



Annual Information Form

For the year ended December 31, 2022

(Expressed in United States Dollars)

Dated as of March 31, 2023

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GENERAL MATTERS

Unless otherwise noted or the context otherwise indicates, all references in this Annual Information Form (“AIF”) to the “Company”, “LRC”, “we”, “us” or “our” refer to Lithium Royalty Corp. together with its subsidiaries. For reporting purposes, the Company presents its financial statements in United States dollars and in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board (“IFRS”). All dollar amounts in this AIF are expressed in United States dollars, except as otherwise indicated. References to “US\$”, “\$” or “dollars” are to United States dollars, references to “C\$” are to Canadian dollars and references to “A\$” are to Australian dollars. Certain totals, subtotals and percentages in this AIF may not reconcile due to rounding.

The information contained in this AIF is as of December 31, 2022, unless otherwise indicated. More current information may be available on our website at www.lithiumroyaltycorp.com or on the System for Electronic Document Analysis and Retrieval (“SEDAR”) at www.sedar.com. In addition, we maintain supporting materials on our website which may assist in reviewing (but are not to be considered part of) this AIF.

FORWARD-LOOKING INFORMATION

This AIF contains “forward-looking information” within the meaning of applicable Canadian securities legislation. Forward-looking information may be identified by the use of forward-looking terminology such as “plans”, “targets”, “expects”, “is expected”, “budget”, “scheduled”, “estimates”, “outlook”, “forecasts”, “projection”, “prospects”, “strategy”, “intends”, “anticipates”, “believes”, or variations of such words and phrases or terminology which states that certain actions, events or results “may”, “could”, “would”, “might”, “will”, “will be taken”, “occur” or “be achieved”. Our assessments of, and expectations for future periods described in this AIF are considered forward-looking information. In addition, any statements that refer to expectations, intentions, projections or other characterizations of future events or circumstances contain forward-looking information. Statements containing forward-looking information are not historical facts but instead represent management’s expectations, estimates and projections regarding possible future events or circumstances.

The forward-looking information included in this AIF is based on our opinions, estimates and assumptions in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors that we currently believe are appropriate and reasonable in the circumstances. The forward-looking statements contained in this AIF are also based upon the ongoing operation of the properties in which we hold a royalty interest by the owners, developers or operators of such properties in a manner consistent with past practice; the accuracy of public statements and disclosures made by the owners or operators of such underlying properties; and the accuracy of publicly disclosed expectations for the development of underlying properties that are not yet in production. These assumptions include, but are not limited to, the following: assumptions in respect of current and future market conditions and the execution of our business strategies, that operations, or ramp-up where applicable, at properties in which we hold a royalty interest, continue without further interruption through the period, and the absence of any other factors that could cause actions, events or results to differ from those anticipated, estimated, intended or implied. Despite a careful process to prepare and review the forward-looking information, there can be no assurance that the underlying opinions, estimates and assumptions will prove to be correct. Forward-looking information is also subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information. Such risks, uncertainties and other factors include, but are not limited to, those set forth under the caption “Risk Factors”. For clarity, Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability and Inferred Resources are considered too geologically speculative for the application of economic considerations.

Although we have attempted to identify important risk factors that could cause actual results or future events to differ materially from those contained in forward-looking information, there may be other risk factors not presently known to us or that we presently believe are not material that could also cause actual results or future events to differ materially from those expressed in such forward-looking information. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information, which speaks only as of the date made. The forward-looking information contained in this AIF represents our expectations as of the date of this AIF and is subject to change after such date. We disclaim any intention or obligation or undertaking to update or revise any forward-looking information whether as a result of new information, future events or otherwise, except as required under applicable Canadian securities legislation. All of the forward-looking information contained in this AIF is expressly qualified by the foregoing cautionary statements.

MARKET AND INDUSTRY DATA

Market and industry data presented throughout this AIF were obtained from third-party sources, industry reports and publications, websites and other publicly available information, on the basis of our knowledge of the markets in which we operate, including information provided by other industry participants.

We believe that the market and industry data presented throughout this AIF are accurate and, with respect to data prepared by us or on our behalf, that our opinions, estimates and assumptions are currently appropriate and reasonable, but there can be no assurance as to the accuracy or completeness thereof. The accuracy and completeness of the market and industry data presented throughout this AIF are not guaranteed and the Company does not make any representation as to the accuracy of such data. Actual outcomes may vary materially from those forecast in such reports or publications, and the prospect for material variation can be expected to increase as the length of the forecast period increases. Although we believe it to be reliable, the Company has not independently verified any of the data from third-party sources referred to in this AIF, analyzed or verified the underlying studies or surveys relied upon or referred to by such sources, or ascertained the underlying market, economic and other assumptions relied upon by such sources. Market and industry data are subject to variations and cannot be verified due to limits on the availability and reliability of data inputs, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any statistical survey.

EXCHANGE RATE INFORMATION

The following table sets out the high and low rates of exchange for one U.S. dollar expressed in Canadian dollars during each of the following periods, the average rate of exchange for those periods and the rate of exchange in effect at the end of each of those periods. Rates are based on exchange rates published by Bloomberg.

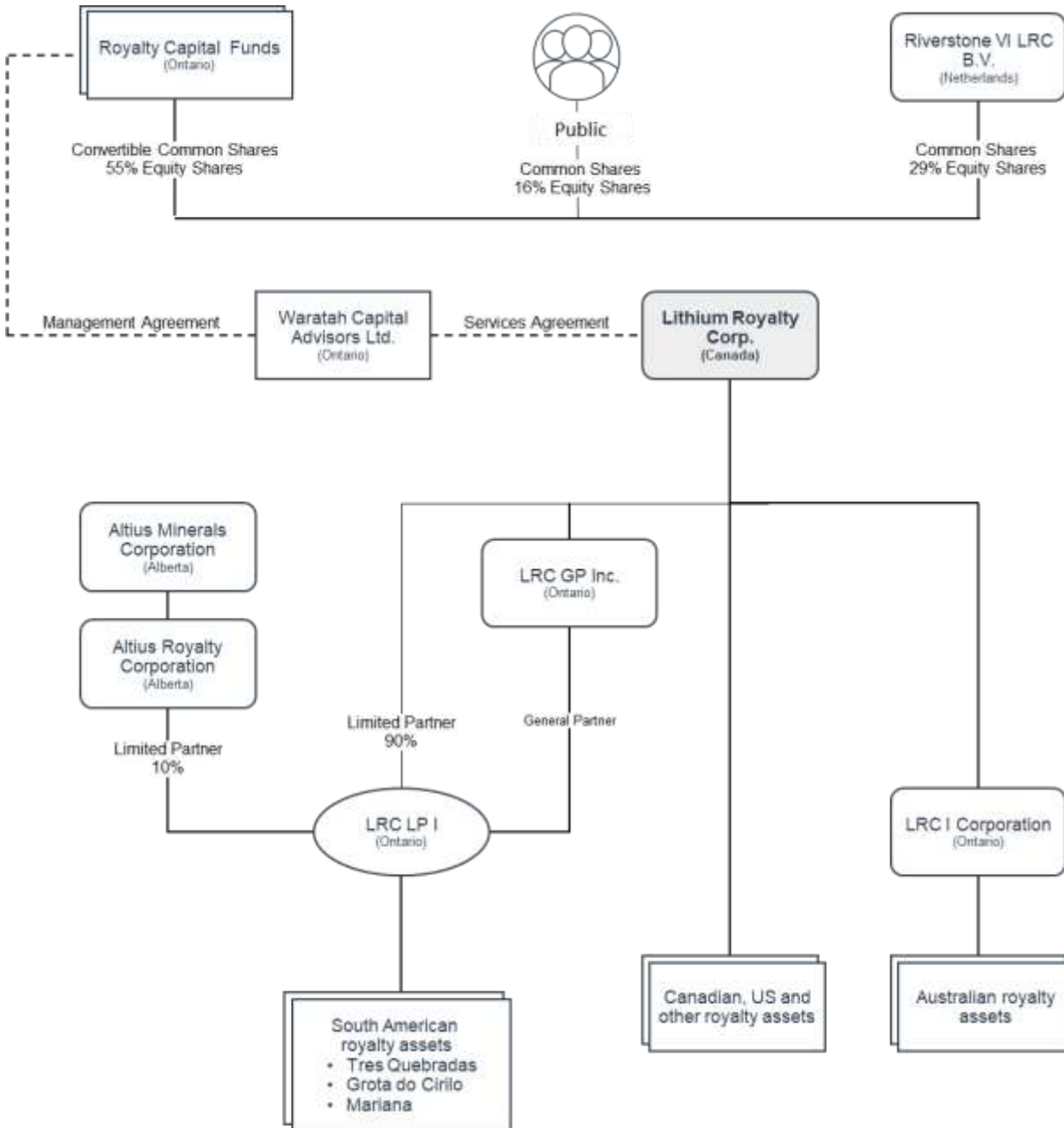
	Year Ended December 31		
	2022	2021	2020
	(C\$)	(C\$)	(C\$)
High	1.3885	1.2964	1.4668
Low	1.2477	1.2007	1.2688
Average.....	1.3019	1.2537	1.3409
Period End	1.2745	1.2637	1.2725

On March 30, 2023, the exchange rate posted by Bloomberg for conversion of U.S. dollars into Canadian dollars was \$1.00 = C\$1.3523.

THE COMPANY

The Company was incorporated on November 23, 2017 with the name Lithium Royalty Corp. (“LRC”) under the *Canada Business Corporations Act* (“CBCA”). Our registered office and head office is located at 1133 Yonge St, 5th Floor, Toronto, Ontario M4T 2Y7. The telephone number at our head office is (416) 572-3900.

The following chart identifies our subsidiaries and their applicable governing jurisdictions.



THREE-YEAR HISTORY

2021

In January 2021, we raised additional capital from the investment funds managed by Waratah Capital Advisors Ltd. (“**Waratah**”), including Royalty Capital I Limited Partnership, Royalty Capital II Limited Partnership, Royalty Capital I-II Limited Partnership and Royalty Capital II-II Limited Partnership (collectively, the “**Waratah Funds**”, which together with Waratah and its affiliates and controlling persons, constitute the “**Waratah Group**”) and Riverstone VI LRC B.V. (“**Riverstone**”, and together with the Waratah Funds, the “**Principal Shareholders**”).

In March 2021, we acquired a Gross Overriding Revenue (“**GOR**”) royalty (the “**Horse Creek Royalty**”) over the Horse Creek polysilicon grade silica quartz project in British Columbia, Canada, owned by Sinova Global Inc. (“**Sinova**”). The Horse Creek Royalty is assessed at 8.0% of annual gross revenues up to \$45.0 million and 4.0% on any portion of annual gross revenues in excess of \$45.0 million.

In May 2021, we acquired a revenue-based royalty at various rates (the “**Valjevo Royalty**”) over the Valjevo lithium-borate deposit located in Valjevo, Serbia, owned by Euro Lithium Inc. (“**Euro Lithium**”).

In July 2021, we acquired GOR royalties over the Cancet, Adina and Sirmac-Clapier projects (the “**Cancet GOR Royalty**”, “**Adina Royalty**” and “**Sirmac-Clapier Royalty**”, respectively) owned by Winsome Resources Limited (“**Winsome**”). All three projects are located in Québec, Canada.

In October 2021, we acquired royalties over the Moblan, Tansim and Mallina projects (the “**Moblan Royalty**”, “**Tansim NSR Royalty**” and “**Mallina Royalty**”, respectively). The Moblan and Tansim projects are owned by Sayona Mining Limited (“**Sayona**”). The Mallina project is jointly owned by Morella Corporation Limited (“**Morella**”) and Sayona, and operated by Morella. The Moblan Royalty consists of a 1.5% to 2.5% GOR royalty on the Moblan project and the Tansim NSR Royalty consists of a 2.0% Net Smelter Return (“**NSR**”) royalty on the Tansim project, each of which is in Québec, Canada. The Mallina Royalty is a 1.5% GOR royalty on the Mallina project in Australia. We also entered into an offtake agreement with Sayona for 10% of Sayona’s proportionate interest in the production from the Moblan project. LRC disposed of this offtake as part of the Pre-IPO Reorganization. See “Capital Structure – Reorganization”.

Also in October 2021, we acquired two-thirds of an existing 1.5% NSR royalty (the “**Cancet NSR Royalty**”) on the Cancet project in Québec, Canada. We also acquired an option from Lithium Springs to acquire a 1.5% GOR royalty (the “**Lithium Springs Royalty**”) on the Lithium Springs project in Northern Territory, Australia (the “**Lithium Springs Option**”). The option is exercisable until the earlier of (i) April 20, 2023, and (ii) Lithium Springs Limited completing a listing of its shares on the Australia Stock Exchange (“**ASX**”).

In December 2021, we acquired a 2.0% GOR royalty (the “**Basin-Wikieup Royalty**”) over the Basin East, Basin West and Wikieup projects owned by Bradda Head Lithium Ltd. (“**Bradda Head**”). Each of these projects is located in the same region of Arizona, United States.

2022

In January 2022, we acquired a 2.0% GOR royalty (the “**Donner Lake Royalty**”) on the Donner Lake project in Manitoba, Canada and a 2.0% GOR royalty (the “**Campus Creek Royalty**”) on the Campus Creek project in Ontario, Canada, each owned by Grid Metals. In addition, we entered into an offtake agreement with Grid Metals for 25% of the production from each of the Donner Lake and Campus Creek lithium projects and we entered into a joint venture agreement with Grid Metals to acquire a 25% working interest in each of the Donner Lake and Campus Creek lithium projects. LRC disposed of these offtakes and working interests as part of the Pre-IPO Reorganization.

In February 2022, we acquired a 1.0% GOR royalty (the “**Zeus Royalty**”) over the Zeus lithium project located in Nevada, United States and owned by Noram Lithium Corp. (“**Noram**”).

In March 2022, we acquired a 2.0% GOR royalty (the “**Shatford Lake / Cat-Euclid Lake Royalty**”) over the Shatford Lake and Cat-Euclid Lake projects in Manitoba, Canada, owned by ACME Lithium Inc. (“**ACME Lithium**”).

In May 2022, we acquired a 1.0% GOR royalty (the “**Yinnetharra Royalty**”) on the Yinnetharra lithium spodumene project (formerly known as the Malinda project) in Western Australia, Australia from Electrostate Pty Ltd. (“**Electrostate**”).

On September 28, 2022, Red Dirt Metals Limited (“**Red Dirt**”) acquired Electrostate, including the Yinnetharra lithium spodumene project.

In August 2022, we acquired a 1.25% GOR royalty (the “**Tabba Tabba Royalty**”) on the Tabba Tabba lithium spodumene project in Western Australia, Australia jointly owned by Morella and Sayona and operated by Morella. In addition, we acquired a 1.25% GOR royalty (the “**Mt Edon Royalty**”) on the Mt Edon and Mt Edon West lithium spodumene projects in Western Australia, Australia owned by Sayona, Morella and a third party and operated by Morella.

In September 2022, we acquired two-thirds of a 1.5% existing GOR royalty on each of the Seymour Lake lithium spodumene project (the “**Seymour Lake Royalty**”), the Root Lake lithium spodumene project (the “**Root Lake Royalty**”) and the Wisa Lake lithium spodumene project (the “**Wisa Lake Royalty**”), each in Ontario, Canada and owned by Green Technology Metals Limited (“**Green Technology Metals**”).

In October 2022, we acquired a 1.0% GOR royalty on the Eyre project (the “**Eyre Royalty**”) in Western Australia, Australia owned by Larvotto Resources Limited (“**Larvotto**”). In addition, in December 2022, we acquired an offtake for 20% of the production of lithium and all other pegmatite materials extracted from the Eyre project. LRC dispose of this offtake as part of the Pre-IPO Reorganization. See “Capital Structure – Reorganization”.

In December 2022, we acquired a 1.25% GOR royalty on each of the Kaustinen and Ilmajoki reservation areas in Finland (the “**Kaustinen / Ilmajoki Royalty**”), owned by a wholly-owned subsidiary of Arvo Lithium Ltd. (“**Arvo**”).

2023

In January 2023, we acquired an existing 2.0% NSR royalty (the “**Adina NSR Royalty**”) on the Adina project in Québec, Canada.

In February 2023, we acquired a one-quarter interest in an existing 2.0% NSR royalty (the “**Mariana Royalty**”) on the Mariana lithium brine project in Salta, Argentina operated by Ganfeng Lithium Co. Ltd. (“**Ganfeng**”).

In March 2023, we acquired an existing 1.5% NSR royalty covering a portion of the James Bay lithium project in Québec (the “**James Bay Royalty**”) operated by Allkem Limited (“**Allkem**”).

On March 15, 2023, we closed our initial public offering (“**IPO**”). We sold an aggregate of 8,824,000 treasury common shares at an offering price of C\$17.00 per share (the “**Initial Offering Price**”). The underwriters of the IPO have been granted an over-allotment option, exercisable until April 15, 2023, to purchase a further 1,323,600 treasury common shares at the Initial Offering Price. The common shares are listed on the TSX under the symbol LIRC. Total proceeds from the IPO were \$102.7 million (C\$141.4 million), net of underwriting fees and related underwriting expenses of \$6.3 million (C\$8.6 million), which proceeds will be used for the acquisition of royalties, for expenses of the IPO, to repay shareholder notes, to pay contingent royalty obligations as and when they are triggered, and for other general corporate purposes.

DESCRIPTION OF OUR BUSINESS

We are a lithium-focused royalty company with a diversified portfolio of royalties on mineral properties around the world that supply and are expected to supply raw materials to support the electrification and decarbonization of the global economy. Due to the increasingly broad deployment of EVs, our focus to-date has been on the battery supply chain for the transportation industry. Recognizing the importance of lithium for EV batteries, our royalty portfolio is underpinned by mineral properties that produce or are expected to produce lithium and other battery minerals. While our primary business is lithium royalties, we may also from time to time consider acquiring ancillary ownership interests including offtakes, portfolio securities and working interests.

Our Royalty Portfolio

Our royalty portfolio is composed of 30 royalties on 28 properties,¹ with two properties in production, four properties in construction and 22 properties in development or exploration.

¹ Our interest on the Lithium Springs project is the Lithium Springs Option to acquire the Lithium Springs Royalty. The option is exercisable until the earlier of (i) April 20, 2023, and (ii) Lithium Springs Limited completing a listing of its shares on the ASX.

Our classification of properties in the production phase includes properties that have established commercial production or are in the process of ramping up to commercial production. We consider a property to be in the development phase if it has not yet reached the production or construction phases of the mine life cycle. Our classification of properties in the development phase includes projects that range from the late stages of pre-construction development to the early stages of exploration.

We estimate that nine properties will be producing by 2025 and anticipate that all 28 properties will be producing by 2030 based on management's assessment following a review of owners' and operators' public disclosure and discussions with owners, operators and third-party consultants. Our royalty portfolio is summarized in the table below.

Mineral Property⁽¹⁾	Location	Operator	Commodity Exposure	Key Terms
Producing				
Mt. Cattlin	Western Australia, Australia	Allkem	Lithium Spodumene	A\$1.5 per tonne treated
Finniss	Northern Territory, Australia	Core Lithium Limited	Lithium Spodumene	2.5% GOR royalty ⁽²⁾
Construction				
Grota do Cirilo	Minas Gerais, Brazil	Sigma Lithium Corporation	Lithium Spodumene	1.0% NSR royalty ⁽⁵⁾
Tres Quebradas (Brine)	Catamarca, Argentina	Zijin Mining Group Company Limited	Lithium Carbonate	1.0% GOR royalty ⁽⁵⁾
Horse Creek ⁽³⁾	British Columbia, Canada	Sinova	Silica Quartz	8.0% – 4.0% GOR royalty ⁽⁴⁾
Mariana (Brine)	Salta, Argentina	Ganfeng	Lithium Chloride/ Carbonate	0.5% NSR royalty ⁽⁵⁾
Development or Exploration				
Moblan	Québec, Canada	Sayona	Lithium Spodumene	2.5% – 1.5% GOR royalty ⁽⁶⁾⁽⁸⁾
Tansim	Québec, Canada	Sayona	Lithium Spodumene	2.0% NSR royalty
Mallina	Western Australia	Morella	Lithium Spodumene	1.5% GOR royalty
Valjevo (Clay)	Valjevo, Serbia	Euro Lithium	Lithium Carbonate/Boric Acid	GOR royalty as various rates
Cancet	Québec, Canada	Winsome	Lithium Spodumene	4.0% GOR royalty ⁽⁷⁾ 1.0% NSR royalty
Adina	Québec, Canada	Winsome	Lithium Spodumene	4.0% GOR royalty ⁽⁷⁾ 1.0% NSR royalty
Sirmac-Clapier	Québec, Canada	Winsome	Carbonate/ Boric Acid Lithium Spodumene	4.0% GOR royalty
Donner Lake	Manitoba, Canada	Grid Metals Corp.	Lithium Spodumene	2.0% GOR royalty
Campus Creek	Ontario, Canada	Grid Metals Corp.	Lithium Spodumene	2.0% GOR royalty
Lithium Springs	Northern Territory, Australia	Lithium Springs Limited	Lithium Spodumene	1.5% GOR royalty
Zeus (Clay)	Nevada, United States	Noram	Lithium Carbonate	1.0% GOR royalty
Basin East & West / Wikieup (Clay)	Arizona, United States	Bradda Head	Lithium Hydroxide	2.0% GOR royalty
Shatford Lake / Cat-Euclid	Manitoba, Canada	ACME Lithium	Lithium Spodumene	2.0% GOR royalty
Yinnetharra	Western Australia, Australia	Red Dirt	Lithium Spodumene	1.0% GOR royalty
Tabba Tabba	Western Australia, Australia	Morella	Lithium Spodumene	1.25% GOR royalty
Mt Edon / Mt Edon West	Western Australia	Morella	Lithium Spodumene	1.25% GOR royalty ⁽⁸⁾

Mineral Property⁽¹⁾	Location	Operator	Commodity Exposure	Key Terms
Seymour Lake	Ontario, Canada	Green Technology Metals	Lithium Spodumene	1.0% GOR royalty
Root Lake	Ontario, Canada	Green Technology Metals	Lithium Spodumene	1.0% GOR royalty
Wisa Lake	Ontario, Canada	Green Technology Metals	Lithium Spodumene	1.0% GOR royalty
Eyre	Western Australia	Larvotto	Lithium Spodumene	1.0% GOR royalty
Kaustinen / Ilmajoki	Central Ostrobothnia, Finland	Arvo	Lithium Spodumene	1.25% GOR royalty
James Bay	Québec, Canada	Allkem	Lithium Spodumene	1.5% NSR royalty

Notes:

- (1) Lithium deposits at each mineral property are hard rock deposits unless otherwise noted.
- (2) The royalty over the Finniss spodumene project (the “**Finniss Royalty**”) is initially assessed at 2.115% of gross revenues. Once Core Lithium Limited (“**Core Lithium**”) achieves certain milestones and LRC makes a contingent payment, each of which is anticipated to occur no later than June 2023, the royalty rate will increase to 2.5%. See detailed description in “Finniss — Northern Territory, Australia” below.
- (3) Pilot production at the Horse Creek quarry took place in the third quarter of 2021. Commercial production is anticipated to commence in 2024.
- (4) The Horse Creek Royalty is assessed at 8.0% of annual gross revenues up to \$45.0 million and 4.0% on any portion of annual gross revenues in excess of \$45.0 million.
- (5) Altius has an indirect 10% interest in each of the royalty over the Grota do Cirilo project (the “**Grota do Cirilo Royalty**”), the royalties over the Tres Quebradas lithium brine project (the “**Tres Quebradas Royalties**”) and the Mariana Royalty through its limited partnership interest in LRC LP I. The Company holds the other 90% limited partnership interest. The general partner of LRC LP I is a subsidiary of the Company. See “Material Contracts — LRC LP I Limited Partnership Agreement”.
- (6) The Moblan Royalty is assessed at 2.5% of gross revenues for the first one million tonnes of ore produced per annum and 1.5% of gross revenue for any tonne of ore produced thereafter.
- (7) Certain tenements comprising the property are assessed at 3.0% of quarterly gross revenues.
- (8) Royalty is payable only on production attributable to the ownership interest of the royalty payor in the relevant property, which ownership interest is less than 100%.

Royalty Interests in Mineral Projects

A royalty is a commercial arrangement that provides payments to a royalty holder by an owner or an operator of a property. The payments are typically calculated based on a percentage of the minerals or other products produced or the revenues or profits generated from the property. To date, we have chosen to invest in royalties rather than other types of alternative financing arrangements in the mining industry, as we prefer the simplicity of a royalty and the protection offered by registering a royalty on title, where permitted by local law. Several jurisdictions, including certain provinces in Canada in which the Company holds royalties, permit a royalty holder to register or otherwise record evidence of a royalty interest in mineral title or land registries. Unlike a streaming interest, which is contractual in nature, royalty interests are generally intended to run with the underlying title to property, where permitted by local law, and may survive bankruptcy, where permitted by local law. Moreover, we believe that we are well-positioned to address the increasing demand for financing through royalty arrangements from property owners, developers and operators due to the lack of shareholder dilution from royalty arrangements compared to traditional equity financing and to the non-financial resources that royalty holders like us are able to provide, including structural flexibility, partner-like alignment and sector experience and expertise.

With the exception of the royalty over the Mt Cattlin spodumene project in Western Australia, Australia (the “**Mt Cattlin Royalty**”), which is tonnage-based, all of our royalties are revenue-based and generally provide cash flow that remains free of any operating or capital costs and environmental liabilities, which are characteristics that reduce our exposure to cost inflation and risk at the project level. The key types of revenue-based royalties are:

- Gross Overriding Revenue (GOR) royalties are based on the total revenue stream from the sale of production from a property with few, if any, deductions. Some royalty agreements refer to gross proceeds which are comparable to gross revenues.

- Net Smelter Return (NSR) royalties are based on the value of production or net proceeds received by the operator from the smelter or refinery that treats the operator’s mineral production. These proceeds are usually subject to deductions or charges for transportation, insurance, smelting and refining costs as set out in the royalty agreement, but may also be subject to other deductions or charges.

Royalties can be commodity specific and, for instance, may apply only to lithium or have varying royalty structures for different commodities from the same property. Royalties can be restricted or varied by metallurgy, ore type or even by stratigraphic horizon.

A royalty is typically not a working interest in a property. With respect to GOR and NSR royalties, the holder is generally not responsible for, and has no obligation to contribute, additional funds for any purpose, including operating or capital costs or environmental or reclamation liabilities. Typically, royalty interests are established through an agreement between the royalty holder and the property owner. As the terms of royalty interests are usually structured to cover the entire life of the underlying asset and are generally assessed as a percentage of total mineral production, royalty holders benefit from exploration success, mine life extensions and operational expansions within the areas covered by the royalty interests (typically without being required to share in the capital costs that property owners, developers or operators incur to achieve such extensions and expansions). As a result, a smaller percentage royalty interest in a property can effectively equate to the economic value of a larger percentage profit or working interest in the same property.

Our Strategy

Our overarching objective has been the development of a diverse portfolio of royalty interests within an electrification and decarbonization macroeconomic theme, with an emphasis on lithium. We intentionally targeted lithium over other battery metals given its robust projected growth profile largely driven by EV demand. We have also sought to diversify our portfolio geographically, while focusing on favourable jurisdictions. In our view, lithium has the following advantages when compared to other battery materials:

- low risk of obsolescence, as lithium is the lightest known metal, the least dense solid element and has a high electrochemical potential with the greatest energy-to-weight performance;
- expected future growth of lithium content per battery with increasing pack size and electrode chemistries;
- relative size of the economically available lithium supply compared to expected future demand; and
- capital intensity of lithium project development, similar to other extractive resources, with long development lead times.

Coupled with our focus on lithium, we have intentionally and purposefully developed our portfolio to be economically and geographically diversified, such that it is not over-weighted to any particular royalty interest or mineral property. We have foregone or reduced the size of royalty interest investments where the overall portfolio would risk being materially over-weighted to such royalty interests.

Our industry involvement and network of relationships in the lithium industry run deep. Often, we get a “first look” at lithium projects globally as operators look to associate with us to establish credibility in the quickly emerging capital markets for battery materials, and to benefit from our network across the electric vehicle and battery materials ecosystem. This has been, and continues to be, a material benefit in creating value, and our internally-sourced deal flow has become a key competitive advantage. We leverage this involvement and network of relationships to initially source and make investments in royalty opportunities, and then partner with the owners, developers and operators on whose properties we hold our royalties to assist with further financing and development, and influence positive environmental and social outcomes. We do this because we understand that the success of our royalties is necessarily dependent on the success of the mining projects located on the properties covered by our royalties. We seek to remain aligned in interest with our partner owners, developers and operators.

Our core strategy does not include investing in offtakes and working interests or making standalone equity investments in mining assets or companies. We may consider obtaining ancillary exposure to portfolio securities, offtakes and working interests in connection with our investments in royalties, where we perceive attractive upside to those opportunities or where additional funding from ancillary interests will contribute to the development of a mine (which in turn may have the effect of increasing the value of our royalty).

Investment Highlights

Pure-play battery metal royalty company with passive cash flows

Our primary investment focus is on acquiring royalties on battery metal mining properties. Relative to other participants in the broader royalty industry, our portfolio of assets provides investors with a differentiated exposure to lithium production as a result of substantially all of our assets being lithium assets. Other mining royalty companies are typically focused on gold and other precious metals, or base metals.

As a royalty company, the cash flows from our royalty interests represent a portfolio of passive cash flows. Substantially all of our royalties are based on the revenues of the owner, developer or operator of the underlying properties, which results in limited exposure to direct operating and capital costs incurred at the operating level. We believe our lack of direct exposure to operating and capital costs results in more stable cash flows than those of the underlying property owners, developers or operators. Further, we believe this reduced volatility, combined with diversification through multi-project exposure, enables us to achieve a lower cost of capital than the underlying property owners, developers or operators. We share in the upside provided by exploration success, mine life extensions, and operational expansions on properties covered by our royalty interests. We believe our portfolio will result in relatively stable cash flows after the underlying mines come into production, while preserving direct exposure to underlying commodity prices and the opportunity to participate in the upside of the project. Our exposure is enhanced by our royalties on development-stage assets which are more likely to advance into production in a favorable commodity price environment.

In contrast to lithium-focused royalty companies, precious metals-focused royalty and streaming companies are generally operating in a highly competitive sector in an environment in which commodity price forecasts generally align with spot prices and there is a neutral commodity outlook. Comparatively, due to the disconnect in long-term consensus and spot pricing for lithium, we believe that increasing demand for lithium may cause upward pressure on long-term pricing. Set out below is a chart that summarizes the advantages of an investment in LRC when compared against an investment in lithium project developers or in precious metals royalty companies.

	LRC	Lithium Developers	Precious Metals Royalty and Streaming Companies
Direct Cost Exposure	✗	✓	✗
Low Single Asset Concentration	✓	✗	?
Exposure to Commodity Prices	✓	✓	✓
Exposure to Project Expansion	✓	✓	✓
Secular Growth Dynamic	✓	✓	✗
“First Look” Lithium Pipeline	✓	✗	✗
ESG / Decarbonization Thematic	✓	✓	✗
Favourable Government Policies	✓	✓	✗
OECD Country Focus	✓	?	?

Our royalty business model facilitates greater diversification of our portfolio of assets (by mine and by jurisdiction) than is typical for mining companies, whose results are often dominated by one or a few key mining projects. In addition to lithium exposure, where appropriate, we may also diversify our portfolio with royalties on other battery metals. Our royalties provide us with exposure to a variety of lithium compounds, including lithium spodumene, lithium carbonate and lithium hydroxide.

In addition to diversification across mineral properties, we have also sought to construct a geographically diversified portfolio focused on jurisdictions that are generally more receptive to mining operations, with stronger economies and with robust and stable legal systems. To that end, our royalties are primarily located in Canada, Australia and the United States.

Sixteen of our royalties are located in jurisdictions that were ranked in the top 10 of the Fraser Institute’s Investment Attractiveness Index for 2021.²



Notes:

(1) See “Summary of Our Asset Portfolio” below for further details regarding our assets.

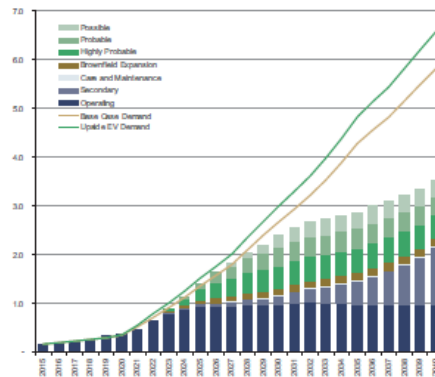
Favourable lithium market dynamics are underpinned by robust EV demand trends

The evolution of battery technologies is transforming the renewable energy and transportation sectors. We believe that the electrification of transportation is a transformational change event which will have a profound impact on society, the environment and the investment landscape. We have built an asset base designed to capitalize on a strong demand for lithium that significantly outpaces its supply. By the year 2040, demand for lithium is expected to reach approximately 5.7 million tonnes of lithium carbonate equivalent (“LCE”) while supply is expected to reach around 3.0 million tonnes of LCE.³ The demand for lithium is predominantly tied to the projected increase in demand for electric vehicles (“EVs”).

² Source: Yunis, J and Aliakbari, E., *Fraser Institute Annual Survey of Mining Companies*, 2021.

³ Source: Benchmark Mineral Intelligence, *Lithium Forecast*, Q4 2022.

Lithium Supply and Demand Projections (Mt LCE)



Source: Benchmark Mineral Intelligence, Lithium Forecast, Q4 2022

Robust acquisition pipeline to further expand lithium royalty portfolio

As a consequence of establishing a global presence and being early to the electrification and battery materials investment thematic, we believe we have a strong brand within the lithium supply industry. Often, we get a “first look” at lithium projects globally as operators look to associate with us to establish credibility in the quickly emerging capital markets for battery materials, and to benefit from our network across the EV and battery materials ecosystem. This has been, and continues to be, a material benefit in creating value, and our internally-sourced deal flow has become a key competitive advantage.

Since inception, we have completed royalty transactions at several points in the lithium market cycle and believe that we are equipped to do so in the future. We have developed a pipeline of near- and long-term opportunities.

We evaluate opportunities subject to our target investment criteria which consider economic and resource metrics, in addition to company and transaction specific considerations. Among other criteria, we target potential investments in opportunities with the following characteristics: low operating cost, low initial and sustaining capital intensity, high grade, long mine life, low impurities, achievement of battery grade quality production, favourable royalty legislative and geopolitical environment (generally verified through in-country title diligence), delineated resources, permitting clarity (with no material issues outstanding), conventional flow sheets (including coarse grain deposits) and optionality and growth potential. We believe that we assume conservative recoveries and conservative forecast lithium prices. We seek to invest in operators, developers and owners that have management teams with strong execution track records, a conservative balance sheet and a credible financing plan. In addition, we seek to enter into royalty arrangements with favourable royalty rights, such as providing for cash flows over the life of mine and no repurchase options. Typically, we target royalties that run with the title to the property or, when unavailable in a particular jurisdiction, seek to obtain available protections such as title registration or a mortgage against the owner’s interest in the property.

Experienced team with a proven track record

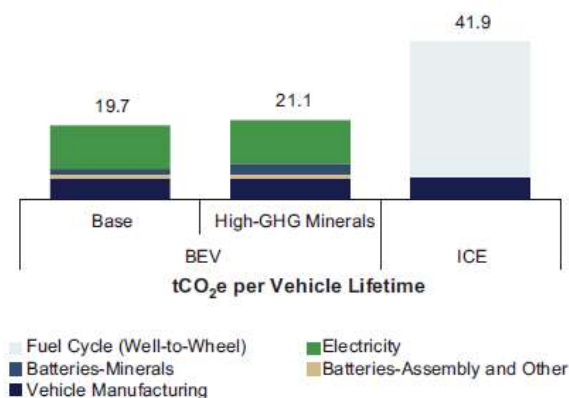
Our team members have a diversity of expertise that is instrumental in constructing a diversified, high-quality royalty portfolio of lithium assets. Team members have expertise in geology, chemical engineering, finance and capital markets and are key participants in the global electric vehicle value chain. We believe that our team gives us a competitive advantage in the market due to its expertise in battery materials and extensive relationships with battery producers, cathode and anode suppliers, metal traders, original equipment manufacturers and metal extraction developers. We are regularly invited to participate in industry, sell side, and broader conferences as part of the EV and energy storage thematic. Our team members have collectively visited many major lithium deposits and have a detailed proprietary assessment of many of them. Our team continues to search for new and upcoming lithium projects to add to our pipeline of investment opportunities. This expertise, combined with extensive relationships across the mining sector and the battery supply chain, has resulted in rapid growth of our portfolio and a high proportion of internally-sourced deal-making (relative to deals sourced through broad auctions) since our inception in 2018. We believe the number and variety of our transactions since inception demonstrates our strong

execution capabilities and a track record of value creation. See “Directors and Executive Officers” and “Material Contracts — Services Agreement”.

Environmental, Social and Governance

We believe that battery technology, the electrification of transportation and distributed deployment of renewable power generation, enabled by advances in battery performance, are key elements that underpin global decarbonization efforts. Greenhouse gases from transportation account for 27% of total U.S. emissions,⁴ CO₂ emissions from transportation account for 24% of global CO₂ emissions⁵ and the World Health Organization attributes local air pollution as the single largest environmental health risk, contributing to 3.7 million deaths per year.⁶ As depicted in the chart below, the full lifecycle emissions of an EV, when taking into consideration total emissions from battery material extraction and processing, are 50% lower than internal combustion engines (“ICE”).

Emissions from Mining Do Not Negate Clean Energy Benefits



Source: IEA, “The Role of Critical Minerals in Clean Energy Transitions”, May 2021.

Integration of ESG factors is a key aspect of our investment analysis and a key consideration in our target investment criteria. We are a signatory of the United Nation’s Principles for Responsible Investing. Factors that we consider into our diligence process include:

- use of renewable power in extraction and processing;
- infrastructure benefits to remote communities;
- environmental and economic impact on local communities;
- water use, including impact on potable water and water recycling; and
- surface disruption and remediation plans as well as tailings management.

In addition, lithium production can contribute to regional development and job creation in remote communities, use brackish non-potable water, engage local communities with social programs, generate material in-province tax revenue and facilitate the availability of electricity in remote and unconnected communities, all of which are factors in our origination, investment and risk management process.

⁴ Source: EPA, Sources of Greenhouse Gas Emissions.

⁵ Source: IEA, “Greenhouse Gas Emissions from Energy Data Explorer”, November 2021.

⁶ Source: Economist, “The death of the internal combustion engine”, August 12, 2017.

The Lithium Market

Overview

The IEA has stated that lithium is the fastest-growing mineral, driven by surging EV deployment and that while other minerals used in EVs are subject to uncertainty around different chemistry choices, lithium demand is relatively immune to these risks, with additional upsides if all-solid-state batteries are widely adopted.⁷

Demand Tailwinds

Lithium is critical to decarbonizing our human footprint and reducing greenhouse gas emissions. As part of this broader decarbonization movement, we are witnessing a global shift in consumer demand from traditional ICE vehicles to EVs. Over the period from 2020 to 2040, BloombergNEF forecasts global EV sales to increase roughly 27-fold. Accelerating this shift, legacy automakers are setting EV sales targets and governments are implementing policies that discourage the manufacture of new ICE vehicles. A key component of EVs is the battery and a key component of mainstream batteries is lithium. According to McKinsey & Company, there is no substitute for lithium to meet the demands of the mobility sector.⁸ Based on data provided by International Energy Agency (“IEA”), annual lithium demand is expected to experience a 33% CAGR through 2030.

Supply Headwinds

At the same time that the lithium market is being buoyed by demand tailwinds, supply headwinds are amplifying a structural supply deficit. We expect these supply headwinds to continue while growth in demand continues to outpace supply.

See “Risk Factors — Risks Related to Our Business and Industry — The development and adoption of non-lithium battery technologies could significantly impact our prospects and future revenues”.

Importantly, the supply of lithium from existing mineral and brine projects is below the levels needed to satisfy forecasted demand, and new supply of lithium from minerals and brines requires significant capital expenditure and involves long lead-times. Similarly, producing an additional supply of lithium from unconventional sources, such as lithium clays and direct lithium extraction, depends on newly-applied processing technologies, which we expect will take longer to implement at a commercial scale than initially anticipated.

Lithium Pricing Mechanics

In addition to the direct impact on royalty payments, an elevated market price of lithium is a significant contributor to the Company’s royalty portfolio through broad increases in exploration and development activity surrounding lithium projects and the increased viability of development projects. We believe that several factors support an attractive lithium pricing environment as owners and operators enter into these contracts.

Commercial quantities of lithium are typically sold by mine owners and operators through negotiated contracts. Historically, these contracts were generally fixed-volume contracts that were subject to fixed prices as determined at the time the contract was entered into. However, more recently, owners and operators have been shifting towards entering into contracts with their customers that contemplate annual volume commitments, and which may contain variable pricing mechanics that are not subject to price-caps.

Since the owner, developer or operator of the underlying property receives its pricing based on such negotiated contracts, and since our royalties are generally tied to the revenues of such owner, developer or operator, we are impacted by the terms and pricing mechanics of the negotiated contracts and other arrangements entered into between such owner, developer or operator and its customers.

Market pricing for each category of lithium product (for example, spodumene, lithium carbonate and lithium hydroxide) is generally location-based and linked to the level of purity of the product. Lithium pricing is frequently quoted with reference to a specified level of purity, with lower levels of purity receiving downward price adjustments. For example,

⁷ Source: IEA, “The Role of Critical Minerals in Clean Energy Transitions”, May 2021.

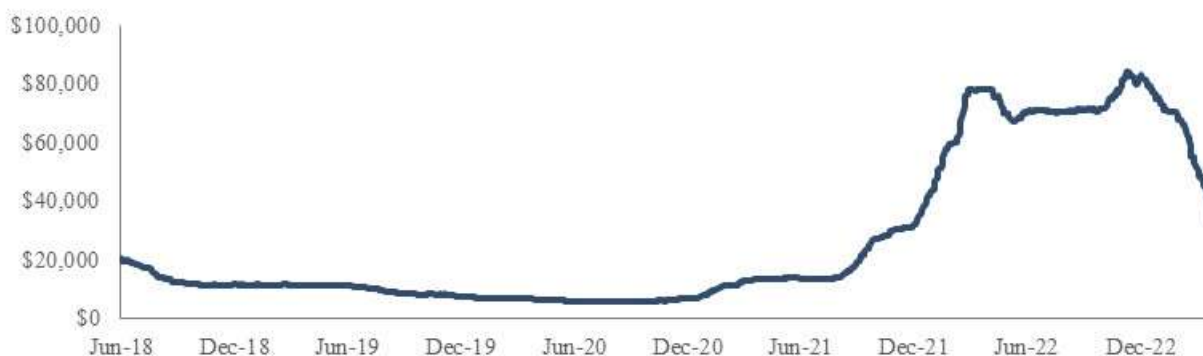
⁸ Source: McKinsey & Company, “Lithium mining: How new production technologies could fuel the global EV revolution”, April 12, 2022.

spodumene pricing is generally quoted based on SC6, meaning that the spodumene product contains 6% lithium oxide. LRC is currently most exposed to spodumene pricing.

Lithium prices have been presented below for each of 99.5% lithium carbonate, 56.5% lithium hydroxide and 6% spodumene, based on spot market prices for delivery in China, which is the country with the largest global concentration of lithium users. Prices in other locations are generally expected to be similar to these prices, but may differ for a variety of reasons, including transportation, local taxation and other reasons. As noted above, these prices may differ materially from lithium pricing realized through contractual arrangements, which have limited transparency.

Lithium carbonate spot prices as of March 30, 2023 were \$34,425 per tonne, and reached an all-time high of \$84,524 per tonne on November 14, 2022. Set out below is a chart depicting the lithium carbonate pricing between June 2018 and March 2023.

Historical 99.5% lithium carbonate prices (US\$/tonne)



Source: Bloomberg.

Lithium hydroxide spot prices as of March 30, 2023 were \$46,943 per tonne, and reached an all-time high of \$81,490 per tonne on December 13, 2022. Set out below is a chart depicting the lithium hydroxide pricing between June 2018 and March 2023.

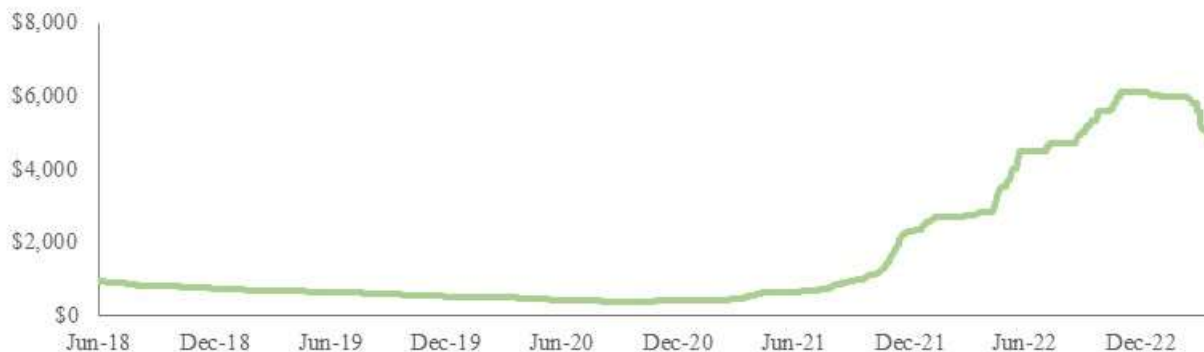
Historical 56.5% lithium hydroxide prices (US\$/tonne)



Source: Bloomberg.

Spodumene spot prices as of March 30, 2023 were \$4,610 per tonne and reached an all-time high of \$6,110 from November 1, 2022 to December 15, 2022. Set out below is a chart depicting the spodumene pricing between June 2018 and February 2023.

Historical 6% spodumene prices (US\$/tonne)



Source: Bloomberg.

Summary of Our Asset Portfolio

We own a portfolio of 30 royalties. These investments are tied to 28 mining properties at various stages of the mine life cycle, including two producing mines, four projects in construction and 22 development or exploration stage projects.

Portfolio by Asset Stage

Production Stage Mines

Mt Cattlin — Western Australia, Australia



In June 2018, we entered into a royalty purchase and sale agreement pursuant to which we acquired the Mt Cattlin Royalty from Red 5 Limited. The Mt Cattlin Royalty is payable at a rate of A\$1.50 per tonne of tantalum ore mined and processed from the Mt Cattlin mine.

The Mt Cattlin mine is an open-pit mine operated by Allkem, an issuer listed on the ASX and the TSX under the symbol “AKE”, and the successor by amalgamation to Galaxy Resources Limited, the prior operator. The Mt Cattlin mine covers an area of approximately 18.3 square kilometers, near Ravensthorpe in Western Australia, Australia. The Mt Cattlin deposit contains spodumene-rich tantalite bearing pegmatite. Tantalum ore is a by-product of the production process for

spodumene concentrate and as a result, our royalty is correlated with the production of spodumene concentrate by Allkem. Production began at the Mt Cattlin mine in June 2010. The mine was placed into care and maintenance between 2013 and 2016, at which time lithium prices did not support ongoing mine operations. Mining and processing operations were resumed in 2017, following increased lithium demand. The Mt Cattlin mine has been in continuous production since that time.

On August 25, 2022, Allkem announced an update to the Mineral Resource and Mineral Reserve estimates on the Mt Cattlin mine with an effective date of June 30, 2022. Based on a cut-off grade of 0.4% Li₂O and determined in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the “**JORC Code**”), Allkem estimated the following:

- Indicated Mineral Resource of 6.9 Mt (for in situ deposits and stockpiles) at an average grade of 1.13% Li₂O and 135 ppm of Ta₂O₅;
- Inferred Mineral Resources of 6.4 Mt (in situ deposits) at an average grade of 1.3% Li₂O and 131 ppm of Ta₂O₅; and
- Probable Mineral Reserves of 5.8 Mt (for the 2NW pit and stockpiles) at an average grade of 0.98% Li₂O and 113 ppm of Ta₂O₅.

Mineral Resource estimates have increased 21% since estimates from March 31, 2021, as a result of using a \$1,100 per tonne pit shell at 6% Li₂O concentrate grade and net of mining depletion. Mineral Reserve estimates have decreased 28% since estimates from March 31, 2021, as a result of depletion from mining activities within the current mine design. The National Instrument 43-101 *Standards of Disclosure for Mineral Projects* (“**NI 43-101**”) technical report for the mine estimated that Mt Cattlin would support a mine life of approximately 3.8 years from January 2021 at a production rate of 190.5 kt per annum of spodumene concentrate. Due to the impact of ongoing labour shortages in Western Australia and limited ore availability, Allkem currently anticipates that financial year 2023 annual production at Mt Cattlin will be reduced to approximately 140 to 150 kt of spodumene concentrate.

Allkem is continuing to undertake exploration activity in an attempt to increase the Mineral Resources and extend mine life at the Mt Cattlin mine. Allkem commenced a three-phase resource extension drilling program in April 2022, which is expected to include 147 holes for 32,685 meters of reverse circulation drilling. The focus of the drilling is an extension of the Mt Cattlin mine life at depth, adding pegmatite lenses, and ore body extensions.

