



**Canada Silver Cobalt Works Inc.**  
3028 Quadra Court  
Coquitlam, B.C., V3B 5X6  
[CanadaSilverCobaltWorks.com](http://CanadaSilverCobaltWorks.com)

## **ANNUAL & SPECIAL MEETING**

**The Annual & Special Meeting of the Shareholders of Canada Silver Cobalt Works Inc.  
will be held at  
3028 Quadra Court, Coquitlam, BC V3B 5X6  
on Tuesday, October 31, 2023 at 10:00 a.m. (Pacific time)**

## CANADA SILVER COBALT WORKS INC.

3028 Quadra Court  
Coquitlam, B.C. V3B 5X6  
Tel: 416-625-2342

Dear Shareholders:

The Board of Directors of Canada Silver Cobalt Works Inc. has called an annual and special meeting of shareholders to be held at 3028 Quadra Court, Coquitlam, British Columbia V3B 5X6 at 10:00 a.m. (Pacific time) on Tuesday, October 31, 2023.

At the meeting, shareholders will be asked to, among other things, adopt a special resolution (the “**Arrangement Resolution**”) approving a statutory plan of arrangement (the “**Arrangement**”) whereby CCW will transfer our Graal Property, a grassroots nickel-copper-cobalt (Ni-Cu-Co) exploration property located approximately 160 km northwest of Saguenay, Québec, to our subsidiary Coniagas Battery Metals Inc. (“**CBM**”) in exchange for 24 million common shares and 12 million warrants of CBM. The Arrangement involves, among other things, the distribution by CCW of an aggregate of 11,749,200 common shares and 5,874,600 warrants of CBM to the shareholders of CCW in four annual distributions. The first distribution of 5,874,600 CBM common shares and 2,937,300 CBM warrants will take place shortly after the effective date of the Arrangement, on the basis of one CBM share and half-warrant for approximately every 44 shares of CCW. Each full CBM warrant will entitle its holder to purchase one additional common share of CBM at a price of \$0.40 for a period of two years. It is our intention to develop CBM into a supplier to the electric vehicle (EV) market and to list CBM on a Canadian stock exchange. CBM’s significant land package in northern Québec, positive drill results, and the province’s supportive approach to resource development provides confidence that our shareholders will be well positioned in both CCW and CBM.

Nothing will change in your ownership of shares of CCW when the Arrangement is completed; you will continue to own the same number and percentage of CCW shares. CCW will continue as a pure precious-metal play, focussing on our two main silver and gold properties.

After careful consideration, the Board of Directors has determined that the Arrangement is in the best interests of CCW, has approved the Arrangement and recommends that CCW shareholders vote in favour of the Arrangement Resolution. A description of the various factors considered by the Board of Directors in arriving at this determination is contained in the annexed management information circular. To be effective, the Arrangement Resolution must be approved by at least two-thirds of the votes cast by the shareholders of CCW present in person or represented by proxy at the shareholders’ meeting.

At the meeting, in addition to the approval of the Arrangement, shareholders of CCW will be asked to adopt a resolution confirming a change in quorum for shareholders’ meetings from 5% to 15% of CCW’s outstanding shares, adopt a special resolution authorizing CCW to reduce the stated capital of its common shares in connection with the Arrangement, approve various financings by CBM as required by the TSX Venture Exchange, approve an omnibus equity incentive plan for CBM, adopt a resolution changing the corporate name of CCW to “Nord Precious Metals Mining Inc.”, and certain other matters, as more fully described in the notice of meeting and management information circular.

Thank you for your support.

Yours truly,

*“Frank J. Basa”*

Frank J. Basa, P. Eng.  
Chief Executive Officer

September 25, 2023

## CANADA SILVER COBALT WORKS INC.

3028 Quadra Court  
Coquitlam, B.C. V3B 5X6  
Tel: 416-625-2342

### NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

**NOTICE IS HEREBY GIVEN THAT** an annual and special meeting of the shareholders of Canada Silver Cobalt Works Inc. (the “**Corporation**”) will be held at 3028 Quadra Court, Coquitlam, British Columbia V3B 5X6, on Tuesday, October 31, 2023 at 10:00 a.m. (Pacific time). The purposes of the Meeting are to:

1. Receive the audited financial statements of the Corporation for its financial year ended December 31, 2022 together with the report of the auditor thereon;
2. Elect the directors of the Corporation for the ensuing year;
3. Appoint the auditor of the Corporation for the ensuing year and authorize the directors to fix its remuneration;
4. Consider and, if deemed advisable, adopt a resolution ratifying and continuing the Corporation’s Stock Option Plan, as more particularly described in the accompanying management information circular of the Corporation (the “**Information Circular**”), and authorizing the directors to make modifications thereto in accordance with the Stock Option Plan and the policies of the TSX Venture Exchange;
5. Consider and, if deemed advisable, adopt a resolution confirming an amendment to By-Law No. 1 of the Corporation so as to change the quorum requirement for shareholders’ meetings from 5% to 15% of the Corporation’s outstanding shares;
6. Consider, and if deemed advisable, adopt a special resolution authorizing an amendment to the Articles of the Corporation so as to change the name of the Corporation to “Nord Precious Metals Mining Inc.” or such other name as may be selected by the Board of Directors of the Corporation in its discretion;
7. Consider and, if deemed advisable, adopt a special resolution authorizing an amendment to the Articles of the Corporation so as to, if deemed advisable by the Board of Directors of the Corporation, consolidate, no later than twelve months from the date of the Meeting, the issued and outstanding common shares of the Corporation on the basis of one common share for a maximum of every ten common shares issued and outstanding;
8. Consider and, if deemed advisable, adopt, with or without variation, a special resolution approving a plan of arrangement pursuant to section 192(3) of the *Canada Business Corporations Act* which involves, among other things, the transfer by the Corporation of the Graal Property to Coniagas Battery Metals Inc. (“**CBM**”) in exchange for 24 million common shares and 12 million common share purchase warrants of CBM and the distribution by the Corporation of an aggregate of 11,749,200 common shares and 5,874,600 warrants of CBM to the shareholders of the Corporation in four annual distributions, as more fully described in the Information Circular;
9. Consider and, if deemed advisable, adopt a special resolution authorizing the Corporation to reduce the stated capital of the issued and outstanding common shares in the capital of the Corporation by an amount necessary for the Corporation to meet the solvency test in subsection 192(2) of the *Canada Business Corporations Act* in connection with the plan of arrangement, as more fully described in the Information Circular;
10. Subject to adoption of the special resolution approving the plan of arrangement, consider and, if deemed advisable, adopt, with or without variation, a resolution authorizing and approving the CBM First Seed Financing (as defined in the Information Circular), which resolution must be approved by a simple majority of votes cast by the “Disinterested Shareholders” (as defined in the Information Circular) as required by the TSX Venture Exchange, as more fully described in the Information Circular;
11. Subject to adoption of the special resolution approving the plan of arrangement, consider and, if deemed advisable, adopt, with or without variation, a resolution authorizing and approving the CBM Second Seed Financing (as defined in the Information Circular), which resolution must be approved by a simple majority of votes cast by the

“Disinterested Shareholders” (as defined in the Information Circular) as required by the TSX Venture Exchange, as more fully described in the Information Circular;

12. Subject to adoption of the special resolution approving the plan of arrangement, consider and, if deemed advisable, adopt a resolution approving an omnibus equity incentive plan for CBM, as more fully described in the Information Circular; and
13. Consider any permitted amendment to or variation of any matter identified in this Notice and to transact such other business as may properly come before the Meeting or any adjournment thereof.

Management is not currently aware of any other matters that could come before the Meeting. The details of the matters proposed to be put before the Meeting are set out in the Information Circular accompanying this Notice, which is supplemental to and expressly made a part of this Notice. Shareholders of record as of the close of business on September 19, 2023 will be entitled to vote at the Meeting and at any adjournment or adjournments thereof.

**It is important that your shares be represented at this Meeting to ensure a quorum. Instructions regarding the appointment of a proxy or representative are contained in the Information Circular.**

**DATED** this 25<sup>th</sup> day of September, 2023.

**BY ORDER OF THE BOARD OF DIRECTORS**

*“Frank J. Basa”*

Frank J. Basa, P. Eng.  
Chief Executive Officer

## HEALTH NOTICE

Amid ongoing concerns about public health, the Corporation remains mindful of the wellbeing of our shareholders and their families, our industry partners and other stakeholders as well as the communities in which we operate.

The Corporation currently intends on holding an in-person shareholders' meeting. **However, the Corporation discourages shareholders from physically attending the Meeting** and, in order to ensure as many common shares as possible are represented at the Meeting, strongly encourages registered shareholders of the Corporation to complete the Form of Proxy and return it as soon as possible in accordance with the instructions outlined in the Information Circular. Shareholders who do not hold their common shares in their own name are strongly encouraged to complete the voting instruction forms received from their broker as soon as possible and to follow the instructions set out in the accompanying Information Circular. In addition, only registered shareholders or duly-appointed proxy holders will be permitted to attend the Meeting. The Corporation thanks all shareholders for their understanding.

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# CANADA SILVER COBALT WORKS INC.

3028 Quadra Court  
Coquitlam, B.C. V3B 5X6

## MANAGEMENT INFORMATION CIRCULAR

as at September 25, 2023

FOR THE ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS TO BE HELD ON OCTOBER 31, 2023.

**This information circular (“Information Circular”) is furnished in connection with the solicitation of proxies by the management of CANADA SILVER COBALT WORKS INC. (“CCW” or the “Corporation”) for use at the Annual and Special Meeting of shareholders of the Corporation (the “Meeting”) to be held on Tuesday, October 31, 2023 at 10:00 a.m. (Pacific time), at the place and for the purposes set out in the accompanying Notice of Annual and Special Meeting.**

Notice of the Meeting was provided to the TSX Venture Exchange (the “TSXV”) and to the securities commissions in each jurisdiction in which the Corporation is a reporting issuer under applicable securities laws.

In this Information Circular, “**Registered Shareholders**” means shareholders who hold their shares of the Corporation directly in their respective names, “**Non-Registered Shareholders**” means shareholders who do not hold common shares of the Corporation in their own names and “**Intermediaries**” refers to brokers, investment firms, clearing houses and similar entities that own securities of the Corporation on behalf of Non-Registered Shareholders.

The contents and the sending of this Information Circular have been approved by the Board of Directors of the Corporation.

## INFORMATION FOR U.S. SHAREHOLDERS

THE ARRANGEMENT AND THE SECURITIES TO BE ISSUED IN CONNECTION WITH THE ARRANGEMENT HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION OR SECURITIES REGULATORY AUTHORITIES IN ANY STATE IN THE UNITED STATES, NOR HAS THE U.S. SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES REGULATORY AUTHORITIES OF ANY STATE IN THE UNITED STATES PASSED UPON THE FAIRNESS OR MERITS OF THE ARRANGEMENT OR UPON THE ADEQUACY OR ACCURACY OF THIS INFORMATION CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The common shares and common share purchase warrants of Coniagas Battery Metals Inc. (“**CBM**”) to be distributed to the shareholders of CCW pursuant to the Arrangement described in this Information Circular have not been and will not be registered under the United States *Securities Act of 1933*, as amended (the “**1933 Act**”) or any United States state securities laws, and are being issued and distributed, respectively, in reliance on the exemption from registration under the 1933 Act set out in section 3(a)(10) thereof and exemptions provided under the securities laws of any state of the United States in which the shareholders of the Corporation reside. Section 3(a)(10) of the 1933 Act provides an exemption from registration under the 1933 Act for offers and sales of securities issued in exchange for one or more *bona fide* outstanding securities where the terms and conditions of the issuance and exchange of such securities have been approved by a court authorized to grant such approval after a hearing upon the fairness of the terms and conditions of the issuance and exchange at which all persons to whom the securities will be issued have the right to appear and receive timely notice thereof. The Supreme Court of British Columbia (the “**Court**”) is authorized to conduct a hearing at which the fairness of the terms and conditions of the plan of arrangement (the “**Arrangement**”) pursuant to section 192(3) of the *Canada Business Corporations Act* (the “**CBCA**”) will be considered. The Court issued an Interim Order on September 25, 2023 and, subject to the approval of the Arrangement by the Shareholders at the Meeting on October 31, 2023, it is expected that the hearing on the Arrangement will be held by the Court on November 3, 2023 at 9:45 a.m. (Pacific time) at the Law Courts, 800 Smithe Street, Vancouver, British Columbia. All CCW shareholders are entitled to appear and be heard at this hearing. A Final Order issued by the Court will constitute a basis for the exemption from the registration requirements of the 1933 Act provided by section 3(a)(10) thereof with respect to the securities to be issued pursuant to the Arrangement. Prior to the hearing on the Final Order, the Court will be informed of this effect of the Final Order. See “The Arrangement – Court Approval and Completion of the Arrangement” in this Information Circular.

The exemption from the registration requirements of the 1933 Act provided by section 3(a)(10) thereof does not exempt the issuance of securities upon the exercise of securities that were previously issued pursuant to section 3(a)(10) of the 1933 Act.

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

The financial statements and historical financial information included or incorporated by reference in this Information Circular have been prepared based upon IFRS and are subject to Canadian auditing standards and auditor independence standards and thus are not comparable in all respects to financial statements prepared in accordance with U.S. Generally Accepted Accounting Principles (“**GAAP**”) and subject to standards of the Association of International Certified Professional Accountants. Likewise, information concerning the operations of CCW and CBM contained herein has been prepared based on IFRS disclosure standards, which are not comparable in all respects to U.S. disclosure standards. Shareholders in the United States should consult with their own professional advisors for an understanding of the differences between IFRS and U.S. GAAP and of how those differences might affect the financial information presented herein.

Shareholders in the United States should be aware that the acquisition of the CBM Shares and CBM Warrants pursuant to the Arrangement described herein may have tax consequences both in Canada and the United States. Such consequences for shareholders in the United States are not described herein. Shareholders in the United States are urged to consult their own tax advisors to determine the particular tax consequences to them of the Arrangement in light of their particular situation, as well as any tax consequences that may arise under the laws of any other relevant foreign, state, local or other taxing jurisdiction.

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

In addition, when used in respect of the projects in which CCW or CBM has an interest, the terms “mineral reserve” and “mineral resource” have been reported in accordance with Canadian reporting standards. Canadian reporting requirements for disclosure of mineral properties are governed by National Instrument 43-101 *Standards of Disclosure for Mineral Projects* (“**NI 43-101**”).

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

## FORWARD-LOOKING STATEMENTS

Certain statements in this Information Circular may constitute forward-looking statements within the meaning of applicable securities laws, including, without limitation, statements with respect to the proposed Plan of Arrangement and the proposed operations of CBM. In making the forward-looking statements in this Information Circular, the Corporation has applied certain factors and assumptions that are based on the Corporation's current beliefs as well as assumptions made by and information currently available to the Corporation. Although the Corporation considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect, and the forward-looking statements in this Information Circular are subject to numerous risks, uncertainties and other factors that may cause future results to differ materially from those expressed or implied in such forward-looking statements. Readers are cautioned not to place undue reliance on forward-looking statements. Neither the Corporation nor CBM intends, and each expressly disclaims any intention or obligation to, update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except as required by law.

## INTERNET AVAILABILITY OF PROXY MATERIALS

### Notice-and-Access

The Corporation has elected to use "notice-and-access" rules ("**Notice-and-Access**") adopted by the Canadian Securities Administrators under National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**") for distribution of its Proxy-Related Materials (as defined below), including this Information Circular, to both its Registered Shareholders and Non-Registered Shareholders. Notice-and-Access is a set of rules that allows issuers to post electronic versions of proxy-related materials on SEDAR+ and on one additional website, rather than mailing paper copies. "Proxy-Related Materials" refers to this Information Circular, the Notice of Meeting, and the voting instruction form ("**VIF**") or a form of proxy.

The use of Notice-and-Access is more environmentally friendly as it helps reduce paper use. It also reduces the Corporation's printing and mailing costs. Shareholders may obtain further information about Notice-and-Access: (i) for Registered Shareholders, by contacting Computershare Investor Services Inc. at 1-866-962-0498 (within North America – toll free) or at 1-514-982-8716 (outside of North America – not toll free) and entering the 15-digit Control Number located on the proxy form or at [www.computershare.com/notificationandaccess](http://www.computershare.com/notificationandaccess); or (ii) for Non-Registered Shareholders, by contacting Broadridge Financial Solutions, Inc. at 1-877-907-7643 (within North America – toll free) or at 1-877-907-7643 and entering a 16-digit Control Number located on the VIF and following the instructions provided.

### Websites Where Proxy-Related Materials are Posted

The Proxy-Related Materials are available on the Corporation's website at [www.canadasilvercobaltworks.com](http://www.canadasilvercobaltworks.com) and under the Corporation's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

### Notice Package

Although the Proxy-Related Materials have been posted online as noted above, Non-Registered Shareholders and Registered Shareholders are receiving paper copies of a notice package (the "**Notice Package**") via prepaid mail, containing information prescribed by NI 54-101 such as: the date, time and location of the Meeting, the website addresses where the Proxy-Related Materials are posted, a VIF in the case of Non-Registered Shareholders and a form of proxy in the case of Registered Shareholders.

### How to Obtain Paper Copies of Proxy-Related Materials

If you are a Registered Shareholder you may request a paper copy of the Proxy-Related Materials by calling 1-866-962-0498 (within North America - toll free) or +1-514-982-8716 (outside of North America - not toll free) and entering the 15-digit control number located on the proxy form. If you are a Non-Registered Shareholder you may request a paper copy by telephone at any time prior to the Meeting by calling 1-877-907-7643 and entering the 16-digit control number located on the VIF and following the instructions provided. If you are dialling from outside North America, please dial +1-303-562-9305 (not toll free). If you do not have a control number, please call toll-free at 1-877-907-7643 to request paper copies or for any enquiries regarding Notice-and-Access.

Paper copies of the Proxy-Related Materials must be requested as soon as possible, but no later than 5:00 p.m. (Pacific time) October 6, 2023, in order to allow Shareholders sufficient time to receive and review the Proxy-Related Materials and return the form of proxy or VIF not later than 48 hours (excluding Saturdays, Sundays and statutory holidays in British Columbia) prior to the time set for the Meeting or any adjournments or postponements thereof.

After the Meeting, Shareholders may obtain paper copies of the Information Circular free of charge by contacting the Secretary of the Corporation at 3028 Quadra Court, Coquitlam, British Columbia V3B 5X6.

## GLOSSARY OF DEFINED TERMS

In addition to the defined terms within the body of this Information Circular, the following is a glossary of certain terms used in this Information Circular, including the summary hereof and the Schedules to this Information Circular.

“**Arrangement**” means the arrangement of CCW under the CBCA on the terms and subject to the conditions set out in the Plan of Arrangement, subject to any amendments or variations thereto made in accordance with the Plan of Arrangement or the Arrangement Agreement or made at the direction of the Court in the Final Order deemed acceptable to the Board for and on behalf of CCW.

“**Arrangement Agreement**” means the arrangement agreement dated September 13, 2023 between CCW and CBM, a copy of which is annexed hereto as Schedule B, as it may be amended or modified from time to time.

“**Arrangement Resolution**” means the resolution which will be in, or substantially in, the form set out at Schedule A, to be considered by the Shareholders at the Meeting to approve the Arrangement and that requires the affirmative vote of not less than two-thirds of the votes cast at the Meeting by Shareholders present or represented by proxy and entitled to vote at the Meeting.

“**Articles**” means the articles of incorporation of CCW, as amended.

“**Board**” or “**Board of Directors**” means the board of directors of CCW, as constituted from time to time.

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

“**CBCA**” means the *Canada Business Corporations Act*, as amended.

“**CBM**” means Coniagas Battery Metals Inc., a corporation existing under the CBCA.

“**CBM Board**” means the board of directors of CBM, as constituted from time to time.

“**CBM Financings**” means collectively the CBM Private Placement and CBM Seed Financings.

“**CBM First Seed Financing**” means the proposed private placement by CBM of a maximum of 1,500,000 CBM Shares at a price of \$0.005 per share to its directors, officers and others for maximum gross proceeds of \$7,500.

“**CBM First Seed Financing Resolution**” means the resolution authorizing and approving the CBM First Seed Financing.

“**CBM Omnibus Incentive Plan**” means the omnibus equity incentive plan of CBM dated September 11, 2023, as amended from time to time.

“**CBM Omnibus Incentive Plan Resolution**” means the resolution ratifying and approving the CBM Omnibus Incentive Plan.

“**CBM Preferred Shares**” means preferred shares in the capital of CBM.

“**CBM Private Placement**” means the proposed private placement by CBM of a maximum of 5,000,000 CBM Shares at a price of \$0.25 per share for maximum gross proceeds of \$1,250,000, with each CBM Share to be accompanied by one CBM Private Placement Warrant.

“**CBM Private Placement Warrants**” means common share purchase warrants of CBM each entitling the holder thereof to purchase one CBM Warrant Share at an exercise price of \$0.40 for two years from the date of issuance.

“**CBM Second Seed Financing**” means the proposed private placement by CBM of a maximum of 1,500,000 CBM Shares at a price of \$0.02 per share to its directors, officers and others for maximum gross proceeds of \$30,000.

“**CBM Second Seed Financing Resolution**” means the resolution authorizing and approving the CBM Second Seed Financing.

“**CBM Seed Financings**” means collectively the CBM First Seed Financing and CBM Second Seed Financing.

“**CBM Shareholders**” means holders of CBM Shares.

“**CBM Shares**” means common shares in the capital of CBM.

“**CBM Warrant Shares**” means the CBM Shares issuable upon the exercise of CBM Warrants and CBM Private Placement Warrants.

“**CBM Warrants**” means collectively, the CBM Warrants First Tranche, CBM Warrants Second Tranche, CBM Warrants Third Tranche and CBM Warrants Fourth Tranche.

“**CBM Warrants First Tranche**” means common share purchase warrants of CBM each entitling the holder thereof to purchase one CBM Warrant Share at an exercise price of \$0.40. The CBM Warrants First Tranche may be exercised starting on the Effective Date and will expire two years after the Effective Date.

“**CBM Warrants Fourth Tranche**” means common share purchase warrants of CBM each entitling the holder thereof to purchase one CBM Warrant Share at an exercise price of \$0.40. The CBM Warrants Fourth Tranche may be exercised starting three years after the Effective Date and will expire five years after the Effective Date.

“**CBM Warrants Second Tranche**” means common share purchase warrants of CBM each entitling the holder thereof to purchase one CBM Warrant Share at an exercise price of \$0.40. The CBM Warrants Second Tranche may be exercised starting one year after the Effective Date and will expire three years after the Effective Date.

“**CBM Warrants Third Tranche**” means common share purchase warrants of CBM each entitling the holder thereof to purchase one CBM Warrant Share at an exercise price of \$0.40. The CBM Warrants Third Tranche may be exercised starting two years after the Effective Date and will expire four years after the Effective Date.

“**CCW**” or the “**Corporation**” means Canada Silver Cobalt Works Inc., a corporation existing under the CBCA.

“**CCW By-Laws**” means By-Law No. 1 of the Corporation.

“**CCW Options**” means options to acquire CCW Shares that are outstanding immediately prior to the Effective Time.

“**CCW Shares**” means the common shares in the capital of CCW, as constituted from time to time, as the context requires.

“**CCW Warrants**” means, prior to the closing of the Arrangement, share purchase warrants of CCW exercisable to acquire CCW Shares that are outstanding immediately prior to the Effective Time.

“**CCW Warrantholder**” means a holder of CCW Warrants on the Effective Date.

“**Change of Name Special Resolution**” means the special resolution to change the name of the Corporation to “Nord Precious Metals Mining Inc.”

“**Computershare**” means Computershare Investor Services Inc., at its offices in Vancouver, British Columbia, in its capacity as registrar and transfer agent of the CCW Shares.

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

“**CRA**” means Canada Revenue Agency.

“**Disinterested Shareholders**” means Shareholders each of whom is not a “Non-Arm’s Length Party” in relation to CCW within the meaning of Policy 1.1.

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

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

“**Dissenting Shareholder**” mean a Registered Shareholder who exercises Dissent Rights in respect of the Arrangement in compliance with the CBCA, as modified or supplemented by the Interim Order, Plan of Arrangement or any other order(s) of the Court and who has not withdrawn or been deemed to have withdrawn such exercise of such Dissent Rights.

“**Distribution Record Date**” means the close of business on the last trading day on the TSXV immediately prior to the Effective Date.

“**DRS**” means Direct Registration System.

“**Effective Date**” means the effective date of the Arrangement, as mutually agreed by CCW and CBM.

“**Effective Time**” means such time on the Effective Date as may be mutually agreed by CCW and CBM for the Arrangement to be effective.

“**EV**” means electric vehicle.

“**Fairness Opinion**” means the fairness opinion delivered by Leede Jones Gable to the Board dated September 13, 2023, a copy of which is annexed hereto as Schedule F.

“**Final Order**” means the order made after application to the Court pursuant to section 192(4) of the CBCA, in a form acceptable to the parties, each acting reasonably, after a hearing upon the procedural and substantive fairness of the terms and conditions of the Arrangement, approving the Arrangement, as such order may be amended by the Court (with the consent of the parties each acting reasonably) at any time prior to the Effective Date or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or as amended (provided that any such amendment is acceptable to the parties, each acting reasonably) on appeal.

“**Globex**” means Globex Mining Enterprises Inc.

“**Graal Property**” means the property located in the Lac St-Jean region of Québec approximately 160 km north-northeast of the city of Saguenay, comprising 87 claims owned by CCW and 23 claims under option to CCW, covering an aggregate of 6,113 hectares.

