



**ANNUAL GENERAL
MEETING OF SHAREHOLDERS**

TO BE HELD TUESDAY, SEPTEMBER 8, 2026

**NOTICE OF MEETING
AND
MANAGEMENT INFORMATION CIRCULAR**

Dated August 4, 2026



NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting (the “Meeting”) of the shareholders of **Grid Battery Metals Inc. (the “Company”)** will be held at **20282 Wharf Street, Maple Ridge, BC, V2X 1A3 on September 8, 2026 at 10:30 a.m. (Pacific Time)** for the following purposes:

1. To receive the audited financial statements of the Company for the period ended June 30, 2025, together with the report of the auditors thereon.
2. To fix the number of directors of the Company at four (4) persons.
3. To elect the directors for the forthcoming year.
4. To appoint SHIM & Associates LLP, Chartered Professional Accountants, as the Company’s auditors for the ensuing year and to authorize the directors to fix their remuneration.
5. To transact such further or other business as may properly come before the Meeting or any adjournment thereof.

The details of the matters proposed to be put before the Meeting are set forth in the Information Circular accompanying this Notice, which is supplemental to and expressly made a part of this Notice. Shareholders of record as of the close of business on August 4, 2026 (the “**Record Date**”) will be entitled to vote at the Meeting and at any adjournment or adjournments thereof.

It is important that your shares be represented at this Meeting to ensure a quorum. If you cannot be present to vote in person, please ensure that your proxy or, if a company, your representative, is appointed and present to vote on your behalf at the Meeting. Instructions regarding the appointment of a proxy or representative are contained in the Information Circular.

DATED at the City of Vancouver, in the Province of British Columbia, as of this 4th day of August, 2026.

BY ORDER OF THE BOARD OF DIRECTORS

“Tim Fernback
Tim Fernback
President & CEO



INFORMATION CIRCULAR

(Containing information as at August 4, 2026 unless otherwise indicated)

This information circular ("*Information Circular*") is provided in connection with the solicitation of proxies by the management **GRID BATTERY METALS INC.** (the "*Company*") for use at the Annual General Meeting of the shareholders of the Company (the "*Meeting*") to be held at 20282 Wharf Street, Maple Ridge, BC, V2X 1A3, on September 8, 2026 at 10:30 am (Pacific Time) and at any adjournments thereof for the purpose set forth in the enclosed Notice of Annual General Meeting ("*Notice of Meeting*").

Solicitation of Proxies

The solicitation of proxies will be primarily by mail, but proxies may be solicited personally or by telephone by Directors, Officers and regular employees of the Company. All costs of solicitation of proxies by management will be borne by the Company.

Appointment of Proxyholders

The individuals named in the accompanying form of proxy (the "**Proxy**") are directors and officers of, or counsel to, the Company. **If you are a shareholder entitled to vote at the Meeting, you have the right to appoint a person or company other than either of the persons designated in the Proxy, who need not be a shareholder, to attend and act for you and on your behalf at the Meeting. You may do so either by inserting the name of that other person in the blank space provided in the Proxy or by completing and delivering another suitable form of proxy.**

Voting by Proxyholder

The persons named in the Proxy will vote or withhold from voting the shares of the Company ("**Shares**") represented thereby in accordance with your instructions on any ballot that may be called for. If you specify a choice with respect to any matter to be acted upon, your Shares will be voted accordingly. The Proxy confers discretionary authority on the persons named therein with respect to:

- (a) each matter or group of matters identified therein for which a choice is not specified, other than the appointment of an auditor and the election of directors,
- (b) any amendment to or variation of any matter identified therein, and
- (c) any other matter that properly comes before the Meeting.

In respect of a matter for which a choice is not specified in the Proxy, the persons named in the Proxy will vote the Shares represented by the Proxy for the approval of such matter.

Registered Shareholders

Registered shareholders may wish to vote by proxy whether or not they are able to attend the Meeting in person. Registered shareholders electing to submit a Proxy may do so by:

- (a) completing, dating and signing the enclosed form of Proxy and returning it to the Company's transfer agent, Olympia Trust Company ("**Olympia**"), Attention: Proxy Department, by fax to 1 (403) 668-8307, via email to proxy@olympiatrust.com or by mail to Olympia Trust Company, Attention: Proxy Department, PO Box 128, STN M, Calgary, AB T2P 2H6; or
- (b) using the internet through the website of the Company's transfer agent at <https://css.olympiatrust.com/pxlogin>. Registered shareholders must follow the instructions that appear on the screen and refer to the enclosed Proxy form for the holder's account number and the Proxy control number;

in all cases ensuring that the Proxy is received at least 48 hours (excluding Saturdays, Sundays and holidays) before the Meeting or the adjournment thereof at which the Proxy is to be used.