Finniss — Northern Territory, Australia



In June 2019, we acquired the Finniss Royalty from Core Lithium, an issuer listed on the ASX under the symbol “CXO”. We have agreed to pay an additional A\$1.25 million to Core Lithium if Core Lithium: (i) releases a technical report for the Finniss project disclosing a Mineral Resource of 15 Mt; and (ii) completes commissioning of the processing plant. The Finniss Royalty is initially assessed at 2.115%. Once Core Lithium achieves the foregoing conditions and LRC pays the additional A\$1.25 million, each of which is anticipated to occur no later than June 2023, the royalty rate will increase to 2.5%. The Finniss Royalty covers certain mineral properties comprising the Finniss lithium project near Darwin in the Northern Territory, Australia and includes an area of approximately 500 square kilometers. The Finniss Royalty applies to gross revenues from all materials and products located on, or extracted, obtained or produced from the Finniss lithium project and sold by Core Lithium. If Core Lithium beneficiates spodumene concentrate into chemical form products (such as lithium hydroxide or lithium carbonate) and sells the beneficiated chemical form products, the royalty will be assessed on the basis

of spodumene concentrate pricing. A caveat protecting our interest in the Finnis Royalty, and a mortgage securing the royalty payments, have been registered against the tenements.

On October 3, 2022, Core Lithium announced that it had completed the first tender of spodumene direct shipping ore (“DSO”) with an average grade of 1.4% Li₂O for \$951/dmt, using a digital exchange platform. On October 10, 2022, Core Lithium announced the official opening of the Finnis lithium project. On January 5, 2023, Core Lithium announced that the DSO shipment had left the port of Darwin, Northern Territory, for transport by ship to Fangcheng, China. In February 2023, construction of the dense media separation plant at the Finnis mine was completed and the first volumes of spodumene concentrate were produced. In March 2023, Core Lithium announced an agreement to sell an additional 18,500 tonnes of spodumene concentrate.

In July 2022, Core Lithium announced an update to the Mineral Reserve and Mineral Resource estimates at the Finnis lithium project, prepared in accordance with the JORC Code. Core Lithium announced Proven and Probable Mineral Reserves of 10.6 Mt at an average grade of 1.3% Li₂O and Measured and Indicated Mineral Resources of 13.3 Mt at an average grade of 1.40% Li₂O. These estimates support a 12 year mine life assuming the combination of open pit mining methods and underground mining methods planned for stage 1. Core Lithium’s planned lithium production rate is approximately 25,100 tpa of LCE. Core Lithium has noted that there is further potential for expansion of mine life and increases in Mineral Resource and Mineral Reserve estimates as a result of stage 2 production expansion and drilling campaigns. Resource drilling and feasibility studies and approvals are underway for stage 2.

Construction Stage Projects

Horse Creek — British Columbia, Canada



In March 2021, we entered into a GOR royalty agreement with SMC Silicon Metaltech Corporation, pursuant to which we acquired the Horse Creek Royalty and a right of first refusal to acquire any future royalties proposed on the Horse Creek quarry. Sinova Quartz Inc., formerly HiTest Sand Inc., a wholly-owned subsidiary of Sinova, subsequently assumed the obligations of SMC Silicon Metaltech Corporation under the GOR royalty agreement along with full ownership of the Horse Creek quarry. The Horse Creek Royalty is assessed at 8.0% of annual gross revenues up to \$45.0 million and 4.0% on annual gross revenues in excess of \$45.0 million. The Horse Creek Royalty is payable on all mineral products, including silica quartz, extracted from both the Horse Creek quarry and the property within two kilometers from the circumambient boundaries of the project, that are sold by Sinova Quartz Inc. or any affiliates. Ernie Ortiz, our Chief Executive Officer and director, is also a director of Sinova.

Pilot production at the quarry took place in the third quarter of 2021. Commercial production is anticipated to commence in 2024. The Horse Creek quarry is operated by Sinova Quartz Inc. and covers an area of approximately 24 hectares, within a mineral lease of approximately 2.3 square kilometers, located near Golden in British Columbia, Canada. The Horse Creek quarry produces high-purity quartz that is used in the production of silicon metal. Sinova is in the process of building a silicon metal manufacturing operation located in Tennessee to process quartz from the Horse Creek quarry. The Horse Creek quarry is permitted for 1,400,000 tonnes of quartz production per year.



In February 2019, we entered into a royalty purchase agreement pursuant to which we acquired the Grota do Cirilo Royalty from Diercormon Holdings Inc. The Grota do Cirilo Royalty is a 1.0% NSR royalty on the Grota do Cirilo project. If Sigma Lithium Corporation (“**Sigma**”) beneficiates spodumene concentrate into value-added or beneficiated products (such as lithium hydroxide) and sells the value-added or beneficiated products, the royalty is assessed on the basis of spodumene concentrate pricing. This royalty is contractual and does not represent an interest in land.

The Grota do Cirilo project is owned and operated by Sigma Mineração S.A. (“**Sigma Brazil**”), a wholly-owned subsidiary of Sigma, an issuer listed on the Nasdaq and the TSX Venture Exchange (the “**TSXV**”) under the symbol “**SGML**”. The Grota do Cirilo project consists of 27 mineral rights, spread over 191 square kilometers located in the municipalities of Araçuaí and Itinga, State of Minas Gerais, Brazil. The pegmatites at the Grota do Cirilo project are classified as lithium-cesium-tantalum. The project uses 100% renewable energy, recycled water and dry-stack tailings. Sigma is currently focusing on advancing four of the nine former operating lithium mines for its primary phases — Xuxa, Barreiro, Murial and Lavra do Meio. Construction has commenced on the Xuxa phase 1 portion of the project. Sigma reported on December 20, 2022 that commissioning commenced at Xuxa phase 1 on schedule and on budget and that Sigma expects the crushing circuit to be completed in February 2023, the dense media separate circuit to be completed in April 2023, first commercial production to begin in April 2023 and free cash flow to start in the second half of 2023. Sigma has stated that it expects construction of Barreiro phase 2 to begin once Xuxa phase 1 initiates commissioning. In December 2022, Sigma also released positive results in respect of Grota do Cirilo, with a possible increase of production to 104 ktpa of LCE.

Drilling completed by Sigma across the Grota do Cirilo project consists of 409 core holes totalling 71.5 kilometers. Based on a common cut-off grade of 0.5% Li_2O , the technical report entitled “Grota do Cirilo Lithium Project Araçuaí and Itinga Regions, Minas Gerais, Brazil, Updated Technical Report”, which technical report was prepared for Sigma and filed under Sigma’s SEDAR profile on January 16, 2023 (the “**Grota do Cirilo Technical Report**”) estimated the following Mineral Resources across five pegmatite bodies:

- Xuxa Deposit (Phase 1): Measured and Indicated Mineral Resources of 17.4 Mt at an average grade of 1.55% Li_2O and Inferred Mineral Resources of 3.8 Mt at an average grade of 1.58% Li_2O , with an effective date of January 10, 2019;
- Barreiro Deposit (Phase 2): Measured and Indicated Mineral Resources of 25.1 Mt at an average grade of 1.38% Li_2O and Inferred Mineral Resources of 3.8 Mt at an average grade of 1.39% Li_2O , with an effective date of February 10, 2022;
- Nezinho do Chicao Deposit (Phase 3): Measured and Indicated Mineral Resources of 26.7 Mt at an average grade of 1.49% Li_2O , with an effective date of October 31, 2022.
- Murial Deposit: Measured and Indicated Mineral Resources of 5.6 Mt at an average grade of 1.14% Li_2O and Inferred Mineral Resources of 0.7 Mt at an average grade of 1.06% Li_2O , with an effective date of January 10, 2019; and
- Lavra do Meio Deposit: Measured and Indicated Mineral Resources of 2.3 Mt at an average grade of 1.09% Li_2O and Inferred Mineral Resources of 0.3 Mt at an average grade of 0.87% Li_2O , with an effective date of January 10, 2019.

A Mineral Reserve has been estimated on the Xuxa, Barreiro and Nezinho do Chicao deposits. At the Xuxa deposit, using an effective date of June 21, 2021, the Grota do Cirilo Technical Report disclosed Proven Mineral Reserves of 8.34 Mt at an average grade of 1.55% Li₂O and Probable Mineral Reserves of 3.46 Mt at an average grade of 1.54% Li₂O. At the Barreiro deposit, using an effective date of February 24, 2022, the Grota do Cirilo Technical Report disclosed Proven Mineral Reserves of 16.93 Mt at an average grade of 1.38% Li₂O and Probable Mineral Reserves of 4.83 Mt at an average grade of 1.29% Li₂O. At the Nezinho do Chicao deposit, using an effective date of October 31, 2022, the Grota do Cirilo Technical Report disclosed Proven Mineral Reserves of 2.2 Mt at an average grade of 1.53% Li₂O and Probable Mineral Reserves of 19.0 Mt at an average grade of 1.44% Li₂O. The reported Mineral Resources for Grota do Cirilo are inclusive of Mineral Reserves.

The Grota do Cirilo Technical Report reported the results of an economic analysis for the Xuxa, Barreiro and Nezinho do Chicao deposits operating on a combined basis. Based on an operating life of approximately 13 years, the Grota do Cirilo Technical Report estimated that production at the Xuxa, Barreiro and Nezinho do Chicao deposits will generate run-rate production of up to 766 ktpa of spodumene concentrate (104 ktpa of LCE).

Tres Quebradas — Catamarca, Argentina



In June 2018, we acquired the two Tres Quebradas Royalties. Following the commencement of production at the Tres Quebradas project, the Tres Quebradas Royalties will be payable on all material and products extracted or produced from brine, including lithium brine, from the salar deposits and two brine lakes located at the Tres Quebradas project and from the property within two kilometers from the circumambient boundaries of the project, that are sold by the operator. Neo Lithium Corp. (“**Neo Lithium**”) is the 100% owner and operator of the Tres Quebradas project through its wholly-owned subsidiary, Liex S.A. In January 2022, Neo Lithium was acquired by a subsidiary of Zijin Mining Group Company Limited (“**Zijin Mining**”), an issuer listed on the Shanghai Stock Exchange and the Stock Exchange of Hong Kong. Our interest in the two Tres Quebradas Royalties is registered on the deed of title to the property.

The Tres Quebradas Royalties cover an area of approximately 350 square kilometers and include salar sites that contain sodium chloride, potassium chloride, boric acid and calcium chloride that is removed from the brine to attain a 3.3% Li₂O concentration. The Tres Quebradas project is split between two sites, the first being located on the salar and the second in the vicinity of the town of Fiambalá. The salar is the location of the brine wells, evaporation ponds and crystallization plant and the Fiambalá site will be the location of the lithium carbonate plant. Zijin Mining commenced construction of the Tres Quebradas project on February 1, 2022 and pond construction began in March 2022.

The technical report entitled “Feasibility Study (FS) — 3Q Project NI 43-101 Technical Report Catamarca, Argentina”, which technical report was prepared for Neo Lithium and filed under Neo Lithium’s SEDAR profile on November 25, 2021 (the “**Tres Quebradas Technical Report**”) includes a feasibility study. The technical report concluded that exploration work on the project supports a sufficient Mineral Reserve to justify the feasibility of a 20,000 tonnes per year lithium carbonate production facility with a 50 year mine life. Based on a Li₂O grade cut-off of 400 mg/L, the technical reports estimates a Measured and Indicated Mineral Resource total of 5.4 Mt of LCE at an average concentration of 647 mg/L and total Proven and Probable Mineral Reserves of 1.7 Mt of LCE at an average Li₂O grade of 786 mg/L. In its 2022 Interim Report, Zijin Mining has estimated a potential to increase output to 40,000 to 60,000 tonnes per year lithium carbonate with first production anticipated to commence in late 2023. See “Technical Information — Grota do Cirilo Project”.



In July 2022, we entered into a royalty purchase agreement with TNR Gold Corp., whereby we agreed to acquire one quarter of the pre-existing 2.0% NSR royalty held by TNR Gold Corp.⁹ We paid the purchase price in escrow, with the transaction scheduled to close upon satisfaction of the closing condition, in our favour and waivable at our option, to register the Mariana Royalty pursuant to local law in Argentina. In February 2023, we waived the closing condition and acquired the Mariana Royalty. We are in the process of registering of our interest as a royalty holder.

The Mariana Royalty covers certain mineral properties comprising the Mariana lithium-potassium brine project in western Salta, Argentina, representing an area of approximately 235.6 square kilometers. The Mariana project is 100% owned by Ganfeng, an issuer listed on the Hong Kong Stock Exchange.

Construction of the Mariana project is underway and Ganfeng is in the process of putting the brine ponds into operation. On May 30, 2022, Ganfeng announced its commitment to spend \$600 million to build a lithium chloride production facility with an annual output of 20,000 tonnes. The Mariana project is a typical salar brine, containing lithium, potassium and boron within permeable aquifers. To promote energy conservation and reduce emissions, Ganfeng has built a 120 megawatt photovoltaic power station around the project and will use solar evaporation to complete resource extraction and utilize recycled water.

Ganfeng announced on July 6, 2021 that, using a 230 mg/L of Li cut-off and effective date of June 4, 2021, the Measured and Indicated Mineral Resource estimated for the Mariana project is 6.9 Mt of LCE at an average Li grade of 319 mg/L Li and the Inferred Mineral Resource is 1.3 Mt of LCE at an average Li grade of 334 mg/L Li. A report dated January 12, 2020 estimated that the Mariana project includes a deposit that has the potential for more than 20 years of mine life, at a proposed production rate of 20,000 tonnes per annum. Ganfeng expects that production will double to 40,000 tonnes per annum and anticipates that production will commence by early 2024.

⁹ The remaining 1.5% NSR royalty held by TNR Gold Corp. is subject to a buy-back right held by the operator. TNR Gold Corp. has agreed that the buy-back right will not apply to our 0.5% NSR royalty.

Select Development and Exploration Stage Projects

Moblan — Québec, Canada



In October 2021, we acquired the Moblan Royalty from Sayona on certain mineral properties comprising the Moblan lithium project located northwest of Chibougamau, Québec, Canada. The project is owned and operated by Sayona, an issuer listed on the ASX under the symbol “SYA”, as part of its “Northern Hub” development. The Moblan Royalty is assessed at 2.5% of gross revenues for the first one million tonnes of ore per annum produced and 1.5% of gross revenue for any tonne of ore per annum produced thereafter. The Moblan Royalty is payable on mineral products, including spodumene concentrate, extracted from the Moblan lithium project and the area within two kilometers from the circumambient boundaries of the property, that are sold by the operator, *pro rated* to Sayona’s interest in the project. Sayona currently holds a 60% interest in the Moblan lithium project, with SOQUEM Inc., a subsidiary of Investissement Québec, holding the remaining 40% interest. We have registered a hypothec securing payments owing under Moblan Royalty against Sayona’s mining claims for the Moblan project.

The Moblan lithium project is currently in development and covers an area of approximately 4 square kilometers and includes a highly defined ore body with a low strip ratio of 2.9:1. In March 2019, a feasibility study was released, including an update to the historical Mineral Resource estimates. On June 27, 2022, Sayona reported that drilling results from the Moblan project had led to the discovery of a new high-grade southern lithium pegmatite zone at shallow depth near the main Moblan deposit. Over 17,000 meters of diamond drilling work conducted to date by Sayona also suggests that spodumene pegmatites are more significantly developed at depth than can be recognised at surface. Sayona commenced a 9,000 meter drill program in February 2022 and is continuing to drill, with three diamond rigs currently on site and a new 20,000 meter drill program is underway with the aim of estimating a new Mineral Resource.

There are several opportunities for organic growth from the Moblan lithium project. Sayona anticipates that there is significant exploration potential to increase the deposit size and that full capacity production of up to 200 ktpa spodumene equivalent could be achieved. At this time, there is no certainty that further exploration work will result in the determination of a new Mineral Resource or that the production targets will ever be reached. Sayona has invested significant efforts into the exploration of the region, acquiring 121 new claims located west of the Moblan lithium project to be assessed for occurrences of lithium pegmatite.

Select Winsome Properties — Québec, Canada

We own royalties on the Cancet and Adina development properties in northwest Québec, Canada, currently operated by Winsome, an issuer listed on the ASX under the symbol “WR1”. In May 2021, we purchased three GOR royalties from MetalsTech Limited (“**MetalsTech**”). In November 2021, MetalsTech transferred 100% ownership of the Cancet and Adina properties underlying these royalties to Winsome as part of a spin-out initial public offering transaction by MetalsTech. In addition to the Cancet GOR Royalty and Adina GOR Royalty, we also acquired the pre-existing Cancet NSR Royalty in October 2021 and the pre-existing Adina NSR Royalty in January 2023. The development plan for the Winsome properties contemplates using local renewable hydro power.

Cancet



The Cancet GOR Royalty is assessed at 4.0% of gross revenues from the mineral properties comprising the Cancet project, with the exception of certain tenements within the Cancet project that are assessed at 3.0% of gross revenues. The Cancet project is composed of 395 claims over a total area of 199.6 square kilometers. The Cancet GOR Royalty is payable on any mineral (excluding gold) extracted from the Cancet project and sold by Winsome. We are in the process of registering hypothecs on title to the mining claims for the Cancet project to secure payments owing under the Cancet GOR Royalty.

In October 2021, we acquired two-thirds of a pre-existing NSR royalty. The Cancet NSR Royalty is a 1.0% NSR royalty on the Cancet project. The Cancet NSR Royalty covers an area of approximately 7.2 square kilometers.

The Cancet project is at a relatively early stage of development and considerable work is required with respect to potential mining methods, metallurgical test work, geotechnical analysis and economic analysis. To date, exploration work, including over 2,000 meters of drilling, geological mapping, magnetic surveys, pegmatite channel sampling and soil orientation surveys, has been conducted at the Cancet project. Cancet hosts a clean pegmatite with low iron oxide in assayed drill samples, ranging from 0.5% to 0.8% Fe_2O_3 . An independent geologist report prepared pursuant to the JORC Code in October 2021 has estimated an exploration target of 15 to 25 Mt at 1.0% to 2.0% Li_2O and 100 ppm to 250 ppm Ta_2O_5 , based on exploration drilling. The potential quantity and grade of the exploration target is conceptual in nature. At this time, there has been insufficient exploration to estimate a Mineral Resource at the Cancet property and there is no certainty that further exploration work will result in the determination of a Mineral Resource or that the production targets will ever be reached.

Winsome is currently conducting an exploration program at the Cancet project. Stripping, channel sampling and detailed geo-structural mapping of the main pegmatite dyke at Cancet is well advanced, after environmental permits for the stripping work were received in July 2022. Winsome is currently operating a reverse circulation drill rig and a diamond rig in the drill program at Cancet. Prior to exploration work conducted by Winsome, MetalsTech validated the presence of pegmatites through a site visit in 2016 and completed a further field exploration program in 2017.

Adina



The Adina Royalty is assessed at 4.0% of gross revenues from the mineral properties comprising the Adina project, with the exception of certain tenements within the Adina project that are assessed at 3.0% of gross revenues. The Adina Royalty is payable on any mineral (excluding gold) extracted from the Adina project and sold by Winsome. We are in the process of registering hypothecs on title to the mining claims for the Adina project to secure payments owing under the Adina Royalty.

In January 2023, we acquired a pre-existing NSR royalty. The Adina NSR Royalty is a 2.0% NSR royalty on the Adina project. The Adina NSR Royalty covers an area of approximately 1.55 square kilometers.

The Adina project is an early stage exploration project and is composed of 54 claims totalling 27.8 square kilometers. Considerable work is required with respect to potential mining methods, metallurgical test work, geotechnical analysis and economic analysis. In addition, the project is considered quite remote due to its distance from the nearest road network and existing infrastructure. To date, exploration work, including regional surface mapping, geochemical sampling and a diamond drilling campaign, has been conducted at the Adina project. There has been insufficient exploration to estimate a Mineral Resource at the Adina property and there is no certainty that further exploration work will result in the determination of a Mineral Resource or that production targets will ever be reached.

In August 2022, Winsome reported that a new pegmatite dyke had been discovered at the Adina project following a three-week field exploration at the property. Permits for surface stripping are pending and Winsome commenced reverse circulation and diamond drill drilling programs during the Canadian autumn.

In January 2023, Winsome announced initial assay results from the ongoing exploration program at the Adina project that confirmed lithium intercepts relatively close to the surface of the property. The assay results yielded 1.34% Li_2O over 100 meters of pegmatite from the surface, including intercepts grading between 0.96% Li_2O and 2.21% Li_2O . Additional assay results from the exploration program are expected in early 2023. As of January 2023, over 300 meters of pegmatite has been collectively intercepted in the current drilling program at Adina. The drilling program was extended significantly from 5,000 meters to more than 20,000 meters.

Yinnetharra — Western Australia, Australia



In May 2022, we purchased the Yinnetharra Royalty in certain mineral properties comprising the Yinnetharra lithium project in the south-east trending belt of the Gascoyne province of the Capricorn Orogen in Western Australia from Electrostate. Electrostate was subsequently acquired by Red Dirt, an issuer listed on the ASX under the symbol “RDT”. Red Dirt now owns and operates the lithium project. The Yinnetharra Royalty is assessed at 1.0% of gross revenues and is payable on lithium minerals (including spodumene concentrate) extracted and recovered from the Yinnetharra lithium project that are sold by the operator. A caveat and mortgage have been registered against certain of the Yinnetharra tenements. We are in the process of registering our interest in the remaining tenements with a caveat and a mortgage securing the royalty payments.

The Yinnetharra lithium project is currently at an early stage of development and exploration. Red Dirt has announced a programme of upcoming exploration events. A 90,000 meter drilling program commenced in November 2022. Red Dirt identified 40 targets to be tested in 2023. The first set of assay results intersected 55.6 meters at 1.12% Li₂O. The Gascoyne province is well endowed with pegmatite-associated minerals, with historical sampling and drilling supporting the presence of highly anomalous lithium and tantalum. There has been insufficient exploration to estimate a Mineral Resource at the Yinnetharra lithium project and there is no certainty that exploration work will result in the determination of a Mineral Resource or that production targets will ever be reached.

Select Green Technology Metals properties — Ontario, Canada

In September 2022, we acquired two-thirds of an existing GOR royalty in certain mineral properties comprising the Seymour Lake and Root Lake projects in the Thunder Bay region of Ontario, Canada, from Churchill Strategic Investments Group Pty Ltd (“Churchill”). The Seymour Lake and Root Lake projects are currently owned and operated by Green Technology Metals, an issuer listed on the ASX under the symbol “GT1”, following its acquisition of the residual 20% free-carried interest in a joint venture with Ardiden Limited on November 7, 2022. We have discharged our contingent payment obligation of A\$1,500,000 payable to Churchill upon Green Technology Metals, through its wholly-owned subsidiary and nominee, acquiring the 100% interest in the joint venture. As a purchaser of Canadian resource property from a seller not resident in Canada, we have withheld one half of the aggregate purchase price in accordance with Canadian tax withholding obligations, pending the seller delivering an appropriate clearance certificate from the Canada Revenue Agency.

Each of the Seymour Lake Royalty and the Root Lake Royalty is assessed at 1.0% of gross revenues and is payable in respect of the lithium bearing ore, including associated minerals such as beryllium, caesium, niobium, rubidium, tantalum and tin, extracted from the applicable project. We are in the process of registering our interest in the royalties against the underlying mining claims covering the Seymour Lake and Root Lake properties.

Seymour Lake



The Seymour Lake project is located in northwest Ontario, Canada. The Seymour Lake project is within 8 kilometers of OPG's proposed Jackfish hydroelectric project and a transcontinental rail line is adjacent to the southern end of the property. The project is currently at the exploration and development stage. It includes two known pegmatite deposits that contain lithium-bearing spodumene, known as North and South Aubry. A diamond drilling program comprising 199 holes for a total of 26 kilometers has been successfully completed for both pegmatite deposits. Bulk samples of concentrated lithium with a grade in excess of 7% Li_2O confirmed 6.0% spodumene product with strong recoveries and low deleterious elements. The coarse product produced at the site is preferable for downstream processing. On June 23, 2022, Green Technology Metals announced an update to the Mineral Resource Estimate at the Seymour Lake project. Applying a cut off grade of 0.2% Li_2O , Green Technology Metals announced an Indicated Mineral Resource of 5.2 Mt at 1.29% of Li_2O and 161 ppm of Ta_2O and an Inferred Mineral Resource of 4.7 Mt at 0.7% of Li_2O and 106.6 ppm of Ta_2O . A three-phase drill campaign commenced in 2022, and further step-out drilling at the Seymour Lake project is set to continue during the remainder of 2022. Green Technology Metals has commenced work on a preliminary economic assessment and a pre-feasibility study is underway to demonstrate robust technical and commercial viability for the Seymour Lake project. The results of the ongoing drill program were used to establish an exploration target of 22 to 26 Mt at 0.8% to 1.5% Li_2O . The potential quantity and grade of the exploration target is conceptual in nature. At this time, there has been insufficient exploration to estimate a Mineral Resource in this area and there is no certainty that further exploration work will result in the determination of a Mineral Resource or that the production targets will ever be reached.

Root Lake



The Root Lake project is located in northwest Ontario, Canada and is currently at the exploration and development stage. The Root Lake project is an all-weather camp, enabling year-round exploration activity. The Root Lake project has a historical estimate and includes two known pegmatite deposits that contain lithium-bearing spodumene. Green Technology Metals announced the commencement of a 24,000 meter diamond drilling program at the Root Lake project in September,

2022. The aim of the drilling program is to confirm historical drilling and sampling and demonstrate continuity of the lithium mineralization, including a key extensional intercept of 67 meters at 1.74% Li₂O. Additionally, Green Technology Metals anticipates that the drilling program will test for extensions of the mineralised pegmatites stepping out in all directions, infill key sections and facilitate the definition of a maiden Mineral Resource estimate for the Root Lake project. An independent geologist report prepared pursuant to the JORC Code in 2021 provided an exploration target of 20 to 24 Mt at 0.8% to 1.5% Li₂O at the Root Lake project. The potential quantity and grade of the exploration target is conceptual in nature. At this time, there has been insufficient exploration to define a Mineral Resource at the Root Lake project and there is no certainty that further exploration work will result in the production targets being delineated as a Mineral Resource.

Operations

Employees

The Company and its subsidiaries have four employees. Each of Messrs. Levinsky and Panet is an employee, officer or contractor of Waratah or of an affiliate thereof, and provides us with executive officer services pursuant to the terms of the Services Agreement (as defined below). See “Material Contracts — Services Agreement” and “Directors and Executive Officers” for further details.

Foreign Operations and Interests

Outside of Canada, we have royalty interests covering mineral projects and properties in the United States, Australia, Argentina, Brazil, Finland and Serbia. Those operations may be subject to regulation (and changes thereto) in those jurisdictions with respect to land tenure, productions, export controls, taxation, environmental legislation, foreign exchange, land and water use, local indigenous people’s interests, mine safety, and expropriation of property. Any changes in legislation or regulation is beyond our control. See “Risk Factors — Risks Relating to Operations in Emerging Markets” and “Risk Factors — Risks Related to Mining Operations — Certain owners, developers and operators are subject to risks relating to foreign jurisdictions and developing economies, which could negatively impact the Company”.

Competitive Conditions

The Company is a battery metals royalty company and competes with other providers of alternative financing to the mining sector, as well as providers of traditional debt and equity financing, including competitors which have been established longer than the Company and which may have larger financial resources than the Company. However, the Company is well positioned compared to providers of traditional debt and equity financing, as the Company is not similarly constrained by the lack of hedging options available in the lithium market that are sought by providers of traditional debt, while traditional equity financing remains expensive and dilutive for owners and operators. The ability of the Company to acquire additional lithium royalties in the future will depend on its ability to select suitable properties, be successful in any competitive process initiated by a mine operator in respect of a property, and to obtain required financing.

Summary of Mineral Reserves and Mineral Resources

Estimated Mineral Reserves and Mineral Resources tabulated in this AIF reflect the most recent publicly disclosed figures by the owners, developers or operators of the mineral properties on which we have royalties. None of this information has been independently verified by us or the Underwriters.

The following general notes apply to the Mineral Reserves and Mineral Resources tabulated below:

- All Mineral Reserves and Mineral Resources have been estimated in accordance with either the CIM guidelines or an acceptable foreign code under NI 43-101, including the JORC Code.
- All Mineral Reserves and Mineral Resources are reported in aggregate (i.e., the summation of all sub- deposits and stockpiles), with the exception of Grota do Cirilo.
- All Mineral Reserves and Mineral Resources are reported on a 100% attributable basis to the respective owner, developer or operator, unless otherwise noted.
- Totals and subtotals may not sum due to rounding.
- Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.
- Mineral Resources reported are inclusive of those portions of the Mineral Resource that have been converted to Mineral Reserves, unless stated otherwise.
- Inferred Mineral Resources are in addition to Measured Mineral Resources and Indicated Mineral Resources. Inferred Mineral Resources have a greater amount of uncertainty as to their existence and whether or not they can be mined legally or economically. It cannot be assumed that all or any part of the Inferred Mineral Resources will ever be upgraded to a higher category.
- Our qualified person has used conversion factors for mineral equivalency. To convert from lithium (Li) to lithium oxide (Li₂O) — multiply by 2.153. To convert from lithium (Li) to lithium carbonate (Li₂CO₃) — multiply by 5.323.
- Mineral Resource and Mineral Reserve statements are not available for the Horse Creek project, the Tansim project, the Mallina project, the Cancet project, the Adina project, the Sirmac-Clapier project, the Donner Lake project, the Campus Creek project, the Lithium Springs project, the Basin West and Wikieup projects, the Shatford Lake and Cat-Euclid projects, the Yinnetharra project, the Tabba Tabba project, the Mt Edon and Mt Edon West projects, the Root Lake project, the Wisa Lake project, the Eyre project and the Kaustinen and Ilmojaki project.

Lithium Mineral Reserves

Hard Rock	Notes	Proven			Probable			Proven & Probable			
		Tonnes	Grade	Contained Mineral	Tonnes	Grade	Contained Mineral	Tonnes	Grade	Contained Mineral	Contained Lithium Carbonate Equivalent (LCE)
		(Mt)	(% Li ₂ O)	(kt Li ₂ O)	(Mt)	(% Li ₂ O)	(kt Li ₂ O)	(Mt)	(% Li ₂ O)	(kt Li ₂ O)	(kt Li ₂ CO ₃)
Mt Cattlin	1)	-	-	-	5.8	0.98	56.0	5.8	0.98	56	138
Finniss	2)	5.5	1.40	74.8	5.1	1.30	68.3	10.6	1.30	143	354
Grota do Cirilo											
Xuxa	3)	8.3	1.55	129	3.5	1.54	53.3	11.8	1.55	183	451
Barreiro	4)	16.9	1.38	234	4.8	1.29	62.3	21.8	1.36	296	730
NDC	5)	2.2	1.53	33.66	19.0	1.44	273.6	21.2	1.45	307.4	759
Moblan	6)	4.6	1.57	72.2	6.1	1.27	77.9	10.7	1.40	150	371
James Bay	7)	-	-	-	37.2	1.3	483.6	37.2	1.3	483.6	1,196
Total		37.6	1.45	542.66	82	1.32	1,075	119	1.36	1,619	3,999

Brine	Notes	Proven			Probable			Proven & Probable			
		Volume	Grade	Contained Metal	Volume	Grade	Contained Metal	Volume	Grade	Contained Mineral	Contained Lithium Carbonate Equivalent (LCE)
		(Mm ³)	(mg/L Li)	(kt Li)	(Mm ³)	(mg/L Li)	(kt Li)	(Mm ³)	(mg/L Li)	(kt Li)	(kt Li ₂ CO ₃)
Tres Quebradas	8)	408	786	204	408	786	110	408	786	314	1,671
Total		408	786	204	408	786	110	408	786	314	1,671

Notes:

- 1) Mt Cattlin:
 - a) Effective as of June 30, 2022.
 - b) Reported at a cut-off grade of 0.4% Li₂O within the current mine design.
 - c) Conforms to JORC 2012.
 - d) All tonnages reported are dry metric tonnes.
 - e) Reported with 17% dilution and 93% mining recovery.
 - f) Revenue factor of \$650/tonne applied.
- 2) Finniss:
 - a) Effective as of September 30, 2022.
 - b) Reported at a cut-off grade of 0.5% Li₂O.
- 3) Grota do Cirilo — Xuxa:
 - a) Effective as of June 21, 2021.
 - b) Sale price for lithium concentrate at 6% Li₂O = \$1,500/t concentrate FOB Mine.
 - c) Exchange rate: \$1.00 = R\$5.00, Mining costs: \$2.20/t mined, Processing costs: \$10.7/t ore milled, G&A: \$4.00/t ROM.
 - d) 97% mining recovery and 3.75% mining dilution.
 - e) Final slope angle: 36° to 72°.
 - f) Strip ratio of 16.6 t/t.
- 4) Grota do Cirilo — Barreiro:
 - a) Effective as of February 24, 2022.
 - b) Sale price for lithium concentrate at 6% Li₂O = \$1,500/t concentrate FOB Mine.
 - c) Exchange rate: \$1.00 = R\$5.00, Mining costs: \$2.19/t mined, Processing costs: \$10.7/t ore milled, G&A: \$4.00/t ROM.
 - d) 97% mining recovery and 3% mining dilution.
 - e) Final slope angle: 36° to 72°.
 - f) Strip ratio of 12.5 t/t.
- 5) Grota do Cirilo — NDC:
 - a) Effective as of October 31, 2022.
 - b) Sale price for lithium concentrate at 6% Li₂O = \$3,500/t concentrate FOB Mine.
 - c) Exchange rate: \$1.00 = R\$5.30, Mining costs: \$2.43/t mined, Processing costs: \$10.7/t ore milled, G&A: \$4.00/t ROM.
 - d) 94% mining recovery and 3% mining dilution.
 - e) Final slope angle: 35° to 52°.
 - f) Strip ratio of 16.01 t/t.
- 6) Moblan:
 - a) Effective as of March 9, 2018.
 - b) Reported on a 100% basis. The royalty is payable on Sayona's interest in the project, which is currently equal to 60% of the project.
- 7) James Bay:
 - a) Effective as of December 2021.
 - b) Estimated using the long-term metal prices of Li₂O concentrate = \$950/t Li₂O and an exchange rate of C\$:US\$ of 1.33.

- c) Reported at a cut-off grade of 0.62%.
 - d) Strip ratio of 3.54 t/t.
- 8) Tres Quebradas:
- a) Effective as of October 26, 2021. Covers total 50 year estimate.
 - b) Brine produced from outside the Measured and Indicated Resource is included in volume, but excluded from the Mineral Reserve.
 - c) Based on Measured and Indicated Resource of 5,369 kt of LCE at 400/mg/L cut-off.
 - d) Resource recovered is 31%.

Lithium Mineral Resources

Hard Rock	Notes	Measured			Indicated			M&I	Inferred			
		Tonnes	Grade	Contained Mineral	Tonnes	Grade	Contained Mineral	Contained LCE	Tonnes	Grade	Contained Mineral	Contained LCE
		(Mt)	(% Li ₂ O)	(kt Li ₂ O)	(Mt)	(% Li ₂ O)	(kt Li ₂ O)	(kt Li ₂ CO ₃)	(Mt)	(% Li ₂ O)	(kt Li ₂ O)	(kt Li ₂ CO ₃)
Mt Cattlin	1)	-	-	-	6.9	1.13	78	193	6.4	1.30	83	205
Finniss	2)	5.6	1.46	82	7.7	1.35	104	459	5.6	1.12	62	154
Grota do Cirilo												
Xuxa	3)	10.2	1.59	162	7.2	1.49	108	667	3.8	1.58	60	149
Barreiro	4)	18.7	1.41	264	6.3	1.3	82	857	3.8	1.39	53	129
Lavra do Meio	5)	1.6	1.16	19	0.6	0.93	6.0	60	0.26	0.87	2.3	5.6
Murial	6)	4.2	1.17	48	1.4	1.04	14	156	0.67	1.06	7.1	18
NDC	7)	2.4	1.56	37	24.3	1.48	359.6	984	-	-	-	-
Moblan	8)	4.8	1.59	76	7.3	1.27	92	415	4.1	1.33	54	134
Seymour Lake	9)	-	-	-	5.2	1.29	67.1	166	4.7	0.72	33.9	84
James Bay	10)	-	-	-	40.3	1.4	564.2	1,395	-	-	-	-
Total		47.5	1.45	689	107	1.38	1,475	5,352	29.3	1.21	355.3	878.6
		Measured			Indicated			M&I	Inferred			
Brine	Notes	Volume	Grade	Contained Metal	Volume	Grade	Contained Metal	Contained LCE	Volume	Grade	Contained Metal	Contained LCE
		(Mm ³)	(mg/L Li)	(kt Li)	(Mm ³)	(mg/L Li)	(kt Li)	(kt Li ₂ CO ₃)	(Mm ³)	(mg/L Li)	(kt Li)	(kt Li ₂ CO ₃)
Tres Quebradas	11)	450	792	356	1,130	576	652	5,369	757	561	425	2,261
Mariana	12)	2,648	315	833	1,393	326	454	6,854	712	334	238	1,267
Total		3,098	384	1,189	2,523	438	1,106	12,222	1,469	451	663	3,529
		Measured			Indicated			M&I	Inferred			
Clay	Notes	Tonnes	Grade	Contained Metal	Tonnes	Grade	Contained Metal	Contained LCE	Tonnes	Grade	Contained Metal	Contained LCE
		(Mt)	(% Li)	(kt Li)	(Mt)	(% Li)	(kt Li)	(kt Li ₂ CO ₃)	(Mt)	(% Li)	(kt Li)	(kt Li ₂ CO ₃)
Valjevo	13)	72	0.073	53	258	0.077	199	1,337	1,989	0.078	1,551	8,253
Basin East	14)	-	-	-	21.2	0.089	18.9	100	73.3	0.069	50.6	271
Zeus	15)	116	0.086	100	917	0.095	872	5,174	235	0.087	205	1,090
Total		188	0.081	153	1,196	0.091	1,090	6,611	2,297	0.079	1,807	9,614

Notes:

- 1) Mt Cattlin:
 - a) Effective as of June 30, 2022.
 - b) Reported at a cut-off grade of 0.4% Li₂O contained within a pit shell generated at a spodumene price of \$1,100 at 6% Li₂O.
 - c) Conforms to JORC 2012.
 - d) All tonnages reported are dry metric tonnes.
 - e) Excludes mineralization classified as oxide and transitional.
- 2) Finniss:
 - a) Effective as of September 30, 2022.
 - b) Reported at a cut-off grade of 0.5% Li₂O.
- 3) Grota do Cirilo — Xuxa:
 - a) Effective as of January 10, 2019.
 - b) Reported at a cut-off grade of 0.5% Li₂O.
 - c) Sale price for lithium concentrate at 6% Li₂O = \$1,000/t concentrate.
 - d) Assuming open pit mining methods. Mining costs of \$2/t for mineralization and waste, \$1.2/t for overburden, crushing and processing costs of \$12/t, G&A costs of US\$4/t, concentrate recovery of 85%, 2% royalty payment, pit slope angles of 55°, and an overall cut-off grade of 0.5% Li₂O.
- 4) Grota do Cirilo — Barreiro:
 - a) Effective as of February 24, 2022.
 - b) Reported at a cut-off grade of 0.5% Li₂O.
 - c) Sale price for lithium concentrate at 6% Li₂O = \$1,500/t concentrate.
 - d) Assuming open pit mining methods. Mining costs of \$2.2/t for mineralization and waste, crushing and processing costs of \$10/t, G&A costs of \$4/t, concentrate recovery of 60.7%, 2% royalty payment, pit slope angles of 52-55°.
- 5) Grota do Cirilo — Lavra do Meio:
 - a) Effective as of January 10, 2019.
 - b) Reported at a cut-off grade of 0.5% Li₂O.
 - c) Sale price for lithium concentrate at 6% Li₂O = \$1,000/t concentrate.
 - d) Assuming open pit mining methods. Mining costs of \$2/t for mineralization and waste, \$1.2/t for overburden, crushing and processing costs of \$12/t, G&A costs of \$4/t, concentrate recovery of 85%, 2% royalty payment, pit slope angles of 55°.
- 6) Grota do Cirilo — Murial:
 - a) Effective as of January 10, 2019.
 - b) Reported at a cut-off grade of 0.5% Li₂O.

- c) Sale price for lithium concentrate at 6% Li₂O = \$1,000/t concentrate.
 - d) Assuming open pit mining methods. Mining costs of \$2/t for mineralization and waste, \$1.2/t for overburden, crushing and processing costs of \$12/t, G&A costs of \$4/t, concentrate recovery of 85%, 2% royalty payment, pit slope angles of 55°.
- 7) Grota do Cirilo — NDC:
- a) Effective as of October 31, 2022.
 - b) Reported at a cut-off grade of 0.5% Li₂O.
 - c) Sale price for lithium concentrate at 6% Li₂O = \$1,500/t concentrate.
 - d) Assuming open pit mining methods. Mining costs of \$2.20/t for mineralization and waste, crushing and processing costs of \$10.7/t, G&A costs of \$4/t, concentrate recovery of 60%, 2% royalty payment, pit slope angles of 55°.
- 8) Moblan:
- a) Effective as of March 9, 2018.
 - b) Mineral Resources are reported exclusive of Mineral Reserves.
 - c) Reported on a 100% basis. The royalty is payable on Sayona's interest in the project, which is currently equal to 60% of the project.
- 9) Seymour Lake:
- a) Effective as of June 23, 2022..
 - b) Cut-off grade of 0.2% Li₂O.
- 10) James Bay:
- a) Effective as of November 23, 2017, restated December 2021.
 - b) Cut-off grade of 0.62% Li₂O.
- 11) Tres Quebradas:
- a) Effective as of October 26, 2021.
 - b) Cut-off grade of 400 mg/L Li.
- 12) Mariana:
- a) Effective as of June 4, 2021.
 - b) Cut-off grade of 230 mg/L Li.
- 13) Valjevo:
- a) Effective as of January 31, 2022.
 - b) Cut-off of 0.025% Li.
- 14) Basin East:
- a) Effective as of October 13, 2022.
 - b) Reported using a cut-off grade of 300 ppm Li and constraining the model to an optimized open pit shell, which was generated using the following assumptions: lithium carbonate metal prices of \$18,000/tLCE; State of Arizona royalty (selling cost) of 6%; operating costs of \$5,000/tLCE or \$27/t ore; Li recovery of 75%; mining dilution and recovery of 5% and 95%; and pit slope angle of 45°.
- 15) Zeus:
- a) Effective as of January 30, 2023.
 - b) Cut-off grade of 400 ppm Li.

Borate Mineral Resources

Clay	Notes	Measured			Indicated			Inferred		
		Tonnes	Grade	Contained Mineral	Tonnes	Grade	Contained Mineral	Tonnes	Grade	Contained Mineral
		(Mt)	(% H ₃ BO ₃)	(kt H ₃ BO ₃)	(Mt)	(% H ₃ BO ₃)	(kt H ₃ BO ₃)	(Mt)	(% H ₃ BO ₃)	(kt H ₃ BO ₃)
Valjevo.....	1)	72	9.35	6,734	258	5.96	15,364	1,989	2.85	56,726
Total		72	9.35	6,734	258	5.96	15,364	1,989	2.85	56,726

Notes:

1) Valjevo:

- a) Effective as of January 31, 2022.
- b) Based on a minimum content of 0.025% Li in borate resource.
- c) Equivalent Li₂CO₃ for borate is calculated as (% Li x 5.323) + [(% H₃BO₃ x 5.721) / 16.26]. Cost estimates as provided by Euro Lithium.

Technical Information — Finniss Project

Technical Report

The technical report in relation to Finniss is the technical report entitled “Technical Report on the Finniss Lithium Project, Northern Territory, Australia”, which technical report was prepared for LRC in accordance with section 9.2(2) of NI 43-101 and filed under LRC’s SEDAR profile on February 21, 2023 (the “**Finniss Technical Report**”) with an effective date of February 1, 2023. Pursuant to the Finniss Royalty, we hold a royalty interest in Finniss. Mining companies are generally not required to, and as a matter of practice, do not typically, disclose detailed information to companies that hold a royalty interest in their operations. We requested, but have not received, access to exploration, operating and financial data from Core Lithium in respect of Finniss. As a result, the Finniss Technical Report relies exclusively upon information that is available in the public domain. A complete copy of the Finniss Technical Report can be viewed under the SEDAR profile of LRC at www.sedar.com.

Project Description, Location and Access

Finniss is located near Darwin, Northern Territory, Australia. The closest paved road to Finniss is Cox Peninsula Road. The Finniss property can be accessed using various dirt roads that intersect with Cox Peninsula Road. Finniss consists of over 500 square kilometers of tenements covering the Bynoe Pegmatite Field. The key deposits at Finniss are: (i) the Grants deposit, (ii) the Hang Gong deposit, (iii) the BP33 deposit and (iv) the Carlton deposit. Open pit mining is planned for the Grants and Hang Gong deposits and underground mining is planned for the Grants (below the open pit), BP33 and Carlton deposits.

Finniss is located on vacant crown land and the underlying tenure, EL29698, is owned outright by Core Lithium. There are no registered heritage sites covering the work area. Core Lithium has obtained regulatory approval for certain Finniss activities (*e.g.*, crushing, screening, concentration and tailings activities, *etc.*). The Finniss regulatory approvals have a term of seven years. In addition, Core Lithium has been granted all necessary mineral leases, including the following:

- [ML31726](#): Grants deposit mineral lease.
- [ML32346](#): BP33 deposit mineral lease.
- [ML32074](#): Ancillary mineral lease allowing certain operating activities between Grants, BP33 and the Observation Hill Dam.
- [ML32278](#): Ancillary mineral lease allowing a mine water dam to be constructed and operated.

Royalties are payable to the Company and the Northern Territory government. In addition, Core Lithium is party to an offtake agreement with Jiangxi Ganfeng Lithium Co, Ltd and an offtake agreement with Yahua International Investment and Development Co. Ltd., a subsidiary of Sichuan Yahua Industrial Group Co. Ltd. The two offtake agreements provide for the sale of a total of 300,000 tonnes of spodumene concentrate over the initial 4 years of production at Finniss, representing approximately 80% of planned production.

The Darwin area is prone to cyclone activity from December to April each year, the impact of which has been accounted for in Core Lithium’s production estimates. No other naturally-occurring material risks have been identified.

History

The history of mining in the vicinity of Finniss dates back to 1886, when tin was discovered in the region. The Leviathan Mine and the Annie Mine were discovered in 1890 and exploited until 1902. In 1903, the Hang Gong Wheel of Fortune Mine was discovered, which yielded 109 tonnes of tin concentrate in 1905. By 1909, mining activity in the region was focused on the Leviathan Mine and Bells Mona Mine.

In the early 1980s, high tantalum prices resulted in the reactivation of the Bynoe Pegmatite Field. Tin producers explored the Bynoe Pegmatite Field between 1980 and 1990, and successfully produced tin and tantalite from the Observation Hill Treatment Plant from 1986 to 1988. In 1996, reverse circulation (“**RC**”) holes were drilled into representative pegmatites located in the Finniss area, but lithium and gold were not assayed. In 2005, the Northern Territories Geological Survey published a regional appraisal of the Bynoe Pegmatite Field.

In 2016, Liontown Resources Limited drilled the first deep RC holes at the BP33, Hang Gong and Booths deposits. This drilling work targeted tin and tantalum and primarily focused on surface workings from the 1980s. Core Lithium also drilled the BP33, Grants, Far West, Central and Ah Hoys deposits in 2016. Furthermore, after purchasing certain tenements

from Liontown Resources Limited in 2017, Core Lithium drilled the Lees, Booths, Carlton and Hang Gong deposits. In the following years, Core Lithium drilled roughly 50 prospects.

Geological Setting, Mineralization and Deposit Types

Finniss is located in the northern portion of the Bynoe Pegmatite Field, which is comprised of a swarm of complex zoned rare elements. More specifically, the prospect is located in the West Arm — Mt Finniss pegmatite belt. The main pegmatites in this belt include the Mt Finniss, Grants, BP33, Hang Gong and Sandras deposits.

The Finniss pegmatites are classified as lithium-cesium-tantalum type. Individual pegmatites vary in size — smaller pegmatites are only a few meters wide and several meters long, while larger bodies are many meters wide and hundreds of meters long. The Finniss pegmatites have intruded the early Proterozoic shales, siltstones and schists of the Burrell Creek Formation, which is located on the northwest margin of the Pine Creek Geosyncline. South and west of Finniss are the granitoid plutons and pegmatitic granite stocks of the Litchfield Complex and the Cullen Batholith. The Two Sisters Granite is likely the source of the fluids that formed the intruding Finniss pegmatites. Recently, Core Lithium re-mapped part of the southern area as South Alligator Group. This re-mapping was based on geophysics surveys and drilling results that indicated the presence of reduced rock types. In addition, a concealed pluton has been inferred at the Ringwood prospect based on (i) geophysics data, (ii) the occurrence of large pegmatites and (iii) the presence of a localized metamorphic aureole.

Lithium mineralization has been previously recorded at the Bilatos and Saffums 1 deposits (both amblygonite). More recently, Liontown Resources Limited and Core Lithium have identified spodumene at a number of other prospects, including the Grants, BP33, Booths, Lees, Hang Gong, Ah Hoys, Far West Central and Sandras deposits.

Fresh pegmatite at Grants is made up of coarse-grained spodumene, quartz, albite, microcline and muscovite. The pegmatite is not strongly zoned, apart from a thin quartz-mica-albite wall facies. Overall, the lithium content throughout the pegmatite is consistent.

Exploration

Finniss will involve, among other things, the development of ore bodies at the Grants, BP33, Carlton and Hang Gong prospects. Finniss includes additional resources, historic pegmatite mines, exploration targets and lithium prospects that have not yet been the subject of a feasibility study assessment. Based on recent drilling results and geological assessment, there are several promising growth opportunities within the limits of the Finniss property. Notwithstanding the constrained conditions of the lithium market in recent years, since 2018, Core Lithium has grown the Finniss resources by more than 500%. Core Lithium continues to dedicate a significant portion of its budget to drilling campaigns in order to expand the Mineral Resources and Mineral Reserves of Finniss.

In 2022, Core Lithium acquired six granted mineral leases containing over 30 lithium historic pegmatite mines adjacent to Finniss. Previous studies concerning these pegmatites identified high grades of lithium and the potential for near-surface spodumene mineralization. The acquisition presents an opportunity for substantial resource growth. Core Lithium has carried out drilling work on the newly-acquired lithium pegmatites.