“**Information Circular**” means this management information circular dated September 25, 2023, together with all schedules, appendices and exhibits hereto, as amended, supplemented or otherwise modified from time to time.

“**Interim Order**” means the order made after application to the Court pursuant to section 192(4) of the CBCA, in a form acceptable to the parties, each acting reasonably, providing for, among other things, the calling and holding of the Meeting, as such order may be amended by the Court with the consent of the parties, each acting reasonably, in respect of the Meeting and the Arrangement, a copy of which is annexed hereto as Schedule C.

“**Leede Jones Gable**” means Leede Jones Gable Inc.

“**Listing Date**” means the date the CBM Shares are listed for trading on the TSXV.

“**Meeting**” means the annual and special meeting of Shareholders to be held on Tuesday, October 31, 2023, and any adjournment(s) or postponement(s) thereof, held in order to, among other things, consider and, if thought fit, approve the Arrangement.

“**Meeting Materials**” means, collectively, this Information Circular and the form of proxy.

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

“**NI 52-110**” means National Instrument 52-110 *Audit Committees* of the Canadian Securities Administrators.

“**Notice of Hearing**” means the Notice of Hearing, a copy of which is annexed hereto as Schedule D.

“**NP 46-201**” means National Policy 46-201 *Escrow for Initial Public Offerings* of the Canadian Securities Administrators.

“**Plan of Arrangement**” means the plan of arrangement of CCW, substantially in the form of Exhibit I to the Arrangement Agreement set out in Schedule B hereto, and any amendments or variations thereto made in accordance with the Plan of Arrangement or upon the direction of the Court in the Final Order.

“**Policy 1.1**” means Policy 1.1 *Interpretation* of the TSXV.

“**Policy 5.3**” means Policy 5.3 *Acquisitions and Dispositions of Non-Cash Assets* of the TSXV.

“**Policy 5.4**” means Policy 5.4 *Escrow, Vendor Consideration and Resale Restrictions* of the TSXV.

“**Quorum Resolution**” means the resolution confirming an amendment to the CCW By-Laws so as to change the quorum requirement for shareholders’ meetings from 5% to 15% of the outstanding CCW Shares.

“**Record Date**” means the record date for notice of and voting at the Meeting, having been fixed as September 19, 2023.

“**Reduction of Stated Capital Resolution**” means the special resolution to be considered at the Meeting authorizing the Board to reduce, for no consideration, the stated capital of the issued and outstanding common shares in the capital of the Corporation by an amount necessary for the Corporation to meet the solvency test in subsection 192(2) of the CBCA in connection with the Plan of Arrangement.

“**Regulation S**” means Regulation S promulgated under the 1933 Act.

“**SEC**” means the United States Securities and Exchange Commission.

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

“**Share Consolidation**” means the consolidation of the issued and outstanding CCW Shares, if deemed advisable by the Board of Directors, no later than twelve months from the date of the Meeting, on the basis of one CCW Share for a maximum of every ten CCW Shares issued and outstanding.

“**Share Consolidation Letter of Transmittal**” means the letter of transmittal to be sent to Registered Shareholders in the event that the Corporation effects the Share Consolidation.

“**Share Consolidation Special Resolution**” means the special resolution to be considered at the Meeting authorizing the Board of Directors to effect the Share Consolidation in its discretion.

“**Shareholder**” means a holder of CCW Shares at the applicable time.

“**Stock Option Plan**” means the stock option plan of CCW.

“**Stock Option Plan Resolution**” means the resolution ratifying and approving the Stock Option Plan.

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

“**Technical Report**” means the report entitled “NI 43-101 Technical Report Graal Nickel & Copper Project, Saguenay-Lac-St-Jean, Quebec, Canada” prepared by Claude Duplessis P.Eng., of GoldMinds Geoservices Inc., and Hugues Guérin Tremblay P.Geo., of Laurentia Exploration Inc., with an effective date of April 6, 2023.

“**TSXV**” means the TSX Venture Exchange.

“**United States**” and “**U.S.**” means the United States of America.

“**VIF**” has the meaning give to it under the heading “General Voting Information – Beneficial Shareholders – Non-Objecting Beneficial Owners”.

“**Warrant Indenture**” means the warrant indenture to be entered into between CBM and Computershare Trust Company of Canada with respect to the CBM Warrants.

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

“**1934 Act**” means the United States *Securities Exchange Act of 1934*, as amended, and all rules and regulations thereunder.



## SUMMARY

The following is a summary of the principal features of the Arrangement and certain other matters and should be read together with the more detailed information and financial statements contained elsewhere in this Information Circular, including the schedules hereto. Capitalized terms not otherwise defined in this summary are defined elsewhere in this Information Circular. This summary is qualified in its entirety by the more detailed information appearing or referred to elsewhere in this Information Circular.

### The Meeting

CCW has fixed September 19, 2023 as the record date for determining Shareholders entitled to receive notice of and vote at the Meeting. The Meeting will be held on Tuesday, October 31, 2023 at 10:00 a.m. (Pacific time) at 3028 Quadra Court, Coquitlam, British Columbia V3B 5X6.

At the Meeting, Shareholders will be asked to:

1. Receive the audited financial statements of the Corporation for its financial year ended December 31, 2022 together with the report of the auditor thereon;
2. Elect the directors of the Corporation for the ensuing year;
3. Appoint the auditor of the Corporation for the ensuing year and authorize the directors to fix its remuneration;
4. Consider and, if deemed advisable, adopt a resolution ratifying and confirming the Corporation's Stock Option Plan and authorizing the directors to make modifications thereto in accordance with the Stock Option Plan and the policies of the TSXV;
5. Consider and, if deemed advisable, adopt a resolution confirming an amendment to the CCW By-Laws so as to change the quorum requirement for shareholders' meetings from 5% to 15% of the Corporation's outstanding shares;
6. Consider, and if deemed advisable, adopt a special resolution authorizing an amendment to the Articles of the Corporation so as to change the name of the Corporation to "Nord Precious Metals Mining Inc." or such other name as may be selected by the Board of Directors of the Corporation in its discretion;
7. Consider and, if deemed advisable, adopt a special resolution authorizing an amendment to the Articles of the Corporation so as to, if deemed advisable by the Board of Directors of the Corporation, consolidate, no later than twelve months from the date of the Meeting, the issued and outstanding common shares of the Corporation on the basis of one common share for a maximum of every ten common shares issued and outstanding;
8. Consider and, if deemed advisable, adopt the Arrangement Resolution approving the Plan of Arrangement pursuant to section 192(3) of the CBCA, as more fully described in the Information Circular;
9. Consider and, if deemed advisable, adopt the Reduction of Stated Capital Resolution authorizing the Corporation to reduce, for no consideration, the stated capital of the issued and outstanding common shares in the capital of the Corporation by an amount necessary for the Corporation to meet the solvency test in subsection 192(2) of the CBCA in connection with the Plan of Arrangement, as more fully described in the Information Circular;
10. Subject to adoption of the Arrangement Resolution, consider and, if deemed advisable, adopt, with or without variation, a resolution authorizing and approving the CBM First Seed Financing, which resolution must be approved by a simple majority of votes cast by the Disinterested Shareholders as required by the TSXV, as more fully described in the Information Circular;
11. Subject to adoption of the Arrangement Resolution, consider and, if deemed advisable, adopt, with or without variation, a resolution authorizing and approving the CBM Second Seed Financing, which resolution must be approved by a simple majority of votes cast by the Disinterested Shareholders as required by the TSXV, as more fully described in the Information Circular; and

12. Subject to adoption of the Arrangement Resolution, adopt a resolution approving the CBM Omnibus Incentive Plan, as more fully described in the Information Circular.

By passing the Arrangement Resolution, Shareholders will also be giving authority to the Board to use its best judgment to proceed with and cause CCW to complete the Arrangement in the event of any variation of, or amendments to, the Arrangement Agreement or Plan of Arrangement without any requirement to seek or obtain any further approval of the Shareholders.

For further information on voting CCW Shares at the Meeting, see the section entitled “General Voting Information”. For a description of the CBM Omnibus Incentive Plan, see Schedule G.

### **The Arrangement**

The purpose of the Arrangement and the related transactions is to reorganize CCW into two separate publicly-listed companies: (a) CCW, a silver-gold company with the objective of exploring and ultimately developing its two main silver and gold properties and (b) CBM, intended to be a supplier to the EV market. The Arrangement will result in, among other things, Shareholders holding, immediately following completion of the Arrangement, CBM Shares and CBM Warrants in proportion to their holdings of CCW Shares at the Effective Time. For a summary of the steps of the Arrangement and related transactions, see the section entitled “The Arrangement – Details of the Arrangement”.

### **Reasons for the Arrangement**

The Board believes that the creation of two separate publicly-listed companies will provide a number of benefits, including:

- providing Shareholders with enhanced value by creating independent investment opportunities in two publicly-listed companies; one (CCW) with two main silver and gold properties in Ontario, Canada, and the other (CBM) with an exploration stage project, the Graal Property, in Québec, Canada;
- unlocking the value of the Graal Property, which is not fully valued in the CCW portfolio, and developing CBM with the intention of becoming a supplier to the electric vehicle (“EV”) market;
- enabling investors, analysts and other stakeholders or potential stakeholders to more accurately value each company and compare the assets to appropriate peers;
- providing each of CCW and CBM with a sharper business focus, enabling them to pursue independent business and financing strategies best suited to their respective business plans;
- enabling each of CCW and CBM to pursue independent growth and capital allocation strategies;
- separating CCW and CBM will expand CBM’s potential shareholder base and access to development capital by allowing investors that want specific ownership in a potential supplier to the EV market to invest in CBM directly rather than through CCW;
- proceeding by way of the Plan of Arrangement will provide Shareholders an opportunity to vote thereon;
- proceeding by way of Plan of Arrangement will allow the Corporation to “spin-out” the Graal Property and the CBM Shares in an efficient and cost-effective manner;
- as the Plan of Arrangement is among CCW, the Shareholders and CBM, a Final Order of the Court approving the Plan of Arrangement will provide Shareholders with a recourse against CCW in the event that CCW defaults in the distribution of CBM Shares and CBM Warrants as provided in the Plan of Arrangement; and
- proceeding by way of the Plan of Arrangement will provide CBM with an exemption from registration in the United States pursuant to section 3(a)(10) of the 1933 Act and exemptions provided under the securities laws of any state of the United States in which Shareholders reside in that the issuance of the CBM Shares and CBM Warrants will be approved by a court authorized to grant such approval after a hearing upon the fairness of the terms and conditions thereof at which all persons to whom the securities will be issued have the right to appear and receive timely notice thereof. The Corporation and CBM will thereby avoid the considerable time and expense involved in the preparation and filing of a registration statement with the SEC, which would

otherwise have rendered the distribution of the CBM Shares and CBM Warrants impracticable. See “Certain Securities Law Matters – U.S. Securities Laws”.

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

### **Principal Steps of the Arrangement**

The following is a summary of the principal steps of the Arrangement:

- (a) each CCW Share outstanding in respect of which a Dissenting Shareholder has validly exercised its Dissent Rights will be directly transferred and assigned by such Dissenting Shareholder to CCW, and will be cancelled and cease to be outstanding; such Dissenting Shareholders will cease to have any rights as a Shareholder other than the right to be paid the fair value for their CCW Shares by CCW;
- (b) CCW will transfer the Graal Property to CBM pursuant to a Purchase and Sale Agreement in exchange for 24 million CBM Shares and 12 million CBM Warrants, each of which will entitle its holder to purchase one CBM Warrant Share at a price of \$0.40;
- (c) CCW will deliver 501,600 CBM Shares and 250,800 CBM Warrants First Tranche to Globex as contractually required in connection with the sale of 23 mining claims;
- (d) as soon as practicable after the Distribution Record Date, CCW will deliver an aggregate of 5,874,600 CBM Shares and 2,937,300 CBM Warrants First Tranche to Shareholders of record on the Distribution Record Date on a *pro rata* basis based on the number of CCW Shares outstanding on the Distribution Record Date as consideration for the reduction of the stated capital (and paid-up capital, as such term is defined in the Tax Act) of the CCW Shares on such date by an amount equal to the fair market value of such CBM Shares and CBM Warrants at that time (the “**Return of Capital**”); and
- (e) on each of the first three anniversaries of the Effective Date, CCW will deliver to Shareholders of record at the respective times an aggregate of 1,958,200 CBM Shares and 979,100 CBM Warrants Second Tranche, 979,100 CBM Warrants Third Tranche and 979,100 CBM Warrants Fourth Tranche, respectively, held by CCW as a dividend in kind, such that CCW will distribute to Shareholders an aggregate of 11,749,200 CBM Shares and 5,874,600 CBM Warrants in four annual distributions.

The Arrangement is subject to a number of conditions including TSXV acceptance, Court approval, and approval by Shareholders of the Reduction of Stated Capital Resolution and the Arrangement Resolution. CCW has applied to the TSXV for approval of the Arrangement and CBM intends to apply to list the CBM Shares and CBM Warrants on the TSXV. Any listing will be subject to CBM fulfilling all of the listing requirements of the TSXV.

Pursuant to the Interim Order and in accordance with the terms of the Arrangement Agreement, the Arrangement Resolution must be approved, with or without variation, by not less than two-thirds of the votes cast at the Meeting in person or by proxy by Shareholders. The Reduction of Stated Capital Resolution must also be approved, with or without variation, by not less than two-thirds of the votes cast at the Meeting in person or by proxy by Shareholders. Once such Shareholder approvals have been obtained, the Board may, in its absolute discretion, determine whether or not to proceed with the Arrangement without further approval, ratification or confirmation by Shareholders.

The foregoing is a summary only. For further details see “The Arrangement – Principal Steps of the Arrangement”.

### **Effect of the Arrangement**

As a result of the Arrangement, Shareholders will receive one CBM Share and one-half of a CBM Warrant for approximately every 44 CCW Shares held at the Effective Time, and will thereby hold shares in two public companies, namely, CCW and CBM.

CBM will be a reporting issuer in each of the provinces of Canada by virtue of the Arrangement.

## **Recommendation of the Board**

The Board, having reviewed the Plan of Arrangement and related transactions and considered, among other things, the reasons for the Arrangement and the Fairness Opinion, has unanimously determined that the Arrangement is in the best interests of CCW and Shareholders. The Board has unanimously approved the Arrangement and the transactions contemplated thereby and unanimously recommends that Shareholders vote FOR the Arrangement Resolution and FOR the Reduction of Stated Capital Resolution and, subject to adoption of the Arrangement Resolution and the Reduction of Stated Capital Resolution, that Shareholders vote FOR the CBM Omnibus Incentive Plan Resolution.

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

## **Fairness Opinion**

The Board engaged Leede Jones Gable Inc. (“**Leede Jones Gable**”) to prepare and deliver the Fairness Opinion to the Board. Leede Jones Gable has provided the Fairness Opinion to the Board to the effect that, as of September 13, 2023 and subject to the assumptions, qualifications and limitations contained therein, the Arrangement is fair, from a financial point of view, to the Shareholders.

The full text of the Fairness Opinion, setting out the assumptions made, matters considered and limitations and qualifications on the review undertaken in connection with the Fairness Opinion, is annexed as Schedule F to this Information Circular. The summary of the Fairness Opinion described in this Information Circular is qualified in its entirety by reference to the full text of the Fairness Opinion. See further details under the section entitled “The Arrangement – Fairness Opinion”.

## **Conditions to Closing**

The Arrangement will be subject to the satisfaction or waiver, as applicable, of certain conditions, including but not limited to the following:

1. the Arrangement Resolution must be approved by at least two-thirds of the votes cast by Shareholders present in person or represented by proxy at the Meeting, which Shareholders are entitled to one vote for each CCW Share held;
2. the Reduction of Stated Capital Resolution must be approved by at least two-thirds of the votes cast by Shareholders present in person or represented by proxy at the Meeting, which Shareholders are entitled to one vote for each CCW Share held;
3. the Arrangement must be approved by the Court and the Final Order obtained in form and substance satisfactory to CCW;
4. the TSXV must approve the Arrangement;
5. the TSXV must approve the listing of the CBM Shares, subject to compliance with the requirements of the TSXV;
6. all other consents, orders and approvals that are required, necessary or desirable for the completion of the Arrangement must be obtained or received, each in form and substance acceptable to CCW; and
7. holders of not more than an aggregate of 2% of the issued and outstanding CCW Shares have exercised Dissent Rights.

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

## **Court Approval**

An arrangement under the CBCA requires approval of the Court. Prior to distributing this Information Circular, CCW obtained the Interim Order, which provides for the calling and holding of the Meeting, Dissent Rights and certain other procedural matters. A copy of the Interim Order is annexed hereto as Schedule C.

Subject to the approval of the Arrangement Resolution by Shareholders at the Meeting, CCW intends to make an application to the Court for the Final Order on November 3, 2023 at 9:45 a.m. (Pacific time), at the Law Courts, 800 Smithe Street, Vancouver, British Columbia, or as soon thereafter as is reasonably practical and in the manner directed by the Court. At the

hearing, any Shareholder and any interested party who wishes to participate, to appear, to be represented and/or to present evidence or arguments may do so, subject to filing with the Court and serving upon the Corporation a response to petition together with an evidence or materials that such party intends to present to the Court on or before 4:00 p.m. (Pacific time) on October 27, 2023, all as set out in the Interim Order and Notice of Hearing, copies of which are annexed hereto as Schedule C and D, respectively, and satisfy any other requirement of the Court.

The Court may approve the Arrangement either as proposed or as amended in any manner the Court may direct, and subject to compliance with such terms and conditions, if any, as the Court sees fit.

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

### **Effective Date**

Upon receipt of the Final Order, CCW will announce by news release the proposed Effective Date of the Arrangement, which is expected to be in early November 2023. The Distribution Record Date for determining the Shareholders entitled to participate in the Arrangement will be one Business Day immediately preceding the Effective Date.

### **Stock Exchange Listings**

The CCW Shares are currently listed and trade on the TSXV under the symbol “CCW”. The CCW Shares also trade on the OTCQB Market in the United States under the symbol “CCWOF” and on the Frankfurt Stock Exchange under the symbol “4T9B”.

### **CCW Following the Arrangement**

Following completion of the Arrangement, CCW will continue as a pure precious-metal play public company with the objective of working to discover and delineate high-grade precious metals resources at its two main silver and gold properties.

After completion of the Arrangement, CCW Shares will continue to trade on the TSXV, the OTCQB Market and the Frankfurt Stock Exchange.

### **CBM Financings**

In order to obtain a listing of the CBM Shares on the TSXV, CBM must have sufficient cash resources to complete the Phase 1 work program recommended in the Technical Report as well as for working capital.

Following the Effective Date, CBM intends to effect the CBM Private Placement and raise up to \$1,250,000 through the issuance by way of private placement of a maximum of 5,000,000 CBM Shares at a price of \$0.25 per share, for maximum gross proceeds of \$1,250,000, with each CBM Share to be accompanied by one CBM Private Placement Warrant. Each CBM Private Placement Warrant will entitle the holder thereof to purchase one CBM Share at an exercise price of \$0.40 for two years from the date of issuance (each, a “**CBM Warrant Share**”). CBM intends to use the proceeds of the CBM Private Placement to carry out the recommended program on the Graal Property and for working capital. It is intended that the CBM Private Placement will provide CBM with sufficient funds to meet the initial listing requirements of the TSXV. However, there can be no assurances that CBM will be able to complete the CBM Private Placement or attain a listing on the TSXV or any other stock exchange.

In addition, following the Effective Date, CBM intends to effect the CBM Seed Financings by issuing a maximum of 1,500,000 CBM Shares at a price of \$0.005 per share to its directors, officers and others for maximum gross proceeds of \$7,500 and a maximum of 1,500,000 CBM Shares at a price of \$0.02 per share to its directors, officers and others for maximum gross proceeds of \$30,000. The general objectives of the CBM Seed Financings are to compensate CBM management in a manner that encourages and rewards a high level of performance and outstanding results with a view to increasing long-term shareholder value and align CBM management’s interests with the long-term interests of CBM shareholders.

Certain directors and officers of CCW or CBM, and their associates, who are considered as “Non-Arm’s Length Parties” (as such term is defined in Policy 5.3) to CCW, are expected to participate in the CBM First Seed Financing for an aggregate maximum of 110,000 CBM Shares, representing a maximum of \$550, and in the CBM Second Seed Financing for an aggregate maximum of 110,000 CBM Shares, representing a maximum of \$2,200.

The CBM Seed Financings are subject to approval by the Disinterested Shareholders, as required by Policy 5.3. See “CBM Financings” below.

### **CBM Following the Arrangement**

CBM is expected to operate as an exploration company focused on the Graal Property.

For a more detailed description of CBM following the completion of the Arrangement, see Schedule G.

### **CBM Selected Pro Forma Financial Information**

The following table sets out selected *pro forma* financial information in respect of CBM as at June 30, 2023, as if the Arrangement had been completed on that date, and should be considered in conjunction with the more complete information contained in the *pro forma* balance sheet of CBM set out in Schedule J to this Information Circular. The Pro Forma Financial Statements are not necessarily indicative of CBM’s financial position and results that would have occurred if the events reflected had taken place on the dates indicated, nor do they purport to project CBM’s financial position or results for any future period.

CBM currently does not generate any revenues and its liquidity will depend on the CBM Financing, the proceeds of which CBM plans to use as set out under “Principal Purposes”.

	<b>June 30, 2023 (\$)</b>
Total Assets	\$1,437,510
Total Liabilities	\$691,033
Total shareholders’ equity	\$746,477
Total shareholders’ equity and liabilities	\$1,437,510

### **Dissent Rights**

The Interim Order provides that each Registered Shareholder may exercise Dissent Rights in accordance with section 190 of the CBCA as modified by the Plan of Arrangement, the Interim Order and the Final Order in respect of the Arrangement. Each Dissenting Shareholder is entitled to be paid the fair value of all, but not less than all, of the holder’s CCW Shares, provided that the holder duly dissents to the Arrangement Resolution and the Arrangement becomes effective.

To exercise Dissent Rights, Registered Shareholders must provide written notice to CCW at 3028 Quadra Court, Coquitlam, B.C., Canada V3B 5X6 at or before 10:00 a.m. (Pacific time) on Friday, October 27, 2023 (or on the Business Day that is two Business Days immediately preceding any adjourned or postponed Meeting) in the manner described under the heading “Dissent Rights”. If a Registered Shareholder exercises Dissent Rights in strict compliance with the CBCA and Interim Order and the Arrangement is completed, such Dissenting Shareholder is entitled to be paid the “fair value” of the CCW Shares with respect to which Dissent Rights were exercised, as calculated immediately before the passing of the Arrangement Resolution. Only Registered Shareholders are entitled to exercise Dissent Rights. Beneficial Shareholders who wish to exercise Dissent Rights must cause each Registered Shareholder holding their CCW Shares to deliver the required notice of dissent or, alternatively, make arrangements to become Registered Shareholders. Shareholders should carefully read the section of this Information Circular entitled “Dissent Rights” and consult with their legal advisors if they wish to exercise Dissent Rights. Any failure to fully comply with the provisions of the CBCA, as modified by the Plan of Arrangement, the Interim Order and the Final Order in respect of the Arrangement, may result in a loss of that holder’s Dissent Rights.

The Arrangement Agreement provides that, unless otherwise waived, it is a condition to the obligations of CCW and CBM to complete the Arrangement that, on or before the Effective Date, holders of not more than an aggregate of 2% of the issued and outstanding CCW Shares have exercised Dissent Rights. If the number of outstanding CCW Shares in respect of which Dissent Rights have been exercised exceeds 2%, the Arrangement will not proceed unless CCW waives such condition.

## **Canadian Securities Law Matters**

CCW is a reporting issuer in each of the provinces of Canada: The CCW Shares are currently listed and trade on the TSXV under the symbol “CCW”. The CCW Shares also trade on the OTCQB Market in the United States under the symbol “CCWOF” and on the Frankfurt Stock Exchange under the symbol “4T9B”.

After the Arrangement, CBM will be a reporting issuer in each of the provinces of Canada.

The distribution of CBM Shares and CBM Warrants pursuant to the Arrangement will constitute a distribution of securities which is exempt from prospectus requirements of Canadian securities legislation. With certain exceptions, the CBM Shares and CBM Warrants may generally be resold in each of the provinces of Canada provided the trade is not a “control distribution” as defined in National Instrument 45-102 – *Resale of Securities* of the Canadian Securities Administrators, no unusual effort is made to prepare the market or create a demand for those securities, no extraordinary commission or consideration is paid to a person or company in respect of the trade and, if the selling securityholder is an insider or officer of CBM, the insider or officer has no reasonable grounds to believe that CBM is in default of securities legislation.

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

## **U.S. Securities Law Matters**

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

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

## **Certain Canadian Income Tax Considerations**

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

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

Shareholders resident outside of Canada should consult their own tax advisors with respect to their particular circumstances.

## **Risk Factors**

Shareholders should be aware that there are various known and unknown risk factors in connection with the Arrangement and the ownership of CBM Shares following the completion of the Arrangement. Shareholders should carefully consider the risks identified in this Information Circular under the heading “The Arrangement — Risk Factors Relating to the Arrangement” and under the heading “Risk Factors” in Schedule G before deciding whether or not to vote for the Arrangement Resolution.

## GENERAL PROXY INFORMATION

### Solicitation of Proxies

The solicitation of proxies will be primarily by email, but proxies may also be solicited by mail, personally or by telephone by directors, officers and regular employees of the Corporation. The Corporation will bear all costs of this solicitation. The Corporation may arrange for Intermediaries to solicit proxies and the Corporation will reimburse the Intermediaries for their reasonable fees and disbursements in so doing.