Beneficial Shareholders

The following information is of significant importance to shareholders of the Company who do not hold Shares in their own name. Beneficial shareholders should note that the only Proxies that can be recognized and acted upon at the Meeting are those deposited by registered shareholders (those whose names appear on the records of the Company as the registered holders of Shares).

If Shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those Shares will not be registered in the shareholder's name on the records of the Company. Such Shares will more likely be registered under the name of the shareholder's broker or an agent of that broker. In the United States the vast majority of such Shares are registered under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many United States brokerage firms and custodian banks), and in Canada, under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms).

Intermediaries are required to seek voting instructions from beneficial shareholders in advance of shareholders' meetings. Every intermediary has its own mailing procedures and provides its own return instructions to clients.

If you are a Beneficial Shareholder:

You should carefully follow the instructions of your broker or intermediary in order to ensure that your Shares are voted at the Meeting.

The form of proxy supplied to you by your broker will be similar to the Proxy provided to registered shareholders by the Company. However, its purpose is limited to instructing the intermediary on how to vote on your behalf. Many brokers delegate responsibility for obtaining instructions from clients to Broadridge Investor Communications or another investor communication service (collectively, for the purposes of this Information Circular, "**Broadridge**") in Canada and the United States. Broadridge will typically mail a voting instruction form in lieu of a Proxy provided by the Company. The voting instruction form will name the same persons as the Company's Proxy to represent you at the Meeting. You have the right to appoint a person (who need not be a Beneficial shareholder of the Company), other than the persons designated in the voting instruction form, to represent you at the Meeting. To exercise this right, you should insert the name of the desired representative in the blank space provided in the voting instruction form. The completed voting instruction form must then be returned to Broadridge by mail or facsimile or given to Broadridge by phone or over the internet, in accordance with Broadridge's instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Shares to be represented at the Meeting. **If you receive a voting instruction form from Broadridge, you cannot use it to vote Shares directly at the Meeting - the voting instruction form must be completed and returned to Broadridge, in accordance with its instructions, well in advance of the Meeting in order to have the Shares voted.**

Although as a Beneficial shareholder you may not be recognized directly at the Meeting for the purposes of voting Shares registered in the name of your broker, you, or a person designated by you, may attend at the Meeting as proxy holder for your broker and vote your Shares in that capacity. If you wish to attend at the Meeting and indirectly vote your Shares as proxy holder for your broker, or have a person designated by you do so, you should enter your own name, or the name of the person you wish to designate, in the blank space on the voting instruction form provided to you and return the same to your broker in accordance with the instructions provided by such broker (or agent), well in advance of the Meeting.

Alternatively, you can request in writing that your broker send you a legal proxy which would enable you, or a person designated by you, to attend at the Meeting and vote your Shares.

This Information Circular and related material is being sent to both registered and non-registered owners of the securities of the Company. If you are a non-registered owner, and the Company or its agent has sent these materials directly to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf.

By choosing to send these materials to you directly the Company (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you and (ii) executing your proper voting instructions. Please return your voting instructions as specified in your request for voting instructions.

Revocation of Proxies

In addition to revocation in any other manner permitted by law, a registered shareholder who has given a Proxy may revoke it by:

- (a) executing a Proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the registered shareholder or the registered shareholder's authorized attorney in writing, or, if the registered shareholder is a corporation, under its corporate seal by an officer or attorney duly authorized, and by delivering the Proxy bearing a later date to Olympia Trust Company, by fax to 1 (403) 668-8307, via email to proxy@olympiatrust.com or by mail to Olympia Trust Company, Attention: Proxy Department, PO Box 128, STN M, Calgary, AB T2P 2H6, at any time up to and including the last business day that precedes the day of the Meeting or, if the Meeting is adjourned, the last business day that precedes any reconvening thereof, or to the chairman of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law; or
- (b) personally attending the Meeting and voting the registered shareholder's Shares.