Core Lithium's exploration has focused on, among other things, the Grants, BP33, Hang Gong and Carlton pegmatites, which are covered by the Finniss Royalty. Core Lithium has undertaken expansion and in-fill drilling at the Carlton, BP33 and Hang Gong prospects in order to (i) extend the currently-defined Mineral Resources for these deposits and (ii) expand the currently-defined Mineral Reserves for these deposits. In addition to the Finniss Mineral Resource, Core Lithium has defined an additional exploration target (the "**Finniss ET**") of 9.8 – 6.2 Mt of Li_2O grading at 0.8 – 1.4% Li_2O across seven different prospects within the Finniss area. The Finniss ET is supported by drilling, trenching and exploration results. Core Lithium began conversion work on the Finniss ET in 2021. The potential quantity and grade of the Finniss ET is conceptual in nature. There has been insufficient exploration to properly estimate a Mineral Resource for the Finniss ET, and it is uncertain if further exploration will result in any Mineral Resource estimates.

The Centurion prospect has been the subject of extensive previous exploration, including trenching and shallow RC drilling. This drilling was undertaken on 50 meter spaced sections. A total of 10 RC holes, with a maximum vertical depth of 60 meters, together with mapping from trenches, define a continuous zone of weathered pegmatite over a strike length of 220 meters, dipping steeply to the east. The Northern Reward prospect includes the Welcome Surprise and Mackas Reward deposits. The prospect is located approximately 300 meters to the southeast of the Centurion prospect. A total of 24 shallow RC holes have been drilled on 50 meter spaced lines over a combined strike length of over 600 meters. The Annie prospect was mined for tin and tantalum between 1996 and 1998. In 1995, extensive shallow RC drilling was undertaken on the Annie prospect

using 20 meter spaced sections. A total of 32 RC holes, with a maximum vertical depth of 42 meters, define a continuous zone of weathered pegmatite over a strike length of 320 meters. The Leviathan prospect is located approximately 850 meters northwest of the Centurion prospect. It has been tested by 17 shallow RC holes along 50 meter spaced lines over a strike length of approximately 200 meters. The Far West Central pegmatite bodies dip to the west and pinch and swell along a strike of 300 meters. These deposits have been intersected by up to 17 RC holes drilled by Core Lithium. Drill intersections include 14 meters at 1.35% Li₂O, eight meters at 1.27% Li₂O and 12 meters at 1.17% Li₂O. The target at the Ah Hoys prospect is defined by four RC holes drilled by Core Lithium. The holes were drilled over a strike length of approximately 150 meters and indicate good continuity of a pegmatite body that dips to the west. Drill intersections at Ah Hoys include 10 meters at 1.57% Li₂O.

In addition to the above drilling work, Core Lithium has adopted an exploration strategy that targets: (i) steep pegmatites similar to the Grants prospect; (ii) shallow-dipping stacked pegmatites similar to the Hang Gong prospect; and (iii) large tonnage pegmatites similar to the Sandras prospect. Core Lithium's exploration work involves rotary drilling, surface rock and soil geochemistry analyses, pegmatite surface sampling, trenching and pitting, geophysical surveying and the interpretation of historical geological accounts.

Drilling

The Grants drill hole database contained 111 holes (19,061.95 meters of drilling), consisting of 78 RC holes and 33 diamond drilling holes. The majority of the holes were drilled at angles of 55 – 70°, either due east or west, with a small portion drilled vertically. Holes were drilled on approximately 20 meter spaced east-west oriented sections. Geological and assay data for RC and diamond drilling holes was used for geological interpretation and to generate the Mineral Resource estimate. Drilling has reached 350 meters of vertical depth. However, most drilling reached 100 – 250 meters in depth.

Drilling campaigns for Finnis have involved both RC and diamond drilling. The RC drilling typically involved 43/4 inch or 51/4 inch hammers with 5 – 5.5 inch face sampling bits. RC drilling also involved the use of significant compressor/booster/auxiliary air combinations capable of drilling to the target depths. Diamond drilling started either at the surface or within pre-collars created using mud rotary or RC techniques. Oriented core was obtained for the diamond drilling results.

Most of the Finnis core was drilled with an HQ tube size (*i.e.*, triple tube), with a small portion of the core drilled using a PQ tube size. The Finnis drilling used a wireline setup, and drilling muds and water were used when required. Focused drilling by Core Lithium in 2020 and 2021 helped increase the Measured Mineral Resources at Grants by 80%. Despite the resource growth that has been driven by recent drilling campaigns, however, the average overall grade of Finnis has remained constant. Core Lithium indicates that this demonstrates the robustness of the geological model that has been developed for Finnis and has increased Core Lithium's confidence in its Mineral Resource estimates.

Drilling at Finnis is ongoing, with RC and diamond rigs working at the Carlton, Ah Hoys, Sandras and Centurion deposits. There are promising new RC drilling results at the Far West deposit, including eight meters at 1.56% Li₂O from 137 meters and 12 meters at 1.66% Li₂O from 124 meters. Core Lithium has also reported new drilling results at Hang Gong that extend the northern portion of the deposit. In addition, Core Lithium recently completed a substantial RC and diamond drilling program at the Bilatos prospect. Preliminary results indicate that the pegmatite at Bilatos (i) is at least 760 meters in strike length; (ii) dips steeply to the east; and (iii) is open to the south.

A significant portion of the Mineral Resource at Finnis is now within the measured category. This represents a high conversion rate for the indicated material that was reported by Core Lithium in its October 2018 estimate. Core Lithium plans to convert a high proportion of the Grants deposit to Mineral Reserves. See "Risk Factors".

Sampling, Analysis and Data Verification

During RC drilling, the rig geologist documented sample recovery (*e.g.*, 0 – 100%) and sample quality (*e.g.*, "wet", "moist", "dry", etc.) for each meter. Sample recovery was generally greater than 95% and samples were typically dry. Evidence of contamination was monitored regularly. If evidence of contamination was noted in the calico sub-sample, steps were taken to collect a representative sample.

The rig splitter was emptied between one meter samples. The set-up of the cyclone varied between rigs, but a gate mechanism was used to prevent intermingling between the one meter intervals. The cyclone and splitter were regularly cleaned with compressed air and high-pressure water.

Drill collars were sealed to prevent sample loss. Holes were normally drilled dry to prevent poor recoveries and contamination caused by water ingress. Wet intervals were noted in case of unusual results. No material bias has been detected in the Finnis drilling results. Wet and moist samples readily reflect the grade of the drilled interval. Diamond drill core recoveries were measured using conventional procedures, including drill markings and estimates of core loss by the drill operator, followed by mark-up and an estimate of core recovery by a geologist or geotechnician.

Drill core was collected directly into trays, marked up and then secured. Geological logging and sample interval selection took place shortly after. Core Lithium's RC drill spoils were sorted into two sub-samples:

(1) a one meter split sample, homogenized and split at the cyclone into 12 inch by 18 inch calico bags, weighing 2 to 5 kilograms, or 15% of the original sample and (2) a 20 to 40 kilogram primary sample, which was collected in a 600 millimeter by 900 millimeter green bag and retained until assays were returned and determined to be reliable for reporting purposes.

RC samples were collected using a cone splitter, which was either mounted under the drill rig's cyclone or on a trailer (*i.e.*, rotary type). In cases where the sample was too wet for the cone splitter to operate effectively, one meter samples were collected from the one meter bulk bags using a spear.

Assay-related RC sampling of pegmatite was done on a one meter basis. One meter sampling continued into the barren wall-zone of the pegmatite and a three meter composite was collected from the surrounding barren phyllite host rock. Assay-related diamond drill sampling of pegmatite was done on sub-one meter intervals, which, like with the RC sampling, extended into the surrounding barren phyllite host rock.

Diamond drill core was transported to a local core preparation facility and split longitudinally along a consistent line 0.3 to 1 meters in length, ensuring there was no bias in the cutting plane. One half of the split core was sampled on a one meter basis (where possible) and submitted to a qualified independent laboratory for analysis. In some cases, one half of a split core would be cut into two further segments. In such a situation, one of the quarters would be sent for analysis, while the in-tact half would be submitted for metallurgical test work. Any remaining quarter cores were placed in Core Lithium's storage facility in Berry Springs.

Field duplicate samples were used to monitor sampling methodology and the homogeneity of RC drilling. Duplicates were collected using a spear of the green RC bag. Splitting the 2 to 3 kilogram calico bag into an original and a duplicate risked reducing the sample mass. Despite this risk, and despite the heterogeneous nature of the Finnis pegmatite, however, results of duplicate analyses showed an acceptable degree of correlation. Furthermore, various duplicates were tested on a "like-for-like" basis to test for heterogeneity in the RC bag, and the results were highly correlated.

Considering the fact that pegmatite minerals (including spodumene) are coarse-grained, core heterogeneity was expected. As a result, an HQ diameter was used for drilling. The coarse rejects that were assayed in 2017 showed there is good correlation between the original and duplicate samples. However, there was some assay variability, which reflects the pegmatite heterogeneity. In general, the heterogeneity of the pegmatite core material rendered it unsuitable for second-half and second-quarter duplicate analysis.

Diamond drill samples were crushed to a nominal size in order to fit into mills (approximately -2 millimeters). RC samples did not require any crushing. A riffle-split of diamond drill crushed material and RC sample was prepared by pulverising to 95% passing -100 micrometers. A 0.3 gram sub-sample of the resulting pulp was digested in a standard four-acid mixture and analysed using inductively-coupled plasma mass spectrometry ("ICP-MS") and inductively-coupled plasma optical emission spectrometry ("ICP-OES"). The measured elements were: Li, Cs, Rb, Sr, Nb, Sn, Ta, U, As, K, P and Fe. The lower and upper detection ranges for lithium were seven parts per million and 5,000 parts per million, respectively. Metallic lithium measurements were multiplied by a conversion factor of 2.15283/10,000 in order to convert lithium parts per million to Li₂O%. In addition, during the 2016/2017 program, all samples were also analysed using a fusion method. A 0.3 gram sub-sample was fused with a sodium peroxide fusion flux and then digested in 10% hydrochloric acid. ICP-OES was used to measure the following elements: Li, P and Fe. The lower and upper detection ranges for lithium were 10 parts per million and 20,000 parts per million, respectively.

Certain drill core samples were tested for Al, Ca, Mg, Mn, Si, loss on ignition, specific gravity (immersion and pycnometer), and various trace elements. This testing was intended to provide a broader suite of analysis. Sodium was also tested using a four-acid digest and ICP-OES.

Sample quality assurance and quality control ("QA/QC") included a regime of one in eight control sub-samples, the use of certified lithium standards and duplicate sample analysis. Drilling data QA/QC included:

- one in 20 certified lithium ore standards;
- one in 20 duplicates were used during RC drilling; and
- one in 20 blanks.

Core Lithium routinely uses up to nine different lithium standards, ranging between 1,700 parts per million and 10,300 parts per million. This covers the range of expected lithium values in the mineralized pegmatite. Typically, standards report back with a strong correlation — well within two standard deviations of the expected value for lithium. However, some evidence suggests that standards with high lithium values are being underreported by up to 3%. A quartz sand blank used by Core Lithium shows a very low lithium content, with assays typically < 40 parts per million (*i.e.*, < 0.01% Li₂O). This value is well below the effective cut-off grade used for the significant intercepts and Mineral Resource estimate reporting.

Duplicates for RC samples displayed strong correlation. Duplicates were not collected for the diamond drilling. External laboratory checks have been undertaken and results show a high degree of correlation. In addition, five diamond drill holes were installed as twins to certain RC holes in order to evaluate the difference between RC and diamond rill assays. Overall, the intercepts were proportionate and acceptable.

All field data was entered into a logging system (supported by look-up/validation tables) at the project site and then imported into a centralized access database. Hard copies of logs and sampling data were stored on-site and electronic data was stored on secure servers.

External laboratory check samples were routinely submitted to an independent laboratory for final verification of results. This served to check laboratory lithium assay repeatability and to investigate the iron contamination caused by laboratory milling equipment. The material used in these umpire tests was (i) excess crushed archive material from the original RC samples, (ii) in-tact quarter core samples or (iii) coarse rejects from the laboratory. The results of the umpire tests were well-aligned with the original results.

The report indicates that Core Lithium uses a modern chain of custody for sample submission. In addition, Core Lithium geologists supervise all (i) sampling, (ii) sample storage in the field and (iii) transport to the point of dispatch to the assay laboratory. The assay laboratory audits the samples on arrival and reports any discrepancies back to Core Lithium.

Mineral Processing and Metallurgical Testing

The metallurgical test work was performed at an external laboratory under the technical supervision of a metallurgy specialist. The proposed processing plant has been designed to treat 1.0 million tonnes of spodumene-bearing pegmatite at a head grade of 1.4 to 1.5% Li₂O, and will target production of a spodumene concentrate containing an average 5.8% Li₂O. Once operational, the processing plant will operate 24 hours per day. Operation and maintenance of the plant will be performed by an engineering contractor. The processing plant will be operational seven days per week, 365 days per year. At full capacity, the processing plant will contain a management, supervisory and operational workforce of roughly 48 people.

To determine the amenability of the Finnis pegmatites to concentration through density separation techniques, heavy liquid separation (“HLS”) and dense media separation (“DMS”) test work was performed on feed streams across a variety of feed size distributions.

The HLS and DMS test work yielded the grade and recoveries achievable for certain feed size distributions. The HLS and DMS test work confirmed that density-based concentration is a viable treatment route, and indicated that a number of size fractions and separation stages could meaningfully enhance grade and recovery. In particular, the metallurgical test work revealed that two-stage DMS on two separate size fractions (6.3 to 2 millimeter and 2 to 0.5 millimeter, including DMS on the re-crushed 6.3 to 2 millimeter stage 2 float material) produces a high-grade concentrate at a high recovery. This configuration is robust enough to accommodate variability in processing plant performance and feed composition, and is able to scaled up to a full production process.

The nominated concentrate grade of 5.8% Li₂O, at > 70% recovery, has been met consistently using the re-crush section. During test work, product impurities were consistently below reject specifications.

Mineral Resource and Mineral Reserve Estimates

Lithium grades were estimated using ordinary kriging. Variography was undertaken on grade domain composite data. Variogram orientations were largely controlled by the strike and dip of the mineralization. Previous estimates were used for

comparative analysis and to inform the current Mineral Resource estimate. A check estimate using an alternative estimation technique was also undertaken. No assumptions were made regarding the recovery of by-products.

Iron is considered to be a deleterious element. However, due to the use of steel rods, steel drill bits and steel milling equipment, iron contamination is inevitable. By comparing RC and diamond drill assays, as well as data from blanks and check assays undertaken at an independent umpire laboratory using non-steel-based tungsten carbide mills, the level of contamination was shown to be substantial and variable, making it difficult to correct. For this reason, iron has not been estimated. No other deleterious elements have been considered.

Grade continuity analysis was performed in Micromine software for Li₂O. The data spacing varied considerably within the deposit, ranging from superficial drill holes at an approximate spacing of 25 meters by 30 meters, to deep exploration drill holes at a spacing greater than 50 meters by 30 meters. A parent block size of five meters (x-axis) by 10 meters (y-axis) by 10 meters (z-axis), coupled with a sub-block size of one meter (x-axis) by 2.5 meters (y-axis) by 2.5 meters (z-axis), was used to define the mineralization. Lithium was estimated at the parent block scale.

No selective mining units were assumed in the estimate. Lithium was only estimated within the lithium mineralized domain. No correlation between variables was assumed.

Geology and mineralization wireframes were generated in Micromine software using drill hole data supplied by Core Lithium. The mineralization and geological wireframes were used to flag the drill hole intercepts in the drill hole assay file. The flagged intercepts were then used to create composites (one meter lengths). The influence of extreme sample outliers in the composited data was determined using a combination of histograms and log probability plots. It was determined that no top-cuts needed to be applied. Model validation included: (i) visual comparison between composites and estimated blocks, (ii) a check for negative or absent grades and (iii) statistical comparison against the input drill hole data and graphical plots.

Resource classification was applied to the Mineral Resource estimate based on drilling data spacing, grade and geological continuity and data integrity. In particular, the Finniss resource was classified on the following basis:

- If (i) the drill spacing resolution was greater than 25 meters by 30 meters and (ii) the confidence in the geology, mineralization and resource estimate was considered to be high, such that it would be possible to apply modifying factors in a technical study, then the relevant portion of the model was classified as a Measured Mineral Resource.
- Areas that (i) had drill spacing resolution greater than 25 meters by 30 meters and/or (ii) were characterized by moderate levels of confidence in the (A) geology, mineralization and resource estimation or (B) potential impact of modifying factors, were classified as Indicated Mineral Resources.
- Areas that (i) had drill spacing of greater than 25 meters by 30 meters and (ii) were characterized by low levels of confidence in the (A) geology, mineralization and resource estimation or (B) potential impact of modifying factors, were classified as Inferred Mineral Resources.

The Mineral Resource estimates for Finniss were reported in the Finniss Technical Report. The Mineral Resource estimates and a corresponding summary are shown in the tables below. All Mineral Resources have been reported at a 0.5% Li₂O cut-off.

Finniss Mineral Resource Estimate Summary

Resource Category	Tonnes (Mt)	Li ₂ O%
Measured.....	5.60	1.46
Indicated.....	7.69	1.35
Inferred.....	5.57	1.12

Notes:

- (1) Mineral Resources have an effective date of September 30, 2022.
- (2) The Mineral Resources reported are inclusive of the Mineral Reserves.
- (3) Mineral Resources which are not Mineral Reserves do not have demonstrated economic viability.

Finniss Mineral Resource Estimate

	Measured		Indicated		Inferred	
	Tonnes (Mt)	Li ₂ O %	Tonnes (Mt)	Li ₂ O %	Tonnes (Mt)	Li ₂ O %
Grants	1.97	1.50	0.61	1.49	0.33	1.27
BP33	1.80	1.55	2.40	1.56	0.17	1.00
Carlton	1.83	1.34	1.32	1.34	0.89	1.17
Hang Gong	-	-	1.22	1.28	1.32	1.11
Sandras	-	-	1.06	1.00	0.38	1.05
Lees	-	-	0.61	1.19	0.62	1.19
Ah Hoys	-	-	0.47	1.31	0.33	1.05
Booths	-	-	-	-	1.49	1.08
Total	5.60	1.46	7.69	1.35	5.57	1.12

Notes:

- (1) Mineral Resources have an effective date of September 30, 2022.
- (2) The Mineral Resources reported are inclusive of the Mineral Reserves.
- (3) Mineral Resources, which are not Mineral Reserves, do not have demonstrated economic viability.

Measured Mineral Resources were converted to Proven Mineral Reserves or Probable Mineral Reserves, and Indicated Mineral Resources were converted to Probable Mineral Reserves. The Mineral Reserve estimate for Finniss was reported in the Finniss Technical Report and is set out in the table below.

Finniss Mineral Reserves Estimate

	Proven		Probable	
	Tonnes (Mt)	Li ₂ O %	Tonnes (Mt)	Li ₂ O %
Open Pit	1.8	1.5%	1.4	1.3%
Underground	3.9	1.4%	3.8	1.3%
Total	5.5	1.4%	5.1	1.3%

Notes:

- (1) Mineral Reserves have an effective date of September 30, 2022.

Notes:

- (1) Mineral Reserves have an effective date of September 30, 2022.

The Mineral Reserves are based on the Measured Mineral Resources and Indicated Mineral Resources contained in (i) the Grants and Hang Gong open pits and (ii) the Grants, BP33 and Carlton underground deposits. This means that the Mineral Reserve estimate relies on the integrity and accuracy of the Mineral Resource estimates. The Mineral Reserve estimate used a 0.5% Li₂O cut-off.

Mining Operations

Mining will be undertaken using a combination of open pit and underground methods, dependent on deposit geometry. A mining contractor will mine each of the Finniss deposits. The two open pits, Grants and Hang Gong, will be mined using conventional open pit mining methods. Pre-stripping will be necessary, since there is weathered and transitional material within the first 40 to 70 meters of vertical depth from the surface. All material (*i.e.*, ore and waste) will require drill and blast, except for the oxidised pegmatite and phyllite waste which has been observed 30 to 50 meters from the surface. The mining contractor will also be responsible for pit dewatering, pit surface water management, heavy and light vehicle maintenance and day-to-day mining operations. Core Lithium will be responsible for site management and various administration and processing functions.

The Grants underground can be accessed using a portal located in the Grants open pit. The total decline length is 1,365 meters. The 6 meter by 6 meter decline will also act as the primary ventilation intake for the mine. The Grants underground will have a dedicated ventilation decline connected to an internal return air raise network, which will provide sufficient airflow to the production areas. The mining method selected for the Grants underground deposit is up-hole retreat mining using underground production loaders. Mined material will be either stockpiled on the production level or loaded directly into underground mining trucks with a 45 tonne capacity. The haulage path for the Grants underground project will consist of the stope access development on the production level, the Grants decline and the Grants open pit haul road.

The BP33 deposit is located approximately 6 kilometers south of the proposed Grants open pit. The BP33 underground deposit will be accessed using a 340 meter decline from the surface, which will be box-cut to a decline connecting the lower levels. The mining method selected for the BP33 deposit is sublevel open stope mining. Internal pillars will be used for overall stability. The narrow ore body width, vertical orientation, competent host rock ground conditions and internal rock pillars will permit sublevel open stoping mining without back fill – a viable low-cost mining method. The pillar dimensions are expected to be 15 meters by 15 meters. The square shape will provide a greater load-bearing capacity compared to rectangular pillars. Mining from BP33 will be done using underground production loaders and the majority of the sublevel retreat mining will be done using remote loaders. The haulage path for the BP33 deposit will consist of the stope access development on the production level, the BP33 decline, and a haul road connecting BP33 to the area of the Grants deposit.

The Carlton deposit is south of Grants. The Carlton underground deposit will be accessed using a portal in the Grants open pit and a 1,200 m decline. The 6 meter by 6 meter decline will also act as the primary ventilation intake into the mine, with exhaust to surface via a bored return air raise. The mining method selected for the Carlton deposit is sublevel open stope mining. The top of the fresh rock is generally 60 meters below ground level. Additional development will be required to install cable bolts and shape the top of the stoping areas. This will assist in forming a stope void that will minimise the potential of crown failure or subsidence as stoping progresses.

Processing and Recovery Operations

Lithium ore will be processed using a DMS for 0.5 to 6.3 millimeter fractions after P100 crushing to 6.3 millimeter. Rejected lithium ore will be stockpiled for potential future use. The -0.5 millimeter fines will be stored in a purpose-built tailings storage facility. More specifically, after four generations of metallurgical test work, the proposed processing flowsheet has the following characteristics:

- The crushing circuit will have four stages, and will incorporate P100 crushing to 6.3 millimeters.
- The DMS circuit will contain a coarse and fines circuit, as well as a secondary DMS on the coarse.
- A re-crush facility on DMS middlings will help with the production of $\geq 5.5\%$ Li_2O grades, and will help achieve recoveries of $\geq 70\%$.
- A primary and secondary DMS circuit will be used to manage the coarser +2 millimeter to 6.3 millimeter fraction. The secondary coarse DMS floats will be re-crushed and recycled.
- Separating the -2 millimeter +0.5 millimeter fines and incorporating a fines DMS circuit will ensure that the process is robust enough to account for ore variability.

Infrastructure

Because of its proximity to Darwin, Finniss has access to critical operational infrastructure. Specifically, the Finniss project is located within:

- 0.5 kilometers of a sealed road that is connected to the port of Darwin;

- 4 kilometers of an existing process water dam;
- 10 kilometers of the Northern Territory electricity grid;
- 15 kilometers of a 310 megawatt gas-fired power station;
- 20 kilometers of zoned industrial park;
- 25 kilometers of the port of Darwin (88 kilometers by road); and
- a one hour drive from the Darwin airport.

The water inflows for Finnis include aquifer interception, unregulated surface water harvesting (*e.g.*, run-off and rainfall) and regulated extraction from offsite surface water stores. The water outflows for Finnis include evaporation, environmental discharge and entrainment. Groundwater modelling shows that over 50% of the water inflow will be sourced from the aquifer at the Observation Hill Dam (a dam with an estimated capacity of over 400,000 kiloliters that has supported historical tin mining in the region). The Observation Hill Dam is situated east of the Grants deposit. Overall, water supply security is a key project risk factor.

The DMS concentrate saleable product will be loaded onto road trains for transport to the port of Darwin. Each road train has a 95-tonne capacity. It is estimated that there will be ten road train movements required per day at expected production rates.

The port of Darwin (the “**DPO**”) is a multi-user facility with four berths spaced along 865 meters of quay line. Berths one and three are primarily used for general cargo, containers, motor vehicles and livestock. Berth two is primarily used for bulk ore exports and has a rail-mounted dry bulk ship loader. Berth four is mostly used for bulk liquids and has a dedicated bulk liquids transfer facility. In early 2017, Core Lithium entered into a non-binding Heads of Agreement with DPO. DPO has also entered into a Port Operating Agreement (the “**POA**”) with Core Lithium’s wholly-owned subsidiary Lithium Developments Pty Ltd (“**Lithium Developments**”). The POA will allow Lithium Developments to use the DPO facilities for exporting Core Lithium’s saleable product, including direct ship ore spodumene and spodumene concentrate. The POA has a five-year term.

The DPO facilities include a truck unloading facility, a ship loader feed conveyor and berths large enough to accommodate Panamax vessels. Lithium Developments will handle Core Lithium’s product at the DPO.

Environmental, Social and Corporate Governance

Core Lithium has engaged an independent sustainability consulting firm to complete the following:

- a greenhouse gas assessment, which determined that the projected emissions for Finnis are relatively low compared to Australian peer lithium projects (attributable to the proximity to the port of Darwin);
- a sustainability assessment; and
- a life cycle analysis, which will assess the environmental impact and costs of Finnis.

As mentioned above, Core Lithium has obtained regulatory approval for certain Finnis activities (*e.g.*, crushing, screening, concentration and tailings activities, *etc.*), and the approvals have a term of seven years.

Finnis is located on vacant crown land and the underlying tenure is owned outright by Core Lithium. There are no registered heritage sites covering the work area and there are no native title claims. Finnis was issued an Aboriginal Areas Protection Authority certificate on March 29, 2019.

Capital and Operating Costs

The capital expenditures (“**CAPEX**”) for establishing and developing the Finnis mine sites, commencing construction and pre-stripping the Grants open pit are summarized in the table below.

Initial Capital Item	Initial Capital Cost (US\$)
DMS Plant	\$37.9 million
Power and Water Supply	\$7.5 million
Site Establishment and Setup	\$1.1 million
Water Management	\$6.4 million
Utilities and Services	\$1.7 million
Roads.....	\$0.6 million
Grants Open Pit Pre-Stripping	\$33.9 million
Total Initial Capital Cost	\$88.9 million

The estimated production CAPEX (excluding the initial CAPEX items above) is summarized in the table below.

Production Capital Item	Sustaining Capital Cost (US\$)	Non-Sustaining Capital Cost (US\$)	Total Production Capital Cost (US\$)
Grants Underground Development	\$11.9 million	\$2.0 million	\$13.9 million
BP33 Underground Development.....	\$26.5 million	\$11.7 million	\$38.2 million
Carlton Underground Development.....	\$29.8 million	\$5.1 million	\$34.9 million
Hang Gong Open Pit Development	-	\$47 million	\$47.0 million
Total Mine Development Capital	\$68.2 million	\$65.8 million	\$134.0 million
Other Capital	\$1.6 million	-	\$1.6 million
Closure, Clean-Up and Decommissioning	-	\$8.0 million	\$8.0 million
Capital Recovery and Equipment Disposal.....	-	-\$15.8 million	-\$15.8 million
Total Closure, Decommissioning and Plant Disposal	-	-\$7.8 million	-\$7.8 million
Total Production Capital.....	\$69.8 million	\$58.0 million	\$127.8 million

Production CAPEX was derived from cost estimates provided by mining contractors. Production CAPEX is defined as the sum of sustaining and non-sustaining CAPEX and excludes initial CAPEX. Non-sustaining CAPEX is defined as the mine development CAPEX incurred prior to the commencement of commercial production at a mine. Sustaining CAPEX is defined as the mine development CAPEX incurred on the commencement of, and during, commercial production at a mine.

The operating costs (“OPEX”) for Finniss, assuming a 0.70 exchange rate (US\$ to AU\$), are summarized in the table below.

Operating Item	Average Operating Cost (US\$/t)
Open Pit Mining	106
Underground Mining	133
Processing	103
Haulage and Logistics	12
General and Administration	11
C1 Operating Costs ⁽¹⁾	364
Royalties.....	36
Sustaining and Underground Development CAPEX	41
All-In Sustaining Costs (FOB) ⁽²⁾	441

Notes:

- (1) C1 operating costs are defined as direct cash operating costs of production divided by spodumene concentrate production. Direct cash operating costs include mining, processing, transport, port and ship-loading costs. C1

operating costs exclude royalties and sustaining capital, with the life-of-mine average calculated from commencement of commercial production.

- (2) All-in sustaining costs are defined as C1 operating costs (see note immediately above) plus royalties and sustaining capital, with the life-of-mine average calculated from commencement of commercial production. The acronym FOB stands for free on board price.

The OPEX figures were derived from cost estimates provided by mining contractors, price quotes contained in underground mining tenders submitted to Core Lithium and third party market research data that was prepared for Core Lithium.

The economics for Finniss, as of the Finniss Technical Report, including net present value (“NPV”) and internal rate of return (“IRR”), are summarized in the table below.

Economic Metric	Units	Value
Mine Life ⁽¹⁾	Years	8
Throughput	Mtpa	1.0 – 1.1
Ore Grade	%	131
Recovery	%	71.7
Spodumene Concentrate 5.8% Production.....	kt	1,207
Upfront Capital Cost.....	AU\$ millions	89
Life-of-Mine Sustaining Capital.....	AU\$ millions	69
Life-of-Mine Non-Sustaining Capital (excl. Closure Decommissioning and Plant Disposal)	AU\$ millions	66
Spodumene Concentrate 6.0% Price (Life-of-Mine)	US\$/t	743
Life-of-Mine Revenue	AU\$ millions	1,281
Life-of-Mine Average Annual EBITDA (post-commercial production).....	AU\$ millions	73
Life-of-Mine Average Annual Free Cash Flow (post-commercial production)	AU\$ millions	48
Pre-Tax NPV	AU\$ millions	221
Pre-Tax IRR	%	52.7
Post-Tax NPV	AU\$ millions	170
Post-Tax IRR.....	%	47.1
Payback Period.....	Years	2.0

Notes:

- (1) On July 11, 2022, Core Lithium announced that it had increased its estimate of the Finniss mine life to 12 years.

Exploration, Development and Production

The Northern Territory Minister for Environment has granted environmental approval for the proposed BP33 underground mine. Core Lithium has submitted a mining management plan for the BP33 underground mine. Approval of the BP33 mining management plan is the last step in the approval process for BP33.

Core Lithium has received all necessary permits for commencement of mining at the Grants deposit and announced commercial production had commenced at Finniss on October 10, 2022. The Grants open pit will be the initial source of ore for the DMS plant until BP33 and the other Finniss mines are brought online. Finniss commenced its first shipment of direct shipping ore at the end of 2022.

Core Lithium has completed the preparatory infrastructure (e.g., site administration, IT complex and communications towers) that will support future construction at Finniss. Core Lithium has also employed all of the staff that will be needed for Finniss. The Finniss DMS process plant pad was completed in May 2022.

Core Lithium has started a diamond drilling campaign at BP33, which is focused on exploring the depth and strike extensions of the main pegmatite intrusions. Diamond drilling at BP33 will be followed by extensional exploration and resource

definition programs at the Carlton, Hang Gong, Lees and Sandras deposits. These programs will help build on the Finnis Mineral Resource estimates.

Core Lithium is also carrying out a 40,000 meter RC drill program in connection with Finnis, which will be split between greenfield and brownfield targets. A large RC drilling rig has been mobilized by Core Lithium in order to test a number of deep targets. The RC drill program will be focused on prospects that have yielded promising exploration results, such as the Bilatos, Penfolds, Centurion and Talmina West deposits. In particular, the drilling program is focused on testing along strike and below existing deposits, as well as testing new targets.

Technical Information – Grota do Cirilo Project

Technical Report

The technical report in relation to Grota do Cirilo is the Grota do Cirilo Technical Report, which was prepared for Sigma and filed under Sigma’s SEDAR profile on January 16, 2023, with an effective date of October 31, 2022. A complete copy of the Grota do Cirilo Technical Report can be viewed under the SEDAR profile of Sigma at www.sedar.com.

Project Description, Location and Access

Grota do Cirilo is located in northeastern Minas Gerais, approximately 25 kilometers east of Araçuaí and 450 kilometers northeast of Belo Horizonte. Grota do Cirilo consists of four properties owned by Sigma Brazil and is divided into a northern complex and a southern complex.

Grota do Cirilo consists of 27 mineral rights, which include mining concessions, applications for mining concessions and exploration permits, spread over 191 square kilometers. Grota do Cirilo encompasses nine past-producing lithium mines and 11 first-priority exploration targets. The mining concessions granted in connection with Grota do Cirilo are in good standing with the Brazilian authorities. However, a number of payments and fees are required to keep the concessions current.

The surface rights for Grota do Cirilo are held by two companies: (1) Arqueana Minérios e Metais and (2) Miazga Participações S.A. Sigma Brazil has entered into right-of-way agreements with these companies in order to support Sigma’s exploration and development activities within the Grota do Cirilo property.

Sigma has been issued both an environment provisional license (“ELP”) and an environment installation license (“ELI”) for Grota do Cirilo, and construction of phase one has commenced. In addition, Sigma has been granted a water license to pump of 150 cubic meters per hour from the Jequitinhonha River for all months of the year for a period of 10 years.

Royalties are payable to the Brazilian government, LRC and a private third party. However, Sigma intends to exercise its option to repurchase the royalty payable to the private third party in its first year of commercial production.

To the extent known to the authors of the Grota do Cirilo Technical Report, there are no other significant factors and risks that may affect access, title, or the right or ability to perform work on Grota do Cirilo that have not been discussed in the Grota do Cirilo Technical Report.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

Grota do Cirilo is accessible from BR-367, a regional paved road that runs through the northern part of the Grota do Cirilo property. Within the Grota do Cirilo property, road access is provided by a network of service roads. A municipal airport services the town of Araçuaí. The closest major domestic airport is located in Montes Claros, which is 327 kilometers west of Araçuaí.

The Grota do Cirilo region is characterized by a dry, semi-arid and hot climate. Once developed, Grota do Cirilo will operate year-round. Exploration can be completed throughout the year, but can be interrupted by short-term rainfall events.

Mining operations have been previously conducted in the Grota do Cirilo area. Existing infrastructure includes power supply and sub-stations, offices equipped with internet and telephones, on-site worker accommodations and a dining hall, kitchen, workshop, on-site laboratory, sample storage building, warehouse, fuel storage facility with pumping equipment and water pumping facility. A 138 kilovolt transmission line that is connected to the Irapé hydropower station runs through the northern part of the Grota do Cirilo property.

The topography in the region of Grota do Cirilo consists of gentle hills (< 100 meters elevation change). The Grota do Cirilo area is generally characterized by thorn scrub and savannah ecosystems. Much of the Grota do Cirilo area has been cleared for agriculture. The primary source of water for Grota do Cirilo is the Jequitinhonha River.

History

Tin and tantalite open pit mines were operated in the vicinity of Grota do Cirilo from 1957 until the 1980s. Pegmatite and alluvial gravel material was mined near Grota do Cirilo from the 1980s to the 2000s. Channel sampling, air-track, and RC drilling campaigns have been carried out in the Grota do Cirilo area. Sigma Brazil has engaged in mapping, data compilation,

surveying, channel sampling and HQ core drilling activities throughout the Grota do Cirilo property. Between 2014 and 2015, a heavy mineral separation pilot plant was completed for Grota do Cirilo. Lithium-specific mining activities have been conducted over at least nine deposits at Grota do Cirilo.

In 2017, Sigma purchased a DMS unit in order to produce a 6% Li₂O spodumene concentrate. Sigma has completed ground reconnaissance, satellite image interpretation, geological mapping, channel and chip sampling, trenching, core drilling, Mineral Resource and Mineral Reserve estimates and a feasibility study. Sigma initially focused on a geological assessment of available field data in order to prioritize the 200 known pegmatites at Grota do Cirilo. With respect to prospective areas, Sigma has concentrated its activities on detailed geological and mineralogical mapping of previously-mined pegmatites.

Geological Setting and Mineralization

The Grota do Cirilo pegmatites are classified as lithium-cesium-tantalum type. Grota do Cirilo is situated within the Eastern Brazilian Pegmatite Province. The pegmatite swarm is associated with the Neoproterozoic Araçuaí orogeny and has been divided into two main types: (1) anatectic pegmatite (directly formed from the partial melting of the country rock) and (2) residual pegmatite (fluid rich silicate melts that resulted from the fractional crystallization of a parent magma). The Grota do Cirilo pegmatites fall within the residual pegmatite category.

Pegmatite bodies are typically hosted in a grey biotite-quartz schist and are generally concordant with the schist foliation, but can also cross-cut foliation. The Grota do Cirilo dikes are sub-horizontal to shallow-dipping sheeted tabular bodies, typically ranging in thickness from a few meters up to over 40 meters. The Grota do Cirilo dikes display a discontinuous, thin, fine-grained chilled margin. Spodumene comprises about 28 – 30% of the dike, microcline and albite comprises around 30 to 35% of the dike and white micas account for roughly 5 – 7% of the dike. Feldspar and spodumene crystals reach as much as 10 to 20 centimeters in length. Tantalite, columbite and cassiterite can occur in association with albite and quartz. The primary lithium-bearing minerals are spodumene and petalite. Spodumene can theoretically contain as much as 3.73% Li, equivalent to 8.03% Li₂O, whereas petalite, can contain as much as 2.09% Li, equivalent to 4.50% Li₂O.

The primary Grota do Cirilo pegmatites are as follows:

- **Xuxa:** The Xuxa pegmatite has concordant foliation, strikes northwest-southeast, dips to the southeast at 40° to 45° and is not zoned. The pegmatite strike length is 1,700 meters long, averages 12 to 13 meters in thickness and has been drill tested down to 259 meters in depth. Xuxa is open to the west and east and at depth.
- **Barreiro:** The Barreiro pegmatite has discordant foliation, strikes northeast-southwest, dips to the southeast at 30° to 35° and is slightly zoned with distinct spodumene and albite zones. The pegmatite strike length is about 600 meters long, averages 30 to 35 meters in thickness and has a down-dip distance of 800 meters. Barreiro is open to the northeast and at depth.
- **Murial:** The Murial pegmatite has discordant foliation, strikes north-south and has a variable westerly dip, ranging from 25° to 75°. The pegmatite strike length is about 750 meters, averages 15 to 20 meters in thickness and has a down-dip distance of 200 meters. The pegmatite is characterized by a spodumene-rich intermediate zone and a central zone that contains both spodumene and petalite. The southern section of the pegmatite has lower lithium tenors compared to the norther portion of the dike. Murial is open to the north and south and at depth.
- **Lavra do Meio:** The Lavra do Meio pegmatite has concordant foliation, strikes north-south and dips to the east at 75° to 80°. The pegmatite strike length is about 300 meters, averages 12 to 15 meters in thickness and has a down-dip distance of 250 meters. The pegmatite is zoned and contains both spodumene and petalite. Lavra do Meio is open at depth.
- **Nezinho do Chicao:** The Nezinho do Chicao pegmatite body strikes roughly north-south and dips to the southeast at 40° to 75°. The pegmatite strike length is about 1,600 meters long, averages 20 to 30 meters in thickness has a down-dip distance of 200 meters. The pegmatite is a high-grade mix of spodumene and petalite. Nezinho do Chicao is open to the north and south and at depth.

Exploration

Sigma began working on Grota do Cirilo in June 2012. Sigma initially focused on a geological assessment of available field data in order to prioritize the 200 known pegmatites at Grota do Cirilo. Sigma has prepared a ranking table that sets out pegmatite volume, mineralogy and Li₂O and Ta₂O₅ grade.

With respect to prospective areas, Sigma concentrated its activities on detailed geological and mineralogical mapping of previously-mined pegmatites (*e.g.*, Xuxa and Barreiro). These dikes were channel sampled and then evaluated in terms of their lithium, tantalum and cassiterite potential. This work was followed by bulk sampling, drilling and metallurgical test work. In the southern complex area, Sigma geologists have visited sites of historical workings and have carried out reconnaissance mapping and sampling. The Lavra Grande, Samambaia, Ananias, Lavra do Ramom and Lavra Antiga pegmatites were previously mined for spodumene, heavy minerals and, in some cases, gem-quality crystals. These pegmatites will be targeted in future exploration campaigns.

In general, the Grota do Cirilo pegmatites can be separated into two classes:

- **Class 1:** Structurally concordant (*i.e.*, having dips and strikes comparable to that of the regional foliation of the schist host) with an azimuth of 300 – 340° and a dip of 40 – 60°. Nearly all of the prospective pegmatites at Grota do Cirilo belong to the concordant class, and typically form intrusive bodies that are several hundred meters in length and 3 to 20 meters wide.
- **Class 2:** Structurally discordant, having dips and strikes that cross-cut the host schist foliation. The Gringo (azimuth 140 – 170°, dip -15 – 55°), Barbieri (azimuth 340°, dip 90°) and Urubu deposits are examples of discordant pegmatites.

Drilling

The drilling work completed by Sigma for Grota do Cirilo consists of 502 core holes totalling 96,931 meters. Drilling was carried out using an HQ core size (*i.e.*, 63.5 millimeter core diameter) in order to recover enough material for metallurgical testing. Drill spacing varied by pegmatite but was typically 50 meters, with wider spacing at the edges of the drill pattern. Drill orientations were tailored according to the strike and dip of the pegmatites. The drill hole intercepts ranged in thickness, from (i) approximately 85 – 95% of true width of mineralization to (ii) near true width of mineralization.

Sigma conducted HQ drilling programs in 2014, 2017, 2018, 2020, 2021 and 2022. The drill programs included core logging, core photography, core recovery measurements, and collar and downhole survey measurements. The report indicates that there were no drilling, sampling or recovery factors that could materially impact the accuracy and reliability of the results in any of the drill campaigns.

As of October 31, 2022, Sigma had completed a total of 100 diamond drill holes on Xuxa totalling 15,531 meters. All drilling up to the end of 2018 was used to support the Mineral Resource estimate. The seven holes drilled in 2021 were confirmation drill holes and were not included in the Mineral Resource estimate. During the 2014 Xuxa drill program, the average pegmatite intersection was 13.55 meters and the average true thickness was 9.6 meters. During the 2017/2018 drilling, true thickness averaged 13.6 meters. Ten percent of the holes at Xuxa were drilled vertically. The remaining 90% of holes were inclined at 50 – 90°. The core holes were generally oriented at azimuth 145°, perpendicular to the general orientation of the pegmatite intrusions and deviated slightly to the west. Drilling at Xuxa reached depths of 230 meters.

Drilling at Barreiro from 2014 to 2021 yielded 136 HQ drill holes totalling 26,976 meters. All of the drill holes were used in the Mineral Resource estimate. Barreiro drill holes were generally spaced 50 to 100 meters apart. Approximately 65% of the Barreiro holes were drilled vertically, with the rest drilled on a N310° azimuth. Drill hole inclination ranged from 50 – 90° and the deepest hole reached 350 meters below the surface. The average pegmatite intersection was approximately 42 meters and true thickness was approximately 35 – 40 meters.

From 2017 to 2018, Sigma completed 17 HQ core holes at Lavra do Meio totalling 2,119 meters. All of the drill holes were used in the Mineral Resource estimate. The holes at Lavra do Meio were generally vertical, perpendicular to the orientation of the pegmatite intrusions and had variable deviation to the south. Drill hole spacing was typically 50 – 75 meters. Drill holes dipped -60° on average and reached depths of 180 meters below the surface.

Between 2017 and 2022, Sigma drilled 123 HQ cores at Murial totalling 32,004 meters. Only the first 34 drill holes were used in the Mineral Resource estimate. The core holes at Murial were generally vertical, perpendicular to the orientation of the pegmatite intrusions and deviated to the south. Drill hole spacing ranged from 50 to 100 meters. The drill holes had an average dip of 60° and reached depths of 200 meters below the surface.

As of October 31, 2022, 124 drill holes totalling 22,014 meters have been completed at Nezinho do Chicão. Due to the cut-off date, holes 118, 120 and 123 were not used for the Mineral Resource estimate. Two of the drill holes at Nezinho do Chicão were drilled vertically, with the remaining holes drilled at an incline of 60 – 90°. The core holes were generally oriented

at azimuth 295° and perpendicular to the orientation of the pegmatite intrusions. The drill holes at Nezinho do Chicao reach depths of 100 meters below the surface.

Sample Preparation, Analysis and Security

Sampling intervals were based on lithology and mineralization. The typical sampling length was one meter, but varied according to lithological contacts between the mineralized pegmatite and the host rock. In general, one meter samples were collected from each side of the contact host rock.

All samples collected by Sigma during the Grota do Cirilo exploration programs were delivered to qualified independent laboratories for analysis. Portions of the 2017 to 2018 and 2020 to 2022 sample pulps were submitted for cross-check validation. In addition, various 2014 samples were resampled by the authors of the report and submitted for validation. All of the laboratories used by Sigma are ISO 17025 accredited.

In some cases, sample preparation involved (i) drying, (ii) crushing to 75% passing 3 millimeters using jaw crushers and (iii) pulverizing to 95% passing 150 mesh (*i.e.*, 106 micrometers). In other cases, sample preparation involved (i) drying, (ii) crushing to 70% passing 2 millimeters using jaw crushers and (iii) pulverizing to 85% passing 200 mesh (*i.e.*, 75 micrometers).

In 2017, samples were subjected to a 55-element analysis using ICP-OES and ICP-MS. Each analysis required 10 grams of pulp material and returned different detection limits for each element that was tested. The lower limit for lithium detection was 10 parts per million and the upper limit for lithium detection was 10,000 parts per million. In 2018, samples were subjected to a 31-element analysis using inductively-coupled plasma atomic emission spectrometry and ICP-MS. The 2020 to 2022 samples were assayed with a 31-element analytical package that used ICP-OES and ICP-MS. The lower limit of detection for lithium was 10 parts per million and the upper limit was 15,000 parts per million (*i.e.*, 15% Li).

With respect to QA/QC, Sigma inserted analytical standard reference materials, blanks and core duplicates into the sample batches that were submitted for external analysis. In 2017 and 2021, pulps from certain mineralized intersections were sent for reanalysis. In addition, a total of 729 pulp samples from the 2017, 2018, 2020 and 2021 drilling programs were submitted for third-party verification. The 2013 and 2014 pulp samples, however, have not been reanalyzed.

The 2014 campaign analytical standards were made out of local pegmatite and were not certified. The uncertified standards were inserted into the sample stream at a rate of one in 25 samples. During the 2017 to 2018 campaign, Sigma began using certified standards prepared by African Mineral Standards (“AMIS”), an international supplier of certified reference materials. A total of 88 AMIS standards were used for the 2017 campaign and 315 were used for the 2018 campaign. A further 73 AMIS standards were used in the 2021 campaign.

During the 2017 to 2018 and 2020 to 2022 campaigns, Sigma included analytical blanks in its internal QA/QC protocol. The blank samples, which were made out of a fine silica powder provided by AMIS, were inserted into the sample stream at a rate of one in 20 samples. The same procedure was used by Sigma for the 2014 drilling campaign. A total of 919 analytical blanks were analysed during the 2014, 2017 to 2018 and 2020 to 2022 exploration programs.

Sigma also inserted core duplicates into sample streams at a rate of one in 20 samples. The sample duplicates consisted of either (i) a quarter HQ core or (ii) a representative channel sample taken from the secondary channel (which was cut parallel to the main channel).

Bulk densities of the lithologies were measured through a pycnometer measurement. Measurements were made according to lithology, and special attention was paid to the lithium-bearing pegmatite. Separate measurements were made for Xuxa, Barreiro, Murial, Lavra do Meio and Nezinho do Chicao samples.

A total of 219 measurements were made on Xuxa core from the drill programs completed between 2017 and 2021. Of the 219 measurements, 26 were made on albite-altered pegmatite, 69 on schist and 121 on lithium-bearing pegmatite. For Barreiro, a total of 471 measurements were made on core from the 2018 and 2021 drill programs. Of the 471 measurements, 94 were made on albite-altered pegmatite, 206 on schist and 164 on lithium-bearing pegmatite. For Murial, a total of 134 measurements were made on core from the 2018 drill program. Of the 134 measurements, 32 were made on the albite-altered pegmatite, 58 on schist and 44 on the lithium-bearing pegmatite. For Lavra do Meio, a total of 51 measurements were made on core from the 2018 drill program. Of the 51 measurements, nine were made on the albite-altered pegmatite, 22 on schist and 20 on the lithium-bearing pegmatite. For the Nezinho do Chicao deposit, 292 lithium-bearing samples were tested – specifically, 196 spodumene samples and 96 petalite samples.

As additional QA/QC, 664 samples from the 2017 to 2018 drilling campaign were sent to an external laboratory for sample check analysis. The average lithium concentration for the original samples was 6,411.4 parts per million while the duplicate sample average was 6,475.9 parts per million. This suggests that there is a slight bias within the duplicates, but is well within the accepted margin of error.

Sigma also sent 65 samples from the 2021 Barreiro drilling campaign to a third-party for sample check analysis. The average lithium concentration for the original samples was 6,518.0 parts per million and the duplicate samples averaged 6,559.7 parts per million – a difference of 41.7 parts per million, or 0.6%. The correlation coefficient for the sample check analysis was 0.9854, which indicates that there is a strong correlation between the two sets of samples.