### Appointment of Proxyholders

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

### Exercise of Discretion by Proxies

**CCW Shares represented by properly-executed proxies in favour of the persons designated in the enclosed form of proxy, in the absence of any direction to the contrary, will be voted FOR the: (i) election of directors; (ii) appointment of the auditor; (iii) resolution ratifying, confirming and continuing the Corporation’s Stock Option Plan; (iv) resolution confirming an amendment to the CCW By-Laws so as to change the quorum requirement for shareholders’ meetings from 5% to 15% of the outstanding CCW Shares; (v) special resolution authorizing an amendment to the Articles of the Corporation so as to change the name of the Corporation to “Nord Precious Metals Mining Inc.”; (vi) special resolution authorizing an amendment to the Articles of the Corporation so as to, if deemed advisable by the Board of Directors of the Corporation, consolidate, no later than twelve months from the date of the Meeting, the issued and outstanding CCW Shares on the basis of one CCW Share for a maximum of every ten CCW Shares issued and outstanding; (vii) special resolution approving the Plan of Arrangement pursuant to section 192(3) of the CBCA between the Corporation and CBM; (viii) special resolution authorizing the Corporation to reduce the stated capital of the issued and outstanding common shares in the capital of the Corporation by an amount necessary for the Corporation to meet the solvency test in subsection 192(2) of the CBCA in connection with the Plan of Arrangement; (ix) resolution authorizing and approving the CBM First Seed Financing, subject to adoption of the foregoing special resolution approving the Plan of Arrangement; (x) resolution authorizing and approving the CBM Second Seed Financing, subject to adoption of the foregoing special resolution approving the Plan of Arrangement; and (xi) resolution approving the CBM Omnibus Incentive Plan, subject to adoption of the foregoing special resolution approving the Plan of Arrangement, as stated under such headings in this Information Circular.** Instructions with respect to voting will be respected by the persons designated in the enclosed form of proxy. With respect to amendments or variations to matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting, such shares will be voted by the persons so designated in their discretion. At the time of printing this Information Circular, management of the Corporation knows of no such amendments, variations or other matters.

### Registered Shareholders

If you are a Registered Shareholder, you may elect to submit a proxy whether or not you are able to attend the Meeting in person. Registered Shareholders electing to submit a proxy may do so by:

- (a) completing, dating and signing the enclosed form of proxy and returning it to the Corporation’s transfer agent, Computershare Investor Services Inc., by fax within North America at 1-866-249-7775, outside North America at (416) 263-9524, or by mail or by hand to the 9<sup>th</sup> Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1;
- (b) using a touch-tone phone to transmit voting choices to a toll-free number. Registered Shareholders must follow the instructions of the voice response system and refer to the enclosed proxy for the toll-free number, the holder’s account number and the proxy access number; or



- (c) using the internet through the website of the Corporation's transfer agent at [www.investorvote.com](http://www.investorvote.com). Registered Shareholders must follow the instructions that appear on the screen and refer to the enclosed proxy form for the holder's account number and the proxy access number;

in all cases ensuring that the proxy is received at least 48 hours (excluding Saturdays, Sundays and holidays) before the Meeting or the adjournment thereof at which the proxy is to be used. Late proxies may be accepted or rejected by the Chairman of the Meeting in his or her discretion, however, the Chairman is under no obligation to accept or reject any particular late proxy. The Chairman of the Meeting may waive this time limit for receipt of proxies without notice.

### **Non-Registered Shareholders**

#### **The following information is of significant importance to Shareholders who do not hold CCW Shares in their own name.**

Non-Registered Shareholders should note that the only proxies that can be recognized and acted upon at the Meeting are those deposited by Registered Shareholders (those whose names appear on the records of the Corporation as the registered holders of CCW Shares) or as set out in the following disclosure.

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

In accordance with NI 54-101, Intermediaries are required to seek voting instructions from Non-Registered Shareholders in advance of meetings of Shareholders. Every Intermediary has its own mailing procedures and provides its own return instructions to clients. You are encouraged to follow the instructions provided by your Intermediary to provide your voting instructions. Your Intermediary will not vote your CCW Shares without receiving instructions from you.

The VIF supplied to you by your broker will be similar to the proxy provided to Registered Shareholders by the Corporation. However, its purpose is limited to instructing the Intermediary on how to vote your CCW Shares on your behalf. Most brokers delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**") in the United States and in Canada. Broadridge mails a VIF in lieu of a proxy provided by the Corporation. The VIF will name the same persons as the Corporation's Proxy to represent your CCW Shares at the Meeting. You have the right to appoint a person, who need not be a Non-Registered Shareholder of the Corporation, other than any of the persons designated in the VIF, to represent your CCW Shares at the Meeting and that person may be you. To exercise this right, insert the name of the desired representative, which may be yourself, in the blank space provided in the VIF. The completed VIF must then be returned to Broadridge by mail or facsimile or given to Broadridge by phone or over the internet, in accordance with Broadridge's instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of CCW Shares to be represented at the Meeting and the appointment of any Shareholder's representative. If you receive a VIF from Broadridge, the VIF must be completed and returned to Broadridge, in accordance with its instructions, well in advance of the Meeting in order to have your CCW Shares voted or to have an alternate representative duly appointed to attend the Meeting and vote your CCW Shares at the Meeting.

### **Non-Objecting and Objecting Beneficial Owners**

There are two types of Non-Registered Shareholders under applicable securities legislation. Non-Registered Shareholders who have not objected to their Intermediary disclosing certain ownership information about themselves to the Corporation are referred to as "NOBOs" or "Non-Objecting Beneficial Owners". Non-Registered Shareholders who have objected to their Intermediary disclosing the ownership information about themselves to the Corporation are referred to as "OBOs" or "Objecting Beneficial Owners".

The Proxy-Related Materials are being sent to both NOBOs and OBOs. The Corporation has elected to send the Proxy-Related Materials to NOBOs utilizing the services of Broadridge. The Corporation will reimburse the Intermediaries for their reasonable fees and disbursements in delivering Proxy-Related Materials to OBOs.

Please vote in sufficient time to allow your Intermediary to provide the proxy at least 48 hours (excluding Saturdays, Sundays and holidays) before the Meeting or the adjournment thereof at which the proxy is to be used.

## **Notice to Shareholders in the United States**

The solicitation of proxies involves securities of an issuer located in Canada and is being effected in accordance with the corporate laws of Canada, and securities laws of the provinces of Canada. The proxy solicitation rules under the 1934 Act are not applicable to the Corporation or this solicitation, and this solicitation has been prepared in accordance with the disclosure requirements of the securities laws of the provinces of Canada. Shareholders should be aware that disclosure requirements under the securities laws of the provinces of Canada differ from the disclosure requirements under United States securities laws.

The enforcement by Shareholders of civil liabilities under United States federal securities laws may be affected adversely by the fact that the Corporation is incorporated under the CBCA, its directors and its executive officers are residents of Canada and a substantial portion of the assets of such persons are located outside the United States. Shareholders may not be able to sue a foreign company or its officers or directors in a foreign court for violations of United States federal securities laws. It may be difficult to compel a foreign company and its officers and directors to subject themselves to a judgment by a United States court.

## **Revocation of Proxies**

A Registered Shareholder of the Corporation who has given a proxy may revoke the proxy at any time prior to use by:

- (a) depositing an instrument in writing, including another completed proxy, executed by such Registered Shareholder or by his or her attorney authorized in writing or by electronic signature or, if the Registered Shareholder is a corporation, by an officer or attorney thereof properly authorized, with Computershare Investor Services Inc., Proxy Department, 9<sup>th</sup> Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, not less than 48 hours, Saturdays, Sundays and holidays excepted, prior to the time of the holding of the Meeting or any adjournment thereof, or (iii) with the chairman of the Meeting on the day of the Meeting or any adjournment thereof;
- (b) transmitting, by telephone or electronic means, a revocation that complies with paragraphs (i), (ii) or (iii) above and that is signed by electronic signature, provided that the means of electronic signature permits a reliable determination that the document was created or communicated by or on behalf of such Shareholder or by or on behalf of his or her attorney, as the case may be; or
- (c) in any other manner permitted by law including attending the Meeting in person.

A Non-Registered Shareholder who has submitted a form of proxy may revoke it by contacting the Intermediary through which the Non-Registered Shareholder's CCW Shares are held and following the instructions of the Intermediary respecting the revocation of proxies.

A revocation of a proxy will not affect a matter on which a vote is taken before the revocation.

## **Signing of Proxy**

The form of proxy must be signed by the Shareholder or the duly-appointed attorney of the Shareholder authorized in writing or, if the Shareholder is a corporation, by a duly-authorized officer of such corporation. A form of proxy signed by the person acting as attorney of the Shareholder or in some other representative capacity, including an officer of a corporation which is a Shareholder, should indicate the capacity in which such person is signing and should be accompanied by the appropriate instrument evidencing the qualification and authority to act of such person, unless such instrument has previously been filed with the Corporation.

A Shareholder or his or her attorney may sign the form of proxy or a power of attorney authorizing the creation of a proxy by electronic signature provided that the means of electronic signature permits a reliable determination that the document was created or communicated by or on behalf of such Shareholder or by or on behalf of his or her attorney, as the case may be.

## **RECORD DATE, VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF**

### **Record Date**

In accordance with applicable laws, the Board of Directors of the Corporation has provided notice of and fixed the record date as September 19, 2023 (the “**Record Date**”) for the purposes of determining Shareholders entitled to receive notice of, and to vote at, the Meeting, and has obtained a list of all persons who are Registered Shareholders at the close of business on the Record Date and the number of CCW Shares registered in the name of each Registered Shareholder on that date. Each Registered Shareholder as at the close of business on the Record Date will be entitled to receive notice of the Meeting and will be entitled to one vote at the Meeting for each CCW Share registered in his or her name as it appears on the list.

### **Description of Share Capital**

The Corporation is authorized to issue an unlimited number of CCW Shares. As at September 19, 2023, the Corporation had outstanding 261,044,963 fully paid and non-assessable CCW Shares, with each CCW Share carrying the right to one vote. The Corporation has no other classes of voting securities.

### **Ownership of Securities of the Corporation**

To the knowledge of the directors and executive officers of the Corporation, no individual person or corporation beneficially owns, or controls or direct, directly or indirectly, CCW Shares carrying 10% or more of the voting rights attached to the CCW Shares.

## **VOTES NECESSARY TO PASS RESOLUTIONS**

The CCW By-Laws previously provided that quorum for meetings of Shareholders was at least two persons holding or representing by proxy not less than 5% of the outstanding CCW Shares entitled to vote at the meeting. On September 19, 2023, the Board adopted a resolution amending the CCW By-Laws so as to increase quorum to 15% of the outstanding CCW Shares entitled to vote at the Meeting. At the Meeting, Shareholders will be asked to confirm the foregoing amendment to the CCW By-Laws. If the amendment is not confirmed, quorum will revert to 5% of the outstanding CCW Shares. If quorum is not present in person or by proxy, the Corporation will reschedule the Meeting.

On a show of hands, every individual who is present and is entitled to vote as a Shareholder or as a representative of one or more corporate Shareholders, or who is holding a proxy on behalf of a Shareholder who is not present at the Meeting, will have one vote, and on a poll every Shareholder present in person or represented by a proxy and every person who is a representative of one or more corporate Shareholders, will have one vote for each CCW Share registered in his name on the list of Shareholders, which is available for inspection during normal business hours at Computershare Investor Services Inc. and will be available at the Meeting.

In order to approve a motion proposed at the Meeting a majority of greater than 50% of the votes cast will be required (an “ordinary resolution”) unless the motion requires a special resolution in which case a majority of at least two-thirds of the votes cast will be required (a “special resolution”). If there are more nominees for election as directors than there are vacancies to fill, those nominees receiving the greatest number of votes will be elected or appointed, as the case may be, until all such vacancies have been filled. If the number of nominees for election is equal to the number of vacancies to be filled, all such nominees will be declared elected or appointed by acclamation.

### **Recommendation of the Board**

**THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT SHAREHOLDERS VOTE IN FAVOUR OF ALL RESOLUTIONS.**

## THE ARRANGEMENT

### General

The purpose of the Arrangement is to reorganize CCW and its assets and operations into two separate companies: CCW and CBM. Upon the Arrangement becoming effective, Shareholders of record as of the close of business on the Distribution Record Date will become shareholders in both companies and will receive one CBM Share and one-half of a CBM Warrant for approximately every 44 CCW Shares held at such time.

### Reasons for the Arrangement

CCW believes the Arrangement is in the best interests of CCW for a number of reasons, including:

- providing Shareholders with enhanced value by creating independent investment opportunities in two publicly-listed companies; one (CCW) with two main silver and gold properties in Ontario, Canada, and the other (CBM) with an exploration stage project, the Graal Property, in Québec, Canada;
- unlocking the value of the Graal Property, which is not fully valued in the CCW portfolio, and developing CBM with the intention of becoming a supplier to the EV market;
- enabling investors, analysts and other stakeholders or potential stakeholders to more accurately value each company and compare the assets to appropriate peers;
- providing each of CCW and CBM with a sharper business focus, enabling them to pursue independent business and financing strategies best suited to their respective business plans;
- enabling each of CCW and CBM to pursue independent growth and capital allocation strategies;
- separating CCW and CBM will expand CBM's potential shareholder base and access to development capital by allowing investors that want specific ownership in a potential supplier to the EV market to invest in CBM directly rather than through CCW;
- proceeding by way of the Plan of Arrangement will provide Shareholders an opportunity to vote thereon;
- proceeding by way of Plan of Arrangement will allow the Corporation to "spin-out" the Graal Property and the CBM Shares in an efficient and cost-effective manner;
- as the Plan of Arrangement is among CCW, the Shareholders and CBM, a Final Order of the Court approving the Plan of Arrangement will provide Shareholders with a recourse against CCW in the event that CCW defaults in the distribution of CBM Shares and CBM Warrants as provided in the Plan of Arrangement; and
- proceeding by way of the Plan of Arrangement will provide CBM with an exemption from registration in the United States pursuant to section 3(a)(10) of the 1933 Act and exemptions provided under the securities laws of any state of the United States in which Shareholders reside in that the issuance of the CBM Shares and CBM Warrants will be approved by a court authorized to grant such approval after a hearing upon the fairness of the terms and conditions thereof at which all persons to whom the securities will be issued have the right to appear and receive timely notice thereof. The Corporation and CBM will thereby avoid the considerable time and expense involved in the preparation and filing of a registration statement with the SEC, which would otherwise have rendered the distribution of the CBM Shares and CBM Warrants impracticable. See "Certain Securities Law Matters – U.S. Securities Laws".

### Principal Steps of the Arrangement

The following description is qualified in its entirety by reference to the full text of the Plan of Arrangement, a copy of which is annexed as Exhibit I to the Arrangement Agreement annexed as Schedule B to this Information Circular. Shareholders are urged to carefully read the Plan of Arrangement in its entirety.

Commencing at the Effective Time, the following will occur and be deemed to occur in the following chronological order without further act or formality notwithstanding anything contained in the provisions attaching to any of the securities of CCW or CBM:

- (a) each CCW Share outstanding in respect of which a Dissenting Shareholder has validly exercised its Dissent Rights will be directly transferred and assigned by such Dissenting Shareholder to CCW, without any further act or formality and free and clear of any liens, charges and encumbrances of any nature whatsoever, and will be cancelled and cease to be outstanding and such Dissenting Shareholders will cease to have any rights as a Shareholder other than the right to be paid the fair value for their CCW Shares by CCW;
- (b) CCW will transfer the Graal Property to CBM in exchange for 24 million CBM Shares and 12 million CBM Warrants pursuant to a Purchase and Sale Agreement to be entered into no later than the Effective Time;
- (c) CCW will deliver 501,600 CBM Shares and 250,800 CBM Warrants First Tranche to Globex as contractually required in connection with the sale of 23 mining claims;
- (d) as soon as practicable after the Distribution Record Date, CCW will deliver an aggregate of 5,874,600 CBM Shares and 2,937,300 CBM Warrants First Tranche to Shareholders of record on the Distribution Record Date on a *pro rata* basis based on the number of CCW Shares outstanding on the Distribution Record Date as consideration for the Return of Capital; and
- (e) on each of the first three anniversaries of the Effective Date, CCW will deliver to Shareholders of record at the respective times an aggregate of 1,958,200 CBM Shares and 979,100 CBM Warrants Second Tranche, 979,100 CBM Warrants Third Tranche and 979,100 CBM Warrants Fourth Tranche, respectively, held by CCW as a dividend in kind, such that CCW will distribute to Shareholders an aggregate of 11,749,200 CBM Shares and 5,874,600 CBM Warrants in four annual distributions.

No fractional CBM Shares will be distributed to Shareholders and, as a result, all fractional amounts arising under the Arrangement will be rounded down to the next whole number without any compensation therefor. Any CBM Shares not distributed as a result of so rounding down will be cancelled by CBM.

### **Effect of the Arrangement**

As a result of the Arrangement, Shareholders will receive approximately 0.0225 of a CBM Share and 0.0113 of a CBM Warrant for every CCW Share held at the Effective Time, or one CBM Shares and one-half of a CBM Warrant for approximately every 44 CCW Shares held at the Effective Time, and will thereby hold shares in two public companies, namely, CCW and CBM.

CBM will be a reporting issuer in each of the provinces of Canada by virtue of the Arrangement.

CBM intends to apply to list the CBM Shares and CBM Warrants on the TSXV.

### **Directors and Officers of CBM**

The CBM Board is comprised of Frank J. Basa, Aurelian Basa, Ronald Goguen, Sr., William D. Macdonald and Dianne Tookenay. See “Directors and Executive Officers” in Schedule G.

### **Recommendation of the Board**

The Board approved the Arrangement and recommended and authorized the submission of the Arrangement to the Shareholders and the Court for approval. The Board has concluded that the Arrangement is in the best interests of the Corporation and the Shareholders and recommends that Shareholders vote “FOR” the approval of the Arrangement Resolution.

In reaching this conclusion, the Board considered, among other things, the Fairness Opinion, the benefits to the Corporation and its Shareholders, as well as the financial position, opportunities and outlook for the future potential and operating performance of the Corporation and CBM, respectively.

## **Fairness of the Arrangement**

The Board has reviewed the terms and conditions of the proposed Arrangement and has concluded that the Arrangement is fair and reasonable to Shareholders and in the best interests of CCW.

In arriving at this conclusion, the Board considered, among other matters:

1. the financial condition, business and operations of CCW, on both a historical and prospective basis, and information in respect of CBM on a *pro forma* basis;
2. the procedures by which the Arrangement is to be approved, including the requirement for approval of the Arrangement by (i) at least two-thirds of the votes cast in respect of the Arrangement Resolution by Shareholders present in person or represented by proxy at the Meeting; and (ii) the Court after a hearing at which fairness to securityholders will be considered;
3. the availability of Dissent Rights to Registered Holders with respect to the Arrangement;
4. the assets to be held by each of CCW and CBM after completion of the Arrangement;
5. historical information regarding the price of the CCW Shares;
6. the tax treatment to Shareholders under the Arrangement;
7. Shareholders will own securities of two publicly-listed companies, if the intended listing of the CBM Shares is obtained;
8. CBM will be able to concentrate its efforts on exploring the Graal Property and CCW will be able to concentrate its efforts on the advancement of its two main silver and gold properties; and
9. subject to the assumptions, limitations and qualifications set out in the Fairness Opinion, Leede Jones Gable is of the opinion that, as of September 13, 2023, the Arrangement is fair, from a financial point of view, to the Shareholders.

The Board did not assign a relative weight to each specific factor and each director may have given different weights to different factors. Based on its review of all the factors, the Board considers the Arrangement to be advantageous to CCW and fair and reasonable to the Shareholders. The Board also identified disadvantages associated with the Arrangement including the fact that there will be the additional costs associated with running two companies and there is no assurance that the proposed Arrangement will result in positive benefits to Shareholders. See “Risk Factors Relating to the Arrangement”.

## **Fairness Opinion**

The Board engaged Leede Jones Gable to prepare and deliver the Fairness Opinion to the Board. Leede Jones Gable has provided the Fairness Opinion to the Board to the effect that, as of September 13, 2023 and subject to the assumptions, qualifications and limitations contained therein, the consideration to be received by the Shareholders under the Arrangement is fair, from a financial point of view, to the Shareholders. The full text of the Fairness Opinion, setting out the assumptions made, matters considered and limitations and qualifications on the review undertaken in connection with the Fairness Opinion, is annexed as Schedule F to this Information Circular. The summary of the Fairness Opinion described in this Information Circular is qualified in its entirety by reference to the full text of the Fairness Opinion.

## **Authority of the Board**

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

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

## Conditions of the Arrangement

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

- (a) the Arrangement Resolution, with or without amendment, must be approved and adopted at the Meeting in accordance with the Arrangement Provisions, the constating documents of CCW, the Interim Order and the requirements of any applicable regulatory authorities;
- (b) the Reduction of Stated Capital Resolution, with or without amendment, must be approved and adopted at the Meeting;
- (c) the Final Order must be obtained in form and substance satisfactory to each of CCW and CBM;
- (d) the TSXV must approve the Arrangement;
- (e) a recognized stock exchange must approve the listing of the CBM Shares, subject to compliance with the requirements of the exchange;
- (f) all other consents, orders, regulations and approvals, including regulatory and judicial approvals and orders, required, necessary or desirable for the completion of the transactions provided for in the Arrangement and the Plan of Arrangement must be obtained or received, each in form acceptable to each of CCW and CBM;
- (g) there must not be in force any order or decree restraining or enjoining the consummation of the transactions contemplated by the Plan of Arrangement;
- (h) no law, regulation or policy must have been proposed, enacted, promulgated or applied which interferes or is inconsistent with the completion of the Arrangement and Plan of Arrangement, including any material change to the income tax laws of Canada, which would reasonably be expected to have a material adverse effect on any of CCW, the Shareholders or CBM if the Arrangement if completed;
- (i) Shareholders must not have exercised Dissent Rights with respect to greater than 2% of the outstanding CCW Shares; and
- (j) the Arrangement Agreement must not have been terminated as provided for therein.

If any of the conditions set out in the Arrangement Agreement are not fulfilled or performed, on or prior to the Effective Time, CCW may terminate the Arrangement Agreement or waive, in its discretion, the applicable condition in whole or in part. As soon as practicable after the fulfilment (or waiver) of the conditions contained in the Arrangement Agreement, the Board intends to cause a copy of the Final Order to be filed with the Director under the CBCA, together with such other material as may be required by the Director in order that the Arrangement will become effective.

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

## Court Approval and Completion of the Arrangement

The Arrangement requires the approval of the Court under the CBCA. Prior to mailing this Information Circular, CCW obtained the Interim Order authorizing the calling and holding of the Meeting and providing for certain other procedural matters. The Interim Order is annexed as Schedule C. The Notice of Hearing in respect of the Final Order is annexed as Schedule D.

Assuming approval of the Arrangement Resolution and the Reduction of Stated Capital Resolution by the Shareholders at the Meeting, CCW intends to make an application to the Court for the Final Order on November 3, 2023 at 9:45 a.m. (Pacific time) at 800 Smithe Street, Vancouver, British Columbia or as soon as is reasonably practicable and in the manner directed by the Court.

At the hearing, any Shareholder or other interested party who wishes to participate, to appear, to be represented, and/or to present evidence or arguments may do so, subject to filing with the Court and serving upon the Corporation a response to

petition together with any evidence or materials that such party intends to present to the Court on or before 4:00 p.m. (Pacific time) on October 27, 2023. Service of such notice will be effected by service upon counsel for the Corporation: Fasken Martineau DuMoulin LLP, 550 Burrard Street, Suite 2900, Vancouver, British Columbia, Canada V6C 0A3, Attention: Mark Pontin.

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

For further information regarding the Court hearing and your rights in connection with the Court hearing, see the Notice of Hearing annexed as Schedule D to this Information Circular. The Notice of Hearing constitutes notice of the Court hearing of the application for the Final Order and is your only notice of the Court hearing.

It is currently anticipated that the Effective Date of the Arrangement will occur in early November 2023, but it is not possible to state with certainty when or if the closing of the Arrangement will occur.

Although the Corporation's objective is to have the Effective Date occur as soon as possible after the Meeting, the Effective Date could be delayed for a number of reasons, including, but not limited to, an objection before the Court at the hearing of the application for the Final Order or any delay in obtaining any required approvals or clearances, including approval from the TSXV for the listing of the CBM Shares and CBM Warrants. The Corporation may determine not to complete the Arrangement without prior notice to or action on the part of Shareholders.

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

Subject to any further order(s) of the Court, to be effective, the Arrangement must be approved by not less than two-thirds of the votes cast at the Meeting by Shareholders present or represented by proxy and entitled to vote at the Meeting.

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

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

The Board currently expects that the Distribution Record Date and Effective Date will occur in early November 2023. Notice of the actual Distribution Record Date and Effective Date will be made through one or more news releases issued by CCW. The Board will determine each of the Distribution Record Date and Effective Date upon satisfaction or waiver of the conditions to the Arrangement.

### **CBM Warrants**

The following is a summary of the principal attributes of the CBM Warrants and refers to the Warrant Indenture mentioned hereunder. Such summary does not purport to be complete and is qualified in its entirety by reference to the provisions of the Warrant Indenture in the form to be agreed upon by the parties. A copy of the Warrant Indenture may be obtained on request from the Corporate Secretary of CBM and will be available electronically at [www.sedarplus.ca](http://www.sedarplus.ca).