Only registered shareholders have the right to revoke a Proxy. Beneficial shareholders who wish to revoke their Proxy must, at least seven days before the Meeting, arrange for their respective intermediaries (as described above) to revoke the Proxy on their behalf. A revocation of a Proxy will not affect a matter on which a vote is taken before the revocation.

RECORD DATE

The Company has set the close of business on August 4, 2026 as the record date (the "Record Date") for the Meeting. Only the registered holders of common shares, and those beneficial holders entitled to receive notice through their intermediaries, as at that date, are entitled to receive notice of and to vote at the Meeting unless after that date a shareholder of record transfers his or her shares and the transferee, upon producing properly endorsed certificates evidencing such shares or otherwise establishing that he or she owns such shares, requests at least ten (10) days prior to the Meeting that the transferee's name be included in the list of shareholders entitled to vote, in which case such transferee is entitled to vote such shares at the Meeting.

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

Except as disclosed herein, no person who has been a director or executive officer of the Company, or any person who has held such a position since the beginning of the last completed financial year end of the Company, nor any nominee for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than the election of directors and the appointment of auditors and as set out herein.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The holders of the Company's common shares of record at the Record Date are entitled to vote such shares at the Meeting on the basis of one vote for each common share held. The Company is authorized to issue an unlimited number of common shares without par value (the "shares") of which 193,380,795 shares are issued and outstanding as of the Record Date. The Company has no other class of voting securities.

A quorum for the transaction of business at the Meeting is one person who is, or who represents by proxy one or more shareholders who, in the aggregate, hold at least 5% of the issued and 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.

To the knowledge of the directors and executive officers of the Company, and based upon the Company's review of the records maintained by Olympia Trust Company and insider reports filed with System for Electronic Disclosure by Insiders (SEDI), as at the Record Date, no one shareholder beneficially owns, directly or indirectly, or exercises control or direction over, shares carrying more than 10% of the voting rights attached to all outstanding shares of the Company.

STATEMENT OF EXECUTIVE COMPENSATION

The Company is a "venture issuer" as defined under National Instrument 51-102 – *Continuous Disclosure Obligations* and is disclosing its director and executive compensation in accordance with Form 51-102F6V – *Statement of*

Executive Compensation-Venture Issuers (“Form 51-102F6V”).

In this Information Circular:

“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.

DIRECTOR AND NAMED EXECUTIVE OFFICER COMPENSATION

Director and Named Executive Officer Compensation, Excluding Compensation Securities

The following table provides a summary of compensation paid, directly or indirectly, for each of the two most recently completed financial years to the Named Executive Officers and the directors of the Company.

Table of Compensation Excluding Compensation Securities							
Name and Position	Year ⁽¹⁾	Salary, Consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other Compensation (\$)	Total Compensation (\$)
Tim Fernback ⁽¹⁾ President, CEO & Director	2025	\$178,000 ⁽²⁾	Nil	Nil	Nil		178,000 ⁽²⁾
	2024	\$168,000 ⁽²⁾	Nil	Nil	Nil	\$50,000	\$218,000
Robert Guanzon CFO	2025	\$65,000 ⁽³⁾	Nil	Nil	Nil		
	2024	\$55,000 ⁽³⁾	Nil	Nil	Nil	\$10,000	\$65,000
Robert Setter Director	2025	24,000 ⁽⁴⁾	Nil	Nil	Nil	Nil	
	2024	\$24,000 ⁽⁴⁾	Nil	Nil	Nil	Nil	\$24,000
Jay Ones ⁽⁵⁾ Director	2025	Nil	Nil	Nil	Nil	Nil	Nil
	2024	Nil	Nil	Nil	Nil	Nil	Nil
Ali Alizadeh Director	2025	Nil	Nil	Nil	Nil	Nil	Nil
	2024	Nil	Nil	Nil	Nil	Nil	Nil
Solange Khan ⁽⁵⁾ Director	2025	\$74,000 ⁽⁵⁾	Nil	Nil	Nil	Nil	
	2024	\$60,000 ⁽⁵⁾	Nil	Nil	Nil	Nil	\$110,000 ¹

⁽¹⁾ Fiscal Year ended June 30.

⁽²⁾ Consulting fee paid through TCF Ventures Corp., wholly owned by Mr. Fernback.

