receives a Broadridge VIF cannot use that form to vote Common Shares directly at the Meeting. The VIFs 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.**

The Notice of Meeting, Circular, Proxy and VIF, as applicable, are being provided to both Registered Shareholders and Beneficial Shareholders. Beneficial Shareholders fall into two categories - those who object to their identity being known to the issuers of securities which they own (“**OBOs**”) and those who do not object to their identity being made known to the issuers of the securities which they own (“**NOBOs**”). Subject to the provisions of National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”), issuers may request and obtain a list of their NOBOs from intermediaries directly or via their transfer agent and may obtain and use the NOBO list for the distribution of proxy-related materials directly (not via Broadridge) to such NOBOs. If you are a Beneficial Shareholder and the Company or its agent has sent these materials directly to you, 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 the Common Shares on your behalf.

The Company has distributed copies of the Notice of Meeting, Circular and VIF to intermediaries for distribution to NOBOs. Unless you have waived your right to receive the Notice of Meeting, Circular and VIF, intermediaries are required to deliver them to you as a NOBO of the Company and to seek your instructions on how to vote your Common Shares.

The Company’s OBOs can expect to be contacted by Broadridge or their brokers or their broker’s agents as set out above. The Company does not intend to pay for intermediaries to deliver the Notice of Meeting, Circular and VIF to OBOs and accordingly, if the OBO’s intermediary does not assume the costs of delivery of those documents in the event that the OBO wishes to receive them, the OBO may not receive the documentation.

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. NI 54-101 allows a Beneficial Shareholder who is a NOBO to submit to the Company or an applicable intermediary any document in writing that requests that the NOBO or a nominee of the NOBO be appointed as proxyholder. If such a request is received, the Company or an intermediary, as applicable, must arrange, without expenses to the NOBO, to appoint such NOBO or its nominee as a proxyholder and to deposit that proxy within the time specified in this Circular, provided that the Company or the intermediary receives such written instructions from the NOBO at least one business day prior to the time by which proxies are to be submitted at the Meeting, with the result that such a written request must be received by 10:00 a.m. (local time in Vancouver, British Columbia) on the day which is at least three business days prior to the Meeting. **A Beneficial Shareholder who wishes to attend the Meeting and to vote their Common Shares as proxyholder for the Registered Shareholder, should enter their own name in the blank space on the VIF or such other document in writing that requests that the NOBO or a nominee of the NOBO be appointed as proxyholder and return the same to their broker (or the broker’s agent) in accordance with the instructions provided by such broker.**

All references to Shareholders in the Notice of Meeting, Circular and the accompanying Proxy are to Registered Shareholders of the Company as set forth on the list of registered shareholders of the Company as maintained by the registrar and transfer agent of the Company, Odyssey, unless specifically stated otherwise.

## QUORUM

The articles of the Company provide that quorum for the transaction of business at any meeting of Shareholders is one person who represents by proxy, one or more shareholders, who in the aggregate, hold at least 5% of the issued and

outstanding shares entitled to vote at the meeting. If there is only one shareholder entitled to vote at a meeting of shareholders: (a) the quorum is one person who is, or who represents by proxy, that shareholder; and (b) that shareholder, present in person or by proxy, may constitute the meeting.

## FINANCIAL STATEMENTS

The audited financial statements of the Company for the year ended June 30, 2023, together with the auditor's report on those statements and related management's discussion and analysis, will be presented to the Shareholders at the Meeting. A copy of the Company's financial statements may be obtained from the Company's profile at [www.sedarplus.ca](http://www.sedarplus.ca).

## STATEMENT OF EXECUTIVE COMPENSATION

Except where otherwise indicated, the information contained herein is stated as of June 30, 2023.

In this Circular, the following terms have the meanings set out below:

**“Chief Executive Officer”** or **“CEO”** means an 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.

**“Chief Financial Officer”** or **“CFO”** means an 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.

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

**“Named Executive Officer”** or **“NEO”** means each of the following individuals:

- (a) a CEO;
- (b) a CFO;
- (c) each of the three (3) most highly compensated executive officers, or the three (3) most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year 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
- (d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of that financial year.

Based on the foregoing definitions, during the financial year ended June 30, 2023, the Company had four NEOs, namely (i) Tim Fernback, CEO of the Company; (ii) Robert Setter, former CEO of the Company; (iii) Robert Guanzon, CFO of the Company; and (iv) Konstantin Lichtenwald, former CFO of the Company.

## DIRECTOR AND NAMED EXECUTIVE OFFICER COMPENSATION

The following table sets forth a summary of the compensation paid to the Company's NEOs and directors, excluding options and compensation securities, for the two most recently completed financial years ended June 30, 2023 and June 30, 2022.



Table of Compensation Excluding Compensation Securities							
Name and Position	Year <sup>(1)</sup>	Salary, Consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other Compen- sation (\$)	Total Compen- sation (\$)
Tim Fernback <sup>(2)</sup> CEO & Director	2023	\$21,000	Nil	Nil	Nil	Nil	\$21,000
	2022	Nil	Nil	Nil	Nil	Nil	Nil
Robert Setter <sup>(2)</sup> Former CEO & Director	2023	\$24,000	Nil	Nil	Nil	Nil	\$24,000
	2022	\$24,000	Nil	Nil	Nil	Nil	\$24,000
Robert Guanzon <sup>(3)</sup> CFO	2023	\$28,000	Nil	Nil	Nil	Nil	\$28,000
	2022	Nil	Nil	Nil	Nil	Nil	Nil
Konstantin Lichtenwald <sup>(3)</sup> Former CFO	2023	\$24,000	Nil	Nil	Nil	Nil	\$24,000
	2022	\$51,000	Nil	Nil	Nil	Nil	\$51,000
John (“Jay”) Oness Director	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil
Ali Alizadeh Director	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil

(1) Fiscal years ended June 30.

(2) Effective March 28, 2023, Mr. Fernback was appointed President, CEO and Director of the Company and Mr. Setter resigned as the Company’s President and CEO. Mr. Setter remains an active Director.

(3) Effective December 22, 2022, Mr. Guanzon was appointed CFO of the Company and Mr. Lichtenwald resigned as the Company’s CFO.

External Management Companies

During the year ended June 30, 2023, no management functions of the Company were to any substantial degree performed by a person other than the directors or executive officers of the Company.

Stock Options And Other Compensation Securities

The following table provides a summary of all compensation securities granted or issued to each Named Executive Officer and to each director of the Company during the year ended June 30, 2023:

Stock Options and Other Compensation Securities							
Name and Position	Type of compensation security	Number of compensation securities, number of underlying securities and % of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
Tim Fernback CEO & Director	Stock Option <sup>(1)(2)</sup>	1,000,000 (8.93%)	Feb 2’23	\$0.05	\$0.06	\$0.12	Feb 2’28

Stock Options and Other Compensation Securities							
Name and Position	Type of compensation security	Number of compensation securities, number of underlying securities and % of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
Robert Setter Former CEO & Director	Stock Option <sup>(1)(2)</sup>	250,000 (2.23%)	Feb 2'23	\$0.05	\$0.06	\$0.12	Feb 2'28
Robert Guanzon CFO	Stock Option <sup>(1)(2)</sup>	250,000 (2.23%)	Feb 2'23	\$0.05	\$0.06	\$0.12	Feb 2'28
Konstantin Lichtenwald Former CFO	Stock Option <sup>(1)(2)</sup>	Nil	n/a	n/a	n/a	n/a	n/a
John ("Jay") Oness <sup>(3)</sup> Director	Stock Option <sup>(1)(2)</sup>	100,000 (0.89%)	Feb 2'23	\$0.05	\$0.06	\$0.12	Feb 2'28
Ali Alizadeh <sup>(4)</sup> Director	Stock Option <sup>(1)(2)</sup>	100,000 (0.89%)	Feb 2'23	\$0.05	\$0.06	\$0.12	Feb 2'28

- (1) Stock options granted during the financial year ended June 30, 2023 are exercisable into the equivalent amount of common shares.
- (2) Stock options granted during the financial year ended June 30, 2023 contain no vesting provisions.
- (3) As at June 30, 2023, Mr. Oness holds an aggregate of 250,000 stock options exercisable into 250,000 common shares. In addition to the above, 150,000 are exercisable at \$0.05 per share and expire September 17, 2025;
- (4) As at June 30, 2023, Mr. Alizadeh holds an aggregate of 250,000 stock options exercisable into 250,000 common shares. In addition to the above, 150,000 are exercisable at \$0.05 per share and expire September 17, 2025;

The following table provides a summary of all compensation securities exercised by each Named Executive Officer and by each director of the Company during the financial year ended June 30, 2023:

Exercise of Compensation Securities							
Name and Position	Type of compensation security	Number of underlying securities exercised	Exercise price per security (\$)	Date of exercise	Closing price per security on date of exercise (\$)	Difference between exercise price and closing price on date of exercise (\$)	Total value on exercise date (\$)
Tim Fernback CEO & Director	Stock Option	Nil	N/A	N/A	N/A	Nil	Nil
Robert Setter Former CEO & Director	Stock Option	Nil	N/A	N/A	N/A	Nil	Nil
Robert Guanzon CFO	Stock Option	Nil	N/A	N/A	N/A	Nil	Nil
Konstantin Lichtenwald Former CFO	Stock Option	Nil	N/A	N/A	N/A	Nil	Nil
John ("Jay") Oness Director	Stock Option	Nil	N/A	N/A	N/A	Nil	Nil
Ali Alizadeh Director	Stock Option	Nil	N/A	N/A	N/A	Nil	Nil

## STOCK OPTION PLAN SUMMARY

The Company has in place a fixed 20% stock option plan which was last approved by the shareholders at its December 21, 2022 Annual Meeting. The following is a summary of the substantive terms of the Company's current Stock Option Plan (the "Plan").

The Plan is administered by the Board of Directors of the Company, but may be administered by a special committee of Directors if one is appointed by the Board of Directors. The aggregate number of Shares that may be reserved for issuance under the Plan shall not exceed 14,461,830 shares of the issued and outstanding Shares of the Company (subject to standard anti-dilution adjustments). If a stock option expires or otherwise terminates without being exercised, the number of Common Shares reserved for issuance under that expired or terminated stock option will become available for issuance. The number of Shares subject to an option to a Service Provider shall be determined by the Board of Directors, but no Service Provider shall be granted an option which exceeds the maximum number of shares permitted by the Exchange or any stock exchange on which the Shares are then listed, or other regulatory body having jurisdiction.

The exercise price of the Shares covered by each option shall be determined by the Board of Directors, provided that the exercise price shall not be less than the Discounted Market Price permitted by the Exchange or any stock exchange on which the Common Shares are then listed, or other regulatory body having jurisdiction.

Should the expiry date of an Option fall within a Blackout Period of the Company, such expiry date shall, subject to approval of the Exchange, be automatically extended without any further act or formality to that day which is the tenth (10th) business day after the end of the Blackout Period, such tenth business day to be considered the expiry date for such Option for all purposes under the Plan.

The Plan provides that it is solely within the discretion of the Board, or its Committee if so designated, to determine who should receive stock options and in what amounts, subject to the following conditions:

1. options will be non-assignable and non-transferable except that they will be exercisable by the personal representative of the option holder in the event of the option holder's death;
2. options may be exercisable for a maximum of ten years from the date of grant (subject to extension where the expiry date falls within a "Blackout Period", as disclosed above);
3. the aggregate number of options together with all other Share Compensation Arrangements granted to any one option holder (including companies wholly owned by that option holder) in a 12-month period must not exceed 5% of the issued shares of the Company, calculated on the date an option is granted to the option holder, unless the Company has obtained Disinterested Shareholder Approval;
4. the aggregate number of options together with all other Share Compensation Arrangements granted to any one consultant in a 12-month period must not exceed 2% of the issued shares of the Company, calculated at the date an option is granted to the consultant;
5. the aggregate number of options granted to all option holders retained to provide Investor Relations Activities (as defined in Exchange Policy 1.1) must not exceed 2% of the issued shares of the Company in any 12-month period, calculated at the date an option is granted to any such option holder;
6. at no time will options be issued which could permit at any time the aggregate number of shares reserved for issuance under stock options granted to insiders (as a group) at any point in time exceeding 10% of the issued shares, unless the Company has obtained Disinterested Shareholder Approval;
7. at no time will options together with all other Share Compensation Arrangements be issued which could permit at any time the grant to insiders (as a group), within a 12-month period, of an aggregate number of options exceeding 10% of the issued shares calculated at the date an option is granted to any insider, unless the Company has obtained Disinterested Shareholder Approval;

8. options held by an option holder who is a director, employee, consultant or management company employee will expire 90 days after the option holder ceases to be a director, employee, consultant or management company employee, which time period the Company determines is reasonable;
9. in the event of an option holder's death, the option holder's personal representative may exercise any portion of the option holder's vested outstanding options for a period of one (1) year following the option holder's death;
10. options cannot be granted to directors, employees, consultants or management company employees that are not bona fide directors, employees, consultants or management company employees, as the case may be; and
11. options will be reclassified in the event of any consolidation, subdivision, conversion or exchange of the Company's Common Shares.

The Plan provides that other terms and conditions may be attached to a particular stock option, such terms and conditions to be referred to in a schedule attached to the option certificate. Stock options granted to directors, senior officers, employees or consultants vest when granted unless otherwise determined by the Board, or its Compensation Committee, on a case-by-case basis. Stock options granted to consultants or employees performing Investor Relations Activities, as such term is defined by the Exchange, will vest in stages over 12-months with no more than one-quarter of the Options vesting in any three-month period.

In addition, under the Plan a stock option will expire immediately in the event an Optionee is dismissed from employment or service for cause, such Optionee's Options, whether or not vested at the date of dismissal will immediately terminate without right to exercise same.

The price at which an Optionee may purchase a Common Share upon the exercise of an Option will be as set forth in the option certificate issued in respect of such Option and in any event will not be less than the discounted market price of the Company's Common Shares as of the date of the grant of the stock option (the "Grant Date"). The market price of the Company's Common Shares for a particular Grant Date will typically be the closing trading price of the Company's Common Shares on the day immediately preceding the Grant Date, or otherwise in accordance with the terms of the Plan. Discounted market price has the meaning assigned by Policy 1.1 of the TSX Venture Exchange Policies. In addition to any resale restriction under securities laws, if the exercise price of the Option is based on a Discounted Market Price, the Exchange Hold Period will apply to all Common Shares issued under each Option, commencing from the Grant Date. The Exchange Hold Period will also apply to all Common Shares issued under any Option granted to a director, officer or Insider (as such term is defined by the Exchange) of the Company, regardless of whether the Option was granted at market or discounted market price in addition to any resale restrictions under securities laws.

In no case will a stock option be exercisable at a price less than the minimum prescribed by the organized trading facility or the applicable regulatory authorities that would apply to the grant of the stock option in question.

A copy of the Plan is available for review by contacting the Company during normal business hours up to and including the date of the Meeting.

The Company intends to ask the shareholders to approve an amendment to its Plan as described herein. Please see "*Particulars of Matters to be Acted Upon*".

#### Employment, Consulting and Management Agreements

No material terms of any agreement or arrangement under which compensation was provided during the most recently completed financial year or payable in respect of services provided by directors or a named executive officer that has not been disclosed.

## OVERSIGHT AND DESCRIPTION OF DIRECTOR AND NEO COMPENSATION

### Named Executive Officer Compensation

When determining the compensation of the NEOs, the board of directors (“Board of Directors”) considers the resources of the Company and the objectives of attracting, motivating and retaining highly skilled and experienced executive officers. The Board of Directors does not have a formal compensation program with set benchmarks, however, the Board of Directors does have an informal program which seeks to reward an executive officer’s current and future expected performance and the achievements of corporate milestones and align the interests of executive officers with the interests of the Company’s shareholders.

The compensation awarded to, earned by, paid to or payable to each of the NEOs for the most recently completed financial year is set out under the heading, “*Director and Named Executive Officer Compensation*”.

### Compensation Review Process

The Board of Directors reviews on an annual basis the cash compensation, performance and overall compensation package of each executive officer, including the NEOs.

In establishing levels of remuneration, stock option and bonus grants, the Board of Directors are guided by the following principles:

- compensation is determined on an individual basis by the need to attract and retain talented, qualified and effective executives;
- total compensation is set with reference to the market for similar positions in comparable companies and with reference to the location of employment; and
- the current market and economic environment.

### Assessment of Individual Performance

Individual performance in connection with the achievement of corporate milestones and objectives is reviewed by the Board of Directors for all executive officers. While awards are generally tied to performance against quantitative objectives, consideration is also given to an individual’s qualitative contribution to the Company. For example, the Board of Directors will evaluate the individual’s leadership skills, commitment to the Company’s shareholders, innovation and teamwork.

### Elements of Executive Compensation

There are two main elements of direct compensation, namely base salary and equity participation through the Company’s stock option plan (the “*Stock Option Plan*”).

### Base Salary

The base fee or salary for each NEO is determined by an assessment by the Board of Directors of such NEOs performance, a consideration of competitive compensation levels in companies similar to the Company and review of the performance of the Company as a whole.

### Equity Participation

In the Company’s view, encouraging its executive officers and employees to become shareholders of the Company is the best way to align their interests with those of the Company’s shareholders. Equity participation is accomplished through the Stock Option Plan.

The Board of Directors reviews the performance of the Company’s management and advisors from time to time, and recommends option based awards as appropriate, taking into consideration factors such as individual performance and the overall performance of the Company.

### Director Compensation

There are no arrangements under which directors of the Company, who were not NEOs, were compensated by the Company or its subsidiaries during the Company's most recently completed fiscal year-end for their services in their capacity as directors or consultants of the Company. Directors are entitled to receive stock options based on the level of participation of each director of the Company as determined by the Board.

### Pension Disclosure

As at the fiscal year ended June 30, 2023, the Company did not maintain any defined benefit plans, defined contribution plans or deferred compensation plans.

## **VOTING SHARES AND PRINCIPAL HOLDERS THEREOF**

The Company is authorized to issue an unlimited number of Common Shares. As at March 5, 2024, the Record Date, the Company had **188,280,795** Common Shares issued and outstanding. There are no other shares issued or outstanding of any other class. The Common Shares are the only shares entitled to be voted at the Meeting, and holders of Common Shares as of the Record Date are entitled to one vote for each Common Share held.

To the knowledge of the directors and executive officers of the Company, no person, firm or Company beneficially owned, directly or indirectly, or exercised control or direction over, voting securities carrying more than 10% of the voting rights attached to any class of voting securities of the Company as at the Record Date.

## **ELECTION OF DIRECTORS**

The directors of the Company are elected annually by the Shareholders and hold office until the next annual general meeting of the Shareholders or until their successors are elected or appointed. The management of the Company 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 the management of the Company will be voted for the nominees listed in this Circular. Management does not contemplate that any of the nominees will be unable to serve as a director.

The number of directors on the Board is currently set at four. Shareholders will be asked at the Meeting to pass an ordinary resolution to set the number of directors for the ensuing year at four.

### **Advance Notice Provisions**

Pursuant to Article 14.12 of the Company's Articles, any additional director nominations for an annual general meeting must be received by the Company, not less than 30, nor more than 65 days prior to the date of the Meeting. As no nominations were received by March 7, 2024, management's nominees for election as directors set forth below shall be the only nominees eligible to stand for election at the Meeting.

The following table sets out the names, province or state and country of residence of the nominees for election as directors, the offices they hold within the Company, their principal occupations, business or employment within the five preceding years, the period or periods of time during which each director has served as a director of the Company, and the number of Common 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 Circular:

Name, province or state and country of residence and positions, current and former, if any, held in the Company	Principal occupation for last five years	Served as director since	Number of common shares beneficially owned, directly or indirectly, or controlled or directed at present <sup>(1)</sup>
<b>Tim Fernback<sup>(2)</sup></b> President, CEO & Director British Columbia, Canada	President of TCF Ventures Corp., a private company providing financial advisory services to public and private companies.	March 28, 2022	3,000,000
<b>Robert Setter</b> Director & former President & CEO British Columbia, Canada	Self-employed writer and consultant, 2011 to present; former President & CEO of the Company April, 2020 to March, 2022.	April 9, 2020	Nil
<b>John Oness<sup>(2)</sup></b> Director British Columbia, Canada	Vice President Corporate Development of Sothern Silver Exploration Corp., Equity Metals Corporation and Manex Group.	December 15, 2011	8,100
<b>Ali Alizadeh<sup>(2)</sup></b> Director British Columbia, Canada	Consultant Senior Geologist, Consultant Senior Geochemist, President and COO of CDN Resource Laboratories	October 15, 2013	Nil

Notes:

- (1) The information as to Common Shares beneficially owned or controlled has been provided by the directors themselves.
- (2) Members of the Audit Committee.

The Company does not have an executive committee of its Board. No proposed director is being elected under any arrangement or understanding between the proposed director and any other person or company except the directors and executive officers of the Company acting solely in such capacity.

### Information Regarding Management's Nominees for Election to the Board

The following biographical information about the nominees for election to the Board has been supplied by the directors:

#### *Tim Fernback, Director, Chief Executive Officer and President*

Mr. Fernback brings over 30 years of experience in financing public and private companies in Canada. Mr. Fernback obtained a Bachelor of Science, Honours (B.Sc.) from McMaster University in Hamilton, Ontario and a Master of Business Administration (MBA) with a concentration in Finance from the University of British Columbia. Mr. Fernback holds a Certified Professional Accounting (CPA, CMA) designation in Canada and is currently director of several publicly traded companies in Canada.

#### *Robert Setter, Director*

Mr. Setter is the former Senior Financial Editor for Report on Mining and has been consulting with publicly trading companies for over a decade. In addition he holds a degree in Economics from UBC. Since 2000 he has held several key positions including Research Manager, Corporate Research and Analytics and has been involved in the launch of dozens of new enterprises assisting with financing, cash flow forecasting, strategic client acquisition and planning. Mr. Setter brings over two decades of business development, marketing and resource experience to the Company.

*John (“Jay”) Oness, Director*

Mr. Oness has extensive experience in all aspects of corporate management with particular strengths in strategic planning, business development & investor relations for public companies. He has served as a Director, senior executive and consultant to public companies in resource and non-resource sectors over a successful 20 year career. He is currently Vice President Corporate Development of Southern Silver Exploration Corp., Equity Metals Corporation and Manex Group.

*Ali Alizadeh, Director*

Mr. Alizadeh is a senior geologist possessing extensive experience in mineral exploration & project management. He graduated with a Geology degree in 1991 a M.Sc. in Petrology in 1995 and an MBA at Queen’s University in 2010. Building on his experiences as Project Geologist & Project Manager, Ali has been responsible for a number of Uranium, Gold and Base Metal projects during his exploration career with various exploration companies. Ali is a member of the Association of Professional Engineers and Geoscientists of British Columbia.

### **Corporate Cease Trade Orders, Bankruptcies, Penalties and Sanctions**

No director or proposed director of the Company is, or within the ten years prior to the date of this Circular has been, a director or executive officer of any company, including the Company, that while that person was acting in that capacity:

- (a) was the subject of a cease trade order or similar order or an order that denied the company access to any exemption under securities legislation for a period of more than 30 consecutive days; or
- (b) was subject to an event that resulted, after the director ceased to be a director or executive officer of the company being the subject of a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or
- (c) 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.

### **Individual Bankruptcies**

No director or proposed director of the Company has, within the ten years prior to the date of this Circular, become bankrupt or made a proposal under any legislation relating to bankruptcy or insolvency, or been 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 that individual.

## **DISCLOSURE OF CORPORATE GOVERNANCE PRACTICES**

National Policy 58-101 - *Disclosure of Corporate Governance Practices* of the Canadian Securities Administrators requires the Company to annually disclose certain information regarding its corporate governance practices. That information is disclosed below.

### **Board of Directors**

The Board has responsibility for the stewardship of the Company including responsibility for strategic planning, identification of the principal risks of the Company’s business and implementation of appropriate systems to manage these risks, succession planning (including appointing, training and monitoring senior management), communications with investors and the financial community and the integrity of the Company’s internal control and management information systems.

The Board sets long term goals and objectives for the Company and formulates the plans and strategies necessary to achieve those objectives and to supervise senior management in their implementation. The Board delegates the responsibility for managing the day-to-day affairs of the Company to senior management but retains a supervisory



role in respect of, and ultimate responsibility for, all matters relating to the Company and its business. The Board is responsible for protecting Shareholders' interests and ensuring that the incentives of the Shareholders and of management are aligned.

As part of its ongoing review of business operations, the Board reviews, as frequently as required, the principal risks inherent in the Company's business including financial risks, through periodic reports from management of such risks, and assesses the systems established to manage those risks. Directly and through the Audit Committee, the Board also assesses the integrity of internal control over financial reporting and management information systems.

In addition to those matters that must, by law, be approved by the Board, the Board is required to approve any material dispositions, acquisitions and investments outside the ordinary course of business, long-term strategy, and organizational development plans. Management of the Company is authorized to act without Board approval on all ordinary course matters relating to the Company's business.

The Board also monitors the Company's compliance with timely disclosure obligations and reviews material disclosure documents prior to distribution.

The Board is responsible for selecting the President and CEO, and senior management and for monitoring their performance.

The Board is currently comprised of four directors being Tim Fernback, Robert Setter, John ("Jay") Oness and Ali Alizadeh. Except for Tim Fernback and Robert Setter, the Board considers all of the current directors to be "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 with the best interests of the Company, other than interests and relationships arising from shareholding. Mr. Fernback is not considered to be independent, due to his role as the President and CEO of the Company. Mr. Setter is not considered to be independent due to his former role as the President and CEO of the Company being within the last three years of the date herein.

### **Directorships**

Certain of the current directors are presently a director of one or more other reporting issuers, as follows:

<b>Director</b>	<b>Other Issuer</b>
Tim Fernback	Fuse Battery Metals Inc. Apogee Minerals Ltd. Koryx Copper Inc. (formerly Deep-South Resources Inc.) Temas Resources Corp.
Robert Setter	Fuse Battery Metals Inc.

### **Orientation and Continuing Education**

The Company has not yet developed an official orientation or training program for new directors. As required, new directors will have the opportunity to become familiar with the Company by meeting with the other directors, officers and employees and by reviewing the Company's corporate records and corporate governance policies. Orientation activities will be tailored to the particular needs and experience of each director and the overall needs of the Board. The Board will continue to look at outside sources to strengthen their skills. Board members are encouraged to communicate with management, auditors and technical consultants; to keep themselves current with industry trends and developments and changes in legislation with management's assistance; and to attend related industry seminars.

### **Ethical Business Conduct**

The Board of Directors 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 directors' participation in decisions of the Board of Directors in which the director has an interest have been sufficient to ensure that the Board of Directors operates independently of management and in the best interests of the Company.

### **Nomination of Directors**

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

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

### **Other Board Committees**

The Company currently has one standing Committee, the Audit Committee.

### **Assessments**

The Board has not, as yet, adopted any formal procedures for regularly assessing the effectiveness of the Board, its committees or individual directors with respect to their effectiveness and contributions. Nevertheless, their effectiveness is subjectively measured on an ongoing basis by each director based on their assessment of the performance of the Board, its committees or the individual directors compared to their expectation of performance. In doing so, the contributions of an individual director are informally monitored by the other Board members, bearing in mind the business strengths of the individual and the purpose of originally nominating the individual to the Board.

## **AUDIT COMMITTEE**

The audit committee of the Board (the "**Audit Committee**") is principally responsible for:

- (a) recommending to the Board the external auditor to be nominated for election by the Company's shareholders at each annual general meeting and negotiating the compensation of such external auditor;
- (b) overseeing the work of the external auditor;
- (c) reviewing the Company's annual and interim financial statements, management discussion and analysis and press releases regarding earnings before they are reviewed and approved by the Board and publicly disseminated by the Company; and
- (d) reviewing the Company's financial reporting procedures and internal controls to ensure adequate procedures are in place for the Company's public disclosure of financial information extracted or derived from its financial statements, other than disclosure described in the previous paragraph.

### **The Audit Committee's Charter**

The Board has adopted a Charter for the Audit Committee which sets out the Committee's mandate, organization, powers and responsibilities. The complete Charter is attached as Schedule "A" to this Circular.

### **Composition of the Audit Committee**

The Audit Committee is currently comprised of Tim Fernback (Chairman of the Audit Committee), John Oness and Ali Alizadeh, who are financially literate in accordance with Section 1.6 of NI 52-110 which states that an individual is financially literate if he or she has the ability to read and understand a set of financial statements that presents 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 issuer's financial statements.. Tim Fernback is not considered to be an independent within the meaning of NI 52-110 as he is the President and CEO of the Company. John Oness and Ali Alizadeh are independent within the meaning of NI 52-110.

The following table sets out the names of the members of the Audit Committee and whether they are "independent" and "financially literate".

<b>Name of Member or Proposed</b>	<b>Independent<sup>(1)</sup></b>	<b>Financially Literate<sup>(2)</sup></b>
John Oness	Yes	Yes
Ali Alizadeh	Yes	Yes
Tim Fernback	No	Yes

Notes:

- (1) To be considered to be independent, a member of the Audit Committee must not have any direct or indirect “material relationship” with the Company. A material relationship is a relationship which could, in the view of the Board, reasonably interfere with the exercise of a member’s independent judgment.
- (2) To be considered financially literate, a member of the Audit Committee must have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company’s financial statements.

### **Relevant Education and Experience**

All of the members of the Audit Committee are experienced businessmen with a background and experience in financial matters; each has a broad understanding of the accounting principles used to prepare financial statements and varied experience as to general application of such accounting principles, as well as the internal controls and procedures necessary for financial reporting, garnered from working in their individual fields of endeavor. In addition, each member of the Audit Committee has knowledge of the role of an audit committee in the realm of reporting companies. Following are the biographies of members of the Audit Committees:

#### ***Tim Fernback***

Mr. Fernback brings over 30 years of experience in financing public and private companies in Canada. Mr. Fernback obtained a Bachelor of Science, Honours (B.Sc.) from McMaster University in Hamilton, Ontario and a Master of Business Administration (MBA) with a concentration in Finance from the University of British Columbia. Mr. Fernback holds a Certified Professional Accounting (CPA, CMA) designation in Canada and is currently director of several publicly traded companies in Canada.

#### ***John (“Jay”) Oness***

Mr. Oness has extensive expertise in all aspects of corporate management with strengths in strategic planning, business development and investor relations for public companies. He has served as a director, executive and consultant to public companies in the resource and non-resource fields over a 20 year career. He is currently Vice President Corporate Development of Southern Silver Exploration Corp., Equity Metals Corporation and Manex Group.

#### ***Ali Alizadeh***

Mr. Alizadeh is a senior geologist who possess extensive experience in mineral exploration. He graduated in 1991 and completed his M.Sc. in Petrology in 1995. In 2010 he also completed his MBA at Queen’s University. He is a member of the Associated of Professional Engineers and Geoscientists of British Columbia.

### **Audit Committee Oversight**

Since the commencement of the Company’s most recently completed financial year, there has not been a recommendation of the Audit Committee to nominate or compensate an external auditor which was not adopted by the Board.

### **Reliance on Exemptions**

Since the commencement of the Company’s most recently completed financial year, the Company has not relied on:

- (a) the exemption in section 2.4 (*De Minimis Non-Audit Services*) of NI 52-110, which exempts all non-audit services provided by the Company’s auditor from the requirement to be pre-approved by the Audit Committee if such services are less than 5% of the auditor’s annual fees charged to the Company;

- (b) the exemption in subsection 6.1.1(4) (*Circumstances Affecting the Business or Operations of the Venture Issuer*) of NI 52-110;
- (c) the exemption in subsection 6.1.1(5) (*Events Outside Control of Member*) of NI 52-110;
- (d) the exemption in subsection 6.1.1(6) (*Death, Incapacity or Resignation*) of NI 52-110; or
- (e) an exemption from NI 52-110, in whole or in part, granted under Part 8 (*Exemptions*).

The Company is relying on the exemption in section 6.1 of NI 52-110, which exempts “venture issuers” from the requirement to have an audit committee comprised on entirely independent members.

### Pre-Approval Policies and Procedures

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services which are detailed as to the particular service. The Audit Committee is informed of each non-audit service and the procedures do not include delegation of the Audit Committee’s responsibilities to management.

### External Auditor Service Fees (By Category)

The following table discloses the fees billed to the Company by its external auditor during the last two financial years.

<b>Financial Year Ending</b>	<b>Audit Fees<sup>(1)</sup></b>	<b>Audit Related Fees<sup>(2)</sup></b>	<b>Tax Fees<sup>(3)</sup></b>	<b>All Other Fees<sup>(4)</sup></b>
June 30, 2022	\$29,000	n/a	n/a	n/a
June 30, 2023	\$34,329	n/a	\$3,000	n/a

Notes:

- (1) The aggregate fees billed by the Company’s auditor for audit fees.
- (2) The aggregate fees billed for assurance and related services by the Company’s auditor that are reasonably related to the performance of the audit or review of the Company’s financial statements and are not disclosed in the “Audit Fees” column.
- (3) The aggregate fees billed for professional services rendered by the Company’s auditor for tax compliance, tax advice, and tax planning.
- (4) The aggregate fees billed for professional services other than those listed in the other three columns. These fees were related to tax advisory services in connection with the Company’s subsidiaries.

### INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No individual who is or who at any time during the last financial year was a director or executive officer or employee of the Company, a proposed nominee for election as a director of the Company or an associate of any such director, officer or proposed nominee is, or at any time since the beginning of the last completed financial year has been, indebted to the Company or any of its subsidiaries and no indebtedness of any such individual to another entity is, or has at any time since the beginning of such year, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries.

### EQUITY COMPENSATION PLAN INFORMATION

The following table sets out those securities of the Company which have been authorized for issuance under equity compensation plans, as at June 30, 2023:

<b>Plan Category</b>	<b>Number of shares issuable upon exercise of outstanding options, warrants and rights<sup>(1)</sup></b>	<b>Weighted average exercise price of outstanding options, warrants and rights</b>	<b>Number of shares remaining available for issuance under equity compensation plans<sup>(2)</sup></b>
Equity compensation plans <b>approved</b> by shareholders	14,250,000	\$0.05	211,830
Equity compensation plans <b>not approved</b> by shareholders	n/a	n/a	n/a
<b>Total</b>	14,250,000	\$0.05	211,830

Notes:

- (1) Assuming outstanding options, warrants and rights are fully vested.
- (2) Excluding the number of shares issuable upon exercise of outstanding options, warrants and rights shown in the second column.

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

Other than as disclosed in this Circular, no director or executive officer of the Company or any proposed nominee of management of the Company for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, since the beginning of the Company's last financial year in matters to be acted upon at the Meeting, other than the election of directors, the appointment of auditors and the confirmation of the Stock Option Plan.

#### **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

Other than as disclosed in this Circular, none of the persons who were directors or executive officers of the Company or a subsidiary, at any time during the Company's last completed financial year, the proposed nominees for election to the Board, any person or corporation who beneficially owns, directly or indirectly, or who exercises control or direction over (or a combination of both) more than 10% of the issued and outstanding Common Shares of the Company, nor the associates or affiliates of those persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any transaction or proposed transaction which has materially affected or would materially affect the Company.

#### **APPOINTMENT OF AUDITOR**

At the Meeting, Shareholders will be asked to pass a resolution appointing Dale Matheson Carr-Hilton LaBonte LLP, Chartered Professional Accountants, ("DMCL") of Suite 1500 - 1140 West Pender Street, Vancouver, British Columbia, V6C 3S7 as the auditor of the Company, to hold office until the next annual meeting of shareholders and to authorize the Board to fix the remuneration to be paid to DMCL.

#### **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 accompanying Notice of Meeting.

#### **1. Auditor's Report, Financial Statements and MD&A**

The Board has approved the financial statements of the Company, the auditor's report thereon, and the MD&A for the years ended June 30, 2023 and June 30, 2022 all of which will be tabled at the Meeting. No approval or other action needs to be taken at the Meeting in respect of these documents.

## 2. Appointment and Remuneration of Auditor

The firm of DMCL, Chartered Professional Accountants, of Suite 1500 - 1140 West Pender Street, Vancouver, British Columbia, V6C 3S7, is currently the auditor of the Company. **Unless otherwise directed, it is the intention of the management designees to vote the Proxies in favour of an ordinary resolution to appoint the firm of DMCL, Professional Chartered Accountants, as the auditor of the Company for the ensuing year and authorize the Board to determine and approve the remuneration to be paid to DMCL.**

## 3. Set Number of Directors to be Elected

At the Meeting, it will be proposed that four directors be elected to hold office until the next annual general meeting or until their successors are elected or appointed. **Unless otherwise directed, it is the intention of the Management Designees, if named as proxyholder, to vote in favour of the ordinary resolution setting the number of directors to be elected at four.**

## 4. Election of Directors

The Company is nominating four directors for election, all of whom are current directors of the Company. Please see "*Election of Directors*" for a summary table setting forth each of the persons proposed to be nominated for election as a director, all positions and offices in the Company presently held by such nominee, the nominee's province or state and country of residence, principal occupation at the present and during the preceding five years, the period during which the nominee has served as a director, and the number of Common Shares of the Company that the nominee has advised are beneficially owned by the nominee, directly or indirectly, or over which control or direction is exercised, as of the Record Date.

Unless otherwise directed, the management proxyholder, will vote for the election of the persons named in this Circular. Management does not contemplate that any of such nominees will be unable to serve as directors. Each director elected will hold office until the next annual general meeting of shareholders or until their successor is duly elected, unless their office is earlier vacated in accordance with the Articles of the Company or the provisions of the corporate law to which the Company is subject.

## 5. Approval of the Company's Amendment to the Stock Option Plan

The Company has in place a fixed 20% stock option plan which was last approved by the shareholders at its December 21, 2022 Annual General and Special Meeting. The Company proposes to amend its Plan to reserve up to a total of 37,656,159 common shares, being 20% of the current issued and outstanding shares of the Company. All other terms of the Plan remain unchanged. For a summary of the Plan, please see "*Stock Option Plan Summary*" above or for a complete copy of the Plan, please contact the Company.

At the Meeting, the shareholders of the Company will be asked to approve the following resolutions:

**"BE IT RESOLVED** that:

1. the Company's Amended Plan be and it is hereby ratified and approved;
2. the Board of Directors of the Company be authorized to grant options under and subject to the terms and conditions of the Amended Plan, which may be exercised to purchase up to an aggregate of 37,656,159 common shares, being 20% of the issued and outstanding common shares of the Company; and
3. the directors and officers of the Company be authorized and directed to perform such acts and deeds and things and execute all such documents, agreements and other writings as may be required to give effect to the true intent of these resolutions."

**Management of the Company recommends that shareholders vote in favour of the foregoing resolution, and the persons named in the enclosed form of proxy intend to vote for the approval of the foregoing resolution at the Meeting unless otherwise directed by the shareholders appointing them.**

## 6. The Arrangement

Shareholders will be asked to approve the Arrangement Resolution, the full text of which is annexed as Schedule “B” to this Circular. Please see “*The Arrangement*” for details below relating to the Arrangement. **Management of the Company recommends that shareholders vote in favour of the Arrangement Resolution, and the persons named in the enclosed form of proxy intend to vote for the approval of the Arrangement Resolution at the Meeting unless otherwise directed by the shareholders appointing them.**

## 7. Appointment and Remuneration of AC/DC Auditor

The firm of Shim & Associates LLP, Chartered Professional Accountants, of Suite 900 - 777 Hornby Street, Vancouver, British Columbia, V6Z 1S4, is currently the auditor of AC/DC. Subject to approval of the Arrangement Resolution, Shareholders will be asked to vote for the re-appointment of Shim & Associates, Chartered Professional Accountants, of Vancouver, British Columbia as AC/DC’s auditors to hold office until the next annual general meeting of the shareholders, and to authorize the Board of Directors to fix their remuneration. **Management recommends that shareholders vote in favour of the foregoing resolution, and the persons named in the enclosed form of proxy intend to vote for the approval of the foregoing resolution at the Meeting unless otherwise directed by the shareholders appointing them.**

## 8. Approval of AC/DC Stock Option Plan

Subject to the approval of the Arrangement Resolution, Shareholders will be asked to adopt the resolution set out below ratifying and approving the AC/DC Stock Option Plan (the “AC/DC Option Plan”). The details of the AC/DC Option Plan are set out in Schedule “K” attached to this Circular.

At the Meeting, the shareholders of the Company will be asked to approve the following resolution:

“**BE IT RESOLVED** that:

1. Subject to the completion of the arrangement involving Grid Battery Metals Inc. (the “Company”) and AC/DC Battery Metals Inc. (“AC/DC”) and the private placement, as described in the Circular dated March 7, 2024, the stock option plan of AC/DC (the “AC/DC Option Plan”) as described in Schedule “K”, be and it is hereby ratified and approved on behalf of AC/DC and AC/DC shareholders as the stock option plan for AC/DC, subject to regulatory approval;
2. the Board of Directors of AC/DC be authorized to grant options under and subject to the terms and conditions of the AC/DC Option Plan, which may be exercised to purchase up to an aggregate of 10% of the issued and outstanding common shares of AC/DC; and
3. the Board of Directors of AC/DC be and is hereby authorized, without further shareholder approval, to make such changes to the AC/DC Option Plan as may be required or approved by the regulatory authorities.

**Management recommends that shareholders vote in favour of the foregoing resolution, and the persons named in the enclosed form of proxy intend to vote for the approval of the foregoing resolution at the Meeting unless otherwise directed by the shareholders appointing them.**

## 9. Approval of AC/DC Private Placement

### *Background*

AC/DC will require working capital in order to fund exploration expenses, costs associated with AC/DC's listing application for the TSX-V and funds for general and administrative expenses, in order to satisfy TSX-V initial listing requirements.