Each whole CBM Warrant will be transferable and entitle its holder, upon the payment of the exercise price of \$0.40, to acquire one CBM Warrant Share. As soon as practicable after the Distribution Record Date, CCW will deliver an aggregate of 2,937,300 CBM Warrants First Tranche to Shareholders of record on the Distribution Record Date on a *pro rata* basis based on the number of CCW Shares outstanding on the Distribution Record Date, and on or shortly after each of the first three anniversaries of the Effective Date, CCW will deliver to Shareholders of record at the respective times an aggregate of 979,100 CBM Warrants Second Tranche, CBM Warrants Third Tranche and CBM Warrants Fourth Tranche, respectively, such that CCW will distribute to Shareholders an aggregate of 5,874,600 CBM Warrants in four annual distributions.



The CBM Warrants First Tranche may be exercised starting on the Effective Date and will expire two years thereafter. The CBM Warrants Second Tranche may be exercised starting one year after the Effective Date and will expire three years after the Effective Date. The CBM Warrants Third Tranche may be exercised starting two years after the Effective Date and will expire four years after the Effective Date. The CBM Warrants Fourth Tranche may be exercised starting three years after the Effective Date and will expire five years after the Effective Date.

The CBM Warrants First Tranche, CBM Warrants Second Tranche, CBM Warrants Third Tranche and CBM Warrants Fourth Tranche will have different expiry dates, which implies that each of the four tranches of CBM Warrants will have its own CUSIP number and a unique symbol suffix. Certificates representing CBM Warrants will be issued through a book-based system.

The CBM Warrants will be governed by the Warrant Indenture, which may be amended or supplemented, from time to time. CBM will designate Computershare Trust Company of Canada, at its principal offices in Vancouver and Toronto, as agent for the CBM Warrants where the CBM Warrants can be surrendered for exercise, transfer or exchange. Prior to the Effective Date, CBM may name any other agent with respect to the CBM Warrants. Under the Warrant Indenture, CBM may, subject to applicable law, purchase by private contract or otherwise, any of the CBM Warrants then outstanding, and any CBM Warrants so purchased will be cancelled.

The Warrant Indenture will provide for adjustment in the number of CBM Warrant Shares issuable upon the exercise of CBM Warrants and/or the exercise price per CBM Warrant Share upon the occurrence of certain events, including:

- (a) the issuance of CBM Shares or securities exchangeable for or convertible into CBM Shares to all or substantially all of the holders of CBM Shares by way of a stock dividend or other distribution (other than a dividend paid in the ordinary course or a distribution of CBM Shares upon the exercise of any outstanding warrants or options);
- (b) the subdivision, redivision or change of the outstanding CBM Shares into a greater number of shares;
- (c) the consolidation, reduction or combination of the outstanding CBM Shares into a lesser number of shares;
- (d) the issuance to all or substantially all of the holders of the CBM Shares of rights, options or warrants under which such holders are entitled, during a period expiring not more than 45 days after the record date for such issuance, to subscribe for or purchase CBM Shares, or securities exchangeable for or convertible into CBM Shares, at a price per share to the holder (or at an exchange or conversion price per share) of less than 95% of the "Current Market Price", as defined in the Warrant Indenture, of the CBM Shares on such record date; and
- (e) the issuance or distribution to all or substantially all the holders of the CBM Shares of the securities, including rights, options or warrants to acquire shares of any class or securities exchangeable or convertible into any such shares or property or assets and including evidence of indebtedness, or any property or other assets.

The Warrant Indenture will also provide for adjustment in the class and/or number of securities issuable upon the exercise of the CBM Warrants and/or exercise price per security in the event of the following additional events:

- (a) the reclassification of the CBM Shares;
- (b) the consolidation, amalgamation, arrangement or merger of CBM with or into any other corporation or other entity (other than a consolidation, amalgamation, arrangement or merger which does not result in any reclassification of the outstanding CBM Shares or a change of the CBM Shares into other shares); or
- (c) the transfer of CBM's undertakings or assets as an entirety or substantially as an entirety to another corporation or other entity.

No adjustment in the exercise price or number of CBM Warrant Shares will be required to be made unless the cumulative effect of such adjustment or adjustments would result in a change of at least 1% in the exercise price or a change in the number of CBM Warrant Shares issuable upon exercise by at least one one-hundredth (1/100<sup>th</sup>) of a CBM Warrant Share, as the case may be.

CBM will covenant in the Warrant Indenture that, during the period in which the CBM Warrants are exercisable, CBM will give notice to the agent and the CBM Warrant holders of certain stated events, including events that would result in an adjustment to the exercise price for the CBM Warrants or the number of CBM Warrant Shares issuable upon exercise of the CBM Warrants, at least 14 days prior to the record date or effective date, as the case may be, of such event, if any.

No fraction of a CBM Warrant Share will be issued upon the exercise of a CBM Warrant and no cash payment will be made in lieu thereof. CBM Warrant holders are not entitled to any voting rights or pre-emptive rights or any other rights conferred upon a person as a result of being a holder of CBM Shares.

The Warrant Indenture will provide that, from time to time, CBM may amend or supplement the Warrant Indenture for certain purposes, without the consent of the holders of the CBM Warrants, including curing defects or inconsistencies among the tranches of the CBM Warrants or making any change that does not prejudice the rights of any holder. Any amendment or supplement to the Warrant Indenture that would prejudice the interests of the holders of CBM Warrants may be made only by “extraordinary resolution”, which will be defined in the Warrant Indenture as a resolution either: (i) passed at a meeting of the holders of CBM Warrants at which there are holders of CBM Warrants present in person or represented by proxy representing of at least 25% of the aggregate number of the then-outstanding CBM Warrants (unless such meeting is adjourned to a prescribed later date due to the lack of quorum) and passed by the affirmative vote of the holders of CBM Warrants present in person or by proxy representing not less than 66 <sup>2/3</sup>% of the aggregate number of all the then-outstanding CBM Warrants represented at the meeting and voted on the poll upon such resolution; or (ii) adopted by an instrument in writing signed by the holders of CBM Warrants representing not less than 66 <sup>2/3</sup>% of the aggregate number of all the then-outstanding CBM Warrants.

The CBM Warrants will not be exercisable by or on behalf of a person in the United States or a U.S. Person, nor will certificates representing the CBM Warrant Shares issuable upon exercise of the CBM Warrants be registered or delivered to an address in the United States, unless an exemption from registration under the U.S. Securities Act and any applicable state securities laws is available and CBM receives an opinion of counsel of recognized standing to such effect in form and substance reasonably satisfactory to CBM; provided however, that a “qualified institutional buyer,” as such term is defined in Rule 144A under the U.S. Securities Act (a “**Qualified Institutional Buyer**”) who is also an “accredited investor,” within the meaning of Rule 501(a) of Regulation D (“**Regulation D**”) under the U.S. Securities Act, that received CBM Warrants pursuant to the Arrangement in the United States or who was a U.S. Person at that time and who remains a Qualified Institutional Buyer will not be required to deliver an opinion of counsel in connection with the exercise of the CBM Warrants.

### **Expenses of the Arrangement**

The costs relating to the Arrangement, including, without limitation, financial advisory, accounting and legal fees will be borne by the party that incurred the expense, unless otherwise mutually agreed by CCW and CBM.

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

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

CCW and CBM should each be considered as highly speculative investments and the transactions contemplated herein should be considered of a high-risk nature. Shareholders should carefully consider all of the information disclosed in this Information Circular prior to voting on the matters being put before them at the Meeting.

The completion of the Arrangement is subject to a number of conditions precedent, certain of which are outside the control of CCW and CBM, including receipt of Shareholder approval at the Meeting and receipt of the Final Order. There can be no certainty, nor can CCW or CBM provide any assurance, that these conditions will be satisfied or, if satisfied, when they will be satisfied.

In addition to the other information presented in this Information Circular (without limitation, see also “Risk Factors” in Schedule G) the following risk factors should be given special consideration:

1. The trading price of CCW Shares on the Effective Date may vary from the price as at the date of execution of the Arrangement Agreement, the date of this Information Circular and the date of the Meeting and may fluctuate depending on investors’ perceptions of the merits of the Arrangement.

2. The number of CBM Shares being issued in connection with the Arrangement will not change despite decreases or increases in the market price of the CCW Shares. Many of the factors that affect the market price of the CCW Shares are beyond the control of CCW. These factors include fluctuations in commodity prices, fluctuations in currency exchange rates, changes in the regulatory environment, adverse political developments, prevailing conditions in the capital markets and interest rate fluctuations.
3. There is no assurance that the Arrangement will be completed or that, if completed, the CBM Shares and CBM Warrants will be listed and posted for trading on the TSXV or on any other stock exchange.
4. There is no assurance that the Arrangement can be completed as proposed or without Shareholders exercising their dissent rights in respect of a substantial number of CCW Shares.
5. There is no assurance that the businesses of CCW or CBM, after completing the Arrangement, will be successful.
6. While CCW believes that the CBM Shares and CBM Warrants to be issued to Shareholders pursuant to the Arrangement will not be subject to any resale restrictions (except for securities held by control persons and except for any restrictions flowing from current restrictions associated with a Shareholder's CCW Shares), there is no assurance that this is the case, and each Shareholder is urged to obtain appropriate legal advice regarding applicable securities legislation.
7. The transactions may give rise to significant adverse tax consequences to Shareholders and each such Shareholder is urged to consult its own tax advisor.
8. Certain costs related to the Arrangement, such as legal and accounting fees, must be paid by CCW if the Arrangement is not completed.

#### **Effects of the Arrangement on Shareholders' Rights**

As a result of the Arrangement, Shareholders will continue to be shareholders of CCW and will also be shareholders of CBM. Shareholders of CCW and CBM will have the same rights afforded to them as shareholders of each respective entity, as both CCW and CBM are governed by the CBCA.

#### **DISSENT RIGHTS**

Section 190 of the CBCA provides registered shareholders of a corporation with the right to dissent from certain resolutions that effect extraordinary corporate transactions or fundamental corporate changes. The Interim Order expressly provides Registered Shareholders as of the Record Date for the Meeting with the right to dissent from the Arrangement Resolution pursuant to section 190 of the CBCA, with modifications to the provisions of section 190 as provided in the Plan of Arrangement and the Interim Order. Any Registered Shareholder as of the Record Date for the Meeting who dissents from the Arrangement Resolution in compliance with section 190 of the CBCA, as modified by the Plan of Arrangement and the Interim Order, will be entitled, in the event the Arrangement becomes effective, to be paid the fair value of the Shares held by such dissenting registered Shareholder ("**Dissenting Shareholder**") determined as of the close of business on the day before the Arrangement Resolution is approved. Shareholders are cautioned that the proceeds of disposition received by a Dissenting Shareholder may be treated in a different, and potentially more adverse, manner under Canadian and United States federal income tax laws than had such Shareholder participated in the Plan of Arrangement. If a Dissenting Shareholder fails to comply strictly with the requirements of the dissent rights set out in section 190 of the CBCA (as modified by the Plan of Arrangement and the Interim Order), it will lose its dissent rights, the Corporation will return to the Shareholder the certificates representing the dissenting Shares that were delivered to the Corporation, if any, and, if the Arrangement is completed, that Dissenting Shareholder shall be deemed to have participated in the Arrangement on the same terms as a Shareholder who did not exercise its dissent rights.

Section 190 of the CBCA provides that a Dissenting Shareholder may make a claim under that section only with respect to all of the shares of a class held by the Dissenting Shareholder on behalf of any one beneficial owner and registered in the Dissenting Shareholder's name. **One consequence of this provision is that only a registered holder of Shares may exercise the dissent rights in respect of Shares that are registered in that Shareholder's name.**

In many cases, shares beneficially owned by a non-registered Shareholder are registered either (a) in the name of an intermediary (such as a broker, trust or bank) or (b) in the name of a clearing agency (such as DTC or CDS) of which the

intermediary is a participant. Accordingly, a non-registered Shareholder will not be entitled to exercise its dissent rights directly (unless the Shares are re-registered in the non-registered Shareholder's name). A non-registered Shareholder who wishes to exercise dissent rights should immediately contact the intermediary with whom the non-registered Shareholder deals in respect of its Shares and either (i) instruct the intermediary to exercise the dissent rights on the non-registered Shareholder's behalf (which, if the Shares are registered in the name of DTC or CDS or another clearing agency, may require that such Shares first be re-registered in the name of the intermediary), or (ii) instruct the intermediary to re-register such Shares in the name of the non-registered Shareholder, in which case the non-registered Shareholder would be able to exercise the dissent rights directly. In addition, pursuant to section 190 of the CBCA and the Interim Order, a Dissenting Shareholder may not exercise dissent rights in respect of only a portion of such Dissenting Shareholder's Shares but may dissent only with respect to all Shares held by such Dissenting Shareholder.

**The dissent procedures require that a registered Shareholder who wishes to dissent must send a written notice of dissent ("Dissent Notice") to Canada Silver Cobalt Works Inc. at (i) 3028 Quadra Court, Coquitlam, B.C. V3B 5X6 (Attention: Secretary), or (ii) by e-mail to [tina.whyte1@gmail.com](mailto:tina.whyte1@gmail.com) with the subject "Canada Silver Cobalt Works Inc. – Dissent Notice", in each case by no later than 5:00 p.m. (Pacific time) on the second Business Day immediately preceding the date of the Meeting (as it may be adjourned or postponed from time to time), and must otherwise strictly comply with the dissent procedures set out in section 190 of the CBCA (as modified by the Plan of Arrangement and the Interim Order). A registered Shareholder who intends to exercise dissent rights in respect of the Arrangement resolution should seek legal advice. Failure to strictly comply with the dissent procedures will result in loss of dissent rights.**

The filing of a Dissent Notice does not deprive a Registered Shareholder of the right to vote at the Meeting. However, under the CBCA, a Registered Shareholder who has submitted a Dissent Notice and who votes (or instructs or is deemed, by submission of an incomplete proxy or otherwise, to have instructed the Shareholder's proxyholder to vote) in favour of the Arrangement Resolution will no longer be considered a Dissenting Shareholder with respect to the Shares voted in favour of the Arrangement Resolution, being the Shares in respect of which the Dissent Notice was made. In addition, if such Dissenting Shareholder votes in favour of the Arrangement Resolution in respect of a portion of the Shares registered in such Dissenting Shareholder's name or held by same on behalf of any one beneficial owner, such vote approving the Arrangement Resolution will be deemed to apply to the entirety of the Shares held by such Dissenting Shareholder in such Dissenting Shareholder's name or in the name of that beneficial owner, given that section 190 of the CBCA provides there is no right of partial dissent. A vote against the Arrangement Resolution will not constitute a Dissent Notice. The CBCA does not provide, and the Corporation will not assume, that a proxy submitted to the Corporation instructing the proxyholder to vote against the Arrangement Resolution constitutes a Dissent Notice, but a Registered Shareholder need not vote its Shares against the Arrangement Resolution in order to dissent. Similarly, the revocation of a proxy conferring authority on the proxyholder to vote in favour of the Arrangement Resolution does not constitute a Dissent Notice. However, any proxy granted by a Registered Shareholder who intends to dissent, other than a proxy that instructs the proxyholder to vote against the Arrangement Resolution, should be validly revoked in order to prevent the proxyholder from voting such Shares in favour of the Arrangement Resolution and thereby causing the Registered Shareholder to forfeit its dissent rights. A Dissenting Shareholder, however, may vote as a proxy for a Shareholder whose proxy required an affirmative vote, without affecting the Dissenting Shareholder's right to exercise its Dissent Rights. See "Information Concerning the Meeting – Appointment and Revocation of Proxies".

The Corporation is required within ten days after the Shareholders adopt the Arrangement Resolution to notify each Dissenting Shareholder that the Arrangement Resolution has been adopted. Such notice is not required to be sent to any Shareholder that voted in favour of the Arrangement Resolution or who has withdrawn its Dissent Notice.

A Dissenting Shareholder who has not withdrawn its Dissent Notice prior to the Meeting must, within 20 days after receipt of notice that the Arrangement Resolution has been approved, or if the Dissenting Shareholder does not receive such notice, within 20 days after learning that the Arrangement resolution has been approved, (i) send or deliver in person to the Corporation at 3028 Quadra Court, Coquitlam, British Columbia, Canada V3B 5X6 (Attention: Corporate Secretary), or (ii) send to the Corporation by e-mail to [tina.whyte1@gmail.com](mailto:tina.whyte1@gmail.com) with the subject "Canada Silver Cobalt Works Inc. – Dissent Notice", a written notice (a "**Demand for Payment**") containing such Dissenting Shareholder's name and address, the number of Shares in respect of which he, she or it dissents (the "**Dissenting Shares**"), and a demand for payment of the fair value of such Dissenting Shares. Within 30 days after sending the Demand for Payment, the Dissenting Shareholder must send to the Corporation certificates representing the Dissenting Shares. The Corporation will endorse on the share certificates received from a Dissenting Shareholder a notice that the holder is a Dissenting Shareholder and will forthwith return the share certificates to the Dissenting Shareholder. A Dissenting Shareholder who fails to make a Demand for Payment in the time required, or to send certificates representing Dissenting Shares in the time required, has no right to make a claim under section 190 of the CBCA.

Under section 190 of the CBCA, as modified by the Plan of Arrangement and the Interim Order, after sending a Demand for Payment, a Dissenting Shareholder ceases to have any rights as a Shareholder in respect of its Dissenting Shares other than the right to be paid the fair value of the Dissenting Shares as determined pursuant to the Interim Order, unless (a) the Dissenting Shareholder withdraws its Dissent Notice before the Corporation makes an offer to pay (as described below), (b) the Corporation fails to make an offer to pay in accordance with subsection 190(12) of the CBCA and the Dissenting Shareholder withdraws the Demand for Payment, or (c) the Board revokes the Arrangement Resolution, in which case the Dissenting Shareholder's rights as a Shareholder will be reinstated. In (a) and (b), the Dissenting Shareholder shall be deemed to have participated in the Arrangement on the same basis as any non-Dissenting Shareholder as at and from the Effective Time of the Arrangement. Pursuant to the Plan of Arrangement, in no case shall the Corporation, the Purchaser or any other Person be required to recognize any Dissenting Shareholder as a Shareholder after the Closing Date, and the names of such Shareholders shall be deleted from the list of Registered Shareholders at the Closing Date.

Pursuant to the Plan of Arrangement, Dissenting Shareholders who are ultimately determined to be entitled to be paid fair value for their Dissenting Shares shall be (i) deemed to have transferred such Dissenting Shares to the Purchaser at the Effective Time of the Arrangement, (ii) deemed to not have participated in the Plan of Arrangement, (iii) entitled to be paid the fair value for their Dissenting Shares by the Purchaser and (iv) will not be entitled to any other payment or consideration, including any payment that would be payable under the Plan of Arrangement had such Dissenting Shareholders not exercised their Dissent Rights.

Pursuant to the Plan of Arrangement, Dissenting Shareholders who are ultimately determined not to be entitled to be paid fair value for their Dissenting Shares, for any reason, shall be deemed to have participated in the Arrangement on the same basis as any non-Dissenting Shareholder as at and from the Effective Date.

The Corporation is required, not later than seven days after the later of the Closing Date and the date on which a Demand for Payment is received from a Dissenting Shareholder, to send to each Dissenting Shareholder who has sent a Demand for Payment an offer to pay for its Dissenting Shares in an amount considered by the Board to be the fair value of the Shares, accompanied by a statement showing the manner in which the fair value was determined unless there are reasonable grounds for believing that the Corporation is, or after the payment would be, unable to pay its liabilities as they become due or the realizable value of the Corporation's assets would thereby be less than the aggregate of its liabilities. Every offer to pay must be on the same terms. The Corporation must pay for the Dissenting Shares of a Dissenting Shareholder within ten days after an offer to pay has been accepted by a Dissenting Shareholder, but any such offer lapses if the Corporation does not receive an acceptance within 30 days after the offer to pay has been made.

If the Corporation fails to make an offer to pay for a Dissenting Shareholder's Shares, or if a Dissenting Shareholder fails to accept an offer to pay that has been made, the Corporation may, within 50 days after the closing date or within such further period as a court may allow, apply to a court to fix a fair value for the Shares of a Dissenting Shareholder. If the Corporation fails to apply to a court, a Dissenting Shareholder may apply to a court for the same purpose within a further period of 20 days or within such further period as a court may allow. A Dissenting Shareholder is not required to give security for costs in such an application. Any such application by the Corporation or a Dissenting Shareholder must be made to a court in British Columbia or a court having jurisdiction in the province where the Dissenting Shareholder resides if the Corporation carries on business in that province.

Upon an application to a court, all Dissenting Shareholders who have not accepted an offer to pay will be joined as parties and be bound by the decision of the court. Upon any such application to a court, the court may determine whether any Person is a Dissenting Shareholder who should be joined as a party, and the court will then fix a fair value for the Dissenting Shares of all Dissenting Shareholders. The final order of a court will be rendered against the Corporation in favour of each Dissenting Shareholder for the amount of the fair value of its Dissenting Shares as fixed by the court.

The Arrangement Agreement provides that it is a condition to the completion of the Arrangement that the number of Shares held by Shareholders that have validly exercised Dissent Rights shall not exceed 2% of the Shares issued and outstanding as of the date of the Arrangement Agreement. See "The Arrangement Agreement – Conditions to the Arrangement Becoming Effective".

The foregoing is only a summary of the Dissenting Shareholder provisions of the CBCA (as modified by the plan of Arrangement and the Interim Order or any other Interim Order of the court), which are technical and complex. A complete copy of section 190 of the CBCA is annexed as Schedule E hereto. It is recommended that any Registered Shareholder wishing to avail itself of its dissent rights under those provisions seek legal advice, as failure to comply strictly with the provisions of the CBCA (as modified by the Plan of Arrangement and the Interim Order) may prejudice its dissent rights.

For a general summary of certain income tax implications to a Dissenting Shareholder, see “Material Income Tax Considerations”.

## **CERTAIN SECURITIES LAW MATTERS**

The following discussion is only a general overview of certain requirements of Canadian and U.S. securities laws applicable to trades in securities of CCW or CBM. All holders of securities are urged to consult with their own legal counsel to ensure that any resale of their securities of CCW or CBM complies with applicable securities legislation.

### **Canadian Securities Laws**

#### ***Stock Exchange Listing and Reporting Issuer Status***

CCW is a reporting issuer in each of the provinces of Canada. The CCW Shares currently trade on the TSXV in Canada, the OTCQB Market in the United States and on the Frankfurt Stock Exchange.

CBM will be a reporting issuer in each of the provinces of Canada by virtue of the Arrangement.

CCW has applied to the TSXV for approval of the Arrangement and CBM intends to apply to list the CBM Shares and CBM Warrants on the TSXV. The Arrangement will be subject to CCW and CBM fulfilling all of the requirements of the TSXV and any listing of the CBM Shares will be subject to CBM fulfilling all of the requirements of the TSXV.

#### ***Securities Law Exemptions***

The distribution of the CBM Shares and CBM Warrants pursuant to the Arrangement will constitute a distribution of securities which is exempt from prospectus requirements of Canadian securities legislation. With certain exceptions, the CBM Shares and CBM Warrants may generally be resold in each of the provinces of Canada provided the trade is not a “control distribution” as defined in National Instrument 45-102 *Resale of Securities* of the Canadian Securities Administrators, no unusual effort is made to prepare the market or create a demand for those securities, no extraordinary commission or consideration is paid to a person or company in respect of the trade and, if the selling security holder is an insider or officer of CBM, the insider or officer has no reasonable grounds to believe that CBM is in default of securities legislation.

### **U.S. Securities Laws**

The following discussion is only a general overview of certain requirements of the 1933 Act applicable to the resale of the CBM Shares and CBM Warrants issued or deemed to be issued to Shareholders pursuant to the Arrangement. All holders of such securities are urged to consult with counsel to ensure that the resale of their securities complies with applicable securities legislation.

The CBM Shares and CBM Warrants to be issued to Shareholders pursuant to the Arrangement described in this Information Circular have not been and will not be registered under the 1933 Act or any U.S. state securities laws, and are being issued and distributed, respectively, in reliance on the exemption from registration under the 1933 Act set out in section 3(a)(10) thereof and exemptions provided under the securities laws of any state of the United States in which the Shareholders reside. Section 3(a)(10) of the 1933 Act provides an exemption from registration under the 1933 Act for offers and sales of securities issued in exchange for one or more *bona fide* outstanding securities where the terms and conditions of the issuance and exchange of such securities have been approved by a court authorized to grant such approval after a hearing upon the fairness of the terms and conditions of the issuance and exchange at which all persons to whom the securities will be issued have the right to appear and receive timely notice thereof. The Court is authorized to conduct a hearing at which the fairness of the terms and conditions of the Arrangement will be considered. The Court issued the Interim Order on September 25, 2023 and, subject to the approval of the Arrangement by the Shareholders at the Meeting on October 31, 2023, it is expected that the hearing on the Arrangement will be held by the Court on November 3, 2023 at 9:45 a.m. (Pacific time) at the Law Courts, 800 Smithe Street, Vancouver, British Columbia. All Shareholders are entitled to appear and be heard at this hearing. The Final Order will constitute a basis for the exemption from the registration requirements of the 1933 Act provided by section 3(a)(10) thereof with respect to the securities to be issued pursuant to the Arrangement. Prior to the hearing on the Final Order, the Court will be informed of this effect of the Final Order.

The exemption from the registration requirements of the 1933 Act provided by section 3(a)(10) thereof does not exempt the issuance of securities upon the exercise of securities that were previously issued pursuant to section 3(a)(10) of the 1933 Act.