Sigma sent 304 samples from the Nezinho do Chicao 2021 and 2022 drilling program for check sample analysis. In addition, the average lithium grade for the original samples was 1.38% Li₂O and the duplicates averaged 1.39% Li₂O. The correlation coefficient R² between the original samples and the duplicate samples was 0.98.

A total of 216 coarse duplicates and 216 pulp duplicates from the Nezinho do Chicao 2021 and 2022 drill programs were submitted for sample check analysis. The average concentration for the original coarse samples was 1.44% Li₂O while the average concentration for the coarse duplicates was 1.42% Li₂O. The average concentration for original pulp samples was 1.43% Li₂O and the pulp duplicates also averaged 1.43% Li₂O.

Data Verification

Through site visits, the authors of the Grota do Cirilo Technical Report familiarized themselves with Sigma's exploration methods, the field conditions, the position of the drill hole collars, the core storage and logging facilities and the different exploration targets.

The Grota do Cirilo database has been shared with third party modelling specialists. The database contains core collar locations, downhole survey results, lithologies and lithium assays. Errors were removed from the Grota do Cirilo data after consultation with Sigma geologists. Random checks on assay certificates were used to validate the assay values in the Grota do Cirilo database.

Witness sampling was carried out in 2017 on previously-sampled mineralized intervals. This involved cutting and submitting quarter core samples for external analysis. A total of nine mineralized intervals were sampled in order to compare the grade results delivered by different laboratories. The average for the original samples was 1.61% Li₂O while the average for the control samples was 1.59% Li₂O.

Mineral Processing and Metallurgical Testing

Drill core samples from Xuxa were processed in 2018 and 2022, while samples from Barreiro were tested between November 2020 and May 2021. Samples from Nezinho do Chicao were tested in 2022. The Xuxa sample test work included comminution, HLS, REFLUX classifier, DMS and magnetic separation. The Barreiro sample test work included sample characterization, grindability testing, HLS and DMS metallurgical testing. The Nezinho do Chicao test work program included sample characterization, mineralogical analyses, HLS, DMS and magnetic separation.

Xuxa

Xuxa drill core was combined into six variability samples. The test work program for Xuxa core included mineralogical analysis, grindability, HLS, REFLUX classifier, DMS and magnetic separation. Flowsheets for lithium beneficiation were developed in conjunction with the Xuxa test work. Overall, the testing target was (i) spodumene concentrate with at least 6% Li₂O and at most 1% Fe₂O₃ and (ii) a high rate of lithium recovery.

Four HLS tests, each at a different crush size (15.9 millimeters, 12.5 millimeters, 9.5 millimeters and 6.3 millimeters), were carried out on each of the six variability samples. This HLS test work helped evaluate the amenability of the samples to DMS for spodumene beneficiation. The HLS test work also helped determine the optimum crush size for DMS. The 9.5 millimeter crush size was found to be optimum for DMS test work, since it resulted in the highest lithium recovery and generated minimal fines.

The DMS variability samples were each crushed to -9.5 millimeters and screened into four size fractions: coarse (-9.5/+6.3 millimeters), fines (-6.3/+1.7 millimeters), ultrafines (-1.7/+0.5 millimeters) and hypofines (-0.5 millimeters). The coarse, fines and ultrafines fractions of each variability sample were then processed separately for lithium beneficiation.

The coarse, fines and ultrafines RC underflow streams of each variability sample were processed separately through DMS. The DMS concentrate from each of these fractions then underwent dry magnetic separation at 10,000 gauss.

The DMS test work flowsheet for the coarse and fines fractions included two passes through DMS. The first pass was carried out at a specific gravity designed for silicate gangue rejection (~2.65). The second pass was at a specific gravity cut-point designed for spodumene concentrate generation (~2.90). The coarse DMS middlings were re-crushed to -3.3 millimeters and then fed through a two-stage HLS test. The ultrafines DMS test work flowsheet included both a single-pass and a double-pass DMS circuit at a specific gravity cut-point designed for spodumene concentrate generation (~2.90).

The test results demonstrated that DMS was able to produce spodumene concentrate with >6% Li₂O in most cases. Based on the test work, a lithium recovery of 60.4% was selected for the plant design.

Barreiro

Four variability samples and one composite sample were tested for Barreiro. The goal of the testing program was to collect preliminary information on the metallurgical performance of mineralized material taken from Barreiro. The test work program was developed based on the Xuxa flowsheet. Overall, the testing target was (i) spodumene concentrate with at least 6% Li₂O and at most 1% Fe₂O₃ and (ii) a high rate of lithium recovery.

Testing was separated into two sets of HLS. The first set of HLS used the composite Barreiro sample and was intended to evaluate crush size (*e.g.*, 15.9 millimeters, 12.5 millimeters, 10.0 millimeters, and 6.3 millimeters). The second set of HLS was performed on each variability sample at the optimum crush size. The fine fraction (*i.e.*, -0.5 millimeters) was screened out from each sub-sample and the oversize fraction was submitted for HLS testing. The optimal crush size was determined to be -10.0 millimeters. Accordingly, variability HLS testing was performed using a -10.0 millimeters crush size.

In all four variability samples, HLS tests produced >6% Li₂O spodumene concentrate with low iron content (<1.0% Fe₂O₃). Interpolated stage recoveries (6% Li₂O concentrate) for the four variability samples ranged from 56.0% to 77.3%.

Pilot-scale DMS work was completed using the composite sample. Dry magnetic separation was performed on the DMS feed. DMS test work results yielded a combined spodumene concentrate grade of 6.11% Li₂O, a stage recovery of 59.5% and a global recovery of 50.9%.

Nezinho do Chicao

Three variability samples and one composite sample were tested for Nezinho do Chicao. The test work program was developed based on the flowsheet developed for the Barreiro deposit. The objective of the test work program was to produce chemical grade spodumene concentrate (*i.e.*, >5.5% Li₂O) with low iron content (<1% Fe₂O₃) while maximizing lithium recovery.

HLS tests were undertaken across four different crush sizes (15.9 mm, 12.5 mm, 9.5 mm and 6.3 mm) to determine the optimum crush size for each ore. The fine fraction (-0.5 mm) was screened out from each sub-sample and the oversize fraction was submitted for HLS testing, which yielded an optimal crush size of -9.5mm. Variability HLS testing was undertaken at this crush size. Interpolated stage recoveries (5.5% Li₂O concentrate) for the three variability samples ranged from 58.7% to 61.4%.

Pilot-scale DMS test work was carried out on the composite sample. Dry magnetic separation was performed on the DMS feed. DMS test results yielded a combined spodumene concentrate grade (with petalite) of 5.50% Li₂O and stage recovery of 58.7% (global recovery of 50.6%).

Mineral Resource Estimates

A resource block model was used to generate a Mineral Resource estimate for Grota do Cirilo. Three-dimensional wireframe solids of the mineralization were defined using drill hole Li₂O analytical data.

Data was composited to a length of one meter. Compositing started at the schist-pegmatite contact. No capping was applied to the composite data. The Xuxa, Murial, Lavra do Meio and Nezinho do Chicao models used a 5 meter by 3 meter by 5 meter block size. The Barreiro model used a 5 meter by 5 meter by 5 meter block. Average densities were applied to the model blocks, which ranged from 2.65 tonnes per cubic meter at Lavra do Meio to 2.71 tonnes per cubic meter at Barreiro.

Variography was applied to the Xuxa, Barreiro, Lavra do Meio and Nezinho do Chicao data. Projection and z-axis rescaling was applied according to mineralization orientation.

Grade interpolation for the Xuxa, Barreiro, Lavra do Meio and Nezinho do Chicao resource block models used ordinary kriging. The Murial model used an inverse distance weighting to the second power methodology. Interpolation involved three successive passes, with more inclusive search conditions from the first pass to the next. This involved the following:

- Pass 1:
 - *Xuxa*: search ellipsoid distance of 75 meters (long axis) by 75 meters (intermediate axis) by 25 meters (short axis) with an orientation of 130° azimuth and a -50° dip to the southeast. Also, a minimum of seven composites, a maximum of 15 composites and a minimum of three drill holes.
 - *Barreiro*: search ellipsoid distance of 55 meters (long axis) by 55 meters (intermediate axis) by 25 meters (short axis) with an orientation of 155° azimuth and a -35° dip to the southeast. Also, a minimum of seven composites, a maximum of 15 composites and a minimum of three drill holes.
 - *Murial*: search ellipsoid distance of 75 meters (long axis) by 75 meters (intermediate axis) by 35 meters (short axis) with an orientation of 95° azimuth and a -80° dip to the west. Also, a minimum of seven composites, a maximum of 15 composites and a minimum of three drill holes.
 - *Lavra do Meio*: search ellipsoid distance of 50 meters (long axis) by 50 meters (intermediate axis) by 25 meters (short axis) with an orientation of 280° azimuth and a -75° dip to the east. Also, a minimum of five composites, a maximum of 15 composites and a minimum of three drill holes.
 - *Nezinho do Chicao*: search ellipsoid distance of 75 meters (long axis) by 75 meters (intermediate axis) by 25 meters (short axis) with an orientation of 18° azimuth and a -50° dip to the east. Also, a minimum of seven composites, a maximum of 15 composites and a minimum of three drill holes.
- Pass 2:
 - *Xuxa*: twice the search distance of the first pass, a minimum of seven composites, a maximum of 15 composites and a minimum of three drill holes.
 - *Barreiro*: twice the search distance of the first pass, a minimum of seven composites, a maximum of 15 composites and a minimum of three drill holes.
 - *Murial*: twice the search distance of the first pass, a minimum of seven composites, a maximum of 15 composites and a minimum of three drill holes.
 - *Lavra do Meio*: twice the search distance of the first pass; a minimum of five composites, a maximum of 15 composites and a minimum of three drill holes.
 - *Nezinho do Chicao*: twice the search distance of the first pass, a minimum of seven composites, a maximum of 15 composites and a minimum of three drill holes.
- Pass 3:
 - *Xuxa*: 300 meters (long axis) by 300 meters (intermediate axis) by 100 meters (short axis) with a minimum of seven composites, a maximum of 25 composites and a minimum of three drill holes
 - *Barreiro*: 250 meters (long axis) by 250 meters (intermediate axis) by 100 meters (short axis) with a minimum of seven composites, a maximum of 25 composites and no minimum number of drill holes
 - *Murial*: 200 meters (long axis) by 200 meters (intermediate axis) by 100 meters (short axis) with a minimum of seven composites, a maximum of 20 composites and no minimum number of drill holes
 - *Lavra do Meio*: 125 meters (long axis) by 125 meters (intermediate axis) by 75 meters (short axis) with a minimum of five composites, a maximum of 15 composites and no minimum composites required per drill hole.
 - *Nezinho do Chicao*: 300 meters (long axis) by 300 meters (intermediate axis) by 100 meters (short axis) with a minimum of seven composites, a maximum of 25 composites and a minimum of three drill holes.

The estimates and models were validated by comparing block model grades to the assay and composite grades, and by comparing block values to the composite values located inside the interpolated blocks.

Mineral Resources were classified as measured, indicated or inferred. Mineral Resource classification was based on the density of analytical information, grade variability and spatial continuity of mineralization. Mineral resources were classified in two successive stages: (1) automated classification and (2) manual revision. In addition, classification involved the following:

- Measured Mineral Resources:
 - *Xuxa*: search ellipsoid distance of 50 meters (strike) by 50 meters (dip) by 25 meters, with a minimum of seven composites and at least three different drill holes.
 - *Barreiro, Murial, and Lavra do Meio*: search ellipsoid distance of 55 meters (strike) by 55 meters (dip) by 35 meters, with a minimum of five composites and at least three different drill holes.
 - *Nezinho do Chicao*: search ellipsoid distance of 75 meters (strike) by 75 meters (dip) by 25 meters, with a minimum of seven composites and at least three different drill holes.
 - Indicated Mineral Resources:
 - *All Deposits*: search ellipsoid twice the size of the measured category and the same composite selection criteria as the measured category.
 - Inferred Mineral Resources:
 - *All Deposits*: all remaining blocks.

The Mineral Resource estimates for Grota do Cirilo are reported in the below tables using a 0.5% Li₂O cut-off. The Mineral Resource estimates were constrained by topography and certain economic parameters.

The Xuxa, Murial and Lavra do Meio estimates have an effective date of January 10, 2019, the Barreiro estimate has an effective date of February 10, 2022 and the Nezinho do Chicao estimate has an effective date of October 31, 2022.

Nezinho do Chicao Deposit Mineral Resource Estimate⁽¹⁾

Category	Tonnage (t) ⁽²⁾	Average Grade Li ₂ O (%)	LCE (kt)
Measured	2,400,000	1.56	93
Indicated	24,300,000	1.48	889
Measured + Indicated	26,700,000	1.49	984

Notes:

- (1) Mineral Resources are (i) presented undiluted and in-situ, (ii) constrained by continuous three-dimensional wireframe models and (iii) considered to have reasonable prospects for eventual economic extraction. Mineral Resources are reported assuming open pit mining methods and the following assumptions: (i) lithium concentrate (6% Li₂O) price of US\$1,500/t, mining costs of US\$2.2/t for mineralization and waste, crushing and processing costs of US\$10.7/t, general and administrative costs of US\$4/t, concentrate recovery of 60%, 2% royalty payment, pit slope angles of 55° and an overall cut-off grade of 0.5% Li₂O. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing or other relevant issues.
- (2) Tonnages and grades have been rounded in accordance with reporting guidelines. Totals may not sum due to rounding.
- (3) Mineral Resources have an effective date of October 31, 2022.
- (4) The Mineral Resources reported are inclusive of the Mineral Reserves.
- (5) Mineral Resources which are not Mineral Reserves do not have demonstrated economic viability.

Xuxa Deposit Mineral Resource Estimate⁽¹⁾

Category	Tonnage (t)⁽²⁾	Average Grade Li₂O (%)	LCE (kt)
Measured	10,193,000	1.59	400.8
Indicated	7,221,000	1.49	266.1
Measured + Indicated	17,414,000	1.55	666.9
Inferred	3,802,000	1.58	148.6

Notes:

- (1) Mineral Resource estimates are based on the following assumptions: (i) lithium concentrate (6% Li₂O) price of US\$1,000/t, mining costs of US\$2/t for mineralization and waste, US\$1.2/t for overburden, crushing and processing costs of US\$12/t, general and administrative costs of US\$4/t, concentrate recovery of 85%, 2% royalty payment, pit slope angles of 55° and an overall cut-off grade of 0.5% Li₂O.
- (2) Tonnages and grades have been rounded in accordance with reporting guidelines. Totals may not sum due to rounding.
- (3) Mineral Resources have an effective date of January 10, 2019.
- (4) The Mineral Resources reported are inclusive of the Mineral Reserves.
- (5) Mineral Resources which are not Mineral Reserves do not have demonstrated economic viability.

Barreiro Deposit Mineral Resource Estimate⁽¹⁾

Category	Tonnage (t)⁽²⁾	Average Grade Li₂O (%)	LCE (kt)
Measured	18,741,000	1.41	653.5
Indicated	6,341,000	1.30	203.9
Measured + Indicated	25,081,000	1.38	857.4
Inferred	3,825,000	1.39	131.5

Notes:

- (1) All Mineral Resources are (i) presented undiluted and in-situ, (ii) constrained by continuous three-dimensional wireframe models and (iii) considered to have reasonable prospects for eventual economic extraction. Mineral Resources are reported assuming open pit mining methods and the following assumptions: (i) lithium concentrate (6% Li₂O) price of US\$1,500/t, mining costs of US\$2.2/t for mineralization and waste, crushing and processing costs of US\$10/t, general and administrative costs of US\$4/t, concentrate recovery of 60.7%, 2% royalty payment, pit slope angles of 52-55° and an overall cut-off grade of 0.5% Li₂O. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing or other relevant issues.
- (2) Tonnages and grades have been rounded in accordance with reporting guidelines. Totals may not sum due to rounding.
- (3) Mineral Resources have an effective date of February 11, 2022.
- (4) The Mineral Resources reported are inclusive of the Mineral Reserves.
- (5) Mineral Resources which are not Mineral Reserves do not have demonstrated economic viability.

Murial Deposit Mineral Resource Estimate

Category	Tonnage (t) ⁽²⁾	Average Grade Li ₂ O (%)	LCE (kt)
Measured	4,175,000	1.17	120.8
Indicated	1,389,000	1.04	35.7
Measured + Indicated	5,564,000	1.14	156.5
Inferred	669,000	1.06	17.5

Notes:

- (1) Mineral Resources are based on the following assumptions: (i) lithium concentrate (6% Li₂O) price of US\$1,000/t, mining costs of US\$2/t for mineralization and waste, US\$1.2/t for overburden, crushing and processing costs of US\$12/t, general and administrative costs of US\$4/t, concentrate recovery of 85%, 2% royalty payment, pit slope angles of 55° and an overall cut-off grade of 0.5% Li₂O.
- (2) Tonnages and grades have been rounded in accordance with reporting guidelines. Totals may not sum due to rounding.
- (3) Mineral Resources have an effective date of January 10, 2019.
- (4) The Mineral Resources reported are inclusive of the Mineral Reserves.
- (5) Mineral Resources which are not Mineral Reserves do not have demonstrated economic viability.

Lavra do Meio Deposit Mineral Resource Estimate

Category	Tonnage (t) ⁽²⁾	Average Grade Li ₂ O (%)	LCE (kt)
Measured	1,626,000	1.16	44.6
Indicated	649,000	0.93	14.9
Measured + Indicated	2,275,000	1.09	59.5
Inferred	261,000	0.87	5.6

Notes:

- (1) Mineral Resources are based on the following assumptions: (i) lithium concentrate (6% Li₂O) price of US\$1,000/t, mining costs of US\$2/t for mineralization and waste, US\$1.2/t for overburden, crushing and processing costs of US\$12/t, general and administrative costs of US\$4/t, concentrate recovery of 85%, 2% royalty payment, pit slope angles of 55° and an overall cut-off grade of 0.5% Li₂O.
- (2) Tonnages and grades have been rounded in accordance with reporting guidelines. Totals may not sum due to rounding.
- (3) Mineral Resources have an effective date of January 1, 2019.
- (4) The Mineral Resources reported are inclusive of the Mineral Reserves.
- (5) Mineral Resources which are not Mineral Reserves do not have demonstrated economic viability.

Factors that may affect the Grota do Cirilo Mineral Resource estimates include: (i) changes to geotechnical assumptions, especially the pit slope angles; (ii) changes to metallurgical recovery assumptions, which are based on preliminary test results; (iii) changes to any of the social, political, economic, permitting, and environmental assumptions; and (iv) changes to the market value of lithium and lithium compounds.

Mineral Reserve Estimates

The Xuxa Mineral Reserve estimate has an effective date of June 21, 2021 and was generated using the Measured Mineral Resource and Indicated Mineral Resource estimates. The Proven Mineral Reserve and Probable Mineral Reserve estimates for the Xuxa deposit are presented in the table below.

Reserve	Tonnage (Mt)	Li₂O (%)	LCE (kt)
Proven	8.34	1.55	319.7
Probable.....	3.46	1.54	131.8
Total	11.80	1.55	451.5

Notes:

- (1) Mineral Reserves have an effective date of June 21, 2021.
- (2) Mineral Reserves are based on the following assumptions:
 - a) Sale price of US\$1,500/t for lithium concentrate at 6% Li₂O.
 - b) Exchange rate of US\$1.00/R\$5.00.
 - c) Mining costs of US\$2.20/t mined.
 - d) Processing costs of US\$10.7/t ore milled.
 - e) General and administrative costs of US\$4.00/t run of mine.
 - f) 97% mining recovery and 3.75% mining dilution.
 - g) Final slope angle between 34° and 72°.
 - h) Inferred Mineral Resources estimated for the final operational pit is 0.68 MT at 1.52% Li₂O. The Inferred Mineral Resources were not included in the Mineral Reserve estimates.
 - i) Strip ratio of 16.6 t/t (waste + Inferred Mineral Resources)/Mineral Reserves.

The Barreiro Mineral Reserve estimate has an effective date of February 24, 2022 and was generated using the Measured Mineral Resources and Indicated Mineral Resource estimates. The Proven Mineral Reserve and Probable Mineral Reserve estimates for the Barreiro deposit are presented in the table below.

Reserve	Tonnage (Mt)	Li₂O (%)	LCE (kt)
Proven	16.93	1.38	576.8
Probable	4.83	1.29	153.1
Total	21.76	1.36	729.9

Notes:

- (1) Mineral Reserves have an effective date of February 24, 2022.
- (2) Mineral Reserves are based on the following assumptions:
 - (a) Sale price of US\$1,500/t for lithium concentrate at 6% Li₂O.
 - (b) Exchange rate of US\$1.00/R\$5.00.
 - (c) Mining costs of US\$2.19/t mined.
 - (d) Processing costs of US\$10.7/t ore milled.
 - (e) General and administrative costs of US\$4.00/t run of mine.
 - (f) 97% mining recovery and 3% mining dilution.
 - (g) Final slope angle between 35° and 55°.
 - (h) Inferred Mineral Resources estimated for the final operational pit is 0.59 MT at 1.32% Li₂O. The Inferred Mineral Resources were not included in the Mineral Reserve estimates.
 - (i) Strip ratio of 12.5 t/t (waste + Inferred Mineral Resources)/Mineral Reserves.

The Nezinho do Chicao Mineral Reserve estimate has an effective date of October 31, 2022 and was generated using the Measured Mineral Resources and Indicated Mineral Resource estimates. The Proven Mineral Reserve and Probable Mineral Reserve estimates for the Nezinho do Chicao deposit are presented in the table below.

Reserve	Tonnage (Mt)	Li₂O (%)	LCE (kt)
Proven	2.17	1.53	82.1
Probable	19.02	1.44	677.3
Total	21.19	1.45	759.4

Notes:

- (1) Mineral Reserves have an effective date of October 31, 2022.
- (2) Mineral Reserves are based on the following assumptions:
 - (a) Sale price of US\$1,500/t for lithium concentrate at 6% Li₂O.
 - (b) Exchange rate of US\$1.00/R\$5.30.
 - (c) Mining costs of US\$2.43/t mined.
 - (d) Processing costs of US\$10.7/t ore milled.
 - (e) General and administrative costs of US\$4.00/t run of mine.
 - (f) 94% mining recovery and 3% mining dilution.
 - (g) Final slope angle between 35° and 52°.
 - (h) Strip ratio of 16.01 t/t (waste + Inferred Mineral Resources)/Mineral Reserves.

Mining Methods

Sigma carried out resource drilling programs for Xuxa, Barreiro and Nezinho do Chicao. Most of the drill holes have been geotechnically logged for structural data. The geotechnical data logged from these holes has been analyzed in order to estimate slope stability.

Geotechnical and hydrogeological analyses were used to identify the key design parameters for the Xuxa and Barreiro operating plans. The geotechnical analyses were supported by a comprehensive investigation and geotechnical assessment of drill hole samples and laboratory tests, which included uniaxial compressive testing, triaxial testing, indirect tensile strength testing and direct shear strength testing. The stability analyses resulted in a recommendation in favour of inclination angles for the pit walls. The stability analyses took into account the strength parameters of various rock and soil materials. The stability analyses also considered the expected rupture mechanisms for the proposed pit slopes.

Xuxa

The operating plan for Xuxa includes: (i) two independent open pits areas – one in the north and one in the south; (ii) single access from both pits to the mine infrastructure pad and the processing plant; (iii) pre-splitting of the ore zone to reduce mine dilution; and (iv) elevated inter-ramp angles for waste in order to reduce the strip ratio.

The scheduling for the Xuxa deposit includes: (i) six months of pre-stripping to liberate the ore; (ii) concurrent mining of both pits from year one to year eight in order to reduce the drop-down rate and meet the 1.5 million tpa production rate target. The planned open pit mine life is eight years.

Barreiro

The operating plan for Barreiro includes: (i) a single open pit on the Barreiro pegmatite; (ii) low-height mineralized material benches in order to reduce mine dilution and maximize mine recovery; (iii) pre-splitting of the mineralized material to reduce mine dilution; and (iv) an elevated inter-ramp angles for waste in order to reduce the strip ratio.

The scheduling for the Barreiro includes: (i) pre-stripping to liberate mineralized material; (ii) pit cut-backs between years four and six to expand and deepen the pit; and (iii) mining at a target rate of 1.80 million tpa. The planned open pit mine life is 12 years.

Nezinho do Chicao

The mine layout and operation of Nezinho do Chicao includes: (i) two independent open pit areas; (ii) low-height mineralized material benches in order to reduce mine dilution and maximize mine recovery; (iii) pre-splitting of the mineralized material to reduce mine dilution; and (iv) an elevated inter-ramp angles for waste in order to reduce the strip ratio.

The scheduling at Nezinho do Chicao includes: (i) mining at a target rate of 1.80 million tpa; and (ii) a planned open pit mine life of 12 years.

Recovery Methods

The Xuxa concentrator plant is designed to produce a minimum 6.0% Li₂O spodumene concentrate from an ore grade of 1.46% Li₂O (diluted) using DMS. A second DMS concentrator plant will be constructed to process Barreiro ore. The Barreiro plant will produce a minimum 6.0% Li₂O spodumene concentrate from an ore grade of 1.39% Li₂O (diluted). The proposed development of the Nezinho do Chicao mine would involve a combined Barreiro and Nezinho do Chicao processing facility. The target concentrate grade for Nezinho do Chicao ore is 5.5% Li₂O from an ore grade of 1.44% Li₂O.

Processing Plant Description

The Xuxa plant throughput capacity assumes that 1.7 million tpa (dry) of ore will be fed into the crushing circuit. The Barreiro plant throughput capacity assumes that 1.85 million tpa (dry) of ore will be fed into the crushing circuit. The Barreiro and Nezinho do Chicao plant will have a capacity of 3.9 million tpa.

All three concentrator plants are designed based on a proven DMS circuit and include conventional three-stage crushing and screen circuits, an up-flow classification for mica removal, a two-stage coarse DMS circuit, a two-stage fines DMS circuit, a two-stage ultrafines circuit and a magnetic separation process for fines and ultrafines DMS concentrate final product streams.

Sigma has proposed the use of a third DMS circuit to recover additional lithium units from the spodumene DMS float stream in the combined Barreiro and Nezinho do Chicao facility. The sinks produced by this third circuit would become tailings, while the floats (*i.e.*, petalite) would become part of the spodumene stockpile.

Front-end engineering design has been completed for the Xuxa concentrator. The proposed designs are based on feasibility-level metallurgical test work that was conducted at a qualified independent laboratory.

Design Criteria and Utilities Requirements

Each plant will require 6.7 megawatts for process infrastructure and 1.5 megawatts for non-process infrastructure. The rate of consumption of process water will be 35 cubic meters per hour. The process water will be recycled within the plant using a thickener. The process will use reagents and other operational consumables within the crushing circuit and the DMS plant.

Project Infrastructure

Xuxa site infrastructure will be built on earthworks pads. If developed, the Barreiro project and the Nezinho do Chicao project will each use some of the infrastructure developed for the Xuxa project.

Buildings, Roads, Fuel Storage, Power Supply and Water Supply

The processing plant can be accessed using BR-367, a municipal road that is connected to Poço D’antas and Taquaril Seco. The current road will be suitable for truck traffic; however, a new section of road will be constructed in order to bypass the plant. The plant services and mine services areas will have administrative buildings such as offices, change rooms, a cafeteria, a concierge, a clinic, fire emergency services and other support facilities (e.g., workshops and warehouses). Fuel will be stored in, and distributed from, a fuel facility located within the mine services area. Power will be supplied from the existing power grid line. Two main sub-stations will be installed to supply power to the plant, the mine services area and associated infrastructure. Raw water will be sourced from the Jequitinhonha River.

Waste Rock and Tailings Disposal and Stockpiles

At Xuxa, waste rock and tailings will be stored in three separate waste piles. Geotechnical studies determined that the optimal bench height for Xuxa is 20 meters and the optimal face angle for Xuxa is 38°. Access ramps will be 12 meters wide, with a maximum gradient of 10%. The capacities of the Xuxa waste piles are shown in the table below.

Waste Pile	Volume (Mm ³)	Area (hectares)
Pile 1	14.9	34.0
Pile 2	43.3	74.3
Pile 3	35.9	55.8
Total	94.1	164.1

The Barreiro waste will be stored in a single waste pile located close to the Barreiro pit. The waste pile parameters will be the same as those of the Xuxa waste piles – 20 meter bench height, 38° face angle, 12 meter access ramp and a maximum gradient of 10%. The capacity of the Barreiro waste pile is shown in the table below.

Waste Pile Metric	Value
Volume (Mm ³)	110.9
Area (hectares)	122.7
Maximum Height (meters)	220

The Nezinho do Chicao waste will be stored in a single waste stockpile adjacent to the Nezinho do Chicao pit. The waste pile parameters will be the same as the Xuxa and Barreiro waste piles – 20 meter bench height, 38° face angle, 12 meter access ramp and a maximum gradient of 10%. The capacity of the Nezinho do Chicao waste pile is shown in the table below.

Waste Pile Metric	Value
Volume (Mm ³)	162.5
Area (hectares)	158.8
Maximum Height (meters)	225

The tailings stockpile will be fed using a radial stacker. Tailings will be loaded onto mine trucks using front-end loaders and transported to a waste pile for disposal.

Control Systems and Communication

A process control system, including a main plant supervisory control and data acquisition system, will be installed for monitoring and control purposes. There will be also an on-site telecommunications network.

Environmental Studies, Permitting and Social or Community Impact

Conselho Estadual de Política Ambiental granted an operating license in support of certain Sigma Brazil mining concessions on the Grota do Cirilo property on August 25, 1994. The licence was renewed on August 14, 2008 but has since lapsed, as it was not suitable for the level of mining contemplated by Sigma. Sigma applied for and was granted an ELP and an ELI, allowing for construction at Xuxa to begin. Mining licenses last for the life of a mine and environmental licences are renewed when due.

Sigma holds approved economic mining plans (“PAE”) over Xuxa, Barreiro, Lavra do Meio, Murial, Maxixe and Nezinho do Chicao. The PAE for Xuxa was updated and approved in August 2018. The PAE for Barreiro was updated and approved in July 2022. Reclamation plans have been developed and implemented for certain past-producing areas within the Grota do Cirilo property. The restoration of these areas is being overseen by Sigma Brazil and various regulatory agencies.

Sigma has held regular meetings and consultations with local stakeholders.

Current Project Environmental Permitting Status

Concurrent ELPs and ELIs will be required for Grota do Cirilo. Sigma applied for an ELP and an ELI for the initial phase of Grota do Cirilo on December 20, 2018, which was granted. Sigma is required to develop Grota do Cirilo within 5 years of this approval. Such installation is constrained by the environmental conditions that are contained in the ELP and ELI certificates. Sigma must apply for an operating license once project installation is complete.

Sigma has prepared: (i) an estudo e relatório de impacto ambiental (environmental impact study, or “EIS”), (ii) an environmental impact report (“EIR”) and (iii) an environmental control plan. Sigma’s EIS was approved on June 3, 2019. A second EIS, which covers additional aspects of the Grota do Cirilo project, was approved in July 2022.

Sigma’s economic development plan was approved by the National Mining Agency on November 16, 2018. Sigma’s EIS has also been approved.

A water license permitting Sigma to pull 150 cubic meters of water per hour from the Jequitinhonha River was approved by the Agência Nacional das Águas in February 2019.

Land Access

Sigma has a lease agreement with Miazga Participações S.A. which allows Sigma to carry out mining activities on a number of farm properties. Sigma is also leasing the following individual farms: Lucinéia Fátima de Souza, Demostenes Vieira Filho, Jose Antonio Teixeira dos Santos, Ildete Faria, Vanusia Santos, Nixon Borges, Sandro Araújo, Claudenice Silva, Ustane Ribeiro, Nizoeiro Souza, Lourivaldo Araujo and Joaquim Ferreira Santos.

Social License Considerations

The Jequitinhonha Valley is the poorest region in Minas Gerais and is in the lowest quartile of the human development index. Sigma is the largest investor and commercial operator in the area and Grota do Cirilo will be economically important to the local communities. Brazilians will indirectly benefit from government royalty, which will be divided between the federal government, state government and local government. In addition, the taxes on locally-procured goods and services will be shared with the local government. The government royalty and tax incomes will be an important source of funding for the local government. Also, Sigma will be the largest employer in the region – specifically, it is estimated that at least 500 jobs will be created by Grota do Cirilo.

There will be minimal impact on the farms that are adjacent to Grota do Cirilo. Sigma personnel and contractors will generally live in the cities of Araçuaí and Itinga. Strict environmental management plans are in place to minimize the environmental footprint of the project. For example, 90% of the process water must be re-circulated, and no run-off water is permitted to flow out of the project site (other than during the wet season, when pond run-off will be discharged using an overflow channel). The mining process will use dry stacking technology and there will not be any tailings ponds. Grota do Cirilo will be subjected to regular environmental monitoring and the results of this monitoring program will be shared with the local communities.

Sigma has engaged in consultations with a number of local stakeholders with regards to project development. Grota do Cirilo has been visited by representatives from various government departments and academic institutions.

Rehabilitation, Closure Planning and Post-Closure Monitoring

The closure plan for Grota do Cirilo will involve, among other things, the following:

- dismantling buildings and infrastructure;
- removing heavy mobile and surface equipment;
- grading;
- restoring the vegetal cover of the soil;
- re-establishing native vegetation;
- revegetation of waste rock and overburdened stockpiles;
- removal of suppressed vegetation;
- installation of fencing on-site; and
- environmental liability assessment studies in problem areas.

In the post-closure phase, a socioenvironmental and geotechnical monitoring program will be put in place in order to support either ecosystem restoration or preparation for future use. The monitoring program will involve annual soil measurements and biodiversity tests and will run for a five-year period.

Barreiro Environmental Work to Date

The environmental licensing process for the Barreiro project started in October 2020. The preliminary license and installation license for Barreiro was approved in July 2022. The license contemplates 1,800,000 tpa of open pit mining and 251.89 hectares of waste pile storage.

Nezinho do Chicão Environmental Work to Date

The environmental licensing process for the Nezinho do Chicão project began in December 2022. As part of this process, certain technical studies, which contemplate 1,700,000 tpa of open pit mining and 182.2 hectares of waste pile storage, will be submitted for approval. In that regard, an EIS and EIR for the Nezinho do Chicão project will be submitted to support Sigma's application for a preliminary license and installation license.

Capital and Operating Costs

Capital Cost Estimate

The total CAPEX for the Xuxa project, which is inclusive of estimated tax incentives, is US\$130.6 million. The total CAPEX for Barreiro and Nezinho do Chicão (combined), which is also inclusive of estimated tax incentives, is US\$154.9 million. The foregoing CAPEX estimates have an accuracy of $\pm 25\%$ and are summarized in the tables below.

Xuxa Capital Cost Estimate

Category	Direct + Indirect (US\$)	Contingency (US\$)	Total (US\$)
Mine	7,856,938	605,014	8,461,952
Plant	64,841,255	4,992,777	69,834,032
Automation/Digitalization	3,852,981	296,680	4,149,661
Environmental	14,418,492	1,121,428	15,539,921
Engineering Services	17,867,543	1,375,801	19,243,344
Substation and Utility Power Supply	6,888,863	530,442	7,419,305
Total Construction Capital Cost	111,873,091	8,625,462	120,498,553
Owner's Project Costs	8,901,677	890,168	9,791,844
Working Capital and Spares	6,137,293	-	6,137,293
Total Construction Capital Cost (Excluding VAT Tax Incentive).....	126,912,061	9,515,630	136,427,691
Estimated VAT Tax Incentive	-5,859,000	-	-5,859,000
Total Construction Capital Cost	121,053,061	9,515,630	130,568,691
Sustaining and Deferred Capital	3,200,000	246,400	3,446,400

Barreiro and Nezinho do Chicão Combined Capital Cost Estimate

Category	Direct + Indirect (US\$)	Contingency (US\$)	Total (US\$)
Mine	2,096,208	161,408	2,257,616
Plant	89,536,397	6,718,807	96,255,204
Environmental	15,252,504	1,174,443	16,426,946
Engineering Services	21,672,011	1,668,745	23,340,755
Substation and Utility Power Supply ⁽¹⁾	663,829	51,115	714,943
Owner's Project Costs	9,071,230	698,485	9,769,715
Working Capital and Spares	6,137,293	-	6,137,293
Sustaining and Deferred Capital	13,070,000	1,006,390	14,076,390
Mega Plant (Excluding Sustaining Capital)	144,429,471	10,473,002	154,902,473
Mega Plant (Including Sustaining Capital)	157,499,471	11,479,392	168,978,863

Notes:

(1) Substation costs are included in the Xuxa CAPEX estimate.

Operating Cost Estimate

The processing plant OPEX estimate includes the operation of a three-stage crushing and screening circuit and various DMS circuits (e.g., two-stage DMS for coarse, fine and ultrafines). The processing plant OPEX includes labour, power, fuel and indirect costs. Based on various cost assumptions, inclusions and exclusions, it is estimated that the variable OPEX for the Xuxa concentrator will be US\$5.3 per tonne of ore feed and that the fixed OPEX for the Xuxa concentrator will be US\$7.5 million. The estimated variable OPEX for the Barreiro and Nezinho do Chicão (combined) concentrator is US\$4.8 per tonne of ore feed and the estimated fixed OPEX is US\$6.7 million. The OPEX estimates are summarized in the tables below.

Xuxa Operating Cost Estimate

Category	OPEX (US\$)
Mining (US\$/t material mined).....	\$2.10
Process (US\$/t ore feed)	\$10.40
General and administrative (US\$/t ore feed)	\$5.30
Shipping (US\$/t spodumene concentrate).....	\$120

Barreiro and Nezinho do Chicão Combined Operating Cost Estimate

Category	OPEX (US\$)
Barreiro Mining (US\$/t material mined)	\$2.68
Nezinho do Chicão Mining (US\$/t material mined)	\$1.98
Process (US\$/t ore feed)	\$7.10
General and administrative (US\$/t ore feed)	\$2.70
Shipping (US\$/t SC).....	\$120

Economic Analysis

Economic Assumptions

Three levels of economic analyses were prepared for Grota do Cirilo. Each analysis focused on one of the following:

- the exploitation of Xuxa (“**GDC Phase 1**”);
- the exploitation of Barreiro and Nezinho do Chicao (“**GDC Phase 2 + 3**”); and
- the exploitation of Xuxa, Barreiro and Nezinho do Chicao (“**GDC Phase 1 + 2 + 3**”).

The economic analyses assumed that the production of spodumene concentrate would occur at 5.5% Li₂O, which is in line with current lithium market conditions.

A sensitivity analysis revealed that Grota do Cirilo’s viability will not be significantly affected by variations in CAPEX. However, the economics of Grota do Cirilo are particularly sensitive to changes in spodumene prices, feedstock grades and recovery rates.

The base case scenario after-tax NPV results are shown in the table below. The discount rate assumed for the after-tax NPV is 8%.

Base-Case After-Tax NPVs	
Economic Analysis Scenario	NPV @ 5.5% Spodumene Concentrate
GDC Phase 1	US\$5,699 million
GDC Phase 2 + 3	US\$9,587 million
GDC Phase 1 + 2 + 3	US\$15,289 million

GDC Phase 1, GDC Phase 2 + 3 and GDC Phase 1 + 2 + 3 were evaluated on a pre- and after-tax basis. However, the taxes, depletion, and depreciation calculations in the economic analyses are simplified and only provide a general indication of the potential tax dynamics at the project level.

SUDENE is a Brazilian government agency tasked with stimulating economic development in specific geographies of Brazil. Grota do Cirilo is located in a SUDENE-covered region, where a tax incentive granted to Grota do Cirilo will provide a 75% reduction of income tax for 10 years (conditional on achieving at least 20% production capacity). The Brazilian income tax rate has been assumed at 15.25%, which corresponds to the Brazilian maximum corporate tax of 34% net of the SUDENE tax benefit. For GDC Phase 2 + 3, the SUDENE tax incentive is expected to be renewed after the 10th anniversary of achieving at least 20% production.

Grota do Cirilo is expected to be exempt from all importation taxes on products that have no substitutes produced in Brazil. Assembled equipment that contains individual components produced in Brazil may also be exempt from importation taxes.

Phase 1 Economic Analysis

The GDC Phase 1 economic analysis is based on an eight-year operation using 1.55% Li₂O feedstock ore from Xuxa. GDC Phase 1 is expected to generate run-rate production of 270 ktpa of lithium concentrate, delivering US\$990 million of annual free cash flow at a 5.5% spodumene concentrate grade.

The base case scenario results and technical assumptions for the GDC Phase 1 economic analysis are shown in the tables below.

GDC Phase 1 Base Case Results

	Units	@ 5.5% spodumene concentrate
After-Tax NPV, 8% Discount Rate	US\$ million	5,699
After-Tax IRR	%	1,282
After-Tax Payback	years	0.1

GDC Phase 1 Base Case Technical Assumptions

	Units	@ 5.5% spodumene concentrate
Total Ore Processed (ROM)	Mt	11.8
Annual ROM Ore Processed	Mt	1.5
Run-Rate Spodumene Concentrate Production	ktpa	270
Run-Rate LCE Production	ktpa	37
Strip Ratio	ratio	16.4:1
Average Li ₂ O Grade	%	1.55
Spodumene Recovery Rate	%	65.0
Spodumene Concentrate Grade	% Li ₂ O	5.5
Operating Life	years	8
Total Cash Cost Ex. Royalties	US\$/t SC	288
Total Cash Cost Incl. Royalties	US\$/t SC	419
Transportation Costs (CIF China)	US\$/t SC	120
Total Cash Cost (CIF China)	US\$/t SC	539
AISC (CIF China)	US\$/t SC	541
Mining Costs	US\$/t material mined	2.06
Processing Costs	US\$/t ROM	10.38
General and Administrative Costs	US\$/t ROM	5.29

The total gross revenue derived from the sale of spodumene concentrate for GDC Phase 1 is estimated as US\$10.6 billion, with an average revenue of US\$4,909/t for 5.5% spodumene concentrate. Total operating costs (including royalty payments and commercial discounts) are estimated as US\$1.3 billion at a cost of US\$581/t for 5.5% spodumene concentrate. The resulting after-tax earnings margin (gross revenue less realization, operating costs and taxes) was estimated at US\$7.9 billion.

A sensitivity analysis for GDC Phase 1 was carried out with the base case (as described in the table above) as the midpoint. An interval of $\pm 20\%$ versus base case values was considered with increments of 10%. GDC Phase 1 after-tax NPV was not significantly vulnerable to changes exchange rates, CAPEX, OPEX or discount rates. In contrast, GDC Phase 1 after-tax NPV was more sensitive to variation in spodumene price, lithium grade and spodumene recovery rates. GDC Phase 1 after-tax IRR was not significantly vulnerable to changes in OPEX. However, GDC Phase 1 after-tax IRR was more sensitive to variation in spodumene price, lithium grade, spodumene recovery rates, exchange rates and CAPEX.

Phase 2 + 3 Economic Analysis

The GDC Phase 2 + 3 economic analysis is based on a twelve-year operation using 1.37% Li₂O feedstock ore from Barreiro and 1.45% Li₂O feedstock ore from Nezinho do Chicao. GDC Phase 2 + 3 is expected to generate run-rate production of up to 496 ktpa of lithium concentrate, delivering US\$1,179 million of annual free cash flow at a 5.5% spodumene concentrate grade.

The base case scenario results and technical assumptions for the GDC Phase 2 + 3 economic analysis are shown in the tables below.

GDC Phase 2 + 3 Base Case Results

	Units	@ 5.5% spodumene concentrate
After-Tax NPV, 8% Discount Rate	US\$ million	9,587
After-Tax IRR	%	1,207
After-Tax Payback Period	years	0.1

GDC Phase 2 + 3 Base Case Technical Assumptions

	Units	@ 5.5% spodumene concentrate
Total Ore Processed (ROM)	Mt	42.9
Annual ROM Ore Processed	Mt	3.3
Run-Rate Spodumene Concentrate Production.....	ktpa	496
Run-Rate LCE Production.....	ktpa	67
Phase 2 Strip Ratio	ratio	12.5:1
Phase 3 Strip Ratio	ratio	16.0:1
Phase 2 Average Li ₂ O Grade	%	1.36
Phase 3 Average Li ₂ O Grade	%	1.45
Phase 2 Spodumene Recovery Rate.....	%	57.9
Phase 3 Spodumene Recovery Rate.....	%	50.6
Spodumene Concentrate Grade	% Li ₂ O	5.5
Operating Life	years	12
Total Cash Cost Ex. Royalties	US\$/t SC	292
Total Cash Cost Incl. Royalties	US\$/t SC	394
Transportation Costs (CIF China).....	US\$/t SC	120
Total Cash Cost (CIF China)	US\$/t SC	514
AISC (CIF China)	US\$/t SC	516
Mining Costs	US\$/t material mined	2.25
Processing Costs.....	US\$/t ROM	7.06
General and Administrative Costs	US\$/t ROM	2.68

The total gross revenue derived from the sale of spodumene concentrate for GDC Phase 2 + 3 is estimated as US\$21.5 billion, with an average revenue of US\$3,610/t for 5.5% spodumene concentrate. Total operating costs (including royalty payments and commercial discounts) are estimated as US\$3.4 billion at an average cost of US\$569/t for 5.5% spodumene concentrate. The resulting after-tax earnings margin (gross revenue less realization, operating costs and taxes) was estimated at US\$15.3 billion.

A sensitivity analysis for GDC Phase 2 + 3 was carried out with the base case (as described in the table above) as the midpoint. An interval of ±20% versus base case values was considered with increments of 10%. GDC Phase 2 + 3 after-tax NPV was not particularly vulnerable to changes in exchange rates, CAPEX, OPEX or discount rates. In contrast, GDC Phase 2 + 3 after-tax NPV was more sensitive to variation in spodumene price, lithium grade and spodumene recovery rates. GDC Phase 2 + 3 after-tax IRR was not significantly affected by changes in OPEX. However, GDC Phase 2 + 3 after-tax IRR was more sensitive to variation in spodumene price, lithium grade, spodumene recovery rates, exchange rates and CAPEX.

Phase 1 + Phase 2 + Phase 3 Economic Analysis

The GDC Phase 1 + 2 + 3 economic analysis is based on a thirteen-year operation using feedstock ore from Xuxa, Barreiro and Nezinho do Chicao. GDC Phase 1 + 2 + 3 is expected to generate run-rate production of up to 766 ktpa of lithium concentrate, delivering US\$1,788 million of annual free cash flow at a 5.5% spodumene concentrate grade.

The base case scenario results and technical assumptions for the GDC Phase 1 + 2 + 3 economic analysis are shown in the tables below.

GDC Phase 1 + 2 + 3 Base Case Results

	Units	@ 5.5% spodumene concentrate
After-Tax NPV, 8% Discount Rate	US\$ million	15,289
After-Tax IRR	%	1,273
After-Tax Payback Period	years	0.1

GDC Phase 1 + 2 + 3 Base Case Technical Assumptions

	Units	@ 5.5% spodumene concentrate
Total Ore Processed (ROM)	Mt	54.7
Annual ROM Ore Processed	Mt	4.6
Run-Rate Spodumene Concentrate Production.....	ktpa	766
Run-Rate LCE Production.....	ktpa	104
Phase 1 Strip Ratio	ratio	16.4:1
Phase 2 Strip Ratio	ratio	12.5:1
Phase 3 Strip Ratio	ratio	16.0:1
Phase 1 Average Li ₂ O Grade	%	1.55
Phase 2 Average Li ₂ O Grade	%	1.36
Phase 3 Average Li ₂ O Grade	%	1.45
Phase 1 Spodumene Recovery Rate.....	%	65.0
Phase 2 Spodumene Recovery Rate.....	%	57.9
Phase 3 Spodumene Recovery Rate.....	%	50.6
Spodumene Concentrate Grade	% Li ₂ O	5.5
Operating Life	years	13
Total Cash Cost Ex. Royalties	US\$/t SC	289
Total Cash Cost Incl. Royalties	US\$/t SC	401
Transportation Costs (CIF China).....	US\$/t SC	120
Total Cash Cost (CIF China)	US\$/t SC	521
AISC (CIF China)	US\$/t SC	523
Mining Costs	US\$/t material mined	2.20
Processing Costs.....	US\$/t ROM	7.78
General and Administrative Costs	US\$/t ROM	3.24

The total gross revenue derived from the sale of spodumene concentrate from GDC Phase 1 + 2 + 3 is estimated as US\$32.1 billion, with an average revenue of US\$3,956/t for 5.5% spodumene concentration. Total operating costs (including royalty payments and commercial discounts) are estimated as US\$4.6 billion at an average cost of US\$572/t for 5.5% spodumene concentrate. The resulting after-tax earnings margin (gross revenue less realization, operating costs and taxes) was estimated at US\$23.3 billion.

A sensitivity analysis for GDC Phase 1 + 2 + 3 was carried out with the base case (as described in the table above) as the midpoint. An interval of ±20% versus base case values was considered with increments of 10%. GDC Phase 1 + 2 + 3 after-tax NPV was not especially sensitive to changes in exchange rates, CAPEX, OPEX or discount rates. In contrast, GDC Phase 1 + 2 + 3 after-tax NPV was more sensitive to variation in spodumene price, lithium grade, and spodumene recovery rates. GDC Phase 1 + 2 + 3 after-tax IRR was not significantly vulnerable to changes in OPEX. However, GDC Phase 1 + 2 + 3 after-tax IRR was more sensitive to variation in spodumene price, lithium grade, spodumene recovery rates, exchange rates and CAPEX.

Exploration and Development

On June 27, 2022, Sigma received an extension of its environmental licenses, allowing for the simultaneous mining of the north and south Xuxa pits. Pre-stripping for the first phase of exploitation at Xuxa commenced on June 20, 2022.