Management of AC/DC intends to complete a non-brokered private placement of up to \$2,000,000 (the “**AC/DC Private Placement**”) through the issuance of up to 40,000,000 AC/DC Units at a price of \$0.05 per unit (each, an “**AC/DC Unit**”). Each AC/DC Unit will be comprised of one AC/DC Share and one AC/DC Warrant. Each AC/DC

Warrant will be exercisable into one AC/DC Share at an exercise price of \$0.06 for a period of five (5) years from the closing of the AC/DC Private Placement.

The closing of the AC/DC Private Placement is subject to the Company completing the Arrangement and having obtained all required regulatory approvals and consents, including the acceptance of the TSX-V.

Notwithstanding the above, the Company reserves the right to effect the AC/DC Private Placement at such higher prices as are acceptable to the TSX-V.

The Company may pay finder's fees in connection with the AC/DC Private Placement in accordance with the policies of the TSX-V.

#### *Shareholder Approval at the Meeting*

At the Meeting, Shareholders, excluding the insiders of the Company, will be asked to consider, and if thought advisable, to approve the Offering by means of an ordinary resolution in the following form:

#### **RESOLVED THAT<sup>(1)</sup>:**

1. The AC/DC Private Placement of Units (as detailed in the Circular of the Company dated March 7, 2024 or at such higher prices as the Company may determine and are acceptable to the TSX Venture Exchange) so as to raise up to \$2,000,000 be and is hereby approved.
2. Any director or officer of the Company is hereby authorized and directed for and on behalf of the Company, to execute all such documents and do all such further acts and things as shall be deemed necessary or desirable in connection with the foregoing resolution.

<sup>(1)</sup> For the purposes of the AC/DC Private Placement resolution 3,758,100 Common Shares belonging to insiders of the Company will not be counted towards the vote, but may be counted for the purposes of determining whether a quorum is present at the Meeting.

**The AC/DC Private Placement resolution must be approved by at least a majority of the votes cast by the disinterested shareholders present in person or represented by proxy at the Meeting. The Board recommends that shareholders vote in favour of the AC/DC Private Placement. Unless otherwise directed, the persons named in the enclosed Proxy intend to vote FOR approval of the AC/DC Private Placement.**

### **THE ARRANGEMENT**

The purpose of the Arrangement is to reorganize the Company and its assets and operations into two separate public companies: the Company and AC/DC. Upon the Arrangement becoming effective, Shareholders of record as of the close of business on the Distribution Record Date will become shareholders in both companies and will receive 0.05 of an AC/DC Share for each Common Share held by such Shareholder on such date. AC/DC intends to apply to have the AC/DC Shares listed on the TSX-V.

On September 28, 2023, the Board announced the proposed Arrangement to separate the Nevada Assets from the Canadian Assets in an effort to maximize shareholder value. AC/DC has entered into an agreement to purchase the Canadian Assets, subject to, among other things, completion of the Arrangement. Upon completion of the Arrangement, the Company will continue to hold its interest in the Nevada Assets and AC/DC will hold the Canadian Assets. Concurrently with the Arrangement, AC/DC will complete the AC/DC Private Placement.

#### **Reasons for the Arrangement**

The Board believes that the separation of the Nevada Assets from the Canadian Assets into two separate publicly-traded companies will provide a number of benefits to the Company, AC/DC and the Shareholders, including:

- (a) providing Shareholders with enhanced value by creating a company focused on the development of the Nevada Assets and a company focused on the development of the Canadian Assets;



- (b) providing Shareholders with 100% ownership of the Company at the closing of the Arrangement;
- (c) providing each company with a sharper business focus, enabling them to pursue independent business and financing strategies best suited to their respective business plans;
- (d) enabling investors, analysts and other stakeholders or potential stakeholders to more accurately compare and evaluate each company;
- (e) enabling each company to pursue independent growth and capital allocation strategies;
- (f) allowing each company to be led by experienced executives and directors who have experience in each company's respective resource sector; and
- (g) allowing the reorganization to occur on a tax-deferred basis for Shareholders resident in Canada who hold their Common Shares as capital property.

### **Recommendation of the Board**

The Board approved the Arrangement and recommended and authorized the submission of the Arrangement to the Shareholders and the Court for approval. **The Board has concluded that the Arrangement is in the best interests of the Company and its Shareholders and recommends that Shareholders vote FOR the Arrangement Resolution proposed to be passed at the Meeting.**

In reaching this conclusion, the Board considered, among other things, the benefits to the Company and its Shareholders, as well as the financial position, opportunities and outlook for the future potential and operating performance of the Company and AC/DC, respectively.

### **Fairness of the Arrangement**

The Arrangement was determined to be fair to the Shareholders by the Board based upon the following factors, among others:

- (a) the procedures by which the Arrangement will be approved, including the requirement for at least 66⅔% Shareholder approval at the Meeting and approval by the Court after a hearing at which fairness will be considered;
- (b) each Shareholder, as at the Effective Time, will participate in the Arrangement such that each Shareholder, upon completion of the Arrangement will continue to hold the same proportionate interest in the Company;
- (c) the proposed listing of the AC/DC Shares on the TSX-V and the continued listing of the Common Shares on the TSX-V; and
- (d) the opportunity for Registered Shareholders who are opposed to the Arrangement, upon compliance with certain conditions, to exercise Dissent Rights in accordance with the Dissent Procedures.

### **Details of the Arrangement**

The following description is qualified in its entirety by reference to the full text of the Plan of Arrangement, a copy of which is attached as Exhibit "A" to the Arrangement Agreement attached as Schedule "C" to this Circular and the Amending Agreement to Arrangement Agreement attached as Schedule "C-1". Shareholders are urged to carefully read the Plan of Arrangement in its entirety.

At the Effective Time and pursuant to the Plan of Arrangement, the following transactions, among others, will occur and will be deemed to occur sequentially in the following order:

- (a) each Common Share in respect of which Dissent Rights are validly exercised and for which the Dissenting Shareholder is ultimately entitled to be paid fair market value shall be repurchased by

the Company for cancellation in consideration for a debt-claim against the Company to be paid the fair value of such Common Share in accordance with the Plan of Arrangement;

- (b) each Common Share will receive 0.05 of one AC/DC Share (provided that, while each Shareholder's fractional AC/DC Shares will be combined, no fractional shares shall be issued and no compensation will be received in lieu thereof), and the holders of Common Shares shall be added to AC/DC's central securities register as the holder of such number of AC/DC Shares;
- (c) the aggregate PUC of the Common Shares will be equal to that of the Common Shares immediately prior to the Effective Time less the fair market value of the AC/DC Shares distributed pursuant to the Plan of Arrangement; and

Upon completion of the Arrangement, the only subsidiary of the Company will be Grid Battery Metals USA Inc. and AC/DC will have no subsidiaries.

#### **Authority of the Board**

By passing the Arrangement Resolution, the Shareholders will also be giving authority to the Board to use its judgment to proceed with and cause AC/DC to complete the Arrangement or to abandon the Arrangement without any requirement to seek or obtain any further approval of the Shareholders.

The Arrangement Resolution also provides that the terms of the Plan of the Arrangement may be amended by the Board before or after the Meeting without further notice to Shareholders, unless directed by the Court. Although the Board has no current intention to amend the terms of the Plan of Arrangement, it is possible that the Board may determine that certain amendments are appropriate, necessary or desirable.

#### **Conditions to the Arrangement**

The Arrangement Agreement provides that the consummation of the Arrangement will be subject to the fulfilment or waiver of certain conditions, including the following:

- (a) the Interim Order shall not have been set aside or modified in a manner unacceptable to the Company or AC/DC, acting reasonably, on appeal or otherwise;
- (b) the Arrangement Resolution shall have been approved by the requisite majority of Shareholders at the Meeting;
- (c) the Court shall have determined that the Arrangement is procedurally and substantively fair to Shareholders;
- (d) the Final Order shall have been obtained in form and substance satisfactory to each of the Company and AC/DC, acting reasonably;
- (e) the TSX-V will have conditionally approved the Arrangement;
- (f) all other consents, orders, regulations and approvals, including regulatory and judicial approvals and orders, required, necessary or desirable for the completion of the Arrangement will have been obtained or received, each in form acceptable for the Company and AC/DC;
- (g) there shall not be in force any order or decree restraining or enjoining the consummation of the transactions contemplated by the Plan of Arrangement;
- (h) Shareholders shall not have exercised Dissent Rights with respect to greater than 5% of the outstanding Common Shares; and
- (i) the Arrangement Agreement will not have been terminated as provided for therein.

If any of the conditions set forth in the Arrangement Agreement are not fulfilled or performed, on or prior to the Effective Time, the Company may terminate the Arrangement Agreement or waive, in its discretion, the

applicable condition in whole or in part. As soon as practicable after the fulfilment (or waiver) of the conditions contained in the Arrangement Agreement, the Board intends to cause a copy of the Final Order to be filed with the Registrar under the BCBCA, together with such other material as may be required by the Registrar in order that the Arrangement will become effective.

Management of the Company expects that any material consents, orders and approvals required for the completion of the arrangement will be obtained prior to the Effective Date in the ordinary course upon application therefor.

### **Court Approval of the Arrangement**

The Arrangement requires the approval of the Court. Prior to mailing this Circular, the Company obtained the Interim Order authorizing the calling and holding of the Meeting and providing for certain other procedural matters. The Interim Order is attached as Schedule “D”. The Notice of Hearing for the Final Order is attached as Schedule “E”.

Assuming approval of the Arrangement Resolution by the Shareholders at the Meeting, the hearing for the final Order is scheduled to take place at 9:45 a.m. (Vancouver time) on or about April 11, 2024 at the Law Courts, 800 Smithe Street, Vancouver, British Columbia, or as soon thereafter as counsel may be heard. At this hearing, any securityholder or other interest party who wishes to participate or to be represented or present evidence or argument may do so, subject to filing an appearance and satisfying certain other requirements.

The Court has broad discretion under the BCBCA when making orders in respect of arrangements, and the Court may approve the Arrangement as proposed or as amended in any manner the Court may direct, subject to compliance with such terms and conditions, if any, as the Court thinks appropriate. The Court, in hearing the application for the Final Order, will consider, among other things, the fairness of the terms and conditions of the Arrangement to Shareholders. The Court will be advised prior to the hearing for the Final Order that if the terms and conditions of the Arrangement are approved by the Court, such approval will be relied upon in seeking an exemption from the registration requirements of the 1933 Act, pursuant to Section 3(a)(10) thereof, with respect to the offer and sale of the securities to be issued or distributed pursuant to the Arrangement.

### **Shareholder Approval of the Arrangement**

Subject to any further order(s) of the Court, the Arrangement must be approved by at least 66 $\frac{2}{3}$ % of the votes cast by Shareholders present, in person or by proxy, and entitled to vote at the Meeting. Notwithstanding the foregoing, the Arrangement Resolution authorizes the Board, without further notice to or approval of the Shareholders and subject to the terms of the Arrangement Agreement, to amend the Plan of Arrangement or to decide not to proceed with the Arrangement at any time prior to the Effective Time.

In the absence of any instruction to the contrary, the Common Shares represented by proxies appointing the management designees named in the form of proxy will be voted in favour of the Arrangement Resolution.

### **Proposed Timetable for the Arrangement**

The anticipated timetable for the completion of the Arrangement and the key dates proposed are as follows:

Annual and special meeting:	April 9, 2024
Final Court approval:	April 11, 2024
Distribution Record Date:	Late April, 2024
Effective Date:	Late April, 2024

Notice of the actual Distribution Record Date and Effective Date will be made through one or more news releases issued by the Company. The Board will determine each of the Distribution Record Date and Effective Date upon satisfaction or waiver of the conditions to the Arrangement.

The above dates may be amended if all of the conditions to the completion of the Arrangement are not met by late April, 2024.

### **Expenses of the Arrangement**

The costs relating to the Arrangement, including, without limitation, financial advisory, accounting and legal fees, will be borne by the Company.

### **Risk Factors Relating to the Arrangement**

The following risk factors should be considered by Shareholders in evaluating whether to approve the Arrangement. These risk factors should be considered in conjunction with the other information included in this Circular and the risk factors disclosed under the heading “*Risk Factors*” in Schedules “G” and “L”.

#### *Termination of the Arrangement Agreement or Failure to Obtain Required Approvals*

Each the Company and AC/DC has the right to terminate the Arrangement Agreement in certain circumstances. Accordingly, there is no certainty, nor can the Company provide any assurance, that the Arrangement Agreement will not be terminated before the completion of the Arrangement. In addition, the completion of the Arrangement is subject to a number of conditions, certain of which are outside the control of the Company, including Shareholders approving the Arrangement and required regulatory approvals, including of the Court and the TSX-V, being obtained. There is no certainty, nor can the Company provide any assurance, that these conditions will be satisfied. If for any reason the Arrangement is not completed, the market price of Common Shares may be adversely affected and Shareholders will lose the prospective benefits of the Arrangement. Moreover, if the Arrangement Agreement is terminated, there is no assurance that the Company will pursue or be able to complete an alternative transaction to spin-out or realize the value of its Canadian Assets, and Shareholders will continue to be subject to the risk factors of both the Company and AC/DC as disclosed in this Circular.

#### *Income Tax*

The Arrangement may give rise to adverse tax consequences to Shareholders, and each Shareholder is urged to consult with his, her or its own tax advisor. See “*Material Income Tax Considerations*”.

#### *Costs of the Arrangement*

There are certain costs related to the Arrangement, such as legal and accounting fees incurred, that must be paid even if the Arrangement is not completed.

#### *Pro-forma Financial Statements*

The pro-forma financial statements attached to this Circular and information derived therefrom contained in this Circular are presented for illustrative purposes only and may not be an indication of the Company’s or AC/DC’s financial condition following the Arrangement for several reasons. For example, such pro-forma financial statements have been derived from the historical financial statements of the Company and certain assumptions have been made. The information upon which these assumptions have been made is historical, preliminary and subject to change. Moreover, the pro-forma financial statements do not reflect all costs that are expected to be incurred by the Company and/or AC/DC in connection with the Arrangement. In addition, the assumptions used in preparing the pro-forma financial statements may not prove to be accurate.

#### *Exercise of Dissent Rights*

Registered Shareholders have the right to exercise Dissent Rights and demand payment equal to the fair value of their Common Shares in cash. If Dissent Rights are exercised in respect of a significant number of Common Shares, a substantial cash payment may be required to be made to such Shareholders, which could have an adverse effect on the Company’s financial condition and cash resources. The Company may elect, in its sole discretion, not to complete the Arrangement if a significant number of Shareholders exercise Dissent Rights.

### **DISSENT RIGHTS**

If you are a Registered Shareholder, you are entitled to exercise Dissent Rights from the Arrangement Resolution by strictly following and adhering to the procedures in Division 2 of Part 8 of the BCBCA, as the same may be modified by the Plan of Arrangement, the Interim Order and the Final Order (collectively, the “**Dissent Procedures**”).

Any Registered Shareholder is ultimately entitled to be paid the fair value of their Common Shares if such Registered Shareholder duly dissents in respect of the Arrangement in strict accordance with the Dissent Procedures provided that the Arrangement becomes effective. A Registered Shareholder is not entitled to dissent with respect to such holder's Common Shares if such Registered Shareholder votes any of those Common Shares in favour of the Arrangement Resolution. A Dissenting Shareholder ceases to have any rights as a Shareholder, other than the right to be paid the fair value of such holder's Common Shares, and the Common Shares held by such Dissenting Shareholder will be deemed to be repurchased by the Company in accordance with the terms of the Plan of Arrangement.

A brief summary of the Dissent Procedures is set out below. A Registered Shareholder's failure to follow exactly the Dissent Procedures will result in the loss of such Registered Shareholder's Dissent Rights. If you are a Registered Shareholder and wish to dissent, you should obtain your own legal advice and carefully read the provisions of Division 2 of Part 8 of the BCBCA, the Plan of Arrangement and the Interim Order which are attached at Schedules "F", "C" and "D" respectively. The Court, upon hearing the application for the Final Order, has the discretion to alter the Dissent Procedures described herein based on the evidence presented at such hearing.

A Registered Shareholder wishing to dissent must send a written notice of dissent (a "**Dissent Notice**") contemplated by Section 242 of the BCBCA which must be received by the Company, in the manner set out below, not later than 10:00 a.m. (Vancouver time) on the business day that is at least two business days before the date of the Meeting. All notices of dissent to the Arrangement pursuant to Section 242 of the BCBCA should be delivered by mail or hand delivery to Grid Battery Metals Inc., 3028 Quadra Court, Coquitlam, BC V3B 5X6 (Attention: Chief Executive Officer). A vote against the Arrangement Resolution, an abstention, or the execution of a proxy to vote against the Arrangement Resolution, does not constitute a Dissent Notice.

Beneficial owners of Common Shares registered in the name of a broker, custodian, nominee or other Intermediary who wish to dissent should be aware that only Registered Shareholders are entitled to exercise Dissent Rights. Accordingly, a Non-Registered Shareholder desiring to exercise Dissent Rights must make arrangements for the Common Shares beneficially owned by such Shareholder to be registered in his, her or its name prior to the time the Dissent Notice is required to be received or, alternatively, make arrangements for the Registered Shareholder to exercise Dissent Rights on the beneficial holder's behalf.

After the Arrangement Resolution is approved by Shareholders and within one month after the Company notifies the dissenting Registered Shareholder of the Company's intention to act upon the Arrangement Resolution pursuant to Section 243 of the BCBCA, the dissenting Registered Shareholder must, pursuant to Section 244(1) of the BCBCA, send to the Company a written notice that such holder requires the purchase of all of the Common Shares in respect of which such holder has given notice of dissent, together with the share certificate or certificates representing those Common Shares (including a written statement prepared in accordance with Subsection 244(1)(c) of the BCBCA if the dissent is being exercised by the Registered Shareholder on behalf of a Beneficial Shareholder). Any dissenting Registered Shareholder who has duly complied with Section 244(1) of the BCBCA and the Company may agree on the amount of the fair value of the Dissent Shares calculated immediately before the passing of the Arrangement Resolution, or, if there is no such agreement, either such dissenting Registered Shareholder or the Company may apply to the Court (although the Company is under no obligation to do so), and the Court may determine the fair value of the Dissent Shares calculated immediately before the passing of the Arrangement Resolution and make consequential orders and give directions as the Court considers appropriate. Promptly after the determination of the fair value of such Dissent Shares, such amount shall be paid out to the dissenting Registered Shareholder in cash by the Company. Failure to comply strictly with and adhere to the Dissent Procedures may result in the loss of all rights thereunder. A dissenting Registered Shareholder who does not strictly comply with the Dissent Procedures or, for any other reason, is not entitled to be paid fair value for his, her or its Dissent Shares will be deemed to have participated in the Arrangement on the same basis as non-dissenting Shareholders.

The Arrangement Agreement provides that, unless otherwise waived, it is a condition to the obligations of the Company and AC/DC to complete the Arrangement that, on or before the Effective Date, holders of not more than an aggregate of 5% of the issued and outstanding Common Shares shall have exercised Dissent Rights. If the number of outstanding Common Shares in respect of which Dissent Rights have been exercised exceeds 5%, the Arrangement will not proceed unless the Company waives such condition.

The above is only a summary of the Dissent Procedures which are technical and complex. If you are a Registered Shareholder and wish to exercise your Dissent Rights, you should seek your own legal advice as failure to strictly comply with the Dissent Procedures, will result in the loss of your Dissent Rights. For a general summary of certain income tax implications to a Dissenting Shareholder, see “*Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada – Dissenting Resident Holders*” and “*Certain Canadian Federal Income Tax Considerations – Holders Not Resident in Canada – Dissenting Non-Resident Holders*”. Registered Shareholders considering exercising Dissent Rights should also seek the advice of their own tax, legal and financial advisors.

## **CERTAIN SECURITIES LAW MATTERS**

### **Canada Securities Laws**

The following discussion is only a general overview of certain requirements of Canadian securities laws applicable to trades in securities of the Company or AC/DC. All holders of securities are urged to consult with their own legal counsel to ensure that any resale of their securities of the Company or AC/DC complies with applicable securities legislation.

The securities of the Company and AC/DC to be issued pursuant to the Arrangement will be issued in reliance on exemptions from prospectus requirements of applicable Canadian securities laws. In accordance with the applicable securities legislation, the AC/DC Shares may be resold without restriction, subject to the conditions that no unusual effort is made to prepare the market for the resale or create a demand for the shares and no extraordinary commission or consideration is paid in respect of the resale and to customary restrictions applicable to distributions of securities held by control persons and persons in “special relationships” to the relevant company.

### **United States Securities Laws**

The AC/DC Shares to be issued pursuant to the Arrangement will not be registered under the 1933 Act or the securities laws of any state of the United States, and will be distributed in reliance upon the exemption from registration under the 1933 Act provided by Section 3(a)(10) thereof and available exemptions from applicable state registration requirements. Section 3(a)(10) of the 1933 Act provides an exemption from registration under the 1933 Act for offers and sales of securities issued in exchange for one or more outstanding securities where the terms and conditions of the issuance and exchange of such securities have been approved by a court authorized to grant such approval after a hearing upon the fairness of the terms and conditions of the issuance and exchange at which all persons to whom the securities will be issued have the right to appear. The Court is authorized to conduct a hearing at which the fairness of the terms and conditions of the Arrangement will be considered. The Court issued the Interim Order on March 6, 2024 and, subject to the approval of the Arrangement by the Shareholders at the Meeting, it is expected that a hearing on the Arrangement will be held on or about April 11, 2024 at 9:45 a.m. (Vancouver time), or as soon thereafter as counsel may be heard, at the Law Courts, 800 Smithe Street, Vancouver, British Columbia. All Shareholders are entitled to appear and be heard at this hearing. The Final Order will constitute a basis for the exemption from the registration requirements of the 1933 Act provided by Section 3(a)(10) thereof with respect to the securities to be issued pursuant to the Arrangement. Prior to the hearing on the Final Order, the Court will be informed of this effect of the Final Order.

Shareholders who are not “Affiliates” of the Company or AC/DC immediately after the Arrangement and have not been “Affiliates” of the Company or AC/DC within 90 days of the resale in question, may resell AC/DC Shares received by them in the Arrangement within or outside the United States without restriction under the 1933 Act. Shareholders who are “Affiliates” of the Company or AC/DC after the Arrangement or within 90 days of the resale in question may not resell their AC/DC Shares in the absence of registration under the 1933 Act, unless an exemption from registration is available, such as the exemptions afforded by Regulation S or Rule 144 under the 1933 Act. For the purposes of the 1933 Act, an “affiliate” of the Company or AC/DC is a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with the Company or AC/DC, as the case may be.

Each the Company and AC/DC is expected to continue to qualify as a “foreign issuer” as defined in Regulation S on the Effective Date. Therefore, subject to applicable Canadian requirements, holders of AC/DC Shares who are Affiliates of the Company or AC/DC, respectively, solely by virtue of serving as an officer or director, may immediately resell such securities outside the United States without registration under the 1933 Act pursuant to

Regulation S. Any such sales must be made in “offshore transactions” within the meaning of Regulation S and neither the seller, nor an Affiliate, nor any person acting on their behalf may engage in “directed selling efforts” (as defined in Regulation S) in the United States. Additionally, no selling concession, fee or other remuneration may be paid in connection with any such offer or sale other than a usual and customary broker’s commission that would be received by a person executing such transaction as agent. For the purposes of Regulation S, “directed selling efforts” means any activity undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for any of the AC/DC Shares.

For the purposes of Regulation S, an “offshore transaction” is a transaction that meets the following requirements: (i) the offer is not made to a person in the United States, and (ii) either (A) at the time the buy order is originated, the buyer is outside the United States, or the seller and any person acting on its behalf reasonably believe that the buyer is outside the United States, or (B) the transaction is executed in, on or through the facilities of a designated offshore securities market (which would currently include the TSX-V), and neither the seller nor any person acting on its behalf knows that the transaction has been prearranged with a buyer in the United States; and (iii) offers and sales are not specifically targeted at identifiable groups of U.S. citizens abroad.

Certain additional Regulation S restrictions are applicable to a holder of AC/DC Shares who will be an Affiliate of the Company or AC/DC, respectively, other than by virtue of his status as an officer or director.

In addition, under Rule 144, persons who are Affiliates of AC/DC after the Arrangement or within 90 days of the resale in question will be entitled to resell in the United States during any three-month period, that number of AC/DC Shares that does not exceed the greater of one percent of the then outstanding securities of such class, subject to certain restrictions on manner of sale, notice requirements, aggregation rules and the availability of public information about AC/DC (as to which there can be no assurance). Affiliates of AC/DC prior to the Arrangement who are not Affiliates of AC/DC after the Arrangement must, for 90 days following the Arrangement, comply with the requirements set forth in the preceding sentence but thereafter may resell such securities without regard to any of these requirements, provided that such persons have not been Affiliates of AC/DC during the 90 days preceding the resale.

Shareholders are urged to consult their legal advisors prior to disposing of AC/DC Shares received in the Arrangement to determine the extent of all applicable resale provisions.

### **MATERIAL INCOME TAX CONSIDERATIONS**

THE TAX CONSEQUENCES OF THE ARRANGEMENT MAY VARY DEPENDING UPON THE PARTICULAR CIRCUMSTANCES OF EACH SHAREHOLDER AND OTHER FACTORS. ACCORDINGLY, SHAREHOLDERS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS TO DETERMINE THE PARTICULAR TAX CONSEQUENCES TO THEM OF THE ARRANGEMENT.

#### **Certain Canadian Federal Income Tax Considerations**

The following summarizes certain Canadian federal income tax considerations under the Tax Act generally applicable to Shareholders in respect of the AC/DC Shares acquired pursuant to the Arrangement.

Comment is restricted to Shareholders who, for purposes of the Tax Act, (i) hold their AC/DC Shares, solely as capital property, and (ii) deal at arm’s length with and are not affiliated with the Company or AC/DC (each such Shareholder, a “**Holder**”).

Generally, AC/DC Shares will be considered to be capital property to a Holder thereof provided that the Holder does not use or AC/DC Shares, as the case may be, in the course of carrying on a business of trading or dealing in securities and such Holder has not acquired such shares in one or more transactions considered to be an adventure or concern in the nature of trade.

This summary does not apply to a Holder that:

- (a) is a “financial institution” for the purposes of the mark-to-market rules in the Tax Act or a “specified financial institution” as defined in the Tax Act;
- (b) is a person or partnership an interest in which is a “tax shelter investment” for purposes of the Tax Act;

- (c) has elected to report its Canadian federal income tax results in a currency other than Canadian currency;
- (d) has entered into or will enter into a “derivative forward agreement”, a “synthetic disposition arrangement”, or a “synthetic equity arrangement” as those terms are or are proposed to be defined in the Tax Act;
- (e) has acquired Common Shares, or will acquire Common Shares or AC/DC Shares, on the exercise of an employee stock option; or
- (f) is otherwise a Holder of special status or in special circumstances.

All such Holders should consult their own tax advisors with respect to the consequences of the Arrangement. In addition, this summary does not address any tax considerations relevant to holders of Grid Options, and such holders should also consult their own advisors in this regard.

The summary assumes that the Share Exchange (as described below) will be considered to occur “in the course of a reorganization of capital” of the Company such that section 86 of the Tax Act will apply in respect of the Share Exchange. **No tax ruling or legal opinion has been sought or obtained in this regard, or with respect to any of the assumptions made throughout this summary of Certain Canadian Federal Income Tax Considerations, and the summary below is qualified accordingly.**

This summary is based on the current provisions of the Tax Act, the regulations thereunder (the “**Regulations**”), and our understanding of the current published administrative practices and policies of the CRA. This summary takes into account all specific proposals to amend the Tax Act and Regulations (the “**Proposed Amendments**”) announced by the Minister of Finance (Canada) prior to the date hereof. It is assumed that the Proposed Amendments will be enacted as currently proposed and that there will be no other change in law or administrative or assessing practice, whether by legislative, governmental, or judicial action or decision, although no assurance can be given in these respects. This summary does not take into account provincial, territorial or foreign income tax considerations, which may differ materially from the Canadian federal income tax considerations discussed below. On July 18, 2017, the Minister of Finance (Canada) released a consultation paper that included an announcement of the Government’s intention to amend the Tax Act to increase the amount of tax applicable to passive investment income earned through a private corporation. No specific amendments to the Tax Act were proposed in connection with this announcement. Holders that are private Canadian corporations should consult their own tax advisors.

This summary is of a general nature only and is not and should not be construed as legal or tax advice to any particular person (including a Holder as defined above). Each person who may be affected by the Arrangement should consult the person’s own tax advisors with respect to the person’s particular circumstances.

#### *Holders Resident in Canada*

This portion of this summary applies only to Holders who are or are deemed to be resident solely in Canada for the purposes of the Tax Act and any applicable income tax treaty or convention (each, a “**Resident Holder**”).

A Resident Holder whose Common Shares might not otherwise qualify as capital property may be entitled to make an irrevocable election permitted by subsection 39(4) of the Tax Act to deem such shares, and every other “Canadian security” (as defined in the Tax Act), held by such person, in the taxation year of the election and each subsequent taxation year to be capital property. This election does not apply to AC/DC Shares until such time that AC/DC is a public company. Resident Holders should consult their own tax advisors regarding this election.

#### Receipt of AC/DC Shares

A Resident Holder who receives AC/DC Shares pursuant to the Arrangement (the “**Share Exchange**”) will be deemed to have received a taxable dividend equal to the amount, if any, by which the fair market value of the AC/DC Shares distributed to the Resident Holder pursuant to the Share Exchange at the time of the Share Exchange exceeds the “paid-up capital” (as defined in the Tax Act) (“**PUC**”) of the Resident Holder’s Common Shares determined at that time. Any such taxable dividend will be taxable as described below under “*Holders Resident in Canada – Taxation of Dividends – AC/DC Shares*”. However, the Company expects that the fair market value of all AC/DC Shares distributed pursuant to the Share Exchange under the Arrangement will not exceed the PUC of the Common Shares.



Accordingly, the Company does not expect that any Resident Holder will be deemed to receive a taxable dividend on the Share Exchange.

A Resident Holder who receives AC/DC Shares on the Share Exchange will realize a capital gain equal to the amount, if any, by which the fair market value of those AC/DC Shares at the effective time of the Share Exchange, less the amount of any taxable dividend deemed to be received by the Resident Holder as described in the preceding paragraph, exceeds the “adjusted cost base” (as defined in the Tax Act) (“ACB”) of the Resident Holder’s Common Shares determined immediately before the Share Exchange. Any capital gain so realized will be taxable as described below under “*Holders Resident in Canada – Taxation of Capital Gains and Losses*”.

The Resident Holder will acquire the AC/DC Shares received on the Share Exchange at a cost equal to their fair market value as at the effective time of the Share Exchange.

#### Disposition of AC/DC Shares after the Arrangement

A Resident Holder who disposes or is deemed to dispose of a AC/DC Share generally will realize a capital gain (or capital loss) equal to the amount, if any, by which the proceeds of disposition therefor are greater (or less) than the ACB of the share to the Resident Holder, less reasonable costs of disposition. Any such capital gain or capital loss will be subject to the treatment generally described below under “*Holders Resident in Canada – Taxation of Capital Gains and Capital Losses*”.

#### Taxation of Dividends – AC/DC Shares

A Resident Holder who is an individual (other than certain trusts) and receives or is deemed to receive a taxable dividend in a taxation year on the Holder’s AC/DC Shares will be required to include the amount of the dividend in income for the year, subject to the dividend gross-up and tax credit rules applicable to taxable dividends received by a Canadian resident individual from a taxable Canadian corporation, including the enhanced dividend gross-up and tax credit that may be applicable if and to the extent that Grid designates the taxable dividend to be an “eligible dividend” in accordance with the Tax Act. The Company has made no commitments in this regard. Dividends received by an individual may also give rise to minimum tax.

A Resident Holder that is a corporation and receives or is deemed to receive a taxable dividend in a taxation year on its or AC/DC Shares must include the amount in its income for the year, but generally will be entitled to deduct an equivalent amount from its taxable income, subject to all restrictions under the Tax Act and the Proposed Amendments. A Resident Holder that is a “private corporation” or a “subject corporation” (as defined in the Tax Act) may also be liable under Part IV of the Tax Act to pay a special tax (refundable in certain circumstances) on any such dividends to the extent that the dividend is deductible in computing the corporation’s taxable income.

#### Taxation of Capital Gains and Capital Losses

A Resident Holder who realizes a capital gain or capital loss in a taxation year on the actual or deemed disposition of a share, including a AC/DC Share, generally will be required to include one half of any such capital gain (a “**taxable capital gain**”) in income for the year, and entitled to deduct one half of any such capital loss (an “**allowable capital loss**”) against taxable capital gains realized in the year and, to the extent not so deductible, in any of the three preceding taxation years or any subsequent taxation year, to the extent and in the circumstances specified in the Tax Act.

The amount of any capital loss realized by a Resident Holder that is a corporation may be reduced by the amount of dividends received or deemed to have been received by it on the share (or on a share substituted therefor) to the extent and in the circumstances described in the Tax Act. Similar rules may apply where the corporation is a member or beneficiary of a partnership or trust that held the share, or where a partnership or trust of which the corporation is a member or beneficiary is itself a member of a partnership or a beneficiary of a trust that held the share. Affected Resident Holders should consult their own tax advisors in this regard.

A Resident Holder that is a “Canadian controlled private corporation” (as defined in the Tax Act) throughout the relevant taxation year may be liable to pay an additional tax (refundable in certain circumstances) on its “aggregate investment income”, which includes taxable capital gains, for the year.

### Minimum Tax on Individuals

A Resident Holder who is an individual (including certain trusts) and receives a taxable dividend on, or realizes a capital gain on the disposition of, a share, including an AC/DC Share, may thereby be liable for minimum tax to the extent and within the circumstances set out in the Tax Act.

### Dissenting Resident Holders

A Resident Holder who validly exercises Dissent Rights (a “**Dissenting Resident Holder**”) and who consequently transfers or is deemed to transfer Common Shares to Grid for payment by Grid will be deemed to receive a taxable dividend in the taxation year of payment equal to the amount, if any, by which the payment (excluding interest) exceeds the PUC of the Dissenting Resident Holder’s Common Shares determined immediately before the Arrangement. Any such taxable dividend will be taxable as described above under “Holders Resident in Canada – Taxation of Dividends – AC/DC Shares”. The Dissenting Resident Holder will also realize a capital gain (or capital loss) equal to the amount, if any, by which the payment (excluding interest), less any such deemed taxable dividend, exceeds (is exceeded by) the ACB of the Dissenting Resident Holder’s Common Shares determined immediately before the Arrangement. Any such capital gain or loss will generally be taxable or deductible as described above under “*Holders Resident in Canada – Taxation of Capital Gains and Capital Losses*”.

The Dissenting Resident Holder will be required to include any portion of the payment that is on account of interest in income in the year received.

### Eligibility for Investment – AC/DC Shares

An AC/DC Share will be a qualified investment for a Registered Plan at any time at which the AC/DC Shares are listed on a “designated stock exchange” (which includes the TSX-V) as defined in the Tax Act. Management of Grid believes that AC/DC should meet the relevant listing requirements of the TSX-V once the requisite distribution and other requirements are achieved as of the Effective Date, and intends to request that the TSX-V issue a listing bulletin or similar communication deeming the AC/DC Shares to be listed as of the Effective Time, but this result, or the CRA’s acceptance thereof for purposes of the potential “qualified investment” status of the AC/DC Shares as of any particular time, cannot be guaranteed. **There can be no assurance as to if, or when, the AC/DC Shares will be listed or traded on any stock exchange. Should the AC/DC Shares be distributed to or otherwise acquired by a Registered Plan other than as “qualified investments”, adverse tax consequences not described in this summary should be expected to arise for the Registered Plan and the annuitant thereunder. Resident Holders that hold Common Shares and will or may hold AC/DC Shares within a Registered Plan should consult with their own tax advisors in this regard.**

Notwithstanding that the AC/DC Shares may be qualified investments at a particular time, the holder of a TFSA or the annuitant of a RRSP or RRIF will be subject to a penalty tax in respect of an AC/DC Share held in the TFSA, RRSP or RRIF, as applicable, if the share is a “prohibited investment” under the Tax Act. An AC/DC Share generally will not be a prohibited investment for a TFSA, RRSP or RRIF of a holder or annuitant thereof, as applicable, provided that (i) the holder or annuitant of the account does not have a “significant interest” within the meaning of the Tax Act in the Company or AC/DC, as applicable, and (ii) the Company or AC/DC, as applicable, deals at arm’s length with the holder or annuitant for the purposes of the Tax Act. Pursuant to Proposed Amendments released on March 22, 2017, the rules with respect to “prohibited investments” are also proposed to apply to (i) registered education savings plans and subscribers thereof, and (ii) registered disability savings plans and holders thereof. **Shareholders should consult their own tax advisors to ensure that the AC/DC Shares would not be a prohibited investment for a trust governed by a TFSA, RRSP or RRIF in their particular circumstances.**

### *Holders Not Resident in Canada*

This portion of this summary applies only to Holders each of whom at all material times for the purposes of the Tax Act (i) has not been and is not resident or deemed to be resident in Canada for purposes of the Tax Act, and does not and will not use or hold Common Shares or AC/DC Shares in connection with carrying on a business in Canada (each, a “**Non-resident Holder**”).

Special rules, which are not discussed in this summary, may apply to a Non-resident Holder that is an insurer carrying on business in Canada and elsewhere, or an “authorized foreign bank” as defined in the Tax Act. Such Non-resident Holders should consult their own tax advisers with respect to the Arrangement.

#### Receipt of AC/DC Shares

The discussion of the tax consequences of the Share Exchange for Resident Holders under the heading “Holders Resident in Canada – Receipt of AC/DC Shares” generally will also apply to Non-resident Holders in respect of the Share Exchange. The general taxation rules applicable to Non-resident Holders in respect of a deemed taxable dividend or capital gain arising on the Share Exchange are discussed below under the headings “*Holders Not Resident in Canada – Taxation of Dividends – AC/DC Shares*” and “*Holders Not Resident in Canada – Taxation of Capital Gains and Capital Losses*” respectively.

#### Taxation of Dividends – AC/DC Shares

A Non-resident Holder to whom AC/DC pays or credits (or is deemed to pay or credit) an amount as a dividend in respect of the Holder’s AC/DC Shares will be subject to Canadian withholding tax equal to 25% (or such lower rate as may be available under an applicable income tax convention, if any) of the gross amount of the dividend.

#### Taxation of Capital Gains and Capital Losses

A Non-resident Holder will not be subject to Canadian federal income tax in respect of any capital gain arising on an actual or deemed disposition of a AC/DC Share unless, at the time of disposition, the share is “taxable Canadian property” as defined in the Tax Act, and is not “treaty-protected property” as so defined.

Generally, an AC/DC Share, as applicable, of the Non-resident Holder will not be taxable Canadian property of the Holder at any time at which the share is listed on a “designated stock exchange” as defined in the Tax Act (which includes the TSX-V) unless, at any time during the 60 months immediately preceding the disposition of the share, the Non-resident Holder, one or more persons with whom the Non-resident Holder did not deal at arm’s length, partnerships in which the Non-resident Holder or persons with whom the Non-resident Holder did not deal at arm’s length held membership interests (directly or indirectly), or any combination of the foregoing, owned 25% or more of the issued shares of any class of the capital stock of the Company or AC/DC, as applicable, and the share derived more than 50% of its fair market value directly or indirectly from, or from any combination of, real property situated in Canada, “Canadian resource properties”, “timber resource properties” (as those terms are defined in the Tax Act), and interest, rights or options in or in respect of any of the foregoing.

It is expected that the AC/DC shares will be considered “taxable Canadian property” immediately after the Arrangement and until such time as the shares are listed on a “designated stock exchange”.

Shares may also be deemed to be “taxable Canadian property” under other provisions of the Tax Act.

A Non-resident Holder who disposes or is deemed to dispose of a or AC/DC Share that, at the time of disposition, is taxable Canadian property and is not treaty-protected property will realize a capital gain (or capital loss) equal to the amount, if any, by which the Holder’s proceeds of disposition of the share exceeds (or is exceeded by) the Non-resident Holder’s ACB in the share and reasonable costs of disposition. The Non-resident Holder generally will be required to include one half of any such capital gain (taxable capital gain) in the Holder’s taxable income earned in Canada for the year of disposition, and be entitled to deduct one half of any such capital loss (allowable capital loss) against taxable capital gains included in the Holder’s taxable income earned in Canada for the year of disposition and, to the extent not so deductible, against such taxable capital gains realized in any of the three preceding taxation years or any subsequent taxation year, to the extent and in the circumstances set out in the Tax Act.

Non-resident Holders who may hold shares as “taxable Canadian property” should consult their own tax advisers in this regard.

#### Dissenting Non-Resident Holders

The discussion above applicable to Resident Holders under the heading “*Holders Resident in Canada - Dissenting Resident Holders*” will generally also apply to a Non-resident Holder who validly exercises Dissent Rights in respect of the Arrangement. In general terms, the Non-resident Holder will be subject to Canadian federal income tax in

respect of any deemed taxable dividend arising as a consequence of the exercise of Dissent Rights generally as discussed above under the heading “*Holdings Not Resident in Canada – Taxation of Dividends – AC/DC Shares*” and subject to the Canadian federal income tax treatment in respect of any capital gain or loss arising as a consequence of the exercise of Dissent Rights generally as discussed above under the heading “*Holdings Not Resident in Canada – Taxation of Capital Gains and Capital Losses*”.