Moreover, the CBM Shares issuable upon exercise of the CBM Warrants may not be issued in reliance upon the exemption from the registration requirements of the 1933 Act provided by section 3(a)(10) thereof and the CBM Warrants may be exercised only pursuant to an available exemption from the registration requirements of the 1933 Act and applicable state securities laws. Prior to the issuance of CBM Shares pursuant to any such exercise after the Effective Time, CBM may require evidence (which may include in an opinion of counsel) reasonably satisfactory to CBM to the effect that the issuance of such CBM Shares does not require registration under the 1933 Act or applicable state securities laws.

The CBM Shares and CBM Warrants to be issued to Shareholders pursuant to the Arrangement will be freely tradable under the 1933 Act, except by persons who are “affiliates” of CCW or CBM after the Arrangement or were affiliates of CCW or CBM within 90 days prior to completion of the Arrangement. Persons who may be deemed to be “affiliates” of an issuer include individuals or entities that control, are controlled by, or are under common control with, the issuer, whether through ownership of voting securities, by contract or otherwise, and generally include executive officers and directors of the issuer as well as principal shareholders of the issuer. Any resale of such securities by such an affiliate (or, if applicable, former affiliate) may be subject to the registration requirements of the 1933 Act, absent an exemption therefrom. Subject to certain limitations, such affiliates (and former affiliates) may immediately resell such securities outside the United States without registration under the 1933 Act pursuant to and in accordance with Regulation S under the 1933 Act. Such securities may also be resold in transactions completed in accordance with Rule 144 under the 1933 Act, if available.

- *Resale of CBM Shares and CBM Warrants Pursuant to Regulation S.* In general, under Regulation S, persons who are affiliates of CBM or CCW, as applicable, at the time of their resale of CBM Shares or CBM Warrants, as applicable, solely by virtue of their status as an officer or director of CBM or CCW, as applicable, may sell CBM Shares or CBM Warrants, as applicable, outside of the United States in an “offshore transaction” (which would include a sale through the TSXV, if applicable) if neither the seller nor any person acting on its behalf engages in “directed selling efforts” in the United States and no selling commission, fee or other remuneration is paid in connection with such sale other than a usual and customary broker’s commission. For purposes of Regulation S, “directed selling efforts” means “any activity undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for any of the securities being offered” in the sale transaction. Certain additional restrictions are applicable to a holder of CBM Shares or CBM Warrants who are an affiliate of CBM or CCW, as applicable, at the time of their resale of CBM Shares or CBM Warrants, as applicable, other than by virtue of his or her status as an officer or director of CBM or CCW, as applicable.
- *Resale of CBM Shares and CBM Warrants Pursuant to Rule 144.* In general, under Rule 144 under the 1933 Act, if available, persons who are affiliates of CBM or CCW, as applicable, at the time of, or within 90 days before, their resale of CBM Shares or CBM Warrants, or who were affiliates of CBM or CCW, as applicable, within 90 days prior to the Effective Date, will be entitled to sell CBM Shares or CBM Warrants, as applicable, in the United States, provided that during any three-month period, the number of such CBM Shares or CBM Warrants, as applicable, sold does not exceed the greater of one percent of the then outstanding securities of such class or, if such securities are listed on a United States securities exchange, the average weekly trading volume of such securities during the four-week period preceding the date of sale, subject to specified restrictions on manner of sale, notice requirements, aggregation rules and the availability of current public information about CBM or CCW, as applicable.

## MATERIAL INCOME TAX CONSIDERATIONS

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

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

The following is as of the date hereof a general summary of the principal Canadian federal income tax considerations under the *Income Tax Act* (Canada) and the regulations thereunder (collectively, the “**Tax Act**”) relating to the Arrangement generally applicable to a beneficial owner of CCW Shares who, for the purposes of the Tax Act and at all relevant times: (i) acquires and holds CCW Shares, and will hold, CBM Shares, CBM Warrants and CBM Warrant Shares as capital property, and (ii) is not affiliated with and deals at arm’s length with CCW and CBM (a “**Holder**”). A CCW Share, CBM Share, CBM Warrant or CBM Warrant Share generally will be capital property to a Holder unless such share or warrant is held (or will be held) in the

course of carrying on a business of trading in or dealing in securities, or it has been acquired (or will be acquired) in a transaction or transactions considered to be an adventure or concern in the nature of trade.

This summary is not applicable to a Holder: (a) that is a “financial institution” (as defined in the Tax Act for purposes of the mark-to-market rules); (b) an interest in which is a “tax shelter investment” (as defined in the Tax Act); (c) that is a “specified financial institution” (as defined in the Tax Act); (d) that makes or has made a “functional currency” election under the Tax Act to determine its “Canadian tax results” (as defined in the Tax Act) in a currency other than the Canadian currency; (e) that has entered or will enter into a “derivative forward agreement” or “synthetic disposition arrangement” (each as defined in the Tax Act) with respect to a CCW Share, CBM Share, CBM Warrant or CBM Warrant Share; (f) that is exempt from tax under Part I of the Tax Act; or (g) that would or will receive dividends on a CCW Share, CBM Share or CBM Warrant Share under or as part of a “dividend rental arrangement” (as defined in the Tax Act).

This summary is based on the provisions of the Tax Act in force as at the date hereof, all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) before the date of this Information Circular (the “**Tax Proposals**”) and CCW’s understanding of the current published administrative policies and assessing practices of the Canada Revenue Agency (“**CRA**”). No assurance can be given that the Tax Proposals will be enacted in the form proposed or at all. Except as mentioned above, this summary does not take into account or anticipate any changes in law, whether by legislative, administrative or judicial decision or action or changes in the administrative policies and assessing practices of CRA, nor does it take into account provincial, territorial or foreign income tax legislation or considerations, which may differ significantly from the Canadian federal income tax considerations discussed herein.

**This summary is not exhaustive of all possible Canadian federal income tax considerations, is of a general nature only, and is not intended, nor should it be construed, to be legal or tax advice to any particular Holder. Accordingly, Holders should consult their own tax advisors about the specific tax consequences to them of the Arrangement and of holding and disposing of CBM Shares, CBM Warrants and CBM Warrant Shares.**

### **Reduction of Stated Capital Resolution**

Generally, there will be no immediate Canadian income tax consequences under the Tax Act to any Holder as a consequence of the reduction of the stated capital for no consideration under the Reduction of Stated Capital Resolution, nor will such reduction affect a Holder’s adjusted cost base (“**ACB**”) of the CCW Shares for purposes of the Tax Act. However, the reduction of the stated capital under the Reduction of Stated Capital Resolution will result in the reduction of the “paid-up capital” (as defined in the Tax Act) (“**PUC**”) of the CCW Shares by an amount equal to the amount of such reduction. PUC is generally the aggregate of all amounts received by a corporation upon the issuance of its shares (by class), adjusted in certain circumstances in accordance with the Tax Act.

The reduction of the stated capital under the Reduction of Stated Capital Resolution may have an effect in the future, in certain circumstances, including if CCW makes a distribution to Holders or is wound-up, or if CCW repurchases any CCW Shares. Generally, upon such transactions, a Holder will be deemed to have received a dividend to the extent that the amount paid or distributed by CCW exceeds the PUC of the CCW Shares.

### **Holders Resident in Canada**

This portion of the summary is generally applicable to a Holder who, for purposes of the Tax Act and at all relevant times, is or is deemed to be (including as a consequence of an applicable income tax treaty or convention), a resident of Canada (a “**Resident Holder**”).

Resident Holders that might not otherwise be considered to hold their CCW Shares, CBM Shares or CBM Warrant Shares as capital property may, in certain circumstances, make an irrevocable election under subsection 39(4) of the Tax Act to have such shares and all other “Canadian security” (as defined in the Tax Act) owned in the taxation year of the election, and all subsequent taxation years, deemed to be capital property. Such election is not available in respect of CBM Warrants. Such Resident Holders should consult their own tax advisors as to whether an election under subsection 39(4) of the Tax Act is available and advisable in their particular circumstances.

### ***Dividends***

A Resident Holder who receives CBM Shares and CBM Warrants on the distribution of CBM Shares and CBM Warrants at the Effective Time and on each of the first three anniversaries of the Effective Date (collectively, the “**Dividends**”) will be considered to have received a taxable dividend in an amount equal to the aggregate fair market value (“**FMV**”) of the CBM



Shares and CBM Warrants so received. Such taxable dividend will be subject to the same tax treatment as described below under “*Holders Resident in Canada – Taxation of Dividends on CCW Shares, CBM Shares or CBM Warrant Shares*”. CBM Shares and CBM Warrants received by a Resident Holder on the payment of a Dividend should have a cost to the Resident Holder for tax purposes equal to their respective FMV at the time of such receipt. In computing the ACB of the CBM Shares or CBM Warrants at any time, the ACB of a Resident Holder’s CBM Shares or CBM Warrants, as applicable, will be averaged with the respective ACB of all of the CBM Shares or CBM Warrants, as applicable, held by the Resident Holder as capital property at that particular time.

CCW has not currently determined, for its own purposes, the respective FMV of the CBM Shares and CBM Warrants, but CCW intends to communicate such determination when available on its website. Any such determination will be made by CCW for its own purposes and will not be binding on a Holder or on CRA. Resident Holders should consult their own tax advisors in this regard.

### ***Taxation of Dividends on CCW Shares, CBM Shares and CBM Warrant Shares***

Dividends received or deemed to be received on CCW Shares (including the Dividends), CBM Shares or CBM Warrant Shares by a Resident Holder that is an individual (other than certain trusts) will be included in computing the individual’s income and will be subject to the gross-up and dividend tax credit rules normally applicable to taxable dividends received by an individual from a taxable Canadian corporation. Taxable dividends received or deemed to be received by such individual which are designated by CCW or CBM as “eligible dividends” in accordance with the Tax Act will be subject to enhanced gross-up and dividend tax credit rules under the Tax Act.

Taxable dividends received on CCW Shares, CBM Shares or CBM Warrant Shares by an individual (including certain trusts) may give rise to a liability for alternative minimum tax as calculated under the detailed rules set out in the Tax Act.

Dividends received or deemed to be received on CCW Shares, CBM Shares or CBM Warrant Shares by a Resident Holder that is a corporation will be included in computing that corporation’s income and generally will be deductible in computing the taxable income of that corporation. In certain circumstances, a taxable dividend received by a Resident Holder that is a corporation may be treated as proceeds of disposition or a capital gain pursuant to the rules in subsection 55(2) of the Tax Act. In addition, a Resident Holder that is a “private corporation” or a “subject corporation” (each as defined in the Tax Act) will generally be liable to pay a tax (refundable in certain circumstances) under Part IV of the Tax Act on dividends received or deemed to be received on the CCW Shares, CBM Shares or CBM Warrant Shares, as applicable, to the extent such dividends are deductible in computing such Resident Holder’s taxable income.

### ***Disposition of CBM Shares, CBM Warrants and CBM Warrant Shares***

On a disposition or a deemed disposition of CBM Shares or CBM Warrant Shares (other than to CBM unless purchased by CBM on the open market in the manner in which shares are normally purchased by any member of the public in the open market), or of CBM Warrants (other than on the expiry or exercise thereof), a Resident Holder generally will realize a capital gain (or a capital loss) equal to the amount by which the proceeds of disposition of such share or warrant, as applicable, exceed (or are exceeded by) the aggregate of the Resident Holder’s ACB thereof and any reasonable costs of disposition. The tax treatment of any such capital gain (or capital loss) is described below under the heading “*Holders Resident in Canada – Taxation of Capital Gains and Capital Losses*”.

### ***Taxation of Capital Gains and Capital Losses***

Generally, one-half of the amount of any capital gain (a “**taxable capital gain**”) realized by a Resident Holder in a taxation year must be included in computing the Resident Holder’s income in that year, and one-half of the amount of any capital loss (an “**allowable capital loss**”) realized by a Resident Holder in a taxation year generally must be deducted from taxable capital gains realized by the Resident Holder in that year. Allowable capital losses in excess of taxable capital gains realized in a taxation year generally may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any following taxation year against net taxable capital gains realized by the Resident Holder in such taxation year to the extent and under the circumstances described in the Tax Act.

The amount of any capital loss realized on the disposition or deemed disposition of a CBM Share, CBM Warrant or CBM Warrant Share by a Resident Holder that is a corporation may be reduced by the amount of dividends received or deemed to have been received by it on the relevant share (or on a share for which such share has been substituted) to the extent and under the circumstances described by the Tax Act. Similar rules may apply where a corporation is a member of a partnership

or a beneficiary of a trust that owns CBM Shares, CBM Warrants or CBM Warrant Shares directly, or indirectly through a partnership or a trust. Resident Holders to which these rules may be relevant should consult their own tax advisors.

A Resident Holder that is, throughout the year, a “Canadian-controlled private corporation” or a “substantive CCPC” (each as defined in the Tax Act) may be subject to an additional tax (refundable in certain circumstances) on its “aggregate investment income”, which includes taxable capital gains, for such taxation year. Resident Holders to whom these rules may apply should consult their own tax advisors in this regard.

Capital gains realized by an individual (including certain trusts) may give rise to a liability for alternative minimum tax as calculated under the detailed rules set out in the Tax Act.

### ***Exercise or Expiry of CBM Warrants***

The exercise of a CBM Warrant to acquire a CBM Warrant Share will not constitute a disposition of property for the purposes of the Tax Act and, consequently, no gain or loss will be realized by a Resident Holder on the exercise of a CBM Warrant to acquire a CBM Warrant Share. When a CBM Warrant is exercised, the Resident Holder’s cost of the CBM Warrant Share acquired thereby will be equal to the aggregate of the Resident Holder’s ACB of such CBM Warrant and the exercise price paid for the CBM Warrant Share. The Resident Holder’s ACB of the CBM Warrant Share so acquired will be determined by averaging the cost of the CBM Warrant Share with the ACB to the Resident Holder of all other CBM Shares held by the Resident Holder as capital property immediately before such acquisition.

Generally, the expiry of an unexercised CBM Warrant will give rise to a capital loss equal to the ACB to the Resident Holder of such expired CBM Warrant. Any such capital loss will be subject to the same tax treatment as described above under “*Holders Resident in Canada – Taxation of Capital Gains and Capital Losses*”.

### ***Dissenting Resident Holders***

A Resident Holder who validly exercises Dissent Rights (a “**Dissenting Resident Holder**”) and who consequently transfers or is deemed to transfer CCW Shares to CCW for payment by CCW will be deemed to receive a taxable dividend in the taxation year of payment equal to the amount, if any, by which the payment (excluding interest) exceeds the PUC of the Dissenting Resident Holder’s CCW Shares determined immediately before the Arrangement. Any such taxable dividend will be taxable as described above under “*Holders Resident in Canada – Taxation of Dividends on CCW Shares, CBM Shares or CBM Warrant Shares*”.

The Dissenting Resident Holder will also realize a capital gain (or capital loss) equal to the amount, if any, by which the payment (excluding interest), less any such deemed taxable dividend, exceeds (is exceeded by) the aggregate of the ACB of the Dissenting Resident Holder’s CCW Shares determined immediately before the Arrangement and any reasonable costs of disposition. Any such capital gain or loss will generally be taxable or deductible as described above under “*Holders Resident in Canada – Taxation of Capital Gains and Capital Losses*”.

The Dissenting Resident Holder will be required to include any portion of the payment that is on account of interest in income in the year received or it becomes receivable, depending on the method regularly followed by the Dissenting Resident Holder in computing income. Additional income tax considerations may be relevant to Resident Holders who fail to perfect or withdraw their claims pursuant to the Dissent Rights. Resident Holders should consult their own tax advisors with respect to the tax consequences to them of exercising Dissent Rights.

### **Holders Not Resident in Canada**

This portion of the summary is generally applicable to a Holder that, at all relevant times for purposes of the Tax Act, is (i) neither a resident nor deemed to be a resident of Canada (including as a consequence of an applicable income tax treaty or convention), and (ii) does not use, or will not use or hold, and is not deemed and will not be deemed to use or hold CCW Shares, CBM Shares, CBM Warrants or CBM Warrant Shares in connection with carrying on a business in Canada (a “**Non-Resident Holder**”).

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

## ***Dividends***

A Non-Resident Holder who receives CBM Shares and CBM Warrants on the payment of the Dividends will be considered to have received a taxable dividend in an amount equal to the aggregate FMV of the CBM Shares and CBM Warrants so received. Such taxable dividend will be subject to the same tax treatment as described below under “*Holders Not Resident in Canada – Taxation of Dividends on CCW Shares, CBM Shares or CBM Warrant Shares*”. CBM Shares and CBM Warrants received on the payment of a Dividend by a Non-Resident Holder should have a cost to the Non-Resident Holder for tax purposes equal to their respective FMV at the time of such receipt. In computing the ACB of the CBM Shares at any time, the ACB of a Non-Resident Holder’s CBM Shares or CBM Warrants, as applicable, will be averaged with the respective ACB of all of the CBM Shares or CBM Warrants, as applicable, owned by the Non-Resident Holder as capital property at that particular time.

CCW has not currently determined, for its own purposes, the respective FMV of the CBM Shares and CBM Warrants, but CCW intends to communicate such determination when available on its website. Any such determination will be made by CCW for its own purposes and will not be binding on a Holder or on CRA. Non-Resident Holders should consult their own tax advisors in this regard.

## ***Taxation of Dividends on CCW Shares, CBM Shares or CBM Warrant Shares***

A Non-Resident Holder to whom CCW or CBM pays or credits (or is deemed to pay or credit) an amount as a dividend (including the Dividends) in respect of the Arrangement (if at all), or otherwise in respect of the Non-Resident Holder’s CCW Shares, CBM Shares or CBM Warrant Shares, will be subject to Canadian withholding tax equal to 25%, unless that rate is reduced pursuant to the terms of an applicable income tax convention, the benefits of which the Non-Resident Holder is entitled to, between Canada and another country of which the Non-Resident Holder is resident. By way of example, under the *Canada-U.S. Tax Convention (1980)* as amended (the “**Tax Treaty**”), the withholding tax rate applicable to Non-Resident Holders who are entitled to all of the benefits of the Tax Treaty for dividends is reduced to 5% of the gross amount of the dividend for such Holders that are corporations that hold at least 10% of the voting shares of CCW or CBM, as applicable, and reduced to 15% of such amount for other such Holders. Non-Resident Holders who may be eligible for a reduced rate of withholding tax on dividends pursuant to any applicable income tax convention should consult with their own tax advisors in that regard.

CCW or CBM, as the case may be, will be required to withhold and deduct the required amount of withholding tax from the Dividends, and to remit such amount to CRA for the account of the Non-Resident Holder. CCW or CBM, as applicable, reserves the right to withhold a portion of the CBM Shares and CBM Warrants otherwise deliverable to Non-Resident Holders and arrange for the sale of such CBM Shares and CBM Warrants on behalf of the Non-Resident Holders to satisfy the withholding requirements relating to the distribution of the CBM Shares and CBM Warrants to Non-Resident Holders. The discussion relating to the tax consequences of capital gains and losses for Non-Resident Holders under the heading “*Holders Not Resident in Canada – Taxation of Capital Gains and Capital Losses*” will generally apply to any gain or loss realized or deemed to be realized in such circumstances by a Non-Resident Holder.

## ***Taxation of Capital Gains and Capital Losses***

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

Generally, a CBM Share, CBM Warrant or CBM Warrant Share will not be “taxable Canadian property” of a Non-Resident Holder at a particular time provided that the CBM Share, CBM Warrant or CBM Warrant Share, as applicable, is listed on a “designated stock exchange” (which currently includes the TSXV) unless, at any time during the 60-month period preceding the disposition of the CBM Share, CBM Warrant or CBM Warrant Share, as applicable (a) that share derived more than 50% of its FMV directly or indirectly from one or any combination of: (i) real or immovable properties situated in Canada, (ii) “Canadian resource properties” (as defined in the Tax Act), (iii) “timber resource properties” (as defined in the Tax Act), and (iv) options in respect of, or interests in, or for civil law rights in, property described in (i) to (iii), whether or not the property exists; and (b) 25% or more of the issued shares of any class or series in the capital of CBM were owned by one or any combination of (i) the Non-Resident Holder, (ii) persons with whom the Non-Resident Holder did not deal at “arm’s length” (within the meaning of the Tax Act), and (iii) partnerships in which the Non-Resident Holder or a person described in (ii) holds a membership interest directly or indirectly through one or more partnerships. Shares may also be deemed to be “taxable Canadian property” under certain provisions of the Tax Act.

Even if the CBM Shares, CBM Warrants or CBM Warrant Shares constitute “taxable Canadian property” for a Non-Resident Holder, such Non-Resident Holder may be exempt from Canadian tax on any capital gain realized on the disposition of such shares by virtue of an applicable income tax treaty or convention to which Canada is a signatory.

If the CBM Shares, CBM Warrants or CBM Warrant Shares constitute “taxable Canadian property” of a Non-Resident Holder and such Non-Resident Holder is not eligible for relief pursuant to an applicable income tax treaty or convention, then the disposition of such CBM Shares, CBM Warrants or CBM Warrant Shares will generally be subject to the same Canadian tax consequences applicable to a Resident Holder as discussed above under “*Holders Resident in Canada – Taxation of Capital Gains and Capital Losses*” and “*Holders Resident in Canada – Disposition of CBM Shares, CBM Warrants and CBM Warrant Shares*”, as applicable.

Non-Resident Holders for which a CBM Share, CBM Warrant or CBM Warrant Share may constitute “taxable Canadian property” should consult their own tax advisors for advice having regard to their particular circumstances.

### ***Exercise or Expiry of CBM Warrants***

The discussion on the tax consequences of the exercise or expiry of CBM Warrants for Resident Holders under the heading “*Holders Resident in Canada – Exercise or Expiry of CBM Warrants*” will generally apply to Non-Resident Holders. The discussion relating to the tax consequences of capital gains and losses for Non-Resident Holders under the heading “*Holders Not Resident in Canada – Taxation of Capital Gains and Capital Losses*” will generally apply to Non-Resident Holders upon the expiry of CBM Warrants.

### ***Dissenting Non-Resident Holders***

A Non-Resident Holder who validly exercises Dissent Rights (a “**Dissenting Non-Resident Holder**”) and who consequently transfers or is deemed to transfer CCW Shares to CCW for payment by CCW will be deemed to receive a taxable dividend in the taxation year of payment equal to the amount, if any, by which the payment (excluding interest) exceeds the PUC of the Dissenting Non-Resident Holder’s CCW Shares determined immediately before the Arrangement. Any such taxable dividend will be taxable as described above under “*Holders Not Resident in Canada – Taxation of Dividends on CCW Shares, CBM Shares or CBM Warrant Shares*”.

The Dissenting Non-Resident Holder will also realize a capital gain (or capital loss) equal to the amount, if any, by which the payment (excluding interest), less any such deemed taxable dividend, exceeds (is exceeded by) the aggregate of the ACB of the Dissenting Non-Resident Holder’s CCW Shares determined immediately before the Arrangement and any reasonable costs of disposition. A Non-Resident Dissenting Holder will not be subject to tax under the Tax Act on any capital gain realized on the disposition or deemed disposition of his, her or its CCW Shares, unless: (a) such CCW Shares constitute taxable Canadian property of the Dissenting Non-Resident Holder; and (b) the Dissenting Non-Resident Holder is not entitled to relief under an applicable income tax treaty or convention, each as discussed above under the heading “*Holders Not Resident in Canada – Taxation of Capital Gains and Capital Losses*”.

Any interest awarded to a Dissenting Non-Resident Holder will not be subject to Canadian withholding tax, unless such interest is “participating debt interest” (within the meaning of the Tax Act). Additional income tax considerations may be relevant to Non-Resident Holders who fail to perfect or withdraw their claims pursuant to the Dissent Rights. Non-Resident Holders should consult their own tax advisors with respect to the tax consequences to them of exercising Dissent Rights.

## **ELIGIBILITY FOR INVESTMENT**

Based on the current provisions of the Tax Act, on the date of this Information Circular, each of the CBM Shares and CBM Warrants acquired by a Holder of CCW Shares pursuant to the Arrangement, and CBM Warrant Shares acquired by a Holder upon the exercise of CBM Warrants, if issued on the date hereof, would be a “qualified investment” for a trust governed by a registered retirement savings plan (“**RRSP**”), a registered retirement income fund (“**RRIF**”), a deferred profit sharing plan, a registered education savings plan (“**RESP**”), a registered disability savings plan (“**RDSP**”), a tax-free savings account (“**TFSA**”) or a first home savings account (“**FHSA**”) as those terms are defined in the Tax Act (collectively, “**Registered Plans**”) provided that:

- (a) in the case of CBM Shares or CBM Warrant Shares, the CBM Shares or CBM Warrant Shares, as applicable, are listed on a “designated stock exchange” as defined in the Tax Act (which currently includes the TSXV), or CBM otherwise qualifies as a “public corporation” as defined in the Tax Act; and

- (b) in the case of CBM Warrants:
  - (i) the CBM Warrants are listed on a “designated stock exchange” as defined in the Tax Act (which currently includes the TSXV); or
  - (ii) the CBM Warrant Shares are qualified investments as described in (a) above and neither CBM, nor any person with whom CBM does not deal at arm’s length for the purposes of the Tax Act, is an annuitant, a beneficiary, an employer or a subscriber under, or a holder of, such Registered Plan.

It is expected that the CBM Shares, CBM Warrants and CBM Warrant Shares will be qualified investments as described above at the time such CBM Shares and CBM Warrants are issued pursuant to the Arrangement, due to the CBM Shares being listed on the TSXV at that time.