Sigma has continued to advance the construction of critical Xuxa mining infrastructure, including the Xuxa processing plant. Sigma expects first production to begin in 2023. Overall, general project construction is > 30% complete, and critical areas of detailed engineering (including project management, platework and process design) are > 90% complete. Other key areas of detailed engineering (including structural, electrical and concrete) are > 76% complete. Furthermore, Sigma has begun electromechanical assembly and plant pre-fabrication.

The Xuxa construction team is currently focused on completing the following key workstreams: (i) civil construction of equipment foundations in the Xuxa processing plant, (ii) civil construction of the run of mine pad, (iii) construction of a high voltage substation and (iv) fabrication of platework and steel structures.

Technical Information – Tres Quebradas Project

Technical Report

The technical report in relation to Tres Quebradas is the Tres Quebradas Technical Report, which was prepared for Neo Lithium and filed under Neo Lithium's SEDAR profile on November 25, 2021, with an effective date of October 26, 2021. A complete copy of the Tres Quebradas Technical Report can be viewed under the SEDAR profile of Neo Lithium at www.sedar.com.

Project Description, Location and Access

Tres Quebradas is located in the southwestern region of Catamarca, Argentina. The closest paved road to Tres Quebradas is Ruta Nacional 60, which connects San Fernando del Valle de Catamarca, the capital city of Catamarca, to the border between Argentina and Chile by way of Paso de San Francisco. Tres Quebradas can be accessed using a gravel road that is located at 2,582,627E and 6,943,080N. The communities that are closest to Tres Quebradas are Fiambalá, which is 170 kilometers from the project site, and Tinogasta, which is 210 kilometers from the project site.

Tres Quebradas is comprised of 35,362.06 hectares of tenements, all of which are located in a system of salar surfaces and brine lakes. Zijin Mining and its affiliates together have good and marketable title to the 12 mining claims and one exploration claim that make up the Tres Quebradas tenements (the “**Tres Quebradas Claims**”). The Tres Quebradas Claims are registered with the Catamarca mining authority and are free and clear of all liens or encumbrances, other than the royalties described below. The Tres Quebradas Claims are unlimited in duration and will continue to be Zijin Mining's property as long as Zijin Mining satisfies its obligations under the Argentinean National Mining Code (*e.g.*, annual canon payments, minimum investment commitments, *etc.*).

Tres Quebradas is located within a Ramsar site, meaning the surrounding area is of special interest with respect to bird nesting and wetland conservation. However, Tres Quebradas is not located within a protected area, nor is it located within a provincial or national park. Consequently, mining activities are permitted at Tres Quebradas as long as the mine is operated in accordance with applicable environmental laws. In that regard, Zijin Mining has obtained all necessary environmental approvals and is in compliance with all environmental laws and regulations that apply to Tres Quebradas.

On December 21, 2016, Neo Lithium applied to the Catamarca mining authority for infrastructure easements in connection with Tres Quebradas. On August 31, 2017, the Catamarca mining authority granted Liex S.A., a wholly-owned subsidiary of Neo Lithium, the infrastructure easements. The third party holding legal title over the property affected by the infrastructure easements did not appeal the Catamarca mining authority's decision. As a consequence of the acquisition by Zijin Mining of all of the issued and outstanding common shares of Neo Lithium, Zijin Mining now holds the infrastructure easements.

Royalties are payable to the provincial government of Catamarca, LRC, Waldo Pérez and Rubén Píndar.

The baseline studies and the EIR for Tres Quebradas demonstrate that responsible mining activities will minimize the project's environmental impact. Although there are some species that are resistant to the current and expected salinity of the mining area, the prevailing on-site conditions generally limit the introduction and development of native flora. The environmental impact of Tres Quebradas will largely stem from earth-moving activities and the removal of vegetation. There are no indigenous communities located within the Tres Quebradas area.

The initial environmental permit for Tres Quebradas was obtained following an application to the Catamarca Mining State Secretary. The government of Catamarca approved an exploration stage EIR for Tres Quebradas on September 9, 2016. Updates to the EIR were submitted in July 2018. In February 2019, the Catamarca Mining State Secretary approved a two-year EIR extension – the maximum term for an EIR in Argentina. The EIA regarding mine construction and the exploitation stage of Tres Quebradas has been approved by the government of Catamarca.

Tres Quebradas can be accessed in the winter; however, depending on weather conditions, winter access can require the use of heavy equipment. Industrial water sources have been operated without issue throughout the winter. In extreme conditions, some exploration activities (*e.g.*, drilling) have been temporarily curtailed.

To the extent known to the authors of the Tres Quebradas Technical Report, there are no other significant factors and risks that may materially affect access, title, or otherwise significantly affect the right or ability to perform work on Tres Quebradas that have not been discussed in the Tres Quebradas Technical Report.

History

A private owner previously staked six lithium and potassium mining claims (the “**Initial Tres Quebradas Claims**”) at Tres Quebradas. On January 11, 2016, the Initial Claims were assigned to Waldo Pérez, Pedro Gonzalez and Gabriel Pindar.

On April 5, 2016, Waldo Pérez, Pedro Gonzalez and Gabriel Pindar together assigned the Initial Claims to Liex S.A. in exchange for an aggregate payment of 10,000 Argentine pesos and a royalty. In January 2016, six additional lithium and potassium mining claims were staked at Tres Quebradas (the “**Subsequent Tres Quebradas Claims**”). On October 1, 2021, Liex S.A. acquired an exploration claim through an Assignment of Mining Rights (the “**Tres Quebradas Exploration Claim**”).

On January 26, 2022, the Tres Quebradas Claims (which include the Initial Tres Quebradas Claims, the Subsequent Tres Quebradas Claims and the Tres Quebradas Exploration Claim), were acquired by Zijin Mining as part of a plan of arrangement under the *Business Corporations Act* (Ontario) involving Neo Lithium and Zijin Mining.

The salar system in which Tres Quebradas is located (the “**Tres Quebradas Salar**”) has a limited history of mining interest. Previous exploration campaigns in the Tres Quebradas Salar were focused on gold and copper and include the following:

- From 1995 to 1998, El Dorado Gold Corporation performed drilling, trenching and geophysical survey work near the Valle Ancho River in the western area of the Tres Quebradas Salar. The access road to Tres Quebradas was constructed during this exploration campaign.
- From 2004 to 2005, Rio Tinto PLC performed further trenching and drilling work in the vicinity of the Valle Ancho River.
- From 1995 to 1996, Newcrest Mining Limited performed drilling and trenching work in the eastern portion of the Tres Quebradas Salar. In 2011, Rugby Mining Limited conducted additional exploration in the same area.
- Between 2019 and 2021, NGEEx Minerals Ltd. conducted sampling, geophysics and geological mapping at the Valle Ancho copper-gold project. The project area covers approximately 1,000 square kilometers in the western area of the catchment and encompasses the area previously explored by El Dorado Gold Corporate, Newcrest Mining Limited and Rio Tinto PLC.

Geological Setting, Mineralization and Deposit Types

Geological mapping of Tres Quebradas took place during the 2016/2017 field program. A subsequent geology review of Tres Quebradas was carried out during the 2017/2018 field program, which involved (i) a review of both new and pre-existing drilling results, (ii) a review of borehole geophysical logs, (iii) seismic data interpretation, (iv) vertical electrical sounding (“**VES**”) interpretation and (v) tertiary outcrop mapping.

Following the 2018-21 field program, a follow-up geology update was undertaken, which incorporated new drilling results and borehole geophysical logs into previous geological interpretations.

The region surrounding Tres Quebradas is characterized by volcanic cones, some of which are more than 6,000 meters above sea level (“**MASL**”). Notable peaks near Tres Quebradas include: (a) Mount Pissis (6,882 MASL); (b) Negro de la Laguna Verde (5,764 MASL); (c) Nacimiento del Jagüe (5,824 MASL); (d) Cazadero (6,433 MASL); and (e) Ojos del Salado (6,893 MASL). These volcanoes are surrounded by extensive lava and pyroclastic flows.

Successive tectonic episodes and the reactivation of hydrogeomorphological dynamics have formed low-level drainage networks in the region. This has resulted in the conformation of inter-mountain basins (such as the Tres Quebradas Salar) and has given rise to positive relief in the area. Tres Quebradas is located in an accumulation basin.

Salar in-fill units were differentiated in the Tres Quebradas Salar and have been the target of various exploration campaigns. The salar in-fill units (or hydrostratigraphic units), arranged from deepest to shallowest, are as follows:

- Fanglomerate: overlies the hydrogeologic basement and is composed of fanglomerates, medium-coarse sandstones and sedimentary breccias.
- Lower Sediments: composed of sandstones and siltstones, with minor gypsum laminae.
- Massive Halite: composed of fine- to coarse-grained halite.

- Porous Halite: composed of medium- to coarse-grained halite, with granular intervals of loose crystals.
- Upper Sediments: composed of reddish sandstones, silty sandstones, gravel and plastic shales, mixed with halite crystals.
- Hyper-Porous Halite: composed of medium- to coarse-grained halite with high inter-crystalline porosity.

The salar units have been mapped using an integrated interpretation of borehole cores, borehole cuttings, seismic surveys, VES surveys and downhole geophysics. Overall, the Tres Quebradas surveys and test results indicate that the lithium and potassium grades, as well as the levels of impurities, compare favourably against other brine deposits. A monitoring network has been installed to better understand groundwater patterns in the Tres Quebradas Salar. Groundwater has been monitored in shallow and deep aquifer units since October 2017.

Testing and sampling data indicates that the Tres Quebradas Salar is a favourable environment for the formation of brine deposits with economically-important quantities of lithium. The salar catchment is a closed environment, with no apparent outflows. Elevated levels of lithium have been detected in the geothermal and cold waters that flow into the salar. There is clear evidence that evaporation has led to the accumulation of evaporites and lithium brines in the near-surface of the salar, in nearby lakes and at depth.

The Tres Quebradas Salar has both evaporite-dominant and clastic-dominant features. Within the salar, there are evaporite sequences in excess of 200 meters. However, there are also three laterally-extensive clastic units (upper sediments, lower sediments and conglomerate) that contain evidence of extended periods of clastic-dominant deposition. Furthermore, there are frequent small clastic layers within the evaporite units. These small clastic layers tend to increase in frequency and/or thickness with proximity to the formal clastic units, forming a gradual transition zone from the evaporite units to the clastic units.

Exploration

An initial reconnaissance and four full field programs (the “**Tres Quebradas Field Programs**”) have been carried out in order to evaluate the potential of the Tres Quebradas lithium deposits. Initial reconnaissance was conducted in 2015 (first reported in 2016), the first field program was conducted in 2015/2016 (first reported in 2016), the second field program was conducted in 2016/2017 (first reported in 2017), the third field program was conducted in 2017/2018 (first reported in 2018) and the fourth field program was conducted between 2018 and 2021 (first reported in the Tres Quebradas Technical Report).

Exploration carried out during the Tres Quebradas Field Programs included:

- 636 surface brine and water samples collected from the salar surface, lakes, and rivers (including 116 QA/QC samples);
- 55 VES stations along 13 sections throughout and surrounding the salar;
- seismic surveying with 11 lines (total of 49.34 kilometers) within the Tres Quebradas Salar and the surrounding area;
- 6,145.7 meters of diamond drilling in 23 boreholes and the construction of 20 wells;
- 310 core samples for relative brine release capacity (“**RBRC**”) analysis;
- 3,114.3 meters of rotary drilling in 26 boreholes and the construction of 27 wells;
- 284 subsurface brine samples (including 66 QA/QC samples) collected from packers and wells; and
- 15 72-hour pumping tests, one three-hour step test and two six-hour pumping tests in pumping trenches.

The 2018-21 field program consisted of (i) 1,296.0 meters of rotary drilling in six boreholes and the construction of five wells, (ii) 70 subsurface brine samples (including 12 QA/QC samples) collected from wells, (iii) one 19-day pumping test and three 72-hour pumping tests, (iv) 316 flow rates recorded from 17 river monitoring stations and (v) 441 surface brine and water samples (including 108 QA/QC samples) collected from nearby lakes and rivers.

The report concludes that the Tres Quebradas Field Programs have helped with (i) defining the Tres Quebradas geological model, (ii) estimating, with a high degree of confidence, the existence and extent of Mineral Resources and Mineral Reserves and (iii) interpreting flow parameters for brine extraction.

Drilling

Three rounds of drilling have been conducted at Tres Quebradas. The first round of drilling took place during the 2016/17 field program, the second round of drilling took place during the 2017/18 field program and the third round of drilling took place during the 2018–21 field program.

The drilling objectives were as follows:

- Obtain samples for characterizing subsurface brine chemistry.
- Characterize salar geology with continuous cores, downhole geophysics and other drilling information.
- Install pumping and observation wells for hydrogeological characterization.

Boreholes were planned and grouped in platforms. A diamond borehole was installed on each platform (where feasible) to help guide subsequent rotary boreholes and wells. This approach generally involved the following process:

- The diamond borehole was drilled and the core was logged. Downhole geophysics were performed to obtain a detailed and reliable representation of the subsurface.
- Packer samples were collected from the diamond boreholes.
- Diamond boreholes were installed as deep observation wells for use in subsequent pumping tests.
- The design of the remaining wells for each platform was based on (i) diamond core logs, (ii) downhole geophysics and (iii) brine field monitoring. Some pumping wells were installed using a rotary method.
- If more than one pumping well was installed on a platform, then an additional observation well was installed on the platform in order to monitor the second pumping well.
- If it was not feasible to drill a diamond borehole on a platform, then (i) the design of the pumping well was based on recovered rock chips and downhole geophysics and (ii) the associated observation well was installed by rotary method.
- In some cases, only a diamond borehole was installed on the platform.

The diamond boreholes were drilled in the HQ diameter down to a target depth or, in some cases, down to the depth that the equipment was able to penetrate. If additional penetration was required, the gear was changed to the NQ diameter for the remaining drilling. Cores were recovered during drilling and transferred to a core box. A range of biodegradable additives were used for the drilling.

During the 2016/17 field program, drilling logs were prepared by third parties. The authors of the Tres Quebradas Technical Report performed a final review of all 2016/2017 field program cores and logs. During the 2017/18 field program, drilling logs were prepared by geologists from Neo Lithium. The 2017/2018 field program cores and drilling logs were independently reviewed. The 2017/2018 field program data was also inspected by the authors of the Tres Quebradas Technical Report.

Drilling cores were sampled for RBRC analysis during core logging. Samples were collected in order to obtain thickness-weighted coverage of the lithological units encountered in the cores. Core samples were placed in two-inch diameter PVC sleeves, caps were tightly fastened on both ends of the PVC sleeves and plastic foil was wrapped around the entire sample.

Core samples were shipped to a qualified laboratory for RBRC analysis. The RBRC analysis yielded an estimate of specific yield, which is the volume of pore solution that will readily drain from a geologic material. The RBRC results are summarized in the table below.

Lithological Unit	RBRC (%)	Number of Samples
Hyper-Porous Halite.....	14.74	66
Upper Sediments	9.12	14
Porous Halite	6.33	97
Massive Halite.....	3.85	84
Lower Sediments.....	5.18	12
Fanglomerate.....	11.23	33
Hydrological Basement	1.73	1
Total		307

As drilling progressed, brine sampling was conducted with double or simple packer systems, depending on the lithological conditions. Observation wells were constructed in the diamond boreholes with two-inch PVC casings and screens. After construction, the wells were developed and cleaned using air lift methods, which involved evacuating the brine until the fluid was sufficiently clear. Monitoring, logging and downhole geophysics services for the diamond drilling program were provided by a third party.

A third party was responsible for the rotary drilling and pumping tests during the 2016/17 field program, a different third party was responsible for rotary drilling during the 2017/18 field program and a different third party was responsible for rotary drilling during the 2018–21 field program. The pumping wells were drilled with 8-, 12- and 15-inch (diameter) tri-cone bits and contained 8-inch PVC casings and screens. Gravel was placed around each pumping well screen. After installation, wells were cleaned with a 4-inch submersible pump until the evacuated fluid was sufficiently clear. Observation wells were drilled with 6- and 8-inch (diameter) bits and contained 2-inch PVC screens and casings.

Monitoring, logging and downhole geophysical services for the 2016/2017 and 2017/2018 rotary drilling programs were provided by a third party. Downhole geophysical surveys included normal resistivity (both short-normal and long-normal), single point resistance, and spontaneous potential. During the 2018–21 field program, downhole geophysical surveys were performed by a third party. The 2019 geophysical surveys included normal resistivity (both short-normal and long-normal), single point resistance and spontaneous potential. The 2021 geophysical surveys included normal resistivity (both short-normal and long-normal), spectral gamma and spontaneous potential.

Sample Preparation, Analysis and Security

Sampling during the Tres Quebradas Field Programs involved the following:

- Salar Sampling:
 - Salar surface crust was excavated to an approximate depth of one meter by pick and shovel or with heavy equipment.
 - Excavated holes were purged of brine. Then, the brine level was allowed to recover.
 - Brine samples were collected using 500 milliliter plastic bottles.
- Lake Sampling:
 - Lake samples were collected at mid-depth in the water column.
 - In deep sampling areas, samples were collected using an inflatable boat. In shallow sampling areas, samples were collected by hand (with the assistance of hip waders).
 - Samples were collected using a 2.2 liter water collection device that could be closed at depth. Once retrieved, samples were immediately transferred to a 500 milliliter bottle.
 - Lake depths were measured using a weighted rope.
- River Sampling:
 - River water velocity was measured across a suitable stream reach using a current meter.

- Velocity and cross-sectional area measurements were used to calculate the rate of flow through the stream reach.
- Streamflow samples were collected using a 500 millilitre plastic bottle.
- Field parameters were measured for each river and stream (e.g., pH, temperature, conductivity, etc.).

Packers were used to collect brine samples from discrete formation levels in the diamond boreholes. Samples were collected primarily with a simple packer apparatus; however, some samples were collected with a double packer instead.

Pumping tests conducted during the Tres Quebradas Field Programs involved the following:

- A step test was carried out in order to determine the appropriate pumping rate for constant rate tests.
- Piezometric levels were manually measured during each pumping test.
- Pumping test results were interpreted with specialized software and through calibration using MODFLOW and PEST.
- Trench pumping tests were carried out during the 2016/17 field program. Pumping was conducted in pumping trenches and drawdown was monitored in two observation trenches. In some cases, a fluorescein tracer was used to estimate effective porosity. These estimates were later compared to laboratory RBRC measurements.
- During the 2018–21 field program, pumping tests were interpreted, and previous long-term constant rate pumping tests were re-interpreted, using numerical model calibration in FEFLOW.

Brine samples did not require any initial treatment or preparation. Brine samples were tested by an independent accredited laboratory. Sample analysis and assaying involved the following:

- ICP-OES was used to measure the amount of boron, barium, calcium, lithium, magnesium, manganese and potassium in each sample.
- An argentometric method was used to assay for chloride.
- A gravimetric method was used to measure sulfate.
- A volumetric analysis (*i.e.*, acid/base titration) was used to measure sample alkalinity (*i.e.*, calcium carbonate, or CaCO₃).
- Density and total dissolved solids were measured using a gravimetric method.
- Sample pH was measured using a laboratory pH meter.

The QA/QC for the Tres Quebradas Field Programs included the following:

- During the 2015/2016 field program, a reference sample was inserted into the sample stream at a frequency of approximately one in 15 samples. The bulk sample that was used for this was taken from the eastern shoreline of Laguna Tres Quebradas.
- During the 2016/2017, 2017/2018 and 2018–21 field programs, two separate reference samples were inserted into the sample stream:
 - A mid-range reference sample was inserted into the sample stream at a frequency of approximately one in 20 samples. The bulk sample that was used for this was obtained in March 2016 from the eastern shoreline of Laguna Tres Quebradas – a deposit characterized by mid-range grades. Due to sample degradation, however, use of this mid-range sample was discontinued in February 2019.
 - A high-range sample was inserted into the sample stream at a frequency of approximately one in 20 samples. In 2019, this frequency increased to approximately one in 15 samples. The bulk sample that was used for this was obtained in March 2016 from the southeast shoreline of Laguna Tres Quebradas – a deposit characterized by high grades.
- A round-robin analysis of the high grade and mid-range bulk reference samples.
- A low-range reference sample (essentially a field blank) was inserted at a frequency of approximately one in 15 samples.
- Field duplicates were inserted into the sample stream at a frequency of approximately one in 15 samples.

An established chain of custody procedure was used for Tres Quebradas sampling, storage, and shipping. Samples were periodically driven in project vehicles to La Rioja. In La Rioja, the samples were delivered to a transport company for immediate truck shipment to a laboratory in Mendoza, Argentina. Samples were under the control of qualified staff at all times. In that regard, the authors of the Tres Quebradas Technical Report considered the sample security measures to be acceptable.

Data Verification

The authors of the Tres Quebradas Technical Report helped plan, design and execute the Tres Quebradas exploration campaigns. The authors of the Tres Quebradas Technical Report visited Tres Quebradas during each field program (other than the 2018–21 field program due to COVID-19 travel restrictions) and oversaw sample collection, sample packaging and sample transport. The authors of the Tres Quebradas Technical Report also reviewed field methods (*e.g.*, packer sampling, sample handling and shipping, diamond drilling, pumping tests, core logging and handling, shallow trenching, surface water flow monitoring and surface water sampling, etc.), QA/QC procedures and laboratory results.

Mineral Processing and Metallurgical Testing

Battery-grade lithium carbonate will be produced from Tres Quebradas brine through a process involving (i) simple evaporation, (ii) salt precipitation via reagents and (iii) carbonation.

There will be two processing sites – one at the Tres Quebradas Salar and one in Fiambalá. At the Tres Quebradas Salar site, brine will be extracted from wells, evaporated and then subjected to a calcium chloride crystallization process. The concentrated brine will then be trucked to the Fiambalá site where boron, calcium, magnesium and sodium will be removed. Finally, the processed brine will be carbonated, dried, packaged and prepared for export.

The unique environmental conditions at the Tres Quebradas Salar site make it possible to concentrate the brine in evaporation ponds. The Tres Quebradas Salar site can accommodate pond expansion, which may be needed to account for variations in brine content over the lifetime of the project. There is also enough space for stockpiling waste salts – a by-product of solar evaporation.

The main studies for each project site include the following:

- Tres Quebradas Salar Site: Sodium chloride, potassium chloride, boric acid and calcium chloride, which are brine contaminants, will be removed from the brine at this site.
 - On-site testing included the modelling of the evaporation ponds system and the operation of 1:600 scale pilot ponds.
 - Crystal properties, sedimentation coefficients, porosity, particle distribution and other meaningful physical parameters were measured.
 - Salar environmental conditions were measured.
- Fiambalá: Boron and remaining calcium, which are brine contaminants, will be removed and lithium carbonate will be obtained at this site.
 - Models were developed to establish the baseline process at the Fiambalá plant. These models simulated the solvent extraction of boron and the removal of other impurities.
 - Pilot plant tests were completed.
 - Models were developed to establish the baseline process at the lithium carbonate plant. These models helped assess different options for producing battery-grade lithium carbonate.

Mineral Resource Estimates

A Mineral Resource estimate (effective date of October 26, 2021) for Tres Quebradas was developed using a three-dimensional FEFLOW model. The Mineral Resource estimate was prepared using two cut-off grades: (1) 400 mg/L and (2) 800 mg/L. The Mineral Resource that is defined by the 400 mg/L cut-off extends for the full extent of the Mineral Resource zone. Meanwhile, the Mineral Resource that is defined by the 800 mg/L cut-off is limited to the northern third of the Mineral Resource zone.

The FEFLOW model methodology included the following:

- The pre-existing geological model was brought forward in time.
- Geological units were re-interpreted along a series of two-dimensional sections. This re-interpretation was informed by new drilling data, pre-existing drilling data, seismic surveys and VES results.
- The two-dimensional sections were interpolated within a geographic information system. Updated surfaces were transferred to FEFLOW in order to form a three-dimensional geological model.
- Drainable porosity was assigned to each geological unit based on RBRC results.
- Measured Mineral Resource, Indicated Mineral Resource and Inferred Mineral Resource zones were re-evaluated using a borehole density method, which was supported by variography.
- Brine samples were used to interpolate three-dimensional concentration distributions for: Li, Ba, Ca, Fe, K, B, Mg, Na, Sr, Cl and SO₄. Interpolation was supported by variogram analysis.
- Brine grade and drainable volume were used to estimate the mass of brine constituents in each geological unit.
- Measured Mineral Resource, Indicated Mineral Resource and Inferred Mineral Resource estimates were generated for the two chosen lithium grade cut-offs.

Measured Mineral Resource, Indicated Mineral Resource, and Inferred Mineral Resource zones were classified using a borehole spacing method. Semi-variogram analysis was used to evaluate minimum borehole spacing. The Measured Mineral Resource zone is 14 kilometers in length and reaches a depth of 150 meters. The Indicated Mineral Resource zone underlies the Measured Mineral Resource zone in the northern portion of the model, occupying depths between 150 and 350 meters. In the southern portion of the model, the Indicated Mineral Resource zone extends from the surface down to a depth of 300 meters. The Inferred Mineral Resource zone underlies the Indicated Mineral Resource zone throughout the model and extends to the model base.

The Mineral Resource estimate for Tres Quebradas is summarized in the table below.

	Lithium Grade Cut-Off 800 mg/L				Lithium Grade Cut-Off 400 mg/L			
	Measured	Indicated	Measured + Indicated	Inferred	Measured	Indicated	Measured + Indicated	Inferred
	Volume (million m³)				Volume (million m³)			
	201	155	357	33.4	450	1,130	1,580	757
	Average Concentration (mg/L)				Average Concentration (mg/L)			
Lithium.....	923	922	923	918	792	576	637	561
Boron.....	1,352	1,343	1,348	1,308	1,140	787	887	744
Potassium	8,366	8,335	8,353	8,210	7,382	5,616	6,119	5,475
Magnesium.....	1,532	1,529	1,531	1,535	1,402	2,371	2,095	2,301
Calcium.....	40,560	40,679	40,611	40,772	35,162	31,026	32,202	30,020
Strontium.....	730	732	731	735	654	571	595	564
Sodium	78,980	78,405	78,730	77,670	82,702	86,413	85,358	88,494
Sulfates.....	462	442	453	372	377	308	327	290
	Tonnage (rounded)				Tonnage (rounded)			
Lithium.....	186,000	143,000	328,000	31,000	356,000	652,000	1,009,000	425,000
Lithium Carbonate.....	988,000	759,000	1,747,000	163,000	1,897,000	3,472,000	5,369,000	2,261,000
Boron.....	272,000	208,000	479,000	44,000	513,000	891,000	1,404,000	563,000
Boric Acid.....	1,555,000	1,187,000	2,741,000	250,000	2,934,000	5,098,000	8,032,000	3,218,000
Potassium	1,682,000	1,288,000	2,970,000	275,000	3,322,000	6,360,000	9,682,000	4,142,000
Potash.....	3,213,000	2,461,000	5,674,000	525,000	6,346,000	12,147,000	18,492,000	7,911,000
Magnesium.....	308,000	236,000	544,000	51,000	631,000	2,685,000	3,316,000	1,741,000
Calcium.....	8,155,500	6,287,000	14,443,000	1,364,000	15,824,000	35,131,000	50,956,000	22,713,000
Calcium Chloride	21,590,000	17,416,000	40,006,000	3,777,000	43,834,000	97,313,000	141,147,000	62,916,000
Sulfates.....	93,000	68,000	161,000	12,000	170,000	348,000	518,000	219,000
	Ratios				Ratios			
Mg/Li	1.66	1.66	1.66	1.67	1.77	4.12	2.27	4.10
K/Li.....	9.06	9.04	9.06	8.95	9.32	9.75	6.63	9.75
SO ₄ /Li.....	0.50	0.48	0.49	0.41	0.48	0.53	0.35	0.52
Ca/Li	43.94	44.10	44.03	44.42	44.39	53.86	34.91	53.48

Notes:

- (1) Mineral Resources have an effective date of October 26, 2021.
- (2) The Mineral Resources reported are inclusive of Mineral Reserves.
- (3) Mineral Resources which are not Mineral Reserves do not have demonstrated economic viability.

Mineral Reserve Estimates

The Mineral Reserve estimate for Tres Quebradas (effective date of October 26, 2021) was generated using a numerical groundwater flow and transport FEFLOW model. The model was developed by numerical modelling specialists, with technical direction from the authors of the Tres Quebradas Technical Report. The model incorporated the geological, hydrological, hydrogeological, brine chemistry and geophysical data that was collected during the Tres Quebradas Field Programs.

Mineral Reserve estimation involved simulating brine extraction over the planned mine lifespan. A variety of well locations, screened intervals and extraction rates were tested in order to find a balance between lithium recovery and laguna drawdown.

The Tres Quebradas mine plan contemplates a processing plant influent flow rate of 260 L/s for the entire 50-year mine life. The proposed plan also calls for a lithium grade between 893 and 960 mg/L in the recovered brine. These specifications will yield a wellhead recovery of 40,000 tpa of LCE and a process production of 20,000 tpa of LCE, assuming processing losses of roughly 50%. Simulations indicate that the Tres Quebradas grade specifications will be met for the first 20 years of mining, followed by a gradual decrease in lithium grades. This gradual decrease is attributable to increased resource extraction in lower grade zones.

The numerical model contained a variety of brine production constraints. These constraints related to target grades, flows and duration. The numerical model was run iteratively in order to identify a pumping scenario that could meet the brine production constraints for a sufficient period of time.

The wells were grouped into three categories:

- **A-Series Wells:** Selected to meet grade constraints. This series consisted of nine wells (three existing wells and six new wells) that targeted the highest grade lithium Mineral Resource (> 1,000 mg/L).
- **B-Series Wells:** Selected to meet early pond-filling requirements and to blend with A-series wells to meet the lithium grade target of 940 mg/L. This series consisted of four wells (all existing wells) within the mid-grade lithium Mineral Resource (> 650 mg/L) located in the northern salar.
- **C-Series Wells:** Selected to enhance LCE recovery after the first 20 years of production. This series consisted of two wells (one existing well and one new well) located east of Laguna Tres Quebradas. This series targets the highest grade lithium Mineral Resource that is expected to be available after the first 20 years of production (~800 mg/L).

The brine production and brine recovery constraints were as follows:

- Target production duration of 50 years.
- Production begins with an initial pond-filling period consisting of:
 - nine months of pumping at 196 L/s at a target blended lithium grade of 647 mg/L;
 - eight months of pumping at 305 L/s at a target blended lithium grade of 647 mg/L; and
 - four months of pumping at 305 L/s at a target blended lithium grade of 940 mg/L.
- After the pond-filling period, the pumping target is 260 L/s.
- Target wellhead production rate of 40,000 tpa of LCE – to be achieved using a 260 L/s target pumping rate and a target blended lithium grade of 940 mg/L.
- Exploit existing wells exploited before installing new wells.

With respect to constraints for reserve categorization, Proven Mineral Reserves were drawn from Measured Mineral Resources and Probable Mineral Reserves were drawn from Indicated Mineral Resources (in accordance with NI 43-101).

The change in lithium mass within each Mineral Resource zone was tracked throughout the production simulation. Proven Mineral Reserves and Probable Mineral Reserves were then estimated using the mass changes. The mass changes also provided a quality check on the simulated lithium recovery.

The highlights of the Mineral Reserve estimate are as follows:

- Total lithium Mineral Reserves are estimated at 1,670,000 tonnes of LCE over a 50-year life of project.
- Proven Mineral Reserves and Probable Mineral Reserves for lithium are 31% of the Measured and Indicated Mineral Resources (*i.e.*, 5,369,000 tonnes LCE at a 400 mg/L cut-off).
- The average lithium grade predicted for the production period is 786 mg/L, and ranges from > 900 mg/L (at the beginning of Tres Quebradas production) to 585 mg/L (at year 50).

The Mineral Reserve estimate for Tres Quebradas is shown in the table below.

Year	Brine Volume (Mm ³)	Weighted Average Li Grade ⁽¹⁾ (mg/L)	Li Metal (Tonnes)		LCE (Tonnes)		Resource Recovered ⁽²⁾ (%)
			Proven	Probable	Proven	Probable	
1.....	4.7	655	1,689	1,377	8,993	7,331	0.3
2.....	9.6	747	3,977	3,181	21,171	16,931	0.7
3-10.....	65.6	942	38,549	22,111	205,187	117,694	6.0
11-20.....	82.0	922	48,853	24,850	260,034	132,273	7.3
21-30.....	82.0	775	41,647	20,454	221,677	108,873	6.2
31-40.....	82.0	708	37,415	19,535	199,150	103,979	5.6
41-50.....	82.0	626	31,570	18,695	168,040	99,507	5.0
20 years.....	161.9	912	93,068	51,520	495,384	274,229	14.3
Total 50 years production (Reserve Estimate)⁽³⁾.....	408	786	203,700	110,200	1,084,300	587,600	31

Notes:

- (1) Mineral Reserves have an effective date of October 26, 2021.
- (2) Brine produced from outside the Measured Mineral Resource and the Indicated Mineral Resource is included here, but excluded from the Mineral Reserves.
- (3) Based on the Measured Mineral Resource and Indicated Mineral Resource of 5,369,000 tonnes LCE (400 mg/L cut-off).
- (4) Mineral Reserve estimate numbers have been rounded.

Mining Methods

The design constraints for the brine production wellfield are described above. The final configuration of well locations, screen depths and pumping rates was driven by these constraints. Ultimately, the FEFLOW model yielded a brine production wellfield with 15 wells and a 50-year project life.

Recovery Methods

Tres Quebradas production will be split between two sites – one at the Tres Quebradas Salar and one in Fiambalá. The Tres Quebradas Salar site will contain the brine wells, the evaporation ponds and the CaCl₂ crystallization plant. The Fiambalá site will contain the lithium carbonate plant.

Brine will be extracted from the wells located at Tres Quebradas. Brine extracted from the wells will be sent to pre-concentration ponds, which will precipitate both sodium chloride salts (*i.e.*, halite) and potassium salts (primarily sylvinit) in order to produce a pre-concentrated brine. The pre-concentrated brine will be transferred to concentration ponds. Following this pond sequence, the concentrated brine will go through the CaCl₂ crystallization plant, which will remove some of the calcium contaminants contained in the brine. Once the brine contains a sufficient concentration of lithium, it will be fed through dispatch ponds. The brine will then be transferred to the Fiambalá site using tanker trucks.

The Fiambalá Li₂CO₃ plant is designed to reduce the levels of boron and calcium contained in the brine. Boron will be removed from the brine through solvent extraction. The boron-free brine will then be pumped through an initial precipitation stage, where calcium and magnesium will be removed through the addition of reagents, followed by solid-liquid separation. The concentrated brine will then undergo an additional round of calcium precipitation, which will be done through the addition of sodium hydroxide, followed by solid-liquid separation. Solids used in this second round of precipitation will be re-used in the initial precipitation stage. All remaining calcium will be removed in a third round of precipitation, which will involve the

addition of a soda ash solution and solid-liquid separation. Finally, once all of the contaminants are removed, the brine will go through a lithium carbonate precipitation process, where Li_2CO_3 solids will precipitate through the addition of a soda ash solution. Excess liquids will be removed from the precipitated lithium carbonate using solid-liquid separation. Dewatered solids will then undergo a drying process. After the drying stage, the resulting battery-grade lithium carbonate will be packed, stored and then exported.

Overall, this recovery process is expected to yield 20,000 tpa of battery-grade lithium carbonate.

Project Infrastructure

From an infrastructure perspective, Tres Quebradas has three main areas: (1) the Tres Quebradas Salar site, (2) the Tres Quebradas access road and (3) the industrial park property in Fiambalá.

The infrastructure for Tres Quebradas includes the following:

- Process Installations:
 - pre-concentration ponds;
 - concentration ponds;
 - a crystallization plant (which will include crystallizers, polishing filters, centrifuges and chillers); and
 - dispatch ponds coupled with a truck loading area.
- Process Ancillary Services:
 - a compressed air generation, storage and distribution system;
 - an industrial water treatment plant, which will produce soft-treated water;
 - hydrochloric acid storage and distribution; and
 - power generation and distribution.
- General Ancillary Services:
 - a truck and lightweight vehicle workshop;
 - an access control station;
 - truck scales;
 - a truck parking area;
 - a wastewater treatment plant;
 - worker camp installations;
 - canteen/kitchens;
 - laundry rooms;
 - dining rooms;
 - common rooms for recreational activity;
 - emergency fire stations and a plant fire system;
 - a polyclinic (i.e. first aid area);
 - fuel storage and distribution stations;
 - non-hazardous and domestic industrial waste management areas; and
 - hazardous waste areas.
- Temporary Installations:
 - contractor camp installations.

The Tres Quebradas Salar site will use thermal and photovoltaic power. Power will be distributed across the Tres Quebradas Salar site using an overhead network. If overhead power infrastructure becomes unfeasible, underground distribution will be used. The Tres Quebradas Salar site will require a power supply of four megawatt-hours.

Concentrated brine will arrive at the Fiambalá on tanker trucks. All installations at the Fiambalá site will be permanent. The key aspects of the Fiambalá site infrastructure include the following:

- Main Process Installations:
 - reception ponds; and
 - a lithium carbonate plant (including control rooms).
- Process Ancillary Services:
 - reagent preparation and storage, which will be used for soda ash, caustic soda, hydrochloric acid, sulphuric acid and solvent extraction reagents;
 - a compressed air generation, storage and distribution system;
 - an industrial water treatment plant, which will produce soft-treated water;
 - a water recovery pond;
 - a water heater area;
 - power generators (*i.e.*, emergency back-up power);
 - a connection to the Tinogasta electrical network; and
 - a natural gas storage and gasification area.
- General Ancillary Services:
 - a truck and lightweight vehicle workshop (including washing area);
 - an access control station;
 - an administrative building (*i.e.*, offices);
 - truck scales;
 - a truck parking area;
 - a laboratory;
 - a wastewater treatment plant;
 - warehouses for final product, hazardous waste and spare parts;
 - non-hazardous and domestic industrial waste management areas; and
 - hazardous waste areas.

Industrial water will be sourced from industrial water wells located near the plant in Fiambalá. The processing activities in Fiambalá will consume industrial water at a rate of 10.07 L/s.

Environmental Studies, Permitting and Social or Community Impact

Environmental

Authorities have granted all of the authorizations and permits required for Tres Quebradas exploration and test work. A third party consultant was engaged to prepare (i) an EIR for the exploration stage of Tres Quebradas (completed in 2019), (ii) an environmental baseline study (completed in 2018) and (iii) an EIA for the exploitation stage of Tres Quebradas (completed in 2019). A different third party consultant was engaged to deliver (i) an updated EIR for the exploration stage (completed in 2021) and (ii) an updated EIA for the exploitation stage (completed in 2021).

Social Responsibility

Zijin Mining is committed to strengthening the relationship between Tres Quebradas and Tinogasta. In that regard, Zijin Mining has developed community engagement and consultation programs, and has established a community grievance process. Zijin Mining has also been in regular contact with the institutions and public agencies of Fiambalá and Tinogasta.

Governance

A number of consultants were engaged throughout the first five years of Tres Quebradas:

- In 2016, a member of the Working Group for the Incorporation of Social Responsibility in the Professional Profile of Engineers and Geologists (a working group within the Canadian Institute of Mining's Environmental and Social Responsibility Society), was engaged to assist with Tres Quebradas sustainability matters.
- In 2018, geochemical consultants assisted Neo Lithium with the development and implementation of an auditable set of corporate social responsibility policies, procedures and protocols.
- In March 2021, a third party engineering firm conducted an external audit of Neo Lithium's social responsibility program.
- In April 2021, Neo Lithium signed a commitment with the Argentine Chamber of Mining Entrepreneurs to adopt certain corporate social responsibility protocols.
- In April 2021, Neo Lithium signed a contract with Universidad Nacional de San Martin, which partly governed the development of the Tres Quebradas sustainability program.

Zijin Mining has indicated that it has considered, and will continue to consider, the socio-environmental factors that are important to the Tres Quebradas stakeholders. Zijin Mining has indicated that it is committed to protecting the welfare of the people and communities that may be affected by Tres Quebradas.

Capital and Operating Costs

CAPEX and OPEX for Tres Quebradas were estimated with an accuracy of $\pm 15\%$. The CAPEX estimate includes direct and indirect costs for the implementation of Tres Quebradas, including the cost of:

- the brine production wellfields and the pipeline delivery system;
- the evaporation ponds;
- the platforms, earthworks and earth movements;
- the crystallization plant;
- the lithium carbonate plant;
- general services;
- other project infrastructure; and
- indirect and owner's costs.

The CAPEX for Tres Quebradas has been estimated at US\$370,550,823. This value excludes interest expenses, sunk costs, legal costs, mineral license costs, escalation and any other start-up cost. This CAPEX figure includes the following estimates:

- direct project costs of US\$286,928,462;
- indirect project costs of US\$43,920,488; and
- project contingencies of US\$39,701,874.

The CAPEX estimates are shown in the table below.

CAPEX Item	CAPEX Schedule (US\$ thousands)			Total
	2022	2023	2024	
Brine Extraction Wells	16,171	-	-	16,171
Evaporation Ponds.....	37,352	80,930	6,225	124,508
Brine Treatment Plant.....	-	18,292	18,292	36,584
Lithium Carbonate Plant.....	-	42,600	42,600	85,200
General Services.....	-	-	-	-
Infrastructure	14,680	9,786	-	24,466
Subtotal	68,203	151,608	67,117	286,928
Indirect Cost	10,440	23,207	10,274	43,920
Contingencies.....	4,719	10,489	24,494	39,702
Total	83,362	185,304	101,885	370,551

The estimated cost of producing one tonne of battery-grade lithium carbonate (assuming a gross production of 20,000 tonnes per year) is US\$2,953. This OPEX estimate has an accuracy of $\pm 15\%$, and is based on vendor quotes for principal costs such as reagents, fuel (diesel and natural gas), electricity and transportation.

Brine processing costs and outputs are based on the processes that were designed with the assistance of computer simulations and other test work. Reagent consumption rates were determined using mass balance calculations and then validated in pilot plant operations. The transportation cost for reagents and final product was obtained from a logistic study developed by an independent firm in Argentina. Energy consumption was determined on an equipment-by-equipment basis.

The OPEX estimates are shown in the table below.

Operating Cost Item	US\$ / Tonne Li ₂ CO ₃	Total US\$ / Year
Chemical Reagents	1,580	31,599,353
Salt Removal and Transport	372	7,434,633
Energy	315	6,295,434
Manpower	264	5,271,845
Reagents and Other Items Transport.....	329	6,576,850
Direct Costs Subtotal.....	2,859	57,178,115
General and Administration – Local.....	32	633,789
Catering & Camp Services	63	1,255,600
Indirect Costs Subtotal.....	95	1,889,389
Total Production Costs.....	2,953	59,067,504

Economic Analysis

An economic analysis was prepared in order to determine the financial viability of Tres Quebradas. CAPEX, OPEX and prices for battery-grade lithium carbonate were used in the economic analysis.

The economic indicators for Tres Quebradas are summarized in the table below.

Economic Indicator	Value
Discount Rate	8%
NPV.....	US\$1,129 million
IRR.....	39.5%
Payback Period.....	2.3 years
Pre-Tax NPV	US\$1,630 million
Pre-Tax IRR	46.7%

The financial aspects of Tres Quebradas include the following:

- **CAPEX:** The capital investment required for Tres Quebradas (assuming a gross production of 20,000 tpa) is US\$370,550,823. This estimate has an accuracy of $\pm 15\%$, and includes direct and indirect costs, as well as a US\$39,701,874 contingency allowance.
- **OPEX:** The operating cost for Tres Quebradas has been estimated at US\$2,953 per tonne of production (assuming a gross production of 20,000 tonnes per year). This estimate has an accuracy of $\pm 15\%$, and puts Tres Quebradas in the lowest quartile of global lithium projects (in terms of OPEX).

- Financial Returns: The CAPEX and OPEX estimates for Tres Quebradas correspond to an NPV of approximately US\$ 1,129,000,000, an IRR of 39.5% and a payback period of roughly two years.
- Sensitivity Analysis: Sensitivity analyses show that Tres Quebradas will be resilient under economic pressure. Battery-grade lithium carbonate price had the highest impact on NPV and IRR, whereas CAPEX and OPEX only had a mild impact on NPV and IRR.

Exploration and Development

Following its acquisition of Neo Lithium, Zijin Mining (i) accelerated the Tres Quebradas construction and development schedule and (ii) committed to investing \$380 million in Tres Quebradas. Phase one commercial production (*i.e.*, 20,000 tpa of battery-grade lithium carbonate) is scheduled to begin at the end of 2023.

With a view to increasing production capacity, Zijin Mining is evaluating technical upgrade and project expansion opportunities. In that regard, Zijin Mining is currently building more pond capacity and expects commercial output to increase to 40,000 – 60,000 tpa in phase two of development.

RISK FACTORS

Risk is an inherent component of LRC's business. The ability to deliver on our vision and strategic objectives depends on our ability to understand and effectively respond to and mitigate the risks or uncertainties we face. Investors should carefully consider all of the information disclosed in this AIF. Other risks and uncertainties that we do not presently consider to be material, or of which we are not presently aware, may become important factors that affect our future financial condition and results of operations. The occurrence of any of the risks discussed below could materially adversely affect our business, prospects, financial condition, results of operations or cash flow.

Risks Related to Our Business and Industry

The Company is exposed to market fluctuations of prices of lithium-related products and a significant change in such prices may have an adverse impact on the value of the Company's royalties

The value of the Company's royalty interests and the potential future development of the projects underlying its interests are directly related to the market price of lithium and other commodity prices. The revenue derived by the Company from its asset portfolio will be significantly affected by changes in the price of the commodities underlying the royalties and other interests. Market prices may fluctuate widely and are affected by numerous factors beyond our control or that of any mining company. Factors that may impact lithium prices include global economic growth, the COVID-19 impact, supply and demand dynamics, inflation and the level of interest rates, changes to the cost of production including energy and raw materials costs, changes to the cost of production including labor costs, changes to freight costs, governmental focus on decarbonisation initiatives, industrial investment levels, changes to exchange rates including the strength of the U.S. dollar, stockpiling of commodities, technological developments and geopolitical events. For example, between 2019 and 2020, market prices for lithium products experienced a steady decrease, primarily as a result of decreased demand from end-users and the negative impact from the COVID-19 pandemic.

In addition, lithium is not a traded commodity like base and precious metals and, as a result, it is inherently more difficult to predict and observe fluctuations in the market price of lithium. Operators negotiate sales agreements on an individual and private basis with end-users or intermediaries and pricing information is usually not available to the public. Lithium prices are often estimated based on the realized revenue of lithium producers. There are a limited number of producers of lithium compounds, and it is possible that these existing producers will try to prevent newcomers from entering the chain of supply by increasing their production capacity and lowering sales prices. Other factors, such as supply and demand of lithium-based end-products (such as lithium hydroxide), pricing characteristics of alternative sources of energy, industrial disruption and actual lithium market sale prices, could have an adverse impact on the market price of lithium. There can be no assurance that lithium prices will remain at current levels or that such prices will improve.

Declines in market prices could cause an operator to cease or slowdown exploration and development activities, reduce, suspend or terminate production from an operating project or construction work at a development project which would negatively impact our ability to obtain revenues from our interests in the future. Severe declines that cause a suspension or termination of production by relevant operators may result in a complete cessation of revenue from royalties or other interests applicable to one or more relevant commodities. In addition, the majority of our royalty interests are either gross overriding revenue royalties or net smelter return royalties, which entitle us to a share of the market price of the mined product or a portion of the revenue generated by the sale of the product, respectively. A decline in lithium prices would therefore lead to a corresponding reduction in the amount of money payable by the operator to the Company, which may result in a material and adverse effect on the Company's business, results of operations, financial condition and prospects and the trading price of its securities. On the other hand, in the event of a significant or sustained increase in lithium prices, end-users may seek alternatives such as hydrogen batteries or other more affordable energy solutions, which may reduce the market demand for lithium batteries. Consequently, the financial condition, results of operations and prospects of the Company may be materially and adversely affected. Moreover, the broader commodity market tends to be cyclical, and a general downturn in overall commodity prices could result in a significant decrease in our overall revenue. Any such price decline may result in a material adverse effect on the Company's earnings, results of operations, financial condition and prospects and the trading price of its securities.

The Company has no or limited control over the operation of the properties covered by its interests and an operator's failure to perform or decision to cease or suspend operations will affect the revenues of the Company

The Company is not directly involved in the development, construction or operation of mines. The revenue derived from its asset portfolio is based on production by third-party property owners and operators. The owners and operators generally will have the power to determine the manner in which the properties are exploited, including decisions to expand, continue or reduce, suspend or discontinue production from a property, decisions about the marketing of products extracted from the

property and decisions to advance exploration efforts and conduct development of non-producing properties. The interests of third-party owners and operators and those of the Company on the relevant properties may not always be aligned. As an example, it will usually be in the interest of the Company to advance development and production on properties as rapidly as possible in order to maximize near-term cash flow, while third-party owners and operators may take a more cautious approach to development as they are at risk on the cost of development and operations. Likewise, it may be in the interest of property owners to invest in the development of and emphasize production from projects or areas of a project that are not subject to our royalty or other interests. The inability of the Company to control the operations for the properties in respect of which it has a royalty or other interest may result in a material adverse effect on the Company's earnings, results of operations, financial condition and prospects and the trading price of its securities. In addition, the owners, developers or operators may take action contrary to the Company's policies or objectives, be unable or unwilling to fulfill their obligations under their contracts with the Company, have difficulty obtaining or be unable to obtain the financing necessary to advance projects or experience financial, operational or other difficulties, including insolvency, which could limit the owner, developer or operator's ability to perform its obligations under arrangements with the Company.

At any time, any of the operators of the properties in respect of which the Company holds a royalty or other interest or their successors may decide to reduce, suspend or discontinue operations. The Company may not be entitled to any material compensation if any of the properties in respect of which it holds a royalty or other interest shuts down or discontinues their operations on a temporary or permanent basis.