### **Certain United States Federal Income Tax Considerations**

Shareholders who are resident in, or citizens of, the United States are advised to consult their own tax advisors to determine the particular United States tax consequences to them of the Arrangement in light of their particular situation, as well as any tax consequences that may arise under the laws of any other relevant foreign, state, local, or other taxing jurisdiction. This Circular does not contain a description of the United States tax consequences of the Arrangement or the ownership of AC/DC Shares.

### **OTHER BUSINESS**

While there is no other business other than that business mentioned in the Notice of Meeting to be presented for action by the Shareholders at the Meeting, **it is intended that the Proxies hereby solicited will be exercised upon any other matters and proposals that may properly come before the Meeting or any adjournment or adjournments thereof, in accordance with the discretion of the persons authorized to act thereunder.**

### **ADDITIONAL INFORMATION**

Additional information relating to the Company is on the Company’s profile on SEDAR at [www.sedarplus.ca](http://www.sedarplus.ca). Shareholders may contact the Company at 3028 Quadra Court, Coquitlam, British Columbia, V3B 5X6, Canada, Canada by e-mail at [info@gridbatterymetals.com](mailto:info@gridbatterymetals.com), telephone at (604) 442-8569 or e-mail at [tfernback@shaw.ca](mailto:tfernback@shaw.ca) to request copies of the Company’s financial statements and MD&A.

Financial information for the Company’s financial years ended June 30, 2023 and June 30, 2022 are provided in its comparative financial statements and MD&A which are filed on SEDAR.

### **BOARD APPROVAL**

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

DATED at Vancouver, British Columbia, the 7<sup>th</sup> day of March, 2024.

### **ON BEHALF OF THE BOARD OF DIRECTORS**

(Signed) “Tim Fernback”

Tim Fernback,  
President and Chief Executive Officer

**SCHEDULE “A”  
AUDIT COMMITTEE CHARTER**

**CHARTER FOR THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS  
GRID BATTERY METALS INC.**

The following Audit Committee Charter was adopted by the Audit Committee of the Board of Directors and the Board of Directors of GRID BATTERY METALS INC. (the “Company”):

**1. Mandate**

The audit committee will assist the board of directors (the “Board”) in fulfilling its financial oversight responsibilities. The audit committee will review and consider in consultation with the auditors the financial reporting process, the system of internal control and the audit process. In performing its duties, the committee will maintain effective working relationships with the Board, management, and the external auditors. To effectively perform his or her role, each committee member must obtain an understanding of the principal responsibilities of committee membership as well and the Company’s business, operations and risks.

**2. Composition**

The Board will appoint from among their membership an audit committee after each annual general meeting of the shareholders of the Company. The audit committee will consist of a minimum of three directors.

*Independence*

A majority of the members of the audit committee must not be officers, employees or control persons of the Company.

*Expertise of Committee Members*

Each member of the audit committee must be financially literate or must become financially literate within a reasonable period of time after his or her appointment to the committee. At least one member of the committee must have accounting or related financial management expertise. The Board shall interpret the qualifications of financial literacy and financial management expertise in its business judgment and shall conclude whether a director meets these qualifications.

**3. Meetings**

The audit committee shall meet in accordance with a schedule established each year by the Board, and at other times that the audit committee may determine. The audit committee shall meet at least annually with the Company’s Chief Financial Officer and external auditors in separate executive sessions.

**4. Roles and Responsibilities**

The audit committee shall fulfill the following roles and discharge the following responsibilities:

*External Audit*

The audit committee shall be directly responsible for overseeing the work of the external auditors in preparing or issuing the auditor’s report, including the resolution of disagreements between management and the external auditors regarding financial reporting and audit scope or procedures. In carrying out this duty, the audit committee shall:

- (a) recommend to the Board the external auditor to be nominated by the shareholders for the purpose of preparing or issuing an auditor’s report or performing other audit, review or attest services for the Company;
- (b) review (by discussion and enquiry) the external auditors’ proposed audit scope and approach;
- (c) review the performance of the external auditors and recommend to the Board the appointment or discharge of the external auditors;
- (d) review and recommend to the Board the compensation to be paid to the external auditors; and

- (e) review and confirm the independence of the external auditors by reviewing the non-audit services provided and the external auditors' assertion of their independence in accordance with professional standards.

#### *Internal Control*

The audit committee shall consider whether adequate controls are in place over annual and interim financial reporting as well as controls over assets, transactions and the creation of obligations, commitments and liabilities of the Company. In carrying out this duty, the audit committee shall:

- (a) evaluate the adequacy and effectiveness of management's system of internal controls over the accounting and financial reporting system within the Company; and
- (b) ensure that the external auditors discuss with the audit committee any event or matter which suggests the possibility of fraud, illegal acts or deficiencies in internal controls.

#### *Financial Reporting*

The audit committee shall review the financial statements and financial information prior to its release to the public. In carrying out this duty, the audit committee shall:

##### *General*

- (a) review significant accounting and financial reporting issues, especially complex, unusual and related party transactions; and
- (b) review and ensure that the accounting principles selected by management in preparing financial statements are appropriate.

##### *Annual Financial Statements*

- (a) review the draft annual financial statements and provide a recommendation to the Board with respect to the approval of the financial statements;
- (b) meet with management and the external auditors to review the financial statements and the results of the audit, including any difficulties encountered; and
- (c) review management's discussion & analysis respecting the annual reporting period prior to its release to the public.

##### *Interim Financial Statements*

- (a) review and approve the interim financial statements prior to their release to the public; and
- (b) review management's discussion & analysis respecting the interim reporting period prior to its release to the public.

##### *Release of Financial Information*

- (a) where reasonably possible, review and approve all public disclosure, including news releases, containing financial information, prior to its release to the public.

#### *Non-Audit Services*

All non-audit services (being services other than services rendered for the audit and review of the financial statements or services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements) which are proposed to be provided by the external auditors to the Company or any subsidiary of the Company shall be subject to the prior approval of the audit committee.

##### *Delegation of Authority*

- (a) The audit committee may delegate to one or more independent members of the audit committee the authority to approve non-audit services, provided any non-audit services approved in this manner must be presented to the audit committee at its next scheduled meeting.

*De-Minimis Non-Audit Services*

- (a) The audit committee may satisfy the requirement for the pre-approval of non-audit services if:
  - (i) the aggregate amount of all non-audit services that were not pre-approved is reasonably expected to constitute no more than five per cent of the total amount of fees paid by the Company and its subsidiaries to the external auditor during the fiscal year in which the services are provided; or
  - (ii) the services are brought to the attention of the audit committee and approved, prior to the completion of the audit, by the audit committee or by one or more of its members to whom authority to grant such approvals has been delegated.

*Pre-Approval Policies and Procedures*

- (a) The audit committee may also satisfy the requirement for the pre-approval of non-audit services by adopting specific policies and procedures for the engagement of non-audit services, if:
  - (i) the pre-approval policies and procedures are detailed as to the particular service;
  - (ii) the audit committee is informed of each non-audit service; and
  - (iii) the procedures do not include delegation of the audit committee's responsibilities to management.

*Other Responsibilities*

The audit committee shall:

- (a) establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters;
- (b) establish procedures for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters;
- (c) ensure that significant findings and recommendations made by management and external auditor are received and discussed on a timely basis;
- (d) review the policies and procedures in effect for considering officers' expenses and perquisites;
- (e) perform other oversight functions as requested by the Board; and
- (f) review and update this Charter and receive approval of changes to this Charter from the Board.

*Reporting Responsibilities*

The audit committee shall regularly update the Board about committee activities and make appropriate recommendations.

**5. Resources and Authority of the Audit Committee**

The audit committee shall have the resources and the authority appropriate to discharge its responsibilities, including the authority to:

- (a) engage independent counsel and other advisors as it determines necessary to carry out its duties;
- (b) set and pay the compensation for any advisors employed by the audit committee; and
- (c) communicate directly with the internal and external auditors.

**6. Guidance -Roles & Responsibilities**

The following guidance is intended to provide the audit committee members with additional guidance on fulfilment of their roles and responsibilities on the committee:

*Internal Control*

- (a) evaluate whether management is setting the goal of high standards by communicating the importance of internal control and ensuring that all individuals possess an understanding of their roles and responsibilities;
- (b) focus on the extent to which external auditors review computer systems and applications, the security

of such systems and applications, and the contingency plan for processing financial information in the event of an IT systems breakdown; and

- (c) gain an understanding of whether internal control recommendations made by external auditors have been implemented by management.

### *Financial Reporting*

#### *General*

- (a) review significant accounting and reporting issues, including recent professional and regulatory pronouncements, and understand their impact on the financial statements; and
- (b) ask management and the external auditors about significant risks and exposures and the plans to minimize such risks; and
- (c) understand industry best practices and the Company's adoption of them.

#### *Annual Financial Statements*

- (a) review the annual financial statements and determine whether they are complete and consistent with the information known to committee members, and assess whether the financial statements reflect appropriate accounting principles in light of the jurisdictions in which the Company reports or trades its shares;
- (b) pay attention to complex and/or unusual transactions such as restructuring charges and derivative disclosures;
- (c) focus on judgmental areas such as those involving valuation of assets and liabilities, including, for example, the accounting for and disclosure of loan losses; warranty, professional liability; litigation reserves; and other commitments and contingencies;
- (d) consider management's handling of proposed audit adjustments identified by the external auditors; and
- (e) ensure that the external auditors communicate all required matters to the committee.

#### *Interim Financial Statements*

- (a) be briefed on how management develops and summarizes interim financial information, the extent to which the external auditors review interim financial information;
- (b) meet with management and the auditors, either telephonically or in person, to review the interim financial statements; and
- (c) to gain insight into the fairness of the interim statements and disclosures, obtain explanations from management on whether:
  - (i) actual financial results for the quarter or interim period varied significantly from budgeted or projected results;
  - (ii) changes in financial ratios and relationships of various balance sheet and operating statement figures in the interim financial statements are consistent with changes in the Company's operations and financing practices;
  - (iii) generally accepted accounting principles have been consistently applied;
  - (iv) there are any actual or proposed changes in accounting or financial reporting practices;
  - (v) there are any significant or unusual events or transactions;
  - (vi) the Company's financial and operating controls are functioning effectively;
  - (vii) the Company has complied with the terms of loan agreements, security indentures or other financial position or results dependent agreement; and
  - (viii) the interim financial statements contain adequate and appropriate disclosures.

### *Compliance with Laws and Regulations*

- (a) periodically obtain updates from management regarding compliance with this policy and industry "best practices";
- (b) be satisfied that all regulatory compliance matters have been considered in the preparation of the financial statements; and



- (c) review the findings of any examinations by securities regulatory authorities and stock exchanges.

*Other Responsibilities*

- (a) review, with the Company's counsel, any legal matters that could have a significant impact on the Company's financial statements.

**SCHEDULE “B”  
ARRANGEMENT RESOLUTION**

Capitalized words used in this Schedule “B” and not otherwise defined shall have the meaning ascribed to such terms in the Circular.

**Arrangement Resolution:**

**“BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:**

1. The arrangement (the “**Arrangement**”) under Section 288 of the British Columbia Business Corporations Act involving Grid Battery Metals Inc. (“**Grid**”), all as more particularly described and set forth in the management information circular (the “**Circular**”) of Grid dated March 7, 2024, accompanying the notice of this meeting (as the Arrangement may be, or may have been, modified or amended), is hereby authorized, approved and adopted.
2. The plan of arrangement, as it may be or has been amended (the “**Plan of Arrangement**”), involving Grid and implementing the Arrangement, the full text of which is set out in Schedules “C” and “C-1” to the Circular, is hereby authorized, approved and adopted.
3. The arrangement agreement (the “**Arrangement Agreement**”) between Grid and AC/DC Battery Metals Inc. dated September 27, 2023 and all the transactions contemplated therein, the actions of the directors of Grid in approving the Arrangement and any amendments thereto and the actions of the directors and officers of Grid in executing and delivering the Arrangement Agreement and any amendments thereto are hereby confirmed, ratified, authorized and approved.
4. Notwithstanding that these resolutions have been passed (and the Arrangement adopted) or that the Arrangement has been approved by the Supreme Court of British Columbia, the directors of Grid are hereby authorized and empowered, without further notice to, or approval of, any securityholders of Grid:
  - (a) to amend the Arrangement Agreement or the Plan of Arrangement to the extent permitted by the Arrangement Agreement or the Plan of Arrangement; or
  - (b) subject to the terms of the Arrangement Agreement, not to proceed with the Arrangement.
5. Any one or more directors or officers of Grid is hereby authorized, for and on behalf and in the name of Grid, to execute and deliver, all such agreements, applications, forms, waivers, notices, certificates, confirmations and other documents and instruments and to do or cause to be done all such other acts and things as in the opinion of such director or officer may be necessary, desirable or useful for the purpose of giving effect to these resolutions, the Arrangement Agreement and the completion of the Plan of Arrangement in accordance with the terms of the Arrangement Agreement, including:
  - (a) all actions required to be taken by or on behalf of Grid, and all necessary filings and obtaining the necessary approvals, consents and acceptances of appropriate regulatory authorities; and
  - (b) the signing of the certificates, consents and other documents or declarations required under the Arrangement Agreement or otherwise to be entered into by Grid;such determination to be conclusively evidenced by the execution and delivery of such document, agreement or instrument or the doing of any such act or thing.”

**SCHEDULE "C"**  
**ARRANGEMENT AGREEMENT INCLUDING PLAN OF ARRANGEMENT**

**(see attached)**

## ARRANGEMENT AGREEMENT

THIS ARRANGEMENT AGREEMENT is dated as of the 27th day of September, 2023.

### BETWEEN:

**GRID BATTERY METALS INC.**, a corporation existing under the *Business Corporations Act* (British Columbia)

("Grid")

### AND:

**1427652 B.C. LTD.**, a corporation incorporated under the *Business Corporations Act* (British Columbia)

("Spinco")

### WHEREAS:

A. Grid is the registered and beneficial owner of one issued and outstanding Spinco Share, being all of the issued and outstanding Spinco Shares as of the date hereof;

B. Grid and Spinco wish to proceed with a corporate restructuring by way of a statutory arrangement under the BCBCA, pursuant to which Grid and Spinco will participate in a series of transactions whereby, among other things, Grid will acquire approximately 9,339,040 Spinco Shares (the "**Consideration Shares**") in exchange for the Transferred Assets (as defined herein) and shall distribute the Consideration Shares (the "**Spin-Out Shares**") to the holders of Grid Common Shares such that the holders of Grid Common Shares (other than Dissenting Shareholders) will become holders of the Spin-Out Shares;

C. Grid proposes to convene a meeting of the Shareholders to consider an Arrangement pursuant to Part 9, Division 5 of the BCBCA, on the terms and conditions set forth in the Plan of Arrangement attached as Exhibit A hereto; and

D. Each of the parties to this Agreement has agreed to participate in and support the Arrangement.

**NOW THEREFORE**, in consideration of the premises and the respective covenants and agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the parties hereto, the parties hereto hereby covenant and agree as follows:

## ARTICLE 1 DEFINITIONS, INTERPRETATION AND EXHIBIT

**1.1 Definitions.** In this Agreement including the Recitals, unless there is something in the subject matter or context inconsistent therewith, the following capitalized words and terms will have the following meanings:

- (a) "**Agreement**" means this arrangement agreement, including the exhibits attached hereto as the same may be supplemented or amended from time to time;
- (b) "**Arrangement**" means the arrangement pursuant to the Arrangement Provisions as contemplated by the provisions of this Agreement and the Plan of Arrangement;
- (c) "**Arrangement Provisions**" means Part 9, Division 5 of the BCBCA;
- (d) "**Arrangement Resolution**" means the special resolution of the Shareholders to approve the Arrangement, as required by the Interim Order and the BCBCA;
- (e) "**BCBCA**" means the *Business Corporations Act*, S.B.C. 2002, c. 57, as amended;
- (f) "**Board of Directors**" means the current and existing board of directors of Grid;
- (g) "**Business Day**" means a day which is not a Saturday, Sunday or statutory holiday in Vancouver, British Columbia;
- (h) "**Class A Shares**" means the renamed and redesignated Common Shares as described in Section 3.1(b) of the Plan of Arrangement;
- (i) "**Common Shares**" means the common shares without par value which Grid is authorized to issue as the same are constituted on the date hereof;
- (j) "**Constating Documents**" means the Articles and related Notice of Articles under the BCBCA of Grid or Spinco, as applicable;
- (k) "**Court**" means the Supreme Court of British Columbia;
- (l) "**CSE**" means the Canadian Securities Exchange;
- (m) "**Dissent Rights**" means the right of a registered Shareholder to dissent from the Arrangement Resolution in accordance with the provisions of the BCBCA, as modified by the Interim Order, and to be paid the fair value of the Common Shares in respect of which the holder dissents;
- (n) "**Effective Date**" means the date on which the New Common Shares are listed on the TSXV;
- (o) "**Final Order**" means the final order of the Court approving the Arrangement;
- (p) "**Information Circular**" means the management information circular of Grid, including all schedules thereto, to be sent to the Shareholders in connection with the Meeting, together with any amendments or supplements thereto;
- (q) "**Interim Order**" means the interim order of the Court providing advice and directions in connection with the Meeting and the Arrangement;

- (r) "**Spinco Shares**" means the no par value shares which Spinco is authorized to issue as the same are constituted on the date hereof;
- (s) "**Meeting**" means the annual and special meeting of the Shareholders and any adjournment(s) or postponement(s) thereof to be held to, among other things, consider and, if deemed advisable, approve the Arrangement;
- (t) "**New Common Shares**" means the new class of common shares without par value which Grid will create and issue as described in Section 3.1(b) of the Plan of Arrangement and for which the Class A Shares are, in part, to be exchanged under the Plan of Arrangement and which, immediately after completion of the transactions comprising the Plan of Arrangement, will be identical in every relevant respect to the Common Shares;
- (u) "**Options**" means share purchase options issued pursuant to the Stock Option Plan which are outstanding on the Effective Date;
- (v) "**party**" means either Grid or Spinco and "**parties**" means, collectively, Grid and Spinco;
- (w) "**Person**" means and includes an individual, sole proprietorship, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, a trustee, executor, administrator or other legal representative and the Crown or any agency or instrumentality thereof;
- (x) "**Plan of Arrangement**" means the plan of arrangement attached to this Agreement as Exhibit A, as the same may be amended from time to time;
- (y) "**Purchase and Assignment Agreement**" means the Purchase and Assignment Agreement to be entered into between Grid and Spinco pursuant to which the Transferred Assets will be transferred from Grid to Spinco in exchange for the Consideration Shares;
- (z) "**Registrar**" means the Registrar of Companies under the BCBCA;
- (aa) "**Replacement Option**" means an option to acquire a New Common Share to be issued by Grid to a holder of an Option pursuant to Section 3.1(d) of the Plan of Arrangement;
- (bb) "**Replacement Warrant**" means a common share purchase warrant to acquire a New Common Share to be issued by Grid to a holder of a Warrant pursuant to Section 3.1(e) of the Plan of Arrangement;
- (cc) "**Stock Option Plan**" means the existing stock option plan of Grid, as updated and amended from time to time.
- (dd) "**Shareholder**" means a holder of Common Shares;

- (ee) **"Spin-Out Shares"** has the meaning set out in Recital B;
- (ff) **"Transferred Assets"** means the assets of Grid set out in Schedule B hereto; and
- (gg) **"TSXV"** means the TSX Venture Exchange Inc.; and
- (hh) **"Warrants"** means common share purchase warrants issued by Grid which are outstanding on the Effective Date.

**1.2 Currency.** All amounts of money which are referred to in this Agreement are expressed in lawful money of Canada unless otherwise specified.

**1.3 Interpretation Not Affected by Headings.** The division of this Agreement into articles, sections, subsections, paragraphs and subparagraphs and the insertion of headings are for convenience of reference only and will not affect the construction or interpretation of the provisions of this Agreement. The terms "this Agreement", "hereof", "herein", "hereunder" and similar expressions refer to this Agreement and the exhibits hereto as a whole and not to any particular article, section, subsection, paragraph or subparagraph hereof and include any agreement or instrument supplementary or ancillary hereto.

**1.4 Number and Gender.** In this Agreement, unless the context otherwise requires, words importing the singular will include the plural and vice versa and words importing the use of either gender will include both genders and neuter and words importing persons will include firms and corporations.

**1.5 Date for any Action.** In the event that any date on which any action is required to be taken hereunder by Grid or Spinco is not a Business Day in the place where the action is required to be taken, such action will be required to be taken on the next succeeding day which is a Business Day in such place.

**1.6 Meaning.** Words and phrases used herein and defined in the BCBCA will have the same meaning herein as in the BCBCA unless the context otherwise requires.

**1.7 Exhibits.** Attached hereto and deemed to be incorporated into and form part of this Agreement as Exhibit A is the Plan of Arrangement.

## **ARTICLE 2 ARRANGEMENT**

**2.1 Arrangement.** The parties agree to effect the Arrangement pursuant to the Arrangement Provisions on the terms and subject to the conditions contained in this Agreement and the Plan of Arrangement.

**2.2 Effective Date of Arrangement.** The Arrangement will become effective on the Effective Date as set out in the Plan of Arrangement.

**2.3 Commitment to Effect.** Subject to termination of this Agreement pursuant to Article 6, the

parties will each use all reasonable efforts and do all things reasonably required to cause the conditions described in Section 5.1 to be complied with prior to the Effective Date. Without limiting the generality of the foregoing, the parties will proceed forthwith to apply for the Interim Order and Grid will call the Meeting and mail the Information Circular to the Shareholders.

**2.4 Filing of Final Order.** Subject to the rights of termination contained in Article 6 upon the Shareholders approving the Arrangement by special resolution in accordance with the provisions of the Interim Order and the BCBCA, Grid obtaining the Final Order and the other conditions contained in Article 5 being complied with or waived, Grid on its behalf and on behalf of Spinco will file with the Registrar:

- (a) the records and information required by the Registrar pursuant to the Arrangement Provisions; and
- (b) a copy of the Final Order.

### **ARTICLE 3 REPRESENTATIONS AND WARRANTIES**

**3.1 Representations and Warranties.** Each of the parties hereby represents and warrants to the other party that:

- (a) it is a corporation duly incorporated and validly subsisting under the laws of its jurisdiction of incorporation, and has full capacity and authority to enter into this Agreement and to perform its covenants and obligations hereunder;
- (b) it has taken all corporate actions necessary to authorize the execution and delivery of this Agreement and to consummate the transactions contemplated herein and this Agreement has been duly executed and delivered by it;
- (c) neither the execution and delivery of this Agreement nor the performance of any of its covenants and obligations hereunder will constitute a material default under, or be in any material contravention or breach of (i) any provision of its Constatng Documents or other governing corporate documents, (ii) any judgment, decree, order, law, statute, rule or regulation applicable to it, or (iii) any agreement or instrument to which it is a party or by which it is bound; and
- (d) no dissolution, winding up, bankruptcy, liquidation or similar proceedings has been commenced or are pending or proposed in respect of it.

### **ARTICLE 4 COVENANTS**

**4.1 Covenants.** Each of the parties covenants with the other that it will do and perform all such acts and things, and execute and deliver all such agreements, assurances, notices and other documents and instruments, as may reasonably be required to facilitate the carrying out of the intent and purpose of this Agreement.



**4.2 Interim Order and Final Order.** The parties acknowledge that Grid will apply to and obtain from the Court, pursuant to the Arrangement Provisions, the Interim Order providing for, among other things, the calling and holding of the Meeting for the purpose of considering and, if deemed advisable, approving and adopting the Arrangement Resolution. The parties each covenant and agree that if the approval of the Arrangement by the Shareholders as set out in Section 5.1(b) is obtained, Grid will thereafter (subject to the exercise of any discretionary authority granted to Grid's directors) take the necessary actions to submit the Arrangement to the Court for approval and apply for the Final Order and, subject to compliance with any of the other conditions provided for in Article 5 and to the rights of termination contained in Article 6, file the material described in Section 2.4 with the Registrar.

## **ARTICLE 5 CONDITIONS**

**5.1 Conditions Precedent.** The respective obligations of the parties to complete the transactions contemplated by this Agreement will be subject to the satisfaction of the following conditions:

- (a) the Interim Order will have been granted in form and substance satisfactory to Grid;
- (b) the Arrangement Resolution, with or without amendment, will have been approved and adopted at the Meeting by the Shareholders in accordance with the Arrangement Provisions, the Constatting Documents of Grid, the Interim Order and the requirements of any applicable regulatory authorities;
- (c) the Final Order will have been obtained in form and substance satisfactory to each of Grid and Spinco;
- (d) the Purchase and Assignment Agreement will have been executed and Grid shall received the Consideration Shares;
- (e) the TSXV will have conditionally approved the Arrangement, including the delisting of the Common Shares and, in substitution therefor, the listing of the New Common Shares, as of the Effective Date, subject to compliance with the requirements of the TSXV;
- (f) all other consents, orders, regulations and approvals, including regulatory and judicial approvals and orders required or necessary or desirable for the completion of the transactions provided for in this Agreement and the Plan of Arrangement will have been obtained or received from the Persons, authorities or bodies having jurisdiction in the circumstances each in form acceptable to Grid and Spinco;
- (g) there will not be in force any order or decree restraining or enjoining the consummation of the transactions contemplated by this Agreement and the Plan of Arrangement;
- (h) no law, regulation or policy will have been proposed, enacted, promulgated or applied which interferes or is inconsistent with the completion of the Arrangement and Plan of Arrangement, including any material change to the income tax laws of Canada, which would reasonably be expected to have a material adverse effect on any of Grid, the Shareholders or Spinco if the Arrangement is completed;

- (i) notices of dissent pursuant to Article 5 of the Plan of Arrangement will not have been delivered by Shareholders holding greater than 5% of the outstanding Common Shares; and
- (j) this Agreement will not have been terminated under Article 6.

Except for the conditions set forth in Sections 5.1(a), (b), (c), (e), and (i), which may not be waived, any of the other conditions in this Section 5.1 may be waived by either Grid or Spinco at its discretion.

**5.2 Pre-Closing.** Unless this Agreement is terminated earlier pursuant to the provisions hereof, the parties will meet at the offices of Grid at 3028 Quadra Court Coquitlam, British Columbia, V3B 5X6, at 9:00 a.m. on the Business Day immediately preceding the Effective Date, or at such other location or at such other time or on such other date as they may mutually agree, and each of them will deliver to the other of them:

- (a) the documents required to be delivered by it hereunder to complete the transactions contemplated hereby, provided that each such document required to be dated the Effective Date will be dated as of, or become effective on, the Effective Date and will be held in escrow to be released upon the occurrence of the Effective Date; and
- (b) written confirmation as to the satisfaction or waiver by it of the conditions in its favour contained in this Agreement.

**5.3 Merger of Conditions.** The conditions set out in Section 5.1 will be conclusively deemed to have been satisfied, waived or released upon the occurrence of the Effective Date.

**5.4 Merger of Representations, Warranties and Covenants.** The representations and warranties in Section 3.1 will be conclusively deemed to be correct as of the Effective Date and the covenants in Section 4.1 will be conclusively deemed to have been complied with in all respects as of the Effective Date, and each will accordingly merge in and not survive the effectiveness of the Arrangement.

## ARTICLE 6 AMENDMENT AND TERMINATION

**6.1 Amendment.** Subject to any mandatory applicable restrictions under the Arrangement Provisions or the Final Order, this Agreement, including the Plan of Arrangement, may at any time and from time to time before or after the holding of the Meeting, but prior to the Effective Date, be amended by the written agreement of the parties hereto without, subject to applicable law, further notice to or authorization on the part of the Shareholders.

**6.2 Termination.** Subject to Section 6.3, this Agreement may at any time before or after the holding of the Meeting, and before or after the granting of the Final Order, but in each case prior to the Effective Date, be terminated by direction of the Board of Directors of Grid without further action on the part of the Shareholders and nothing expressed or implied herein or in the Plan of Arrangement will be construed as fettering the absolute discretion by the Board of Directors of Grid to elect to terminate this Agreement and discontinue efforts to effect the Arrangement for whatever reasons it may consider appropriate.

**6.3 Cessation of Right.** The right of Grid or Spinco or any other party to amend or terminate the Plan of Arrangement pursuant to Section 6.1 and Section 6.2 will be extinguished upon the occurrence of the Effective Date.

## **ARTICLE 7 GENERAL**

**7.1 Notices.** All notices which may or are required to be given pursuant to any provision of this Agreement will be given or made in writing and will be delivered or sent by electronic mail, addressed as follows:

in the case of Grid:

3028 Quadra Court  
Coquitlam, British Columbia  
V3B 5X6

Attention: Tina Whyte, Corporate Secretary  
Email: info@gridbatterymetals.com

in the case of Spinco:

Suite 501  
3292 Production Way  
Burnaby, BC  
V5A 4R4 Canada

Attention: Tim Fernback  
Email: tfernback@shaw.ca

**7.2 Assignment.** Neither of the parties may assign its rights or obligations under this Agreement or the Arrangement without the prior written consent of the other.

**7.3 Binding Effect.** This Agreement and the Arrangement will be binding upon and will enure to the benefit of the parties and their respective successors and permitted assigns.

**7.4 Waiver.** Any waiver or release of the provisions of this Agreement, to be effective, must be in writing and executed by the party granting such waiver or release.

**7.5 Governing Law.** This Agreement will be governed by and be construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein.

**7.6 Counterparts.** This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original but all of which together will constitute one and the same instrument.

**7.7 Expenses.** All expenses incurred by a party in connection with this Agreement, the

Arrangement and the transactions contemplated hereby and thereby will be borne by the party that incurred the expense or as otherwise mutually agreed by the parties.

**7.8 Entire Agreement.** This Agreement constitutes the entire agreement between the parties with respect to the subject matter of this Agreement and supersedes all prior and contemporaneous agreements, understandings, negotiations and discussions, whether oral or written, of the parties.

**7.9 Time of Essence.** Time is of the essence of this Agreement.

*(Remainder of page left intentionally blank. Signature page follows)*

**IN WITNESS WHEREOF** the parties have executed this Agreement as of the date first above written.

**GRID BATTERY METALS INC.**

By:           *(signed) Robert Setter*            
          Authorized Signatory

**1427652 B.C. LTD.**

By:           *(signed) Tim Fernback*            
          Authorized Signatory

## EXHIBIT A

TO THE ARRANGEMENT AGREEMENT DATED AS OF THE 27th DAY OF  
SEPTEMBER, 2023 BETWEEN GRID BATTERY METALS INC. AND 1427652 B.C. LTD.

### PLAN OF ARRANGEMENT UNDER PART 9, DIVISION 5 OF THE *BUSINESS CORPORATIONS ACT* (BRITISH COLUMBIA)

#### ARTICLE 1 DEFINITIONS AND INTERPRETATION

**1.1 Definitions.** In this plan of arrangement, unless there is something in the subject matter or context inconsistent therewith, the following capitalized words and terms will have the following meanings:

- (a) "**Arrangement**" means the arrangement pursuant to the Arrangement Provisions on the terms and conditions set out herein;
- (b) "**Arrangement Agreement**" means the arrangement agreement dated as of September 22, 2023 between Grid and Spinco, as may be supplemented or amended from time to time;
- (c) "**Arrangement Provisions**" means Part 9, Division 5 of the BCBCA;
- (d) "**BCBCA**" means the *Business Corporations Act*, S.B.C. 2002, c. 57, as amended;
- (e) "**Board of Directors**" means the current and existing board of directors of Grid;
- (f) "**Business Day**" means a day which is not a Saturday, Sunday or statutory holiday in Vancouver, British Columbia;
- (g) "**Class A Shares**" means the renamed and redesignated Common Shares as described in Section 3.1(b) of this Plan of Arrangement;
- (h) "**Common Shares**" means the voting common shares without par value which Grid is authorized to issue as the same are constituted on the date hereof;
- (i) "**Court**" means the Supreme Court of British Columbia;
- (j) "**CSE**" means the Canadian Securities Exchange;
- (k) "**Depository**" means Computershare Investor Services Inc., or such other depository as Grid may determine;
- (l) "**Dissent Procedures**" means the rules pertaining to the exercise of Dissent Rights as set forth in Division 2 of Part 8 of the BCBCA and Article 5 of this Plan of Arrangement;
- (m) "**Dissent Rights**" means the rights of dissent granted in favour of registered holders

of Common Shares in accordance with Article 5 of this Plan of Arrangement;

- (n) "**Dissent Share**" has the meaning given in Section 3.1(a) of this Plan of Arrangement;
- (o) "**Dissenting Shareholder**" means a registered holder of Common Shares who dissents in respect of the Arrangement in strict compliance with the Dissent Procedures and who has not withdrawn or been deemed to have withdrawn such exercise of Dissent Rights;
- (p) "**Distribution Record Date**" means the close of business on the Business Day immediately preceding the Effective Date for the purpose of determining the Shareholders entitled to receive New Common Shares and Spin-Out Shares pursuant to this Plan of Arrangement or such other date as the Board of Directors may select;
- (q) "**Effective Date**" means the date on which the New Common Shares are listed on the TSXV;
- (r) "**Effective Time**" means 12:01 a.m. on the Effective Date or such other time on the Effective Date as agreed to in writing by Grid and Spinco;
- (s) "**Final Order**" means the final order of the Court approving the Arrangement;
- (t) "**Interim Order**" means the interim order of the Court providing advice and directions in connection with the Meeting and the Arrangement;
- (u) "**Letter of Transmittal**" means the letter of transmittal in respect of the Arrangement to be sent to Shareholders together with the Information Circular;
- (v) "**Meeting**" means the annual and special meeting of the Shareholders and any adjournments thereof to be held to, among other things, consider and, if deemed advisable, approve the Arrangement;
- (w) "**New Common Shares**" means a new class of voting common shares without par value which Grid will create and issue as described in Section 3.1(b) of this Plan of Arrangement and for which the Class A Shares are, in part, to be exchanged under the Plan of Arrangement and which, immediately after completion of the transactions comprising the Plan of Arrangement, will be identical in every relevant respect to the Common Shares;
- (x) "**Options**" means share purchase options issued pursuant to the Stock Option Plan which are outstanding on the Effective Date;
- (y) "**Plan of Arrangement**" means this plan of arrangement, as the same may be amended from time to time;
- (z) "**Registrar**" means the Registrar of Companies under the BCBCA;
- (aa) "**Replacement Option**" means an option to acquire a New Common Share to be issued

by Grid to a holder of an Option pursuant to Section 3.1(d) of this Plan of Arrangement.

- (bb) "**Replacement Warrant**" means a common share purchase warrant to acquire a New Common Share to be issued by Grid to a holder of a Warrant pursuant to Section 3.1(e) of this Plan of Arrangement;
- (cc) "**Shareholders**" means holders of Common Shares;
- (dd) "**Spin-Out Shares**" means 9,339,040 Spinco Shares to be issued to Grid;
- (ee) "**Spinco**" means 1427652 B.C. LTD., a company incorporated under the BCBCA;
- (ff) "**Spinco Shareholder**" means a holder of Spinco Shares;
- (gg) "**Spinco Shares**" means the no par value shares which Spinco is authorized to issue as the same are constituted on the date hereof
- (hh) "**Stock Option Plan**" means the existing stock option plan of Grid as updated and amended from time to time.
- (ii) "**Grid**" means Grid Battery Metals Inc., a corporation incorporated under the BCBCA;
- (jj) "**Tax Act**" means the *Income Tax Act* (Canada), R.S.C. 1985 (5th Supp.) c.1, as amended;
- (kk) "**Transfer Agent**" means Computershare Investor Services Inc. at its principal office in Vancouver, British Columbia;
- (ll) "**TSXV**" means the TSX Venture Exchange Inc.; and
- (mm) "**Warrant**" means common share purchase warrants issued by Grid which are outstanding on the Effective Date.

**1.2 Interpretation Not Affected by Headings.** The division of this Plan of Arrangement into articles, sections, subsections, paragraphs and subparagraphs and the insertion of headings are for convenience of reference only and will not affect the construction or interpretation of this Plan of Arrangement. Unless otherwise specifically indicated, the terms "this Plan of Arrangement", "hereof", "hereunder" and similar expressions refer to this Plan of Arrangement as a whole and not to any particular article, section, subsection, paragraph or subparagraph and include any agreement or instrument supplementary or ancillary hereto.

**1.3 Number and Gender.** Unless the context otherwise requires, words importing the singular number only will include the plural and vice versa, words importing the use of either gender will include both genders and neuter and words importing persons will include firms and corporations.

**1.4 Meaning.** Words and phrases used herein and defined in the BCBCA will have the same meaning herein as in the BCBCA, unless the context otherwise requires.



**1.5 Date for any Action.** If any date on which any action is required to be taken under this Plan of Arrangement is not a Business Day, such action will be required to be taken on the next succeeding Business Day.

**1.6 Governing Law.** This Plan of Arrangement will be governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

## ARTICLE 2 ARRANGEMENT AGREEMENT

**2.1 Arrangement Agreement.** This Plan of Arrangement is made pursuant and subject to the provisions of the Arrangement Agreement.

**2.2 Arrangement Effectiveness.** The Arrangement and this Plan of Arrangement will become final and conclusively binding on Grid, the Shareholders (including Dissenting Shareholders), the holders of Options and Spinco Shareholders at the Effective Time without any further act or formality as required on the part of any person, except as expressly provided herein.

## ARTICLE 3 THE ARRANGEMENT

**3.1 The Arrangement.** Commencing at the Effective Time, the following will occur and be deemed to occur in the following chronological order without further act or formality notwithstanding anything contained in the provisions attaching to any of the securities of Grid or Spinco, but subject to the provisions of Article 5:

- (a) each Common Share outstanding in respect of which a Dissenting Shareholder has validly exercised his, her or its Dissent Rights (each, a "**Dissent Share**") will be directly transferred and assigned by such Dissenting Shareholder to Grid, without any further act or formality and free and clear of any liens, charges and encumbrances of any nature whatsoever, and will be cancelled and cease to be outstanding and such Dissenting Shareholders will cease to have any rights as Shareholders other than the right to be paid the fair value for their Common Shares by Grid;
- (b) the authorized share structure of Grid will be altered by:
  - (i) renaming and redesignating all of the issued and unissued Common Shares as "Class A common shares without par value" and varying the special rights and restrictions attached to those shares to provide the holders thereof with two votes in respect of each share held, being the "Class A Shares"; and
  - (ii) creating a new class consisting of an unlimited number of "common shares without par value" with terms and special rights and restrictions identical to those of the Common Shares immediately prior to the Effective Time, being the "New Common Shares";
- (c) Grid's Notice of Articles will be amended to reflect the alterations in Section 3.1(b);

- (d) each Option then outstanding to acquire one Common Share will be exchanged for one Replacement Option to acquire one New Common Share having the same exercise price, expiry date, vesting conditions and other terms and conditions as the Option;
- (e) each Warrant then outstanding to acquire one Common Share will be exchanged for one Replacement Warrant to acquire one New Common Share having the same exercise price, expiry date, vesting conditions and other terms and conditions as the Warrant;
- (f) each issued and outstanding Class A Share outstanding on the Distribution Record Date will be exchanged for:
  - (i) one New Common Share; and
  - (ii) 0.05 of a Spin-Out Share,

and the holders of the Class A Shares will be removed from the central securities register of Grid as the holders of such and will be added to the central securities register of Grid as the holders of the number of New Common Shares that they have received on the exchange set forth in this Section 3.1(d), and the Spin-Out Shares transferred to the then holders of the Class A Shares will be registered in the name of the former holders of the Class A Shares and Grid will provide Spinco and its registrar and transfer agent notice to make the appropriate entries in the central securities register of Spinco;

- (g) all of the issued Class A Shares will be cancelled with the appropriate entries being made in the central securities register of Grid, and the aggregate paid-up capital (as that term is used for purposes of the Tax Act) of the New Common Shares will be equal to that of the Common Shares immediately prior to the Effective Time less the fair market value of the Spin-Out Shares distributed pursuant to Section 3.1(d);
- (h) the Class A Shares, none of which will be issued or outstanding once the steps in Section 3.1(e) to Section 3.1(g) are completed, will be cancelled and the authorized share structure of Grid will be changed by eliminating the Class A Shares;
- (i) the Notice of Articles of Grid will be amended to reflect the alterations in Section 3.1(h).

**3.2 No Fractional Shares or Options.** Notwithstanding any other provision of this Arrangement, while each Shareholder's fractional shares will be combined, no fractional Class A Shares or Spin-Out Shares will be distributed to the Shareholders and, as a result, all fractional amounts arising under this Plan of Arrangement will be rounded down to the next whole number without any compensation therefor. Any Class A Shares or Spin-Out Shares not distributed as a result of so rounding down will be cancelled by Grid and Spinco, as applicable.

**3.3 Distribution Record Date.** In Section 3.1(e), the reference to a Shareholder will mean a person who is a Shareholder on the Distribution Record Date, subject to the provisions of Article 5.

**3.4 Deemed Time for Redemption.** In addition to the chronological order in which the transactions and events set out in Section 3.1 will occur and will be deemed to occur, the time on the Effective Date for the exchange of Class A Shares for New Common Shares and Spin-Out Shares set out in Section 3.1(e) will occur and will be deemed to occur immediately after the time of listing of the New Common Shares on the TSXV and the listing of the Spinco Shares on the CSE on the Effective Date.