**Notwithstanding the foregoing, there can be no assurance whether, or when, the CBM Shares will be listed or traded on the TSXV or any other “designated stock exchange”. If a CBM Share, CBM Warrant or CBM Warrant Share, as applicable, is acquired by a Registered Plan at a time when the CBM Share, CBM Warrant or CBM Warrant Share, as applicable, is not a (or retroactively deemed to be a) “qualified investment” under the Tax Act, adverse tax consequences may arise for the Registered Plan and/or the annuitant, subscriber or holder in respect of the Registered Plan, including that the Registered Plan may become subject to a penalty tax, the annuitant or holder of such Registered Plan may be deemed to have received income therefrom, and/or such plan may have its tax-exempt status revoked.**

In addition to the foregoing, if any of the CBM Shares, CBM Warrants or CBM Warrant Shares, as applicable, is a “prohibited investment” for purposes of the Tax Act for an RRSP, RRIF, RESP, RDSP, TFSA or FHSA, the annuitant under such RRSP or RRIF, the subscriber of such RESP, or the holder of such RDSP, TFSA or FHSA, as the case may be, may be subject to a penalty tax under the Tax Act. The CBM Shares, CBM Warrants and CBM Warrant Shares will generally not be a “prohibited investment” for a particular trust governed by an RRSP, RRIF, RESP, RDSP, TFSA or FHSA if the annuitant, subscriber or holder, as applicable: (i) deals at arm’s length with CBM for purposes of the Tax Act, and (ii) does not have a “significant interest” (within the meaning of the Tax Act) in CBM or any other corporation that is related to CBM for purposes of the Tax Act. In addition, the CBM Shares, CBM Warrants and CBM Warrant Shares will not be a “prohibited investment” if such shares and warrants are “excluded property” (as defined in the Tax Act) for such RRSP, RRIF, RESP, RDSP, TFSA or FHSA.

Holders, subscribers, or annuitants, as the case may be, of Registered Plans which currently hold CCW Shares and which will acquire CBM Shares and CBM Warrants pursuant to the Arrangement are urged to consult their own tax advisors having regard to their own particular circumstances.

## **INFORMATION CONCERNING CBM POST-ARRANGEMENT**

For further information concerning CBM post-Arrangement, see Schedule G to this Information Circular.

### **STATEMENT OF EXECUTIVE COMPENSATION**

#### **Compensation Discussion & Analysis**

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

- (a) a chief executive officer (“**CEO**”) of the Corporation;
- (b) a chief financial officer (“**CFO**”) of the Corporation;
- (c) each of the Corporation’s three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000 for the December 31, 2022 financial year; and
- (d) each individual who would be a NEO under paragraph (c) but for the fact that the individual was neither an executive officer, nor acting in a similar capacity at December 31, 2022.

## Compensation, Philosophy and Objectives

The Corporation does not have a formal compensation program. However, the administration of the Corporation's compensation mechanisms is handled by the directors of the Corporation. The directors examine matters relating to the compensation of the directors and executive officers of the Corporation with respect to (i) general compensation goals and guidelines and the criteria by which bonuses and stock compensation awards are determined; (ii) amendments to any equity compensation plans adopted by the Board and changes in the number of shares reserved for issuance thereunder; and (iii) other plans that are proposed for adoption or adopted by the Corporation for the provision of compensation. The general objectives of the Corporation's compensation strategy are to (a) compensate management in a manner that encourages and rewards a high level of performance and outstanding results with a view to increasing long-term shareholder value; (b) align management's interests with the long-term interests of shareholders; (c) provide a compensation package that is commensurate with other junior mineral exploration companies to enable the Corporation to attract and retain talent; and (d) ensure that the total compensation package is designed in a manner that takes into account the constraints that the Corporation is under by virtue of the fact that it is a junior mineral exploration companies without a history of earnings.

The independent directors ensure that total compensation paid to all Named Executive Officers ("NEOs"), as hereinafter defined, is fair and reasonable. The directors rely on their experience as officers and directors with other companies in assessing compensation levels.

The independent directors work with an executive placement firm from time to time in recruiting and determining the compensation for the CEO, taking into consideration such factors as the market expectations for such a position with a junior exploration company and the experience and qualifications of the successful candidate.

### Analysis of Elements

The principal elements of the executive officers' compensation consist of base salary and long-term incentive awards (stock options).

Base salary is used to provide the Named Executive Officers a set amount of money during the year with the expectation that each Named Executive Officer will perform his responsibilities to the best of his ability and in the best interests of the Corporation.

The Corporation considers the granting of incentive stock options to be a significant component of executive compensation as it allows the Corporation to reward each Named Executive Officer's efforts to increase value for Shareholders without requiring the Corporation to use cash from its treasury. Stock options are generally awarded to executive officers at the commencement of employment and periodically thereafter. The terms and conditions of the Corporation's stock option grants, including vesting provisions and exercise prices, are governed by the terms of the Corporation's stock option plan (the "**Stock Option Plan**").

### Long-Term Compensation and Option-Based Awards

The Corporation has no long-term incentive plans other than the Stock Option Plan. The Corporation's directors and officers and certain consultants are entitled to participate in the Stock Option Plan. The Stock Option Plan is designed to encourage share ownership and entrepreneurship on the part of the senior management and other employees. The Board believes that the Stock Option Plan aligns the interests of the NEO and the Board with Shareholders by linking a component of executive compensation to the longer-term performance of the CCW Shares.

In monitoring or adjusting option allotments, the Board takes into account its own observations on individual performance (where possible) and its assessment of individual contribution to shareholder value, previous option grants and the objectives set for the NEOs and the Board. The scale of options is generally commensurate to the appropriate level of base compensation for each level of responsibility.

### Summary Compensation Table

During the year ended December 31, 2022, the Corporation had four Named Executive Officers, namely (i) Frank J. Basa, CEO; (ii) Matthew Halliday, President and Chief Operating Officer ("**COO**"); (iii) Robert Suttie, who was appointed CFO on April 1, 2022; and (iv) Ryan Webster, who served as CFO from April 1, 2021 to April 1, 2022. The following table sets out all direct and indirect compensation for, or in connection with, services provided to the Corporation and its subsidiaries for the three most recently completed financial years ending December 31:

Name and principal position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards (\$) <sup>(1)</sup>	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total compensation (\$)
Matthew Halliday President & COO	2022	185,000	Nil	9,760	Nil	Nil	Nil	194,760
	2021	182,811	Nil	Nil	Nil	Nil	Nil	182,811
	2020	100,000	Nil	Nil	Nil	Nil	Nil	100,000
Frank J. Basa CEO	2022	120,000	Nil	Nil	Nil	Nil	Nil	139,520
	2021	120,000	Nil	Nil	Nil	Nil	Nil	120,000
	2020	85,000	Nil	Nil	Nil	Nil	Nil	85,000
Robert Suttie <sup>(2)</sup> CFO <sup>1)</sup>	2022	34,000	Nil	Nil	Nil	Nil	Nil	34,000
	2021	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Ryan Webster <sup>(2)</sup> Former CFO	2022	53,599	Nil	Nil	Nil	Nil	Nil	53,599
	2021	74,997	Nil	Nil	Nil	Nil	Nil	74,997
	2019	Nil	Nil	Nil	Nil	Nil	Nil	Nil

(1) Deemed fair value of options granted during the fiscal year ended December 31, based on the Black-Scholes model. Indicated figure does not represent in-the-money value of options on grant date.

(2) Robert Suttie was appointed CFO of the Corporation on April 1, 2022 in replacement of Ryan Webster.

## Incentive Plan Awards

### Outstanding Share-Based and Option-Based Awards

The following table sets out for each Named Executive Officer, the incentive stock options (option-based awards) and share-based awards, outstanding as at the financial year ended December 31, 2022.

Name	Year-End	Option-based Awards				Share-based Awards		
		Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options <sup>(1)</sup> (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid (\$)
Matthew Halliday	2022	200,000	\$0.10	Feb 14, 2026	Nil	Nil	Nil	Nil
		100,000	\$0.50	Oct 2, 2025	Nil	Nil	Nil	Nil
		100,000	\$0.25	May 4, 2025	Nil	Nil	Nil	Nil
		100,000	\$0.35	Oct 4, 2023	Nil	Nil	Nil	Nil
		350,000	\$0.22	Nov 16, 2024	Nil	Nil	Nil	Nil
Frank J. Basa	2022	300,000	\$0.10	Feb 14, 2026	Nil	Nil	Nil	Nil
		100,000	\$0.50	Oct 2, 2025	Nil	Nil	Nil	Nil
		200,000	\$0.25	May 4, 2025	Nil	Nil	Nil	Nil
		400,000	\$0.22	Nov 16, 2024	Nil	Nil	Nil	Nil
		200,000	\$0.33	Nov 29, 2024	Nil	Nil	Nil	Nil
Robert Suttie <sup>(2)</sup>	2022	Nil	Nil	Nil	Nil	Nil	Nil	
Ryan Webster <sup>(2)</sup>	2022	300,000	\$0.22	Nov 16, 2024	Nil	Nil	Nil	Nil
		250,000	\$0.35	Mar 11, 2026	Nil	Nil	Nil	Nil

(1) The value of unexercised "in-the-money options" at the financial year-end is the difference between the option exercise price and the market value of the underlying stock on the TSXV on December 31, 2022 (\$0.08).

(2) Robert Suttie was appointed CFO of the Corporation on April 1, 2022 in replacement of Ryan Webster.

### ***Incentive Plan Awards - Value Vested or Earned During the Year***

The following table sets out for the Named Executive Officers, the value vested during the financial year ended December 31, 2022, for options awarded under the Stock Option Plan (all option-based awards vest immediately upon date of grant), as well as the value earned under non-equity incentive plans for the same period.

<b>Name</b>	<b>Year-End</b>	<b>Option-based awards – Value vested during the year<sup>(1)</sup> (\$)</b>	<b>Share-based awards – Value vested during the year (\$)</b>	<b>Non-equity incentive plan compensation – Value earned during the year (\$)</b>
Matthew Halliday	2022	\$1,500	Nil	Nil
Frank J. Basa	2022	\$20,000	Nil	Nil
Robert Suttie	2022	Nil	Nil	Nil
Ryan Webster	2022	\$20,000	Nil	Nil

(1) Value vested during the year is calculated by subtracting the market price of the CCW Shares on the date the option vested (being the closing price of the Corporation’s shares on the TSXV on the last trading day prior to the vesting date) from the exercise price of the option.

### **Pension Plan Benefits**

As at the fiscal year ended December 31, 2022, the Corporation did not maintain any defined benefit plans, defined contribution plans or deferred compensation plans.

### **Termination or Change of Control Benefits**

There is no compensatory plan or arrangement with respect to the NEOs resulting from the resignation, retirement or any other termination of employment or from a change of the NEO’s responsibilities following a change in control.

### **Director Compensation**

The following table shows the compensation provided to the non-executive directors of the Corporation for the fiscal year ended December 31, 2022. See “*Summary Compensation Table*” under “*Statement of Executive Compensation*” above for details of compensation paid by the Corporation to those directors who are also NEOs.

<b>Name</b>	<b>Year-End</b>	<b>Fees earned (\$)<sup>(1)</sup></b>	<b>Share-based awards (\$)</b>	<b>Option-based awards (\$)<sup>(2)</sup></b>	<b>Non-equity incentive plan compensation (\$)</b>	<b>Pension value (\$)</b>	<b>All other compensation (\$)<sup>(3)</sup></b>	<b>Total (\$)</b>
Dianne Tookenay	2022	Nil	Nil	9,760	Nil	Nil	92,000	101,760
Jacques F. Monette <sup>(4)</sup>	2022	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Robert Setter <sup>(5)</sup>	2022	Nil	Nil	4,880	Nil	Nil	20,000	24,880

(1) Includes all fees awarded, earned, paid or payable in cash for services as a director, including annual retainer fees, committee, chair and meeting fees.

(2) The value of the option-based awards represents the fair value, on the date of grant, of awards under the Stock Option Plan. The grant date fair value has been calculated using the Black Scholes Option Pricing Model and reflects assumptions for risk-free interest rate, expected life, volatility and dividend yield.

(3) Includes all compensation paid, payable, awarded, granted, given or otherwise provided, directly or indirectly.

(4) Jacques Monette passed away on June 3, 2022.

(5) Robert Setter served as a director until May 25, 2022.

There are no arrangements under which directors of the Corporation who were not NEOs were compensated by the Corporation or its subsidiaries during the Corporation’s most recently completed fiscal year for their services in their capacity as directors or consultants of the Corporation.



## Outstanding Share-Based & Option-Based Awards

The following table sets out share-based and option-based awards outstanding to the directors of the Corporation who were not NEOs for the fiscal year ended December 31, 2022. The closing price of the Corporation's shares on the TSXV on December 31, 2022 was \$0.08. The value of the unexercised, in the money options is based on the difference between the market price on December 31, 2022 and the exercise price of the options.

Name	Year-End	Option-based Awards				Share-based Awards		
		Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options <sup>(1)</sup> (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid (\$)
Dianne Tookenay	2022	200,000	\$0.22	Nov 16, 2024	Nil	Nil	Nil	Nil
		100,000	\$0.33	Nov 29, 2024	Nil	Nil	Nil	Nil
		100,000	\$0.25	May 4, 2025	Nil	Nil	Nil	Nil
		100,000	\$0.10	Feb 14, 2026	Nil	Nil	Nil	Nil
Jacques F. Monette <sup>(2)</sup>	2022	100,000	\$0.22	Nov 16, 2024	Nil	Nil	Nil	Nil
Robert Setter <sup>(3)</sup>	2022	Nil	Nil	Nil	Nil	Nil	Nil	Nil

(1) The value of unexercised "in-the-money options" at the financial year-end is the difference between the option exercise price and the market value of the underlying stock on the TSXV on December 31, 2022 (\$0.08).

(2) Jacques Monette passed away on June 3, 2022.

(3) Robert Setter served as a director until May 25, 2022.

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The only equity compensation plan which the Corporation has in place is the Stock Option Plan, which was approved by Shareholders at the annual meeting held on May 25, 2022. The Stock Option Plan was established to provide incentive to qualified parties to increase their proprietary interest in the Corporation and, thereby, encourage their continuing association with the Corporation. The Stock Option Plan is administered by the directors of the Corporation. The Stock Option Plan provides that options will be issued to directors, officers, employees or consultants of the Corporation or a subsidiary of the Corporation. The Stock Option Plan provides that the number of CCW Shares issuable under the Stock Option Plan, together with all of the Corporation's other previously established or proposed share compensation agreements, may not exceed 10% of the total number of issued and outstanding CCW Shares at the date of grant. All current options expire on a date not later than ten years after the issuance of such option.

The following table provides information regarding compensation plans under which securities of the Corporation are authorized for issuance in effect as at the financial year ended December 31, 2022.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders	10,078,335	\$0.3219	13,365,133
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
Total	10,078,335	\$0.3219	13,365,133

## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the current or former directors, executive officers or employees of the Corporation or persons who were directors, executive officers or employees of the Corporation at any time during the Corporation's last completed financial year, nor any proposed nominees for election as a director of the Corporation and no associate or affiliate of such persons are or have been indebted to the Corporation (or its subsidiaries) at any time since during the last completed financial year ending December 31, 2022, nor as at the date of this Information Circular. Furthermore, none of such persons were indebted to a third party during such period where their indebtedness was the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or its subsidiaries.

## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

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

To the knowledge of management of the Corporation, no informed person or nominee for election as a director of the Corporation or any associate or affiliate of any informed person or proposed director had any interest in any transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries during the year ended December 31, 2022, or has any interest in any material transaction in the current year other than as set out herein or disclosed below:

## MANAGEMENT CONTRACT

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

## CORPORATE GOVERNANCE DISCLOSURE

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

### The Board of Directors

The board of directors is currently composed of five directors, namely: Frank J. Basa, Daniel Barrette, Ronald Goguen, Sr., Matthew Halliday and Dianne Tookenay.

The Board is specifically responsible for approving long-term strategic plans and annual operating plans and budgets recommended by management. Board approval is also required for all material contracts, business transactions and all debt and equity financing proposals. The Board also takes responsibility for identifying the principal risks of the Corporation's business and for ensuring these risks are effectively monitored and mitigated to the extent reasonably practicable. In keeping with its overall responsibility for the stewardship of the Corporation, the Board is responsible for the integrity of the Corporation's internal control and management information systems and for the Corporation's policies respecting corporate disclosure and communications.

The Board delegates to management, through the Chief Executive Officer and Chief Financial Officer, responsibility for meeting defined corporate objectives, implementing approved strategic and operating plans, carrying on the Corporation's business in the ordinary course, managing the Corporation's cash flow, evaluating new business opportunities, recruiting staff and complying with applicable regulatory requirements. The Board also looks to management to furnish recommendations respecting corporate objectives, long-term strategic plans and annual operating plans.

## ***Independence***

Section 1.4 of National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”) sets out the standard for director independence. Under NI 52-110, a director is independent if he or she has no direct or indirect material relationship with the issuer. A material relationship is a relationship which could, in the view of the Board of Directors, be reasonably expected to interfere with the exercise of a director’s independent judgment. NI 52-110 also sets out certain situations where a director will automatically be considered to have a material relationship to the issuer.

Applying the definition set out in section 1.4 of NI 52-110, three of the five members of the Board of Directors (Daniel Barrette, Ronald Goguen, Sr. and Dianne Tookenay) are independent. Frank J. Basa, CEO of the Corporation, and Matthew Halliday, President & COO of the Corporation, are not independent in that they are officers of the Corporation.

## ***Directorships***

As at the date hereof, the directors of the Corporation are also directors of other reporting issuers, as set out below:

<b>Name of Director</b>	<b>Names of Other Reporting Issuer</b>
Frank J. Basa	Granada Gold Mine Inc.
Daniel Barrette	—
Matthew Halliday	—
Ronald Goguen, Sr.	Colibri Resource Corporation
Dianne Tookenay	Granada Gold Mine Inc.

## **Orientation and Continuing Education**

The Corporation has not adopted a formal process of orientation for new members of the Board of Directors. Orientation of new directors is conducted on an *ad hoc* basis.

Directors are kept informed as to matters impacting, or which may impact, the Corporation’s operations through reports and presentations at meetings of the Board of Directors. Directors are also provided with the opportunity to meet with senior management and other employees and advisors, who can answer questions that may arise.

## **Expectations of Management and Ethical Business Conduct**

The Board expects management to operate the business of the Corporation in a manner that enhances shareholder value and is consistent with the highest level of integrity. Management is expected to execute the Corporation’s business plan and to meet performance goals and objectives. The Corporation has in place a written Code of Business Conduct and Ethics.

## **Nominations and Assessment**

The Board determines new nominees to the Board, although a formal process has not been adopted. The nominees are generally the result of recruitment efforts by the individual Board members, including both formal and informal discussions among Board members and the President. The current and proposed size of the Board is such that the entire Board takes responsibility for selecting new directors and assessing current directors. Proposed directors’ credentials are reviewed in advance of a Board Meeting with one or more members of the Board prior to the proposed director’s nomination.

The Board monitors but does not formally assess the performance of individual Board members and committee members. The Board does not, at present, have a formal process in place for assessing the effectiveness of the Board as a whole, its committees or individual directors, but will consider implementing one in the future should circumstances warrant. Based on the Corporation’s size, its stage of development and the limited number of individuals on the Board, the Board considers a formal assessment process to be inappropriate at this time. The Board plans to continue evaluating its own effectiveness on an *ad hoc* basis.

New directors are briefed on strategic plans, short, medium and long-term corporate objectives, business risks and mitigation strategies, corporate governance guidelines and existing company policies. However, there is no formal orientation for new members of the Board, and this is considered to be appropriate, given the Corporation's size and current level of operations.

The skills and knowledge of the Board of Directors as a whole is such that no formal continuing education process is currently deemed required. The Board is comprised of individuals with varying backgrounds, who have, both collectively and individually, extensive experience in running and managing businesses. Board members are encouraged to communicate with management, auditors and technical consultants to keep themselves current with industry trends and developments and changes in legislation, with management's assistance. Board members have full access to the Corporation's records. Reference is made to the table under the heading "Election of Directors" for a description of the current principal occupations of the members of the Corporation's Board.

### **Board Committees**

The Corporation currently has one standing committee – the audit committee. See the section below entitled "*Audit Committee*" for further information.

### **Diversity Disclosure**

As a distributing corporation incorporated under the CBCA, the Corporation is required to disclose information annually to the Shareholders and to the Director appointed under the CBCA on the diversity of its Board of Directors and senior management with respect to four designated groups: women, indigenous peoples, persons with disabilities, and members of visible minorities (collectively, the "**Designated Groups**"). The term "senior management" is defined in the *Canada Business Corporations Regulations* as: the chair and vice-chair of the board of directors; the president of the corporation; the chief executive officer and chief financial officer; the vice-president in charge of a principal business unit, division or function, including sales, finance or production; and an individual who performs a policy-making function in respect of the corporation. The information below is provided as at the date of this Information Circular.

#### ***Diversity of the Board of Directors and Senior Management***

The Corporation has not adopted a formal written policy regarding the diversity of its Board of Directors or senior management. The Corporation does not believe a formal policy would increase the representation of the Designated Groups on the Board of Directors or in senior management. The Corporation considers all qualified individuals for each position that may arise.

In selecting potential directors and members of senior management, the Corporation reviews an applicant's skills, experience and independence as it relates to the requirements of the position as factors in the Corporation's selection process. This selection process includes all individuals in all Designated Groups when nominating candidates for election to the Board and for senior management positions.

#### ***Director Term Limits and Other Mechanisms of Board Renewal***

The Corporation has not implemented term restrictions or any other mechanism regarding the Board of Directors that would limit the time an individual can serve on the Board of Directors. Imposing a term limit could result in an individual who has acquired an extensive knowledge and understanding of the Corporation's operations being required to leave the Board of Directors based solely on length of service. The directors of the Corporation are elected annually.

#### ***Targets for Representation of Designated Groups on the Board and among Senior Management***

The Corporation has not established quotas or targets for representation of Designated Groups on the Board of Directors or in senior management. The Corporation believes that focusing on a quota or target rather than on skills and experience may limit the Corporation's ability to provide Shareholders with a Board and senior management that meets the qualifications and needs of the Corporation and the Shareholders.

#### ***Representation of Designated Groups Among Board of Directors and Senior Management***

The Corporation currently has five members of the Board of Directors and one member of senior management (the Chief Financial Officer) who is not also a director, for a total of six. Currently one (16.67%) of the Corporation's Board of Directors

and senior management is a woman; one (16.67%) is an indigenous person and none (0%) are individuals with disabilities or members of a visible minority.

## **AUDIT COMMITTEE**

NI 52-110 requires the Corporation, as a venture issuer, to disclose annually in its Information Circular certain information concerning the constitution of its audit committee (the “**Audit Committee**”) and its relationship with its independent auditors, as set out below.

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

The Committee shall be comprised of three directors as determined by the Board of Directors, the majority of whom shall be free from any relationship that, in the opinion of the Board of Directors, would interfere with the exercise of his or her independent judgment as a member of the Committee. At least one member of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of the Corporation’s Charter, the definition of “financially literate” is 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 presumably be expected to be raised by the Corporation’s financial statements.

The members of the Committee shall be elected by the Board of Directors at its first meeting following the annual shareholders’ meeting. Unless a Chair is elected by the full Board of Directors, the members of the Committee may designate a Chair by a majority vote of the full Committee membership.

The Corporation’s Audit Committee is currently comprised of Frank J. Basa, Ronald Goguen, Sr. and Dianne Tookenay. All members are directors of the Corporation. Frank Basa is not deemed to be “independent”, as defined in NI 52-110, as he is also an officer of the Corporation. Ronald Goguen, Sr. and Dianne Tookenay are deemed to be independent. All members of the Audit Committee are “financially literate” as that term is defined in NI 52-110.

### **Audit Committee’s Charter**

The Corporation adopted a charter (the “**Charter**”) of the Audit Committee on November 10, 2015, a copy of which is available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and which forms part of the Management Information Circular dated November 10, 2015. Upon request, a copy of the Charter will promptly be provided free of charge to Shareholders.

### **Relevant Education and Experience**

#### ***Frank J. Basa, Chairman, President, CEO and Director***

Mr. Basa has more than 29 years of global experience in gold mining and development as a professional hydrometallurgical engineer with a focus on milling, gravity concentration, flotation, leaching and refining of precious and base metals. He graduated from McGill University with a B.A. in Engineering in 1983 and has been a member of the Professional Engineers of Ontario since 1987. He is President of Grupo Moje Limited and Mineral Recovery Management Systems Corp. He has served as Chairman, President and Chief Executive Officer of Granada Gold Mine Inc., a company listed on the TSXV, since June 2004.

#### ***Ronald Goguen, Sr., Director***

Ronald Goguen, Sr. became Chairman & CEO of Colibri Resource Corporation in July 2017. Colibri Resource Corporation has been a public company since 2004 and is a junior gold mining company. Mr. Goguen purchased his first exploration drilling company, Ideal Drilling, in 1980. In 1981, he added a second exploration drilling company and increased sales and net income significantly. Those companies were combined to become Major Drilling Group International Inc., a publicly-traded company that has traded on the Toronto Stock Exchange since 2015. Mr. Goguen served as President and Chief Executive Officer until 2000 and during this time was a key driving force in building Major Drilling into one of the largest mineral drilling service companies in the world, with 33 operations in 15 countries. Since leaving Major Drilling in 2000, Mr. Goguen has served as the President of Royal Oaks Real Estates Inc. and Royal Oaks Golf & Country Club. He has been a member of the Board of Directors of Northeast Bank since 1990. In 2006, Mr. Goguen was appointed Chairman of the Board of Beaver Brook Antimony Mine Inc., and he remained so until bringing the operation into production in 2008. Beaver Brook is the largest antimony mine

outside of China. In 1995, Mr. Goguen was named Atlantic Canada’s Entrepreneur of the Year as presented by the Governor General of Canada.