⁽³⁾ Consulting fee paid to Mr. Guanzon.

⁽⁴⁾ Consulting fee paid to Mr. Setter.

⁽⁵⁾ Consulting fees paid to Ms. Khan.

External Management Companies

During the year ended June 30, 2025, 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, 2025:

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 President, CEO & Director	Stock Option ⁽¹⁾⁽²⁾	Nil	Nil	Nil	Nil	Ni	Nil
Robert Setter Director	Stock Option ⁽¹⁾⁽²⁾	Nil	Nil	Nil	Nil	Ni	Nil
Ali Alizadeh ⁽⁴⁾ Director	Stock Option ⁽¹⁾⁽²⁾	Nil	Nil	Nil	Nil	Ni	Nil
Solange Khan	Stock Options ⁽¹⁾⁽²⁾	Nil	Nil	Nil	Nil	Ni	Nil

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, 2025:

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 President, CEO & Director	Stock Option	Nil	N/A	N/A	N/A	Nil	Nil
Robert Setter 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
Ali Alizadeh Director	Stock Option	Nil	N/A	N/A	N/A	Nil	Nil
Solange Khan Director	Stock Options	Nil	N/A	N/A	N/A	N/A	

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.

Employment, Consulting and Management Agreements

There are 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

The administration of the Company's compensation mechanisms is currently handled by the directors of the Company. The general objectives of the Company's compensation strategy are to be competitive in order to attract, motivate and retain highly skilled and experienced executive officers, to provide fair and competitive compensation to align the interest of management with those of shareholders. The Company does not have a formal compensation program with set benchmarks; however, the directors do have an informal program which seeks to reward an executive officer's current and future expected performance and the achievements of corporate milestones to 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 and directors for the most recently completed financial year is set out above under the heading, "Director and Named Executive Officer Compensation".

Compensation Review Process

The directors periodically review the compensation paid to each executive officer with respect to basic salary and stock option grants. The directors ensure that total compensation paid to all executive officers is fair and reasonable. The directors rely on their experience as officers and directors in assessing compensation levels and may work with executive placement firm(s) from time to time during the recruitment process. In determining the levels of compensation, the directors consider the following goals and objectives of the Company which are, (a) to attract and retain qualified and experienced executives in today's market place; (b) to encourage and reward outstanding performance by those people who are in the best position to enhance the Company's near-term results and long-term prospects; (c) to align management's interests with the long-term interests of shareholders; and (d) to ensure the compensation paid is competitive with the current market and takes into account the constraints that the Company may be under by virtue of the fact that it is a junior mineral exploration company without a history of earnings.

Assessment of Individual Performance

Individual performance in connection with the achievement of corporate milestones and objectives is reviewed by the 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. In monitoring or adjusting option allotments, the directors take into account its own observations on individual performance and its assessment of individual contribution to shareholder value, previous option grants and the objectives set for the executive officers. For example, the directors will evaluate the individual's leadership skills, commitment to the Company's shareholders, innovation and teamwork.

As the Company has a small team of executive officers, a high degree of commitment and performance is required from each individual to achieve corporate milestones and objectives. This high degree of commitment and performance was demonstrated during the fiscal year ended 2024 by each executive officer with the following accomplishments:

- each executive officer's consistent and focused leadership, evidenced during challenging times;
- each executive officer's leadership in strengthening the Company's ability to manage risk; and
- each executive officer's role in the enhancement of the Company's profile in the public marketplace.

The stock option grants to directors, officers and consultants are determined by an assessment of the individual's current and expected future performance, level of responsibilities, importance of the position held, contribution to the Company and previous option grants and exercise prices including:

- the remuneration paid to the individual as at the grant date in relation to the total remuneration payable by the Company to all of its directors, officers, employees and consultants as at the grant date;
- the length of time that each individual has been employed or engaged by the Company; and
- the quality of work performed by such director, officer, employee or consultant.

Elements of Compensation

There are two main elements of direct compensation, namely a base salary and equity participation through the Company's stock option plan.

Base Salary

Base salary is the principal component of an executive officer's compensation package. In determining the base salary of executive officers, the directors review salary levels of similar companies in the industry and may obtain an informal survey on overall salaries of junior mineral exploration companies. The directors also consider an executive officer's performance and levels of responsibility and importance to the Company and its shareholders.