**3.5 Deemed Fully Paid and Non-Assessable Shares.** All New Common Shares and Class A Shares issued pursuant hereto will be deemed to be validly issued and outstanding as fully paid and non-assessable shares for all purposes of the BCBCA.

**3.6 Supplementary Actions.** Notwithstanding that the transactions and events set out in Section 3.1 will occur and will be deemed to occur in the chronological order therein set out without any act or formality, each of Grid and Spinco will be required to make, do and execute or cause and procure to be made, done and executed all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may be required to give effect to, or further document or evidence, any of the transactions or events set out in Section 3.1, including, without limitation, any resolutions of directors authorizing the issue, transfer or redemption of shares, any share transfer powers evidencing the transfer of shares and any receipt therefor, any necessary additions to or deletions from share registers, and agreements for stock options.

**3.7 Withholding.** Each of Grid, Spinco and the Depositary will be entitled to deduct and withhold from any cash payment or any issue, transfer or distribution of New Common Shares, Spin-Out Shares or the Replacement Options made pursuant to this Plan of Arrangement such amounts as may be required to be deducted and withheld pursuant to the Tax Act or any other applicable law, and any amount so deducted and withheld will be deemed for all purposes of this Plan of Arrangement to be paid, issued, transferred or distributed to the person entitled thereto under the Plan of Arrangement. Without limiting the generality of the foregoing, any New Common Shares or Spin-Out Shares so deducted and withheld may be sold on behalf of the person entitled to receive them for the purpose of generating cash proceeds, net of brokerage fees and other reasonable expenses, sufficient to satisfy all remittance obligations relating to the required deduction and withholding, and any cash remaining after such remittance will be paid to the person forthwith.

**3.8 No Liens.** Any exchange or transfer of securities pursuant to this Plan of Arrangement will be free and clear of any liens, restrictions, adverse claims or other claims of third parties of any kind.

#### ARTICLE 4 CERTIFICATES

**4.1 Class A Shares.** Recognizing that the Common Shares will be renamed and redesignated as Class A Shares pursuant to Section 3.1(b) and that the Class A Shares will be exchanged for New Common Shares pursuant to Section 3.1(e), Grid will not issue replacement share certificates representing the Class A Shares.

**4.2 Spin-Out Shares Share Certificates.** As soon as practicable following the Effective Date, Spinco will deliver or cause to be delivered to the Depositary certificates representing the Spin-Out Shares required to be issued to registered holders of Common Shares as at immediately prior to the Effective Time in accordance with the provisions of Section 3.1(e) of this Plan of Arrangement, which certificates will be held by the Depositary as agent and nominee for such holders for distribution thereto

in accordance with the provisions of Section 6.1.

**4.3 New Common Share Certificates.** As soon as practicable following the Effective Date, Grid will deliver or cause to be delivered to the Depository certificates representing the New Common Shares required to be issued to registered holders of Common Shares as at immediately prior to the Effective Time in accordance with the provisions of Section 3.1(e) of this Plan of Arrangement, which certificates will be held by the Depository as agent and nominee for such holders for distribution thereto in accordance with the provisions of Section 6.1.

**4.4 Interim Period.** Any Common Shares traded after the Distribution Record Date will represent New Common Shares as of the Effective Date and will not carry any rights to receive Spin-Out Shares.

**4.5 Option Certificate.** The term of expiry, conditions to and manner of exercise and other terms and conditions of the Replacement Options shall be the same as the terms and conditions of the Options for which they are exchanged and any certificate previously evidencing the Option shall thereafter evidence and be deemed to evidence such Replacement Option.

**4.6 Warrant Certificate.** The term of expiry, conditions to and manner of exercise and other terms and conditions of the Replacement Warrants shall be the same as the terms and conditions of the Warrants for which they are exchanged and any certificate previously evidencing the Replacement Warrant shall thereafter evidence and be deemed to evidence such Replacement Warrant.

## ARTICLE 5 RIGHTS OF DISSENT

**5.1 Dissent Right.** Registered holders of Common Shares may exercise Dissent Rights with respect to their Common Shares in connection with the Arrangement pursuant to the Interim Order and in the manner set forth in the Dissent Procedures, as they may be amended by the Interim Order, Final Order or any other order of the Court, and provided that such dissenting Shareholder delivers a written notice of dissent to Grid at least two Business Days before the day of the Meeting or any adjournment or postponement thereof.

**5.2 Dealing with Dissenting Shares.** Shareholders who duly exercise Dissent Rights with respect to their Dissenting Shares and who:

- (a) are ultimately entitled to be paid fair value for their Dissenting Shares will be deemed to have transferred their Dissenting Shares to Grid for cancellation as of the Effective Time pursuant to Section 3.1(a); or
- (b) for any reason are ultimately not entitled to be paid for their Dissenting Shares, will be deemed to have participated in the Arrangement on the same basis as a non-dissenting Shareholder and will receive New Common Shares and Spin-Out Shares on the same basis as every other non-dissenting Shareholder;

but in no case will Grid be required to recognize such persons as holding Common Shares on or after the Effective Date.

**5.3 Reservation of Spin-Out Shares.** If a Shareholder exercises Dissent Rights, Grid will, on the Effective Date, set aside and not distribute that portion of the Spin-Out Shares which is attributable to

the Common Shares for which Dissent Rights have been exercised. If the dissenting Shareholder is ultimately not entitled to be paid for their Dissenting Shares, Grid will distribute to such Shareholder his, her or its pro rata portion of the Spin-Out Shares. If a Shareholder duly complies with the Dissent Procedures and is ultimately entitled to be paid for their Dissenting Shares, then Grid will retain the portion of the Spin-Out Shares attributable to such Shareholder and such shares will be dealt with as determined by the Board of Directors in its discretion.

## ARTICLE 6 DELIVERY OF SHARES

### 6.1 Delivery of Shares.

- (a) Upon surrender to the Depository for cancellation of a certificate that immediately before the Effective Time represented one or more outstanding Common Shares, together with a duly completed and executed Letter of Transmittal and such additional documents and instruments as the Depository may reasonably require, the holder of such surrendered certificate will be entitled to receive in exchange therefor, and the Depository will deliver to such holder following the Effective Time, a certificate representing the New Common Shares and a certificate representing the Spin-Out Shares that such holder is entitled to receive in accordance with Section 3.1(e).
- (b) After the Effective Time and until surrendered for cancellation as contemplated by Section 6.1(a), each certificate that immediately prior to the Effective time represented one or more Common Shares will be deemed at all times to represent only the right to receive in exchange therefor a certificate representing the New Common Shares and a certificate representing the Spin-Out Shares that such holder is entitled to receive in accordance with Section 3.1(e).

**6.2 Lost Certificates.** If any certificate that immediately prior to the Effective Time represented one or more outstanding Common Shares that were exchanged for New Common Shares and Spin-Out Shares in accordance with Section 3.1(e), will have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the holder claiming such certificate to be lost, stolen or destroyed, the Depository will deliver in exchange for such lost, stolen or destroyed certificate, the New Common Shares and Spin-Out Shares that such holder is entitled to receive in accordance with Section 3.1(e). When authorizing such delivery of New Common Shares and Spin-Out Shares that such holder is entitled to receive in exchange for such lost, stolen or destroyed certificate, the holder to whom such securities are to be delivered will, as a condition precedent to the delivery of such New Common Shares and Spin-Out Shares or give a bond satisfactory to Grid, Spinco and the Depository in such amount as Grid, Spinco and the Depository may direct, or otherwise indemnify Grid, Spinco and the Depository in a manner satisfactory to Grid, Spinco and the Depository, against any claim that may be made against Grid, Spinco or the Depository with respect to the certificate alleged to have been lost, stolen or destroyed and will otherwise take such actions as may be required by the articles of Grid.

**6.3 Distributions with Respect to Unsurrendered Certificates.** No dividend or other distribution declared or made after the Effective Time with respect to New Common Shares or Spin-Out Shares with a record date after the Effective Time will be delivered to the holder of any unsurrendered certificate that, immediately prior to the Effective Time, represented outstanding Common Shares unless and until the holder of such certificate will have complied with the provisions of Section 6.1 or Section 6.2, as applicable. Subject to applicable law and to Section 3.7, at the time of such compliance,

there will, in addition to the delivery of the New Common Shares and Spin-Out Shares to which such holder is thereby entitled, be delivered to such holder, without interest, the amount of the dividend or other distribution with a record date after the Effective Time theretofore paid with respect to such New Common Shares and/or Spin- Out Shares, as applicable.

**6.4 Limitation and Proscription.** To the extent that a former Shareholder will not have complied with the provisions of Section 6.1 or Section 6.2, as applicable, on or before the date that is six years after the Effective Date (the "**Final Proscription Date**"), then the New Common Shares and Spin-Out Shares that such former Shareholder was entitled to receive will be automatically cancelled without any repayment of capital in respect thereof and the New Common Shares and Spin-Out Shares to which such Shareholder was entitled, will be delivered to Spinco (in the case of the Spinco Shares) or Grid (in the case of the New Common Shares) by the Depositary and certificates representing such New Common Shares and Spin-Out Shares will be cancelled by Grid and Spinco, as applicable, and the interest of the former Shareholder in such New Common Shares and Spin-Out Shares or to which it was entitled will be terminated as of such Final Proscription Date.

**6.5 Paramountcy.** From and after the Effective Time: (i) this Plan of Arrangement will take precedence and priority over any and all Common Shares or Options issued prior to the Effective Time; and (ii) the rights and obligations of the registered holders of Common Shares and of Grid, Spinco, the Depositary and any transfer agent or other depositary therefor, will be solely as provided for in this Plan of Arrangement.

## ARTICLE 7 AMENDMENTS & WITHDRAWAL

**7.1 Amendments.** Grid, in its sole discretion, reserves the right to amend, modify and/or supplement this Plan of Arrangement from time to time at any time prior to the Effective Time provided that any such amendment, modification or supplement must be contained in a written document that is filed with the Court and, if made following the Meeting, approved by the Court.

**7.2 Amendments Made Prior to or at the Meeting.** Any amendment, modification or supplement to this Plan of Arrangement may be proposed by Grid at any time prior to or at the Meeting with or without any prior notice or communication, and if so proposed and accepted by the Shareholders voting at the Meeting, will become part of this Plan of Arrangement for all purposes.

**7.3 Amendments Made After the Meeting.** Any amendment, modification or supplement to this Plan of Arrangement may be proposed by Grid after the Meeting but prior to the Effective Time and any such amendment, modification or supplement which is approved by the Court following the Meeting will be effective and will become part of the Plan of Arrangement for all purposes. Notwithstanding the foregoing, any amendment, modification or supplement to this Plan of Arrangement may be made following the granting of the Final Order unilaterally by Grid, provided that it concerns a matter which, in the reasonable opinion of Grid, is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement and is not adverse to the financial or economic interests of any holder of New Common Shares or Spin-Out Shares.

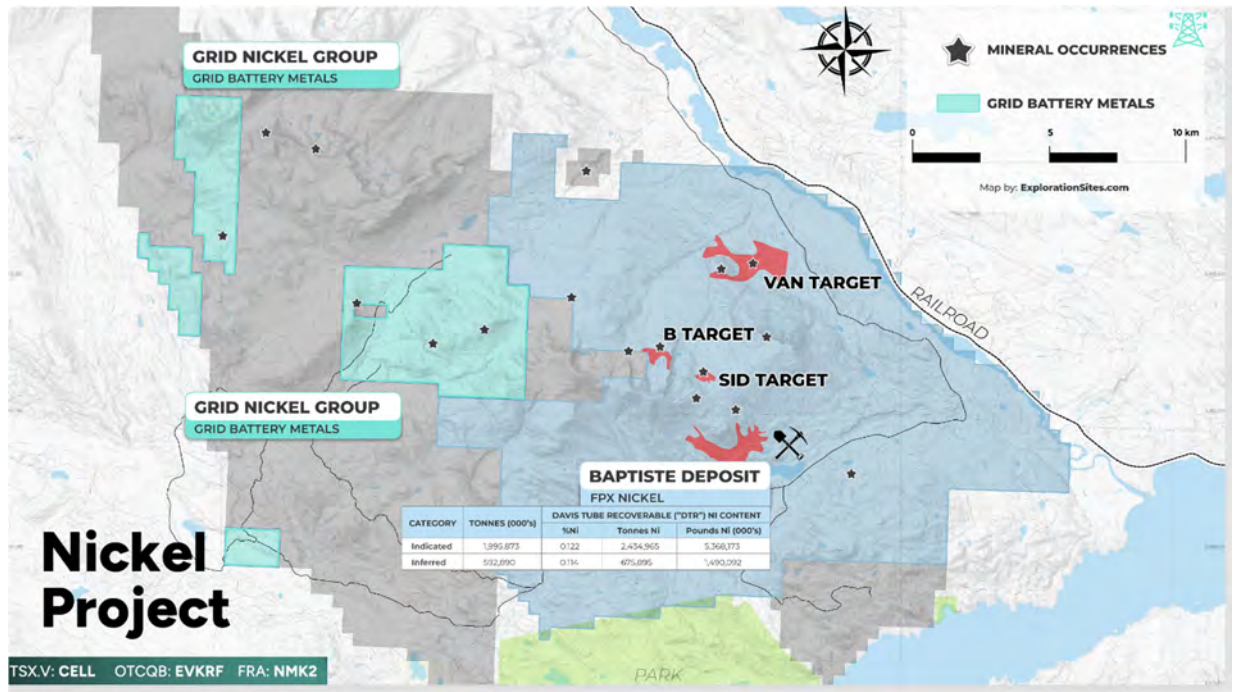
**7.4 Withdrawal.** Notwithstanding any prior approvals by the Court or by Shareholders, the Board of Directors may decide not to proceed with the Arrangement and to revoke the Arrangement Resolution at any time prior to the Effective Time, without further approval of the Court or the Shareholders.

## EXHIBIT B

**TO THE ARRANGEMENT AGREEMENT DATED AS OF THE 27th DAY OF  
SEPTEMBER, 2023 BETWEEN GRID BATTERY METALS INC. AND 1427652 B.C. LTD.**

### Transferred Assets

Claim Group	Title Number	Claim Name	Owner FMC (%)	Owner Name	Title Type	Map Number	Area (ha)
Hard Nickle Centre	1078863	HARD NICKEL 1	101993 (100%)	Grid Battery Metals Inc	Cell Mineral	093K	1673
Hard Nickle Centre	1078864	HARD NICKEL 2	101993 (100%)	Grid Battery Metals Inc	Cell Mineral	093K	1450
Hard Nickel Three	1078903	HARD NICKEL 3	101993 (100%)	Grid Battery Metals Inc	Cell Mineral	093K	1151
Hard Nickel Three	1080755	HARD NICKEL 5	101993 (100%)	Grid Battery Metals Inc	Cell Mineral	093K	446.1
Hard Nickel Three	1080736	HARD NICKEL 6	101993 (100%)	Grid Battery Metals Inc	Cell Mineral	093K	279.4
<b>Nickel Project Total</b>	<b>5 titles</b>						<b>4999.5</b>



**SCHEDULE "C-1"**  
**AMENDING AGREEMENT TO ARRANGEMENT AGREEMENT**

**(see attached)**



**AMENDING AGREEMENT TO  
ARRANGEMENT AGREEMENT**

**THIS AGREEMENT** is made as of the 20<sup>th</sup> day of February, 2024

**BETWEEN:**

**GRID BATTERY METALS INC.**, a corporation existing under the *Business Corporations Act* (British Columbia)

("Grid")

**AND:**

**AC/DC BATTERY METALS INC. (formerly 1427652 B.C. Ltd.)**, a corporation incorporated under the *Business Corporations Act* (British Columbia)

("Spinco")

**WHEREAS:**

A. Pursuant to an Arrangement Agreement ("**Arrangement Agreement**") between Grid and Spinco dated September 27, 2023, involving the reorganization of Grid's share capital to distribute, on a *pro rata* basis, to Grid's shareholders, certain common shares of AC/DC Battery Metals Inc. issued to Grid in connection with the disposition of certain assets to SpinCo, all as more particularly set forth in Grid's information circular (the "**Circular**") to be mailed to Shareholders in connection with an Annual General and Special Meeting of Shareholders (the "**Meeting**").

B. Grid and SpinCo have agreed to amend the Arrangement Agreement on the terms herein after provided (the "Amended Agreement").

**NOW THEREFORE THIS AGREEMENT WITNESSES** that in consideration of the mutual covenants and agreements herein contained, the receipt and sufficiency of which is hereby acknowledged by each of the parties hereto, it is hereby agreed as follows:

1. Recital "B" of the Arrangement Agreement be deleted in its entirety and replaced/amended with the following:

B. Grid and Spinco wish to proceed with a corporate restructuring by way of a statutory arrangement under the BCBCA, pursuant to which Grid and Spinco will participate in a series of transactions whereby, among other things, Grid will acquire approximately 9,414,040 Spinco Shares (the "**Consideration Shares**") in exchange for the Transferred Assets (as defined herein) and shall distribute the Consideration Shares (the "**Spin-Out Shares**") to the holders of Grid Common Shares such that the holders of Grid Common Shares (other than Dissenting Shareholders) will become holders of the Spin-Out Shares;

2. Item (h) under Section 1.1 Definitions be deleted in its entirety

Item (l) under section 1.1 – Definitions be deleted in its entirety.

Item (l) (previously (n) be deleted in its entirety and replaced with the following:

“**Effective Date**” means the effective date of the Arrangement, which shall be two Business Days following the date on which all of the conditions precedent to the completion of the Arrangement have been satisfied or waived in accordance with the Arrangement Agreement (other than conditions which cannot, by their terms, be satisfied until the Effective Date, but subject to satisfaction or waiver of such conditions as of the Effective Date) or such other date as may be mutually agreed by the Company and AC/DC, and the Company and AC/DC shall execute a certificate confirming the Effective Date;

Item (t) under Section 1.1 Definitions be deleted in its entirety

Item (aa) under Section 1.1 Definitions be deleted in its entirety

Item (bb) under Section 1.1 Definitions be deleted in its entirety

3. Section 5.1 (e) be deleted in its entirety and amended as follows:

(e) the TSXV will have conditionally approved the Arrangement, as of the Effective Date, subject to compliance with the requirements of the TSXV;

3. The following revisions be made to Exhibit A of the Arrangement Agreement:

## EXHIBIT A

### TO THE ARRANGEMENT AGREEMENT DATED AS OF THE 27th DAY OF SEPTEMBER, 2023 BETWEEN GRID BATTERY METALS INC. AND AC/DC BATTERY METALS INC. (Formerly “1427652 B.C. LTD”).

#### 1.1 Definitions

(b) “**Arrangement Agreement**” means the arrangement agreement dated as of September 27, 2023 between Grid and Spinco, as may be supplemented or amended from time to time.;

(g) be deleted in its entirety;

(j) be deleted in its entirety;

(k) “**Depository**” means Odyssey Trust Company, or such other depository as Grid may determine;

(p) be amended to read as follows:

“**Distribution Record Date**” means the close of business on the Business Day immediately preceding the Effective Date for the purpose of determining the Shareholders entitled to receive Spin-Out Shares pursuant to this Plan of Arrangement or such other date as the Board of Directors may select;

(q) be deleted in its entirety and replaced with the following:

“**Effective Date**” means the effective date of the Arrangement, which shall be two Business Days following the date on which all of the conditions precedent to the completion of the Arrangement have been satisfied or waived in accordance with the Arrangement Agreement (other than conditions which cannot, by their terms, be

satisfied until the Effective Date, but subject to satisfaction or waiver of such conditions as of the Effective Date) or such other date as may be mutually agreed by the Company and AC/DC, and the Company and AC/DC shall execute a certificate confirming the Effective Date;

(u) be deleted in its entirety;

(w) be deleted in its entirety;

(aa) be deleted in its entirety;

(bb) be deleted in its entirety;

(dd) **Spin-Out Shares**" means 9,414,040 Spinco Shares to be issued to Grid;

(ee) **"Spinco"** means AC/DC Battery Metals Inc., a company incorporated under the BCBCA:

(kk) **"Transfer Agent"** means Odyssey Trust Company.

3.1 (b)(i) and (ii) be deleted in its entirety and replaced as follows:

(b) As soon as practicable after the Distribution Record Date, the Company will deliver Spinco Shares to the Shareholders of record on the Distribution Record Date on a *pro rata* basis based on the number of Common Shares outstanding on the Distribution Record Date. Each Common Share held by the Shareholders will receive 0.05 of an AC/DC Share;

3.1 (c), (d), (e), (f), (g), (h), and (i) be deleted in its entirety;

3.2 be amended as follows:

**3.2 No Fractional Shares.** Notwithstanding any other provision of this Arrangement, no fractional Spin-Out shares will be distributed to the Shareholders and, as a result, all fractional amounts arising under this Plan of Arrangement will be rounded down to the next whole number without any compensation therefor. Any Spin-Out Shares not distributed as a result of so rounding down will be cancelled by Grid and Spinco, as applicable;

3.4 be amended as follows:

**3.4 Deemed Time for Redemption.** In addition to the chronological order in which the transactions and events set out in Section 3.1 will occur and will be deemed to occur, the time on the Effective Date for the exchange of Class A Shares for New Common Shares and Spin-Out Shares set out in Section 3.1(e) will occur and will be deemed to occur immediately after the time of listing of the New Common Shares on the TSXV and the listing of the Spinco Shares on the TSXV on the Effective Date.

**3.5** be deleted in its entirety;

3.6 be amended to read as follows:

**Withholding.** Each of Grid, Spinco and the Depositary will be entitled to deduct and withhold from any cash payment or any issue, transfer or distribution of Spin-Out Shares made pursuant to this Plan of Arrangement such amounts as may be required

to be deducted and withheld pursuant to the Tax Act or any other applicable law, and any amount so deducted and withheld will be deemed for all purposes of this Plan of Arrangement to be paid, issued, transferred or distributed to the person entitled thereto under the Plan of Arrangement. Without limiting the generality of the foregoing, Spin-Out Shares so deducted and withheld may be sold on behalf of the person entitled to receive them for the purpose of generating cash proceeds, net of brokerage fees and other reasonable expenses, sufficient to satisfy all remittance obligations relating to the required deduction and withholding, and any cash remaining after such remittance will be paid to the person forthwith.

**4.1 Class A Shares** be deleted in its entirety;

**4.2 Spin-out Share Certificates** be deleted in its entirety and replaced as follows:

**4.1 Spin-Out Shares.** As soon as practicable following the Effective Date, Spinco will deliver or cause to be delivered to the Depository Shares representing the Spin-Out Shares required to be issued to registered holders of Common Shares as at immediately prior to the Effective Time in accordance with the provisions of Section 3.1(e) of this Plan of Arrangement, which Shares will be held by the Depository as agent and nominee for such holders for distribution thereto.

**4.3 New Common Share Certificates** be deleted in its entirety.

**4.4** New 4.2 be amended as follows:

**4.2 Interim Period.** Any Common Shares traded after the Distribution Record Date will not carry any rights to receive Spin-out Shares

**4.5 and 4.6** be deleted in their entirety;

**5.2. Dealing with Dissenting Shares (b)** be amended as follows:

(b) for any reason are ultimately not entitled to be paid for their Dissenting Shares, will be deemed to have participated in the Arrangement on the same basis as a non-dissenting Shareholder and will receive Spin-Out Shares on the same basis as every other non-dissenting Shareholder;

**6.1, 6.2, 6.3 and 6.4** and be deleted in its entirety and **6.5** be replaced with the following:

#### **ARTICLE 6 PARAMOUNTCY**

From and after the Effective Time: (i) this Plan of Arrangement will take precedence and priority over any and all Common Shares or Options issued prior to the Effective Time; and (ii) the rights and obligations of the registered holders of Common Shares and of Grid, Spinco, the Depository and any transfer agent or other depository therefor, will be solely as provided for in this Plan of Arrangement.

**7.3 Amendments Made After the Meeting** be amended as follows:

**7.3 Amendments Made After the Meeting.** Any amendment, modification or supplement

to this Plan of Arrangement may be proposed by Grid after the Meeting but prior to the Effective Time and any such amendment, modification or supplement which is approved by the Court following the Meeting will be effective and will become part of the Plan of Arrangement for all purposes. Notwithstanding the foregoing, any amendment, modification or supplement to this Plan of Arrangement may be made following the granting of the Final Order unilaterally by Grid, provided that it concerns a matter which, in the reasonable opinion of Grid, is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement and is not adverse to the financial or economic interests of any holder of Spin-Out Shares.

4. Except as provided herein, the Grid and SpinCo hereby agree that the terms and conditions and representations and warranties contained in the Agreement shall remain in full force and effect.

5. All terms capitalized herein and not defined shall have the meaning ascribed in the Amended Agreement.

6. This Amended Agreement may be executed in any number of counterparts and by facsimile transmission with the same effect as if all parties hereto had signed the same document. All counterparts will be construed together and constitute one and the same agreement.

IN WITNESS WHEREOF this Amended Agreement has been executed by the parties hereto as of the day and year first above written.

**GRID BATTERY METALS INC.**

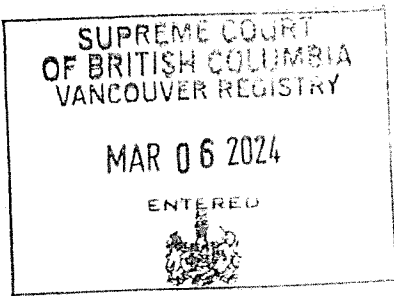
Per: (signed) Robert Setter  
Robert Setter, Director

**AC/DC BATTERY METALS INC.**

Per: (signed) Tim Fernback  
Tim Fernback, President & CEO

**SCHEDULE "D"**  
**INTERIM ORDER**

**(see attached)**



Form 35 (Rules 8-4(1), 13-1(3), 17-1(2) and 25-9(2))

No. **5241468**  
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA  
IN THE MATTER OF SECTIONS 288 TO 299 OF THE *BUSINESS  
CORPORATIONS ACT*, S.B.C. 2002, CHAPTER 57, AS AMENDED

- AND -

IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING GRID  
BATTERY METALS INC. AND AC/DC BATTERY METALS INC.

GRID BATTERY METALS INC.

PETITIONER

**Interim Order Made After Application**

BEFORE ) *Associate Judge BLAWICH* ) MAR 06 2024  
) )

ON THE APPLICATION of the Petitioner, Grid Battery Metals Inc. (the "**Company**"), without notice, coming on for hearing at The Law Courts at 800 Smithe Street, Vancouver, British Columbia on 06/MAR/2024 and on hearing Sean Tessarolo, counsel for the Petitioner, for an interim order pursuant to Section 291 of the *Business Corporations Act*, S.B.C. 2002, c.57, as amended ("**BCBCA**"), and upon reading the materials and pleadings filed herein, and upon being advised that it is the intention of the Petitioner to rely on Section 3(a)(10) of the United States Securities Act of 1933, as amended (the "**1933 Act**");

THIS COURT ORDERS that:

**DEFINITIONS**

1. As used in this Interim Order Made After Application (the "**Interim Order**"), unless otherwise defined, terms beginning with capital letters have the respective meanings set out in the draft Management Information Circular (the "**Information Circular**"), containing the draft Notice of the Meeting (the "**Notice**") to the holders (the "**Shareholders**") of the Petitioner's common shares (the "**Common Shares**"), relating to the Petitioner's Annual General and Special Meeting, a copy of which is attached as Exhibit "B" to the Affidavit #1 of Tim Fernback made on March 4, 2024 (the "**Fernback Affidavit**").

## MEETING

2. Pursuant to the BCBCA and the Petitioner's Articles, the Petitioner is authorized to call, hold and conduct a special meeting (the "**Meeting**") of the Shareholders, to be held in-person on April 9, 2024 commencing at 10:00 a.m. (Vancouver time), to:

- (a) to consider and, if thought fit, pass, with or without variation, a special resolution, the full text of which is set forth in Schedule B to the Information Circular (the "**Arrangement Resolution**"), to approve a proposed plan of arrangement (the "**Arrangement**") under Division 5 of Part 9 of the BCBCA involving the Petitioner and AC/DC Battery Metals Inc.; and
- (b) to act upon such other matters, including amendments to the foregoing, as may properly come before the Meeting or any adjournment(s) or postponement(s) thereof.

3. The record date for determining the Shareholders who are entitled to receive notice of, attend and vote at the Meeting is March 5, 2024 (the "**Record Date**"), as approved by the Petitioner's board of directors (the "**Board**"), and shall not change in respect of any adjournment to the Meeting.

4. The Meeting shall be called, held and conducted in accordance with the BCBCA, the Information Circular, and the Petitioner's Articles, subject to the terms of this Interim Order.

5. The Chair of the Meeting shall be a person so authorized in accordance with the Petitioner's Articles. The Chair is at liberty to call on the assistance of the Petitioner's legal counsel at any time and from time to time as the Chair of the Meeting may deem necessary or appropriate.

6. The only persons entitled to attend the Meeting shall be those Shareholders that appear on the Petitioner's central securities register (the "**Registered Shareholders**") as of the close of business (Vancouver time) on the Record Date, the Board, auditors and advisors and any other person admitted on the invitation or consent of the Chair of the Meeting, and the only persons entitled to be represented and to vote at the Meeting shall be the Registered Shareholders as at the close of business (Vancouver time) on the Record Date, or their respective proxy holders.

## ADJOURNMENT

7. Notwithstanding the provisions of the BCBCA, the Petitioner, if it deems it advisable, is specifically authorized to adjourn or postpone the Meeting on one or more occasions, without the necessity of first convening the Meeting or first obtaining any vote of the Shareholders respecting the adjournment or postponement and without the need for the Court's approval. Notice of any such adjournments or postponements shall be given by such method as the Petitioner may determine is appropriate in the



circumstances, including by press release, news release, newspaper advertisement, or by notice sent to the Shareholders by one of the methods specified in paragraph 10 of this Interim Order, or by posting same to the System for Electronic Document Analysis and Retrieval ("**SEDAR**").

8. The Record Date shall not change in respect of adjournments or postponements of the Meeting.

#### **NOTICE OF MEETING AND METHOD OF DISTRIBUTION OF MEETING MATERIALS**

9. The Information Circular is hereby deemed to represent sufficient and adequate disclosure, including for the purpose of Section 290(1)(a) of the BCBCA, and the Petitioner shall not be required to send to the Shareholders, or any other person identified under paragraph 6 of this Interim Order, any other or additional statement pursuant to Section 290(1)(a) of the BCBCA.

10. The Information Circular, the Notice, the form of proxy for the Registered Shareholders and the form of voting instruction form for non-registered Shareholders (collectively, referred to as the "**Meeting Materials**"), with such deletions, amendments or additions thereto as counsel for the Petitioner may advise are necessary or desirable, provided that such amendments are not inconsistent with the terms of this Interim Order, shall be distributed to:

- (a) the Registered Shareholders as they appear on the central securities register of the Petitioner as at the Record Date at least twenty-one (21) days prior to the date of the Meeting, excluding the date of mailing, delivery or transmittal and the date of the Meeting, by one or more of the following methods:
  - (i) by prepaid ordinary mail addressed to the Shareholders at their respective addresses as they appear on the Petitioner's central securities register as at the Record Date;
  - (ii) by delivery in person or by courier delivery to the address specified in paragraph 10(a)(i) above; or
  - (iii) by email or facsimile transmission to any Shareholder who identifies himself, herself or itself to the Petitioner's satisfaction (acting through its representatives), who requests such email or facsimile transmission and, if required by the Petitioner, agrees to pay the charges related to such transmission;
- (b) in the case of non-registered Shareholders, by providing copies of the relevant portions of the Meeting Materials to their intermediaries and registered nominees at least twenty-one (21) days prior to the date of the Meeting, excluding the date of mailing, delivery or transmittal and the date of the Meeting, for sending to beneficial owners in accordance with National Instrument 54-101 – *Communications with Beneficial Owners of*

*Securities of a Reporting Issuer of the Canadian Securities Administrators ("NI 54-101")* by one or more of the methods specified in paragraph 10(a)(i)-(iii) of this Interim Order;

- (c) the Petitioner's directors and auditors by mailing the Meeting Materials by prepaid ordinary mail, email or facsimile transmission, courier or delivery in person, to such persons at least twenty-one (21) days prior to the date of the Meeting, excluding the date of mailing or transmittal and the date of the Meeting;

and substantial compliance with this paragraph shall constitute good and sufficient notice of the Meeting.

11. Accidental failure of or omission by the Petitioner to give notice to any one or more of the Shareholders, directors or the auditors of the Petitioner, or the non-receipt of such notice by any of such persons, or any failure or omission to give such notice as a result of events beyond the Petitioner's reasonable control (including, without limitation, any inability to use postal services) shall not constitute a breach of this Interim Order, or a defect in the calling of the Meeting, and shall not invalidate any resolution passed or proceeding taken at the Meeting, but if any such failure or omission is brought to the Petitioner's attention then it shall use reasonable efforts to rectify it by the method and in the time most reasonably practicable in the circumstances.

12. No other form of service of the Meeting Materials or any portion thereof need be made or notice given or other material served in respect of these proceedings or the Meeting, except as may be directed by a further order of this Court. Provided that notice of the Meeting and the provision of the Meeting Materials to the Shareholders takes place in compliance with this Interim Order, the requirement of Section 290(1)(b) of the BCBCA to include certain disclosure in any advertisement of the Meeting is waived.

#### **DEEMED RECEIPT OF NOTICE**

13. The Meeting Materials shall be deemed, for the purposes of this Interim Order, to have been received:

- (a) in the case of mailing, when deposited in a post office or public letter box;
- (b) in the case of delivery in person or by courier, the day of such personal delivery or delivery by courier;
- (c) when provided to intermediaries and registered nominees; and
- (d) in the case of any means of transmitted, recorded or electronic communication, when dispatched or delivered for dispatch.

14. Mailing of the Meeting Materials in accordance with paragraph 10 of this Interim Order shall be good and sufficient service of the Notice of Hearing of Petition,

the Petition, the Fernback Affidavit and this Interim Order on all persons who are entitled to be served. No other form of service need be made. No other materials need be served on such persons in respect of these proceedings, and service of further affidavits in support is dispensed with.

### **AMENDMENTS TO MEETING MATERIALS**

15. The Petitioners are authorized to make such amendments, revisions, or supplements to the Meeting Materials as they may determine and the Meeting Materials, as so amended, revised, or supplemented, shall be the Meeting Materials to be distributed in accordance with paragraph 10 of this Interim Order.

### **UPDATING MEETING MATERIALS**

16. Notice of any amendments, updates, or supplement to any of the information provided in the Meeting Materials may be communicated to the Shareholders by press release, news release, newspaper advertisement or by notice sent to them by one of the methods specified in paragraph 10 of this Interim Order, or by posting same to SEDAR, as determined to be the most appropriate method of communication by the Board.

### **AMENDMENTS TO THE ARRANGEMENT AND PLAN OF ARRANGEMENT**

17. The Company is authorized to make, subject to the terms of the Arrangement Agreement, as amended, the Plan of Arrangement, and paragraph 18, below, such amendments, modifications or supplements to the Arrangement pursuant to the Plan of Arrangement and the Plan of Arrangement as it may determine without any additional notice to Shareholders or others entitled to receive notice under paragraph 10 hereof and the Arrangement and Plan of Arrangement, as so amended, modified or supplemented shall be the Arrangement and Plan of Arrangement to be submitted to the Shareholders, and shall be the subject of the Arrangement Resolution. Amendments, modifications or supplements may be made following the Meeting, but shall be subject to review and, if appropriate, further direction by this Honourable Court at the hearing for the final approval of the Arrangement.

18. If any amendments, modifications or supplements to the Arrangement or Plan of Arrangement as referred to in paragraph 17, above, would, if disclosed, reasonably be expected to affect a Shareholder's decision to vote for or against the Arrangement Resolution, notice of such amendment, modification or supplement shall be distributed, subject to further order of this Honourable Court, by press release, newspaper advertisement, first class mail, or by the method most reasonably practicable in the circumstances, as the Company may determine.

### **QUORUM AND VOTING**

19. The quorum for the Meeting is one person who represents by proxy, one or more Shareholders, who in the aggregate hold at least 5% of the issued and outstanding Common Shares entitled to vote at the Meeting. If there is only one

Shareholder entitled to vote at the Meeting: (a) the quorum is one person who is, or who represents by proxy, that Shareholder; and (b) that Shareholder, present in person or by proxy, may constitute the Meeting.

20. In respect of the Arrangement Resolution, the votes taken at the Meeting shall be taken on the basis of one vote per Common Share held, and the vote required to pass the Arrangement Resolution shall be an affirmative vote by at least 66 $\frac{2}{3}$ % of the votes cast on the Arrangement Resolution by the Shareholders present in person or by proxy at the Meeting.

21. The vote required to pass the Arrangement Resolution shall be sufficient to authorize and direct the Petitioner to do all such acts and things as may be necessary or desirable to give effect to the Arrangement on a basis consistent with what is provided for in the Information Circular without the necessity of any further approval by the Shareholders, subject only to the final approval of this Honourable Court.

22. For the purposes of counting votes respecting the Arrangement Resolution, any spoiled votes, illegible votes, defective votes and abstentions shall be deemed to be votes not cast and the Common Shares represented by such spoiled votes, illegible votes, defective votes and abstentions shall not be counted in determining the number of Common Shares represented at the Meeting. Proxies that are properly signed and dated but which do not contain voting instructions shall be voted in favour of the Arrangement Resolution.

23. In all other respects, the terms, restrictions and conditions of the Petitioner's Articles and the BCBCA shall apply in respect of the Meeting.

#### **SCRUTINEER**

24. A representative of the Company is authorized to act as scrutineer for the Meeting.

#### **SOLICITATION OF PROXIES**

25. The Petitioner is authorized to use proxies at the Meeting in accordance with the Petitioner's Articles of Incorporation. The Petitioner is authorized, at its own expense, to solicit proxies, directly and through its directors, officers and employees, and through such agents or representatives as it may retain for the purpose, and by mail or such other forms of personal or electronic communication as it may determine.

26. The procedure for delivery, revocation and use of proxies at the Meeting shall be as set out in the Meeting Materials.

#### **DISSENT RIGHTS**

27. Each Registered Shareholder shall have the right to dissent in respect of the Arrangement Resolution in accordance with the provisions of Division 2 of Part 8 of

the *BCBCA*, as modified by the terms of this Interim Order and the Plan of Arrangement.

28. In order for a Registered Shareholder to exercise such right of dissent under Division 2 of Part 8 of the *BCBCA*, a dissenting Registered Shareholder must provide written notice of dissent (a "**Dissent Notice**") contemplated by s. 242 of the *BCBCA* which must be received by the Company, in the manner set out below, not later than 10:00 a.m. (Vancouver time) on the business day that is at least two business days before the date of the Meeting. All notices of dissent to the Arrangement pursuant to s. 242 of the *BCBCA* should be delivered by mail or hand delivery to Grid Battery Metals Inc., 3028 Quadra Court, Coquitlam, BC V3B 5X6 (Attention: Chief Executive Officer), and:

- (a) a dissenting Registered Shareholder shall not have voted his, her, or its Common Shares at the Meeting, either by proxy or in person, in favour of the Arrangement Resolution;
- (b) a vote against the Arrangement Resolution or an abstention shall not constitute the Dissent Notice required under paragraph 28;
- (c) a dissenting Registered Shareholder may not exercise rights of dissent in respect of only a portion of such dissenting Registered Shareholder's Common Shares but rather shall dissent only with respect to all of the Common Shares held by such person; and
- (d) the exercise of such right of dissent must otherwise comply with the requirements of Division 2 of Part 8 of the *BCBCA*, as modified by this Interim Order.

29. Subject to further order of this Court, the rights available to the Registered Shareholders under the *BCBCA*, this Interim Order and the Plan of Arrangement to dissent in respect of the Arrangement Resolution shall constitute full and sufficient rights of dissent for the Shareholders with respect to the Arrangement Resolution.

30. Notice to the Registered Shareholders of their right of dissent with respect to the Arrangement Resolution and to receive, subject to the provisions of the *BCBCA* and the Arrangement, the fair value of their Common Shares shall be given by including information with respect to this right in the Information Circular to be sent to the Registered Shareholders in accordance with this Interim Order.

#### **APPLICATION FOR FINAL ORDER**

31. Upon approval, with or without variation, by the Shareholders of the Arrangement, in the manner set forth in this Interim Order, the Petitioner may apply to this Court for, *inter alia*, an Order:

- (a) pursuant to Section 291 of the *BCBCA* approving the Arrangement and its terms and conditions;

- (b) pursuant to Section 291 of the BCBCA declaring that the terms and conditions of the Arrangement, and the exchange of securities to be effected by completion of the Arrangement, are substantively and procedurally fair;
- (c) pursuant to Section 297 of the BCBCA that the Arrangement shall be binding on the Petitioner, the Shareholders and other affected parties upon taking effect; and
- (d) pursuant to Sections 291, 292 and 296 of the BCBCA that the Arrangement shall take effect as of the Effective Time,  
  
(collectively, the “**Final Order**”).

32. The Petitioner is at liberty to proceed with hearing of the Final Order on April 11, 2024 at 9:45 a.m. (Vancouver time) at the Courthouse at 800 Smithe Street, Vancouver, British Columbia or as soon thereafter as the hearing of the Final Order can be heard, or at such other date and time as the Petitioner may determine or this Court may direct.