The lithium market is still at a relatively early stage of development and future demand for lithium products is uncertain

The Company is exposed to the market forces in the lithium industry, including the current and expected supply and demand dynamics of lithium, which are primarily based on resource availability, the competitive landscape of the lithium industry, discovery of new lithium mineral projects, end market demand for products in which lithium is used, technological developments, government policies and global and regional economic conditions.

The growth of lithium demand over the last decade has been led by the rapidly increasing use of lithium in rechargeable battery applications in the form of lithium carbonate and more recently lithium hydroxide. The development of present and future lithium operations is highly dependent upon the currently projected demand for and uses of lithium-based end products, including lithium-ion batteries for electric vehicles and other large format batteries that currently have limited market share and whose projected adoption rates are not assured. Many factors may affect the viability of lithium projects and the demand for lithium products, including:

- the cost-effectiveness, performance and reliability of lithium-ion batteries;
- the availability of government subsidies and incentives to support the development of the electric transportation industry;
- the development and adoption of other battery technologies;
- fluctuations in economic and market conditions that affect the viability of conventional engines, such as increases or decreases in the prices of oil, gas and other fossil fuels; and
- the availability of favourable regulation for electric batteries and electric vehicles within the electric power industry and the broader energy industry.

To the extent that such markets do not develop in the manner contemplated by the Company, then the long-term growth in the market for lithium products will be adversely affected, which would inhibit the potential for development of the projects on which the Company has a royalty interest, their potential commercial viability and would otherwise have a negative effect on the business, financial condition and prospects of the Company. In addition, as a commodity, lithium market demand is subject to the substitution effect in which end-users adopt an alternate commodity as a response to supply constraints or increases in market pricing. To the extent that these factors arise in the market for lithium, it could have a negative impact on overall prospects for growth of the lithium market and pricing, which in turn could have a negative effect on the operators of the projects in which we have a royalty interest.

The development and adoption of non-lithium battery technologies could significantly impact our prospects and future revenues

Lithium and its derivatives are the preferred raw materials for certain industrial applications, such as current and next generation high energy density batteries for use in electric vehicles and liquid crystal displays. Alternative materials and technologies are being researched with the goal of making batteries lighter, more efficient, faster charging and less expensive,

and some of these could be less reliant on lithium compounds. The development and adoption of new battery technologies that rely on inputs other than lithium compounds, could significantly impact the prospects and future revenues of the Company, which are heavily dependent on continued demand for lithium. The Company cannot predict which new technologies may ultimately prove to be commercially viable and in what timeframe. In addition, alternatives to such products may become more economically attractive as global commodity prices shift. Any of these events could adversely affect demand for and market prices of lithium, thereby resulting in a material adverse effect on the economic feasibility of extracting any mineralization discovered by operators and reducing or eliminating any reserves identified by such operators.

Many of the properties covered by the Company's interests may never achieve commercial production, and the Company may lose its entire investment

The majority of the projects or properties in respect of which the Company holds an interest are in the exploration, construction, development or expansion stage, including Grota do Cirilo, Mariana and Tres Quebradas. There can be no assurance that exploration, construction, development or expansion will be completed on a timely basis or at all. If such properties do not reach commercial production, the Company will not receive royalties under the applicable contract, which may have a material adverse effect on the Company's earnings, results of operations, financial condition and prospects and the trading price of its securities.

In addition, due to the exploration stage or development nature of many of the properties in respect of which the Company holds an interest, the owners, developers or operators of some of these properties may experience financial difficulties and, in some cases, may require covenant waivers pursuant to their credit and other financing documents. To the extent that any of the owners, developers or operators of properties in respect of which the Company holds a royalty or other interest default under their credit and other financing documents, this could delay or inhibit operations at the relevant properties, which may have a material adverse effect on the Company's earnings, results of operations, financial condition and prospects and the trading price of its securities.

There is a risk that the values of certain of the Company's assets may not be recoverable if the operating entities cannot raise additional capital to continue to explore and develop their assets. It is also possible that owners, developers or operators will require additional capital in order for their projects to become producing mines. The Company may be asked to provide additional capital to these entities and may decide to do so to preserve the value of its initial investment. The value of the Company's interests in these projects could thus be negatively affected by many factors, some of which cannot be assessed at the time of investment. Although the Company undertakes a due diligence process for every investment, mining exploration and development are subject to many risks and it is possible that the value realized by the Company be less than the original investment.

The Company may acquire royalties or other interests covering properties that are speculative and there can be no guarantee that mineable deposits will be discovered, developed or mined, which would impair or eliminate the Company's ability to earn revenue from such royalties and other interests

Exploration for minerals is a speculative venture necessarily involving substantial risk. While the discovery of an ore body may result in substantial rewards, few properties which are explored are commercially mineable and ultimately developed into producing mines. There is no certainty that the expenditures made by the operator of any given project will result in discoveries of commercial quantities of minerals on lands where the Company holds royalties or other interests. Several properties on which the Company has a royalty interest are in the exploration phase and have not yet confirmed Mineral Reserves or Mineral Resources at the relevant site, such as the Cancet, Adina, Sirmac-Clapier, Mallina, Donner Lake, Campus Creek and Lithium Springs.

If mineable deposits are discovered, substantial expenditures are required to establish Mineral Reserves and Mineral Resources through drilling, to develop processes to extract the resources and, in the case of new properties, to develop the extraction and processing facilities and infrastructure at any site chosen for extraction and to obtain the required environmental approvals and permitting required to commence commercial operations. The decision as to whether a property contains a commercially viable mineral deposit and should be brought into production will depend upon the results of exploration programs, feasibility studies, and the recommendations of duly qualified engineers and geologists, all of which involves significant expense for operators. This decision will involve consideration and evaluation of several significant factors including, but not limited to: (i) costs of bringing a property into production, including exploration and development work, preparation of production feasibility studies and construction of production facilities; (ii) availability and costs of financing; (iii) ongoing costs of production; (iv) commodity prices; (v) environmental compliance regulations and restraints (including potential environmental liabilities associated with historical exploration activities); and (vi) political climate and governmental regulation and control. It may take several years to confirm Mineral Resources or Mineral Reserves at a site, during which time

the economic viability of production may change. Development projects are also subject to the successful completion of engineering studies, issuance of necessary governmental permits, and availability of adequate financing. Although the Company intends to hold only royalties or other interests in respect of these properties and not be responsible for these expenditures, the operator may not be in a financial position to obtain the necessary funding to advance the project. As a result, there is no assurance that current or future exploration programs will be successful and there is a risk that depletion of Mineral Reserves will not be offset by discoveries or acquisitions. A decision not to pursue development and production, negative study results or recommendations, the denial of the issuance of government permits or a failure to obtain financing could each result in an interruption or suspension of operation of the properties in respect of which the Company holds a royalty or other interest and have a material adverse effect on the Company's earnings, results of operations, financial condition and prospects and the trading price of its securities.

Assets and properties may become significant to the Company from time to time and any adverse development related to any such assets will affect the revenue derived from such assets

As new assets are acquired or move into production, the materiality of each of our assets will be reconsidered. Any adverse development affecting the development or operation of, production from or recoverability of Mineral Reserves from any significant property in the asset portfolio from time to time, such as, but not limited to, unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, pit wall failures, tailings dam failures, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage, or the inability to hire suitable personnel and engineering contractors or secure supply agreements on commercially suitable terms, may have a material adverse effect on the Company's earnings, results of operations, financial condition and prospects and the trading price of its securities. Any adverse decision made by the owners and operators, including for example, alterations to development or mine plans or production schedules, may impact the timing and amount of revenue that the Company receives and may have a material adverse effect on the Company's earnings, results of operations, financial condition and prospects and the trading price of its securities.

The Company has limited access to data and disclosure regarding the operation of properties covered by its interests, which will affect its ability to assess and predict the performance of its royalties or other interests

As a holder of royalties and other interests, the Company generally has limited access to data on the operations or to the actual properties themselves. Accordingly, the Company must rely on the accuracy and timeliness of the public disclosure and other information it receives from the owners and operators of the properties in respect of which it holds royalties and other interests. The Company uses such information, including production estimates, in its analyses, forecasts and assessments relating to its own business. If such information contains material inaccuracies or omissions, the Company's ability to assess and accurately forecast performance or achieve its stated objectives may be materially impaired. In addition, some royalties or other interests may be subject to confidentiality arrangements which govern the disclosure of information with regard to the royalties or other interests and, as such, the Company may not be in a position to publicly disclose such information with respect to certain royalties or other interests. The limited access to data and disclosure regarding the operations of the properties in respect of which the Company holds an interest may restrict the Company's ability to enhance its performance which may result in a material adverse effect on the Company's earnings, results of operations, revenue recognition and reconciliation, financial condition and prospects and the trading price of its securities.

Although the Company attempts to secure contractual rights when it creates new royalty or other interests, such as audit or access rights, that will permit it to monitor operators' compliance with their obligations to the Company, there can be no assurance that such rights, if granted, will always be sufficient to ensure such compliance or to affect operations in ways that would be beneficial to the Company.

The Company is dependent on the payment by the owners and operators of the properties covered by a royalty or other interests, and any delay in or failure of such payments may affect the revenues generated by the asset portfolio

The Company is dependent to a large extent upon the financial viability of owners and operators of the relevant properties in respect of which it holds royalties and other interests. Payments from production generally flow through the operator and there is a risk of delay and additional expense in receiving such payments. Payments may be delayed by restrictions imposed by lenders, delays in the sale of products, the ability or willingness of smelters and refiners to process mineral products, delays in the connection of wells to a gathering system, blowouts or other accidents, recovery by the operators of expenses incurred in the operation of the properties, the establishment by the operators of reserves for such expenses or the insolvency of the operator. The Company's rights to payment for royalties and other interests must, in some cases, be enforced by contract without the protection of the ability to liquidate a property. This inhibits the Company's ability to collect outstanding payments in respect of such royalties or other interests upon a default. Additionally, some contracts may provide limited recourse in

particular circumstances which may further inhibit the Company's ability to recover or obtain equitable relief in the event of a default under such contracts. In the event of a bankruptcy of an operator or owner, it is possible that an operator may claim that the Company should be treated as an unsecured creditor and, therefore, have a limited prospect for full recovery of revenue; there is also a possibility that a creditor or the owner, developer or operator may claim that the royalty contract should be terminated in the insolvency proceeding. Alternatively, in order to preserve its interest in a royalty or other interest in the context of an insolvency or similar proceeding, the Company may be required to make additional investments in, or provide funding to, owners, developers or operators, which would increase its exposure to the relevant interest and counterparty risk. Failure to receive payments from the owners and operators of the relevant properties or termination of the Company's rights may result in a material adverse effect on the Company's earnings, results of operations, financial condition and prospects and the trading price of its securities.

The Company depends on its operators for the calculation of certain payments, and it may not be possible to detect errors in payment calculations

Payments to the Company for royalties and other interests are calculated by the operators of the relevant properties based on the reported production. Each operator's calculations are subject to and dependent upon the adequacy and accuracy of its production and accounting functions, and errors may occur from time to time in the calculations made by an operator. Certain contracts for royalties or other interests require the operators to provide the Company with production and operating information that may, depending on the completeness and accuracy of such information, enable the Company to detect errors in such calculations. The Company does not, however, have the contractual right to receive production information for all of its royalties and other interests. As a result, the Company's ability to detect payment errors in respect of royalties or other interests through its monitoring program of its interests and its associated internal controls and procedures is limited, and the possibility exists that the Company will need to make retroactive revenue adjustments in respect of royalties or other interests. Some of our contracts for royalties and other interests provide the right to audit the operational calculations and production data for the associated payments in respect of such royalties and other interests; however, such audits may occur many months following our recognition of the revenue in respect of the royalties and other interests and may require us to adjust our revenue in later periods.

Some of the agreements governing the Company's royalty assets contain terms that reduce the revenue generated from those assets upon the achievement of certain milestones

Revenue from some of the Company's royalty assets decreases after certain production or revenue milestones are achieved by the operator. For example, the royalty interests on the Horse Creek and Moblan properties, contain these types of step down provisions. See "Description of our Business — Summary of Our Asset Portfolio". As a result, past production and revenue relating to these interests may not be indicative of future results.

Royalties and other interests may be subject to buy-back rights in favour of the Company's counterparties that could adversely affect the revenues generated from the asset portfolio

None of the Company's royalties and other interests (other than the royalties on the Valjevo project and on the James Bay project) are subject to buy-back or buy-down rights. However, buy-back and buy-down rights are common in the industry and there is no guarantee that future royalties acquired by the Company will not have such rights in favour of the Company's counterparties. Buy-back and buy-down rights allow an operator to permanently eliminate or reduce the Company's interest or entitlement under the relevant royalty or other interest. The exercise of any buy-back and buy-down rights may result in a material adverse effect on the Company's earnings, results of operations, financial condition and prospects and the trading price of its securities. In addition, our royalty interest may be tied to a grantor's interest on a project, which such grantor's interest may be subject to a reduction that is out of our control.

Sales of assets covered by the Company's interests may result in a new operator and any failure of such operator to perform could affect the revenues of the Company

The owners, developers or operators of the projects or mines in respect of which the Company holds an interest may from time to time announce transactions, including the sale or transfer of the projects or mines or of the operator itself, over which the Company has little or no control. If such a transaction is completed, it may result in a new operator controlling the project or mine, who may or may not operate the project or mine in a similar manner to the current operator, which may positively or negatively impact the Company. If any such transaction is announced, there is no certainty that such transaction will be completed, or completed as announced, and any consequences of such non-completion on the Company may be difficult or impossible to predict.

Any limitation on the transfer of cash or other assets between the Company and the Company's subsidiaries, or among such entities, could restrict the Company's ability to fund the acquisition of new royalty interests

The Company holds royalty assets and other interests through subsidiaries. Accordingly, any limitation on the transfer of cash or other assets between the parent corporation and such entities, or among such entities, could restrict the Company's ability to fund its future acquisitions efficiently. Any such limitations, or the perception that such limitations may exist now or in the future, could have an adverse impact on the Company's valuation and stock price.

Global financial conditions may destabilize

Global financial conditions could suddenly and rapidly destabilize in response to future events, as government authorities may have limited resources to respond to future crises. Future crises may be precipitated by any number of causes, including natural disasters, geopolitical instability, changes to energy prices or sovereign defaults. Any sudden or rapid destabilization of global economic conditions could negatively impact the Company's ability, or the ability of the owners, developers or operators of the properties in respect of which the Company holds royalties or other interests, to obtain equity or debt financing or make other suitable arrangements to finance their projects. In addition, economic volatility, disruptions in the financial markets, or severe price declines for lithium or other minerals could adversely affect our ability to obtain future debt or equity financing for acquisitions on acceptable terms. In the event of increased levels of volatility or a rapid destabilization of global economic conditions, the Company's earnings, results of operations, financial condition and prospects and the trading price of its securities could be adversely affected.

The COVID-19 pandemic has adversely affected, and may continue to adversely affect, operations at some properties covered by the Company's royalty interests, which could have a material adverse effect on the results of operations and financial condition of the Company

The world has experienced an outbreak of COVID-19. Public health and government authorities have recommended and mandated precautions to mitigate the spread of COVID-19, including, in some cases, quarantines, shelter-in-place orders, and restrictions on mining-related activities. Any such limitations, restrictions and orders may have a material adverse effect upon ongoing exploration programs at the mineral properties in respect of which the Company holds royalties and other interests and, ultimately, on the financial condition and results of operations of the Company.

To date, there have been a large number of temporary business closures, quarantines, and a general reduction in consumer activity in a number of countries. The outbreak has caused companies and various international jurisdictions to impose travel, gathering and other public health restrictions. While these effects are expected to be temporary, the duration of the various disruptions to businesses locally and internationally and the related financial impact cannot be reasonably estimated at this time. Public health crises such as the COVID-19 pandemic can result in volatility and disruptions in the supply and demand for lithium and other minerals, global supply chains and financial markets, as well as declining trade and market sentiment and reduced mobility of people, all of which could affect commodity prices, interest rates, credit ratings, credit risk, share prices and inflation. The risks to the Company of public health crises such as the COVID-19 pandemic also include risks to employee health and safety, a slowdown or temporary suspension of operations at the relevant properties in respect of which it holds royalties and other interests in geographic locations impacted by an outbreak or political or economic instabilities or civil unrest in the countries where such properties are located. At this point, the extent to which COVID-19 or any variant will or may impact the Company is uncertain and these factors are beyond the Company's control; however, it is possible that COVID-19 or any variant may have a material adverse effect on the Company's business, results of operations and financial condition.

The COVID-19 pandemic has significantly impacted the global economy and markets over the past years and may continue to do so, which could adversely affect the business of the Company or the trading price of the Company's securities

The global economy, commodity prices, and financial markets have experienced significant volatility and uncertainty due to COVID-19. Commodity price volatility could cause operators or developers to defer or forgo projects, which could adversely impact our financial condition or our ability to generate future revenue. Moreover, in the ordinary course of business, we review opportunities to acquire new royalty interests and currently have acquisition opportunities at various stages of review. Reduced economic and travel activities or illness among our management team as a result of COVID-19 or any variant thereof could limit or delay acquisition opportunities or other business activities. Government efforts to counter the economic effects of COVID-19 or any variant thereof through liquidity and stimulus programs may be insufficient or ineffective in preventing or reducing the effects of a recession. It is difficult to determine the extent of the economic and market impacts from COVID-19 or any variant thereof and the many ways in which they may negatively affect our business and the trading price of our securities.

The Company is exposed to general counterparty and liquidity risk, and any delay or failure of counterparties to make payments may affect the revenues of the Company

In addition to counterparty risk with respect to payments from operators and owners, the Company is also exposed to various counterparty risks including, but not limited to (i) through financial institutions that custody the Company's financial assets, (ii) through other companies that have payables to the Company and (iii) through the Company's insurance providers. Any delay or failure of such counterparties to make payments will affect the revenues of the Company. The Company is also exposed to liquidity risks in meeting its operating expenditure requirements in instances where cash positions are unable to be maintained or appropriate financing is unavailable. These factors may impact the ability of the Company to obtain loans or other credit facilities or obtain equity financing in the future or to obtain them on terms favourable to the Company.

Operators may interpret the Company's existing or future royalty or other interests in a manner adverse to the Company or otherwise may not abide by their contractual or legal obligations

Royalty interests are generally subject to uncertainties and complexities arising from the application of contract and property laws in the jurisdictions where the mineral projects are located. Operators and other parties to the agreements governing the Company's existing or future royalty or other interests may interpret the Company's interests in a manner adverse to the Company or otherwise may not abide by their contractual obligations, and the Company could be forced to take legal action to enforce its contractual rights. The Company may or may not be successful in enforcing its contractual rights, and its revenues relating to any challenged royalty interests may be delayed, curtailed or eliminated during the pendency of any such dispute or in the event its position is not upheld. Disputes could arise challenging, among other things, methods for calculating the royalty interest, various rights of the operator or third parties in or to the royalty interest or the underlying property, the obligations of a current or former operator to make payments on royalty interests, and various defects or ambiguities in the agreement governing a royalty interest. Any pending disputes, proceedings or actions or any decisions determined adversely to the Company, may have a material adverse effect on the Company's earnings, results of operations, financial condition and prospects and the trading price of its securities.

Only certain of the Company's royalties and other interests are secured and the Company's security interests, if any, may be subordinated or difficult to enforce

Certain of the Company's royalties and other interests are secured, and several are unsecured. In a default, liquidation or realization situation, any the Company unsecured interest will be satisfied pro rata with all other unsecured claims after all secured claims, property claims and prior ranking claims are satisfied in full. Absent a security interest, the Company's likely potential recourse against a defaulting property owner or mining operator is for breach of the applicable contract which will result in an unsecured damages claim for which recovery may be remote and time-consuming. In the event that a mining operator or property owner has insufficient funds to pay its liabilities and obligations as they become due, it is possible that other liabilities and obligations will be satisfied prior to the liabilities and obligations owed to the Company.

Even valid security interests which are held by the Company may be (i) subordinated, (ii) unenforceable, (iii) difficult to enforce or (iv) subject to attack by other creditors or stakeholders. If the Company's security is subordinated, the Company may be prohibited from enforcing its security, even if a default has occurred, until steps are undertaken by senior creditors or until otherwise permitted under the applicable subordination agreement. Also, any recovery or distribution in respect of its subordinated obligations may be postponed until senior creditors are indefeasibly paid in full. Even if the Company is permitted to enforce its security interests, if any, the security may be difficult to enforce because of the nature of the security and issues out of the Company's control, including court orders, restricted access and jurisdiction. The Company may be unwilling to exercise any rights that it may have if the Company could become exposed to environmental or other liabilities, such as, successor employer or as a mortgagee-in-possession, by virtue of exercising such rights. Other creditors and stakeholders of the mining operator or property owner of the mining operator or property owner may attack the Company's security interests and royalty rights and other rights under applicable insolvency, preference or reviewable transaction legislation. If such creditors are successful, the remedies may include unwinding or voiding the Company's interests. If the Company is unable to enforce its security interests, there may be a material adverse effect on the Company's earnings, results of operations, financial condition and prospects and the trading price of its securities.

In addition to the issues relating to enforcing its security, there is no assurance that the Company will be able to effectively enforce any guarantees, indemnities or other interests, even if they exist. Should an insolvency proceeding or other similar event related to a mining operator or property owner be commenced (whether by it or its creditors), there will likely be a court ordered stay of proceedings that may prevent the Company from enforcing its security and royalty rights and other rights. In an insolvency proceeding, a property owner or mining operator may not perform its obligations under a royalty or other agreements with the Company, it or its creditors may seek to unilaterally terminate, disclaim or resiliate agreements with

the Company, they may seek to sell or vest the property to another party free and clear of the Company royalty or other obligations or seek other relief with respect to the Company's interests. Any sale or transfer of property in such insolvency proceeding may also be effected by court order notwithstanding any transfer restrictions, options, rights of first refusal or other rights contained in the agreements with the Company or others. Further, in insolvency proceedings, any security or other interest held by the Company will likely be primed and further subordinated by court ordered charges or other court ordered relief, including for interim financing. Moreover, development or exploration stage owners and operators may hold only mining claims or other rights that are not considered interests in land. Our royalties covering these mining claims or other rights would not survive an insolvency proceeding, and may also be lost if the owner or operator fails to keep such mining claims or other rights in good standing.

Insolvency proceedings in the mining industry are generally complex and lengthy, the outcome of which may be uncertain and may result in a material adverse effect on the Company's earnings, results of operations, financial condition and prospects. In such proceeding, property owners may sell or convey the property free and clear of any obligations owed to the Company.

In addition, because some of the properties in respect of which the Company holds royalties and other interests are owned and operated by foreign entities in foreign jurisdictions, the Company's security interests and royalty rights and other rights may be subject to political interference, as well as, real and personal property, enforcement and insolvency laws of foreign jurisdictions that differ significantly from those in Canada, and may prevent the Company from enforcing its security and royalty rights and other rights as anticipated. Further, there can be no assurance that any judgments or orders obtained in Canadian courts will be enforceable in those jurisdictions. If the Company is unable to enforce its security interests and royalty rights and other rights, there may be a material adverse effect on the Company's earnings, results of operations, financial condition and prospects and the trading price of its securities.

The Company's earnings, results of operations and financial condition are subject to variations in foreign exchange rates and currency controls

Certain of the Company's activities, offices and royalties are located in Canada and the costs associated with these activities are largely denominated in Canadian dollars. However, the majority of the Company's royalties and other interests are denominated in U.S. dollars or Australian dollars and, as a result, are subject to foreign currency fluctuations, currency controls and inflationary pressures, which may have a material adverse effect on the Company's earnings, results of operations and financial condition. There can be no assurance that the steps taken by management to address variations in foreign exchange rates will eliminate all adverse effects and the Company may suffer losses due to adverse foreign currency rate fluctuations.

Business activities in Argentina may be subject to exchange, capital and currency controls, which may interfere with the ability of mine operators to pay royalty holders like the Company and of royalty holders to repatriate funds from Argentina

Over the last several years, the Argentine government has tightened its exchange, capital and currency controls. Currently, all export proceeds are required to be converted into Argentine pesos and dividend distributions and payments to foreign suppliers now require specific authorizations from the Central Bank of Argentina. Because some of the properties in respect of which the Company holds royalties and other interests are located in Argentina, the Company's royalty rights, security interests and other rights may be adversely impacted by the current exchange, capital and currency regulations in Argentina. These may include interference with the ability of mine operator to pay the Company and with the Company's ability to repatriate funds from Argentina, including royalty payments received from mine operators.

Operators of mines may not be able to replace depleted Mineral Reserves and Mineral Resources, which could reduce the Company's revenue from royalties and other interests

The revenue generated by the Company is principally based on the exploitation of Mineral Reserves on assets underlying the Company's royalties or other interests. Mineral Reserves are continually being depleted through extraction and the long-term viability of the Company's asset portfolio depends on the replacement of Mineral Reserves by owners and operators through new producing assets and increases in Mineral Reserves on existing producing assets. As mines in respect of which the Company has royalties or other interests mature, it can expect overall declines in production over the years unless operators are able to replace Mineral Reserves that are mined through mine expansion or successful new exploration. Exploration for minerals is a speculative venture necessarily involving substantial risk. There is no certainty that the expenditures made by the operator of any given project will result in discoveries of commercial quantities of minerals on properties underlying the asset portfolio or that discoveries will be located on properties covered by the relevant royalty or other interest. Even in those cases where a significant mineral deposit is identified and covered by the royalty or other interest, there is no guarantee that the deposit can be economically extracted or that new Mineral Reserves will be covered by our royalty

interest. Substantial expenditures are required to establish Mineral Reserves through drilling, to develop processes to extract the resources and, in the case of new properties, to develop the extraction and processing facilities and infrastructure at any site chosen for extraction. Although substantial benefits may be derived from the discovery of a major deposit covered by the royalty or other interest, no assurance can be given that new Mineral Reserves will be identified to replace or increase the amount of Mineral Reserves currently in the asset portfolio. This includes Mineral Resources, as the resources that have been discovered have not been subjected to sufficient analysis to justify commercial operations or the allocation of funds required for development. The inability by operators to add additional Mineral Reserves or to replace existing Mineral Reserves through either the development of existing Mineral Resources or the acquisition of new mineral producing assets, in each case covered by a royalty or other interest, may result in a material adverse effect on the Company's earnings, results of operations and financial condition and the trading price of its securities.

The Company may enter into acquisitions or other material royalty transactions at any time, which may be material, may involve the issuance of the Company securities or the incurrence of indebtedness and will be subject to transaction-specific risks

The Company is continuously reviewing opportunities to create new royalty or other arrangements, to acquire existing royalties or other interests, or to acquire companies that hold royalties or other interests in respect of mineral properties. At any given time the Company may have various types of transactions and acquisition opportunities in various stages of active review, including submission of indications of interest and participation in discussions or negotiations in respect of such transactions. This process also involves the engagement of consultants and advisors to assist in analyzing particular opportunities. Any such acquisition or transaction could be material to the Company and may involve the issuance of securities by the Company or the incurrence of indebtedness to fund any such acquisition. In addition, any such transaction may have other transaction specific risks associated with it, including risks related to the completion of the transaction, the project operators or the jurisdictions in which assets may be acquired or underlying properties located. Additionally, the Company may consider opportunities to restructure its royalty arrangements where it believes such a restructuring may provide a long-term benefit to the Company, even if such restructuring may reduce near-term revenues or result in the Company incurring transaction related costs.

Increased competition for royalties and other interests could adversely affect the Company's ability to acquire additional royalties and other interests in mineral properties

Many companies are engaged in the search for and the acquisition of mineral interests, including royalties and other interests, and there is a limited supply of desirable mineral interests. The mineral exploration and mining businesses are competitive in all phases. Many companies are engaged in the acquisition of mineral interests, including large, established companies with substantial financial resources, operational capabilities and long earnings records. The Company may be at a competitive disadvantage in acquiring those interests, whether by way of royalty or other form of investment, as competitors may have greater financial resources and technical staffs. There can be no assurance that the Company will be able to compete successfully against other companies in acquiring new royalties or other interests. In addition, the Company may be unable to acquire royalties or other interests at acceptable valuations which may result in a material adverse effect on the Company's earnings, results of operations and financial condition and the trading price of its securities.

The Company can provide no assurance that it will be able to obtain adequate financing in the future or that the terms of such financing will be favourable

There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in delay or postponement of further business activities and future acquisition of royalty and other interests which may result in a material adverse effect on the Company's earnings, results of operations and financial condition and the trading price of its securities.

Obtaining additional funding will be subject to various factors, including general market conditions, investor acceptance of our business plans and ongoing results from our existing royalty portfolio. These financings could require contractual or other restrictions on our operations or on alternatives that may be available to us. If we raise funds by issuing debt securities, these debt securities could impose significant restrictions on our operations. Any such required financing may not be available in amount or on terms acceptable to us, and the failure to procure such required financing could have a material and adverse effect on our development plan and continuous growth.

We may not be able to acquire additional funds on acceptable terms, or at all. If we are unable to raise adequate funds, we may have to delay some of our acquisitions, therefore potentially affecting our earnings in the short and long term. Any of these factors could harm our operating results.

The Company may experience difficulty attracting and retaining qualified management and technical personnel to efficiently operate its business

The Company is dependent upon the continued availability and commitment of its key management personnel, whose contributions to immediate and future operations of the Company are of significant importance. The loss of any such key management personnel, and, in particular, our Chief Executive Officer, Ernie Ortiz, could negatively affect business operations. From time to time, the Company may also need to identify and retain additional skilled management and specialized technical personnel to efficiently operate its business. In addition, the Company frequently retains third party specialized technical personnel to assess and execute on opportunities. These individuals may have conflicts of interest or scheduling conflicts, which may delay or inhibit the Company's ability to employ such individuals' expertise. The number of persons skilled in the acquisition, exploration and development of royalties and interests in natural resource properties is limited and competition for such persons is intense. Recruiting and retaining qualified personnel is critical to the Company's success and there can be no assurance that the Company will be able to recruit and retain such personnel. If the Company is not successful in recruiting and retaining qualified personnel, the Company's ability to execute its business model and growth strategy could be affected, which could have a material adverse impact on its earnings, results of operations and financial condition and the trading price of its securities. The Company does not intend to maintain "key man" insurance for any members of its management.

Certain of the Company's directors serve in similar positions with other public companies, which could put them in a conflict position from time to time

Certain of the directors and officers of the Company also serve as directors or officers of, or have significant shareholdings in, other companies involved in natural resource exploration, development and production and, to the extent that such other companies may engage in transactions or participate in the same ventures in which the Company participates, or in transactions or ventures in which the Company may seek to participate, the directors and officers of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. Such conflicts of the directors and officers may result in a material adverse effect on the Company's earnings, results of operations and financial condition and the trading price of its securities.

The imposition of, taxes under, changes in or in the interpretation of tax legislation or changes in accounting rules could affect the earnings of the Company

The Company (or its subsidiaries) may be subject to foreign withholding tax (or other foreign taxes) on royalties in respect of mining operations in foreign jurisdictions. The imposition of, taxes under, changes to, or differing interpretation of, taxation laws or regulations in Canada, the United States, or any of the countries in which the Company's assets or relevant contracting parties or underlying properties are located could result in some or all of the Company's profits being subject to additional taxation. No assurance can be given that new taxation rules or accounting policies will not be enacted or that existing rules will not be applied in a manner which could result in the Company's profits being subject to additional taxation or which could otherwise have a material adverse effect on the Company's earnings, results of operations and financial condition and the trading price of its securities. In addition, the imposition of taxes in foreign jurisdictions, introduction of new tax rules or accounting policies, or changes to, or differing interpretations of, or application of, existing tax rules or accounting policies could make royalties or other interests held by the Company less attractive to counterparties. Such circumstances could adversely affect the Company's ability to acquire new assets or make future investments.

Currently all of our royalties are held by us and our Canadian subsidiaries, and include royalties in respect of mining operations in foreign jurisdictions. In the future it may be necessary or advisable to acquire royalties or other assets through a non-Canadian subsidiary or to restructure existing holdings, which may trigger taxation. Multinational structures are subject to greater scrutiny by the Canada Revenue Agency and other taxing authorities, and global tax reform is ongoing. Differing interpretation of, or changes in, taxation laws or regulations in Canada, the United States, or any of the countries in which the Company's assets or relevant contracting parties or underlying properties are located could have a material adverse effect on the Company's earnings, results of operations and financial condition, and the trading price of its securities.

The Company could be subject to tax consequences as a result of the Pre-IPO Reorganization

Prior to the closing of the IPO, the Company carried out a reorganization ("Pre-IPO Reorganization"). The tax consequences to the Company of such Pre-IPO Reorganization will depend on the valuation of the assets of the Company. Such valuation is not binding on the Canada Revenue Agency or other relevant tax authorities. If the Canada Revenue Agency or any other relevant tax authority took a different view of such valuation, this could have a negative tax consequence to the Company.

The Company's operations depend on information systems that may be vulnerable to cyber security threats

The Company's operations depend, in part, on its information technology ("IT") systems, networks, equipment and software and the security of these systems. The Company depends on various IT systems to process and record financial and technical data, administer its contracts with its counterparties and communicate with employees and third-parties. These IT systems, and those of its third-party service providers and vendors and the counterparties under its contracts for royalties and other interests may be vulnerable to an increasing number of continually evolving cyber security risks. Unauthorized third parties may be able to penetrate network security and misappropriate or compromise confidential information, create system disruptions or cause shutdowns. Any such breach or compromise may go undetected for an extended period of time.

A significant breach of the IT systems or data security or misuse of data, particularly if such breach or misuse goes undetected for an extended period of time, could result in significant costs, loss of revenue, fines or lawsuits and damage to reputation. The costs to eliminate or alleviate cyber or other security problems, including bugs, viruses, worms, malware and other security vulnerabilities, could be significant, and our efforts to address these problems may not be successful. The significance of any cyber-security breach is difficult to quantify, but may in certain circumstances be material and could have a material adverse effect on the Company's results of operations and financial condition and the trading price of its securities.

Risks Related to Mining Operations

The Company is indirectly exposed to many of the same risk factors as the owners, developers and operators of properties covered by its royalty or other interests

To the extent that they relate to the production of minerals from, or the continued operation of, the properties in respect of which the Company holds a royalty or interest, the Company will be subject to the risk factors applicable to the owners and operators of such mines or projects.

Production at mines and projects covered by the Company's holds royalty or other interests is dependent on operators' employees

Production from the properties in respect of which the Company holds an interest depends on the efforts of operators' employees. There is competition for geologists and persons with mining expertise. The ability of the owners and operators of such properties to hire and retain geologists and persons with mining expertise is key to those operations. Further, relations with employees may be affected by changes in the scheme of labor relations that may be introduced by the relevant governmental authorities in the jurisdictions in which those operations are conducted. Changes in such legislation or otherwise in the relationships of the owners and operators of such properties with their employees may result in strikes, lockouts or other work stoppages, any of which could have a material adverse effect on the Company's earnings, results of operations, financial condition and prospects and the trading price of its securities. If these factors cause the owners and operators of such properties to decide to cease production at one or more of the properties, such decision could have a material adverse effect on the business and financial condition of the Company.

Mineral Reserves and Mineral Resources are estimates based on interpretation and assumptions and actual production may differ from amounts identified in such estimates

The Mineral Reserves and Mineral Resources on properties underlying the Company's royalties or other interests are estimates only, and no assurance can be given that the estimated Mineral Reserves and Mineral Resources are accurate or that the indicated level of minerals will be produced. Mineral Reserve and Mineral Resource estimates for the Company's royalty and other interests are prepared by the operators of the underlying properties. The Company does not participate in the preparation or verification of such estimates (or the reports in which they are presented) and the Company has not independently assessed or verified the accuracy of such estimates. Such estimates are, in large part, based on interpretations of geological data obtained from drill holes and other sampling techniques. Actual mineralization or formations may be different from those predicted. Further, it may take many years from the initial phase of drilling before production is possible and during that time the economic feasibility of exploiting a discovery may change.

Market price fluctuations of the applicable commodity, as well as increased production and capital costs or reduced recovery rates, may render the proven and probable Mineral Reserves on properties underlying the Company's royalties or other interests unprofitable to develop at a particular site or sites for periods of time or may render Mineral Reserves containing relatively lower grade mineralization uneconomic. Moreover, short-term operating factors relating to the Mineral Reserves, such as the need for the orderly development of ore bodies or the processing of new or different ore grades, may cause Mineral Reserves to be reduced or not extracted. Estimated Mineral Reserves may have to be recalculated based on actual production experience. The economic viability of a mineral deposit may also be impacted by other attributes of a particular deposit, such as size, grade and proximity to infrastructure, governmental regulations and policy relating to price, taxes, royalties, land tenure, land use permitting, the import and export of minerals and environmental protection and by political and economic stability. While these risks exist for all of the Company's assets, they are heightened in the case of interests in properties which have not yet commenced production.

Mineral Resource estimates in particular must be considered with caution. Mineral Resource estimates for properties that have not commenced production are based, in many instances, on limited and widely spaced drill hole or other limited information, which is not necessarily indicative of the conditions between and around drill holes. Such Mineral Resource estimates may require revision as more drilling or other exploration information becomes available or as actual production experience is gained. Further, Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability and may never be extracted by the operator of a property. It should not be assumed that any part or all of the Mineral Resources on properties underlying the Company's royalties or other interests constitute or will be converted into Mineral Reserves.

Any of the foregoing factors may require operators to reduce their Mineral Reserves and Mineral Resources, which may result in a material adverse effect on the Company's earnings, results of operations, financial condition and prospects and the trading price of its securities.

Incorrect or varying assessments of the value of our royalty assets or other interests that may be acquired could adversely affect the Company

The estimated value of our royalty assets and other interests of the Company will be based in large part on assessments made by management and valuers, which will include a series of assumptions. Investments or acquisitions in lithium properties or companies will be based in large part on engineering and economic assessments made by our engineers and technical experts. These assessments include a series of assumptions regarding such factors as recoverability and marketability of lithium, future prices of lithium and operating costs, future capital expenditures, royalties and streams and other government levies which will be imposed over the producing life of the reserves. Many of these factors are subject to change and are beyond the Company's control. All such assessments involve a measure of geologic and engineering uncertainty, which could result in lower production and reserves than anticipated or, in the case of the valuation of the Company's royalty assets, could result in such royalty assets being valued differently than assumed in the financial statements of the Company. The incorrect or varying assessments of the value of our royalty assets or other interests that may be acquired may result in a material and adverse effect on the Company's earnings, results of operation and financial condition.

The exploration and development of mineral resource properties is inherently dangerous and subject to risks beyond the control of the Company

Companies engaged in mining activities are subject to all of the hazards and risks inherent in exploring for and developing natural resource projects. These risks and uncertainties include, but are not limited to, environmental hazards, industrial accidents, labor disputes, increases in the cost of labor, social unrest, changes in the regulatory environment, permitting and title risks, impact of non-compliance with laws and regulations, fires, explosions, blowouts, cratering, encountering unusual or unexpected geological formations or other geological or grade problems, unanticipated metallurgical characteristics or less than expected mineral recovery, encountering unanticipated ground or water conditions, cave-ins, pit wall failures, flooding, rock bursts, tailings dam failures, periodic interruptions due to inclement or hazardous weather conditions, earthquakes, seismic activity, other natural disasters or unfavourable operating conditions and losses. Should any of these risks or hazards affect a company's exploration or development activities, it may (i) result in an environmental release or environmental pollution and liability; (ii) cause the cost of development or production to increase to a point where it would no longer be economic to produce the metal from the company's Mineral Resources or expected Mineral Reserves, (iii) result in a write down or write-off of the carrying value of one or more mineral projects, (iv) cause delays or stoppage of mining or processing, (v) result in the destruction of properties, processing facilities or third-party facilities necessary to the company's operations, (vi) cause personal injury or death and related legal liability, (vii) result in regulatory fines and penalties or the revocation or suspension of licenses; (viii) result in the loss of insurance coverage or (ix) result in the loss of social license to operate. The occurrence of any of above mentioned risks or hazards could result in an interruption or suspension of operation of the properties in respect of which the Company holds a royalty or other interest and have a material adverse effect on the Company's earnings, results of operations and financial condition and the trading price of its securities.

Defects in title to properties covered by the Company's royalty or other interests may result in a loss of entitlement by the operator and a loss of the Company's interest

A defect in the chain of title to any of the properties underlying one of the Company's royalties or other interests or necessary for the anticipated development or operation of a particular project to which a royalty or other interest relates may arise to defeat or impair the claim of the operator to a property which could in turn result in a loss of the Company's interest in respect of that property. In addition, claims by third parties or indigenous groups in Canada and elsewhere may impact on the operator's ability to conduct activities on a property to the detriment of the Company's royalties or other interests. To the extent an owner, developer or operator does not have title to the property, it may be required to cease operations or transfer operational control to another party. Many royalties or other interests are contractual, rather than an interest in land, with the risk that an assignment or bankruptcy or insolvency proceedings by an owner will result in the loss of any effective royalty or other interest in a particular property. Further, even in those jurisdictions where there is a right to record or register royalties or other interests held by the Company in land registries or mining recorders offices, such registrations may not necessarily provide any protection to the Company. As a result, known title defects, as well as unforeseen and unknown title defects may impact operations at a project in respect of which the Company has a royalty or other interest and may result in a material adverse effect on the Company's earnings, results of operations, financial condition and prospects and the trading price of its securities.

Future litigation affecting the properties covered by the Company's royalty or other interests could have an adverse effect on the Company

Litigation may arise on a property on which the Company holds a royalty or other interest (for example, litigation between joint venture partners or between operators and original property owners or neighbouring property owners). As a

holder of such interests, the Company will not generally have any influence on the litigation and will not generally have access to data. Any such litigation that results in the cessation or reduction of production from a property (whether temporary or permanent) or the expropriation or loss of rights to a property could have a material adverse effect on the Company's earnings, results of operations and financial condition and the trading price of its securities.

Moreover, the courts in some of the jurisdictions in which the Company has royalty or other interests may offer less certainty as to the judicial outcome of legal proceedings or a more protracted judicial process than is the case in more established economies. Accordingly, there can be no assurance that contracts, joint ventures, licenses, license applications or other legal arrangements will not be adversely affected by the actions of government authorities and the effectiveness of and enforcement of such arrangements in these jurisdictions. Moreover, the commitment of local businesses, government officials and agencies and the judicial system in these jurisdictions to abide by legal requirements and negotiated agreements may be more uncertain and may be susceptible to revision or cancellation, and legal redress may be uncertain or delayed. These uncertainties and delays could have a material adverse effect on our financial condition and results of operations.

Defects or disputes relating to the Company's royalties or other interests could have an adverse effect on the Company

Defects in or disputes relating to the royalty or other interests the Company holds or acquires may prevent the Company from realizing the anticipated benefits from these interests. Material changes could also occur that may adversely affect management's estimate of the carrying value of the Company's royalty and other interests and could result in impairment charges. While the Company seeks to confirm the existence, validity, enforceability, terms and geographic extent of the royalty and other interests it acquires, there can be no assurance that disputes or other problems concerning these and other matters or other problems will not arise. Confirming these matters is complex and is subject to the application of the laws of each jurisdiction to the particular circumstances of each parcel of mineral property and to the documents reflecting the royalty or other interest. The discovery of any defects in, or any disputes in respect of, the Company's royalty and other interests, could have a material adverse effect on the Company's earnings, results of operations, financial condition and prospects and the trading price of its securities.

If the Company expands its business beyond the acquisition of royalties or other interests, the Company may face new challenges and risks which could affect its earnings, results of operations and financial condition

The Company's operations and expertise have been focused on the acquisition and management of royalties and other interests. While it is not the Company's current intention, the Company may in the future pursue acquisitions outside this area. Expansion of the Company's activities into new areas would present challenges and risks that the Company has not faced in the past, including many of the risks other than those described under "Risks Related to Mining Operations". The failure to manage these challenges and risks

successfully may result in a material adverse effect on the Company's earnings, results of operations, financial condition and the trading price of the Company securities.

The Company may be subject to reputational damage

Reputational damage can be the result of the actual or perceived occurrence of any number of events, and could include any negative publicity, whether true or not. While the Company does not ultimately have direct control over how it is perceived by others, reputational loss could have a material adverse impact on the ability of the Company to attract business opportunities with counterparties within the mining industry, which could have an adverse impact on the trading price of its securities.

Delays or a failure to obtain or maintain property rights, permits and licenses on the properties covered by the Company's royalty or other interests, or a failure to comply with the terms of any of such property rights, permits and licenses could result in interruption or closure of operations or exploration on the properties

Exploration, development and operation of mining properties are subject to laws and regulations governing health and worker safety, employment standards, environmental matters, mine development, project development, mineral production, permitting and maintenance of title, exports, taxes, labor standards, reclamation obligations, heritage, historic and archaeological matters and other matters. The owners and operators of the properties in respect of which the Company holds a royalty or other interest require licenses and permits from various governmental authorities in order to conduct their operations. Future changes in such laws and regulations or in such licenses and permits could have a material adverse impact on the revenue that the Company derives from its royalties and other interests. Such licenses and permits are subject to change in various circumstances and are required to be kept in good standing through a variety of means, including cash payments and satisfaction of conditions of issue. Such licenses and permits are subject to expiration, relinquishment or termination without notice to,

control of or recourse by the Company. There can be no guarantee that the owners, developers or operators of those properties in respect of which the Company holds a royalty or other interest, will be able to obtain or maintain all necessary licenses and permits in good standing that may be required to explore, develop and operate the properties, commence construction or operation of mining facilities, or maintain operations that economically justify the cost. Any failure to comply with applicable laws and regulations, permits and licenses, or to maintain permits and licenses in good standing, even if inadvertent, could result in interruption or closure of exploration, development or mining operations or in fines, penalties or other liabilities accruing to the owner, developer or operator of the project. Any such occurrence could substantially decrease production or cause the termination of operations on the property and have a material adverse effect on the Company's earnings, results of operations, financial condition and prospects and the trading price of its securities.

The Company is exposed to risks related to the construction, development and expansion in relation to the mines, projects and properties covered by its royalty or other interests

Many of the projects or properties in respect of which the Company holds an interest in are in the construction, development or expansion stage and such projects are subject to numerous risks, including, but not limited to delays in obtaining equipment, materials and services essential to the construction and development of such projects in a timely manner, currency exchange rates, labor shortages, cost escalations and fluctuations in commodity prices. There can be no assurance that the owners, developers or operators of such projects will have the financial, technical and operational resources to complete construction, development or expansion of such projects in accordance with current expectations or at all.

The operations on properties covered by the Company's interests are subject to environmental and endangered species laws and regulations that may increase the costs of doing business and may restrict operations, which could reduce the Company's revenues

All phases of the mining business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of government laws and regulations, including laws and regulations relating to the protection of endangered and threatened species. Compliance with such laws and regulations can require significant expenditures and a breach may result in the imposition of fines and penalties, which may be material. In addition, such laws and regulations can constrain or prohibit the exploration and development of new projects or the development or expansion of existing projects. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, increases in land use restrictions, larger fines and liability and potentially increased capital expenditures and operating costs. Any breach of environmental legislation by owners, developers or operators of properties underlying the Company's asset portfolio, or by the Company, as a mortgagee-in-possession, could have a material impact on the viability of the relevant property and impair the revenue derived from the owned property or applicable royalty or other interest, which could have a material adverse effect on the Company's earnings, results of operations and financial condition and the trading price of its securities.

Additional costs may be incurred by mineral property owners, developers and operators as a result of international climate change initiatives and may affect the availability of resources and cause business disruptions, which could reduce the Company's revenues

The Company acknowledges climate change as an international and community concern. The Company supports and endorses various initiatives for voluntary actions consistent with international initiatives on climate change. In addition to voluntary actions, governments are moving to introduce climate change legislation and treaties at the international, national, state, provincial and local levels. Where legislation already exists, regulation relating to emission levels and energy efficiency is becoming more stringent. Some of the costs associated with reducing emissions can be offset by increased energy efficiency and technological innovation. However, if the current regulatory trend continues, the Company expects this may result in increased costs at some of the properties underlying its royalties or other interests, which could have a material impact on the viability of the properties and impair the revenue derived from the applicable royalty or other interest, which could have a material adverse effect on the Company's earnings, results of operations, financial condition and prospects and the trading price of its securities.

Certain owners, developers and operators are subject to risks relating to foreign jurisdictions and developing economies, which could negatively impact the Company

Some of the Company's royalty or other interests relate to properties outside of Canada, the United States or Australia, including Argentina and Brazil in South America. In addition, future investments may expose the Company to new jurisdictions. The ownership, development and operation of properties, mines and projects in foreign jurisdictions by their owners are subject to the risks normally associated with conducting business in foreign jurisdictions. These risks include, depending on the country, nationalization and expropriation, social unrest and political instability, less developed legal and

regulatory systems, uncertainties in perfecting mineral titles, trade barriers, exchange controls and material changes in taxation. These risks may, among other things, limit or disrupt the ownership, development or operation of properties, mines or projects in respect of which the Company holds royalty or other interests, restrict the movement of funds, or result in the deprivation of contractual rights or the taking of property by nationalization or expropriation without fair compensation. If any of these events were to occur, this may result in a write down or write-off of the carrying value of one or more of the Company's assets, which could have a material adverse effect on the Company's earnings, results of operations, financial condition and prospects and the trading price of its securities. In addition, in the event of a dispute arising from foreign operations, the Company may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdiction of courts in Canada.

The Company applies various methods, where practicable, to identify, assess and, where possible, mitigate these risks prior to entering into contracts for royalty or other interests. Such methods generally include: conducting due diligence on the political, social, legal and regulatory systems and on the ownership, title and regulatory compliance of the properties subject to the royalty or other interest, engaging experienced local counsel and other advisors in the applicable jurisdiction; negotiating where possible so that the applicable contract contains appropriate protections, representations, warranties and, in each case as the Company deems necessary or appropriate in the circumstances, all applied on a risk-adjusted basis. There can be no assurance, however, that the Company will be able to identify or mitigate all risks relating to holding royalties and other interests in respect of properties, mines and projects located in foreign jurisdictions, and the occurrence of any of the factors and uncertainties described above could have a material adverse effect on the Company's earnings, results of operation and financial condition and the trading price of its securities.