***Dianne Tookenay, Director***

Dianne Tookenay is a band member of Brunswick House First Nation in Ontario and has been a director of CCW since June 15, 2015 and has been a director of Granada Gold Mine Inc., a company listed on the TSXV, since April 2017. Ms. Tookenay holds a Certificate in Mining Law from Osgoode Hall Law School, York University, a Joint Masters of Public Administration degree from the University of Manitoba, a Bachelor of Administration degree from Lakehead University and Native Band Management and Indian Economic Development Diplomas from Confederation College Applied Arts and Technology. Ms. Tookenay has accumulated a wide breadth of business development and advocacy roots within the First Nation communities.

**Audit Committee Oversight**

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

Since the commencement of the Corporation’s most recently completed fiscal year ended December 31, 2022, the Corporation’s Board of Directors has not failed to adopt a recommendation of the Audit Committee to nominate or compensate an external auditor.

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

**Audit Fees**

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

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

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

<b>Financial Year Ending</b>	<b>Audit Fees</b>	<b>Audit Related Fees</b>	<b>Tax Fees</b>	<b>All Other Fees</b>
December 31, 2022	\$90,470	Nil	\$6,300	Nil
December 31, 2021	\$60,000	\$53,000	\$2,000	Nil

## PARTICULARS OF MATTERS TO BE ACTED UPON

### 1. FINANCIAL STATEMENTS

At the Meeting, the Chairman of the Meeting will present to Shareholders the financial statements of the Corporation for the year ended December 31, 2022, and the auditors' reports thereon.

### 2. APPOINTMENT OF AUDITOR

McGovern Hurley LLP, Chartered Professional Accountants, 251 Consumer's Road, Suite 800, Toronto, Ontario M2J 4R3, were initially appointed auditor of the Corporation on December 18, 2015. Management proposes that McGovern Hurley LLP, Chartered Professional Accountants, be re-appointed auditor of the Corporation for the ensuing year, until the close of the next annual meeting of Shareholders, at a remuneration to be fixed by the directors.

**The Board recommends that Shareholders vote FOR the resolution re-appointing McGovern Hurley LLP, Chartered Professional Accountants, as auditor of the Corporation. Unless a Shareholder has specifically instructed in the form of proxy or VIF that the CCW Shares represented by such proxy or VIF are to be withheld from voting, the persons named in the proxy or VIF will vote FOR the resolution to re-appoint McGovern Hurley LLP, Chartered Professional Accountants, as auditor of the Corporation.**

In order to be adopted, the foregoing resolution must be approved by a majority of the votes cast by the holders of CCW Shares present in person or represented by proxy at the Meeting.

### 3. ELECTION OF DIRECTORS

Management is nominating the individuals identified below for election as directors of the Corporation for the ensuing year. The persons designated in the enclosed form of proxy, unless instructed otherwise, intend to vote for the election of the nominees listed below to the Corporation's Board of Directors. No management nominee is to be elected under any arrangement or understanding between the management nominee and any other person or company, except the directors and executive officers of the Corporation acting solely in such capacity. Each director elected will hold office until the close of the next annual general meeting, or until his or her successor is duly elected or appointed, unless his or her office is earlier vacated in accordance with the CBCA and the CCW By-Laws.

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

The persons named in the Proxy intend to vote IN FAVOUR of the election of the nominees whose names are listed in the following table, unless the Shareholder signatory of the proxy has indicated that its CCW Shares should be voted against the election of a nominee.

Name, Province or State and Country of Residence, and Current Position with the Corporation	Principal Occupation for the Past Five Years <sup>(1)</sup>	Director of the Corporation Since	Shares Beneficially Owned, Directly or Indirectly, or Over Which Control or Direction is Exercised <sup>(2)</sup>
Frank J. Basa <sup>(3)</sup> Ontario, Canada CEO & Director	President & CEO of the Corporation Chairman, President and Chief Executive Officer Granada Gold Mine Inc. (junior mining exploration company) President Grupo Moje Ltd. and Mineral Recovery Management Systems Corp. (private companies)	September 15, 2015	2,236,044 <sup>(4)</sup>
Daniel Barrette Québec, Canada Director	Consultant since January 2020; Prior thereto, Legal Assistant Barrette & Associés Avocats (law firm)	January 6, 2023	—
Ronald Goguen, Sr. <sup>(3)</sup> New Brunswick, Canada Director	Executive Chairman and Director Colibri Resource Corporation (junior gold mining company)	March 6, 2023	—
Matthew Halliday Ontario, Canada President, COO & Director	President and COO of the Corporation since June 30, 2020. Prior thereto, Vice-President, Exploration of the Corporation	August 7, 2020	—
Dianne Tookenay <sup>(3)</sup> Ontario, Canada Director	Director of the Corporation Director Granada Gold Mine Inc. (junior mining exploration company)	June 15, 2015	125,000

- (1) The information as to principal occupation, business or employment and CCW Shares beneficially owned or controlled is not within the knowledge of the management of the Corporation and has been furnished by the respective nominees. Each nominee has held the same or a similar principal occupation with the organization indicated or a predecessor thereof for the last five years unless otherwise indicated.
- (2) The number of CCW Shares beneficially owned by the above nominees for directors, directly or indirectly, is based on information furnished by insider reports filed on SEDI and by the nominees themselves.
- (3) Member of the Corporation's Audit Committee.
- (4) Of these shares, 493,206 are held directly; and 437,321 shares are held indirectly by Grupo Moje Limited and 1,305,517 shares are held indirectly by Mineral Recovery Management Systems Corp., both private companies controlled by Mr. Basa.

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

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

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

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

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



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

On May 3, 2023 CCW announced that it had obtained a management cease-trade order (“MCTO”) from the British Columbia Securities Commission (“BCSC”), the Corporation’s principal regulator, under National Policy 12-203 *Management Cease Trade Orders* (“NP 12-203”) with respect to the Corporation’s audited financial statements and management’s discussion and analysis for the financial year ended December 31, 2022 (collectively, the “Annual Documents”). The MCTO prohibited the CEO and the CFO from trading in securities of the Corporation until it filed the Annual Documents and the BCSC revoked the MCTO. The issuance of the MCTO did not affect the ability of persons other than the CEO and CFO to trade in the Corporation’s securities. On June 13, 2023, CCW filed the Annual Documents and the MCTO was revoked by the BCSC on June 14, 2023.

**The Board recommends that Shareholders vote in favour of the five nominees listed above. Unless a Shareholder has specifically instructed in the form of proxy or VIF that the CCW Shares represented by such proxy or VIF are to be voted against a nominee, the persons named in the proxy or VIF will vote FOR the election of each of the five nominees.**

In order for a nominee to be elected as a director, the nominee must receive a majority of the votes cast for or against the election of such nominee by the holders of CCW Shares present in person or represented by proxy at the Meeting. The Corporation has no reason to believe that any of the five nominees will be unable to serve as a director.

#### **4. APPROVAL OF THE CORPORATION’S STOCK OPTION PLAN**

The Corporation currently has in place the Stock Option Plan, which is a 10% “rolling” plan. The Stock Option Plan was approved by Shareholders at the annual meeting held on May 25, 2022. As at the date of this Information Circular, the Corporation is eligible to grant up to 24,765,468 options under the Stock Option Plan. As at December 31, 2022, there were 10,398,335 stock options outstanding under the Stock Option Plan.

The TSXV requires listed companies that have “rolling” stock option plans in place obtain shareholder approval of such plans on a yearly basis at the listed company’s annual meeting.

The following is a summary of the principal terms of the Stock Option Plan.

The Stock Option Plan provides for the issuance of stock options to acquire at any time up to a maximum of 10% of the issued and outstanding CCW Shares (subject to standard anti-dilution adjustments). If a stock option expires or otherwise terminates for any reason without having been exercised in full, the number of CCW Shares reserved for issuance under that expired or terminated stock option will again be available for the purposes of the Stock Option Plan. Any stock option outstanding when the Stock Option Plan is terminated will remain in effect until it is exercised or it expires.

The Stock Option Plan provides that stock options may be granted to directors, senior officers, employees and consultants of the Corporation (and any subsidiary of the Corporation) and management company employees. For the purposes of the Stock Option Plan, the terms “employees”, “consultants” and “management company employees” have the meanings set out in TSXV Policy 4.4. Under the Stock Option Plan, the Corporation’s Board of Directors may, from time to time, designate a committee such as a Compensation Committee, for the purposes of administering the Stock Option Plan.

Should the expiry date for an Option fall within a Blackout Period of the Corporation (as such time period may be determined by the Board of Directors where one or more Optionee may not trade any securities of the Corporation because they may be in possession of undisclosed material information pertaining to the Corporation), or within nine business days following the expiration of a Blackout Period, such expiry date shall, subject to approval of the TSXV, be automatically extended without any further act or formality to that day which is the tenth business day after the end of the Blackout Period, such tenth business day to be considered the expiry date for such Option for all purposes under the Stock Option Plan.

The Stock Option Plan provides that it is solely within the discretion of the Board to determine who should receive stock options and in what amounts, subject to the following conditions:

1. options will be non-assignable and non-transferable except that they will be exercisable by the personal representative of the option holder in the event of the option holder's death;
2. options may be exercisable for a maximum of ten years from the date of grant (subject to extension where the expiry date falls within a "Blackout Period", as disclosed above);
3. the aggregate number of options granted to any one option holder (including companies wholly owned by that option holder) in a twelve-month period must not exceed 5% of the issued shares of the Corporation, calculated on the date an option is granted to the option holder;
4. the aggregate number of options granted to any one consultant in a twelve-month period must not exceed 2% of the issued shares of the Corporation, calculated at the date an option is granted to the consultant;
5. the aggregate number of options granted to all option holders retained to provide Investor Relations Activities (as defined in TSXV Policy 4.4) must not exceed 2% of the issued shares of the Corporation in any twelve-month period, calculated at the date an option is granted to any such option holder and must vest over a period of not less than one year as to 25% every three months;
6. at no time will options be issued which could permit at any time the aggregate number of shares reserved for issuance under stock options granted to insiders (as a group) at any point in time exceeding 10% of the issued shares;
7. at no time will options be issued which could permit at any time the grant to insiders (as a group), within a twelve-month period, of an aggregate number of options exceeding 10% of the issued shares calculated at the date an option is granted to any insider;
8. options held by an option holder who is a director, employee, consultant or management company employee will expire 90 days (or such other time, not to exceed one year, as shall be determined by the Board as at the date of grant or agreed to by the Board and the Optionee at any time prior to expiry of the Option) after the option holder ceases to be a director, employee, consultant or management company employee, which time period the Corporation determines is reasonable;
9. in the event of an option holder's death, the option holder's personal representative may exercise any portion of the option holder's vested outstanding options for a period of one year following the option holder's death;
10. options cannot be granted to directors, employees, consultants or management company employees that are not bona fide directors, employees, consultants or management company employees, as the case may be; and
11. options will be reclassified in the event of any consolidation, subdivision, conversion or exchange of the CCW Shares.

The Corporation will be required to obtain Disinterested Shareholder Approval if (i) the aggregate number of CCW Shares reserved for issuance under Options granted to Insiders (as a group) exceeds 10% of the issued shares of the Corporation, (ii) the grant to Insiders (as a group), within a twelve-month period, of an aggregate number of Options exceeds 10% of the issued shares of the Corporation, calculated at the date an Option is granted to any Insider, (iii) the aggregate number of Options granted to any one Optionee (including companies wholly owned by that Optionee), within a twelve-month period, exceeds 5% of the issued shares of the Corporation, calculated on the date an Option is granted to the Optionee, or (iv) any reduction in the Exercise Price of an Option if the Optionee is an Insider of the Corporation at the time of the proposed amendment. "Disinterested Shareholder Approval" means approval by a majority of the votes cast by all the Corporation's shareholders at a duly-constituted shareholders' meeting, excluding votes attached to CCW Shares beneficially owned by Insiders or their Associates.

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

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

The price at which an Optionee may purchase a CCW Share upon the exercise of an Option will be as set out in the option certificate issued in respect of such Option and in any event will not be less than the discounted market price of the CCW Shares as of the date of the grant of the stock option (the "CCW Award Date"). The market price of the CCW Shares for a particular CCW Award Date will typically be the closing trading price of the CCW Shares on the day immediately preceding the CCW Award Date, or otherwise in accordance with the terms of the Stock Option Plan. Discounted market price means the market price less a discount of up to 25% if the market price is \$0.50 or less; up to 20% if the market price is between \$2.00 and \$0.51; and up to 15% if the market price is greater than \$2.00. Where the exercise price of the Option is based on a discounted market price, a four-month hold period will apply to all CCW Shares issued under each Option, commencing from the CCW Award Date. A four-month hold period will also apply to all CCW Shares issued under any Option granted to a director, officer or Insider (as such term is defined by the TSXV) of the Corporation, regardless of whether the Option was granted at market or discounted market price.

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

### **Shareholder Approval**

Shareholders will be asked at the Meeting to approve, with or without variation, the following resolution (the "Stock Option Plan Resolution"):

IT IS RESOLVED:

That the Corporation's Option Plan, as described in the Corporation's management information circular dated September 25, 2023, be and it is hereby ratified and approved, subject to regulatory approval;

THAT in connection therewith, a maximum of 10% of the issued and outstanding common shares of the Corporation at the time of each grant be and are hereby approved for granting as options; and

THAT the Board of Directors be and is hereby authorized, without further shareholder approval, to make such changes to the Share Option Plan as may be required or approved by regulatory authorities.

**The Board recommends that Shareholders vote FOR the Stock Option Plan Resolution. Unless a Shareholder has specifically instructed in the form of proxy or VIF that the CCW Shares represented by such proxy or VIF are to be voted against the Stock Option Plan Resolution, the persons named in the proxy or VIF will vote FOR the Stock Option Plan Resolution.**

In order to be adopted, the Stock Option Plan Resolution must be approved by a majority of the votes cast by the holders of CCW Shares present in person or represented by proxy at the Meeting.

## **5. APPROVAL OF AN AMENDMENT TO QUORUM FOR SHAREHOLDERS' MEETINGS**

The second paragraph of section 13 of By-Law No. 1 of the Corporation ("CCW By-Laws") provides that quorum for the transaction of business at any meeting of the Shareholders shall consist of at least two persons holding or representing by proxy not less than five percent of the outstanding shares of the Corporation entitled to vote at the meeting. On September 19, 2023, the Board adopted a resolution amending section 13 of the CCW By-Laws so as to change the foregoing reference from five percent to fifteen percent. The Board adopted the amendment in order to ensure that an adequate number of Shareholders are represented at any meeting. The second paragraph of section 13 of the CCW By-Laws, as so amended, reads as follows:

"At such time as shares of the Corporation have been sold to the public, the quorum for the transaction of business at any meeting of the shareholders shall consist of at least two persons holding or representing by proxy not less than fifteen percent (15%) of the outstanding shares of the Corporation entitled to vote at the meeting."

Under the CBCA, the foregoing amendment entered into effect when adopted by the Board on September 19, 2023 but must be confirmed, confirmed as amended or rejected by Shareholders at the next meeting of Shareholders. Accordingly, at the

Meeting, Shareholders will be asked to adopt the Quorum Resolution in the form below, confirming the foregoing amendment to the CCW By-Laws. In order to be adopted, the Quorum Resolution must be approved by a majority of the votes cast by the holders of CCW Shares present in person or represented by proxy at the Meeting.

### **Shareholder Approval**

Shareholders will be asked at the Meeting to adopt the Quorum Resolution as follows:

IT IS RESOLVED:

THAT the second paragraph of section 13 of By-Law No. 1 of the Corporation be and is hereby replaced in its entirety by the following:

“At such time as shares of the Corporation have been sold to the public, the quorum for the transaction of business at any meeting of the shareholders shall consist of at least two persons holding or representing by proxy not less than fifteen percent (15%) of the outstanding shares of the Corporation entitled to vote at the meeting.”; and

THAT any officer or director of Corporation is hereby authorized and directed for and on behalf of Corporation to execute or cause to be executed and to deliver or cause to be delivered all such other documents and instruments and to perform or cause to be performed all such other acts and things as such person determines may be necessary or desirable to give full effect to the foregoing resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document or instrument or the doing of any such act or thing.

**The Board recommends that Shareholders vote FOR the Quorum Resolution. Unless a Shareholder has specifically instructed in the form of proxy or VIF that the CCW Shares represented by such proxy or VIF are to be voted against the Quorum Resolution, the persons named in the proxy or VIF will vote FOR the Quorum Resolution.**

### **6. CHANGE OF CORPORATE NAME**

The Board of Directors of the Corporation recommends that the Corporation change its corporate name to “Nord Precious Metals Mining Inc.” Accordingly, Shareholders will be asked to approve the special resolution set out below (the “**Change of Name Special Resolution**”), authorizing an amendment to the Articles of the Corporation so as to change the name of the Corporation to “Nord Precious Metals Mining Inc” or such other name as may be selected by the Board of Directors in its discretion. In order to be adopted, the Change of Name Special Resolution must be approved by at least two-thirds of the votes cast by the holders of the CCW Shares, either present in person or represented by proxy at the Meeting.

If the Change of Name Special Resolution is adopted by Shareholders, Articles of Amendment will be filed shortly after the Meeting. Unless otherwise specified, the persons named in the accompanying form of proxy intend to vote FOR the Change of Name Special Resolution.

The Corporation has notified the TSXV of the proposed change of corporate name in accordance with the policies of the TSXV. Subject to Shareholder approval at the Meeting and the Corporation obtaining Articles of Amendment for the change of corporate name, the Corporation’s shares will commence trading on the TSXV under the new name at the opening of business two or three trading days following receipt by the TSXV of all necessary documentation from the Corporation.

Following the change of name, Registered Shareholders may continue to use their current share certificates. Beneficial Shareholders will not be required to take any action.

### **Shareholder Approval**

Shareholders will be asked at the Meeting to approve, with or without variation, the following special resolution:

IT IS RESOLVED:

THAT the Articles of the Corporation be amended so that the name of the Corporation is “Nord Precious Metals Mining Inc.” or such other name as may be selected by the Board of Directors of the Corporation in its discretion;

THAT the officers and directors of the Corporation are hereby authorized to file Articles of Amendment with Industry Canada and do all other things necessary in order to give effect to the foregoing; and

THAT the Board of Directors of the Corporation be and it is hereby authorized to revoke the present special resolution before it is acted on, without further approval of the shareholders.

**The Board recommends that Shareholders vote FOR the Change of Name Special Resolution. Unless a Shareholder has specifically instructed in the form of proxy or VIF that the CCW Shares represented by such proxy or VIF are to be voted against the Change of Name Special Resolution, the persons named in the proxy or VIF will vote FOR the Change of Name Special Resolution.**

## 7. BOARD DISCRETION TO CONSOLIDATE CCW SHARES

As at the date hereof, there are 261,044,963 issued and outstanding CCW Shares. The Corporation considers that without a share consolidation, it may be more difficult for the Corporation to effect future financings.

Accordingly, at the Meeting, Shareholders will be asked to approve the special resolution set out below (the “**Share Consolidation Special Resolution**”), authorizing, if deemed advisable by the Board of Directors, an amendment to the Articles of the Corporation so as to consolidate the issued and outstanding CCW Shares on the basis of one CCW Share for a maximum of every ten CCW Shares issued and outstanding (the “**Share Consolidation**”). In order to be adopted, the Share Consolidation Special Resolution must be approved by at least two-thirds of the votes cast by the holders of the CCW Shares, either present in person or represented by proxy at the Meeting.

If the Share Consolidation Special Resolution is adopted by Shareholders, Articles of Amendment will be filed if and when deemed advisable by the Board of Directors in its discretion, but in no case later than twelve months from the date of the Meeting. In such event, subject to the maximum referred to above, the determination of the basis for the Share Consolidation will be at the discretion of the Board of Directors. Notwithstanding the foregoing, the Share Consolidation Special Resolution authorizes the Board of Directors to revoke it without further approval from Shareholders. The amendment of the Articles will not have any effect on the day-to-day operations of the Corporation.

The principal effect of the Share Consolidation will be that the number of CCW Shares issued and outstanding will be reduced from 261,044,963 CCW Shares as at the date hereof to between 26,104,496 and 130,522,482 CCW Shares, depending on the ratio selected by the Board of Directors. By way of example, the following table sets out the percentage reduction in the number of outstanding CCW Shares and the number of CCW Shares that would be outstanding as a result of a Share Consolidation at the ratios indicated:

Proposed Consolidation Ratio	Percentage Reduction in Number of Outstanding CCW Shares	Number of Outstanding CCW Shares Post-Consolidation
1 for 2	50%	130,522,482
1 for 5	80%	52,208,992
1 for 10	90%	26,104,496

If the Share Consolidation would result in a Registered Shareholder holding a fraction of a CCW Share, no fraction or fractional share or certificate will be issued and such fractional CCW Share will be rounded down to the nearest whole number of CCW Shares and any fractional CCW Share post-Share Consolidation will be cancelled without payment of any consideration. In all other respects, the post-Share Consolidation CCW Shares will have the same attributes as the existing CCW Shares. The Share Consolidation will not change a Shareholder’s proportionate interest in the Corporation, even though such ownership will be represented by a smaller number of CCW Shares.

In general, the Share Consolidation will not be considered to result in a disposition of CCW Shares by Shareholders for Canadian federal income tax purposes. The aggregate adjusted cost base to a Shareholder for such purposes of all CCW Shares held by the Shareholder will not change as a result of the Share Consolidation; however, the Shareholder’s adjusted cost base per CCW Share will increase proportionately.

There can be no assurance, however, that the total market capitalization of the Corporation (the aggregate value of all CCW Shares at the market price then in effect) immediately after the Share Consolidation will be equal to or greater than the total market capitalization immediately before the Share Consolidation. In addition, there can be no assurance that the per-share

market price of the CCW Shares following the Share Consolidation will equal or exceed the direct arithmetical result of the Share Consolidation. In addition, a decline in the market price of the CCW Shares after the Share Consolidation may result in a greater percentage decline than would occur in the absence of a Share Consolidation and the liquidity of the CCW Shares could be adversely affected.

In addition to the issued and outstanding CCW Shares, the CCW Shares currently reserved for issuance upon the exercise of CCW Options and CCW Warrants will be adjusted to give effect to the Share Consolidation, such that the number of consolidated CCW Shares issuable will equal the number obtained when the number of CCW Shares issuable is divided by the conversion number and the exercise prices of outstanding CCW Options and CCW Warrants to purchase consolidated CCW Shares will equal the price obtained by multiplying the existing exercise price thereof by the conversion number.

If the Share Consolidation Special Resolution is adopted at the Meeting and the Board of Directors decides to proceed with the Share Consolidation, the Corporation will announce that it is proceeding with the Share Consolidation. Registered Shareholders should then, at that time, complete, sign and return a letter of transmittal that will be sent to such registered holders (the “**Share Consolidation Letter of Transmittal**”), along with the share certificate(s) representing their pre-consolidation CCW Shares, to Computershare Investor Services Inc. at one of the addresses in the Share Consolidation Letter of Transmittal. Upon receipt of a properly-completed and signed Share Consolidation Letter of Transmittal and the share certificate(s) referred to in the Share Consolidation Letter of Transmittal, the Corporation will arrange to have a new share certificate representing the appropriate number of post-consolidation CCW Shares delivered in accordance with the instructions provided by the holder in the Share Consolidation Letter of Transmittal. No delivery of a new certificate to a Shareholder will be made until the Shareholder has surrendered its current issued certificates. Until surrendered, each share certificate formerly representing old CCW Shares shall be deemed for all purposes to represent the number of new CCW Shares to which the holder is entitled as a result of the Share Consolidation.

If a Shareholder’s CCW Shares are registered in the name of a nominee (e.g., a trust company, securities broker or other financial institution), the Shareholder will not receive a Share Consolidation Letter of Transmittal and should contact its nominee to determine if the Shareholder needs to do anything to effect the consolidation of its CCW Shares.

### **Shareholder Approval**

Shareholders will be asked at the Meeting to approve, with or without variation, the following special resolution:

IT IS RESOLVED:

THAT, if and when deemed advisable by the Board of Directors of the Corporation in its discretion, the Articles of the Corporation be amended so that the issued and outstanding common shares of the Corporation be consolidated on the basis of one share for a maximum of every ten common shares then issued and outstanding;

THAT, subject to the maximum set out above, the determination of the basis for the consolidation shall be at the discretion of the Board of Directors of the Corporation;

THAT the officers and directors of the Corporation are hereby authorized to file Articles of Amendment with Industry Canada if and when deemed advisable by the Board of Directors of the Corporation in its discretion, but in no case later than twelve months from the date hereof, and do all other things necessary in order to give effect to the foregoing; and

THAT the Board of Directors of the Corporation be and it is hereby authorized to revoke the present special resolution before it is acted on, without further approval of the shareholders.