33. Any Shareholder, director, auditor, or other interested party with leave of the Court, desiring to support or oppose the application has the right to appear (either in person or by counsel) and make submissions at the hearing of the application for the Final Order. Any such person seeking to appear at the hearing of the application for the Final Order shall:

- (a) file a Response to Petition, in the form prescribed by the *Supreme Court Civil Rules*, with this Court; and
- (b) serve the filed Response to Petition, together with a copy of any additional affidavits and other materials on which the person intends to rely at the hearing for the Final Order on the Petitioner’s solicitors at:

**Clark Wilson LLP**  
Barristers and Solicitors  
900 – 885 West Georgia Street  
Vancouver, B.C. V6C 3H1  
Attention: Sean Tessarolo

by or before 4pm (Vancouver time) on the business day immediately preceding the day on which the Final Order is scheduled to be heard.

34. Sending the Meeting Materials and the Interim Order in accordance with paragraph 10 of this Interim Order shall:

- (a) constitute good and sufficient service of the within proceedings and no other form of service need be made and no other material need be served

on such persons in respect of these proceedings and that service of the affidavits in support is dispensed with; and

- (b) to the extent necessary, shorten the time-period provided in the *Supreme Court Civil Rules* for filing a Response to Petition and for delivery of a Notice of Hearing of this Petition for final order.

35. The Petitioner shall be at liberty to give notice of this proceeding to persons outside the jurisdiction of this Court in the manner specified herein.

36. The only persons entitled to receive notice of any further proceedings herein, including any hearing to sanction or approve the Arrangement, and to appear and be heard thereon, shall be the Petitioner's solicitors.

37. In the event that the hearing for the Final Order is adjourned, only those persons who have filed and served a Response to Petition in accordance with this Interim Order need be provided notice of materials filed in this proceeding and the adjourned hearing date.

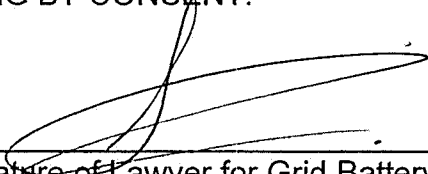
38. Accidental failure of or omission by the Petitioner to send the Meeting Materials in accordance with paragraph 10 to any of the Shareholders or any of the directors or auditors of the Petitioner shall not invalidate any order made by this Honourable Court to approve the Arrangement, but if any such failure or omission is brought to the attention of the Petitioner, then the Petitioner shall use reasonable efforts to rectify it by the method and in the time most reasonably practicable in the circumstances.

#### **VARIANCE**

39. The Petitioner shall be entitled, at any time, to apply to vary this Interim Order and apply for such other orders as may be necessary or appropriate.

40. *Supreme Court Civil Rules* 8-1 and 16-1(3), (7) & (8) shall not apply to any further applications in respect of this proceeding, including the application for the Final Order and any application to vary this Interim Order.

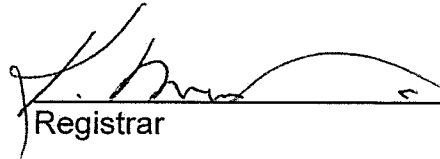
THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:



Signature of Lawyer for Grid Battery Metals Inc.  
Lawyer: Clark Wilson LLP, Sean Tessarolo



BY THE COURT

  
Registrar



**SCHEDULE "E"**  
**NOTICE OF HEARING FOR FINAL ORDER**

**(see attached)**

IN THE SUPREME COURT OF BRITISH COLUMBIA  
IN THE MATTER OF SECTIONS 288 TO 299 OF THE *BUSINESS  
CORPORATIONS ACT*, S.B.C. 2002, CHAPTER 57, AS AMENDED

- AND -

IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING GRID  
BATTERY METALS INC. AND AC/DC BATTERY METALS INC.

GRID BATTERY METALS INC.

PETITIONER

**NOTICE OF HEARING  
(For Interim Order)**

To: WITHOUT NOTICE

TAKE NOTICE that the Petition of Grid Battery Metals Inc. dated 04/MAR/2024 will be heard at the courthouse at 800 Smithe Street, Vancouver B.C. on 11/APR/2024 at 9:45 a.m. for an Interim Order.

**1. Date of Hearing**

The Petition is unopposed, by consent or without notice.

**2. Duration of Hearing**

It has been agreed by the Parties that the hearing will take 10 minutes.

**3. Jurisdiction**

This matter is not within the jurisdiction of an associate judge.

Date: 06/MAR/2024



Signature of Lawyer for Petitioner  
Lawyer: Sean Tessarolo

THIS NOTICE OF HEARING OF PETITION is prepared by Sean Tessarolo, of the firm of Clark Wilson LLP, Barristers and Solicitors, whose place of business and address for service is Suite 900 – 885 West Georgia Street, Vancouver, B.C., V6C 3H1, telephone (604) 643 3157, email: STessarolo@cwilson.com and whose fax number for delivery is (604) 687-6314.

**SCHEDULE "F"**  
**DISSENT PROVISIONS OF THE *BUSINESS CORPORATIONS ACT* (BRITISH COLUMBIA)**

**DIVISION 2 OF PART 8 OF THE BCBCA**

**237 Definitions and application -**

(1) In this Division:

"**dissenter**" means a shareholder who, being entitled to do so, sends written notice of dissent when and as required by section 242;

"**notice shares**" means, in relation to a notice of dissent, the shares in respect of which dissent is being exercised under the notice of dissent;

"**payout value**" means,

- (a) in the case of a dissent in respect of a resolution, the fair value that the notice shares had immediately before the passing of the resolution,
- (b) in the case of a dissent in respect of an arrangement approved by a court order made under section 291 (2) (c) that permits dissent, the fair value that the notice shares had immediately before the passing of the resolution adopting the arrangement,
- (c) in the case of a dissent in respect of a matter approved or authorized by any other court order that permits dissent, the fair value that the notice shares had at the time specified by the court order, or
- (d) in the case of a dissent in respect of a community contribution company, the value of the notice shares set out in the regulations,

excluding any appreciation or depreciation in anticipation of the corporate action approved or authorized by the resolution or court order unless exclusion would be inequitable.

(2) This Division applies to any right of dissent exercisable by a shareholder except to the extent that

- (a) the court orders otherwise, or
- (b) in the case of a right of dissent authorized by a resolution referred to in section 238 (1) (g), the court orders otherwise or the resolution provides otherwise.

**238 Right to dissent -**

(1) A shareholder of a company, whether or not the shareholder's shares carry the right to vote, is entitled to dissent as follows:

- (a) under section 260, in respect of a resolution to alter the articles
  - (i) to alter restrictions on the powers of the company or on the business the company is permitted to carry on, or
  - (ii) without limiting subparagraph (i), in the case of a community contribution company, to alter any of the company's community purposes within the meaning of section 51.91;
- (b) under section 272, in respect of a resolution to adopt an amalgamation agreement;
- (c) under section 287, in respect of a resolution to approve an amalgamation under Division 4 of Part 9;
- (d) in respect of a resolution to approve an arrangement, the terms of which arrangement permit dissent;
- (e) under section 301 (5), in respect of a resolution to authorize or ratify the sale, lease or other disposition of all or substantially all of the company's undertaking;
- (f) under section 309, in respect of a resolution to authorize the continuation of the company into a jurisdiction other than British Columbia;
- (g) in respect of any other resolution, if dissent is authorized by the resolution;
- (h) in respect of any court order that permits dissent.

(2) A shareholder wishing to dissent must

- (a) prepare a separate notice of dissent under section 242 for
  - (i) the shareholder, if the shareholder is dissenting on the shareholder's own behalf, and

- (ii) each other person who beneficially owns shares registered in the shareholder's name and on whose behalf the shareholder is dissenting,
  - (b) identify in each notice of dissent, in accordance with section 242 (4), the person on whose behalf dissent is being exercised in that notice of dissent, and
  - (c) dissent with respect to all of the shares, registered in the shareholder's name, of which the person identified under paragraph (b) of this subsection is the beneficial owner.
- (3) Without limiting subsection (2), a person who wishes to have dissent exercised with respect to shares of which the person is the beneficial owner must
- (a) dissent with respect to all of the shares, if any, of which the person is both the registered owner and the beneficial owner, and
  - (b) cause each shareholder who is a registered owner of any other shares of which the person is the beneficial owner to dissent with respect to all of those shares

### **239 Waiver of right to dissent -**

- (1) A shareholder may not waive generally a right to dissent but may, in writing, waive the right to dissent with respect to a particular corporate action.
- (2) A shareholder wishing to waive a right of dissent with respect to a particular corporate action must
- (a) provide to the company a separate waiver for
    - (i) the shareholder, if the shareholder is providing a waiver on the shareholder's own behalf, and
    - (ii) each other person who beneficially owns shares registered in the shareholder's name and on whose behalf the shareholder is providing a waiver, and
  - (b) identify in each waiver the person on whose behalf the waiver is made.
- (3) If a shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on the shareholder's own behalf, the shareholder's right to dissent with respect to the particular corporate action terminates in respect of the shares of which the shareholder is both the registered owner and the beneficial owner, and this Division ceases to apply to
- (a) the shareholder in respect of the shares of which the shareholder is both the registered owner and the beneficial owner, and
  - (b) any other shareholders, who are registered owners of shares beneficially owned by the first mentioned shareholder, in respect of the shares that are beneficially owned by the first mentioned shareholder.

(4) If a shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on behalf of a specified person who beneficially owns shares registered in the name of the shareholder, the right of shareholders who are registered owners of shares beneficially owned by that specified person to dissent on behalf of that specified person with respect to the particular corporate action terminates and this Division ceases to apply to those shareholders in respect of the shares that are beneficially owned by that specified person.

### **240 Notice of resolution -**

- (1) If a resolution in respect of which a shareholder is entitled to dissent is to be considered at a meeting of shareholders, the company must, at least the prescribed number of days before the date of the proposed meeting, send to each of its shareholders, whether or not their shares carry the right to vote,
- (a) a copy of the proposed resolution, and
  - (b) a notice of the meeting that specifies the date of the meeting, and contains a statement advising of the right to send a notice of dissent.
- (2) If a resolution in respect of which a shareholder is entitled to dissent is to be passed as a consent resolution of shareholders or as a resolution of directors and the earliest date on which that resolution can be passed is specified in the resolution or in the statement referred to in paragraph (b), the company may, at least 21 days before that specified date, send to each of its shareholders, whether or not their shares carry the right to vote,
- (a) a copy of the proposed resolution, and
  - (b) a statement advising of the right to send a notice of dissent.

(3) If a resolution in respect of which a shareholder is entitled to dissent was or is to be passed as a resolution of shareholders without the company complying with subsection (1) or (2), or was or is to be passed as a directors' resolution without the company complying with subsection (2), the company must, before or within 14 days after the passing of the resolution, send to each of its shareholders who has not, on behalf of every person who beneficially owns shares registered in the name of the shareholder, consented to the resolution or voted in favour of the resolution, whether or not their shares carry the right to vote,

- (a) a copy of the resolution,
- (b) a statement advising of the right to send a notice of dissent, and
- (c) if the resolution has passed, notification of that fact and the date on which it was passed.

(4) Nothing in subsection (1), (2) or (3) gives a shareholder a right to vote in a meeting at which, or on a resolution on which, the shareholder would not otherwise be entitled to vote.

#### **241 Notice of court orders -**

If a court order provides for a right of dissent, the company must, not later than 14 days after the date on which the company receives a copy of the entered order, send to each shareholder who is entitled to exercise that right of dissent

- (a) a copy of the entered order, and
- (b) a statement advising of the right to send a notice of dissent.

#### **242 Notice of dissent -**

(1) A shareholder intending to dissent in respect of a resolution referred to in section 238 (1) (a), (b), (c), (d), (e) or (f) must,

- (c) if the company has complied with section 240 (1) or (2), send written notice of dissent to the company at least 2 days before the date on which the resolution is to be passed or can be passed, as the case may be,
- (d) if the company has complied with section 240 (3), send written notice of dissent to the company not more than 14 days after receiving the records referred to in that section, or
- (e) if the company has not complied with section 240 (1), (2) or (3), send written notice of dissent to the company not more than 14 days after the later of
  - (i) the date on which the shareholder learns that the resolution was passed, and
  - (ii) the date on which the shareholder learns that the shareholder is entitled to dissent.

(2) A shareholder intending to dissent in respect of a resolution referred to in section 238 (1) (g) must send written notice of dissent to the company

- (a) on or before the date specified by the resolution or in the statement referred to in section 240 (2) (b) or (3) (b) as the last date by which notice of dissent must be sent, or
- (b) if the resolution or statement does not specify a date, in accordance with subsection (1) of this section.

(3) A shareholder intending to dissent under section 238 (1) (h) in respect of a court order that permits dissent must send written notice of dissent to the company

- (a) within the number of days, specified by the court order, after the shareholder receives the records referred to in section 241, or
- (b) if the court order does not specify the number of days referred to in paragraph (a) of this subsection, within 14 days after the shareholder receives the records referred to in section 241.

(4) A notice of dissent sent under this section must set out the number, and the class and series, if applicable, of the notice shares, and must set out whichever of the following is applicable:

- (a) if the notice shares constitute all of the shares of which the shareholder is both the registered owner and beneficial owner and the shareholder owns no other shares of the company as beneficial owner, a statement to that effect;
- (b) if the notice shares constitute all of the shares of which the shareholder is both the registered owner and beneficial owner but the shareholder owns other shares of the company as beneficial owner, a statement to that effect and
  - (i) the names of the registered owners of those other shares,

- (ii) the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners, and
- (iii) a statement that notices of dissent are being, or have been, sent in respect of all of those other shares;
- (c) if dissent is being exercised by the shareholder on behalf of a beneficial owner who is not the dissenting shareholder, a statement to that effect and
  - (i) the name and address of the beneficial owner, and
  - (ii) a statement that the shareholder is dissenting in relation to all of the shares beneficially owned by the beneficial owner that are registered in the shareholder's name.

(5) The right of a shareholder to dissent on behalf of a beneficial owner of shares, including the shareholder, terminates and this Division ceases to apply to the shareholder in respect of that beneficial owner if subsections (1) to (4) of this section, as those subsections pertain to that beneficial owner, are not complied with.

#### **243 Notice of intention to proceed -**

- (1) A company that receives a notice of dissent under section 242 from a dissenter must,
  - (a) if the company intends to act on the authority of the resolution or court order in respect of which the notice of dissent was sent, send a notice to the dissenter promptly after the later of
    - (i) the date on which the company forms the intention to proceed, and
    - (ii) the date on which the notice of dissent was received, or
  - (b) if the company has acted on the authority of that resolution or court order, promptly send a notice to the dissenter.
- (2) A notice sent under subsection (1) (a) or (b) of this section must
  - (a) be dated not earlier than the date on which the notice is sent,
  - (b) state that the company intends to act, or has acted, as the case may be, on the authority of the resolution or court order, and
  - (c) advise the dissenter of the manner in which dissent is to be completed under section 244.

#### **244 Completion of dissent -**

- (1) A dissenter who receives a notice under section 243 must, if the dissenter wishes to proceed with the dissent, send to the company or its transfer agent for the notice shares, within one month after the date of the notice,
  - (a) a written statement that the dissenter requires the company to purchase all of the notice shares,
  - (b) the certificates, if any, representing the notice shares, and
  - (c) if section 242 (4) (c) applies, a written statement that complies with subsection (2) of this section.
- (2) The written statement referred to in subsection (1) (c) must
  - (a) be signed by the beneficial owner on whose behalf dissent is being exercised, and
  - (b) set out whether or not the beneficial owner is the beneficial owner of other shares of the company and, if so, set out
    - (i) the names of the registered owners of those other shares,
    - (ii) the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners, and
    - (iii) that dissent is being exercised in respect of all of those other shares.
- (3) After the dissenter has complied with subsection (1),
  - (a) the dissenter is deemed to have sold to the company the notice shares, and
  - (b) the company is deemed to have purchased those shares, and must comply with section 245, whether or not it is authorized to do so by, and despite any restriction in, its memorandum or articles.
- (4) Unless the court orders otherwise, if the dissenter fails to comply with subsection (1) of this section in relation to notice shares, the right of the dissenter to dissent with respect to those notice shares terminates and this Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares.
- (5) Unless the court orders otherwise, if a person on whose behalf dissent is being exercised in relation to a particular corporate action fails to ensure that every shareholder who is a registered owner of any of the shares beneficially

owned by that person complies with subsection (1) of this section, the right of shareholders who are registered owners of shares beneficially owned by that person to dissent on behalf of that person with respect to that corporate action terminates and this Division, other than section 247, ceases to apply to those shareholders in respect of the shares that are beneficially owned by that person.

(6) A dissenter who has complied with subsection (1) of this section may not vote, or exercise or assert any rights of a shareholder, in respect of the notice shares, other than under this Division.

#### **245 Payment for notice shares -**

(1) A company and a dissenter who has complied with section 244 (1) may agree on the amount of the payout value of the notice shares and, in that event, the company must

- (a) promptly pay that amount to the dissenter, or
- (b) if subsection (5) of this section applies, promptly send a notice to the dissenter that the company is unable lawfully to pay dissenters for their shares.

(2) A dissenter who has not entered into an agreement with the company under subsection (1) or the company may apply to the court and the court may

- (a) determine the payout value of the notice shares of those dissenters who have not entered into an agreement with the company under subsection (1), or order that the payout value of those notice shares be established by arbitration or by reference to the registrar, or a referee, of the court,
- (b) join in the application each dissenter, other than a dissenter who has entered into an agreement with the company under subsection (1), who has complied with section 244 (1), and
- (c) make consequential orders and give directions it considers appropriate.

(3) Promptly after a determination of the payout value for notice shares has been made under subsection (2) (a) of this section, the company must

- (a) pay to each dissenter who has complied with section 244 (1) in relation to those notice shares, other than a dissenter who has entered into an agreement with the company under subsection (1) of this section, the payout value applicable to that dissenter's notice shares, or
- (b) if subsection (5) applies, promptly send a notice to the dissenter that the company is unable lawfully to pay dissenters for their shares.

(4) If a dissenter receives a notice under subsection (1) (b) or (3) (b),

- (c) the dissenter may, within 30 days after receipt, withdraw the dissenter's notice of dissent, in which case the company is deemed to consent to the withdrawal and this Division, other than section 247, ceases to apply to the dissenter with respect to the notice shares, or
- (d) if the dissenter does not withdraw the notice of dissent in accordance with paragraph (a) of this subsection, the dissenter retains a status as a claimant against the company, to be paid as soon as the company is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the company but in priority to its shareholders.

(5) A company must not make a payment to a dissenter under this section if there are reasonable grounds for believing that

- (e) the company is insolvent, or
- (f) the payment would render the company insolvent.

#### **246 Loss of right to dissent -**

The right of a dissenter to dissent with respect to notice shares terminates and this Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares, if, before payment is made to the dissenter of the full amount of money to which the dissenter is entitled under section 245 in relation to those notice shares, any of the following events occur:

- (a) the corporate action approved or authorized, or to be approved or authorized, by the resolution or court order in respect of which the notice of dissent was sent is abandoned;
- (b) the resolution in respect of which the notice of dissent was sent does not pass;
- (c) the resolution in respect of which the notice of dissent was sent is revoked before the corporate action approved or authorized by that resolution is taken;



- (d) the notice of dissent was sent in respect of a resolution adopting an amalgamation agreement and the amalgamation is abandoned or, by the terms of the agreement, will not proceed;
- (e) the arrangement in respect of which the notice of dissent was sent is abandoned or by its terms will not proceed;
- (f) a court permanently enjoins or sets aside the corporate action approved or authorized by the resolution or court order in respect of which the notice of dissent was sent;
- (g) with respect to the notice shares, the dissenter consents to, or votes in favour of, the resolution in respect of which the notice of dissent was sent;
- (h) the notice of dissent is withdrawn with the written consent of the company;
- (i) the court determines that the dissenter is not entitled to dissent under this Division or that the dissenter is not entitled to dissent with respect to the notice shares under this Division.

**247 Shareholders entitled to return of shares and rights -**

If, under section 244 (4) or (5), 245 (4) (a) or 246, this Division, other than this section, ceases to apply to a dissenter with respect to notice shares,

- (a) the company must return to the dissenter each of the applicable share certificates, if any, sent under section 244 (1) (b) or, if those share certificates are unavailable, replacements for those share certificates,
- (b) the dissenter regains any ability lost under section 244 (6) to vote, or exercise or assert any rights of a shareholder, in respect of the notice shares, and
- (c) the dissenter must return any money that the company paid to the dissenter in respect of the notice shares under, or in purported compliance with, this Division.

## SCHEDULE “G”

### AC/DC BATTERY METALS INC. FOLLOWING THE ARRANGEMENT

Capitalized words used in this Schedule “G” and not otherwise defined shall have the meaning ascribed to such terms in the Circular.

#### FORWARD LOOKING STATEMENTS

This Circular includes and incorporates statements that are prospective in nature that constitute forward-looking information and/or forward-looking statements within the meaning of applicable securities laws (collectively, “**forward-looking statements**”). Forward-looking statements include, but are not limited to, the completion and proposed terms of, and matters relating to, the Arrangement and the expected timing related thereto, the acquisition by AC/DC of the Canadian Assets, the tax treatment of the Arrangement, the treatment of the AC/DC Shares as qualified investments for the purposes of a Registered Plan, the expected operations, financial results and condition of AC/DC following the Arrangement, AC/DC’s future objectives and strategies to achieve those objectives, including, the future prospects of AC/DC as an independent company, the listing of the AC/DC Shares on the TSX-V, any market created for AC/DC’s securities, the estimated cash flow, capitalization and adequacy thereof for AC/DC following the Arrangement, the expected benefits of the Arrangement to, and resulting treatment of, shareholders of AC/DC (“**AC/DC Shareholders**”), the anticipated effects of the Arrangement, the estimated costs of the Arrangement, the satisfaction of the conditions to consummate the Arrangement, the expected terms of AC/DC’s funding arrangements, the adoption of any dividend policy for AC/DC or payment of any dividends by AC/DC, the completion and expected timing of the AC/DC Private Placement, the expected available funds following completion of the AC/DC Private Placement as well as other statements with respect to management’s beliefs, plans, estimates and intentions, and similar statements concerning anticipated future events, results, circumstances, performance or expectations that are not historical facts. Forward-looking statements generally can be identified by the use of forward-looking terminology such as “outlook”, “objective”, “may”, “will”, “expect”, “intend”, “estimate”, “anticipate”, “believe”, “should”, “plans” or “continue”, or similar expressions suggesting future outcomes or events.

Forward-looking statements reflect management’s current beliefs, expectations and assumptions and are based on information currently available to management, management’s historical experience, perception of trends and current business conditions, expected future developments and other factors which management considers appropriate. With respect to the forward-looking statements included in or incorporated into this Circular, management has made certain assumptions with respect to, among other things, the anticipated approval of the Arrangement by Shareholders and the Court, the anticipated receipt of any required regulatory approvals and consents (including the final approval of the TSX-V), the expectation that each of the Company and AC/DC will comply with the terms and conditions of the Arrangement Agreement, the expectation that no event, change or other circumstance will occur that could give rise to the termination of the Arrangement Agreement, that the assumptions underlying the AC/DC Carve-Out Financial Statements are reasonable, that no Court approval will be set aside or modified, the expectation that the Court will determine that the Arrangement is procedurally and substantively fair and that such determination will form the basis for an exemption from the registration requirements of the 1933 Act pursuant to Section 3(a)(10) of the 1933 Act, that no unforeseen changes in the legislative and operating framework for the respective businesses of AC/DC and the Company will occur, the belief that separation of the Nevada Assets and Canadian Assets will enable investors to more accurately compare and evaluate each company, the belief that each company will benefit from pursuing independent growth and capital allocation strategies, that AC/DC will have access to adequate capital to fund its future projects and plans, that the Nickel Projects will continue to be prospective for minerals, that AC/DC will have access to adequate capital to exercise the Option on the Nickel Projects, that each company will meet its future objectives and priorities, that each company will have access to adequate capital to fund its future projects and plans, that each company’s future projects and plans will proceed as anticipated, as well as assumptions concerning general economic and industry growth rates, commodity prices, currency exchange and interest rates and competitive intensity.

Readers are cautioned not to place undue reliance on forward-looking statements, as there can be no assurance that the future circumstances, outcomes or results anticipated or implied by such forward-looking -statements will occur or that plans, intentions or expectations upon which the forward-looking statements are based will occur. By their

nature, forward-looking statements involve known and unknown risks and uncertainties and other factors that could cause actual results to differ materially from those contemplated by such statements. Factors that could cause such differences include, but are not limited to: conditions precedent or approvals required for the Arrangement not being obtained; the potential benefits of the Arrangement to AC/DC not being realized; the risk of tax liabilities to AC/DC or AC/DC Shareholders as a result of the Arrangement, and general business and economic uncertainties and adverse market conditions; the potential for the combined trading prices of the Common Shares and the AC/DC Shares after the Arrangement being less than the trading price of Common Shares immediately prior to the Arrangement; there being no established market for the AC/DC Shares; the costs related to the Arrangement that must be paid even if the Arrangement is not completed; obtaining approvals and consents, or satisfying other requirements, necessary or desirable to permit or facilitate completion of the Arrangement; global financial markets, general economic conditions, competitive business environments, and other factors may negatively impact AC/DC's financial condition; future factors that may arise making it inadvisable to proceed with, or advisable to delay, all or part of the Arrangement; and the potential inability or unwillingness of current Shareholders to hold AC/DC Shares following the Arrangement. For a further description of these and other factors that could cause actual results to differ materially from the forward-looking statements included in or incorporated into this Circular, see the risk factors discussed under the heading "*Risk Factors*", as well as the risk factors included in the Company's management's discussion and analysis for the year ended June 30, 2023 and for the interim period ended September 30, 2023 and as described from time to time in the reports and disclosure documents filed by the Company with Canadian securities regulatory authorities, which are available under the Company's profile on SEDAR at [www.sedarplus.ca](http://www.sedarplus.ca). This list is not exhaustive of the factors that may impact AC/DC's forward-looking statements. These and other factors should be considered carefully and readers should not place undue reliance on AC/DC's forward-looking statements. As a result of the foregoing and other factors, there can be no assurance that actual results will be consistent with these forward-looking statements.

All forward-looking statements included in or incorporated by reference into this Schedule "G" are qualified by these cautionary statements. The forward-looking statements contained herein are made as of the date of this Circular and, except as required by applicable law, neither the Company nor AC/DC undertakes any obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

**Readers are cautioned that the actual results achieved will vary from the information provided herein and that such variations may be material. Consequently, there are no representations by the Company or AC/DC that actual results achieved will be the same in whole or in part as those set out in the forward-looking statements.**

## CORPORATE STRUCTURE

AC/DC was incorporated as "1427652 B.C. Ltd." on July 14, 2023 under the BCBCA. On October 16, 2023 the name was changed to AC/DC Battery Metals Inc. Its head office is located at 3028 Quadra Court, Coquitlam, BC, V3B 5X6 and its registered office is located at Suite 501, 3292 Production Way, Burnaby BC, V5A 4R4.

As of the date hereof, AC/DC does not have any subsidiaries, and it is not expected to have any subsidiaries upon completion of the Arrangement.

## DESCRIPTION OF THE BUSINESS

AC/DC was incorporated on July 14, 2023 for the purposes of completing the Arrangement. It has no operating history.

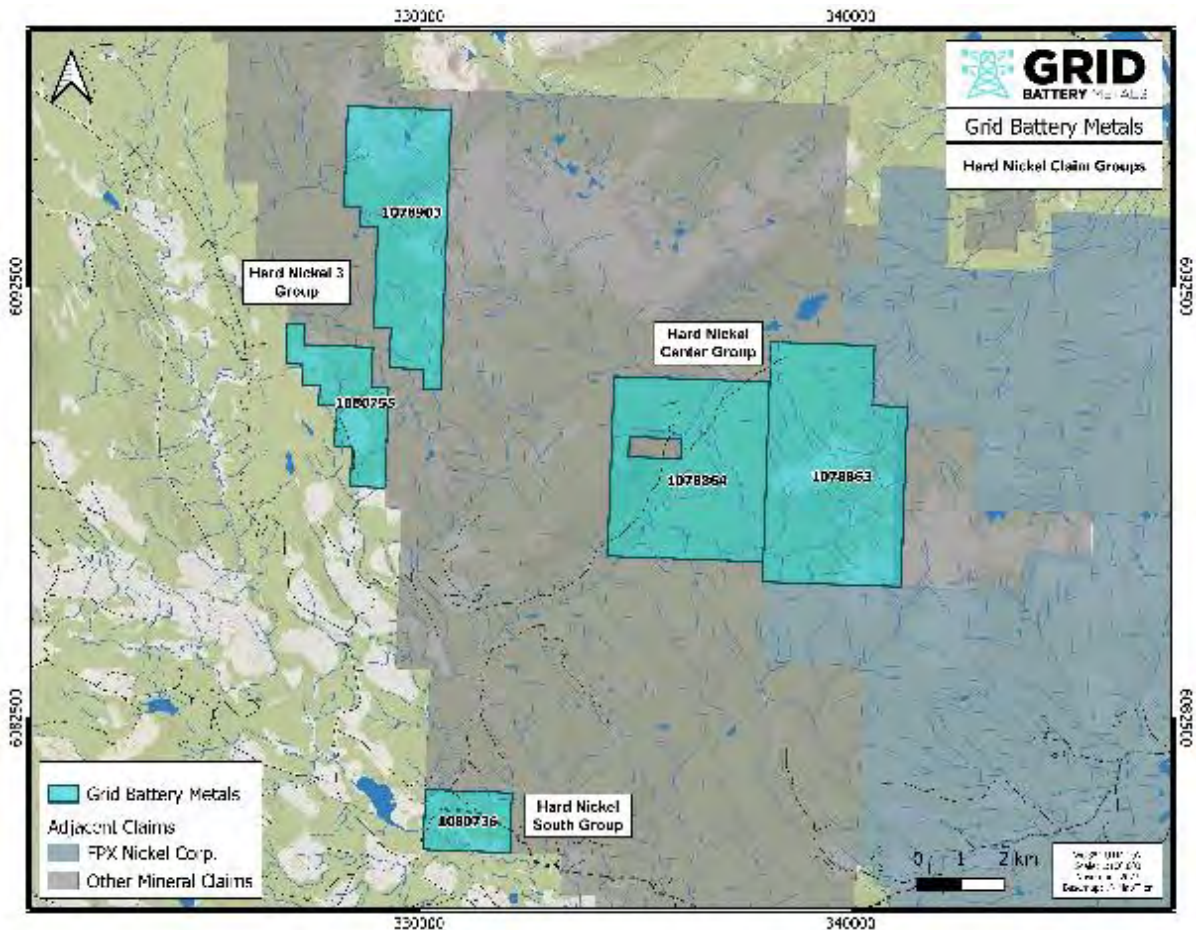
Prior to completion of the Arrangement, AC/DC will acquire the Company's interest in the Nickel Projects located in British Columbia, Canada (collectively, the "**Canadian Assets**"). The Hard Nickel Projects will be considered AC/DC's material property.

### **The "Canadian Asset": Nickel Projects**

The Hard Nickel Group of properties in British Columbia, which consists of five mineral titles in three non-contiguous claim groups (Hard Nickel Three, Hard Nickel Centre and Hard Nickel South) with a combined area of 5,000 hectares. The Hard Nickel Group of properties is located in the Takla Lake area of central British Columbia, in close proximity to the Decar Project of FPX Nickel Corp (TSXV:FPX), approximately 100 kilometres west of Centerra Gold Inc.'s (TSX:CG) Mount Milligan Copper Gold Mine., and 100 kilometres northwest of Fort St. James, B.C., in the Omineca

mining division. The mineral claims listed below include surficial mineral rights only, the mineral claims do not include surface rights, but do include access rights over crown land.

Claim Group	Title Number	Claim Name	Ownership	Map No.	Good to Date	Area (ha)
Hard Nickel Center	1078863	HARD NICKEL 1	GRID BATTERY METALS INC. (100%)	093K.093 and 093K.083	2025/09/14	1673.282
	1078864	HARD NICKEL 2	GRID BATTERY METALS INC. (100%)	093K.093 and 093K.083	2025/09/14	1450.219
Hard Nickel 3	1078903	HARD NICKEL 3	GRID BATTERY METALS INC. (100%)	093K.092	2027/07/25	1151.354
	1080755	HARD NICKEL 5	GRID BATTERY METALS INC. (100%)	093K.092	2027/07/25	446.0999
Hard Nickel South	1080736	HARD NICKEL 6	GRID BATTERY METALS INC. (100%)	093K.082	2027/07/25	279.404
<b>3 Claim Groups consisting of 5 Mineral Claims</b>					<b>Total: 5000.358 ha</b>	



The Hard Nickel Center Claim Group, consists of two cell mineral claims (Tenure 1078863 and 1078864) covering a total of 3123 hectares, and is located 4.5 km to the west of Mount Sidney Williams. The tenures are centred approximately at 337924mE 6088244mN, UTM Zone 10N.

The Hard Nickel 3 Claim Group, consists of two cell mineral claims (Tenure 1078903 and 1080755) covering a total of 1597 hectares, and is located 14.5 km to the west-northwest of Mount Sidney Williams. The tenures are centred approximately at 329005mE 6091896mN, UTM Zone 10N.

The Hard Nickel South Claim Group, which consists of one cell mineral claim (Tenure 1080736) covering a total of 297 hectares, and is located 13 km southwest of Mount Sidney Williams. The tenures are centred approximately at 331125mE 6080101mN, UTM Zone 10N.

Select claims of the Hard Nickel Group of properties are subject to a 2% Net Smelter Royalty (“NSR”) from its original vendor of claims, including tenures 1078863 (Hard Nickel 1), 1078864 (Hard Nickel 2) and 1078903 (Hard Nickel 3).

There are no known environmental liabilities or other significant factors known to exist for the project. Non-mechanized exploration field work can be undertaken on the project at any time by the title holder or their designated agent. Mechanized exploration field work will require preparing and submitting a multi-year area-based notice of work (exploration permit) application to the BC government, and posting a reclamation security bond with the province of British Columbia upon approval of the application. Title maintenance of the mineral titles will require completing and filing statements of work for physical and/or technical exploration work costs on each non-contiguous mineral claim group prior to the expiry dates of the respective claims, each supported by separate physical and/or technical reports submitted within 30 or 90 days, respectively.

The Property is road and helicopter accessible from Fort St. James via a network of province-maintained paved roads and forestry-maintained gravel roads. The Canadian National Railway company owns an inactive railway line that passes a short distance east of the Properties.

Upon completion of the Arrangement, AC/DC intends to focus on the further exploration and development of the Hard Nickel Projects. AC/DC may also pursue other mineral property acquisitions and exploration.

Prior to completion of the Arrangement, AC/DC will have had no employees. On completion of the Arrangement, it is expected that AC/DC will employ a CEO and CFO.

See “*Risk Factors – Risks Relating to AC/DC’s Business*” in this Schedule “G”.

The Hard Nickel Group of claims is the subject of the Grid Nickel Project Technical Report. Set out below is a summary from the Grid Nickel Project Technical Report.

The recommended work program for the Grid Nickel Claim Groups of the Nickel Project totals \$202,759.55 as outlined in Table – 1. Future exploration includes field work on all three claim blocks targeting historic results, vectoring towards elevated DTR Ni, and sampling and mapping of untested magnetic anomalies. See Figure 26-1 for map of target areas on the Grid Nickel Project.

Table -1: Proposed Exploration Budget

<b>Grid Nickel Project Recommendations Budget</b>		
<b>Item</b>	<b>Description</b>	<b>Estimate</b>
Preseason Planning	Targeting, Logistics, FN consultation	\$28,375.00
Post Season reporting	assessment reports, ASEAs	\$7,022.50
Field Personnel	9 Day 5 person crew	\$25,593.75
Equipment	trucks, trailers, atvs,	\$4,069.58
Rentals	communications, XRF	\$2,250.00
Analytical	rocks samples, thin sections	\$56,000.00
Expenses	mob, demob, room and board, fuel, accommodations	\$22,440.00
Subcontractors	Helicopter	\$35,250.00
Taxes and Fees	Applicable taxes and fees	\$21,758.72
<b>Total</b>		<b>\$202,759.55</b>

Follow up work on Grid Nickel Project should include, but is not limited to:

- Further detailed geological mapping and prospecting at the property scale to determine the surface extent of Trembleur Ultramafic rocks and nickel-chromium mineralization
- Follow-up investigation to areas of magnetic highs, coupled with correct surface geology
- Targeted sampling of high-grade areas for mineralogical and metallurgical study to assess the controls on style and grade of nickel mineralization
- Mineralogical studies and QEMSCAN of rocks with elevated nickel may also be required to determine the modal abundance of nickel, in addition to Davis Tube analysis, and nickel deportment styles

#### **AVAILABLE FUNDS AND PRINCIPAL PURPOSES**

##### **Available Funds**

Concurrent with the completion of the Arrangement, AC/DC intends on completing the AC/DC Private Placement. Pursuant to the AC/DC Private Placement, AC/DC will issue up to 40,000,000 units of AC/DC at a price of \$0.05 per unit (each a “AC/DC Unit”). Each AC/DC Unit will be comprised of one AC/DC Share and one warrant (each a “AC/DC Warrant”). Each AC/DC Warrant will be exercisable into one AC/DC Share at an exercise price of \$0.06 for a period of 5 years from the closing of the AC/DC Private Placement.

As a result of the AC/DC Private Placement, following completion of the Arrangement, it is anticipated that AC/DC will have available funds of \$2,000,000.

##### **Principal Purposes**

The following table summarizes the expenditures anticipated by AC/DC required to achieve its business objectives during the 12 months following completion of the Arrangement:

<b>Principal Purpose</b>	<b>Cost</b>
Operating expenses including legal and audit expenses	\$100,000
Exploration work program	\$202,760
Expenses relating to future acquisitions including acquisition costs, due diligence and legal expenses	\$300,000
Working capital	\$200,000
Unallocated Funds	\$1,197,240
<b>Total</b>	<b>\$2,000,000</b>

AC/DC intends to spend the funds available to it as stated in the table above. However, there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary for AC/DC to achieve its objectives or to pursue other opportunities that management believes are in the interests of AC/DC. See “*Risk Factors – Risks Relating to AC/DC’s Business*” in this Schedule “G”.

#### PRO-FORMA CONSOLIDATED CAPITALIZATION

The following table sets forth the consolidated capitalization of AC/DC as at October 31, 2023, adjusted to give effect to the Arrangement and the AC/DC Private Placement. You should read this table in conjunction with the AC/DC Carve-out Financial Statements and the AC/DC Pro-forma Financial Statements included in Schedules “J” and “K”, respectively, to the Circular.

	<b>As at October 31, 2023, as adjusted \$</b>
<b>Share capital</b> .....	2,862,416
<b>Retained earnings</b> .....	(833,169)
<b>Shareholders’ Equity</b> .....	2,029,247

#### SUMMARY HISTORICAL AND PRO-FORMA CONSOLIDATED FINANCIAL INFORMATION

The following summary historical carve-out financial information as at and for the three months ended September 30, 2023 and for the years ended June 30, 2023 and 2022 has been derived from the AC/DC Carve-out Financial Statements. Those financial statements present the historical carve-out financial position and results of operations of AC/DC as it has been proposed to be carved out under the Arrangement and as if it operated as a standalone entity for the periods presented.

The unaudited *pro-forma* statements of loss and comprehensive loss for the three months ended September 30, 2023 and the year ended June 30, 2023 give effect to the Arrangement as if it had occurred on September 30, 2023. The unaudited *pro-forma* statement of financial position as of September 30, 2023 give effect to the Arrangement as if it had occurred on September 30, 2023.

The summary historical carve-out and *pro-forma* financial information should be read in conjunction with the AC/DC Carve-out Financial Statements and the AC/DC Pro-forma Financial Statements, which are attached as Schedules “H” and “I”, respectively, to the Circular.

The summary historical carve-out and *pro-forma* financial information has been prepared for illustrative purposes only and may not be indicative of the operating results or financial condition that would have been achieved if the Arrangement had been completed on the date or for the periods noted above, nor do they purport to project the results

of operations or financial position for any future period or as of any future date. In addition to the *pro-forma* adjustments that comprise this *pro-forma* financial information, various other factors will have an effect on the financial condition and results of operations of AC/DC following the completion of the Arrangement. See “*Risk Factors*”.

*AC/DC Pro-Forma Financial Statements*

As at	Pro Forma Consolidated Balance October 31, 2023
<b>ASSETS</b>	
<b>CURRENT ASSETS</b>	
Cash	1,800,000
<b>NON-CURRENT ASSETS</b>	
Mineral property Interests	207,105
Reclamation bond	35,000
<b>TOTAL ASSETS</b>	<b>2,042,105</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>	
<b>CURRENT LIABILITIES</b>	
Accounts payable and accrued liabilities	12,858
<b>SHAREHOLDERS' EQUITY</b>	
Share capital	2,862,416
Deficit	(833,169)
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>2,029,247</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>2,042,105</b>

*AC/DC Carve-Out Financial Statements*

As at	September 30, 2023	June 30, 2023
<b>ASSETS</b>		
Current Assets		
Prepaid expenses	-	32,000
Non-current assets		
Exploration and evaluation assets	207,105	150,346
Reclamation bond	35,000	35,000
<b>TOTAL ASSETS</b>	<b>242,105</b>	<b>217,346</b>
<b>LIABILITIES AND OWNER'S CAPITAL</b>		
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable and accrued liabilities	5,358	-
<b>OWNER'S CAPITAL</b>		
Contributed Surplus	3,051,478	2,818,731
Deficit	(2,814,731)	(2,601,385)
<b>TOTAL OWNER'S CAPITAL</b>	<b>236,747</b>	<b>217,346</b>
<b>TOTAL LIABILITIES AND OWNER'S CAPITAL</b>	<b>242,105</b>	<b>217,346</b>



## DESCRIPTION OF SHARE CAPITAL

AC/DC is authorized to issue an unlimited number of common shares with no par value each carrying one vote per share.