Changes in government regulation could inhibit exploration, construction and development on, or production from, the mineral properties covered by the Company's royalty or other interests

The properties on which the Company holds or will hold a royalty or other interest are located in multiple legal jurisdictions and political systems. There is no assurance that future political and economic conditions in such countries will not result in the adoption of different policies or attitudes respecting the development and ownership of resources. Changes in applicable laws, regulations, or in their enforcement or regulatory interpretation could result in adverse changes to mineral development or operations. Any such changes in policy or attitudes may result in changes in laws affecting ownership of assets, land tenure and resource concessions, licensing fees, taxation, royalties, price controls, exchange rates, export controls, environmental protection, labor relations, foreign investment, nationalization, expropriation, repatriation of income and return of capital, which may affect both the ability to undertake exploration, construction and development on, or production from, the properties in respect of which the Company holds a royalty or other interest or the payments under such royalties or other interests. In certain areas where the Company holds a royalty or other interest, the regulatory environment is in a state of continuing change, and new laws, regulations and requirements may be retroactive in their effect and implementation. Any changes in governmental laws, regulations, economic conditions or shifts in political attitudes or stability are beyond the control of the Company and the owners and operators of the properties in respect of which the Company holds an interest and such changes may result in a material adverse effect on the Company's earnings, results of operations, financial condition and prospects and the trading price of its securities.

Adequate infrastructure may not be available to develop the properties covered by the Company's interests, which could inhibit operations at such properties

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants, which affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect or inhibit the operations at the properties in respect of which the Company holds a royalty or other interest, which may result in a material adverse effect on the Company's earnings, results of operations and financial condition and the trading price of its securities.

Mineral properties covered by the Company's royalty or other interests may be subject to risks related to indigenous peoples which could inhibit operations at such properties

Various international, national, state and provincial laws, codes, resolutions, conventions, guidelines, treaties and other principles and considerations relate to the rights of indigenous peoples. The Company holds royalties and other interests in respect of operations located in some areas presently or previously inhabited or used by indigenous peoples. Many of these impose obligations on government to respect the rights of indigenous people. Some mandate consultation with indigenous people regarding actions which may affect indigenous people, including actions to approve or grant mining rights or permits. The obligations of government and private parties under the various international and national requirements, principles and

considerations pertaining to indigenous people continue to evolve and be defined. The properties in respect of which the Company currently holds or in the future may hold an interest are subject to the risk that one or more groups of indigenous people may oppose operation or new development. Such opposition may be directed through legal or administrative proceedings or protests, roadblocks or other forms of public expression against the operator's or the Company's activities. Opposition by indigenous people to such activities may require modification of or preclude operation or development of projects or may require the entering into of agreements with indigenous people. Claims and protests of indigenous peoples may disrupt or delay activities of the operators of assets in respect of which the Company holds a royalty or other interest which may result in a material adverse effect on the Company's earnings, results of operations, financial condition and prospects and the trading price of its securities.

Risks Related to the Ownership of our Common Shares

Our common shares are subject to price volatility

Securities markets have a high level of price and volume volatility, and the market price of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. Factors unrelated to our financial performance or prospects include macroeconomic developments in North America and globally, and market perceptions of the attractiveness of particular industries or asset classes. There can be no assurance that continued fluctuations in mineral prices will not occur. As a result of any of these factors, the market price of our common shares at any given time may not accurately reflect the long-term value of LRC.

In the past, following periods of volatility in the market price of a company's securities, shareholders have instituted class action securities litigation against them. Such litigation, if instituted, could result in substantial cost and diversion of management attention and resources, which could significantly harm the profitability and the reputation of LRC.

Future sales of common shares by the Waratah Group or Riverstone could impact the price of the common shares

No prediction can be made as to the effect, if any, of future sales of common shares by the Waratah Group or Riverstone on the market price of the common shares. However, the future sale of a substantial number of common shares by the Waratah Group or Riverstone or the perception that such sales could occur, could adversely affect prevailing market prices for the common shares. After the expiry of the 180-day lock-up period imposed upon the Waratah Group and Riverstone in connection with the IPO, nothing prevents the Waratah Group or Riverstone from selling or otherwise disposing of its common shares.

The Waratah Group materially affects control of the Company

The Waratah Group owns or controls, directly or indirectly, approximately 55% of the issued and outstanding equity shares. In addition, the Ontario Entity, a member of the Waratah Group, has an option pursuant to which it will acquire common shares from Riverstone for nominal consideration in such number as is determined under the option with Riverstone based on the price at which Riverstone may transfer, redeem or otherwise receive value for its common shares. It is estimated that, in aggregate, the Ontario Entity will not acquire common shares from Riverstone pursuant to this option representing more than 5% of the equity shares issued and outstanding following the IPO. Accordingly, the Waratah Group materially affects control of the Company, including with respect to all matters submitted to the Company's shareholders for approval, including without limitation the election and removal of directors, amendments to the Company's constating documents and the approval of certain business combinations. In considering such matters, the interests of the Waratah Group may not always align with the interests of the Company's other shareholders. In addition, the Company and the Waratah Group are party to the Investor Rights Agreement, which, among other things, provides the Waratah Group the ability to nominate up to a majority of the members of our seven-person Board. See "Material Contracts — Investor Rights Agreement". Other Shareholders will have a limited role in the Company's affairs. This concentration of holdings may cause the market price of the common shares to decline, delay or prevent any acquisition or delay or discourage take-over attempts that shareholders may consider to be favourable, or make it more difficult or impossible for a third-party to acquire control of the Company or effect a change in the Board and management. Any delay or prevention of a change of control transaction could deter potential acquirors or prevent the completion of a transaction in which the Company's shareholders could receive a substantial premium over the then current market price for their common shares.

The Company has only a few employees and is dependent on Waratah for many of the services that the Company requires

The Company does not employ all of its own personnel, but instead depends upon Waratah, as manager, for certain of its executive officers and its employees for some of the services it requires. Certain of our investment and asset management decisions may be made by Waratah (subject to approval, where required, by a majority of the Waratah Independent Directors). Accordingly, our success depends in part on our manager and its personnel, services and resources. The Services Agreement has a term ending on the earlier of (i) December 31, 2027 and (ii) 180 days after the Waratah Group first ceases to directly or indirectly own, control or direct at least 5% of our Equity Securities. During the term, the Services Agreement may only be terminated by us for Cause or following a change of control of the Company. We will have the right to terminate our agreements with Waratah following a determination of Cause by a court or government body of competent jurisdiction in a final judgement or admission of Cause by Waratah, or following completion of a change of control of the Company, as applicable. See “Material Contracts — Services Agreement — Duration and Termination”.

Further, our ability to pursue our strategies successfully may depend on the continued service of key personnel of Waratah and its ability to recruit individuals of similar experience and calibre. While our manager seeks to ensure that the principal members of its management teams are suitably incentivized, the retention of key members of those teams cannot be guaranteed. There is no guarantee that, following the death, disability or departure from our manager of any key personnel, our manager would be able to recruit a suitable replacement or avoid any delay in doing so. The loss of key personnel and any inability to recruit an appropriate replacement in a timely fashion could have an adverse effect on our financial condition, results of operations and prospects.

There can be no assurance that the policies and procedures the Company has established to mitigate conflicts of interest with Waratah will be effective in doing so

The ability of Waratah, as manager, and its officers and employees to engage in other business activities may reduce the amount of time our manager, its officers or other employees spend managing us.

Waratah is involved in other financial, investment or professional activities and may not, and under the terms of the Services Agreement, is not required to, commit all of its resources to our affairs. Insofar as our manager devotes resources to satisfy its responsibilities to other business interests, its ability to devote resources and attention to our affairs will be correspondingly less.

In particular, Waratah may provide investment management and related services to other managed entities that may invest in the battery metals space. Our manager has established procedures to address any such potential conflicts of interests. While our manager has such established procedures and will undertake reasonable efforts to identify and manage such conflicts, there can be no assurance that such conflicts will be adequately resolved by the conflicts policy which, in turn, could have an adverse effect our financial condition, results of operations and prospects.

Furthermore, there could be conflicts of interest between us and the senior management of our manager.

In addition, the structure of our manager’s compensation arrangements as cost recovery only may have unintended consequences for us. We have agreed to reimburse our manager for costs and expenses relating to our operations that are paid by Waratah.

As disclosed elsewhere in this AIF, Waratah is majority owned and jointly controlled by the Company’s Executive Chairman, Blair Levinsky. Mr. Levinsky is not an independent director and serves on our Compensation, Nominating and Governance Committee. Since the Company will reimburse Waratah for its expenses in connection with the provision of services of the Service NEOs, the Company, including through Mr. Levinsky as a member of the Compensation, Nominating and Governance Committee, will have input into the compensation that Waratah pays the individuals for the provision of such services to the Company. See “Material Contracts — Services Agreement — Compensation and Expenses”. See also “Directors and Executive Officers — Conflicts of Interest”.

There may be circumstances in which a member of the Waratah Group has, directly or indirectly, a material interest in a transaction that we are considering or a conflict of interest with us. The Waratah Group and individuals connected to the Waratah Group may, from time to time, act as a director or employee of, or invest in or be otherwise involved with: (i) other investment vehicles that have strategies similar to ours; or (ii) entities or other vehicles that are the subject of transactions with us, subject, in both cases and at all times, to the provisions governing such conflicts of interests in the Services Agreement, the CBCA, our Code of Ethics and our constating documents. For example, Blair Levinsky is the Chief Executive Officer and Co-Founder of Waratah and has both investments in, and is entitled to, performance-based interests arising from investment funds

established by Waratah from time to time. Certain of our other directors or individuals providing executive officer services pursuant to the Services Agreement may also be entitled to similar performance-based interests in those funds.

Success of the Company's business depends upon key members of Waratah's senior advisory team who may not continue to work for Waratah

We depend on the expertise, skill and network of business contacts of the advisory professionals of Waratah, as our manager, who evaluate, negotiate, structure, execute, monitor and service our assets in accordance with the terms of the Services Agreement between us and our manager. Our future success depends to a significant extent on the continued service and coordination of the senior advisory professionals of our manager. Key advisory professionals may have other demands on their time now and in the future, and we cannot assure you that they will continue to be actively involved in our business. These individuals may be employees or contractors of our manager or its affiliates or may be members of our executive and may not be subject to an employment contract with us. The departure of any of these individuals or competing demands on their time in the future could have a material adverse effect on our ability to achieve our business objectives. This could have a material adverse effect on our financial condition and results of operations.

The senior advisory professionals of our manager and its affiliates have relationships with participants in the battery metals industry, financial institutions and other advisory professionals, which we rely upon to source potential royalty asset acquisition opportunities. If such senior advisory professionals fail to maintain such relationships, or to develop new relationships with other sources, we will not be able to grow our current asset portfolio. In addition, we can offer no assurance that these relationships, even if maintained, will generate asset acquisition opportunities for us in the future.

Waratah may be the subject of a change of control resulting in a disruption in the Company's operations that could adversely affect its business, financial condition and results of operations

There could be a change of control of our manager and, in such a case, the new controlling party may have a different philosophy, employ advisory professionals who are less experienced, be unsuccessful in identifying asset acquisition opportunities or have a track record that is not as successful as that of our manager prior to such a change of control. If the foregoing were to occur, we could experience difficulty in making new asset acquisitions, and the value of our existing assets, our business, results of operations and financial condition could materially suffer.

Waratah's liability is limited under the Services Agreement, and the Company has agreed to indemnify Waratah against certain liabilities. As a result, the Company could experience unfavorable operating results or incur losses for which Waratah would not be liable

Pursuant to the Services Agreement, our manager will not assume any responsibility other than to render the services called for thereunder. Under the terms of the Services Agreement, our manager and its and its affiliates' members, officers, directors, employees, shareholders, partners, consultants and advisors and any other person who is entitled to indemnification (each, an "**Indemnitee**") will not be liable to us or any shareholder, partner or equityholder of ours for acts or omissions performed in accordance with and pursuant to the Services Agreement, except those resulting from acts constituting gross negligence or wilful misconduct.

In addition, to the fullest extent permitted by law, we have agreed to indemnify the Indemnitees from and against any and all damages, losses and expenses that are incurred by any Indemnitees and arise out of or in connection with our affairs, including acting as an executive officer of us or our subsidiaries or acting as a director of any of our subsidiaries, or the performance by such Indemnitee of any of the services or other functions arising out of or in connection with the Services Agreement, or otherwise in connection with the matters contemplated in the Services Agreement other than as a result of: (i) losses arising from such Indemnitee's gross negligence or wilful misconduct, (ii) economic losses incurred by any Indemnitee as a result of the ownership of an interest in us, (iii) the expenses that Waratah is otherwise obligated to pay, (iv) our expenses that an Indemnitee has agreed to pay without a right to reimbursement, or (v) disputes exclusively between and among Indemnitees, or (vi) a violation of any applicable laws and regulations by any Indemnitee. As a result, we could experience unfavorable operating results or incur losses for which our manager would not be liable.

Future offerings of debt securities, which would rank senior to the common shares upon the bankruptcy or liquidation, and future offerings of equity securities that may be senior to the common shares for the purposes of dividend and liquidating distributions, may adversely affect the market price of the common shares

In the future, the Company may attempt to increase its capital resources by making offerings of debt instruments or other securities convertible into common shares. Upon bankruptcy or liquidation, holders of our debt securities and lenders

with respect to other borrowings will receive a distribution of our available assets prior to the holders of our common shares. Additional equity offerings may dilute the holdings of our existing shareholders or reduce the market price of our common shares, or both. Our decision to issue securities in any future offering will depend on market conditions and other factors beyond our control. As a result, we cannot predict or estimate the amount, timing or nature of our future offerings, and shareholders bear the risk that our future offerings may reduce the market price of our common shares and dilute their ownership interest in the Company.

The Company may have to raise capital through the issuance of additional common shares, which may have a dilutive effect on the interests of the Company's shareholders

The issuance of additional common shares may have a dilutive effect on the interests of our shareholders. The number of common shares that we are authorized to issue is unlimited. We may, in our sole discretion, subject to applicable law and the rules of the TSX, issue additional common shares from time to time (including pursuant to any equity-based compensation plans that may be introduced in the future), and the interests of our shareholders may be diluted thereby.

The Company may require new capital to continue to grow its business and there are no assurances that capital will be available when needed, if at all. It is likely that, at least to some extent, such additional capital will be raised through the issuance of additional equity, which could result in substantial dilution to shareholders.

Our inability to maintain effective internal controls over financial reporting could increase the risk of an error in our financial statements and/or call into question the reliability of our financial statements

We are responsible for establishing and maintaining adequate internal controls over financial reporting, which is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Because of our inherent limitations and the fact that we are a new public company and are implementing new financial control and management systems, internal controls over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. A failure to prevent or detect errors or misstatements may result in a decline in the market price of our common shares and harm our ability to raise capital in the future.

If our management is unable to certify the effectiveness of our internal controls or if material weaknesses in our internal controls are identified, we could be subject to regulatory scrutiny and a loss of public confidence, which could harm our business and cause a decline in the price of our common shares. In addition, if we do not maintain adequate financial and management personnel, processes and controls, we may not be able to accurately report our financial performance on a timely basis, which could cause a decline in the market price of the common shares and harm our ability to raise capital.

We do not expect that our disclosure controls and procedures and internal controls over financial reporting will prevent all error or fraud. A control system, no matter how well-designed and implemented, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Due to the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues within an organization are detected. The inherent limitations include the realities that judgments in decision making can be faulty, and that breakdowns can occur because of simple errors or mistakes. Controls can also be circumvented by individual acts of certain persons, by collusion of two or more people or by management override of the controls. Due to the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and may not be detected in a timely manner or at all. If we cannot provide reliable financial reports or prevent fraud, our reputation and operating results could be materially adversely affected, which could also cause investors to lose confidence in our reported financial information, which in turn could result in a reduction in the trading price of our common shares.

Claims for indemnification by the Company's directors and officers may reduce our available funds to satisfy successful third-party claims against the Company and may reduce the amount of money available to the Company

Our by-laws provide that we will indemnify our directors and officers. We have entered into agreements to indemnify our directors and executive officers as determined by our Board.

Under the terms of the indemnification agreements with our director nominees and each of our directors and officers, we will be required to indemnify each of our directors and officers, to the fullest extent permitted by applicable laws, if the basis of the indemnitee's involvement in a proceeding is by reason of the fact that the indemnitee is or was a director or officer

of the Company or any of its subsidiaries. We will indemnify our officers and directors against all reasonable fees, expenses, charges and other costs of any type or nature whatsoever, including any and all expenses and obligations paid or incurred in connection with investigating, defending, being a witness in, participating in (including on appeal), or preparing to defend, any completed, actual, pending or threatened action, suit, claim or proceeding, whether civil, criminal, administrative or investigative, or establishing or enforcing a right to indemnification under the indemnification agreement. The indemnification agreements will also require us, if so requested, to advance within 10 days of such request all reasonable fees, expenses, charges and other costs that such director or officer incurred, provided that such person will return any such advance if it is ultimately determined that such person is not entitled to indemnification by us. Any claims for indemnification by our directors and officers may reduce our available funds to satisfy successful third-party claims against us and may reduce the amount of money available to us.

Anti-corruption laws and regulations could subject the Company to liability and require it to incur additional costs

The Company is subject to the Corruption of Foreign Public Officials Act (Canada) (the “CFPOA”), the U.S. Foreign Corrupt Practices Act (the “FCPA”) and other laws that prohibit improper payments or offers of payments to third parties, including foreign governments and their officials, for the purpose of obtaining or retaining business. In some cases, the Company invests in mining operations in jurisdictions that have experienced corruption in the past. The Company’s international investment activities create the risk of unauthorized payments or offers of payments in violation of the CFPOA, the FCPA or other anti-corruption laws by one of its employees or agents in violation of the Company’s policies. In addition, the operators of the properties in which the Company owns royalty interests may fail to comply with anti-corruption laws and regulations. Although the Company is a passive investor in these properties, enforcement authorities could deem us to have some culpability for the operators’ actions. Any violations of the CFPOA, the FCPA or other anti-corruption laws could result in significant civil or criminal penalties to the Company and could have an adverse effect on our reputation.

The Company’s by-laws provide that any derivative actions, actions relating to breach of fiduciary duties, actions arising pursuant to the CBCA or its articles or by-laws and other actions relating to its internal affairs will be required to be litigated in Ontario, which could limit investors’ ability to obtain a favourable judicial forum for disputes with the Company

Our by-laws provide that, unless we consent in writing to the selection of an alternative forum, the Superior Court of Justice of the Province of Ontario, Canada (Commercial List) (the “Court”) and appellate courts therefrom (or, failing such Court, any other “court” as defined in the CBCA, having jurisdiction, and the appellate courts therefrom), will be the sole and exclusive forum for (1) any derivative action or proceeding brought on our behalf, (2) any action or proceeding asserting a breach of fiduciary duty owed by any of our directors, officers or other employees to us, (3) any action or proceeding asserting a claim arising pursuant to any provision of the CBCA or our articles or by-laws, or (4) any action or proceeding asserting a claim otherwise related to our “affairs” (as defined in the CBCA). Our forum selection provision also provides that our shareholders are deemed to have consented to personal jurisdiction in the Province of Ontario and to service of process on their counsel in any foreign action initiated in violation of this provision. Therefore, it may not be possible for shareholders to litigate any action relating to the foregoing matters outside of the Province of Ontario.

The Company does not anticipate paying dividends on the equity shares prior to achieving sufficient cash flow from its royalty portfolio and, consequently, purchasers in the Offering may never receive a return on their investment unless they sell common shares for a price greater than their acquisition price

The Company has not declared or paid any dividends since its incorporation and does not intend to declare or pay any dividends prior to achieving sufficient cash flow from its royalty portfolio. While the Company anticipates that the Board will adopt a dividend policy after the Company achieves sufficient cash flow from its royalty portfolio, there is no guarantee that the Board will adopt such a policy. Whether or not such a policy is adopted, any determination to pay dividends on the Company’s securities will be at the discretion of the Board and will depend on, among other things, the Company’s earnings, results of operations, current and anticipated cash requirements and surplus, the attractiveness of available investment opportunities, financial condition, contractual restrictions and financing agreement covenants, solvency tests imposed by corporate law and other factors that the Board may deem relevant. Until the time that the Company declares and pays dividends, which it might never do, shareholders will not be able to receive a return on their common shares unless they sell such common shares for a price greater than their acquisition price, and such appreciation may never occur. See “Dividend Policy”.

U.S. holders of the common shares may suffer adverse tax consequences as a result of the Company's likely status as a passive foreign investment company

It is likely that we will be treated as a passive foreign investment company, or PFIC, for the tax year ending December 31, 2022 and in future years. However, we have not made a determination, and as of this time do not intend to make a determination, as to whether we are or may become classified as a PFIC for U.S. federal income tax purposes. If we are a PFIC for any taxable year during which a U.S. Holder (as defined under "Certain Material United States Federal Income Tax Considerations") holds the common shares, it would generally result in adverse U.S. federal income tax consequences for such U.S. Holder, including increased taxes and related interest charges on a disposition or distributions and increased reporting requirements. U.S. Holders should carefully read "Certain Material United States Federal Income Tax Considerations" for more information and consult their own tax advisors regarding the likelihood and consequences if we are treated as a PFIC for U.S. federal income tax purposes, including the advisability and availability of certain elections which may mitigate certain possible adverse U.S. federal income tax consequences.

If securities or industry analysts do not publish research or publish unfavorable research about our business, our common share price and trading volume could decline

The trading market for our common shares depends on the research and reports that securities or industry analysts publish about us and our business. We do not have any control over these analysts. We cannot assure that analysts will cover us or provide favorable coverage. If one or more of the analysts who cover the Company downgrade our stock or change their opinion of our common shares, the price of our common shares would likely decline. If one or more of these analysts cease coverage of the Company or fail to regularly publish reports, we could lose visibility in the financial markets, which could cause the price and trading volume of our common shares to decline.

The forward-looking statements contained in this AIF may prove to be incorrect

The forward-looking statements in this AIF are based on opinions, assumptions and estimates made by us in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate and reasonable in the circumstances. However, there can be no assurance that such estimates and assumptions will prove to be correct. Actual results of the Company in the future may vary significantly from historical and estimated results and those variations may be material. There is no representation by us that actual results achieved by the Company in the future will be the same, in whole or in part, as those included in this AIF.

TECHNICAL AND THIRD-PARTY INFORMATION

Except where otherwise stated, the disclosure in this AIF relating to properties and operations on the properties covered by the Company's royalty or other interests is based on technical reports prepared and published by the relevant owner, developer or operator in accordance with NI 43-101 or the JORC Code prepared by the Australasian Joint Ore Reserves Committee, and otherwise information publicly disclosed by the owners, developers or operators of these properties and other information and data available in the public domain as at February 20, 2023 (except where stated otherwise), and none of such information has been independently verified by the Company. Specifically, as a royalty holder, the Company has limited, if any, access to properties included in its asset portfolio. Additionally, the Company may from time to time receive operating information from the owners, developers and operators of the properties, which it is not permitted to disclose to the public. The Company is dependent on the owners, developers and operators of the properties and their qualified persons to provide information to the Company or on publicly available information to prepare disclosure pertaining to properties and operations on the properties covered by the Company's royalty or other interests. LRC generally has limited or no ability to independently verify such information. The assumptions and methodologies underpinning estimates of Mineral Reserves and Mineral Resources on a property, and the classification of mineralization in categories of proven and probable and measured, indicated and inferred within the estimates of Mineral Reserves and Mineral Resources, respectively, and the assumptions and methodologies employed in proposed mining and recovery processes and production plans, were made by owners, developers and operators and their qualified persons. Although the Company does not have any knowledge that such information may be inaccurate, there can be no assurance that such third-party information is complete or accurate. Disclosure in this AIF is also based upon an analysis by the Company of such information to reflect the Company's expectations based on an owner, developer or operator's historical performance and the applicable owner, developer or operator's publicly disclosed guidance on the timing and amount of future production, establishing Mineral Resources, the conversion of Mineral Resources to Mineral Reserves, drill results, the Company's view on an owner, developer or operator's expansion cases and other factors. Some information publicly reported by owners, developers or operators may relate to a larger property than the area covered by the Company's royalty or other interest. The Company's royalty or other interests in certain cases cover less than 100% and sometimes only a portion of the publicly reported Mineral Reserves, Mineral Resources and production of a property. For the

avoidance of doubt, nothing stated in this paragraph operates to relieve the Company from liability for any misrepresentation contained in this AIF under applicable Canadian securities laws.

Except where otherwise noted, the disclosure in this AIF relating to Mineral Reserve and Mineral Resource statements for individual properties is made as at December 31, 2022. In addition, numerical information presented in this AIF which has been derived from information publicly disclosed by owners, developers or operators may have been rounded by LRC and, therefore, there may be some inconsistencies between the significant digits presented in this AIF and the information publicly disclosed by owners, developers and operators.

LRC considers its royalty interests in the Finniss, Grota do Cirilo and Tres Quebradas lithium projects to be its only mineral projects on properties material to it for purposes of NI 43-101. LRC will continue to assess the materiality of its assets as new assets are acquired and existing assets move into production.

Information contained in this AIF with respect to each of the Grota do Cirilo project and the Tres Quebradas project has been prepared in accordance with the exemption set forth in section 9.2 of NI 43-101.

The disclosure in this AIF of scientific or technical information for the Finniss project is based on the technical report entitled “Technical Report on the Finniss Lithium Project, Northern Territory, Australia”, which technical report was prepared for LRC in accordance with section 9.2(2) of NI 43-101 and filed under LRC’s SEDAR profile on February 21, 2023 (the “**Finniss Technical Report**”).

The disclosure in this AIF of scientific or technical information for the Grota do Cirilo project is based on (i) the technical report entitled “Grota do Cirilo Lithium Project Araçuaí and Itinga Regions, Minas Gerais, Brazil, Updated Technical Report”, which technical report was prepared for Sigma and filed under Sigma’s SEDAR profile on January 16, 2023 (the “**Grota do Cirilo Technical Report**”); (ii) the information disclosed in the annual information form of Sigma dated April 1, 2022 and filed under Sigma’s SEDAR profile on April 1, 2022; and (iii) the information disclosed in the press release of Sigma entitled “Sigma Lithium Provides Update from a Transformative Second Quarter, Appoints COO for Operational Readiness and Preparing Phase 1 Pit for Mining” dated August 19, 2022 and filed under Sigma’s SEDAR profile on August 19, 2022.

The disclosure in this AIF of scientific or technical information for the Tres Quebradas project is based on (i) the Tres Quebradas Technical Report; (ii) the information disclosed in the annual information form of Neo Lithium dated April 1, 2021 and filed under Neo Lithium’s SEDAR profile on April 1, 2021; and (iii) the information disclosed in the interim report of Zijin Mining dated September 23, 2022, and available on Zijin Mining’s website at zijinmining.com. Zijin Mining acquired Neo Lithium on January 26, 2022.

The technical and scientific information contained in this AIF relating to each of the Finniss project, the Grota do Cirilo project and the Tres Quebradas project was reviewed and approved in accordance with NI 43-101 by Don Hains, P. Geo. of the Hains Engineering Company Limited, a “qualified person” as defined in NI 43-101.

DIVIDEND POLICY

The Company has not declared or paid any dividends since its incorporation and does not intend to declare or pay any dividends prior to completion of this Offering. The Company anticipates that the Board will adopt a dividend policy after the Company achieves sufficient cash flow from its royalty portfolio. Any determination to pay dividends on its securities will be at the discretion of the Board and will depend on, among other things, its earnings, results of operations, current and anticipated cash requirements and surplus, the attractiveness of available investment opportunities, financial condition, contractual restrictions and financing agreement covenants, solvency tests imposed by corporate law and other factors that the Board may deem relevant. Dividends are not guaranteed. See “Risk Factors”.

PRIOR SALES

The following table summarizes issuances of our securities during the 12-month period preceding the date of this prospectus:

Date of Issuance	Type of Security	Actual		After giving effect to the Pre-IPO Reorganization	
		No. of Securities Issued	Issuance Price per Share	No. of Equity Shares	Equivalent Issuance Price per Share ⁽¹⁾
July 15, 2022	Class A common shares	517.25	\$1,000.00	232,073	C\$3.07
July 15, 2022	Class B common shares	2,453.11	\$1,127.84	1,100,632	C\$3.46
July 15, 2022	Class C common shares	3,551.98	\$1,127.84	1,593,659	C\$3.46

Notes:

(1) Based on a Canadian/U.S. dollar exchange ratio of C\$:US\$ of 1.3754:1.0 as of March 7, 2023.

CAPITAL STRUCTURE

Our authorized share capital consists of an unlimited number of common Shares, 30,549,214 convertible common shares and an unlimited number of preferred shares, issuable in series. As of March 30, 2023, an aggregate of 24,736,472 common shares and 30,549,214 convertible common shares, being an aggregate of 55,285,686 equity shares, and no preferred shares were issued and outstanding.

Equity Shares — Common Shares and Convertible Common Shares

Except as set forth below, the common shares and convertible common shares have the same rights, are equal in all respects and treated by us as if they were a single class of shares.

Dividend Rights

Subject to the prior rights of the holders of any class of shares ranking senior to the equity shares with respect to the priority in the payment of dividends, the holders of the equity shares (“**Shareholders**”) are entitled to receive dividends as and when declared by the Board out of monies properly applicable to the payment of dividends, in such amount and in such form as the Board may from time to time determine, in equal amounts per equity share. See “Dividend Policy”.

Voting Rights

Shareholders are entitled to one vote in respect of each equity share held at meetings of Shareholders (except where the holders of a specified class of shares are entitled to vote separately as a class as provided in the CBCA).

Notice to the Auditor

Registered shareholders who are entitled to vote at a meeting of shareholders may give written notice to the auditor or a former auditor of the Company requesting that such auditor or former auditor attend such meeting, provided that such notice is given: (i) in the case of holders of common shares, not less than 10 days before the meeting of shareholders, and (ii) in the case of holders of convertible common shares, not less than 15 days before the meeting of shareholders, in each case, or such other period as required by applicable law.

Conversion

The common shares are not convertible into any other class of shares or other securities of the Company.

Each convertible common share is convertible, at the option of the holder at any time, into either (i) one common share or (ii) 0.9999 of a common share plus a subscription right to acquire 0.0001 common shares for an exercise price of US\$0.00001 per whole common share. Each subscription right is exercisable at any time by the holder thereof and expires five

business days after the subscription right is issued, and fractional common shares will not be issued. We expect that the option in clause (ii) will be used only in connection with a distribution of common shares to the partners of the Waratah Funds. In addition:

- at the time at which any convertible common share is Transferred (as defined below) by the holder of such share, without any further action, the convertible common share shall automatically convert into one common share; and
- on the fifth anniversary of the IPO, without any further action, each convertible common share shall automatically convert into one common share.
- For purposes of the foregoing:

“**Transfer**” of any convertible common share shall mean any sale, assignment, transfer, conveyance or other transfer or disposition of such share or any legal or beneficial interest in such share, whether or not for value and whether voluntary or involuntary or by operation of law, and shall also include, without limitation, (1) a transfer of a convertible common share to a broker or other nominee (regardless of whether or not there is a corresponding change in beneficial ownership) or (2) the transfer of, or entering into a binding agreement with respect to, voting control over a convertible common share by proxy or otherwise, provided, however, that the following shall not be considered a “Transfer”: (a) the grant of a proxy to our officers or directors at the request of our Board in connection with actions to be taken at an annual or special meeting of shareholders; (b) the grant of voting control by any Waratah Fund to Waratah or any of its affiliates; (c) a transfer or assignment resulting from a change in the general partner of any Waratah Fund to an affiliate of such general partner; (d) any transfer, action or other circumstance deemed by the independent directors on the Board not to be a Transfer where (x) no change of control to the Corporation would result from the transfer and (y) the transfer, action or other circumstance would compromise any tax deferral available to the investors in the Waratah Funds by virtue of the convertible common shares; or (e) the pledge of a convertible common share that creates a mere security interest in such share pursuant to a *bona fide* loan or indebtedness transaction so long as the holder of the convertible common share continues to exercise voting control over such pledged share (but, for greater certainty, a foreclosure on such convertible common share or other similar action by the pledgee shall constitute a “Transfer”).

No Subdivision or Consolidation

No subdivision or consolidation of the common shares or the convertible common shares may be carried out unless, at the same time, the convertible common shares or the common shares, as the case may be, are subdivided or consolidated in the same manner and on the same basis.

Certain Class Votes

Except as required by the CBCA, applicable securities laws or our Articles, holders of our common shares and convertible common shares will vote together on all matters subject to a vote of holders of both those classes of shares as if they were one class of shares. Under the CBCA, certain types of amendments to our Articles are subject to approval by special resolution of the holders of our classes of shares voting separately as a class, including amendments to:

- add, change or remove the rights, privileges, restrictions or conditions attached to the shares of such class;
- increase the rights or privileges of any class of shares having rights or privileges equal or superior to the shares of that class; and
- make any class of shares having rights or privileges inferior to the shares of such class equal or superior to the shares of that class.

Without limiting other rights at law of any holders of common shares or convertible common shares to vote separately as a class, neither the holders of the common shares nor the holders of the convertible common shares shall be entitled to vote separately as a class upon a proposal to amend our Articles in the case of an amendment to (1) increase or decrease any maximum number of authorized shares of such class, or increase any maximum number of authorized shares of a class having rights or privileges equal or superior to the shares of such class; or (2) create a new class of shares equal or superior to the shares of such class.

Pursuant to our Articles, neither holders of our common shares nor our convertible common shares will be entitled to vote separately as a class on a proposal to amend our Articles to effect an exchange, reclassification or cancellation of all or part of the shares of such class pursuant to section 176(1)(b) of the CBCA unless such exchange, reclassification or cancellation: (a) affects only the holders of that class; or (b) affects the holders of common shares and convertible common shares differently,

on a per share basis, and such holders are not already otherwise entitled to vote separately as a class under applicable law or our Articles in respect of such exchange, reclassification or cancellation.

Meetings of Shareholders

Holders of the equity shares are entitled to receive notice of any meeting of shareholders and may attend and vote at such meetings, except those meetings where only the holders of shares of another class or of a particular series are entitled to vote. A quorum for the transaction of business at a meeting of Shareholders is present if at least one or more Shareholders holding in aggregate not less than 25% of the votes attaching to our outstanding equity shares entitled to vote at the meeting are present in person or represented by proxy.

Redemption/Retraction Rights

The Company has no redemption or mandatory purchase for cancellation rights in respect of the equity shares, nor do holders of equity shares have retraction rights.

Liquidation Rights

In the event of our liquidation, dissolution or winding-up, whether voluntary or involuntary, or any other distribution of our assets among our shareholders for the purpose of winding up our affairs, subject to the rights of the holders of the preferred shares and any other class of shares ranking in priority to the equity shares, the holders of our equity shares shall be entitled to receive our remaining property and assets in equal amounts per equity share.

Preferred Shares

The Board may issue the preferred shares at any time and from time to time in one or more series. Before the first shares of a particular series are issued, the Board may fix the number of shares in such series and shall determine the designation, rights, privileges, restrictions and conditions to be attached to the shares of such series including, without limitation, the rate, amount or method of calculation of preferential dividends, whether cumulative or non-cumulative or partially cumulative and whether such rate, amount or method of calculation shall be subject to change or adjustment in the future, the currency or currencies of payment of dividends, the date and place of payment of dividends and the date from which such preferential dividends shall accrue, the consideration and terms and conditions of any purchase for cancellation, redemption or retraction rights (if any), the conversion or exchange rights (if any), the voting rights (if any), and the terms and conditions of any sinking fund or share purchase plan.

No rights, privileges, restrictions or conditions attached to a series of preferred shares shall confer upon a series a priority in respect of dividends or return of capital over any other series of preferred shares then outstanding.

If any cumulative dividends, whether or not declared, or declared non-cumulative dividends, or amounts payable on a return of capital in respect of preferred shares are not paid in full, the preferred shares of all series shall participate ratably in respect of such dividends, in accordance with the sums that would be payable on such shares if all such dividends were declared and paid in full, and in respect of any repayment of capital in accordance with the sums that would be payable on such repayment of capital if all sums so payable were paid in full; provided, however, that in the event of there being insufficient assets to satisfy in full all such claims to dividends and return of capital, the claims of the holders of the preferred shares with respect to repayment of capital shall first be paid and satisfied and any assets remaining thereafter shall be applied towards the payment and satisfaction of claims in respect of dividends.

The preferred shares shall be entitled to priority over the equity shares and over any other shares of the Company ranking junior to the preferred shares with respect to priority in the payment of dividends and the distribution of assets in the event of the liquidation, dissolution or winding up of the Company, whether voluntary or involuntary, or any other distribution of the assets of the Company among its shareholders for the purpose of winding up its affairs. The preferred shares of any series may also be given such other preferences over the equity shares and over any other shares ranking junior to the preferred shares as may be determined in the case of such series of preferred shares.

Reorganization

Prior to the closing of the IPO, our authorized share capital consisted of an unlimited number of Class A, Class B and Class C common shares, of which the Principal Shareholders held all of the issued and outstanding shares, being 43,594.68

Class A common shares, 24,494.03 Class B common shares and 35,466.04 Class C common shares. Prior to closing, we and the Principal Shareholders effected the Pre-IPO Reorganization:

- *Disposition of Portfolio Securities, Offtakes and Working Interests and Transfer of Cash* — We disposed of the portfolio securities, offtakes and working interests held by the Company, together with excess cash, by directly or indirectly distributing them by way of return of capital and dividend to the Principal Shareholders.
- *Repayment of Shareholder Notes* — We returned capital to the Principal Shareholders by reducing the stated capital of each class of common shares by issuing to the Principal Shareholders non-interest bearing shareholder notes representing that return of capital. The return of capital consisted of a fixed amount equal to C\$50,000,000, plus a variable component based on the gross proceeds raised by the Company from the exercise of the over-allotment option. The following shareholder notes were issued in the following fixed amounts: C\$21.05 million in aggregate to the pre-IPO holders of the Class A common shares, C\$11.83 million in aggregate to the pre-IPO holders of the Class B common shares and C\$17.12 million in aggregate to the pre-IPO holder of the Class C common shares, for shareholder notes in an aggregate amount of C\$50,000,000. The shareholder notes have been repaid with proceeds from the IPO, including pursuant to the exercise of the over-allotment option, and the shareholder notes have been cancelled.
- *Creation of Convertible common shares* — We amended our Articles to create the convertible common shares and re-designated our Class C common shares as our common shares, in each case having the terms described below.
- *Exchange of Class A common shares and Class B common shares* — Each Waratah Fund exchanged each Class A common share held by it for one convertible common share and each Class B common share held by it for one convertible common share.
- *Subdivision* — We further amended our Articles to (i) remove the Class A common shares and Class B common shares from our authorized share capital, and (ii) subdivide each outstanding Common Share and each outstanding convertible common share into 448.6678426 shares of the same class.

MARKET FOR SECURITIES

The LRC shares are currently listed on the TSX under the symbol LIRC. The following table sets out the price range and trade volume for the LRC shares on the TSX.

2022	High	Low	Volume
March (8-30)	17.00	15.93	3,570,000

The following table reflects securities of the Company that are subject to a contractual restriction on transfer:

Designation of Class	Number of securities held in escrow or that are subject to a contractual restriction on transfer ⁽¹⁾	Percentage of Class ⁽²⁾
Common shares	16,127,172	65.2%
Convertible common shares	30,549,214	100%

Notes:

- (1) Represents certain common shares held by our executive officers, directors, the Waratah Group, Riverstone, which are subject to a lock-up restriction pursuant to which they shall not sell or otherwise dispose of such common shares until September 11, 2023.
- (2) This percentage is calculated based on the number of outstanding common shares and convertible common shares as at March 31, 2023.

DIRECTORS AND EXECUTIVE OFFICERS

Directors

The following table sets forth the name, residence and positions of each person that is a member of our Board. Additional biographical information for each individual is provided below under “Biographical Information Regarding the Directors and Executive Officers”.

Name, Province or State and Country of Residence	Position/Title ⁽¹⁾	Director Since
Liz Breen ^{(3), (6), (7)} <i>Ontario, Canada</i>	Lead Director	February 13, 2023
Blair Levinsky ^{(3), (4), (8)} <i>Ontario, Canada</i>	Director and Executive Chair	March 29, 2018
Mark Wellings ^{(5), (8)} <i>Ontario, Canada</i>	Director and Vice Chair	November 23, 2017
Ernie Ortiz ^{(4), (5), (8)} <i>Florida, United States</i>	Director	February 13, 2023
John Kanellitsas ^{(2), (5), (6), (7)} <i>Florida, United States</i>	Director	February 13, 2023
Robert Tichio ^{(2), (4), (6)} <i>New York, United States</i>	Director	January 8, 2021
Tamara Brown ^{(2), (3), (6), (7)} <i>Ontario, Canada</i>	Director	February 13, 2023

Notes:

- (1) All directors will hold office for a term expiring at the close of the next annual meeting of Shareholders or until their respective successors are elected or appointed.
- (2) Member of our Audit Committee.
- (3) Member of our Compensation, Nominating and Governance Committee.
- (4) Member of our ESG Committee.
- (5) Member of our Technical Committee.
- (6) Independent director for the purposes of National Instrument 58-101 — *Disclosure of Corporate Governance Practices* (“**NI 58-101**”) of the Canadian Securities Administrators. See “— Corporate Governance — Director Independence”.
- (7) Waratah Independent Director for the purposes of the Services Agreement. See “Material Contracts — Services Agreement.”
- (8) Nominees of the Waratah Group. See “Material Contracts — Investor Rights Agreement”.

Executive Officers

We have an experienced management team with significant expertise in the mining industry. The following table sets forth the names, residences, positions and years of experience of each of our executive officers. Additional biographical information for each individual is provided below under “Biographical Information Regarding the Directors and Executive Officers”.

Name, Province or State and Country of Residence	Position/Title	Years in the Finance Industry
Blair Levinsky ⁽¹⁾ <i>Ontario, Canada</i>	Executive Chair	19 years
Ernie Ortiz..... <i>Florida, United States</i>	President and Chief Executive Officer	11 years

<u>Name, Province or State and Country of Residence</u>	<u>Position/Title</u>	<u>Years in the Finance Industry</u>
Mark Wellings..... <i>Ontario, Canada</i>	Vice Chair Executive Vice President, Technical	26 years
Dominique Barker ⁽²⁾ <i>Ontario, Canada</i>	Chief Financial Officer and Head of Sustainability	23 years
Philip de L. Panet ⁽¹⁾⁽³⁾ <i>Ontario, Canada</i>	Chief Operating Officer and Vice President, Legal	19 years

Notes:

- (1) Executive officer services provided through Waratah pursuant to the Services Agreement.
- (2) Dominique will assume the role of the Chief Financial Officer and Head of Sustainability on April 1, 2023.
- (3) Philip is currently serving in the role of Acting Interim Chief Financial Officer until Dominique assumes the role of Chief Financial Officer and Head of Sustainability in late March. He is also Corporate Secretary.

Biographical Information Regarding our Directors and Executive Officers

Elizabeth (Liz) Breen, 65



Liz is a senior partner at Stikeman Elliott LLP, a Canadian business law firm. She has extensive experience in royalty transactions, mergers & acquisitions, finance and private equity transactions. She has represented Canadian clients in a wide range of industries, as well as a significant number of foreign investors in respect of their Canadian strategic objectives. She is a member of the audit committee at Stikeman Elliott LLP.

Liz holds a Bachelor of Commerce with distinction from the University of Alberta and a Bachelor of Laws from the University of Toronto.

Lead Director (Independent)

Blair Levinsky, 50



Blair is Co-Founder, President and Chief Executive Officer at Waratah, a Toronto based alternative investment management firm. Waratah manages over \$4 billion in assets across equity long short, alternative ESG, income and market neutral strategies. Waratah also manages thematic and specialty private equity strategies. In addition to setting strategy for and managing Waratah, Blair is also Executive Chairman of the Company and the portfolio manager for Waratah's Global Electrification and Decarbonization Fund.

From 1999 to 2010, Blair held various positions at TD Securities in the Investment Banking division and was Managing Director in the Institutional Equities group at TD Securities. Blair was formerly a director at the Women's College Hospital Foundation and served on its Investment Committee for seven years, is a former member of YPO and is the current Executive Chairman of Rossiter Boats.

Blair holds a Bachelor of Arts from the University of Western Ontario and a joint Bachelor of Laws and Masters in Business Administration from Dalhousie University.

Director and Executive Chair

Mark Wellings, 59

Director, Vice Chair and Executive Vice President, Technical

Mark is the Vice Chair and the Executive Vice President, Technical of the Company. He is a finance professional with over 30 years of international experience in both the mining industry and mining finance sector. Mark initially worked in the mining industry both in Canada and Australia in exploration, development and production capacities. He then joined the investment dealer GMP Securities L.P. as a Managing Director of Investment Banking where he co-founded the firm's corporate finance mining practice. During over 18 years at GMP Securities L.P., Mark was responsible for, and advised on, some of the Canadian mining industry's largest transactions, both in equity financing and mergers and acquisitions. Since then, he has been appointed to several public and private boards and is also the Chairman of Adventus Mining Corp., the Lead Director of Li-Cycle Holdings Corp. and the Chairman of Li-Metal Corp. Mark was also a Principal at Infor Financial Inc., an investment research and management company, from October 2016 to November 2020.

Mark is a Professional Engineer and holds a Bachelor of Applied Science in Geological Engineering from the University of Windsor and a Master of Business Administration from the University of Western Ontario.

Ernie Ortiz Ortega, 34

Director, President & Chief Executive Officer

Ernie is a Director, President and the Chief Executive Officer of the Company. He managed the origination, structuring, and execution of our royalties which involved cross-border negotiations with parties in Argentina, Australia, Brazil, China, Serbia, Finland, the United Kingdom, Canada and the United States. Ernie has visited many of the world's lithium deposits, as well as several of the chemical and battery plants that service the EV industry. Ernie is a regular presenter at industry and investor conferences, including Fastmarkets and LME Week.

Prior to LRC, Ernie was an Analyst at Tide Point Capital Management, a hedge fund based in Greenwich, Connecticut that specialized in lithium, battery materials and speciality chemicals. At Tide Point Capital, Ernie led investments into lithium companies that included Sociedad Quimica y Minera de Chile, Albemarle Corporation, Galaxy Resources Limited, Orezone Gold Corp and others.

Prior to Tide Point Capital, Ernie was a senior associate at Credit Suisse based in New York City, where he led research and diligence on lithium. In 2014, Ernie led the Credit Suisse team in publishing one of the seminal lithium primers that helped companies in the space raise capital based on its in-depth analysis of the industry.

Ernie sits on the London Metal Exchange Lithium Advisory Committee and serves as a Director on the boards of Li-Metal Corp. and Sinova Global Inc. Ernie is a CFA charterholder and holds a Bachelor of Arts in Economics from the University of Chicago.

John Kanellitsas, 61

Director (Independent)

John is the Executive Vice Chair of Lithium Americas Corp., an operator of lithium projects in Argentina and the United States. He is now primarily responsible for business development and capital markets strategies. John joined the company as a Director in 2011 and served as a former Chief Executive Officer until the company's merger with Western Lithium USA Corp. in September 2015. John also serves as a director of Largo Physical Vanadium Corp. and previously served as a member of the board of directors of Cobalt 27 Capital Corp. between April 2017 and October 2018.

He has over 25 years of experience in the investment banking and asset management industries. John co-founded and was a partner of Geologic Resource Partners, LLP, where he served as its Chief Operating Officer from 2004 to 2014. Prior to Geologic, John was employed by Sun Valley Gold, LLC and Morgan Stanley & Co. in New York and San Francisco.

John has a Bachelor of Science in Mechanical Engineering from Michigan State University and a Master of Business Administration from the University of California in Los Angeles.

Robert Tichio, 45

Director (Independent)

Robert has served as a member of our Board of Directors since January 2021. Robert is a Partner at Riverstone Holdings LLC (“**Riverstone Holdings**”), an asset management firm that invests in the private markets primarily within energy, power and infrastructure. Prior to joining Riverstone Holdings in 2006, Robert was in the Principal Investment group of Goldman Sachs, which manages the firm’s private corporate equity investments.

Robert began his career at J.P. Morgan in the Mergers & Acquisitions group, where he concentrated on assignments that included public company combinations, asset sales, takeover defenses and leveraged buyouts.

In addition to serving on the boards of a number of Riverstone Holdings portfolio companies and their affiliates, Robert has been a director of Centennial Resource Development, Inc. since October 2016, Pipestone Energy Corp. since January 2019, Talos Energy Inc. since May 2018 (and previously served as a director of Talos Energy LLC from April 2012 to May 2018), Decarbonization Plus Acquisition Corp. IV since February 2021 and Hammerhead Resources Inc. since March 2014. Robert previously served as a member of the board of directors of Gibson Energy Inc. (TSE-GEI) from 2008 to 2013, Midstates Petroleum Company, Inc. from 2012 to 2015, Northern Blizzard Resources Inc. from 2011 to 2017, EP Energy Corporation from September 2013 to October 2020, Decarbonization Plus Acquisition Corp. from August 2020 to July 2021 and Solid Power, Inc. (fka Decarbonization Plus Acquisition Corp. III (“**DCRC**”)) from December 2021 to March 2022 (and of DCRC since February 2021).

Robert holds a Bachelor of Arts from Dartmouth College and a Master of Business Administration from Harvard Business School.