The Company has no arrangements, standard or otherwise, pursuant to which directors are compensated by the Company for their service in their capacity as directors of the Company. The directors of the Company may be reimbursed for actual expenses reasonably incurred in connection with the performance of their duties as directors. Directors are also eligible to receive incentive stock options to purchase shares of the Company under the Company's stock option plan.

Equity Participation through Stock Option Plan

The stock option component of the Company's compensation program is intended to encourage and reward outstanding performance over the short and long terms, and to align the interests of the Company's officers and directors with those of its shareholders. Options are awarded by the directors, which bases its decisions upon the level of responsibility and contribution of the individuals towards the Company's goals and objectives. The directors also take into consideration the amount and terms of outstanding stock options in determining its recommendations regarding the options to be granted during any fiscal year.

The stock option component of officer and director compensation acts as an incentive for each individual to drive to enhance the Company's value over the long term, and to remain with the Company.

The stock options granted have been granted at an exercise price in line with TSXV policies and the Company's Stock Option Plan. Options are typically granted for a period of five years and may have a vesting period as determined by the directors on a case by case basis.

The Company is of the view that its compensation structure appropriately takes into account the factors relevant to the resource industry, the Company's performance within that industry, and the individual contributions to the Company's performance made by its officers and directors.

Pension Plan Benefits

As at the fiscal year ended June 30, 2025, the Company did not maintain any defined benefit plans, defined contribution plans or deferred compensation plans.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER THE EQUITY COMPENSATION PLAN

During the fiscal year ended June 30, 2025, the Company maintained the Stock Option Plan, which was approved by the shareholders of the Company on April 9, 2024 and the TSX Venture Exchange on January 23, 2025 (the "Plan"). The following table sets forth information with respect to the securities outstanding under the 2024 Plan as at June 30, 2025. The Option Plan is the Company's sole equity compensation plan.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plan (excluding securities reflected in column (a)) (c)
	(a)	(b)	(c)
Equity compensation plan approved by securityholders	13,900,000	\$0.05	23,756,159
Equity compensation plans not approved by securityholders ⁽¹⁾	N/A	N/A	N/A
Total	13,900,000		23,756,159

STOCK OPTION PLAN SUMMARY

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 37,656,159 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.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the current or former directors, executive officers or employees of the Company or persons who were directors, executive officers or employees of the Company at any time during the Company's last completed financial year, nor any proposed nominees for election as a director of the Company and no associate or affiliate of such persons are or have been indebted to the Company (or its subsidiaries) at any time since during the last completed financial year ending June 30, 2025, nor as at the date of this Information Circular. Furthermore, none of such persons were indebted to a third party during such period where their indebtedness was the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or its subsidiaries.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

An "informed person" means: (a) a director or executive officer of the Company; (b) a director or executive officer of a person or company that is itself an informed person or subsidiary of the Company; (c) any person or company who beneficially owns, or controls or directs, directly or indirectly, voting securities of the Company or a combination of both carrying more than 10% of the voting rights attached to all outstanding voting securities of the Company other than voting securities held by the person or company as underwriter in the course of a distribution; and (d) the Company itself, if and for so long as it has purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities.

To the knowledge of management of the Company, no informed person or nominee for election as a director of the Company or any associate or affiliate of any informed person or proposed director had any interest in any transaction which has materially affected or would materially affect the Company or any of its subsidiaries during the year ended June 30, 2025, or has any interest in any material transaction in the current year other than as set out herein or disclosed below.

MANAGEMENT CONTRACTS

There are no management functions of the Company which are to any substantial degree performed by a person or company other than the directors or senior officers of the Company.

CORPORATE GOVERNANCE DISCLOSURE

Corporate governance relates to activities of the Board of Directors, the members of which are elected by and are accountable to the shareholders, and takes into account the role of the individual members of management who are appointed by the Board of Directors and who are charged with the day-to-day management of the Company. The Board of Directors is committed to sound corporate governance practices which are both in the interest of its shareholders and contribute to effective and efficient decision making. National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (“NI 58-101”) requires that each reporting company disclose its corporate governance practices on an annual basis. The Company’s general approach to corporate governance is summarized below.

The Board of Directors

The Board will have responsibility for the stewardship of 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 will set long term goals and objectives for and will formulate the plans and strategies necessary to achieve those objectives and to supervise senior management in their implementation. The Board may delegate the responsibility for managing the day-to-day affairs of the Company to senior management but will retain 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 the Company Shareholders’ interests and ensuring that the incentives of the Company Shareholders and of management are aligned.