## DIVIDEND POLICY

AC/DC has not paid any dividends since its incorporation. AC/DC does not anticipate paying any dividends in the short-term. Any decision to pay dividends on the AC/DC Shares in the future will be made by the AC/DC Board in its discretion on the basis of earnings, financial requirements, business objectives and opportunities and such other factors and conditions as the AC/DC Board may consider relevant at such time. See “*Risk Factors – Risks Relating to AC/DC’s Business*” in this Schedule “G”.

## EQUITY PLAN DESCRIPTIONS

### Stock Option Plan

As of the date of the Circular, there are no AC/DC Options outstanding.

The AC/DC Board, with the approval of the Company as AC/DC’s sole shareholder, has adopted the AC/DC Option Plan. The AC/DC Option Plan will be the only equity compensation plan of AC/DC upon completion of the Arrangement.

The AC/DC Option Plan is a “rolling plan,” under which the total number of AC/DC Shares issuable from time to time may not exceed 10% of the total number of issued and outstanding AC/DC Shares from time to time.

#### *Terms of Stock AC/DC Option Plan*

As AC/DC intends to be listed on the TSX-V, pursuant to TSX-V policies covering option grants, namely TSX-V Policy 4.4 *Security Based Compensation*, the following is a summary of the material terms of the AC/DC Option Plan:

The aggregate number of Shares that may be reserved for issuance at any point in time shall not exceed 10% of the issued and outstanding AC/DC common shares at the time of the stock option grant (subject to standard anti-dilution adjustments). If a stock option expires or otherwise terminates without being exercised, the number of Common Shares reserved for issuance under that expired or terminated stock option will become available for issuance. The number of Shares subject to an option to a Service Provider shall be determined by the Board of Directors, but no Service Provider shall be granted an option which exceeds the maximum number of shares permitted by the Exchange or any stock exchange on which the Shares are then listed, or other regulatory body having jurisdiction.

The exercise price of the Shares covered by each option shall be determined by the Board of Directors, provided that the exercise price shall not be less than the Discounted Market Price permitted by the Exchange or any stock exchange on which the Common Shares are then listed, or other regulatory body having jurisdiction.

Should the expiry date of an Option fall within a Blackout Period of the Company, such expiry date shall, subject to approval of the Exchange, be automatically extended without any further act or formality to that day which is the tenth (10th) business day after the end of the Blackout Period, such tenth business day to be considered the expiry date for such Option for all purposes under the AC/DC Option Plan.

The AC/DC Option Plan provides that it is solely within the discretion of the Board, or its Committee if so designated, to determine who should receive stock options and in what amounts, subject to the following conditions:

1. options will be non-assignable and non-transferable except that they will be exercisable by the personal representative of the option holder in the event of the option holder’s death;
2. options may be exercisable for a maximum of ten years from the date of grant (subject to extension where the expiry date falls within a "Blackout Period", as disclosed above);

3. the aggregate number of options together with all other Share Compensation Arrangements granted to any one option holder (including companies wholly owned by that option holder) in a 12-month period must not exceed 5% of the issued shares of the Company, calculated on the date an option is granted to the option holder, unless the Company has obtained Disinterested Shareholder Approval;
4. the aggregate number of options together with all other Share Compensation Arrangements granted to any one consultant in a 12-month period must not exceed 2% of the issued shares of the Company, calculated at the date an option is granted to the consultant;
5. the aggregate number of options granted to all option holders retained to provide Investor Relations Activities (as defined in Exchange Policy 1.1) must not exceed 2% of the issued shares of the Company in any 12-month period, calculated at the date an option is granted to any such option holder;
6. at no time will options be issued which could permit at any time the aggregate number of shares reserved for issuance under stock options granted to insiders (as a group) at any point in time exceeding 10% of the issued shares, unless the Company has obtained Disinterested Shareholder Approval;
7. at no time will options together with all other Share Compensation Arrangements be issued which could permit at any time the grant to insiders (as a group), within a 12-month period, of an aggregate number of options exceeding 10% of the issued shares calculated at the date an option is granted to any insider, unless the Company has obtained Disinterested Shareholder Approval;
8. options held by an option holder who is a director, employee, consultant or management company employee will expire 90 days after the option holder ceases to be a director, employee, consultant or management company employee, which time period the Company determines is reasonable;
9. in the event of an option holder's death, the option holder's personal representative may exercise any portion of the option holder's vested outstanding options for a period of one (1) year following the option holder's death;
10. options cannot be granted to directors, employees, consultants or management company employees that are not bona fide directors, employees, consultants or management company employees, as the case may be; and
11. options will be reclassified in the event of any consolidation, subdivision, conversion or exchange of the Company's Common Shares.

The AC/DC Option Plan provides that other terms and conditions may be attached to a particular stock option, such terms and conditions to be referred to in a schedule attached to the option certificate. Stock options granted to directors, senior officers, employees or consultants vest when granted unless otherwise determined by the Board, or its Compensation Committee, on a case-by-case basis. Stock options granted to consultants or employees performing Investor Relations Activities, as such term is defined by the Exchange, will vest in stages over 12-months with no more than one-quarter of the Options vesting in any three-month period.

In addition, under the AC/DC Option Plan a stock option will expire immediately in the event an Optionee is dismissed from employment or service for cause, such Optionee's Options, whether or not vested at the date of dismissal will immediately terminate without right to exercise same.

The price at which an Optionee may purchase a Common Share upon the exercise of an Option will be as set forth in the option certificate issued in respect of such Option and in any event will not be less than the discounted market price of the Company's Common Shares as of the date of the grant of the stock option (the "Grant Date"). The market price of the Company's Common Shares for a particular Grant Date will typically be the closing trading price of the Company's Common Shares on the day immediately preceding the Grant Date, or otherwise in accordance with the terms of the AC/DC Option Plan. Discounted market price has the meaning assigned by Policy 1.1 of the TSX Venture Exchange Policies. In addition to any resale restriction under securities laws, if the exercise price of the Option is based on a Discounted Market Price, the Exchange Hold Period will apply to all Common Shares issued under each Option, commencing from the Grant Date. The Exchange Hold Period will also apply to all Common Shares issued

under any Option granted to a director, officer or Insider (as such term is defined by the Exchange) of the Company, regardless of whether the Option was granted at market or discounted market price in addition to any resale restrictions under securities laws.

In no case will a stock option be exercisable at a price less than the minimum prescribed by the organized trading facility or the applicable regulatory authorities that would apply to the grant of the stock option in question.

The AC/DC Option Plan is subject to Exchange acceptance and approval of the Company's shareholders.

A copy of the AC/DC Option Plan is attached as Schedule "K" to the Circular and will be available under AC/DC's SEDAR profile at [www.sedarplus.ca](http://www.sedarplus.ca) upon completion of the Arrangement.

### **Options To Purchase Securities**

Other than the AC/DC Warrants, and the AC/DC Options issued in connection with the Arrangement, there will be no options, share units, warrants or rights granted by AC/DC under its equity compensation plans upon completion of and pursuant to the Arrangement.

### **PRIOR SALES**

AC/DC issued one AC/DC Share to the Company on July 14, 2023. Pursuant to the terms of the arrangement agreement between the Company and AC/DC, AC/DC has agreed to issue 9,414,040 AC/DC Shares to the Company in consideration for the Canadian Assets.

### **ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFERS**

To the knowledge of AC/DC, as of the date of the Circular, no securities of any class of securities of AC/DC are held in escrow or subject to contractual restrictions on transfer or are anticipated to be held in escrow or subject to contractual restrictions on transfer following the completion of the Arrangement.

### **VOTING SHARES AND PRINCIPAL HOLDERS THEREOF**

AC/DC is authorized to issue an unlimited number of AC/DC Shares. As at the date of this Circular, there was one AC/DC Share outstanding. Upon completion of the transfer of the Canadian Assets to AC/DC, there will be 9,414,040 AC/DC Shares issued and outstanding. There are no other shares issued or outstanding of any other class.

To the knowledge of the directors and executive officers of the Company, no person, firm or company, will upon completion of the Arrangement and the AC/DC Private Placement, beneficially own, directly or indirectly, or exercise control or direction over, voting securities carrying more than 10% of the voting rights attached to any class of voting securities of AC/DC.

### **DIRECTORS AND EXECUTIVE OFFICERS**

The following table sets out the names, province or state and country of residence of the proposed directors of AC/DC, the offices they will hold within AC/DC, their principal occupations, business or employment within the five preceding years, the date of their appointment as director, and the number of AC/DC Shares which each will beneficially own, directly or indirectly, or over which control or direction is exercised, as at completion of the Arrangement:

Name, province or state and country of residence and positions, current and former, if any, held in the Company	Principal occupation for last five years	Date Appointed	Number of common shares beneficially owned, directly or indirectly, or controlled or directed at present <sup>(1)</sup>
<b>Tim Fernback<sup>(2)</sup></b> British Columbia, Canada <i>President, Chief Executive Officer and Director</i>	President, Chief Executive Officer, and Director, Grid Battery Metals Inc.; President of TCF Ventures Corp., a private company providing financial advisory services to public and private companies.	July 14, 2023	Nil
<b>Robert Setter</b> Proposed Director British Columbia, Canada	Currently Director of Grid Battery Metals Inc. and Fuse Battery Metals Inc.	Expected in connection with closing of the Arrangement	Nil
<b>Ryan Cheung<sup>(2)</sup></b> Proposed Director British Columbia Canada	Founder and managing partner of MCPA Services Inc., and consultant who provides financial reporting, taxation and strategic guidance for public and private companies.	Expected in connection with closing of the Arrangement	Nil
<b>Andrew Gertler<sup>(2)</sup></b> Proposed Director	Businessman. Director of Viscount Mining Corp., Solid Impact Investments Corp. and Impact Acquisitions Corp.	Expected in connection with closing of the Arrangement	Nil

Notes:

- (1) Upon completion of the Arrangement, based on such individual's current ownership of Common Shares.
- (2) Proposed member of the Audit Committee.

By approving the Arrangement Resolution, Shareholders will be deemed to have approved the proposed directors of AC/DC. The directors of AC/DC will thereafter be elected by the AC/DC Shareholders at each annual meeting of shareholders, and will hold office until the next annual meeting of AC/DC, or until his or her success is duly elected or appointed, unless: (i) his or her office is earlier vacated in accordance with the Articles of AC/DC; or (ii) he or she becomes disqualified to act as a director.

See "Election of Directors – Information Regarding Management's Nominees for Election to the Board" for biographies of the proposed directors of AC/DC.

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

No director or proposed director of AC/DC is, or within the ten years prior to the date of the Circular has been, a director or executive officer of any company, including AC/DC, that while that person was acting in that capacity:

- (a) was the subject of a cease trade order or similar order or an order that denied the company access to any exemption under securities legislation for a period of more than 30 consecutive days; or
- (b) was subject to an event that resulted, after the director ceased to be a director or executive officer of the company being the subject of a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or

- (c) 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.

### **Individual Bankruptcies**

No director or proposed director of AC/DC has, within the ten years prior to the date of the Circular, become bankrupt or made a proposal under any legislation relating to bankruptcy or insolvency, or been 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 that individual.

### **DIRECTOR AND EXECUTIVE OFFICER COMPENSATION**

To date, AC/DC has not carried on any active business other than entering into the Arrangement Agreement. No compensation has been paid to date by AC/DC to its proposed executive officers.

Following completion of the Arrangement, it is anticipated that AC/DC will adopt a compensation structure for its executive officers that is appropriate for its size and the nature of its operations, while also providing an incentive for growth.

AC/DC has not established an annual retainer fee or meeting attendance fee for directors. However, AC/DC expects to establish directors' fees in the future and expects to reimburse directors for reasonable expenses incurred in the course of the performance of their duties as directors.

### **CORPORATE GOVERNANCE PRACTICES**

#### **Board of Directors**

The AC/DC Board will have responsibility for the stewardship of AC/DC including responsibility for strategic planning, identification of the principal risks of AC/DC's business and implementation of appropriate systems to manage these risks, succession planning (including appointing, training and monitoring senior management), communications with investors and the financial community and the integrity of AC/DC's internal control and management information systems.

The AC/DC Board will set long term goals and objectives for AC/DC and will formulate the plans and strategies necessary to achieve those objectives and to supervise senior management in their implementation. The AC/DC Board may delegate the responsibility for managing the day-to-day affairs of AC/DC to senior management but will retain a supervisory role in respect of, and ultimate responsibility for, all matters relating to the AC/DC and its business. The AC/DC Board is responsible for protecting AC/DC Shareholders' interests and ensuring that the incentives of the AC/DC Shareholders and of management are aligned.

The AC/DC Board is currently comprised of one director being Tim Fernback. By approving the Arrangement Resolution, Shareholders will be deemed to have appointed Tim Fernback, Robert Setter, Ryan Cheung and Andrew Gertler as directors of AC/DC. Except for Tim Fernback and Robert Setter, the AC/DC Board considers the other current and proposed directors to be "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 with the best interests of AC/DC, other than interests and relationships arising from shareholding. Mr. Fernback is not considered to be independent, due to his role as the President and CEO of Grid and Mr. Setter is not considered independent as he is a director of Grid.

#### **Directorships**

Certain of the proposed directors are presently a director of one or more other reporting issuers, as follows:

Director	Other Issuer
Tim Fernback	Grid Battery Metals Inc. Fuse Battery Metals Inc. Apogee Minerals Ltd. Koryx Copper Inc. (formerly Deep-South Resources Inc.) Temas Resources Corp.
Robert Setter	Grid Battery Metals Inc. Fuse Battery Metals Inc.
Ryan Cheung	Fuse Battery Metals Inc. Midasco Capital Coirp. Monumental Energy Corp.
Andrew Gertler	Viscount Mining Corp. Solid Impact Investments Corp. Impact Acquisitions Corp.

### Orientation and Continuing Education

AC/DC has not yet developed an official orientation or training program for new directors. As required, new directors will have the opportunity to become familiar with AC/DC by meeting with the other directors, officers and employees and by reviewing AC/DC’s corporate records and corporate governance policies. Orientation activities will be tailored to the particular needs and experience of each director and the overall needs of the AC/DC Board. The AC/DC Board will continue to look at outside sources to strengthen their skills. AC/DC Board members are encouraged to communicate with management, auditors and technical consultants; to keep themselves current with industry trends and developments and changes in legislation with management’s assistance; and to attend related industry seminars.

### Ethical Business Conduct

The AC/DC Board will adopt a Code of Business Ethics and Conduct (the “**AC/DC Code**”) applicable to all of its directors, officers and employees, including the CEO, the CFO and other persons performing financial reporting functions. The AC/DC Code will be used to communicate to directors, officers and employees standards for business conduct in the use of AC/DC’s resources and assets, and to identify and clarify proper conduct in areas of potential conflict of interest. The AC/DC Code will be designed to deter wrongdoing and promote (a) honest and ethical conduct; (b) compliance with laws, rules and regulations; (c) prompt internal reporting of AC/DC Code violations; and (d) accountability for adherence to the AC/DC Code. Violations from standards established in the AC/DC Code, and specifically under “Whistleblower” situations, will be reported to the chairperson of the AC/DC Audit Committee and will be able to be reported anonymously.

The AC/DC Board must also comply with the conflict of interest provisions of the BCBCA, as well as the relevant securities regulatory instruments, to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer has a material interest.

### Assessments

The AC/DC Board has not, as yet, adopted any formal procedures for regularly assessing the effectiveness of the AC/DC Board, its committees or individual directors with respect to their effectiveness and contributions. Nevertheless, their effectiveness is subjectively measured on an ongoing basis by each director based on their assessment of the performance of the AC/DC Board, its committees or the individual directors compared to their expectation of performance. In doing so, the contributions of an individual director are informally monitored by the other AC/DC Board members, bearing in mind the business strengths of the individual and the purpose of originally nominating the individual to the AC/DC Board.

## AC/DC AUDIT COMMITTEE

### Overview

The audit committee of the AC/DC Board (the “**AC/DC Audit Committee**”) will be principally responsible for:

- (a) recommending to the AC/DC Board the external auditor to be nominated for election by the AC/DC shareholders at each annual general meeting and negotiating the compensation of such external auditor;
- (b) overseeing the work of the external auditor;
- (c) reviewing AC/DC’s annual and interim financial statements, management discussion and analysis and press releases regarding earnings before they are reviewed and approved by the AC/DC Board and publicly disseminated by AC/DC; and
- (d) reviewing AC/DC’s financial reporting procedures and internal controls to ensure adequate procedures are in place for AC/DC’s public disclosure of financial information extracted or derived from its financial statements, other than disclosure described in the previous paragraph.

### Audit Committee Charter

The AC/DC Board has adopted a charter (the “**AC/DC Charter**”) for the AC/DC Audit Committee which sets out the committee’s mandate, organization, powers and responsibilities. The complete AC/DC Charter is attached as Schedule “J” to the Circular.

### Composition of the Audit Committee

The AC/DC Audit Committee will be comprised of Tim Fernback, Ryan Cheung and Andrew Gertler. A majority of the members of the AC/DC Audit Committee will be independent directors in accordance with the requirements of NI 52-110.

The following table sets out the names of the proposed members of the Audit Committee and whether they are “independent” and “financially literate”.

Name of Proposed Member	Independent <sup>(1)</sup>	Financially Literate <sup>(2)</sup>
Tim Fernback	No	Yes
Robert Setter	No	Yes
Ryan Cheung	Yes	Yes
Andrew Gertler	Yes	Yes

Notes:

- (1) To be considered to be independent, a member of the AC/DC Audit Committee must not have any direct or indirect “material relationship” with AC/DC. A material relationship is a relationship which could, in the view of the AC/DC Board, reasonably interfere with the exercise of a member’s independent judgment.
- (2) To be considered financially literate, a member of the AC/DC Audit Committee must have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by AC/DC’s financial statements.

### Relevant Education and Experience

All proposed members of the AC/DC Audit Committee are experienced business people with a background and experience in financial matters; each has a broad understanding of the accounting principles used to prepare financial statements and varied experience as to general application of such accounting principles, as well as the internal controls and procedures necessary for financial reporting, garnered from working in their individual fields of endeavor.

In addition, each member of the AC/DC Audit Committee has knowledge of the role of an audit committee in the realm of reporting companies. Following are the biographies of members of the AC/DC Audit Committees:

*Tim Fernback – President, CEO and Director and Audit Committee member*

Mr. Fernback brings over 30 years of experience in financing public and private companies in Canada. Mr. Fernback obtained a Bachelor of Science, Honours (B.Sc.) from McMaster University in Hamilton, Ontario and a Master of Business Administration (MBA) with a concentration in Finance from the University of British Columbia. Mr. Fernback holds a Certified Professional Accounting (CPA, CMA) designation in Canada and is currently director of several publicly traded companies in Canada.

*Robert Setter – Proposed Director*

Mr. Setter brings two decades of business and marketing experience to the Company and he holds a degree in Economics from UBC. Management consultant for public companies since 2010. He is also President, CEO and a Director of Fuse Cobalt Inc.

*Ryan Cheung – Proposed Director and Audit Committee Member*

Ryan Cheung, CPA, CA, is the founder and managing partner of MCPA Services Inc., Chartered Professional Accountants, in Vancouver, Canada. Mr. Cheung serves as a director and/or officer and consultant for several public and private companies, providing financial reporting, taxation and strategic guidance. He has been an active member of the Chartered Professional Accountants of British Columbia (formerly Institute of Chartered Accountants of British Columbia) since January 2008. Mr. Cheung holds a diploma in accounting from the University of British Columbia and a Bachelor of Commerce in international business from the University of Victoria.

*Andrew Gertler – Proposed Director and Audit Committee Member*

Andrew Gertler will bring a wealth of insight to his role as a board director, drawing on a 40-year career in business with a specialized focus on alternative investments, including real estate and distressed debt. His expertise was honed through leadership positions and as an advisor to noteworthy Canadian firms and family businesses. During his time as Senior Vice President at Hudson Advisors, he handled acquisitions and underwritings for the multi-billion-dollar Lone Star Opportunity Fund, overseeing major transactions in North American real estate and distressed assets. Spanning beyond real estate. Mr. Gertler has led successful engagements in IPOs, mergers, and acquisitions, and has held executive posts such as CEO of a digital media enterprise and CFO of an online news company. His management of alternative investments has included strategically navigating venture capital, leveraged and management buyouts, aligning with institutions like Morgan Stanley and Goldman Sachs. As a co-founder of Viscount Mining, he raised significant capital for mineral exploration and was integral in Sinomar Capital's alliance with Hunt Mining. Mr. Gertler's dynamic leadership at Lester Asset Management and multiple board positions highlight his strategic prowess and consulting savvy. With degrees from McGill and Western Ontario, his top tier educational foundation amplifies his business acumen, delivering a substantial edge to the AC/DC team.

**Complaints**

The AC/DC Audit Committee will establish a “Whistleblower Policy” which will outline procedures for the confidential, anonymous submission by employees regarding AC/DC’s accounting, auditing and financial reporting obligations, without fear of retaliation of any kind. If an applicable individual has any concerns about accounting, audit, internal controls or financial reporting matters which they consider to be questionable, incorrect, misleading or fraudulent, the applicable individual is urged to come forward with any such information, complaints or concerns, without regard to the position of the person or persons responsible for the subject matter of the relevant complaint or concern.

**INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

No individual who is or is proposed to be a director or executive officer or employee of the AC/DC, a proposed nominee for election as a director of AC/DC or an associate of any such director, officer or proposed nominee is



indebted to AC/DC and no indebtedness of any such individual to another entity is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by AC/DC.

### EQUITY COMPENSATION PLAN INFORMATION

The following table sets out those securities of AC/DC which have been authorized for issuance under equity compensation plans, as at the date of the Circular:

<b>Plan Category</b>	<b>Number of shares issuable upon exercise of outstanding options, warrants and rights</b>	<b>Weighted average exercise price of outstanding options, warrants and rights</b>	<b>Number of shares remaining available for issuance under equity compensation plans</b>
Equity compensation plans <b>approved</b> by shareholders	N/A	N/A	N/A
Equity compensation plans <b>not approved</b> by shareholders	Nil	Nil	4,941,404
<b>Total</b>	Nil	Nil	4,941,404 <sup>(1)</sup>

Notes:

(1) Assuming completion of the arrangement and the AC/DC Private Placement is fully subscribed.

### INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as disclosed in the Circular, none of the persons who were directors or executive officers of AC/DC or a subsidiary, at any time during AC/DC's last completed financial year, the proposed nominees for election to the AC/DC Board, any person or corporation who beneficially owns, directly or indirectly, or who exercises control or direction over (or a combination of both) more than 10% of the issued and outstanding AC/DC Shares, nor the associates or affiliates of those persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any transaction or proposed transaction which has materially affected or would materially affect AC/DC.

### STOCK EXCHANGE LISTING

There is no current trading market for the AC/DC Shares. AC/DC intends to apply have the AC/DC Shares distributed pursuant to the Arrangement listed on the TSX-V. Listing of the AC/DC Shares on the TSX-V will be subject to AC/DC satisfying all of the applicable initial listing requirements of the TSX-V. See "*Risk Factors – Risks Relating to AC/DC's Business*" in this Schedule "G".

### RISK FACTORS

Below are certain risk factors relating to AC/DC that Shareholders should carefully consider in connection with and following the Arrangement. The following information is a summary only of certain risk factors and is qualified in its entirety by reference to, and must be read in conjunction with, the detailed information that appears elsewhere in the Circular. Additional risk factors relating to the Company and the Shareholders in connection with the Arrangement are set out in the Circular under the heading entitled "*Risk Factors*" and under the heading "*Risk Factors*" in Schedule "L".

## **Risks Relating to AC/DC in Connection with the Arrangement**

*Following the Arrangement, AC/DC may be unable to make the changes necessary to operate as an independent entity and may incur greater costs*

Following the Arrangement, the separation of AC/DC from the other business of the Company may materially affect AC/DC. AC/DC may not be able to implement successfully the changes necessary to operate independently. AC/DC may incur additional costs relating to operating independently that could materially affect its cash flows and results of operations. AC/DC will require the Company to provide AC/DC with certain services and facilities on a transitional basis. AC/DC may, as a result, be dependent on such services and facilities until it is able to provide or obtain its own.

*There does not exist a separate operating history of AC/DC as a stand-alone entity*

Upon the Arrangement becoming effective, AC/DC will become an independent public company. The operating history of the Company cannot be regarded as the operating history of AC/DC. The ability of AC/DC to raise capital, satisfy its obligations and provide a return to its shareholders will be dependent on future performance. It will not be able to rely on the capital resources and cash flows of the Company.

*AC/DC's Carve-out Financial statements may not reflect what its financial position, results of operations or cash flows would have been had AC/DC operated as a stand-alone company or what AC/DC's financial position, results of operations or cash flows will be in the future*

AC/DC's Carve-out Financial Statements included in Schedule "H" to the Circular have been prepared on a "carve-out" basis derived from the consolidated financial statements of the Company as if AC/DC had been operating as a stand-alone company for the periods presented. AC/DC believes management has made reasonable assumptions underlying AC/DC's Carve-out Financial Statements, including reasonable allocations of corporate expenses from the Company, such as expenses related to employee benefits, finance, human resources, legal, information technology and executive management. However, because AC/DC's Carve-out Financial Statements are based on certain assumptions and include allocations of corporate expenses from the Company, AC/DC's Carve-out Financial Statements may not reflect what AC/DC's financial position, results of operations or cash flows would have been had AC/DC operated as a stand-alone company during the historical periods presented or what AC/DC's financial position, results of operations or cash flows will be in the future.

*AC/DC has no history of operations, earnings or dividends*

AC/DC has not yet commenced operations and therefore has no history of earnings or of a return on investment, and there is no assurance that certain of its royalty or streaming interests or other assets will generate earnings, operate profitably or provide a return on investment in the future. The likelihood of success of AC/DC must also be considered in light of the problems, expenses, difficulties, complications and delays frequently encountered in connection with the establishment of any business. AC/DC's proposed business strategies described in the Circular incorporate its management's best analysis of potential markets, opportunities and difficulties that it may face. No assurance can be given that the underlying assumptions will be achieved.

AC/DC has never paid a dividend and, while it currently intends to seek to pay dividends in the future, has no current plans to pay dividends. The future dividend policy of AC/DC will be determined by the AC/DC Board.

*Market Price and Listing of AC/DC Shares*

AC/DC is in the process of having the AC/DC Shares listed and posted for trading on the TSX-V. The listing of the AC/DC Shares will be subject to the satisfaction of all of the TSX-V's initial listing requirements. If AC/DC receives final approval for listing the AC/DC Shares on the TSX-V, there is no assurance that it will maintain such listing on the TSX-V or a listing on any other exchange or quotation service. There can be no assurance that an active trading market will develop or be sustained for the AC/DC Shares. Shareholders may not be able to resell the AC/DC Shares received pursuant to the Arrangement, which may affect the pricing of the AC/DC Shares in the secondary market, the transparency and availability of trading prices and the liquidity of the AC/DC Shares. If an active or liquid market

for the AC/DC Shares fails to develop or be sustained, the price at which the AC/DC Shares trade may be adversely affected.

An investment in AC/DC's securities is highly speculative, due to the high-risk nature of its business, lack of diversification and the present stage of its development. Shareholders of AC/DC may lose their entire investment.

### **Risks Relating to AC/DC's Business**

#### *Financing Risks*

AC/DC expects to be substantially dependent upon the equity and debt capital markets or alternative sources of funding to pursue additional investments, including royalty or streaming agreements. There can be no assurance that such financing will be available to AC/DC on acceptable terms or at all.

Additional equity or debt financings may significantly dilute shareholders, increase AC/DC's leverage or require AC/DC to grant security over its assets. If AC/DC is unable to obtain such financing, it may not be able to expand its portfolio of royalty or streaming assets and may not be able to execute on its business strategy. If AC/DC is unable to obtain financing for additional investments, it may determine to allocate income, if any, from other investments to finance additional investments.

#### *Some of AC/DC's Directors and Officers may have Conflicts of Interest as a Result of Their Involvement with Other Natural Resource Companies*

Some of the individuals who are or will be AC/DC's officers and directors are directors or officers of other natural resource or mining-related companies, including the Company, and these associations may give rise to conflicts of interest from time to time. As a result of these conflicts of interest, AC/DC may miss the opportunity to participate in certain transactions, which may have a material adverse effect on AC/DC's financial position.

#### *AC/DC may Experience Difficulty Attracting and Retaining Qualified Management to Grow its Business*

AC/DC will be dependent on the services of key executives and other highly skilled personnel focused on advancing its corporate objectives, as well as the identification of new opportunities for growth and funding. Due to AC/DC's relatively small size, the loss of these individuals or its inability to attract and retain additional highly skilled employees required for its activities may have a material adverse effect on AC/DC's business and financial condition.

AC/DC does not currently employ any technical or mining experts. In evaluating future investments, it currently expects to use the services of Sonoran Resources LLC to provide technical and mining expertise and will incur costs from time to time as a result. AC/DC may incur costs for such services without ultimately entering into any investment or any such investment, if entered into, ultimately being profitable.

#### *Fluctuations in the Market Value of AC/DC Shares*

If the AC/DC Shares are publicly traded, the market price of the AC/DC Shares may be affected by many variables not directly related to the corporate performance of AC/DC, including the market in which it is traded, the strength of the economy generally, the availability and attractiveness of alternative investments and the breadth of the public market for its shares. The effect of these and other factors on the market price of the AC/DC Shares in the future cannot be predicted. The lack of an active public market could have a material adverse effect on the price of the AC/DC Shares.

#### *Global Financial Conditions may be Volatile*

Market events and conditions, including the disruptions in the international credit markets and other financial systems, in China, Japan and Europe, along with political instability in the Middle East and Russia and falling currency prices expressed in United States dollars have resulted in commodity prices remaining volatile. These conditions have also caused a loss of confidence in global credit markets, excluding the United States, resulting in the collapse of, and government intervention in, major banks, financial institutions and insurers and creating a climate of greater volatility, tighter regulations, less liquidity, widening credit spreads, less price transparency, increased credit losses and tighter credit conditions. Notwithstanding various actions by governments, concerns

about the general condition of the capital markets, financial instruments, banks and investment banks, insurers and other financial institutions caused the broader credit markets to be volatile and interest rates to remain at historical lows. These events are illustrative of the effect that events beyond AC/DC's control may have on commodity prices, demand for metals, including gold and silver, availability of credit, investor confidence, and general financial market liquidity, all of which may adversely affect AC/DC's business. Global financial conditions have always been subject to volatility. Access to public financing has been negatively impacted by sovereign debt concerns in Europe and emerging markets, as well as concerns over global growth rates and conditions. These and other factors may impact the ability of AC/DC to obtain equity or debt financing in the future and, if obtained, the favourability of the terms of such financing to AC/DC. Increased levels of volatility and market turmoil can adversely impact AC/DC's operations and the price of the AC/DC Shares.

#### *AC/DC will be Reliant on Third Party Reporting*

AC/DC relies, and will rely, on public disclosure and other information regarding the properties in which it has an interest that it receives from the owners, operators and independent experts of such operations, and certain of such information is included in the Circular. Such information is necessarily imprecise because it depends upon the judgment of the individuals who operate the properties, as well as those who review and assess the geological and engineering information. In addition, AC/DC must rely on the accuracy and timeliness of the public disclosure and other information it receives from the owners and operators of the properties, and uses such information in its analyses, forecasts and assessments relating to its own business and to prepare its disclosure with respect to its streams and royalties. If the information provided by such third parties to AC/DC contains material inaccuracies or omissions, AC/DC's disclosure may be inaccurate and its ability to accurately forecast or achieve its stated objectives may be materially impaired, which may have a material adverse effect on AC/DC.

#### *Additional Financings may Result in Dilution*

AC/DC may require additional funds to further its activities and objectives. To obtain such funds, AC/DC may issue additional securities, including AC/DC Shares or securities convertible into or exchangeable for AC/DC Shares. As a result, AC/DC's shareholders could be substantially diluted. In addition, there can be no assurance that AC/DC will be able to obtain sufficient financing in the future on terms favourable to AC/DC or at all.

#### *Government Regulation in Foreign Jurisdictions*

AC/DC's mineral exploration and mining activities, and the activities undertaken by companies from which the AC/DC may acquire a royalty or streaming interest, may be affected in varying degrees by government regulations relating to the mining industry and foreign investors therein. There is no assurance that the investment climate of the United States, where the AC/DC's mineral property interests are located, will continue to be favourable. Any changes in regulations or shifts in legislative conditions are beyond the control of AC/DC and may adversely affect its business. Operations may be affected in varying degrees by government regulations with respect to restrictions on production, price controls, export controls, income or other taxes, expropriation of property, environmental legislation and mine safety.

### **PROMOTER**

Under applicable Canadian securities laws, the Company may be considered a promoter of AC/DC in that it took the initiative in founding AC/DC for the purpose of implementing the Arrangement.

### **LEGAL PROCEEDINGS AND REGULATORY ACTIONS**

There are no legal proceedings to which the Company or AC/DC is a party to, or in respect of which any of its assets are the subject of, which is or will be material to AC/DC, and AC/DC is not aware of any such legal proceedings that are contemplated.

Since incorporation, there have not been any penalties or sanctions imposed against AC/DC by a court relating to provincial or territorial securities legislation or by a securities regulatory authority, nor have there been any other penalties or sanctions imposed by a court or regulatory body against AC/DC, and AC/DC has not entered into any

settlement agreements before a court relating to provincial or territorial securities legislation or with a securities regulatory authority.

#### **INTERESTS OF CERTAIN PERSONS IN MATERIAL TRANSACTIONS**

Except as set elsewhere in this Circular, none of the proposed directors or executive officers of AC/DC, or any person that is expected to beneficially own or control or direct more than 10% of any class or series of shares of AC/DC, or any associate or affiliate of any of the foregoing persons, has or has had any material interest in any past transaction within the three years before the date of this Circular, or any proposed transaction, that has materially affected or would materially affect AC/DC or any of its subsidiaries.

Certain directors and officers of AC/DC are also the directors and officers of the Company.

#### **AUDITORS, TRANSFER AGENT AND REGISTRAR**

Shim & Associates LLP, Chartered Professional Accountants are AC/DC's auditors and are located at Suite 900, 777 Hornby Street, Vancouver, B.C. V6Z 1S4.

The transfer agent and registrar of the AC/DC Shares is expected to be Odyssey Trust Company at its offices in Vancouver, British Columbia, Canada.

#### **MATERIAL CONTRACTS**

Following the completion of the Arrangement, the Arrangement Agreement will be the only material contract of AC/DC, other than contracts entered into in the ordinary course of business.

A copy of the Arrangement Agreement is attached to this Circular as Schedule "C" and the amending agreement to Arrangement Agreement attached to this Circular as Schedule "C-1" and will be available following the completion of the Arrangement under AC/DC's profile on SEDAR at [www.sedarplus.ca](http://www.sedarplus.ca).

#### **EXPERTS**

Shim & Associates LLP, Chartered Professional Accountants, the auditors of AC/DC, prepared an auditors' report to the sole shareholder of AC/DC on the AC/DC Annual Carve-out Financial Statements for the three months ended September 30, 2023 and 2022 and the years ended June 30, 2023 and 2022. Shim & Associates LLP, Chartered Professional Accountants has advised AC/DC that it is independent with respect to AC/DC within the meaning of the Code of Professional Conduct of the Chartered Professional Accountants of British Columbia.

#### **FINANCIAL STATEMENT DISCLOSURE**

See Schedule "H" to the Circular for the AC/DC Carve-out Financial Statements.

See Schedule "I" to the Circular for the AC/DC Pro-forma Financial Statements.

**SCHEDULE "H"**  
**AC/DC CARVE-OUT FINANCIAL STATEMENTS**

**(see attached)**

**INTERIM CARVE-OUT FINANCIAL STATEMENTS OF  
THE NICKEL PROJECT**

AS AT 30 SEPTEMBER 2023 AND 30 JUNE 2023  
AND FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2023 AND 2022

*(Expressed in Canadian dollars)*

**THE NICKEL PROJECT**  
**INTERIM CARVE-OUT STATEMENTS OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2023 AND 30 JUNE 2023**

(Expressed in Canadian dollars)

	<b>30 September 2023</b>	<b>30 June 2023 (Audited)</b>
	\$	\$
<b><u>ASSETS</u></b>		
<b>Current assets</b>		
Prepaid expenses	-	32,000
<b>Total current assets</b>	<b>-</b>	<b>32,000</b>
<b>Exploration and evaluation property (Note 4)</b>	<b>207,105</b>	<b>150,346</b>
<b>Reclamation bond (Note 4)</b>	<b>35,000</b>	<b>35,000</b>
<b>Total assets</b>	<b>242,105</b>	<b>217,346</b>
<b><u>LIABILITIES</u></b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	5,358	-
<b>Total liabilities</b>	<b>5,358</b>	<b>-</b>
<b><u>OWNER'S CAPITAL</u></b>		
Contributed capital	3,051,478	2,818,731
Deficit	(2,814,731)	(2,601,385)
<b>Total owner's capital</b>	<b>236,747</b>	<b>217,346</b>
<b>Total liabilities and owner's capital</b>	<b>242,105</b>	<b>217,346</b>

Corporate Information and Going Concern (Note 1)

**Approved on behalf of the Board of Directors of Grid Battery Metals Inc.**

'Tim Fernback'

'Robert Setter'

Director

Director

The accompanying notes are an integral part of these interim carve-out financial statements



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**THE NICKEL PROJECT**  
**INTERIM CARVE-OUT STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**  
**FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2023 AND 2022**

(Expressed in Canadian dollars)

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	<b>30 September 2023</b>	<b>30 September 2022</b>
	\$	\$
<b>Administration expenses</b>		
Consulting (Note 6)	28,052	43,999
Marketing and communications	175,711	722
Office and miscellaneous	2,937	6,330
Professional fees	1,637	5,763
Travel, lodging and food	5,009	-
	<hr/>	<hr/>
<b>Loss and comprehensive loss for the period</b>	<b>(213,346)</b>	<b>(56,814)</b>

The accompanying notes are an integral part of these interim carve-out financial statements

**THE NICKEL PROJECT**  
**INTERIM CARVE-OUT STATEMENTS OF CASH FLOWS**  
**FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2023 AND 2022**

(Expressed in Canadian dollars)

	<b>30 September 2023</b>	<b>30 September 2022</b>
	\$	\$
Cash provided by (used in):		
<b>Operating activities:</b>		
Net loss for the period	(213,346)	(56,814)
Changes in non-cash working capital account:		
Prepaid expenses	32,000	-
Net cash used in operating activities	(181,346)	(56,814)
<b>Investing activities:</b>		
Exploration and evaluation expenditures	(51,401)	-
Net cash used in investing activities	(51,401)	-
<b>Financing activity:</b>		
Advances by Grid Battery Metals Inc.	232,747	56,814
Net cash provided by financing activity	232,747	56,814
<b>Change in cash</b>	-	-
<b>Cash, beginning and end</b>	-	-

The accompanying notes are an integral part of these interim carve-out financial statements

**THE NICKEL PROJECT**  
**INTERIM CARVE-OUT STATEMENTS OF CHANGES IN OWNER'S CAPITAL**  
**AS AT AND FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2023 AND 2022**

(Expressed in Canadian dollars)

	Contributed Capital	Deficit	Total
	\$	\$	\$
<b>Balance, 30 June 2022 (Audited)</b>	2,670,107	(1,989,063)	681,044
Change in net investment by Grid Battery Metals Inc.	56,814	-	56,814
Net loss	-	(56,814)	(56,814)
<b>Balance, 30 September 2022</b>	<b>2,726,921</b>	<b>(2,045,877)</b>	<b>681,044</b>
<b>Balance, 30 June 2023 (Audited)</b>	2,818,731	(2,601,385)	217,346
Change in net investment by Grid Battery Metals Inc.	232,747	-	232,747
Net loss	-	(213,346)	(213,346)
<b>Balance, 30 September 2023</b>	<b>3,051,478</b>	<b>(2,814,731)</b>	<b>236,747</b>

The accompanying notes are an integral part of these interim carve-out financial statements

**THE NICKEL PROJECT  
NOTES TO THE INTERIM CARVE-OUT FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2023 AND 2022**

(Expressed in Canadian dollars)

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**1. CORPORATE INFORMATION AND GOING CONCERN**

Grid Battery Metals Inc. (“Grid”) is the registered and beneficial owner of AC/DC Battery Metals Inc. (“AC/DC”). Grid and AC/DC arranged a corporate restructuring by way of a statutory arrangement under the Business Corporations Act of British Columbia, pursuant to which Grid and AC/DC will participate in a series of transactions whereby, among other things, Grid will acquire approximately 9,339,040 common shares of AC/DC in exchange for Grid’s Nickel Project and shall distribute the AC/DC common shares to the holders of Grid common shares such that the holders of Grid common shares will become holders of the AC/DC common shares (“Arrangement”). On 14 July 2023, AC/DC Battery Metals Inc. was incorporated pursuant to the Business Corporations Act of the Province of British Columbia.

The address of the corporate office and its principal place of business is 3028 Quadra Court, Coquitlam, British Columbia, V3B 5X6.