Tamara Brown, 50

Director (Independent)

Tamara is a mining industry professional with over 25 years of experience in the mining, capital markets and M&A sectors with 10 years of public and private board and committee experience. She is currently a partner of Oberon Capital Corp., an investment services provider, and was the Interim Chief Executive Officer of Superior Gold Inc., a gold producer, from 2020 to 2021. Tamara is currently an independent director of Orla Mining Ltd. (TSX), Superior Gold Inc. (TSXV) and Titan Minerals Ltd. (ASX) and was previously a director of Lundin Gold Inc. and Eastmain Resources Inc. Her previous executive roles include Vice President, Investor Relations and Corporate Development (Americas) for Newcrest Mining Ltd., a gold mining company, from 2018 to 2020; Vice President, Corporate Development and Investor Relations for Primero Mining Corp., a gold and silver producer, from 2010 to 2018; and Director of Investor Relations for IAMGOLD Corp. Tamara began her career as a professional engineer in the mining industry and was formerly a partner of a boutique investment banking firm.

Tamara holds a Bachelor of Engineering from Curtin University in Australia and has completed the Chartered Business Valuator Course at York University.

Dominique Barker, 51

Chief Financial Officer and Head of Sustainability

Dominique joined the Company on March 22, 2023 and assumes the role of the Chief Financial Officer and Head of Sustainability of the Company on April 1, 2023. Dominique previously served as Head of Sustainability Advisory at CIBC Capital Markets. She joined the Capital Markets division after a ten year tenure at CIBC Asset Management, where she was portfolio manager of several funds, including real estate and social responsible investing mandates. During that time, she also led CIBC Asset Management’s efforts to incorporate environmental, social, and governance factors into all investment processes.

Dominique’s prior experience includes investment banking, research, institutional equity sales, audit, and corporate advisory services at several well-known, international financial institutions and accounting firms.

Dominique has a Masters of Business Administration in accounting from the University of Toronto and Bachelor of Science degree in Engineering (civil environmental) from Queen’s University. Dominique is also a CFA charterholder. Dominique is fluent in English and French.

Philip de L. Panet, 53

Philip is the Vice President, Legal and Chief Operating Officer of the Company. He is also the Senior Vice President and General Counsel at Waratah.

Philip joined Waratah in May 2022.

Prior to joining Waratah, Philip worked as Chief Operating Officer, General Counsel and Secretary at West Face Capital Inc., another Toronto-based alternative investment fund manager. He also worked at UBS Securities Canada and other hedge fund advisers, and at Torys LLP.

Philip holds a Bachelor of Science in Economics from the University of Toronto, a Master of Arts in Economics from Harvard University and a Juris Doctor from the University of Toronto. He is also a CFA charter holder.

Chief Operating Officer and Vice President, Legal

Ownership Interests

The directors and executive officers of LRC, as a group, beneficially own, directly or indirectly, or exercise control or direction over 227,340 common shares, representing 0.92% of the issued and outstanding common shares of LRC. Notwithstanding that each of Blair Levinsky, Ernie Ortiz and Mark Wellings do not directly own equity shares of the Company, each has a substantial indirect exposure to the value of the equity shares through their respective investments in the Waratah Funds and through Waratah's participation in the Waratah Funds.

The following table identifies other public companies for which members of our Board currently serve as directors:

Director	Other Current Board Appointments	Dates
Mark Wellings.....	Adventus Mining Corp. Li-Cycle Holdings Corp. Li-Metal Corp.	December 2016 – present August 2021 – present October 2021 – present
Robert Tichio	Centennial Resource Development, Inc. Talos Energy Inc. Pipestone Energy Corp. Decarbonization Plus Acquisition Corporation IV Decarbonization Plus Acquisition Corporation V Tritium DCFC Limited	October 2016 – present May 2018 – present January 2019 – present February 2021 – present March 2021 – present January 2022 – present
John Kanellitsas	Lithium Americas Corp. Largo Physical Vanadium Corp.	June 2011 – present September 2022 – present
Ernie Ortiz.....	Li-Metal Corp.	December 2021 – present
Tamara Brown.....	Superior Gold Inc. Titan Minerals Ltd. Orla Mining Ltd.	November 2016 – present April 2022 – present June 2022 – present

Corporate Cease Trade Orders

None of the directors or executive officers of the Company is, as at the date of this AIF, or has been within the 10 years before the date of this AIF, a director, chief executive officer or chief financial officer of any company (including the Company) that (a) was subject to an order that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer, or (b) was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer. For the purposes of this paragraph, “order” means a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, in each case, that was in effect for a period of more than 30 consecutive days.

Bankruptcies

Except as described below, none of the directors or executive officers of the Company, nor, to the best of the Company's knowledge, any other shareholder holding a sufficient number of securities to affect materially control of the Company, has, within the 10 years prior to the date of this AIF, (a) been a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, or (b) become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets.

Robert Tichio was a director of Castex Energy I, LLC ("**Castex LLC**"), the general partner of Castex Energy 2005 L.P. ("**Castex LP**"). While he was a director of Castex LLC, on October 16, 2017, Castex LP and four affiliated debtors each filed a voluntary petition for relief under Chapter 11 of the United States Bankruptcy Code ("**US Bankruptcy Code**") in the United States Bankruptcy Court for the Southern District of Texas, Houston Division ("**US Bankruptcy Court**"). On August 31, 2018, the U.S. Bankruptcy Court ordered these bankruptcy cases closed.

Robert Tichio was also a director of EP Energy Corporation ("**EP Energy**"). While he was a director of EP Energy, on October 3, 2019, EP Energy filed a voluntary petition for relief under the U.S. Bankruptcy Code in the U.S. Bankruptcy Court. On October 1, 2021, EP Energy completed its financial restructuring and emerged from bankruptcy.

Penalties or Sanctions

None of the directors or executive officers of the Company, nor, to the best of the Company's knowledge, any other shareholder holding a sufficient number of securities to affect materially control of the Company, has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor making an investment decision.

Conflicts of Interest

To the best of the Company's knowledge, except as described below and under "Material Contracts — Services Agreement" and under "Principal Shareholders", there are no existing or potential conflicts of interest among the Company or its subsidiaries and the directors or officers of the Company or its subsidiaries as a result of their outside business interests as at the date of this AIF. The Waratah Group owns or controls, directly or indirectly, approximately 55% of the issued and outstanding equity shares (approximately 54% if the over-allotment option is exercised in full). As disclosed elsewhere in this AIF, Waratah is majority owned and jointly controlled by our Executive Chairman, Blair Levinsky. Mr. Levinsky is not an independent director and serves on our Compensation, Nominating and Governance Committee. Waratah is party to the Services Agreement and will be reimbursed for the costs and expenses it incurs in providing services thereunder. Since the Company will reimburse Waratah for its expenses in connection with the provision of services of the Service NEOs, the Company, including through Mr. Levinsky as a member of the Compensation, Nominating and Governance Committee, will have input into the compensation that Waratah pays the individuals for the provision of such services to us. Certain members of our Board are also members of the boards of directors or executive officers of other public companies. Our Board has not adopted a director interlock policy, but will keep informed of other public directorships held by its members (see "Directors and Executive Officers — Biographical Information Regarding our Directors and Executive Officers"). Accordingly, conflicts of interest may arise which could influence these persons in evaluating possible acquisitions or in generally acting on behalf of the Company. See "Risk Factors" and "Material Contracts — Services Agreement".

Our directors and officers are required by law to act honestly and in good faith with a view to the best interests of the Company, and are also required to comply with the conflict of interest provisions of the CBCA. A director who has a material interest in a matter before our Board or any committee on which he or she serves is required to disclose such interest as soon as he or she becomes aware of it. In situations where a director has a material interest in a matter to be considered by our Board or any committee on which he or she serves, he or she may be required to recuse himself or herself from the meeting while discussions and voting with respect to the matter are taking place. The contract or transaction resulting from the matter is not invalid, and the director is not accountable to the Company or its shareholders for any profits realized from the contract or transaction, because of the director's interest in the contract or transaction or because the director was present or was counted to determine whether a quorum existed at the meeting of directors that considered the contract or transaction, if the interest was properly disclosed as detailed above, the directors approved the contract or transaction, and the contract or transaction was

reasonable and fair to the Company when it was approved. In appropriate cases, the Company will establish a special committee of independent directors to review a matter in which several directors, or management, may have a conflict of interest.

Our directors and officers have been advised of their obligations to act at all times in good faith and in the best interest of the Company and to disclose any conflicts to the Company if and when they arise.

Our directors and executive officers are prohibited from purchasing financial instruments designed to hedge or offset a decrease in the market value of our equity shares.

Audit Committee

Our Audit Committee is charged with reviewing, overseeing and evaluating our financial controls and reporting. Our Audit Committee consists of three directors. The members of the Audit Committee will be appointed by our Board, having considered the recommendation of the Compensation, Nominating and Governance Committee. Our Audit Committee members must all be independent and financially literate within the meaning of NI 52-110, and at least one member must have accounting or financial management expertise. Our Audit Committee comprises Tamara Brown, who acts as chair of this committee, John Kanellitsas and Robert Tichio. Each of our Audit Committee members has 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. For additional details regarding the relevant education and experience of each member of our Audit Committee, see “Directors and Executive Officers — Biographical Information Regarding the Directors and Executive Officers”.

Our Board has adopted a written charter, in the form set forth in Appendix A, setting forth the purpose, composition, authority and responsibility of our Audit Committee, consistent with NI 52-110. The Audit Committee will assist our Board in fulfilling its oversight of:

- the integrity of the Company’s accounting and financial reporting systems, including those used in connection with the preparation of its financial statements, budgets and forecasts;
- the adequacy of the Company’s internal controls over financial reporting and disclosure controls and procedures;
- the Company’s compliance with legal and regulatory requirements;
- the external auditor’s independence, qualifications and performance;
- the work of the external auditor and the performance of the Company’s internal audit function; and
- performing any other activities consistent with the Audit Committee charter or specifically assigned to the Audit Committee by our Board.

It is the responsibility of the Audit Committee to maintain free and open means of communication between the Audit Committee, the external auditors and management of the Company. The Audit Committee will be given full access to the Company’s management and records and external auditors as necessary to carry out these responsibilities. The Audit Committee has the authority to carry out such special investigations as it sees fit in respect of any matters within its various roles and responsibilities. The Company will provide appropriate funding, as determined by the Audit Committee, for the payment of compensation to the independent auditor for the purpose of rendering or issuing an audit report and to any advisors employed by the Audit Committee.

External Auditor Service Fee

For fiscal 2022 and fiscal 2021, we incurred the following fees by our external auditor, KPMG LLP:

	<u>Fiscal 2022</u>	<u>Fiscal 2021</u>
Audit fees ⁽¹⁾	720,483	\$63,668
Tax fees ⁽²⁾	366,214	\$20,385
All other fees ⁽³⁾	-	\$17,460
Total	<u>1,086,697</u>	<u>\$101,512</u>

Notes:

- (1) Audit fees include the audit of the year-end financial statements.
- (2) Tax fees related to tax compliance services.
- (3) Other fees are the aggregate fees paid for products and services other than those reported above, which comprise mainly general consulting services.

Promoter

Waratah may be considered a promoter of the Company within the meaning of applicable securities legislation. As of March 31, 2023, Waratah owned or controlled, directly or indirectly, 30,549,214 equity shares, representing approximately 55% of the issued and outstanding equity shares.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

We are, from time to time, involved in legal proceedings of a nature considered normal to our business. We believe that none of the litigation in which we are currently involved, or have been involved since the beginning of the most recently completed financial year, individually or in the aggregate, is material to our consolidated financial condition or results of operations.

There have been no penalties or sanctions imposed against LRC by a court related to securities legislation or by a securities regulatory authority during fiscal 2022 and there have been no other penalties or sanctions imposed by a court or regulatory body against LRC that would likely be considered important to a reasonable investor in making an investment decision. LRC has not entered into any settlement agreement before a court related to securities legislation or with a securities regulatory authority during fiscal 2022.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as described elsewhere in this AIF, there are no material interests, direct or indirect, of any of our directors or executive officers, any shareholder that beneficially owns, or controls or directs (directly or indirectly), more than 10% of the aggregate votes attached to the common shares, or any associate or affiliate of any of the foregoing persons, in any transaction within the three years before the date hereof that has materially affected or is reasonably expected to materially affect us or any of our subsidiaries.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for the common shares is TSX Trust Company at its principal office in Toronto, Ontario.

MATERIAL CONTRACTS

The only material contracts entered into by the Company as of the date of this AIF or before such time that are still in effect, other than material contracts entered into in the ordinary course of business, are the management services agreement (the “**Services Agreement**”) dated as of March 8, 2023 between the Company and Waratah, the investor rights agreement dated as of March 15, 2023 between the Company, Riverstone and Waratah and the limited partnership agreement dated as of March 13, 2023 between the Company, LRC GP Inc. and Altius Royalty Corporation.

Investor Rights Agreement

The following is a summary of the material terms of the Investor Rights Agreement; this summary is qualified in its entirety by reference to the provisions of the agreement, which is available on SEDAR at www.sedar.com.

Director Nomination Rights

Waratah has the right to nominate the following number of individuals for election to the Board in the following circumstances:

- if, at any time, the Waratah Group owns, controls or directs at least 40% of our outstanding equity shares, Waratah will have the right to nominate a majority of individuals for election to the Board;
- if, at any time, the Waratah Group owns, controls or directs less than 40% but at least 30% of our outstanding equity shares, Waratah will have the right to nominate the greater of four and 40% of the members of the Board (rounded down to the nearest whole number);
- if, at any time, the Waratah Group owns, controls or directs less than 30% but at least 20% of our outstanding equity shares, Waratah will have the right to nominate the greater of three and 30% of the members of the Board (rounded down to the nearest whole number);

- if, at any time, the Waratah Group owns, controls or directs less than 20% but at least 10% of our outstanding equity shares, Waratah will have the right to nominate the greater of two and 20% of the members of the Board (rounded down to the nearest whole number);
- if, at any time, the Waratah Group owns, controls or directs less than 10% but at least 5% of our outstanding equity shares, Waratah will have the right to nominate one member of the Board; and
- if, at any time, the Waratah Group owns, controls or directs less than 5% of our outstanding equity shares, Waratah's right to nominate individuals for election to the Board will terminate.

Demand Registration Rights and Piggy-Back Registration Rights

Waratah has registration rights in respect of any common shares owned, controlled or directed by the Waratah Group from time to time and Riverstone has registration rights in respect of any common shares owned, controlled or directed by it from time to time (Waratah and Riverstone, each a “**Rights Holder**” and such common shares of the Rights Holder, collectively, the “**Registrable Securities**”). Where we refer to the ownership, control or direction by Waratah of our securities as a Rights Holder, we mean the ownership, control or direction of our securities by the Waratah Group as a whole.

Each Rights Holder may require us to effect a registration for a public offering of all or any portion of its Registrable Securities (a “**Demand Registration**”). We are obligated to effect in any twelve-month period no more than (a) two Demand Registrations from such Rights Holder and (b) three Demand Registrations from all Rights Holders. We are required to give prompt notice to each Rights Holder of our intention to register any securities for sale in a public offering, whether the registration is on our behalf or pursuant to a Demand Registration by the other Rights Holder. Upon receiving such notice, each applicable Rights Holder may require that all or a specified part of its Registrable Securities be included in the proposed registration (“**Piggy-Back Registration Rights**”). These Demand Registration and Piggy-Back Registration Rights will fall away for a Rights Holder if such Rights Holder ceases to own, control or direct less than 10% of our outstanding equity shares.

Underwriting discounts, commissions and transfer taxes, if any, attributable to the sale of common shares by a party shall be borne by the party selling such common shares. All other costs and expenses of the Company associated with (i) any Demand Registration will be borne by the participating Rights Holders and the Company pro rata based on the common shares sold by each of them, or (ii) any offering initiated by the Company shall be borne by the Company irrespective of whether Piggy-Back Registration Rights are exercised.

Services Agreement

The following is a summary of the material terms of the Services Agreement; this summary is qualified in its entirety by reference to the provisions of the agreement, which is available on SEDAR at www.sedar.com.

Since inception, we have been operated by Waratah as the manager of the Waratah Funds. As a result, we are the process of building our own management team. We have negotiated the Services Agreement with Waratah in order to provide us with the services of a management team while we work to internalize our own management, together with the provision by Waratah of other transitional services such as office space and technology and IT systems. Our Board has significant flexibility under the Services Agreement to change the scope of the services and the corresponding compensation being paid in respect of management providing us with services under the Services Agreement. The Services Agreement is intended to be a transitional measure while we establish our management team and systems.

Executive Officers

In addition to our own executive officers, Waratah provides us with the services of additional executive or non-executive officers for the purposes of conducting the business of the Company and for compliance with applicable securities laws and the services of officers or directors of any of our subsidiaries. In conducting these services, Waratah may rely on its own officers, employees or other service providers to Waratah and its affiliates. For information about our directors and executive officers, see “Directors and Executive Officers” and “Executive Compensation — Introduction.” In connection with internalizing our management team, we may also negotiate with Waratah to hire as our own employees the individuals providing services to us under the Services Agreement.

None of Waratah's officers, employees or other service providers receive any direct compensation from us, except to the extent that we decide to provide grants to any of them under our Omnibus Plan and to the extent of their compensation for acting as directors on our Board. Rather, we will reimburse Waratah for its expenses for the compensation paid by Waratah to

these individuals providing us with executive officer services. The amount of this compensation will be determined from time to time by our Compensation, Nominating and Governance Committee.

Our Compensation, Nominating and Governance Committee, may from time to time on reasonable notice: (i) require that Waratah cease to provide executive officer services for one or more roles; (ii) request that Waratah provide additional executive officer services for one or more additional roles; and (iii) require that certain individuals be prohibited from providing or cease to provide executive officer services. We are responsible for reimbursing Waratah for any reasonable costs or expenses that it incurs if it terminates the employment or services of any individual providing us with executive officer services as a result of a request by the Compensation, Nominating and Governance Committee referred to in clause (ii) or (iii).

If an individual providing executive officer services to us resigns from Waratah or otherwise terminates his or her contract with Waratah, then, unless the Compensation, Nominating and Governance Committee determines otherwise, Waratah will use commercially reasonable efforts to procure the services of a replacement for such individual.

Compensation and Expenses

There are no annual fees payable by us to Waratah pursuant to the Services Agreement. The Services Agreement is cost recovery only in nature and is not structured as a fee earning contract for Waratah. We will bear and be charged with the reasonable costs and expenses of our operations (and will promptly reimburse Waratah to the extent that any of such costs and expenses are paid by Waratah). These costs and expenses include, among others, office space, administrative support, information technology systems and compensation payable to individuals providing executive officer services (in the amounts determined by our Board, on the recommendation of the Compensation, Nominating and Governance Committee). From time to time, LRC may provide Waratah services on a cost recovery basis, and would be able to set-off those amounts against amounts owing to Waratah.

Conflicts of Interest and Other Restrictions

Our officers are required by law to act honestly and in good faith with a view to the best interests of the Company. Pursuant to the Services Agreement, all future investment opportunities in battery metal royalty and streaming interests identified or received by management will first be presented to the Board for approval by a majority of our directors who are independent of Waratah (the “**Waratah Independent Directors**”).

Without the consent of a majority of the Waratah Independent Directors, Waratah is not permitted to manage other funds, investment vehicles or accounts that invest directly in or acquire royalties or streams in respect of battery materials (excluding the Company or any other public company). Waratah is permitted to manage a fund, investment vehicle or account that: (i) invests in or acquires an investment opportunity that is rejected by a majority of the Waratah Independent Directors, or (ii) with our consent, co-invests in any royalties alongside us. Investment funds managed by Waratah will not be restricted from investing in non-royalty opportunities in the lithium sector, including by making investments in public or private companies involved in developing lithium projects.

Apart from transactions the terms of which are contemplated or expressly permitted by the Services Agreement or our Articles, Waratah and its affiliates will not engage in any transaction with us unless the terms of the transaction are on an arm’s-length basis and on terms which are no less favourable to us than would be obtained in a transaction with an unaffiliated party. We anticipate that, from time to time, investment funds managed by Waratah may offer to grant us royalties, streams or prospective mineral claims on terms that are attractive to us. The terms of any transaction approved by a majority of the Waratah Independent Directors will be deemed to be on an arm’s-length basis. Additionally, we may enter into co-investments with Waratah, provided that such co-investments are approved by the Waratah Independent Directors and Waratah.

Historically, investment funds managed by Waratah have from time to time invested alongside the Company in equity securities of lithium developers. Both the Company and Waratah believe that this collaboration has been beneficial to both parties and enables the Company to secure investment opportunities that might not be available if the Company was acting alone. Under the terms of the Services Agreement, and in light of the benefits that we will realize as a result of our arrangements with Waratah, we have agreed, subject to exceptions for de minimis amounts, that we will not, without the prior written consent of Waratah:

- (1) make any standalone portfolio investment in the equities of any third party without first offering Waratah the opportunity for one of its managed investment funds to make any such investment; or

- (2) make any portfolio investment in the equity of any third party ancillary to a royalty investment where our and Waratah's participation is capped below the desired amount of the investment without first offering Waratah the opportunity for one of its managed investment funds to participate in such equity investment at a 9:1 ratio, with 9/10th of the investment being allocated to such investment fund and the remaining 1/10th of the investment being allocated to the Company, provided that the Company may acquire the securities of or enter into any arrangement, amalgamation or business combination with, any entity carrying on a royalty or streaming business or receive securities in exchange for the sale of its assets.

See also "Risk Factors — Risks Related to the Offering and Ownership of our Common Shares — There can be no assurance that the policies and procedures the Company has established to mitigate conflicts of interest with the Waratah Group will be effective in doing so".

Standard of Care

The Services Agreement requires Waratah to perform its obligations thereunder with such skill and care as would be reasonably expected of a professional manager managing in good faith an entity of comparable size and complexity to us and having a materially similar objectives. In addition, Waratah is required to ensure that its obligations under the Services Agreement are performed by a team of appropriately qualified, trained and experienced professionals and that the executives of Waratah devote an appropriate portion of their business time to the management of our business as shall be necessary to ensure that Waratah is able to perform its obligations under the Services Agreement.

Duration and Termination

The Services Agreement was approved by our Board and the Waratah Independent Directors. The Services Agreement has a term ending on the earlier of (i) December 31, 2027 and (ii) 180 days after the Waratah Group first ceases to directly or indirectly own, control or direct at least 5% of our Equity Securities. The Services Agreement may be amended or terminated upon mutual consent of Waratah and the Waratah Independent Directors on behalf of the Company.

During the term, the Services Agreement may only be terminated by us for Cause (as defined below) or following a change of control of the Company. The Services Agreement will terminate immediately upon notice to Waratah that we are terminating for Cause or upon the completion of a change of control of the Company, as applicable.

On the termination of the Services Agreement: (i) Waratah will be entitled to receive all moneys accrued and due up to the date of such termination but will not be entitled to compensation in respect of such termination; and (ii) Waratah will forthwith deliver to us all correspondence and records of all and every description relating to our affairs which are in its possession or under its control.

"Cause" will exist where: (i) Waratah defaults in the performance or observance of any material term, condition or covenant contained in the Services Agreement that results in a material harm to us and to the extent such default is capable of being remedied such default continues unremedied for a period of 45 days after written notice thereof by us to Waratah specifying such default and requesting that the same be remedied in such 45-day period, (ii) Waratah engages in any act of fraud, gross misconduct, misappropriation of funds or embezzlement against us and such act results in material harm to us, (iii) Waratah is grossly negligent in the performance of its duties under the Services Agreement and such gross negligence results in material harm to us, or (iv) Waratah makes a general assignment for the benefit of its creditors, institutes proceedings to be adjudicated voluntarily bankrupt, consents to the filing of a petition of bankruptcy against it, is adjudicated by a court of competent jurisdiction as being bankrupt or insolvent, seeks reorganization under any bankruptcy or insolvency law or consents to the filing of a petition seeking such reorganization or has a decree entered against it by a court of competent jurisdiction appointing a receiver, liquidator, trustee or assignee in bankruptcy or insolvency; provided that in the case of clauses (ii) and (iii), where the relevant act or omission is carried out by an individual providing executive officer services to us, it shall not constitute Cause if Waratah promptly terminates its relationship with such individual (without cost or expense to us) and arranges for the replacement of such individual with another individual acceptable to our Compensation, Nominating and Governance Committee.

There are no penalties for terminating a portion of in scope services; however, the Company will be responsible for covering the cost of any early termination charges, pre-paid expenses and wind-down costs that may be incurred by Waratah in connection with the discontinuance of such services.

Indemnification

The Services Agreement provides that, to the fullest extent permitted by law, we will indemnify and hold harmless Waratah and its and its affiliates' members, officers, directors, employees, shareholders, partners, consultants or advisors (collectively, the "**Indemnified Parties**") from and against any and all damages, losses and expenses that are incurred by any Indemnified Party and arise out of or in connection with our affairs, including acting as an executive officer of us or our subsidiaries or acting as a director of any of our subsidiaries, or the performance by such Indemnified Party of any of the services or other functions arising out of or in connection with the Services Agreement, or otherwise in connection with the matters contemplated in the Services Agreement other than as a result of: (i) losses arising from such Indemnified Party's act or omission to the extent such Indemnified Party's performance thereof was grossly negligent or constituted wilful misconduct, (ii) economic losses incurred by any Indemnified Party as a result of the ownership of an interest in us, (iii) the expenses that Waratah is otherwise obligated to pay, (iv) our expenses that an Indemnified Party has agreed to pay without a right to reimbursement, or (v) disputes exclusively between and among the Indemnified Parties, or (vi) a violation of any applicable laws and regulations by any Indemnified Party. Expenses reasonably incurred by any Indemnified Party in defending an action, suit or proceeding will be paid by us in advance of the final disposition of such action, suit or proceeding, provided that the Indemnified Party undertakes to repay such amount if it is ultimately determined that such person was not entitled to be indemnified.

Limitation of Liability

The Services Agreement provides that Waratah shall have no liability to the Company in excess of amounts paid (or reimbursed) by the Company to Waratah during the prior 12 month period under the Services Agreement; provided that Waratah shall not be liable for any action taken, omitted or suffered to be taken by it in its reasonable judgment, in good faith and believed by it to be authorized or within the discretion or rights or powers conferred upon it by the Services Agreement, or in accordance with (or in the absence of) specific directions or instructions from the Company. Notwithstanding the foregoing, these limitations of liability shall not apply to any acts or omissions that resulted from Waratah's wilful misconduct, bad faith or gross negligence or violation of the standard of care owed to the Company under the Services Agreement.

LRC LP I Limited Partnership Agreement

Our Tres Quebradas Royalties, the Grota do Cirilo Royalty and Mariana Royalty are held by LRC LP I. Pursuant to a third amended and restated limited partnership agreement to be entered into on March 13, 2023 (the "**Limited Partnership Agreement**"), we own a 90% limited partnership interest in LRC LP I and Altius Royalty Corporation owns the remaining 10% limited partnership interest. By virtue of owning its general partner, LRC GP Inc., we have indirect control over the business and affairs of LRC LP I. Altius Royalty Corporation has limited rights under the Limited Partnership Agreement, and based on current ownership levels any transfer by Altius Royalty Corporation of its limited partnership interests is subject to a right of first offer in our favour while we hold a majority interest in the limited partnership. The Company does not anticipate that any royalties other than the Tres Quebradas Royalties, the Grota do Cirilo Royalty and Mariana Royalty will be held in this limited partnership. The Limited Partnership Agreement is available on SEDAR at www.sedar.com.

INTERESTS OF EXPERTS

Certain technical and scientific information contained in this AIF was reviewed or approved in accordance with NI 43-101 by Don Hains, P. Geo, of Hains Engineering Company Limited, a "qualified person" as defined in NI 43-101. To the knowledge of the Company, Mr. Hains held less than 1% of the outstanding securities of the Company, or of any associate or affiliate thereof as of the date hereof, when he reviewed and approved the technical and scientific information contained in this AIF. Mr. Hains did not receive, and will not receive, any direct or indirect interest in any securities of the Company or of any associate or affiliate thereof in connection with his review and approval of such technical and scientific information.

The Company's auditors are KPMG LLP, Chartered Professional Accountants, who have prepared an independent auditor's report dated March 31, 2023 in respect of the Company's consolidated financial statements as at December 31, 2022 and 2021 and for the years then ended. KPMG LLP has advised that it is independent of the Company within the meaning of the Code of Professional Conduct of the Chartered Professional Accountants of Ontario.

ADDITIONAL INFORMATION

Additional information related to LRC is available electronically on SEDAR at www.sedar.com and on its website at www.lithiumroyaltycorp.com. Additional financial information is provided in LRC's Financial Statements and MD&A for its most recently completed financial year.

GLOSSARY OF CERTAIN TERMS

The following is a glossary of certain technical terms that appear in this prospectus. “brine” means saline groundwater that is enriched with dissolved lithium.

“**claim**” means a mining right that grants a holder the exclusive right to search and develop any mineral substance within a given area, but does not represent a title interest to the underlying property.

“**crushing**” means a unit operation which reduces the size of material delivered as ore for further processing.

“**cut-off grade**” means a calculated minimum metal or mineral grade at which material can be mined and processed at break-even cost.

“**deposit**” means an accumulation of mineralization or other valuable earth material of any origin.

“**ESG**” means environmental, social and governance.

“**grade**” means the concentration of an element of interest expressed as relative mass units (percentage, parts per million, ounces per ton, etc.).

“**gross overriding revenue**” or “**GOR**” means a royalty based on the total revenue stream from the sale of production from the property with few, if any, deductions.

“**illite**” means a mica-like clay mineral common in sedimentary rocks.

“**JORC**” means the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia, as amended.

“**kt**” means a thousand tonnes.

“**lithium carbonate equivalent**” or “**LCE**” means a normalized measure of varied lithium content found in key raw materials and chemicals, such as spodumene concentrate, lithium carbonate and lithium hydroxide. Set out below is a conversion table between LCE and other lithium materials.

LCE Conversion Table

Convert from	Convert to Li	Convert to Li₂O	Convert to Li₂CO₃
Lithium (Li)	1.00	2.153	5.323
Lithium Oxide (Li ₂ O)	0.464	1.000	2.473
Lithium Carbonate (Li ₂ CO ₃)	0.188	0.404	1.000

“**Li₂O**” means lithium oxide.

“**mg/L**” means milligrams per litre, a measure of lithium concentration, typically used in reference to lithium brines.

“**Mineral Reserve**” means the economically mineable part of a Measured or Indicated Mineral Resource demonstrated by at least a preliminary feasibility study, which study must include adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified. A Mineral Reserve includes diluting materials and allowances for losses that may occur when the material is mined. The following are different types of Mineral Reserves:

“*Probable Mineral Reserve*” means the economically mineable part of an Indicated and, in some circumstances, a Measured Mineral Resource demonstrated by at least a preliminary feasibility study. This study must include adequate information on mining, processing, metallurgical, economic, and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified.

“*Proven Mineral Reserve*” means the economically mineable part of a Measured Mineral Resource. A proven Mineral Reserve implies a high degree of confidence in the modifying factors.

“**Mineral Resource**” means a concentration or occurrence of diamonds, natural solid inorganic material, or natural solid fossilized organic material including base and precious metals, coal, and industrial minerals in or on the earth’s crust in such form and quantity and of such a grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge. The following are different types of Mineral Resources:

“*Inferred Mineral Resource*” means that part of a Mineral Resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes.

“*Indicated Mineral Resource*” means that part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters to support mine planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration and test information gathered through appropriate techniques from location such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough for geological and grade continuity to be reasonably assumed.

“*Measured Mineral Resource*” means that part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics are so well established that they can be estimated with confidence sufficient to allow the appropriate application of technical and economic parameters to support production planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough to confirm both geological and grade continuity.

“**mineralization**” means the process or processes by which a mineral or minerals are introduced into a rock, resulting in a potentially valuable deposit.

“**Mm³**” means 1 million cubic meters, a unit of volume.

“**Mt**” means megatonne, or 1 million metric tonnes.

“**mT**” means metric tonne, a metric measurement of weight equivalent to 1,000 kilograms.

“**net smelter return**” or “**NSR**” means a royalty based on the value of production or net proceeds received by the operator from the smelter or refinery that treats the operator’s mineral production.

“**NI 43-101**” means National Instrument 43-101, a national instrument for the Standards of Disclosure for Mineral Projects within Canada. The Instrument is a codified set of rules and guidelines for reporting and displaying information related to mineral properties owned by, or explored by, companies which report these results on stock exchanges within Canada and issuers that are subject to Canadian securities laws.

“**Ontario Entity**” means 2401261 Ontario Inc.

“**open pit**” means the use of surface mining to extract ore from an open pit. The geometry of the open pit may vary with the characteristics of the ore.

“**ore**” means a mineral or aggregate of minerals from which metal or minerals can be economically mined or extracted.

“**pegmatite**” means an igneous rock, formed by slow crystallization at high temperature and pressure at depth, and exhibiting large interlocking crystals usually greater in size than 2.5 cm (1 in).

“**Pre-IPO Reorganization**” means the reorganization described in “Capital Structure — Reorganization”, consisting of disposition of portfolio securities, offtakes, working interests and excess cash; repayment of shareholder notes; creation of Convertible Common Shares; exchange of Class A common shares and Class B common shares; and subdivision Equity Shares.

“**refining**” means the process of purifying an impure metal.

“**Riverstone**” means Riverstone VI LRC B.V.

“**Waratah Funds**” means, collectively, Royalty Capital I Limited Partnership, Royalty Capital II Limited Partnership, Royalty Capital I-II Limited Partnership and Royalty Capital II-II Limited Partnership.

“**salar**” means a large scale geographic feature characterized by a salt flat or salt-encrusted depression.

“**SC6**” means spodumene concentrate, with 6% lithium oxide content.

“**smectite**” means a phyllosilicate clay mineral.

“**spodumene**” means a pyroxene mineral consisting of lithium aluminium inosilicate, $\text{LiAl}(\text{SiO}_3)_2$, a source of lithium.

“**Ta₂O₅**” means tantalum pentoxide.

“**Tax Act**” means the Income Tax Act (Canada).

“**tpa**” means tonnes per annum.

“**tailings**” means the finely ground rock from which valuable minerals have been extracted from concentration.

“**tenement**” means a mineral claim.

“**tonne**” or “**t**” means a metric tonne, being 1,000 kilograms or 2,204.62 pounds.

“**Waratah**” means Waratah Capital Advisors Ltd.

“**Waratah Group**” means, collectively, Waratah and its affiliates, its controlling persons and investment funds managed by it and its affiliates. As of the date of this prospectus, the Waratah Group includes Waratah, each of the Waratah Funds, each of the founders of Waratah who are the controlling persons and the Ontario Entity.

Appendix A — Charter of the Audit Committee

CHARTER OF THE AUDIT COMMITTEE OF LITHIUM ROYALTY CORP.

1 PURPOSE AND RESPONSIBILITIES OF THE COMMITTEE

1.1 Purpose

The purpose of the audit committee (the “**Committee**”) of Lithium Royalty Corp. (the “**Corporation**”) is to assist the board of directors of the Corporation (the “**Board**”) in its oversight of:

- (a) the integrity of the Corporation’s accounting and financial reporting systems, including those used in connection with the preparation of its financial statements, budgets and forecasts;
- (b) the adequacy of the Corporation’s internal controls over financial reporting and disclosure controls and procedures;
- (c) the Corporation’s compliance with legal and regulatory requirements;
- (d) the External Auditor’s independence, qualifications and performance;
- (e) the work of the External Auditor and the performance of the Corporation’s internal audit function; and
- (f) performing any other activities consistent with this Charter or specifically assigned to the Committee by the Board.

2 DEFINITIONS AND INTERPRETATION

2.1 Definitions

In this Charter:

- (a) “**Chair**” means the Chair of the Committee;
- (b) “**Compensation, Nominating and Governance Committee**” means the compensation, nominating and governance committee of the Board;
- (c) “**Director**” means a member of the Board;
- (d) “**External Auditor**” means the accounting firm that serves as the Corporation’s independent auditor; and
- (e) “**Shareholders**” means the shareholders of the Corporation.

2.2 Interpretation

This Charter is subject to and shall be interpreted in a manner consistent with the articles and by-laws of the Corporation, the *Canada Business Corporations Act*, and any other applicable legislation.

3 ESTABLISHMENT AND COMPOSITION OF COMMITTEE

3.1 Establishment of the Audit Committee

The Committee is hereby established with the constitution, function and responsibilities set forth herein.

3.2 Appointment and Removal of Members of the Committee

- (a) **Appointment of Members.** The members of the Committee shall be appointed by the Board, having considered the recommendation of the Compensation, Nominating and Governance Committee.
- (b) **Annual Appointments.** The appointment of members of the Committee shall take place annually at the first meeting of the Board after a meeting of the Shareholders at which Directors are elected; provided, however, that if the appointment

of members of the Committee is not so made, the Directors who are then serving as members of the Committee shall continue as members of the Committee until their successors are appointed.

- (c) **Vacancies.** The Board may appoint a member to fill a vacancy which occurs in the Committee between annual elections of Directors. If a vacancy exists on the Committee, the remaining members shall exercise all of their powers so long as a quorum remains in office.
- (d) **Removal of Members.** Any member of the Committee may be removed from the Committee by a resolution of the Board.

3.3 Number of Members

The Committee shall consist of three or more Directors.

3.4 Qualifications and Independence of Members

(a) **Financial Literacy.** Each member of the Committee shall be financially literate or must become financially literate within a reasonable period of time after his or her appointment to the Committee. For the purposes of this Charter being “**financially literate**” means having 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 Corporation’s financial statements.

(b) **Accounting or Financial Management Expertise.** The Board will appoint to the Committee at least one Director who has accounting or financial management expertise.

(c) **Independence.** Each member of the Committee shall be independent for the purposes of all applicable laws and stock exchange requirements.

3.5 Board Approval Required

No member of the Committee shall serve on more than three public company audit committees without the approval of the Board.

4 COMMITTEE CHAIR

4.1 Board to Appoint Chair

The Board shall appoint the Chair from the members of the Committee.

4.2 Chair to be Appointed Annually

The appointment of the Chair shall take place annually at the first meeting of the Board after a meeting of the Shareholders at which Directors are elected; provided, however, that if the appointment of the Chair is not so made, the Director who is then serving as Chair shall continue as Chair until his or her successor is appointed.

5 COMMITTEE MEETINGS

5.1 Quorum

A quorum of the Committee shall be a majority of the members.

5.2 Secretary

The Chair shall designate from time to time a person who may, but need not, be a member of the Committee, to act as the secretary of the Committee.

5.3 Time and Place of Meetings

The time and place of the meetings of the Committee and the calling of meetings and the procedure in all things at such meetings shall be determined by the Committee; provided, however, that the Committee shall meet at least quarterly.

5.4 Meetings with Management and Auditors

As part of each meeting of the Committee at which the Committee recommends that the Board approve the annual audited financial statements or at which the Committee approves the quarterly financial statements, the Committee shall meet separately with each of:

- (a) the relevant members of management of the Corporation; and
- (b) the External Auditor.

5.5 Right to Vote

Each member of the Committee shall have the right to vote on matters that come before the Committee.

5.6 Voting

Any matters to be determined by the Committee shall be decided by a majority of votes cast at a meeting of the Committee called for such purpose. Actions of the Committee may be taken by an instrument or instruments in writing signed by all of the members of the Committee, and such actions shall be effective as though they had been decided by a majority of votes cast at a meeting of the Committee called for such purpose.

5.7 Invitees

The Committee may invite any Directors, officers or employees of the Corporation or any other person to attend meetings of the Committee to assist in the discussion and examination of the matters under consideration by the Committee. The External Auditor shall receive notice of and attend, at the expense of the Corporation, each meeting of the Committee.

5.8 Regular Reporting

The Committee shall report to the Board at the Board's next meeting the proceedings at the meetings of the Committee and all recommendations made by the Committee at such meetings.

6 AUTHORITY OF COMMITTEE

6.1 Retaining and Compensating Advisors

The Committee has the authority to retain independent counsel or any other advisors as the Committee may deem appropriate, in its sole and absolute discretion. The Committee is not required to obtain the approval of the Board in order to retain or compensate such counsel or other advisors.

6.2 Funding

The Committee has the authority to authorize the payment of:

- (a) the compensation of the External Auditor or any other independent auditor engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Corporation;
- (b) the compensation of any independent counsel or other advisors retained by the Committee under Section 6.1; and
- (c) and ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

6.3 Communication with Auditors

The Committee has the authority to communicate directly with the External Auditor and the Internal Auditor.

6.4 Subcommittees

The Committee may delegate authority to individual members or subcommittees if deemed appropriate.

6.5 Recommendations to the Board

The Committee shall have the authority to make recommendations to the Board, but shall have no decision-making authority other than as specifically contemplated in this Charter or as specifically delegated by the Board.

7 REMUNERATION OF COMMITTEE MEMBERS

7.1 Remuneration of Committee Members

Members of the Committee and the Chair shall receive such remuneration for their service on the Committee as the Board may determine from time to time, having considered the recommendation of the Compensation, Nominating and Governance Committee.

7.2 Directors' Fees

No member of the Committee may earn fees from the Corporation or any of its subsidiaries other than Directors' fees (which fees may include a combination of cash, benefits and common shares, options or other equity securities of the Corporation). For greater certainty, no member of the Committee shall accept, directly or indirectly, any consulting, advisory or other compensatory fee from the Corporation.

8 PRIMARY DUTIES AND RESPONSIBILITIES OF THE COMMITTEE

8.1 Review and Approval of Financial Information

- (a) **Annual Financial Statements.** The Committee shall review and discuss with the relevant members of management and the External Auditor the audited annual financial statements of the Corporation, together with the notes thereto and the report of the External Auditor thereon, and the related management's discussion and analysis ("MD&A") and, if appropriate, recommend to the Board that it approve such audited annual financial statements and the related MD&A.
- (b) **Interim Financial Statements.** The Committee shall review and discuss with the relevant members of management and the External Auditor the unaudited condensed interim consolidated financial statements of the Corporation, together with the notes thereto, and the related MD&A and, if appropriate, approve such unaudited condensed interim consolidated financial statements and the related MD&A.
- (c) **Material Public Financial Disclosure.** The Committee shall discuss with the relevant members of management and the External Auditor:
 - (i) financial information to be disclosed in the press releases discussing the annual and interim profits or losses of the Corporation;
 - (ii) financial information to be disclosed in any other press releases issued by the Corporation; and
 - (iii) financial information and earnings guidance provided to analysts and rating agencies.
- (d) **Procedures for Review.** The Committee shall be satisfied that adequate procedures are in place for the review of disclosure containing financial information extracted or derived from the Corporation's financial statements and shall periodically assess the adequacy of those procedures.
- (e) **General.** The Committee shall review and discuss with the relevant members of management and the External Auditor:
 - (i) major issues regarding accounting principles and financial statement presentations, including any significant changes in the Corporation's selection or application of accounting principles;
 - (ii) major issues as to the adequacy of the Corporation's internal controls over financial reporting and any special audit steps adopted in light of material internal control deficiencies;
 - (iii) analyses prepared by management or the External Auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative accounting methods on the financial statements;
 - (iv) the effect on the financial statements of the Corporation of regulatory and accounting initiatives;
 - (v) the effect on the financial statements of the Corporation of off-balance sheet transaction structures, obligations (including contingent obligations) and other relationships of the Corporation with unconsolidated entities or other persons that have a material current or future effect on the financial condition, changes in financial condition, results of operations, liquidity, capital resources, capital reserves or significant components of revenues or expenses of the Corporation;
 - (vi) the extent to which changes or improvements in financial or accounting practices approved by the Committee have been implemented;

- (vii) policies and procedures relating to the maintenance and oversight of financial information relating to royalties and other financial interests;
- (viii) any financial information or financial statements to be disclosed in a prospectuses, offering memorandum or other offering document of the Corporation; and
- (ix) management's certification of the financial statements as required under applicable laws and stock exchange requirements.

8.2 Oversight of the External Auditor

- (a) ***Authority with Respect to External Auditor.*** The Committee shall be responsible for the selection, compensation, retention and oversight of the work of the External Auditor engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Corporation. In discharging its responsibilities, the Committee shall:
 - (i) recommend to the Board the accounting firm to be proposed to the Shareholders for appointment as the External Auditor;
 - (ii) recommend to the Board the compensation of the External Auditor;
 - (iii) determine, at any time, whether the Board should recommend to the Shareholders that the incumbent External Auditor be removed from office;
 - (iv) review the terms of the External Auditor's engagement and discuss the audit fees with the External Auditor, as necessary; and
 - (v) require the External Auditor report directly to the Committee.
- (b) ***Independence of External Auditor.*** The Committee shall satisfy itself as to the independence of the External Auditor. As part of this process, the Committee shall:
 - (i) assure the regular rotation of the lead audit partner as required by applicable laws and consider whether, in order to ensure continuing independence of the External Auditor, the Corporation should periodically rotate the accounting firm that serves as External Auditor;
 - (ii) require the External Auditor to submit at least annually to the Committee a formal written statement delineating all relationships between the External Auditor and the Corporation, engage in a dialogue with the External Auditor with respect to any disclosed relationships or services that may impact the objectivity and independence of the External Auditor, and recommend to the Board the appropriate actions to be taken in response to the External Auditor's report to satisfy itself of the External Auditor's independence;
 - (iii) unless the Committee adopts pre-approval policies and procedures, it must pre-approve any non-audit services provided by the External Auditor to the Corporation or its subsidiaries; provided, however, that the Committee may delegate such pre-approval authority to one or more of its members, who shall report to the Committee concerning their exercise of such delegated authority at or prior to the next scheduled meeting of the Committee; and
 - (iv) establish, approve and periodically review the Corporation's hiring policy regarding partners, employees and former partners and employees of the External Auditor and any accounting firm that used to serve as External Auditor.
- (c) ***Issues Between External Auditor and Management.*** The Committee shall satisfy itself that any disagreement between management and the External Auditor regarding the Corporation's financial reporting is resolved. As part of this process, the Committee shall:
 - (i) review any problems experienced by the External Auditor in conducting the audit, including any restrictions on the scope of the External Auditor's activities or on its access to requested information;
 - (ii) act as an intermediary with a view of resolving any significant disagreements that may arise between management of the Corporation and the External Auditor;
 - (iii) review with the External Auditor:

- (A) any accounting adjustments that were noted or proposed by the External Auditor, but were ultimately not made;
 - (B) any auditing or accounting issues presented by the engagement;
 - (C) any internal control issues or weaknesses identified by the External Auditor; and
 - (D) the responsibilities, budget and staffing of the Corporation's internal audit function.
- (d) ***Evaluation of External Auditor.*** The Committee shall evaluate the External Auditor each year and present its conclusions to the Board. In connection with this evaluation, the Committee shall:
- (i) obtain and review a report prepared by the External Auditor describing:
 - (A) the External Auditor's quality-control procedures;
 - (B) any material issues raised by the most recent internal quality-control review, or peer review, of the External Auditor or by any inquiry, review, inspection or investigation involving the External Auditor by governmental or professional authorities, within the preceding five years, in respect of one or more independent audits carried out by the External Auditor, and any steps taken to deal with any such issues; and
 - (C) all relationships between the External Auditor and the Corporation; and
 - (ii) review and evaluate the performance of the lead partner of the External Auditor.

8.3 Risk Assessment and Risk Management

The Committee shall assist the executive officers of the Corporation in assessing and managing the Corporation's risk exposure. In doing so, the Committee shall:

- (a) discuss the Corporation's major financial risk exposures with the executive officers and review the systems implemented and strategies taken by management to monitor and control such financial risk exposures;
- (b) review the External Auditor's recommendations to address any weaknesses in the Corporation's internal controls and the steps taken by management to implement such recommendations;
- (c) make recommendations to the Board whether any new risk management strategies should be considered or implemented.

8.4 Internal Audit Function

In connection with the oversight of the Corporation's internal audit function, the Committee shall:

- (a) review the terms of reference of the internal audit function ;
- (b) in consultation with the External Auditor and the internal audit group, review the adequacy of the Corporation's internal control structure and procedures designed to ensure compliance with applicable laws and any special audit steps adopted in light of material deficiencies and controls;
- (c) review management's response to significant internal control recommendations made by the internal audit group and the External Auditor;
- (d) review (i) the annual internal control report prepared by management, including management's assessment of the effectiveness of the Corporation's internal controls, structure and procedures for financial reporting, and (ii) the External Auditor's annual report on the assessment made by management; and
- (e) instruct the External Auditor to prepare an annual evaluation of the Corporation's internal audit function and reviewing the results of that evaluation.

9 OTHER DUTIES AND RESPONSIBILITIES OF THE COMMITTEE

9.1 Related Party Transactions

The Committee shall review all related party transactions involving the Corporation and make recommendations to the Board regarding any actions to be taken, including the approval of any proposed transactions.

9.2 Expense Reimbursement Policy

The Committee shall review and make recommendations with respect to the Corporation's expense reimbursement policy and the rules relating to the standardization of the Corporation's expense reporting practices. The Committee shall also review the expense reimbursement summaries submitted by the Chief Executive Officer of the Corporation on a quarterly basis.

9.3 Integrity Assurance

The Committee shall review and make recommendations with respect to the Corporation's integrity assurance policy. In connection therewith, the Committee shall put in place procedures for:

- (a) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters; and
- (b) the confidentiality and anonymity of submissions made by employees of the Corporation regarding questionable accounting or auditing practices;
- (c) the receipt of reports by the general counsel of the Corporation on all complaints received under the integrity assurance policy; and
- (d) considering the recommendations of the general counsel of the Corporation in respect of actions to be taken in response to the complaints received.

10 ANNUAL PERFORMANCE EVALUATION

On an annual basis, the Committee shall follow the process established by the Compensation, Nominating and Governance Committee for assessing the performance and effectiveness of the Committee.

11 CHARTER REVIEW

The Committee shall review and assess the adequacy of this Charter annually and recommend to the Board any changes it deems appropriate.