The Board is currently comprised of four directors being Tim Fernback, Robert Setter, Ali Alizadeh and Solange Khan. 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

As at the date hereof, the following Directors, which include the proposed directors, are also directors of other reporting issuers as set out below:

Director	Other Issuer
Tim Fernback	Fuse Battery Metals Inc. AC/DC Battery Metals Inc. Apogee Minerals Ltd. Temas Resources Corp.
Robert Setter	Fuse Battery Metals Inc. ACD/DC Battery Metals Inc.
Ali Alizadeh	N/A
Solange Khan	N/A

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 Company Board. The Company Board will continue to look at outside sources to strengthen their skills. the Company 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.

The Company 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.

Nomination of Directors

The Board does not have a nomination committee or a formal procedure with respect to the nomination of directors. In general, nominees will be the result of recruitment efforts by members of the Board, including both formal and informal discussions among members of the Board.

Assessments

The Company Board has not, as yet, adopted any formal procedures for regularly assessing the effectiveness of the Company 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 Company 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 the Company Board members, bearing in mind the business strengths of the individual and the purpose of originally nominating the individual to the Company Board.

Board Committees

The Company currently has one standing committee – the audit committee.

Audit Committee

The Audit Committee is currently comprised of Tim Fernback (Chairman of the Audit Committee), Ali Alizadeh and Solange Khan, 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..

Applying the definition of "independence" set out in section 1.4 of NI 52-110, Ali Alizadeh and Solange Khan are independent members of the Audit Committee. Tim Fernback is not independent by virtue of the fact that Mr. Fernback is an executive officer of the Company.

The Audit Committee is governed by an audit committee charter the text of which is attached hereto as Schedule "A".

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.

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.

Solange Khan

Ms. Khan is a very experienced social media specialist. Ms. Khan's expertise extends to developing and executing targeted social media campaigns and collaborating with cross-functional teams. Her strong communication skills and creative vision are complemented by her ability to stay ahead of industry trends and adapt strategies to meet evolving market demands. She holds a B.A. degree from the University of Toronto.

The Audit Committee reviews and recommends to the Board of Directors for approval the annual financial statements and the annual report of the Company. The quarterly financial statements of the Company are also reviewed and approved by the Audit Committee. In addition, the Audit Committee is charged with the responsibility of monitoring the integrity of the Company's internal controls and management information systems. For the purposes of performing these duties, the members of the Audit Committee have the right, at all times, to inspect all of the books and financial records of the Company and to discuss with management and the auditors of the Company any accounts, records and matters relating to the financial statements of the Company.

Since the commencement of the Company's most recently completed fiscal year ended June 30, 2024, the Company's Board of Directors has not failed to adopt a recommendation of the Audit Committee to nominate or compensate an external auditor.

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

Audit Fees

The Audit Committee must pre-approve any engagement of the external auditors for any non-audit services to the Company in accordance with applicable law and policies and procedures to be approved by the Board of Directors. The engagement of non-audit services will be considered by the Company's Board of Directors on a case-by-case basis.

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

The fees paid by the Company to its auditors for each of the last two fiscal years, by category, are as follows:

Financial Year Ending	Audit Fees	Audit Related Fees	Tax Fees	All Other Fees
June 30, 2025	\$34,650	Nil	Nil	Nil
June 30, 2024	\$27,664	Nil	Nil	Nil

PARTICULARS OF THE MATTERS TO BE ACTED UPON

1. Financial Statements

The Company's Board of Directors have approved all of the information in the audited financial statements for the year ended June 30, 2024, including the auditor's report thereon, copies of which have been sent to those shareholders who had requested receipt of same. Copies of these materials are also available on the Company's website at www.gridbatterymetals.com and under the Company's profile on SEDAR+ at www.sedarplus.ca.