The continued exploration and development of the Nickel Project and the recoverability of the amounts shown for exploration and evaluation properties is dependent upon completion of the above-described Arrangement, AC/DC’s ability to obtain necessary financing to complete the exploration and development of its property interests, and ultimately upon the existence of economically recoverable reserves and future profitable production therefrom or alternatively upon the disposal of some or all the property interests on an advantageous basis. The amounts shown as exploration and evaluation properties represent net costs to date and do not necessarily represent present or future values.

**2. BASIS OF PREPARATION**

**a) Statement of compliance**

These interim carve-out financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) and the guidance of the International Financial Reporting Interpretations Committee, as approved and issued by the International Accounting Standards Board.

The policies applied in these interim carve-out financial statements are based on IFRS issued as at 29 January 2024, being the date the Board of Directors of Grid approved these interim carve-out financial statements.

**b) Basis of measurement**

These interim carve-out financial statements have been prepared from the books and records of Grid and purport to represent the historical results of operations, financial position, and cash flows of the Nickel Project as if it had existed as a separate standalone entity for the periods presented under the management of Grid. Upon completion of the Arrangement, AC/DC will cease to be a wholly-owned subsidiary of Grid, pursuant to the transactions contemplated by the agreement relating to the Arrangement.

The following basis of preparation for the carve-out financial statements has been applied:

- All assets and liabilities directly related to the Nickel Project have been attributed herein. These statements do not include assets and liabilities that are not specifically identifiable with the Nickel Project.
- Expenses directly related to the Nickel Project have been entirely attributed herein.

**THE NICKEL PROJECT**  
**NOTES TO THE INTERIM CARVE-OUT FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2023 AND 2022**

(Expressed in Canadian dollars)

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- During all periods presented herein, the Nickel Project received services and support functions from Grid and the operations of the Nickel Project were dependent upon Grid's ability to perform these services and support functions. These overhead and administrative expenses have been allocated to the Nickel Project based on its proportionate share of total exploration and evaluation assets for a particular period.
- These interim carve-out financial statements, prepared in connection with the Arrangement, present the historical carve-out financial position, results of operations, changes in net investment and cash flows of the Nickel Project. These interim carve-out financial statements have been derived from the accounting records of Grid on a carve-out basis and should be read in conjunction with Grid's annual consolidated financial statements and the notes thereto for the years ended 30 June 2023 and 2022 and the interim consolidated financial statements and the notes thereto for the three months ended 30 September 2023 and 2022.

Management believes the assumptions and allocations underlying the carve-out financial statements are reasonable and appropriate under the circumstances. The expenses and cost allocations have been determined on a basis considered by the management of Grid to be a reasonable reflection of the utilization of services provided to or the benefit received by the Nickel Project during the periods presented. However, the historical results of operations, financial position and cash flows of the Nickel Project may not be indicative of what they would actually have been had the business of the Nickel Project been carried out as a separate stand-alone entity, nor are they indicative of what the Nickel Project's results of operations, financial position and cash flows may be in the future.

**c) Presentation and functional currency**

These carve-out financial statements are presented in Canadian dollars. The Canadian dollar is the functional currency of the Nickel Project.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**a) Judgments and estimates**

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, revenues and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances and which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources.

Significant areas requiring the use of estimates relate to the determination of impairment of exploration and evaluation properties and any related provisions for their future abandonment and reclamation. Significant areas where management's judgment is applied include the assessment of possible impairment factors in respect to deferred property costs and the allocation of general and administrative expenses as outlined in Note 2. Actual past and future results could differ as a result of imprecision relating to these estimates and judgments.

The determination of the composition of the Nickel Project itself, in respect to financial statement reporting, is subject to considerable judgment inclusive of the arbitrarily-chosen inception date of 30 June 2021. Under this approach, any otherwise-applicable property interests owned, operated or advanced by Grid in previous years, but not at and subsequent to that date, are explicitly excluded from presentation in these carve-out financial statements.

**THE NICKEL PROJECT**  
**NOTES TO THE INTERIM CARVE-OUT FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2023 AND 2022**

(Expressed in Canadian dollars)

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**b) Exploration and evaluation properties**

Exploration and evaluation expenditures include the costs of acquiring licenses, costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. Exploration and evaluation expenditures are capitalized. Costs incurred before the Nickel Project has obtained the legal rights to explore an area are recognized in profit or loss.

Option payments received are treated as a reduction of the carrying value of the related exploration and evaluation properties and deferred costs until the receipts are in excess of costs incurred, at which time they are recognized in income. Option payments are at the discretion of the optionee, and accordingly, are recorded on a cash basis.

Exploration and evaluation assets are assessed for impairment annually and if (i) sufficient data exists to determine technical feasibility and commercial viability, and/or (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

Recoverability of the carrying amount of any exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

**c) Decommissioning, restoration and similar liabilities**

The Nickel Project recognizes provisions for statutory, contractual, constructive or legal obligations associated with the reclamation of mineral properties and retirement of long-term assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future cost estimates arising from the decommissioning of plant, site restoration work and other similar retirement activities is added to the carrying amount of the related asset, and depreciated on the same basis as the related asset, along with a corresponding increase in the provision in the period incurred. Discount rates using a pre-tax rate that reflect the current market assessments of the time value of money are used to calculate the net present value.

The Nickel Project's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related asset with a corresponding entry to the provision.

Changes in the net present value, excluding changes in the Nickel Project's estimates of reclamation costs, are charged to profit or loss for the period. The net present value of reclamation costs arising from subsequent site damage that is incurred on an ongoing basis during production are charged to profit or loss in the period incurred. The costs of reclamation projects that were included in the provision are recorded against the provision as incurred. The costs to prevent and control environmental impacts at specific properties are capitalized in accordance with the Nickel Project's accounting policy for exploration and evaluation properties. A gain or loss may be incurred upon settlement of the decommissioning obligation.

**THE NICKEL PROJECT**  
**NOTES TO THE INTERIM CARVE-OUT FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2023 AND 2022**

(Expressed in Canadian dollars)

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**d) Income taxes**

Deferred tax is provided, using the liability method, on all temporary differences at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the reporting date.

**e) Financial Instruments**

The classification of a financial asset or liability is determined at the time of initial recognition. The Nickel Project does not enter into derivative contracts.

**Financial assets**

A financial asset is recognized when the Nickel Project has the contractual right to collect future cash flows. Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. Financial assets are recognized at fair value through profit or loss ("FVTPL"), fair value through other comprehensive income ("FVOCI") or amortized cost.

The Nickel Project has no financial assets.

***De-recognition of financial assets***

A financial asset is derecognized when the contractual right to the asset's cash flows expire or the Nickel Project transfers the financial asset and substantially all risks and rewards of ownership to another entity.

**Financial liabilities**

The Nickel Project classifies its financial liabilities in the following category:

***Amortized cost***

A financial liability is recognized when the Nickel Project has the contractual obligation to pay future cash flows. Financial liabilities such as accounts payable and accrued liabilities are recognized at amortized cost using the effective interest rate method.

**THE NICKEL PROJECT**  
**NOTES TO THE INTERIM CARVE-OUT FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2023 AND 2022**

(Expressed in Canadian dollars)

**4. EXPLORATION AND EVALUATION PROPERTY**

<b>The Nickel Project</b>	<b>30 September 2023</b>	<b>30 June 2023</b>
	\$	\$
Balance, beginning	150,346	646,044
Claims and fees	-	14,699
Geological	45,172	-
Consulting	11,587	-
Option payment received	-	(135,647)
Impairment	-	(374,750)
<b>Balance, ending</b>	<b>207,105</b>	<b>150,346</b>

On 23 October 2020, Grid entered into two purchase and sale agreements with John Malcolm Bell to acquire 100% interest, subject to a 2% net smelter royalty, in each of two nickel exploration projects located in British Columbia, Canada. Pursuant to the terms of the agreement Grid paid cash in the amount of \$19,500 and issued 5,000,000 common shares with a fair value of \$2,250,000. Additionally, Grid issued 500,000 finder's shares with a fair value of \$225,000.

On 2 February 2021, Grid entered into an option agreement with a vendor 802213 AB Ltd. (Kelly Funk) for the purchase of a 100% interest, subject to a 2% net smelter royalty, in six mineral claims located in British Columbia ("Option Agreement"). Additionally, Grid staked two adjoining claims. Grid may exercise the option by making a total of \$1,075,000 cash payments, issuing 6,000,000 common shares and incurring \$1,050,000 in exploration expenditures over a 4-year period and the conversion of the claims to a mining lease. In relation to this Option Agreement, Grid made an initial cash payment of \$50,000 and issued 450,000 common shares with a fair value of \$121,500. On 2 February 2022, Grid paid \$75,000 and issued 450,000 common shares with a fair value of \$69,750 in relation to the first anniversary of the option agreement.

Grid is required to issue shares, make payments and incur exploration expenditures as follows:

		<b>Payments</b>	<b>Shares</b>	<b>Exploration Expenditures</b>
On signing agreement	(paid)	\$50,000	-	-
On TSXV approval	(issued)	-	450,000	-
On or before 2 February 2022	(paid and issued)	\$75,000	450,000	\$100,000
On or before 2 February 2023	(terminated)	\$100,000	500,000	\$150,000
On or before 2 February 2024		\$150,000	600,000	\$300,000
On or before 2 February 2025		\$200,000	1,000,000	\$500,000
On conversion of the claims to a mining lease		\$500,000	3,000,000	-
		<b>\$1,075,000</b>	<b>6,000,000</b>	<b>\$1,050,000</b>

On commencement of commercial production, a 2% net smelter returns royalty will be payable to the optionor. Grid retains the option to purchase one-half of the net smelter return (being 0.5 of the 2%) for the sum of \$3,000,000.



**THE NICKEL PROJECT**  
**NOTES TO THE INTERIM CARVE-OUT FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2023 AND 2022**

(Expressed in Canadian dollars)

On 13 March 2023, Grid sent notice of termination of the Option Agreement with respect to the 6 mineral claims. In Accordance with the Section 7.3 of the Agreement, Grid will keep the claims in good standing for a period of one year from 13 March 2023.

On 15 November, 2021, Grid closed its disposition of certain nickel claims (“Surge Claims”) to Surge Battery Metals Inc. (“Surge”). Grid entered into an option agreement with Surge dated 7 July 2021, whereby Surge may earn an undivided 80% interest in the HN4 and N100 nickel group of claims, located in Northern British Columbia. As consideration for the transaction, Grid received 5,000,000 shares of Surge and Surge shall incur an aggregate of \$200,000 in exploration expenditures on the property on or before two years from the date of the agreement.

On 31 March 2023, Grid closed the disposition of its remaining 20% interest on half of the remaining claims in the Surge Claims. As consideration for the transaction, Grid has received 1,000,000 shares of Surge. In connection with this transaction, Grid recorded a gain on disposal of exploration and evaluation properties of \$84,353 during the year ended 30 June 2023.

As at 30 September 2023, the Nickel Project had a \$35,000 bond for exploration and reclamation activities (30 June 2023 - \$35,000).

**5. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS**

Included in accounts payable at 30 September 2023 was \$5,358 related to the exploration and evaluation expenditures on the Nickel Project.

**6. RELATED PARTY TRANSACTIONS**

As at 30 September 2023 and 2022, there are no amounts payable or receivable from related parties.

The Nickel Project’s related party expenses are summarized as follows for the three months ended 30 September 2023 and 2022:

	<b>30 September 2023</b>	<b>30 September 2022</b>
	<b>\$</b>	<b>\$</b>
Consulting fees to Grid’s former CFO	-	8,999
Consulting fees to Grid’s director and Chairman	952	4,499
Consulting fees to Grid’s President and CEO	6,662	-
Consulting fees to Grid’s CFO	2,379	-
Consulting fees to Grid’s Corporate Secretary	3,331	15,748
<b>Total related party expenses</b>	<b>13,324</b>	<b>29,246</b>

**THE NICKEL PROJECT  
NOTES TO THE INTERIM CARVE-OUT FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2023 AND 2022**

(Expressed in Canadian dollars)

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**7. FINANCIAL RISK MANAGEMENT**

The Nickel Project's financial instruments are exposed to certain financial risks, which include the following:

***Liquidity risk***

Liquidity risk is the risk that the Nickel Project will not be able to meet its financial obligations when they become due. The Nickel Project ensures, as far as reasonably possible, that it will have sufficient capital in order to meet short-term business requirements, after taking into account cash flows from operations and advances provided by Grid. However, there can be no assurance that the Nickel Project will be successful with generating and maintaining profitable operations. The Nickel Project and AC/DC are working towards completing the Arrangement to implement new operations.

The Nickel Project is not subject to any credit risk, foreign exchange risk or interest rate risk.

**SCHEDULE "I"**  
**AC/DC PRO-FORMA FINANCIAL STATEMENTS**

**(see attached)**

**AC/DC BATTERY METALS INC.**

**UNAUDITED PRO-FORMA CONSOLIDATED FINANCIAL STATEMENTS  
(CANADIAN DOLLARS)**

**31 October 2023**

**AC/DC BATTERY METALS INC.**  
**PRO-FORMA CONSOLIDATED BALANCE SHEET**  
**As at 31 October 2023**  
**(expressed in Canadian dollars – unaudited)**

	AC/DC Battery Metals Inc.	Carve-Out Nickel Project	Note	Pro-forma adjustments	Pro-forma consolidated Nickel Project
	\$	\$		\$	\$
<b>ASSETS</b>					
Cash	1	-	2(b) 2(e) 2(f)	2,000,000 (1) (200,000)	1,800,000
<b>Total current assets</b>	1	-		1,799,999	1,800,000
<b>Exploration and evaluation properties</b>	-	207,105	2(a) 2(c) 2(d)	1,062,416 (3,051,478) 1,989,062	207,105
<b>Reclamation bond</b>	-	35,000		-	35,000
<b>Total assets</b>	1	242,105		1,799,999	2,042,105
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	7,500	5,358		-	12,858
<b>Total liabilities</b>	7,500	5,358		-	12,858
<b>SHAREHOLDERS' EQUITY</b>					
Share capital	1	-	2(a) 2(b) 2(e) 2(f)	1,062,416 2,000,000 (1) (200,000)	2,862,416
Contributed surplus	-	3,051,478	2(c)	(3,051,478)	-
Deficit	(7,500)	(2,814,731)	2(d)	1,989,062	(833,169)
<b>Total equity</b>	(7,499)	236,747		1,799,999	2,029,247
<b>Total equity and liabilities</b>	1	242,105		1,799,999	2,042,105

See accompanying notes to the unaudited pro-forma financial statements

**AC/DC BATTERY METALS INC.**  
**PRO-FORMA CONSOLIDATED STATEMENT OF OPERATIONS**  
**For the three months ended 31 October 2023**  
**(expressed in Canadian dollars – unaudited)**

	<b>AC/DC Battery Metals Inc.</b>	<b>Carve-Out Nickel Project</b>	<b>Note</b>	<b>Pro-forma adjustments</b>	<b>Pro-forma consolidated Nickel Project</b>
	\$	\$		\$	\$
<b>Expenses</b>					
Consulting fees	-	28,052		-	28,052
Marketing and communications	-	175,711		-	175,711
Office and miscellaneous	-	2,937		-	2,937
Professional fees	2,500	1,637		-	4,137
Travel, lodging and food	-	5,009		-	5,009
<b>Loss and comprehensive loss</b>	<b>(2,500)</b>	<b>(213,346)</b>		<b>-</b>	<b>(215,846)</b>
<b>Loss per share</b>					<b>(0.00)</b>
<b>Weighted average number of shares outstanding</b>					<b>49,339,040</b>

See accompanying notes to the unaudited pro-forma financial statements

**AC/DC BATTERY METALS INC.**  
**PRO-FORMA CONSOLIDATED STATEMENT OF OPERATIONS**  
**For the period ended 31 July 2023**  
**(expressed in Canadian dollars – unaudited)**

	AC/DC Battery Metals Inc.	Carve-Out Nickel Project	Note	Pro-forma adjustments	Pro-forma consolidated Nickel Project
	\$	\$		\$	\$
<b>Expenses</b>					
Accounting	5,000	12,249		-	17,249
Consulting fees	-	115,886		-	115,886
Insurance	-	6,568		-	6,568
Legal	-	977		-	977
Marketing and communications	-	6,153		-	6,153
Office and miscellaneous	-	2,643		-	2,643
Share-based payments	-	174,453		-	174,453
Travel, lodging and food	-	2,997		-	2,997
<b>Loss from operations</b>	(5,000)	(321,926)		-	(326,926)
<b>Other items:</b>					
Impairment of exploration and evaluation properties	-	(374,750)		-	(374,750)
Gain on disposal of exploration properties	-	84,353		-	84,353
<b>Loss and comprehensive loss</b>	(5,000)	(612,323)		-	(617,323)
<b>Loss per share</b>					(0.01)
<b>Weighted average number of shares outstanding</b>					49,339,040

See accompanying notes to the unaudited pro-forma financial statements

**AC/DC BATTERY METALS INC.**  
**NOTES TO PRO-FORMA CONSOLIDATED FINANCIAL STATEMENTS**  
**(expressed in Canadian dollars – unaudited)**

**1. EXPLORATION AND EVALUATION ASSETS ACQUISITION**

The accompanying pro-forma consolidated financial statements has been compiled for purposes of inclusion in the Management Information Circular (“**Info Circular**”) of Grid Battery Metals Inc. (“**Grid**”) dated January 2024 which gives effect to an acquisition by AC/DC Battery Metals Inc. (the “**Company**” or “**AC/DC**”) of Grid’s Nickel Project, which upon closing of the acquisition, the Company will own the Grid Nickel Project located in BC, Canada.

Grid is the registered and beneficial owner of one issued and outstanding AC/DC common share, being all of the issued and outstanding AC/DC common shares as of the date hereof. Grid and AC/DC arranged a corporate restructuring by way of a statutory arrangement under the Business Corporations Act of British Columbia, pursuant to which Grid and AC/DC will participate in a series of transactions whereby, among other things, Grid will acquire approximately 9,339,040 AC/DC common shares (“**Consideration Shares**”) in exchange for the “**Transferred Assets**” comprised of Grid’s Nickel Project, and shall distribute the Consideration Shares to the holders of Grid common shares such that the holders of Grid common shares will become holders of the AC/DC common shares (“**Arrangement**”).

AC/DC intends to apply to the TSX-V to have the AC/DC’s common shares listed and posted for trading on the TSX-V. Listing is subject to the approval of the TSX-V. There can be no assurance as to if, or when, the AC/DC’s common shares will be listed or traded on the TSX-V or any other stock exchange. It is not a condition of the Arrangement that the TSX-V shall have approved the listing of the AC/DC’s common shares. Concurrently or following completion of the Arrangement, AC/DC also intends to carry out one or more private placement equity financings for gross proceeds of \$2,000,000.

The unaudited pro-forma consolidated balance sheet and consolidated statement of operations reflects the acquisition of the Nickel Project. The pro forma financial statements for AC/DC have been derived directly from the audited financial statements of AC/DC for the three months ended 31 October 2023 and the period from the date of incorporation on 14 July 2023 to 31 July 2023 and the audited carve-out financial statements of the Nickel Project as of and for the year ended 30 June 2023, and the unaudited interim carve-out financial statements of the Nickel Project as of and for the three months ended 30 September 2023. This acquisition is subject to the approval of the appropriate regulatory authorities.

This pro-forma consolidated balance sheet and consolidated statement of operations has been prepared in accordance with International Financial Reporting Standards (“**IFRS**”) and the accounting principles as disclosed in the financial statements of AC/DC. In the opinion of management, the unaudited pro-forma consolidated balance sheet and consolidated statement of operations include the adjustments necessary for the fair presentation of the proposed transaction in accordance with IFRS.

This pro-forma consolidated balance sheet is not necessarily indicative of AC/DC as at the time of closing of the transaction referred to above. The pro-forma consolidated balance sheet should be read in conjunction with the unaudited interim carve-out financial statements of the Nickel Project for the three months ended 30 September 2023 which are incorporated in the Info Circular.

The unaudited pro-forma consolidated financial statements are not intended to reflect the results of operations or the financial position of the Company which would have actually resulted had the proposed transaction been effected on the dates indicated. Further, the unaudited pro-forma financial information is not necessarily indicative of the results of operations that may be obtained in the future. The actual pro-forma adjustments will depend on a number of factors, and could result in a change to the unaudited pro-forma consolidated financial statements.



**AC/DC BATTERY METALS INC.**  
**NOTES TO PRO-FORMA CONSOLIDATED FINANCIAL STATEMENTS**  
**(expressed in Canadian dollars – unaudited)**

**2. PRO-FORMA ASSUMPTIONS**

The transaction has been accounted for as an asset acquisition with AC/DC identified as the acquirer, because as a condition of the transaction Grid will not have control of the Company.

The unaudited pro-forma consolidated financial statements give effect to the acquisition by AC/DC as described in the Info Circular, as if it had occurred as at 31 October 2023 for purposes of the consolidated balance sheet and as of July 14, 2023 (incorporation date) for purposes of the consolidated statement of operations and is based on the following assumptions:

	\$
a) Acquisition of the Nickel Project by issuance of common shares of AC/DC to Grid shareholders .....	1,062,416
b) Proposed issuance of 40,000,000 units of AC/DC at a price of \$0.05 per unit. Each unit consists of one common share and one share purchase warrant. Each warrant is exercisable to acquire one common share of AC/DC at a price of \$0.10 per share for a period of two years following the date of issuance .....	2,000,000
c) Elimination of Nickel Project's contributed surplus .....	3,051,478
d) Elimination of Nickel Project's opening deficit.....	1,989,062
e) Incorporation share cancelled .....	1
f) AC/DC paid cash finder's fees of \$200,000 in connection with the concurrent financing .....	200,000

**3. SHAREHOLDERS' EQUITY**

Authorized: Unlimited number of common shares without par value

<b>Issued:</b>	<b>Number of common shares</b>	<b>Amount</b>	<b>Contributed surplus</b>	<b>Retained earnings</b>	<b>Total</b>
		\$	\$	\$	\$
Balance for the Nickel Project .....	-	-	3,051,478	(2,814,731)	236,747
Balance for AC/DC .....	1	1	-	(7,500)	(7,499)
Issuance of common shares to Grid's shareholders .....	9,339,040	1,062,416	-	-	1,062,416
Concurrent financing by AC/DC .....	40,000,000	2,000,000	-	-	2,000,000
Elimination of Nickel Project's contributed surplus.....	-	-	(3,051,478)	-	(3,051,478)
Elimination of Nickel Project's opening deficit.	-	-	-	1,989,062	1,989,062
Incorporation share cancelled .....	(1)	(1)	-	-	(1)
Share issue costs	-	(200,000)	-	-	(200,000)
<b>Pro-forma share capital – 31 October 2023 ...</b>	<b>49,339,040</b>	<b>2,862,416</b>	<b>-</b>	<b>(833,169)</b>	<b>2,029,247</b>

**4. LOSS PER SHARE – BASIC AND DILUTED**

The calculation of the pro-forma consolidated basic and diluted loss per share in the pro-forma consolidated statement of operations for the three months ended 31 October 2023 and for the period from the date of incorporation to 31 July 2023 are based upon the assumption that the transaction contemplated in the Arrangement occurred on 14 July 2023 (incorporation) and were based upon the weighted average number of shares of 49,339,040 for basic and diluted loss per share calculation.

**5. PRO-FORMA STATUTORY INCOME TAX RATE**

The pro-forma effective statutory income tax rate of the combined companies will be 27%.

**SCHEDULE “J”**  
**AUDIT COMMITTEE CHARTER OF AC/DC BATTERY METALS INC.**

**1. Mandate**

The audit committee will assist the board of directors (the “Board”) in fulfilling its financial oversight responsibilities. The audit committee will review and consider in consultation with the auditors the financial reporting process, the system of internal control and the audit process. In performing its duties, the committee will maintain effective working relationships with the Board, management, and the external auditors. To effectively perform his or her role, each committee member must obtain an understanding of the principal responsibilities of committee membership as well as the Company’s business, operations and risks.

**2. Composition**

The Board will appoint from among their membership an audit committee after each annual general meeting of the shareholders of the Company. The audit committee will consist of a minimum of three directors.

*Independence*

A majority of the members of the audit committee must not be officers, employees or control persons of the Company.

*Expertise of Committee Members*

Each member of the audit committee must be financially literate or must become financially literate within a reasonable period of time after his or her appointment to the committee. At least one member of the committee must have accounting or related financial management expertise. The Board shall interpret the qualifications of financial literacy and financial management expertise in its business judgment and shall conclude whether a director meets these qualifications.

**3. Meetings**

The audit committee shall meet in accordance with a schedule established each year by the Board, and at other times that the audit committee may determine. The audit committee shall meet at least annually with the Company’s Chief Financial Officer and external auditors in separate executive sessions.

**4. Roles and Responsibilities**

The audit committee shall fulfill the following roles and discharge the following responsibilities:

*External Audit*

The audit committee shall be directly responsible for overseeing the work of the external auditors in preparing or issuing the auditor’s report, including the resolution of disagreements between management and the external auditors regarding financial reporting and audit scope or procedures. In carrying out this duty, the audit committee shall:

- (a) recommend to the Board the external auditor to be nominated by the shareholders for the purpose of preparing or issuing an auditor’s report or performing other audit, review or attest services for the Company;
- (b) review (by discussion and enquiry) the external auditors’ proposed audit scope and approach;
- (c) review the performance of the external auditors and recommend to the Board the appointment or discharge of the external auditors;
- (d) review and recommend to the Board the compensation to be paid to the external auditors; and
- (e) review and confirm the independence of the external auditors by reviewing the non-audit services provided and the external auditors’ assertion of their independence in accordance with professional standards.

### *Internal Control*

The audit committee shall consider whether adequate controls are in place over annual and interim financial reporting as well as controls over assets, transactions and the creation of obligations, commitments and liabilities of the Company. In carrying out this duty, the audit committee shall:

- (a) evaluate the adequacy and effectiveness of management's system of internal controls over the accounting and financial reporting system within the Company; and
- (b) ensure that the external auditors discuss with the audit committee any event or matter which suggests the possibility of fraud, illegal acts or deficiencies in internal controls.

### *Financial Reporting*

The audit committee shall review the financial statements and financial information prior to its release to the public. In carrying out this duty, the audit committee shall:

#### *General*

- (a) review significant accounting and financial reporting issues, especially complex, unusual and related party transactions; and
- (b) review and ensure that the accounting principles selected by management in preparing financial statements are appropriate.

#### *Annual Financial Statements*

- (a) review the draft annual financial statements and provide a recommendation to the Board with respect to the approval of the financial statements;
- (b) meet with management and the external auditors to review the financial statements and the results of the audit, including any difficulties encountered; and
- (c) review management's discussion & analysis respecting the annual reporting period prior to its release to the public.

#### *Interim Financial Statements*

- (a) review and approve the interim financial statements prior to their release to the public; and
- (b) review management's discussion & analysis respecting the interim reporting period prior to its release to the public.

#### *Release of Financial Information*

- (a) where reasonably possible, review and approve all public disclosure, including news releases, containing financial information, prior to its release to the public.

### *Non-Audit Services*

All non-audit services (being services other than services rendered for the audit and review of the financial statements or services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements) which are proposed to be provided by the external auditors to the Company or any subsidiary of the Company shall be subject to the prior approval of the audit committee.

#### *Delegation of Authority*

- (a) The audit committee may delegate to one or more independent members of the audit committee the authority to approve non-audit services, provided any non-audit services approved in this manner must be presented to the audit committee at its next scheduled meeting.

#### *De-Minimis Non-Audit Services*

- (a) The audit committee may satisfy the requirement for the pre-approval of non-audit services if:

- (i) the aggregate amount of all non-audit services that were not pre-approved is reasonably expected to constitute no more than five per cent of the total amount of fees paid by the Company and its subsidiaries to the external auditor during the fiscal year in which the services are provided; or
- (ii) the services are brought to the attention of the audit committee and approved, prior to the completion of the audit, by the audit committee or by one or more of its members to whom authority to grant such approvals has been delegated.

#### *Pre-Approval Policies and Procedures*

- (a) The audit committee may also satisfy the requirement for the pre-approval of non-audit services by adopting specific policies and procedures for the engagement of non-audit services, if:
  - (i) the pre-approval policies and procedures are detailed as to the particular service;
  - (ii) the audit committee is informed of each non-audit service; and
  - (iii) the procedures do not include delegation of the audit committee's responsibilities to management.

#### *Other Responsibilities*

The audit committee shall:

- (a) establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters;
- (b) establish procedures for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters;
- (c) ensure that significant findings and recommendations made by management and external auditor are received and discussed on a timely basis;
- (d) review the policies and procedures in effect for considering officers' expenses and perquisites;
- (e) perform other oversight functions as requested by the Board; and
- (f) review and update this Charter and receive approval of changes to this Charter from the Board.

#### *Reporting Responsibilities*

The audit committee shall regularly update the Board about committee activities and make appropriate recommendations.

### **5. Resources and Authority of the Audit Committee**

The audit committee shall have the resources and the authority appropriate to discharge its responsibilities, including the authority to:

- (a) engage independent counsel and other advisors as it determines necessary to carry out its duties;
- (b) set and pay the compensation for any advisors employed by the audit committee; and
- (c) communicate directly with the internal and external auditors.

### **6. Guidance - Roles & Responsibilities**

The following guidance is intended to provide the audit committee members with additional guidance on fulfilment of their roles and responsibilities on the committee:

#### *Internal Control*

- (a) evaluate whether management is setting the goal of high standards by communicating the importance of internal control and ensuring that all individuals possess an understanding of their roles and responsibilities;
- (b) focus on the extent to which external auditors review computer systems and applications, the security of such systems and applications, and the contingency plan for processing financial information in the event of an IT systems breakdown; and

- (c) gain an understanding of whether internal control recommendations made by external auditors have been implemented by management.

### *Financial Reporting*

#### *General*

- (a) review significant accounting and reporting issues, including recent professional and regulatory pronouncements, and understand their impact on the financial statements; and
- (b) ask management and the external auditors about significant risks and exposures and the plans to minimize such risks; and
- (c) understand industry best practices and the Company's adoption of them.

#### *Annual Financial Statements*

- (a) review the annual financial statements and determine whether they are complete and consistent with the information known to committee members, and assess whether the financial statements reflect appropriate accounting principles in light of the jurisdictions in which the Company reports or trades its shares;
- (b) pay attention to complex and/or unusual transactions such as restructuring charges and derivative disclosures;
- (c) focus on judgmental areas such as those involving valuation of assets and liabilities, including, for example, the accounting for and disclosure of loan losses; warranty, professional liability; litigation reserves; and other commitments and contingencies;
- (d) consider management's handling of proposed audit adjustments identified by the external auditors; and
- (e) ensure that the external auditors communicate all required matters to the committee.

#### *Interim Financial Statements*

- (a) be briefed on how management develops and summarizes interim financial information, the extent to which the external auditors review interim financial information;
- (b) meet with management and the auditors, either telephonically or in person, to review the interim financial statements; and
- (c) to gain insight into the fairness of the interim statements and disclosures, obtain explanations from management on whether:
  - (i) actual financial results for the quarter or interim period varied significantly from budgeted or projected results;
  - (ii) changes in financial ratios and relationships of various balance sheet and operating statement figures in the interim financial statements are consistent with changes in the Company's operations and financing practices;
  - (iii) generally accepted accounting principles have been consistently applied;
  - (iv) there are any actual or proposed changes in accounting or financial reporting practices;
  - (v) there are any significant or unusual events or transactions;
  - (vi) the Company's financial and operating controls are functioning effectively;
  - (vii) the Company has complied with the terms of loan agreements, security indentures or other financial position or results dependent agreement; and
  - (viii) the interim financial statements contain adequate and appropriate disclosures.

### *Compliance with Laws and Regulations*

- (a) periodically obtain updates from management regarding compliance with this policy and industry "best practices";
- (b) be satisfied that all regulatory compliance matters have been considered in the preparation of the financial statements; and
- (c) review the findings of any examinations by securities regulatory authorities and stock exchanges.

*Other Responsibilities*

- (a) review, with the Company's counsel, any legal matters that could have a significant impact on the Company's financial statements.

**SCHEDULE "K"**

**AC/DC BATTERY METALS INC. STOCK OPTION PLAN**

(see attached)

**AC/DC BATTERY METALS INC.**  
**(the "Company")**

**STOCK OPTION PLAN**  
**("Plan")**

**ARTICLE 1**  
**PURPOSE AND INTERPRETATION**

**Purpose**

1.1 The purpose of this Plan is to advance the interests of the Company by encouraging equity participation in the Company through the acquisition of Common Shares of the Company. It is the intention of the Company that this Plan will at all times be in compliance with TSX Venture Policies and any inconsistencies between this Plan and TSX Venture Policies will be resolved in favour of the latter.

**Definitions**

1.2 In this Plan

- (a) **Affiliate** has the meaning assigned by Policy 1.1 of the TSX Venture Policies;
- (b) **Associate** has the meaning assigned by Policy 1.1 of the TSX Venture Policies;
- (c) **Black-out Period** means an interval of time during which the Company has determined that one or more Participants may not trade any securities of the Company because they may be in possession of undisclosed material information pertaining to the Company, or when in anticipation of the release of quarterly or annual financials, to avoid potential conflicts associated with a company's insider-trading policy or applicable securities legislation, (which, for greater certainty, does not include the period during which a cease trade order is in effect to which the Company or in respect of an Insider, that Insider, is subject);
- (d) **Board** means the board of directors of the Company or any committee thereof duly empowered or authorized to grant Options under this Plan;
- (e) **Change of Control** means the acquisition by any person or by any person and joint actor, whether directly or indirectly, of voting securities (as defined by the *Securities Act* BC) of the Company, which, when added to all other voting securities of the Company at the time held by such person or by such person and a person acting jointly or in concert with another person, as that phrase is interpreted by National Instrument 62-103, totals for the first time, not less than twenty (20%) percent of the outstanding voting securities of the Company or the votes attached to those securities are sufficient if exercised, to elect a majority of the Board;
- (f) **Common Shares** means the common shares without par value in the capital of the Company providing such class is listed on the TSX Venture;
- (g) **Consultant** has the meaning assigned by Policy 4.4 of the TSX Venture Policies;
- (h) **Consultant Company** means for an individual consultant, a company or partnership of which the individual is an employee, shareholder or partner;
- (i) **Company** means AC/DC Battery Metals Inc. and includes, unless the context otherwise requires, all of its Affiliates and successors according to law;
- (j) **Directors** means the directors of the Company as may be elected from time to time;



- (k) **Discounted Market Price** has the meaning assigned by Policy 1.1 of the TSX Venture Policies;
- (l) **Disinterested Shareholder Approval** means approval by a majority of the votes cast by all the Company's shareholders at a duly constituted shareholders' meeting, excluding votes attached to Common Shares beneficially owned by Insiders who are Service Providers or their Associates, in accordance with TSX Venture Policies;
- (m) **Distribution** has the meaning assigned by the Securities Act, and generally refers to a distribution of securities by the Company from treasury;
- (n) **Effective Date** for an Option means the date of grant thereof by the Board;
- (o) **Employee** means:
  - (i) an individual who is considered an employee under the *Income Tax Act* Canada (i.e. for whom income tax, employment insurance and CPP deductions must be made at source);
  - (ii) an individual who works full-time for the Company or a subsidiary thereof providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions are not made at source; or
  - (iii) an individual who works for the Company or its subsidiary on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions need not be made at source;
- (p) **Exchange Hold Period** has the meaning assigned by Policy 1.1 of the TSX Venture Policies;
- (q) **Exercise Price** means the amount payable per Common Share on the exercise of an Option, as determined in accordance with the terms hereof;
- (r) **Expiry Date** means the day on which an Option lapses as specified in the Option Commitment therefor or in accordance with the terms of this Plan;
- (s) **Insider** means an insider as defined in the TSX Venture Policies or as defined in securities legislation applicable to the Company;
- (t) **Investor Relations Activities** has the meaning assigned by Policy 1.1 of the TSX Venture Policies;
- (u) **Management Company Employee** means an individual employed by a Person providing management services to the Company which are required for the ongoing successful operation of the business enterprise of the Company, but excluding a Person engaged in Investor Relations Activities;
- (v) **Market Price** has the meaning assigned by Policy 1.1 of the TSX Venture Policies;
- (w) **Officer** means a Board appointed officer of the Company;
- (x) **Option** means the right to purchase Common Shares granted hereunder to a Service Provider;

- (y) **Option Commitment** means the notice of grant of an Option delivered by the Company hereunder to a Service Provider and substantially in the form of Schedule A attached hereto;
- (z) **Optioned Shares** means Common Shares that may be issued in the future to a Service Provider upon the exercise of an Option;
- (aa) **Optionee** means the recipient of an Option hereunder;
- (bb) **Outstanding Shares** means at the relevant time, the number of issued and outstanding Common Shares of the Company from time to time;
- (cc) **Participant** means a Service Provider that becomes an Optionee;
- (dd) **Person** includes a company, any unincorporated entity, or an individual;
- (ee) **Plan** means this stock option plan, the terms of which are set out herein or as may be amended;
- (ff) **Plan Shares** means the total number of Common Shares which may be reserved for issuance as Optioned Shares under the Plan as provided in §2.2;
- (gg) **Regulatory Approval** means the approval of the TSX Venture and any other securities regulatory authority that has lawful jurisdiction over the Plan and any Options issued hereunder;
- (hh) **Securities Act** means the Securities Act, R.S.B.C. 1996, c. 418, or any successor legislation;
- (ii) **Service Provider** means a Person who is a bona fide Director, Officer, Employee, Management Company Employee, Consultant or Company Consultant, and also includes a company, 100% of the share capital of which is beneficially owned by one or more Service Providers;
- (jj) **Share Compensation Arrangement** means any Option under this Plan but also includes any other stock option, stock option plan, employee stock purchase plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Common Shares to a Service Provider;
- (kk) **Shareholder Approval** means approval by a majority of the votes cast by eligible shareholders of the Company at a duly constituted shareholders' meeting;
- (ll) **Take Over Bid** means a takeover bid as defined in Multilateral Instrument 62-104 (Take-over Bids and Issuer Bids) or the analogous provisions of securities legislation applicable to the Company;
- (mm) **TSX Venture** means the TSX Venture Exchange and any successor thereto; and
- (nn) **TSX Venture Policies** means the rules and policies of the TSX Venture as amended from time to time.

#### **Other Words and Phrases**

1.3 Words and phrases used in this Plan but which are not defined in the Plan, but are defined in the TSX Venture Policies, will have the meaning assigned to them in the TSX Venture Policies.

**Gender**

1.4 Words importing the masculine gender include the feminine or neuter, words in the singular include the plural, words importing a corporate entity include individuals, and vice versa.

**ARTICLE 2  
STOCK OPTION PLAN**

**Establishment of Share Option Plan**

2.1 The Plan is hereby established to recognize contributions made by Service Providers and to create an incentive for their continuing assistance to the Company and its Affiliates.

**Maximum Plan Shares**

2.2 The maximum aggregate number of Plan Shares that may be reserved for issuance under the Plan at any point in time shall be ten percent (10%) of the issued and outstanding Common Shares at the time of the stock option grant, less any Common Shares reserved for issuance under stock options granted under Share Compensation Arrangements other than this Plan, unless this Plan is amended pursuant to the requirements of the TSX Venture Policies.

**Eligibility**

2.3 Options to purchase Common Shares may be granted hereunder to Service Providers of the Company, or its affiliates, from time to time by the Board. Service Providers that are not individuals will be required to undertake in writing not to effect or permit any transfer of ownership or option of any of its securities, or to issue more of its securities (so as to indirectly transfer the benefits of an Option), as long as such Option remains outstanding, unless the written permission of the TSX Venture and the Company is obtained.

**Options Granted Under the Plan**

2.4 All Options granted under the Plan will be evidenced by an Option Commitment in the form attached as Schedule A, showing the number of Optioned Shares, the term of the Option, a reference to vesting terms, if any, and the Exercise Price.

2.5 Subject to specific variations approved by the Board, all terms and conditions set out herein will be deemed to be incorporated into and form part of an Option Commitment made hereunder.

**Limitations on Issue**

2.6 Subject to §2.10, the following restrictions on issuances of Options are applicable under the Plan:

- (a) no Service Provider can be granted an Option if that Option would result in the total number of Options, together with all other Share Compensation Arrangements granted to such Service Provider in the previous 12 months, exceeding 5% of the Outstanding Shares, unless the Company has obtained Disinterested Shareholder Approval to do so;
- (b) the aggregate number of Options granted to all Service Providers conducting Investor Relations Activities in any 12-month period cannot exceed 2% of the Outstanding Shares, calculated at the time of grant, without the prior consent of the TSX Venture; and
- (c) the aggregate number of Options and all security based compensation granted to any one Consultant in any 12 month period cannot exceed 2% of the Outstanding Shares, calculated at the time of grant, without the prior consent of the TSX Venture.

### **Options Not Exercised**

2.7 In the event an Option granted under the Plan expires unexercised or is terminated by reason of dismissal of the Optionee for cause or is otherwise lawfully cancelled prior to exercise of the Option, the Optioned Shares that were issuable thereunder will be returned to the Plan and will be eligible for re-issuance.