2. Set Number of Directors

The Company's board of directors presently consists of four (4) directors. The term of office of each of the present directors expires at the Meeting. Shareholders will be asked at the Meeting to approve an ordinary resolution that the number of directors elected be set at four for the ensuing year, subject to such increase as may be permitted in the by-laws of the Company and provisions of the *Business Corporations Act* (British Columbia). **In the absence of instructions to the contrary, the enclosed proxy will be voted in favour of setting the number of directors at four.**

3. Election of Directors

Management is nominating the individuals identified below for election as directors of the Company for the ensuing year. The persons designated in the enclosed form of proxy, unless instructed otherwise, intend to vote for the election of the nominees listed below to the Company's Board of Directors. No management nominee is to be elected under any arrangement or understanding between the management nominee and any other person or company, except the directors and executive officers of the Company acting solely in such capacity. Each director elected will hold office until the close of the next Annual General Meeting, or until his or her successor is duly elected or appointed, unless his or her office is earlier vacated in accordance with the *Business Corporations Act* (British Columbia) and the Articles of the Company.

Management of the Company does not contemplate that any of the nominees will be unable to serve as a director but, if that should occur for any reason prior to the Meeting, the persons designated in the enclosed form of proxy reserve the right to vote for other nominees in their discretion.

The persons named in the Proxy intend to vote IN FAVOUR of the election of the nominees whose names are listed in the following table, unless the shareholder signatory of the proxy has indicated his will to withhold from voting regarding the election of directors.

The following table sets out the names of management's nominees for election as directors, all offices in the Company each now holds, each nominee's principal occupation, business or employment, the period of time during which each has been a director of the Company and the number of shares of the Company beneficially owned by each, directly or indirectly, or over which each exercised control or direction, as at June 30, 2025:

Name, Province or State and Country of Residence and Current Position with the Company	Occupation, Business or Employment	Director Since	Shares Beneficially Owned, Directly or Indirectly, or Over Which Control or Direction is Exercised ⁽¹⁾
Tim Fernback ⁽²⁾ Director, President & CEO British Columbia, Canada	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.	March 28, 2022	3,000,000
Robert Setter Director British Columbia, Canada	Director of Grid Battery Metals Inc. and Fuse Battery Metals Inc.	April 9, 2020	Nil
Ali Alizadeh ⁽²⁾ Director British Columbia, Canada	Consultant Senior Geologist, Consultant Senior Geochemist, President and COO of CDN Resource Laboratories	December 15, 2011	Nil
Solange Khan ⁽²⁾⁽³⁾ Director Ontario, Canada	Director of Grid Battery Metals Inc.	August 8, 2024	143,333

⁽¹⁾ The information as to principal occupation, business or employment and share ownership is not within the knowledge of the management of the Company and has been furnished by the respective nominees themselves. This information is current to May 30, 2025.

⁽²⁾ Member of the audit committee.

⁽³⁾ Solange Khan was appointed a director of the Company on August 8, 2024

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

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

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

- (i) was subject to an order that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer;

- (ii) was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; or
- (iii) while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

4. Appointment of Auditors

Shareholders of the Company will be asked to vote for the appointment of SHIM & Associates LLP, Chartered Professional Accountants, of Vancouver, British Columbia, as the Company's auditors, to hold office until the next Annual Meeting of the shareholders, at a remuneration to be fixed by the directors. SHIM & Associates LLP, Chartered Professional Accountants were appointed as auditors of the Company on August 13, 2024.

Management recommends that SHIM & Associates LLP be appointed auditors of the Company for the ensuing year at a remuneration to be approved by the Board.

Management recommends that SHIM & Associates LLP be appointed auditors of the Company for the ensuing year at a remuneration to be approved by the Board. Unless otherwise directed by the Shareholders appointing them proxy, the persons named in the enclosed Instrument of Proxy intend to vote at the Meeting to approve this ordinary resolution.

OTHER MATTERS

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

ADDITIONAL INFORMATION

Additional information relating to the Company and its operations is available on SEDAR+ at www.sedarplus.ca. Financial information concerning the Company is provided in its comparative financial statements and management's discussion and analysis ("MD&A") for the Company's most recently completed financial year ended June 30, 2025. Copies of this information are available by contacting the Company via email at info@gridbatterymetals.com or its offices located at 3028 Quadra Court, Coquitlam, BC V3B 5X6, (604)428-5690.

BOARD APPROVAL

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

Dated this 4th day of August, 2026.

BY ORDER OF THE BOARD OF DIRECTORS

"Tim Fernback"

Tim Fernback
President, CEO & Director

SCHEDULE "A"

the GRID BATTERY METALS INC. (the "Company")

AUDIT COMMITTEE CHARTER

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.