### **Powers of the Board**

2.8 The Board will be responsible for the general administration of the Plan and the proper execution of its provisions, the interpretation of the Plan and the determination of all questions arising hereunder. Without limiting the generality of the foregoing, the Board has the power to

- (a) allot Common Shares for issuance in connection with the exercise of Options;
- (b) grant Options hereunder;
- (c) subject to any necessary Regulatory Approval, amend, suspend, terminate or discontinue the Plan, or revoke or alter any action taken in connection therewith, except that no general amendment or suspension of the Plan will, without the prior written consent of all Optionees, alter or impair any Option previously granted under the Plan unless the alteration or impairment occurred as a result of a change in the TSX Venture Policies or the Company's tier classification thereunder; and
- (d) delegate all or such portion of its powers hereunder as it may determine to one or more committees of the Board, either indefinitely or for such period of time as it may specify, and thereafter each such committee may exercise the powers and discharge the duties of the Board in respect of the Plan so delegated to the same extent as the Board is hereby authorized so to do.

### **Amendment of the Plan by the Board of Directors**

2.9 Subject to the requirements of the TSX Venture Policies and the prior receipt of any necessary Regulatory Approval, the Board may in its absolute discretion, amend or modify the Plan or any Option granted as follows:

- (a) it may make amendments which are of a typographical, grammatical or clerical nature only;
- (b) it may change the vesting provisions of an Option granted hereunder, subject to prior written approval of the TSX Venture, if applicable;
- (c) it may change the termination provision of an Option granted hereunder which does not entail an extension beyond the original Expiry Date of such Option;
- (d) it may make amendments necessary as a result in changes in securities laws applicable to the Company;
- (e) if the Company becomes listed or quoted on a stock exchange or stock market senior to the TSX Venture, it may make such amendments as may be required by the policies of such senior stock exchange or stock market; and
- (f) it may make such amendments as reduce, and do not increase, the benefits of this Plan to Service Providers.

### **Amendments Requiring Disinterested Shareholder Approval**

2.10 The Company will be required to obtain Disinterested Shareholder Approval prior to any of the following actions becoming effective:

- (a) the Plan, together with all of the Company's other previous Share Compensation Arrangements, could result at any time in:
  - (i) the aggregate number of Common Shares reserved for issuance under Options and all security based compensation granted to Insiders (as a group) exceeding 10% of the Outstanding Shares;
  - (ii) the grant to Insiders (as a group), within a 12 month period, of an aggregate number of Options and all security based compensation exceeding 10% of the Outstanding Shares, calculated at the date an Option is granted to any Insider;
  - (iii) the aggregate number of Options and all security based compensation granted to any one Optionee (including companies wholly owned by that Optionee), within a 12-month period, exceeding 5% of the Outstanding Shares, calculated on the date an Option is granted to the Optionee;
- (b) any reduction or extension in the Exercise Price of an Option previously granted to an Insider.

### **Options Granted Under the Company's Previous Share Option Plans**

2.11 Any option granted pursuant to a stock option plan previously adopted by the Board which is outstanding at the time this Plan comes into effect shall be deemed to have been issued under this Plan and shall, as of the date this Plan comes into effect, be governed by the terms and conditions hereof.

## **ARTICLE 3 TERMS AND CONDITIONS OF OPTIONS**

### **Exercise Price**

3.1 The Exercise Price of an Option will be set by the Board at the time such Option is allocated under the Plan, and cannot be less than the Discounted Market Price.

### **Term of Option**

3.2 An Option can be exercisable for a maximum of 10 years from the Effective Date.

### **Option Amendment**

3.3 Subject to §2.10(b), the Exercise Price of an Option may be amended only if at least six (6) months have elapsed since the later of the date of commencement of the term of the Option, the date the Common Shares commenced trading on the TSX Venture, or the date of the last amendment of the Exercise Price.

3.4 An Option must be outstanding for at least one year before the Company may extend its term, subject to the limits contained in §3.2.

3.5 Any proposed amendment to the terms of an Option or security based compensation must be approved by the TSX Venture and by shareholder approval, where applicable, prior to the exercise of such Option.

### **Vesting of Options**

3.6 Subject to §3.7, vesting of Options shall be at the discretion of the Board and, with respect to any particular Options granted under the Plan, in the absence of a vesting schedule being specified at the time of grant, all such Options shall vest immediately. Where applicable, vesting of Options will generally be subject to:

- (a) the Service Provider remaining employed by or continuing to provide services to the Company or any of its Affiliates as well as, at the discretion of the Board, achieving certain milestones which may be defined by the Board from time to time or receiving a satisfactory performance review by the Company or any of its Affiliates during the vesting period; or
- (b) the Service Provider remaining as a Director of the Company or any of its Affiliates during the vesting period.

### **Vesting of Options Granted to Service Providers Conducting Investor Relations Activities**

3.7 Notwithstanding §3.6, Options granted to Service Providers employed to provide Investor Relations Activities will vest:

- (a) over a period of not less than 12 months as to 25% on the date that is three months from the date of grant, and a further 25% on each successive date that is three months from the date of the previous vesting; or
- (b) such longer vesting period as the Board may determine.

### **Change of Control**

3.8 Notwithstanding any other provision of this Plan, in the event of a Change of Control, the surviving, successor or acquiring entity shall assume any Options or shall substitute similar Awards, for the outstanding Options, as applicable. If the surviving, successor or acquiring entity does not assume the outstanding Options or substitute similar Awards, for the outstanding Options, as applicable, or if the Board otherwise determines in its discretion, the Company shall give written notice to all Optionees advising that this Plan shall be terminated effective immediately prior to the Change of Control and all outstanding Options shall be deemed to be vested and, unless otherwise exercised, forfeited or cancelled prior to the termination of this Plan, shall expire immediately prior to the termination of this Plan.

In the event of a Change of Control, the Board has the power to: (i) make such other changes to the terms of the Options as it considers fair and appropriate in the circumstances, provided such changes are not adverse to the Optionees; (ii) otherwise modify the terms of the Options to assist the Optionees to tender into a takeover bid or other arrangement leading to a Change of Control, and thereafter; and (iii) terminate, conditionally or otherwise, the Options not exercised, as applicable, following successful completion of such Change of Control. If the Change of Control is not completed within the time specified therein (as the same may be extended), the Options which vest pursuant to this §3.8 shall be returned by the Company to the Optionee and, if exercised, as applicable, the Shares issued on such exercise shall be reinstated as authorized but unissued Shares and the original terms applicable to such Options shall be reinstated.

### **Acceleration of Vesting on Change of Control**

3.9 In the event of a Change of Control occurring, Options granted and outstanding, which are subject to vesting provisions, shall be deemed to have immediately vested upon the occurrence of the Change of Control, except for Options granted to Service Providers conducting Investor Relations Activities.

**Extension of Options Expiring During Blackout Period**

3.10 Should the Expiry Date for an Option fall within a Blackout Period, such Expiry Date shall, subject to approval of the TSX Venture, be automatically extended without any further act or formality to that day which is the tenth (10th) Business Day after the end of the Blackout Period, such tenth Business Day to be considered the Expiry Date for such Option for all purposes under the Plan. Notwithstanding §2.8, the tenth Business Day period referred to in this §3.10 may not be extended by the Board.

**Optionee Ceasing to be Director, Employee or Service Provider**

3.11 Options may be exercised after the Service Provider has left his/her employ/office or has been advised by the Company that his/her services are no longer required or his/her service contract has expired, until the term applicable to such Options expires, except as follows:

- (a) in the case of the death of an Optionee, any vested Option held by him at the date of death will become exercisable by the Optionee's lawful personal representatives, heirs or executors until the earlier of one year after the date of death of such Optionee and the date of expiration of the term otherwise applicable to such Option;
- (b) an Option granted to any Service Provider will expire 90 days (or such other time, not to exceed one year, as shall be determined by the Board as at the date of grant or agreed to by the Board and the Optionee at any time prior to expiry of the Option) after the date the Optionee ceases to be employed by or provide services to the Company, and only to the extent that such Option was vested at the date the Optionee ceased to be so employed by or to provide services to the Company; and
- (c) in the case of an Optionee being dismissed from employment or service for cause, such Optionee's Options, whether or not vested at the date of dismissal will immediately terminate without right to exercise same.

**Non Assignable**

3.12 Subject to §3.11(a), all Options will be exercisable only by the Optionee to whom they are granted and will not be assignable or transferable.

**Adjustment of the Number of Optioned Shares**

3.13 The number of Common Shares subject to an Option will be subject to adjustment in the events and in the manner following:

- (a) in the event of a subdivision of Common Shares as constituted on the date hereof, at any time while an Option is in effect, into a greater number of Common Shares, the Company will thereafter deliver at the time of purchase of Optioned Shares hereunder, in addition to the number of Optioned Shares in respect of which the right to purchase is then being exercised, such additional number of Common Shares as result from the subdivision without an Optionee making any additional payment or giving any other consideration therefor;
- (b) in the event of a consolidation of the Common Shares as constituted on the date hereof, at any time while an Option is in effect, into a lesser number of Common Shares, the Company will thereafter deliver and an Optionee will accept, at the time of purchase of Optioned Shares hereunder, in lieu of the number of Optioned Shares in respect of which the right to purchase is then being exercised, the lesser number of Common Shares as result from the consolidation;
- (c) in the event of any change of the Common Shares as constituted on the date hereof, at any time while an Option is in effect, the Company will thereafter deliver at the time of purchase of Optioned Shares hereunder the number of shares of the appropriate class resulting from the

said change as an Optionee would have been entitled to receive in respect of the number of Common Shares so purchased had the right to purchase been exercised before such change;

(d) in the event of a capital reorganization, reclassification or change of outstanding equity shares (other than a change in the par value thereof) of the Company, a consolidation, merger or amalgamation of the Company with or into any other company or a sale of the property of the Company as or substantially as an entirety at any time while an Option is in effect, an Optionee will thereafter have the right to purchase and receive, in lieu of the Optioned Shares immediately theretofore purchasable and receivable upon the exercise of the Option, the kind and amount of shares and other securities and property receivable upon such capital reorganization, reclassification, change, consolidation, merger, amalgamation or sale which the holder of a number of Common Shares equal to the number of Optioned Shares immediately theretofore purchasable and receivable upon the exercise of the Option would have received as a result thereof. The subdivision or consolidation of Common Shares at any time outstanding (whether with or without par value) will not be deemed to be a capital reorganization or a reclassification of the capital of the Company for the purposes of this §3.13;

(e) an adjustment will take effect at the time of the event giving rise to the adjustment, and the adjustments provided for in this section are cumulative;

(f) the Company will not be required to issue fractional shares in satisfaction of its obligations hereunder. Any fractional interest in a Common Share that would, except for the provisions of this §3.13, be deliverable upon the exercise of an Option will be cancelled and not be deliverable by the Company;

(g) if any questions arise at any time with respect to the Exercise Price or number of Optioned Shares deliverable upon exercise of an Option in any of the events set out in this §3.13, such questions will be conclusively determined by the Company's auditors, or, if they decline to so act, any other firm of Chartered Accountants, in Vancouver, British Columbia (or in the city of the Company's principal executive office) that the Company may designate and who will be granted access to all appropriate records and such determination will be binding upon the Company and all Optionees; and

(h) Notwithstanding the foregoing, any adjustment, other than in connection with a consolidation or share split, to Options granted or issued under the Plan, is subject to the prior acceptance of the TSX Venture, including adjustments related to an amalgamation, merger, arrangement, reorganization, spin-off, dividend or recapitalization.

## ARTICLE 4 COMMITMENT AND EXERCISE PROCEDURES

### **Option Commitment**

4.1 Upon grant of an Option hereunder, an authorized officer of the Company will deliver to the Optionee an Option Commitment detailing the terms of such Options and upon such delivery the Optionee will be subject to the Plan and have the right to purchase the Optioned Shares at the Exercise Price set out therein subject to the terms and conditions hereof, including any additional requirements contemplated with respect to the payment of required withholding taxes on behalf of Optionees.

### **Manner of Exercise**

4.2 Subject to the provisions of this Plan, a Service Provider shall be entitled to exercise an Option subject to vesting limitations which may be imposed at the time the Option is granted. Each Option shall be exercisable as to all or such part or parts of the Optioned Shares and at such time or times. No fractional Shares shall be issued upon the exercise of Options granted under this Plan.



### **Method of Exercise**

4.3 Subject to the provisions of this Plan, an Option granted under this Plan may be exercisable by the Service Provider as follows:

(a) Traditional Exercise. By delivering an Exercise Notice to the Company in the form and manner determined by the Board from time to time to, together with a wire transfer, a bank draft or certified cheque in an amount equal to the aggregate Exercise Price of the Shares to be purchased pursuant to the exercise of the Options and any applicable tax withholdings.

(b) Cashless Exercise. Subject to Section §4.3(d), pursuant to the Exercise Notice and subject to the approval of the Board, a Service Provider may choose to undertake a “cashless exercise” with the assistance of a broker in order to facilitate the exercise of such Service Provider’s Options. The Cashless Exercise procedure may include a sale of such number of Shares as is necessary to raise an amount equal to the aggregate Exercise Price for all Options being exercised by the Service Provider under an Exercise Notice and any applicable tax withholdings. Pursuant to the Exercise Notice, the Service Provider may authorize the broker to sell Shares on the open market by means of a short sale and forward the proceeds of such short sale to the Company to satisfy the Exercise Price and any applicable tax withholdings, promptly following which the Company shall issue Shares underlying the number of Options as provided for in the Exercise Notice.

(c) Subject to Section §4.3(d), upon the exercise of an Option pursuant to §4.3(a) or §4.3(b), the Company shall as soon as practicable after such exercise but not later than ten (10) Business Days following such exercise, forthwith cause the transfer agent and registrar of the Shares to deliver to the Service Provider such number of Shares as the Service Provider shall have then paid for and as are specified in such Exercise Notice.

Notwithstanding any other provision of this Plan, the Cashless Exercise provisions contained in each of §4.3(b) and §4.3(c) shall not apply at all times when the Company is listed on the TSX Venture, and such provisions shall be of no force and effect during such period.

### **Tax Withholding and Procedures**

4.4 Notwithstanding anything else contained in this Plan, subject to Policy 4.4 of the TSX Venture Policies, the Company may, from time to time, implement such procedures and conditions as it determines appropriate with respect to the withholding and remittance of taxes imposed under applicable law, or the funding of related amounts for which liability may arise under such applicable law. Without limiting the generality of the foregoing, an Optionee who wishes to exercise an Option must, in addition to following the procedures set out in §4.2 and elsewhere in this Plan, and as a condition of exercise:

(a) deliver a certified cheque, wire transfer or bank draft payable to the Company for the amount determined by the Company to be the appropriate amount on account of such taxes or related amounts; or

(b) otherwise ensure, in a manner acceptable to the Company (if at all) in its sole and unfettered discretion, that the amount will be securely funded;

and must in all other respects follow any related procedures and conditions imposed by the Company.

### **Delivery of Optioned Shares and Hold Periods**

4.5 As soon as practicable after receipt of the notice of exercise described in §4.2 and payment in full for the Optioned Shares being acquired, the Company will direct its transfer agent to issue to the Optionee the appropriate number of Optioned Shares. If the Exercise Price is set below the then current market price of the Common Shares on the TSX Venture at the time of grant, or if the Option is exercised by an Insider or a Consultant of the Company within four months of the grant of such Option, the certificate representing

the Optioned Shares or written notice in the case of uncertificated shares will include a legend stipulating that the Optioned Shares issued are subject to a four-month Exchange Hold Period commencing the date of the Option Commitment.

## **ARTICLE 5 GENERAL**

### **Employment and Services**

5.1 Nothing contained in the Plan will confer upon or imply in favour of any Optionee any right with respect to office, employment or provision of services with the Company, or interfere in any way with the right of the Company to lawfully terminate the Optionee's office, employment or service at any time pursuant to the arrangements pertaining to same. Participation in the Plan by an Optionee is voluntary.

### **No Representation or Warranty**

5.2 The Company makes no representation or warranty as to the future market value of Common Shares issued in accordance with the provisions of the Plan or to the effect of the *Income Tax Act* (Canada) or any other taxing statute governing the Options or the Common Shares issuable thereunder or the tax consequences to a Service Provider. Compliance with applicable securities laws as to the disclosure and resale obligations of each Participant is the responsibility of each Participant and not the Company.

### **Reorganization of the Company**

5.3 The existence of any Options shall not affect in any way the right or power of the Company or its shareholders to make or authorize any adjustment, recapitalization, reorganization or other change in the Company's capital structure or its business, or any amalgamation, combination, merger or consolidation involving the Company or to create or issue any bonds, debentures, shares or other securities of the Company or the rights and conditions attaching thereto or to affect the dissolution or liquidation of the Company or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar nature or otherwise.

### **Conflict**

5.4 Subject to compliance with the policies of the Stock Exchange, in the event of any conflict between the provisions of this Plan and an Option Agreement or an Option Agreement and a Service Provider's employment / consulting agreement, the provisions of this Plan shall govern.

### **Governing Law**

5.5 This Plan and all matters to which reference is made herein shall be governed by and interpreted in accordance with the laws of the Province of British Columbia.

### **Amendment of the Plan**

5.6 The Board reserves the right, in its absolute discretion, to at any time amend, modify or terminate the Plan with respect to all Common Shares in respect of Options and all security based compensation which have not yet been granted hereunder. Any amendment to any provision of the Plan will be subject to any necessary Regulatory Approvals and shareholder approval where applicable unless the effect of such amendment is intended to reduce (but not to increase) the benefits of this Plan to Service Providers.

### **Severability**

5.7 The invalidity or unenforceability of any provision of this Plan shall not affect the validity or enforceability of any other provision and any invalid or unenforceable provision shall be severed from this Plan.

**Effective Date of Plan**

5.8 The Plan will become effective on the date final acceptance is received by the TSX Venture Exchange, and will remain effective provided that the Plan, or any amended version thereof, receives Shareholder Approval as required by the TSX Venture Policies.

Approved by the Board: \_\_\_\_\_, 2023

Approved by the Shareholders: \_\_\_\_\_, 2023

**SCHEDULE A  
TO STOCK OPTION PLAN**

**OPTION COMMITMENT**

Notice is hereby given that, effective this \_\_ day of \_\_\_\_\_, 20\_\_ (the "**Effective Date**"), **AC/DC Battery Metals Inc.** (the "**Company**") has granted to \_\_\_\_\_ (the "**Optionee**"), an Option to acquire \_\_\_\_\_ Shares (the "**Optioned Shares**") up to 5:00 p.m. Vancouver Time on the \_\_\_\_ day of \_\_\_\_\_, 20\_\_ (the "**Expiry Date**") at an Exercise Price of CDN\$ \_\_\_\_\_ per share.

At the date of grant of the Option, the Company is classified as a Tier 2 Issuer under TSX Venture Policies. Optioned Shares are to vest immediately.

**OR**

Optioned Shares will vest (if applicable) as follows:

Date of Release	Amount of Shares

The grant of the Option evidenced hereby is made subject to the terms and conditions of the Plan, which are hereby incorporated herein and forms part hereof.

To exercise your Option, deliver a written notice specifying the number of Optioned Shares you wish to acquire, together with a certified cheque, wire transfer or bank draft payable to the Company for the aggregate Exercise Price. A certificate, or written notice in the case of uncertificated shares, for the Optioned Shares so acquired will be issued by the transfer agent as soon as practicable thereafter and may bear a minimum four month non-transferability legend from the date of this Option Commitment, pursuant to Section \_\_\_\_\_ of the Plan, the text of which is as follows. *[Note: A Company may grant stock options without a hold period, provided the exercise price of the options is set at or above the market price of the Company's shares and provided that the Optionee is not an insider at the time of grant. If a four month hold period is applicable, the following legend must be placed on the certificate or the written notice in the case of uncertificated shares.]*

"WITHOUT PRIOR WRITTEN APPROVAL OF THE TSX VENTURE EXCHANGE AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF THE TSX VENTURE EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL 12:00 A.M. (MIDNIGHT) ON *[insert date 4 months from the date of grant]*".

In the event that the Optionee is a resident of the United States, a certificate, or in the case of uncertificated shares, for the Optioned Shares so acquired will bear the following legend:

"THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "1933 ACT"). THESE SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE COMPANY, (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 904 OF REGULATIONS UNDER THE 1933 ACT, (C) IN COMPLIANCE WITH THE EXEMPTION FROM THE REGISTRATION REQUIREMENTS UNDER THE 1933 ACT PROVIDED BY RULE 144 OR RULE 144A

THEREUNDER, IF AVAILABLE, AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS, OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE 1933 ACT OR ANY APPLICABLE STATE LAWS, AND THE HOLDER HAS, PRIOR TO SUCH SALE, FURNISHED TO THE COMPANY AN OPINION OF COUNSEL OR OTHER EVIDENCE OF EXEMPTION, IN EITHER CASE REASONABLY SATISFACTORY TO THE COMPANY. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE GOOD DELIVERY IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA.”

The Company and the Optionee represent that the Optionee under the terms and conditions of the Plan is a bona fide Service Provider (as defined in the Plan), entitled to receive Options under TSX Venture Policies.

The Optionee also acknowledges and consents to the collection and use of Personal Information (as defined in the Policies of the TSX Venture Exchange) by both the Company and the TSX Venture as more particularly set out in the Acknowledgement - Personal Information in use by the TSX Venture on the date of this Option Commitment.

**AC/DC Battery Metals Inc.**

Per:

\_\_\_\_\_  
Authorized Signatory

\_\_\_\_\_  
Name of Optionee

**SCHEDULE “L”**  
**GRID BATTERY METALS INC. FOLLOWING THE ARRANGEMENT**  
**CORPORATE STRUCTURE**

**Name, Address and Incorporation**

The Company was incorporated under the laws of the province of British Columbia on June 2, 2011. The Company is a reporting issuer in British Columbia and Alberta. The Company has been listed on the TSX Venture Exchange since October 28, 2013, initially under the trading symbol “NICKL”. On April 3, 2023, the Company changed its name to Grid Battery Metals Inc., and its common shares started trading on the TSX Venture Exchange under the new symbol “CELL”.

On March 3, 2016, the Company incorporated a wholly owned subsidiary in Nevada, US, Grid Battery Metals USA Inc. (formerly Nevada Energy Metals USA Inc.) The head office and principal address is located at 3028 Quadra Court, Coquitlam, British Columbia, V3B 5X6. The Company’s business consists of the acquisition, exploration and development of clay and brine-based lithium and hard rock nickel exploration targets and mineral resource properties in British Columbia, Canada and Nevada, USA.

**Intercorporate Relationships**

On completion of the Arrangement, the Company’s corporate structure will remain unchanged except that AC/DC will cease to be a subsidiary of the Company.

**DESCRIPTION OF THE BUSINESS**

**Overview**

The Company will continue to be engaged in the exploration for metals in the United States. The Company’s focus is expected to continue to be on its Nevada-based Lithium Projects (Texas Springs, Volt Canyon and Clayton Valley Lithium Projects) (the “**Nevada Assets**”). Following completion of the Arrangement, the Company will continue to hold the Nevada Assets.

**The Nevada Assets**

The Company owns a 100% interest in the Texas Spring Property which consists of mineral lode claims located in Elko County, Nevada. The Property is in the Granite Range southeast of Jackpot, Nevada, about 73 km north-northeast of Wells, Nevada. The target is a lithium clay deposit in volcanic tuff and tuffaceous sediments of the Humboldt Formation. The Texas Spring property adjoins the southern border of the Nevada North Lithium Project - owned by Surge Battery Metals Inc. (“Surge”) (TSXV: NILI, OTC: NILIF) and comprised of 303 mineral claims. Surge’s first round of drilling identified strongly mineralized lithium bearing clays.

The Company owns a 100% interest in 113 lithium lode and placer claims covering over 640 hectares in Clayton Valley. Clayton Valley is a down-dropped closed basin formed by the Miocene age Great Basin extension and is still active due to movement along the Walker Lane structural zone. As a result, the basin has preserved multiple layers of lithium bearing volcanic ash, resulting from multiple eruptive events over the past 6 million years including eruptions from the 700,000-year-old Long Valley Caldera system and related events.

The Company owns a 100% interest in 80 placer claims covering approximately 635 hectares of alluvial sediments and clays located 122 km northeast of Tonopah, Nevada.

**Directors and Executive Officers**

The directors and executive officers of the Company are expected to remain the same following completion of the Arrangement. See “*Election of Directors*” in the Circular for more information regarding the Company’s directors and executive officers.

## RISK FACTORS

Below are certain risk factors relating to the Company following completion of the Arrangement that Shareholders should carefully consider in connection with the Arrangement. The following information is a summary only of certain risk factors and is qualified in its entirety by reference to, and must be read in conjunction with, the detailed information that appears elsewhere in the Circular. Additional risk factors relating to the Company and the Shareholders in connection with the Arrangement are set out in the Circular under the heading entitled “*The Arrangement – Risk Factors Relating to the Arrangement*”.

### *Mineral Exploration and Development*

The exploration for and development of minerals is highly speculative in nature and involves a high degree of financial and other risks over a significant period of time, which even a combination of careful evaluation, experience and knowledge may not eliminate. Few properties which are explored are ultimately developed into producing mines. Substantial expenses are required to establish ore reserves by drilling, sampling and other techniques and to design and construct mining and processing facilities. Whether a mineral deposit will be commercially viable depends on a number of factors, including the particular attributes of the deposit (i.e. size, grade, access and proximity to infrastructure), financing costs, the cyclical nature of commodity prices and government regulations (including those relating to prices, taxes, currency controls, royalties, land tenure, land use, importing and exporting of minerals, and environmental protection). The effect of these factors or a combination thereof cannot be accurately predicted but could have an adverse impact on the Company.

### *Negative operating cash flow*

The Company had negative operating cash flow for the year ended June 30, 2023 and for the year ended June 30, 2022. The Company anticipates that it will continue to have negative cash flow for the foreseeable future. To the extent that the Company has negative cash flow in future periods, the Company may need to enter into additional loan agreements, issue additional equity and/or enter into alternative financing arrangements to fund such negative cash flow.

### *Additional Capital*

The principal sources of future funds available to the Company will be through the sale of additional equity capital, loans or the sale of interests in its properties or continued metal production. There is no assurance that such funding will be available to the Company, or that it will be obtained on terms favourable to the Company or will provide it with sufficient funds to meet its objectives, which may adversely affect the Company’s business and financial position. Failure to obtain sufficient financing may result in delaying or indefinite postponement of exploration, development or production on any or all of the Company’s properties or even a loss of property interest. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to the Company.

### *Stakeholder Opposition; Surface Rights*

The Company may face opposition to its activities and interests from owners of surface rights, environmental groups, indigenous peoples, entire communities and other stakeholders in the areas in which the Company has interests and operations. Such opposition could adversely affect the Company’s ability to advance its mining projects or continue production. There is no guarantee that the Company will be able to maintain or acquire the surface rights that would be required for the development of its mineral properties on acceptable terms or at all.

### *Mining Exploration and Insurance*

Mining exploration generally involve a high degree of risk. The Company’s operations are subject to all of the hazards and risks normally encountered in mineral exploration, development and production. Such risks include unusual and unexpected geological formations, seismic activity, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, environmental hazards, industrial accidents, periodic interruptions due to adverse weather conditions, labour disputes and political unrest. The occurrence of any of the foregoing could result in damage to, or destruction of, mineral properties or interests, production facilities, personal injury, damage

to life or property, environmental damage, delays or interruption of operations, increases in costs, monetary losses, legal liability and adverse government action. The Company does not currently carry insurance against all of these risks and there is no assurance that such insurance will be available, at reasonably commercial terms, in the future. Even if such insurance is available in the future at economically feasible premiums, the Company may decide not to purchase it. The potential costs associated with liabilities not covered by insurance or excess insurance coverage may require significant capital outlays which would adversely affect the Company's ability to execute its plans, or even to continue its operations.

#### *Financial Resources*

The Company has limited financial resources and there is no assurance that sufficient additional funding will be available to fulfill its obligations or for further exploration and development, on acceptable terms or at all. Failure to obtain additional funding on a timely basis could result in delay or indefinite postponement of further exploration and development and could cause the Company to forfeit its interests in some or all of its properties or to reduce or terminate its operations.

#### *Government Regulation*

The current or future operations of the Company, including exploration and development activities and the commencement and/or continuation of commercial production, require licenses, permits or other approvals from various foreign federal, state and local governmental authorities, and such operations are or will be governed by laws and regulations relating to prospecting, development, mining, production, exports, taxes, labour standards, occupational health and safety, waste disposal, toxic substances, land use, water use, environmental protection, land claims of indigenous people and other matters.

There can be no assurance that the Company will obtain on reasonable terms, or at all, the permits and approvals, and the renewals thereof, which it may require for the conduct of its current or future operations or that applicable laws, regulations, permits and approvals will not have an adverse effect on any mining project which the Company may undertake. Possible future environmental and mineral tax legislation, regulations and actions could cause additional expense, capital expenditures, restrictions and delays to the Company's planned exploration and operations, the extent of which cannot be predicted.

Failure to comply with applicable laws, regulations and permitting requirements (including obtaining permits or failure to maintain permits once obtained) may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital or increased operating expenditures, installation of additional equipment, or remedial actions. The Company may be required to compensate those suffering loss or damage by reason of its activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

#### *Government Regulation in Foreign Jurisdictions*

The Company's mineral exploration and mining activities, and the activities undertaken by companies from which the Company may acquire a royalty or streaming interest, may be affected in varying degrees by political stability and government regulations relating to the mining industry and foreign investors therein. There is no assurance that the political and investment climate of countries such as the United States, where the Company's mineral property interests are located, will continue to be favourable. Any changes in regulations or shifts in political conditions are beyond the control of the Company and may adversely affect its business. Operations may be affected in varying degrees by government regulations with respect to restrictions on production, price controls, export controls, income or other taxes, expropriation of property, environmental legislation and mine safety.

#### *Title to Property*

There can be no assurance that the Company will be able to secure the grant or the renewal of exploration permits or other tenures on terms satisfactory to it, or that governments in the jurisdictions in which the Company's properties are situated will not revoke or significantly alter such permits or other tenures or that such permits and tenures will not be challenged or impugned. Third parties may have valid claims underlying portions of the Company's interests, and the permits or tenures may be subject to prior unregistered agreements or transfers or other land claims and title



may be affected by undetected defects. If a title defect exists, it is possible that the Company may lose all or part of its interest in the properties to which such defects relate.

#### *Infrastructure*

Development and exploration activities depend on adequate infrastructure, including reliable roads and water and power sources. In particular, the Company's activities will depend on adequate water supply. The Company's inability to secure adequate water and power resources, as well as other events outside of its control, such as unusual weather, sabotage, government or other interference in the maintenance or provision of such infrastructure, could adversely affect the Company's operations and financial condition

#### *Environmental Risks and Hazards*

All phases of the Company's operations are subject to environmental regulation in the jurisdictions in which it operates. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation, provide for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry activities and operations. They also set forth limitations on the generation, transportation, storage and disposal of hazardous waste. A breach of such regulation may result in the imposition of fines and penalties or other enforcement actions. In addition, certain types of mining operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the viability or profitability of the Company's operations. Environmental hazards may exist on the properties in which the Company holds interests or on properties acquired by the Company in the future which are unknown to the Company. The Company may be liable for these hazards even if they have been caused by previous or existing owners or operators of the properties.

#### *Climate Change Risks*

The Company's mining and processing operations are energy intensive and have a significant carbon footprint. A number of governments or governmental bodies have introduced or are contemplating regulatory changes to address or mitigate the potential impacts of climate change. Some jurisdictions have implemented legislation or regulations relating to emissions levels, energy efficiency or carbon taxes, and such legislation or regulation is likely to become more stringent. While a portion of the costs associated with reducing emissions may be offset through increased energy efficiency or advances in technology, there can be no assurance that the Company will be able to implement or maintain such measures, and, as a result, the Company's operations may face increased costs if current regulatory trends continue. In addition, climate change may result in changes to the physical environment that may adversely affect the Company's properties and projects, as a result of extreme weather events, resource shortages, changes in rainfall and storm patterns or intensity, water shortages, changing sea levels and changing temperatures.

#### *Risks Related to Conducting Business in Emerging Markets*

The Company's mineral exploration and mining activities, and the activities undertaken by companies from which the Company may acquire a royalty or streaming interest, may be in international locations that display characteristics of emerging markets. Conducting business in these countries may be subject to a variety of risks including, but not limited to: currency fluctuations, devaluations and exchange controls; inflation; uncertain political and economic conditions resulting in unfavourable government actions such as unfavourable legislation or regulation, trade restrictions, unfavourable tax enforcement or adverse tax policies; the denial of contract rights; and social unrest, acts of terrorism or armed conflict. Management is unable to predict the extent or duration of these risks or quantify their potential impact.

#### *Potential Profitability Depends Upon Factors Beyond the Control of The Company*

The potential profitability of mineral properties is dependent upon many factors beyond the Company's control. For instance, world prices of and markets for gold and silver are unpredictable, volatile, potentially subject to governmental fixing, pegging and/or controls and respond to changes in domestic, international, political, social and

economic environments. Another factor is that rates of recovery of mined material may vary from the rate experienced in tests, and a reduction in the recovery rate will adversely affect the profitability, and possibly the economic viability, of a property. Profitability also depends on the costs of operations, including costs of labour, equipment, electricity, environmental compliance or other production inputs. Such costs will fluctuate in ways The Company cannot predict and are beyond the Company's control, and such fluctuations will impact on profitability and may eliminate profitability altogether. Additionally, due to worldwide economic uncertainty, the availability and cost of funds for development and other costs have become increasingly difficult, if not impossible, to project. These changes and events may materially affect the financial performance of the Company.

#### *Repatriation of Earnings*

Substantially all of the Company's business is carried on through foreign subsidiaries. There is no assurance that any countries in which the Company operates or may operate in the future will not impose restrictions or taxes on the repatriation of earnings to foreign entities, which may adversely impact the Company's ability to efficiently manage its cash position and adversely impact its share price.

#### *Currency Fluctuations; Foreign Exchange*

The operations of the Company in the countries where it operates are subject to currency fluctuations and such fluctuations may materially affect the financial position and results of the Company. The Company is subject to the risks associated with the fluctuation of the rate of exchange of the Canadian dollar and foreign currencies, in particular the U.S. dollar. The Company does not currently take any steps to hedge against currency fluctuations, although it may elect to hedge against the risk of currency fluctuations in the future. There can be no assurance that any future steps taken by the Company to address foreign currency fluctuations will eliminate all adverse effects and, accordingly, the Company may suffer losses due to adverse foreign currency fluctuations.

The Company may be subject from time to time to foreign exchange controls in countries outside of Canada, although no such claims are currently known to The Company.

#### *Commodity Prices*

The price of the Company's securities, its financial results and exploration, development and mining activities are and may in the future be significantly and adversely affected by declines in the price of precious or base minerals, particularly gold. Precious or base minerals prices fluctuate widely and are affected by numerous factors beyond the Company's control, such as the sale or purchase of precious or base metals by various dealers, central banks and financial institutions, interest rates, exchange rates, inflation or deflation, currency exchange fluctuation, global and regional supply and demand; production and consumption patterns, speculative activities, increased production due to improved mining and production methods, government regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals, environmental protection and international political and economic trends, conditions and events. The price of precious or base metals has fluctuated widely in recent years, and future serious price declines could cause continued development of or production from the Company's properties to be impracticable or uneconomic.

Further, resource calculations and life-of-mine plans using significantly lower precious or base minerals prices could result in material write-downs of the Company's investment in mining properties and increased amortization, reclamation and closure charges.

In addition to adversely affecting reserve or resource estimates and its financial condition, declining commodity prices can impact operations by requiring a reassessment, either initiated by management or required under financing arrangements, of the feasibility of a particular project or of continued production. Even if a project or continued production is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed.

#### *Price Volatility and Lack of Active Market*

In recent years, the securities markets in Canada and elsewhere have experienced a high level of price and volume volatility, and the market prices of securities of many public companies have experienced significant fluctuations in

price which have not necessarily been related to their operating performance, underlying asset values or prospects of such companies. Any quoted market for the Company's securities will likely be subject to such market trends and the value of the Company's securities may be affected accordingly.

#### *Key Executives*

The Company is dependent on the services of key executives and a small number of highly skilled and experienced consultants and personnel, whose contributions to the immediate future operations of the Company are likely to be of importance. Due to the relatively small size of the Company, the loss of these persons or the Company's inability to attract and retain additional highly skilled employees or consultants may adversely affect its business and future operations. The Company does not currently carry any key man life insurance on any of its executives. The directors and some officers of the Company will only devote part of their time to the affairs of the Company.

#### *Competition*

The mineral exploration and mining business is competitive in all of its phases. The Company competes with numerous other companies and individuals, including competitors with greater financial, technical and other resources, in the search for and the acquisition of mineral properties. The Company's ability to acquire properties in the future will depend not only on its ability to develop its present properties, but also on its ability to select and acquire suitable prospects for mineral exploration or development. There is no assurance that the Company will be able to compete successfully with others in acquiring such prospects.

#### *Potential Conflicts of Interest*

Certain directors and officers of the Company are, and may continue to be, involved in the mining and mineral exploration industry through their direct and indirect participation in corporations, partnerships or joint ventures which are potential competitors of the Company. Situations may arise in connection with potential acquisitions in investments where the other interests of these directors and officers may conflict with the interests of the Company and the Company's interests may be adversely affected.

#### *Dilution*

Issuances of additional securities under future financings will result in dilution of the equity interests of persons who are currently Shareholders or who become Shareholders of the Company.

#### *Dividends*

The Company has no earnings or dividend record and is unlikely to pay any dividends in the foreseeable future, as it intends to employ available funds for mineral exploration and development or repayment of indebtedness. Any future determination to pay dividends will be at the discretion of the Board and will depend on the Company's financial condition, results of operations, capital requirements and such other factors as the Board deems relevant.

#### *Nature of the Securities*

The purchase of the Company's securities involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks. The Company's securities should not be purchased by persons who cannot afford to lose their entire investment.

#### *Litigation*

The Company may, from time to time, be involved in disputes with other parties in the future which may result in litigation or alternative dispute resolution proceedings. The results of litigation or other proceedings cannot be predicted with certainty, and the costs of defending or settling such litigation or other proceedings can be significant. If the Company is unable to resolve such disputes in its favour, it may have a material adverse effect on the Company's financial performance, cash flow and results of operations. In addition, the litigation may be subject to the jurisdiction of a foreign court, which may not have or adhere to similar processes and standards as a Canadian court.

### *Acquisitions*

As part of the Company's strategy, it has sought and may continue to seek, to acquire new exploration, development or mining properties. Any acquisition that the Company completes may change the scale of the Company's business and operations, may expose the Company to new geographic, political, operational, financial or geologic risks. The Company may not be able to complete any acquisition or business arrangement on terms favourable to the Company, or any acquisition or business arrangement the Company does complete may not ultimately benefit the Company. The Company may be required to decide to undertake a financing, incur indebtedness or issue additional The Company Shares or other securities in connection with an acquisition, which may dilute existing Shareholders or increase the Company's leverage. In addition, acquisitions are subject to a number of risks, including the risks associated with integrating any new business or properties, that the acquisition may divert management's time and attention, and the acquired business or properties may have unknown risks or prove to have less or less viable mineral resources or reserves than expected. Should any of these or other risks develop, the Company may be required to write-down the value of the acquired assets and it may have a material adverse effect on the Company's financial position.

### *Anti-Corruption and Anti-Bribery Compliance*

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

### *Information Systems and Cyber Security Threats*

The Company's operations depend, in part, on how well the Company and its suppliers, contractors and service providers protect networks, equipment, information technology (IT) systems and software against damage from a number of threats, including, but not limited to, cable cuts, damage to physical plants, natural disasters, terrorism, fire, power loss, hacking, computer viruses, vandalism and theft. The Company's operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, IT systems and software, as well as pre-emptive expenses to mitigate the risks of failures. Any of these and other events could result in information system failures, delays and/or increase in capital expenses. The failure of information systems or a component of information systems could, depending on the nature of any such failure, adversely impact the Company's reputation and results of operations.

Although to date the Company has not experienced any material losses relating to cyber-attacks or other information security breaches, there can be no assurance that the Company will not incur such losses in the future. The Company's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access remain a priority. As cyber threats continue to evolve, the Company may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

### *Taxation Matters*

The Company believes that it is in material compliance with all applicable tax legislation in the countries in which it operates. However, tax returns and other tax assessments, regulatory fees and levies and other governmental costs and fees are subject to reassessment by applicable taxation and other regulatory authorities. In the event of a successful reassessment of the Company, such reassessment may have an impact on current and future taxes and other amounts payable.

The Company is subject to ongoing examination by tax and other regulatory authorities in each jurisdiction in which it has operations. The Company regularly assesses the status of these examinations and the potential for adverse outcomes to determine the adequacy of the provision for current and deferred income taxes, as well as the provision for indirect, withholding and other taxes and assessments as well as related penalties and interest. This assessment relies on estimates and assumptions, which involves judgments about future events. There is no assurance that adequate provisions have been or will be made by the Company to fully cover its possible exposure to tax and other governmental related liabilities, and any material reassessment may have a material adverse impact on the Company's liquidity, financial condition and results of operation.

#### **EXPERTS**

As at the date hereof, DMCL Chartered Professional Accountants, the external auditors of the Company, have reported that they are independent in accordance with the Code of Professional Conduct of the Chartered Professional Accountants of British Columbia. DMCL was originally appointed auditors of the Company effective June 27, 2019.

None of the persons listed above, nor any director, officer, employee or partner thereof, as applicable, received or will receive a direct or indirect interest in the property of the Company or any of its associate or affiliates. As at the date hereof, to the Company's knowledge, none of the persons listed above hold any securities of the Company. Neither the aforementioned persons, nor any director, officer, employee or partner, as applicable, of the aforementioned companies or partnerships are currently expected to be elected, appointed or employed as a director, officer or employee of the Company or of any associate or affiliate of the Company.