**The Board recommends that Shareholders vote FOR the Share Consolidation Special Resolution. Unless a Shareholder has specifically instructed in the form of proxy or VIF that the CCW Shares represented by such proxy or VIF are to be voted against the Share Consolidation Special Resolution, the persons named in the proxy or VIF will vote FOR the Share Consolidation Special Resolution.**

## 8. PLAN OF ARRANGEMENT

Shareholders will be asked to approve the Arrangement Resolution, the full text of which is annexed as Schedule A to this Information Circular, for a plan of arrangement under the CBCA which involves, among other things, the distribution of CBM Shares and CBM Warrants to Shareholders, as more fully described under “The Arrangement” above.

**The Board recommends that Shareholders vote FOR the Arrangement Resolution. Unless a Shareholder has specifically instructed in the form of proxy or VIF that the CCW Shares represented by such proxy or VIF are to be voted against the Arrangement Resolution, the persons named in the proxy or VIF will vote FOR the Arrangement Resolution.**

In order to be adopted, the Arrangement Resolution must be approved by at least two-thirds of the votes cast by the holders of CCW Shares present in person or represented by proxy at the Meeting.

## 9. APPROVAL OF REDUCTION OF STATED CAPITAL

At the Meeting, Shareholders will be asked to consider and, if thought advisable, to pass, with or without variation, the Reduction of Stated Capital Resolution. Approval of the Reduction of Stated Capital Resolution is a condition for the completion of the Arrangement. If the Reduction of Stated Capital Resolution is not approved at the Meeting, the Arrangement will not be completed.

### **Background to the Reduction of Stated Capital**

The authorized capital of the Corporation consists of an unlimited number of CCW Shares. As required by the CBCA, the Corporation maintains a stated capital account in respect of the CCW Shares which represents the total amount of consideration that the Corporation has received for the issuance of such CCW Shares.

Under the CBCA, the Corporation is prohibited from effecting the Arrangement unless it can meet a solvency test which requires, among other things, that the realizable value of the assets of the Corporation be greater than the aggregate of the Corporation’s liabilities and the stated capital of all classes of shares of the Corporation. At this time, the realizable value of the assets of the Corporation is greater than its liabilities but is not greater than the stated capital of all classes of shares of the Corporation.

Accordingly, the Corporation believes that it is necessary in order to proceed with the Arrangement under the CBCA to first reduce for no consideration the stated capital account of the CCW Shares by such amount as will be necessary to meet the solvency test under subsection 192(2) of the CBCA. In addition, approval of the Reduction of Stated Capital Resolution by Shareholders is a condition to the completion of the Arrangement. The purpose of the proposed Reduction of Stated Capital Resolution is to ensure that the realizable value of the Corporation’s assets is not less than the aggregate of its liabilities and stated capital of the CCW Shares, thereby rendering the Arrangement permissible under the CBCA. The amount of the reduction of stated capital will be determined by the Board in its discretion. The Corporation is, and would after the reduction of stated capital be, able to pay its liabilities as they become due and the realizable value of the Corporation’s assets would, after the reduction of stated capital, be more than the aggregate of its liabilities and the stated capital of all classes of shares of the Corporation. The reduction of stated capital will be made under section 38 of the CBCA without any payment, return of capital or other distribution to Shareholders.

### **Votes Required for the Reduction of Stated Capital Resolution**

In order to be adopted, the Reduction of Stated Capital Resolution must be approved by at least two-thirds of the votes cast by the holders of CCW Shares present in person or represented by proxy at the Meeting.

### **Implementation of the Reduction of Stated Capital**

If the required Shareholder approval is obtained at the Meeting, the reduction of stated capital will become effective prior to the hearing for the Final Order in respect of the Arrangement upon resolution of the Board.

If the Reduction of Stated Capital Resolution is not adopted by the requisite majority of votes at the Meeting, the Arrangement will not be completed. If the Arrangement Resolution is not approved at the Meeting, the Board in its sole discretion may decide not to proceed with the Reduction of Stated Capital Resolution.

## **Shareholder Approval**

Shareholders will be asked at the Meeting to approve, with or without variation, the following special resolution:

IT IS RESOLVED:

THAT the reduction in the stated capital account maintained by the Corporation for its common shares by an amount necessary to meet the solvency test under subsection 192(2) of the *Canada Business Corporations Act*, such amount to be determined by the board of directors of the Corporation in its discretion, without any payment being made in respect of such reduction, and a corresponding increase in the contributed surplus account maintained by the Corporation of such amount so determined to take effect on a date to be determined by the board of directors of the Corporation prior to the application for approval of the arrangement under section 192 of the *Canada Business Corporations Act* involving the Corporation and Coniagas Battery Metals Inc., as described in the management information circular of the Corporation dated September 25, 2023, is hereby authorized and approved;

THAT any officer or director of Corporation is hereby authorized and directed for and on behalf of Corporation to execute or cause to be executed and to deliver or cause to be delivered all such other documents and instruments and to perform or cause to be performed all such other acts and things as such person determines may be necessary or desirable to give full effect to the foregoing resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document or instrument or the doing of any such act or thing; and

THAT the Board of Directors of the Corporation be and it is hereby authorized to revoke the present special resolution before it is acted on, without further approval of the shareholders.

**The Board unanimously recommends that Shareholders vote FOR the Reduction of Stated Capital Resolution. Unless a Shareholder has specifically instructed in the form of proxy or VIF that the CCW Shares represented by such proxy or VIF are to be voted against the Reduction of Stated Capital Resolution, the persons named in the proxy or VIF will vote FOR the Reduction of Stated Capital Resolution.**

### **10. CBM FINANCINGS**

In order to obtain a listing of the CBM Shares on the TSXV or another recognized Canadian stock exchange, CBM must have sufficient cash resources to complete the Phase 1 work program recommended in the Technical Report as well as for working capital.

Immediately following the Effective Date, CBM intends to effect the CBM Private Placement and raise up to \$1,250,000 through the issuance by way of private placement of a maximum of 5,000,000 CBM Shares at a price of \$0.25 per share, for maximum gross proceeds of \$1,250,000, with each CBM Share to be accompanied by one CBM Private Placement Warrant. Each CBM Private Placement Warrant will entitle the holder thereof a CBM Warrant Share. CBM intends to use the proceeds of the CBM Private Placement to carry out the recommended program on the Graal Property and for working capital. It is intended that the CBM Private Placement will provide CBM with sufficient funds to meet the initial listing requirements of the TSXV. However, there can be no assurances that CBM will be able to complete the CBM Private Placement or attain a listing on the TSXV or a recognized Canadian stock exchange.

Immediately following the Effective Date, CBM also intends to effect the (i) CBM First Seed Financing by issuing a maximum of 1,500,000 CBM Shares at a price of \$0.005 per share to its directors, officers and others for maximum gross proceeds of \$7,500 and (ii) CBM Second Seed Financing by issuing a maximum of 1,500,000 CBM Shares at a price of \$0.02 per share to its directors, officers and others for maximum gross proceeds of \$30,000. The general objectives of the CBM Seed Financings are to compensate CBM management in a manner that encourages and rewards a high level of performance and outstanding results with a view to increasing long-term shareholder value and align CBM management's interests with the long-term interests of CBM shareholders.

#### **Escrow Requirements – CBM Seed Financings**

All CBM Shares issued in the CBM Seed Financings will be subject to escrow (the “**Escrowed Shares**”) in accordance with Policy 5.4 as they will be issued at a price which is less than the TSXV's prescribed minimum issue price of \$0.05 per security.



As of the date of this Information Circular, it is expected that CBM will be considered as a “Tier 2 Issuer” (as such term is defined in Policy 1.1) and therefore, the Escrowed Shares will be released from escrow as follows: (i) 10% upon the issuance of the TSXV bulletin that evidences final TSXV acceptance of the Arrangement (“**TSXV Bulletin**”); and (ii) an additional 15% will be released on the dates 6, 12, 18, 24, 30 and 36 months following the issuance of the TSXV Bulletin.

### **Shareholder Approval**

As of the date of this Information Circular, it is expected that CCW will control a majority of the CBM Shares following the CBM Financings and therefore, CBM will remain a subsidiary of CCW. The TSXV considers that any financing into an issuer's subsidiary constitutes a deemed disposition as the issuer's interest in the subsidiary is being diluted and a “Reviewable Transaction” as that term is defined in Policy 5.3. Further, pursuant to section 5.11(b) of Policy 5.3, the TSXV generally requires that such issuer provide the TSXV with evidence of value. Pursuant to Policy 5.4, the TSXV can exercise its discretion to allow disinterested shareholder approval in lieu of evidence of value. CCW intends to provide evidence of value to the TSXV for the CBM Private Placement.

No evidence of value has been or will be submitted to the TSXV for the CBM Seed Financings. CCW intends to apply to the TSXV for acceptance for the CBM Financings, subject to the condition that each of the CBM Seed Financings be approved by a majority of the votes cast by the Disinterested Shareholders, in lieu of evidence of value.

Certain directors and officers of CCW or CBM, and their associates, who are considered as “Non-Arm's Length Parties” (as such term is defined in Policy 5.3) to CCW, are expected to participate in the CBM First Seed Financing for an aggregate maximum of 70,000 CBM Shares, representing a maximum of \$350, and in the CBM Second Seed Financing for an aggregate maximum of 70,000 CBM Shares, representing a maximum of \$1,400.

Accordingly, in order to be adopted, the CBM First Seed Financing and CBM Second Seed Financing must each be approved by a simple majority of the votes cast by Disinterested Shareholders of CCW, either present in person or represented by proxy at the Meeting. Therefore, the votes attached to an aggregate of 6,412,816 CCW Shares beneficially owned by the Non-Arm's Length Parties of CCW and their respective associates will not be included for the purposes of approving the CBM First Seed Financing or CBM Second Seed Financing.

### **Disinterested Shareholder Approval**

Disinterested Shareholders will be asked at the Meeting to approve, with or without variation, the following resolutions:

#### *CBM First Seed Financing*

IT IS RESOLVED:

THAT subject to completion of the arrangement involving Canada Silver Cobalt Works Inc. (the “**Corporation**”) and Coniagas Battery Metals Inc., as described in the management information circular of the Corporation dated September 25, 2023 (the “**Information Circular**”), the CBM First Seed Financing (as defined in the Information Circular) is hereby authorized and approved;

#### *CBM Second Seed Financing*

IT IS RESOLVED:

THAT subject to completion of the arrangement involving Canada Silver Cobalt Works Inc. (the “**Corporation**”) and Coniagas Battery Metals Inc., as described in the management information circular of the Corporation dated September 25, 2023 (the “**Information Circular**”), the CBM Second Seed Financing (as defined in the Information Circular) is hereby authorized and approved;

**The Board recommends that Disinterested Shareholders vote FOR the CBM First Seed Financing Resolution and FOR the CBM Second Seed Financing Resolution. Unless a Disinterested Shareholder has specifically instructed in the form of proxy or VIF that the CCW Shares represented by such proxy or VIF are to be voted against the CBM First Seed Financing Resolution or CBM Second Seed Financing Resolution, the persons named in the proxy or VIF will vote FOR the CBM First Seed Financing Resolution and FOR the CBM Second Seed Financing Resolution.**

In order to be adopted, each of the CBM First Seed Financing Resolution and CBM Second Seed Financing Resolution must be approved by a simple majority of the votes cast by Disinterested Shareholders.

## 11. CBM OMNIBUS INCENTIVE PLAN

If the Arrangement Resolution is approved at the Meeting, Shareholders will be asked to adopt the resolution set out below, ratifying and approving the CBM Omnibus Incentive Plan (the “**CBM Omnibus Incentive Plan Resolution**”). The details of the CBM Omnibus Incentive Plan are set out in Schedule G below under “CBM Omnibus Incentive Plan”.

### Shareholder Approval

Shareholders will be asked at the Meeting to approve, with or without variation, the CBM Omnibus Incentive Plan Resolution, as follows:

IT IS RESOLVED:

THAT subject to the completion of the arrangement involving Canada Silver Cobalt Works Inc. (the “**Corporation**”) and Coniagas Battery Metals Inc. (“**CBM**”), as described in the management information circular of the Corporation dated September 25, 2023 (the “**Information Circular**”), the omnibus equity incentive plan of CBM (the “**CBM Omnibus Incentive Plan**”) as described in the Information Circular, be and it is hereby ratified and approved on behalf of CBM and CBM’s shareholders as the equity incentive plan for CBM, subject to regulatory approval; and

THAT the Board of Directors of CBM be and is hereby authorized, without further shareholder approval, to make such changes to the CBM Omnibus Incentive Plan as may be required or approved by regulatory authorities.

**The Board recommends that Shareholders vote FOR the CBM Omnibus Incentive Plan Resolution. Unless a Shareholder has specifically instructed in the form of proxy or VIF that the CCW Shares represented by such proxy or VIF are to be voted against the CBM Omnibus Incentive Plan Resolution, the persons named in the proxy or VIF will vote FOR the CBM Omnibus Incentive Plan Resolution.**

In order to be adopted, the CBM Omnibus Incentive Plan Resolution must be approved by a majority of the votes cast by the holders of CCW Shares present in person or represented by proxy at the Meeting.

## OTHER MATTERS WHICH MAY COME BEFORE THE MEETING

As of the date of this Information Circular, management knows of no matters to come before the Meeting other than as set out in the Notice of Meeting. However, if other matters not known to the management should properly come before the Meeting, the accompanying proxy will be voted on such matters in accordance with the best judgment of the persons voting the proxy.

## ADDITIONAL INFORMATION

Additional information relating to the Corporation and its operations is available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). Financial information relating to the Corporation is provided in its comparative financial statements and management’s discussion and analysis (“**MD&A**”) for the Corporation’s most recently completed financial year ended December 31, 2022. Copies of this information are available by contacting the Corporation at 3028 Quadra Court, Coquitlam, B.C. V3B 5X6 or by phone at 416-625-2342.

## SHAREHOLDER PROPOSALS

The CBCA provides, in effect, that a registered holder or beneficial owner of CCW Shares that is entitled to vote at an annual meeting of the Corporation may submit to the Corporation notice of any matter that the person proposes to raise at the meeting (referred to as a “**Proposal**”) and discuss at the meeting any matter in respect of which the person would have been entitled to submit a Proposal. The CBCA further provides that the Corporation must set out the Proposal in its management proxy circular or attach the Proposal thereto and, if so requested by the person who submits a Proposal, the Corporation shall include in the management proxy circular or attach to it a statement in support of the Proposal by the person and the name and the address of the person. The statement and the Proposal must together not exceed the prescribed maximum number of words. However, the Corporation will not be required to set out the Proposal in its management proxy circular or include a supporting statement if, among other things, the Proposal is not submitted to the Corporation within the “prescribed period”, defined as the 60-day

period that begins on the 150<sup>th</sup> day before the anniversary of the previous annual meeting of shareholders. As the date of the Meeting is October 31, 2023, the “prescribed period” for submitting a Proposal to the Corporation in connection with the next annual meeting of shareholders of the Corporation will be from June 3, 2024 to August 1, 2024.

The foregoing is a summary only; shareholders should carefully review the provisions of the CBCA relating to Proposals and consult with a legal advisor.

#### **BOARD APPROVAL**

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

Dated this 25<sup>th</sup> day of September, 2023.

#### **BY ORDER OF THE BOARD OF DIRECTORS**

*“Frank J. Basa”*

Frank J. Basa, P. Eng.  
President, CEO & Director

**SCHEDULE A**  
**ARRANGEMENT RESOLUTION**

BE IT RESOLVED as a special resolution of the shareholders of CANADA SILVER COBALT WORKS INC. (the “**Corporation**”), that:

1. The arrangement (the “**Arrangement**”) under section 192(3) of the *Canada Business Corporations Act* involving the Corporation and Coniagas Battery Metals Inc. (“**CBM**”), as more particularly described and set out in the management information circular of the Corporation dated September 25, 2023 (the “**Information Circular**”) (as the Arrangement may be, or may have been, modified or amended), is hereby authorized, approved and adopted.
2. The plan of arrangement, as it may be or has been amended (the “**Plan of Arrangement**”), involving the Corporation and CBM, and implementing the Arrangement, the full text of which is set out in Schedule B to the Information Circular (as the Plan of Arrangement may be, or may have been, modified or amended in accordance with its terms), including the reduction of the stated capital of the Corporation pursuant to section 38 of the *Canada Business Corporations Act* provided therein, is hereby authorized, approved and adopted.
3. The arrangement agreement (the “**Arrangement Agreement**”) between the Corporation and CBM dated September 13, 2023 and all the transactions contemplated therein, the actions of the directors of the Corporation in approving the Arrangement and any amendments thereto and the actions of the directors and officers of the Corporation in executing and delivering the Arrangement Agreement and any amendments thereto are hereby confirmed, ratified, authorized and approved.
4. Notwithstanding that these resolutions have been passed (and the Arrangement adopted) or that the Arrangement has been approved by the Supreme Court of British Columbia, the directors of the Corporation are hereby authorized and empowered, without further notice to, or approval of, any security holders of the Corporation:
  - (a) to amend the Arrangement Agreement or the Plan of Arrangement to the extent permitted by the Arrangement Agreement or the Plan of Arrangement;
  - (b) or subject to the terms of the Arrangement Agreement, not to proceed with the Arrangement.
5. Any one or more directors or officers of the Corporation is hereby authorized, for and on behalf and in the name of the Corporation, to execute and deliver, all such agreements, applications, forms, waivers, notices, certificates, confirmations and other documents and instruments and to do or cause to be done all such other acts and things as in the opinion of such director or officer may be necessary, desirable or useful for the purpose of giving effect to these resolutions, the Arrangement Agreement and the completion of the Plan of Arrangement in accordance with the terms of the Arrangement Agreement, including:
  - (a) all actions required to be taken by or on behalf of the Corporation, and all necessary filings and obtaining the necessary approvals, consents and acceptances of appropriate regulatory authorities; and
  - (b) the signing of the certificates, consents and other documents or declarations required under the Arrangement Agreement or otherwise to be entered into by the Corporation;
  - (c) such determination to be conclusively evidenced by the execution and delivery of such document, agreement or instrument or the doing of any such act or thing.

**SCHEDULE B**  
**ARRANGEMENT AGREEMENT AND PLAN OF ARRANGEMENT**

See annexed.

**ARRANGEMENT AGREEMENT**

**THIS ARRANGEMENT AGREEMENT** is dated as of the 13<sup>th</sup> day of September, 2023,

**BETWEEN:** **CANADA SILVER COBALT WORKS INC.**, a corporation existing under the *Canada Business Corporations Act*

(“CCW”)

**AND:** **CONIAGAS BATTERY METALS INC.**, a corporation existing under the *Canada Business Corporations Act*

(“CBM”)

**WHEREAS:**

- A. CCW owns the Graal Property;
- B. CCW and CBM wish to proceed with a corporate restructuring by way of a statutory arrangement under the CBCA, pursuant to which CCW and CBM will participate in a series of transactions whereby, among other things, CCW will distribute to the holders of CCW Shares certain of the CBM Shares and CBM Warrants such that holders of CCW Shares (other than Dissenting Shareholders) will become the holders of CBM Shares and CBM Warrants;
- C. CCW proposes to convene a meeting of CCW Shareholders to consider the Arrangement pursuant to section 192 of the CBCA, on the terms and conditions set out in the Plan of Arrangement attached as Exhibit A hereto; and
- D. Each of the parties to this Agreement has agreed to participate in and support the Arrangement.

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

**ARTICLE 1**  
**DEFINITIONS, INTERPRETATION AND EXHIBIT**

- 1.1 Definitions.** In this Agreement, unless there is something in the subject matter or context inconsistent therewith, the following words and terms will have the following meanings:
- (a) “**Agreement**” means this arrangement agreement, including the exhibits annexed hereto, as the same may be supplemented or amended from time to time;

- (b) “**Arrangement**” means the arrangement pursuant to the Arrangement Provisions as contemplated by the provisions of this Agreement and the Plan of Arrangement;
- (c) “**Arrangement Provisions**” means section 192 of the CBCA;
- (d) “**Arrangement Resolution**” means the special resolution of CCW Shareholders to approve the Arrangement, as required by the Interim Order and the CBCA;
- (e) “**Board of Directors**” means the board of directors of CCW;
- (f) “**Business Day**” means a day which is not a Saturday, Sunday or statutory holiday in Vancouver, British Columbia;
- (g) “**CBCA**” means the *Canada Business Corporations Act*, as amended;
- (h) “**CBM**” means Coniagas Battery Metals Inc.;
- (i) “**CBM Shares**” means the common shares in the capital of CBM, as they exist immediately prior to the Effective Time;
- (j) “**CBM Warrants**” means the share purchase warrants of CBM exercisable to acquire CBM Shares, each of which shall give its holder the right to acquire one (1) additional CBM Share at a price of forty cents (\$0.40) for two (2) years;
- (k) “**CCW**” means Canada Silver Cobalt Works Inc.;
- (l) “**CCW Optionholders**” means the holders of CCW Options on the Effective Date;
- (m) “**CCW Options**” means options to acquire CCW Shares that are outstanding immediately prior to the Effective Time;
- (n) “**CCW Shareholder**” means a registered or beneficial holder of CCW Shares;
- (o) “**CCW Shares**” means the common shares in the capital of CCW, as they exist immediately prior to the Effective Time;
- (p) “**CCW Warrantholders**” means the holders of CCW Warrants on the Effective Date;
- (q) “**CCW Warrants**” means the share purchase warrants of CCW exercisable to acquire CCW Shares that are outstanding immediately prior to the Effective Time;
- (r) “**Constating Documents**” means the Articles under the CBCA of CCW or CBM, as applicable;
- (s) “**Court**” means the Supreme Court of British Columbia;
- (t) “**Director**” means the Director appointed under the CBCA;

- (u) **“Dissent Procedures”** means the rules pertaining to the exercise of Dissent Rights as set out in section 190 of the CBCA and Article 5 of the Plan of Arrangement;
- (v) **“Dissent Rights”** means the right of a registered CCW Shareholder to dissent from the Arrangement Resolution in accordance with the provisions of the CBCA, as modified by the Interim Order, and to be paid the fair value of the CCW Shares in respect of which the holder dissents;
- (w) **“Dissenting Share”** has the meaning given in Section 3.1(a) of the Plan of Arrangement;
- (x) **“Dissenting Shareholder”** means a registered holder of CCW Shares who dissents in respect of the Arrangement in strict compliance with the Dissent Procedures and who has not withdrawn or been deemed to have withdrawn such exercise of Dissent Rights;
- (y) **“Effective Date”** will be the date of the closing of the Arrangement, as mutually agreed between CCW and CBM;
- (z) **“Effective Time”** means 12:01 a.m. on the Effective Date;
- (aa) **“Exchange”** means any recognized Canadian stock exchange;
- (bb) **“Final Order”** means the final order of the Court approving the Arrangement;
- (cc) **“Gaal Property”** means the property located in the Lac St-Jean region of Québec approximately 160 km north-northeast of the city of Saguenay, comprising 87 claims owned by CCW and 23 claims under option to CCW covering an aggregate of 6,113 hectares;
- (dd) **“Information Circular”** means the management information circular of CCW, including all schedules thereto, to be distributed to CCW Shareholders in connection with the Meeting, together with any amendments or supplements thereto;
- (ee) **“Interim Order”** means the interim order of the Court providing advice and directions in connection with the Meeting and the Arrangement;
- (ff) **“Meeting”** means the annual and special meeting of CCW Shareholders and any adjournment(s) or postponement(s) thereof to be held to, among other things, consider and, if deemed advisable, approve the Arrangement;
- (gg) **“party”** means either CCW or CBM and **“parties”** means, collectively, CCW and CBM;
- (hh) **“Person”** means and includes an individual, sole proprietorship, partnership, unincorporated association, unincorporated syndicate, unincorporated



organization, trust, body corporate, a trustee, executor, administrator or other legal representative and the Crown or any agency or instrumentality thereof;

- (ii) “**Plan of Arrangement**” means the plan of arrangement annexed to this Agreement as Exhibit A, as the same may be amended from time to time;
- (jj) “**Tax Act**” means the *Income Tax Act* (Canada), as amended from time to time;
- (kk) “**TSXV**” means the TSX Venture Exchange; and
- (ll) “**U.S. Securities Act**” means the United States *Securities Act of 1933*, as amended.

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

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

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

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

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

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

**ARTICLE 2**  
**ARRANGEMENT**

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

**2.2 Implementation Steps.** In connection with the Arrangement, the parties will:

- (a) apply to the Court, as soon as reasonably practicable, taking into account the mailing date for the Information Circular, under section 192 of the CBCA for the Interim Order, providing for, among other things, the calling and holding of the Meeting for the purposes of, among other things, considering and, if deemed advisable, approving the Arrangement and the granting of the Dissent Rights, and thereafter proceed with and diligently pursue the Interim Order;
- (b) subject to receipt of the Interim Order and the distribution of the Information Circular to CCW Shareholders, CCW Optionholders and CCW Warranholders, call and hold the Meeting for the purpose of, among other things, considering the Arrangement;
- (c) subject to obtaining such securityholder approval as required by the Interim Order, apply to the Court under section 192 of the CBCA for the Final Order approving the Arrangement; and
- (d) subject to obtaining the Final Order, and provided all conditions of the parties to this Agreement as set out in Article 5 are fulfilled or waived, the parties will agree upon an Effective Date and will file the Final Order and all other documents required with the Director to be effective at the Effective Time.

**2.3 Interim Order.** The petition for the Interim Order will request that the Interim Order provide:

- (a) that CCW Shareholders, CCW Optionholders and CCW Warranholders will be the class of Persons to whom notice is to be provided in respect of the Meeting and for the manner in which such notice is to be provided;
- (b) each CCW Shareholder will be entitled to one (1) vote for each CCW Share held by such holder;
- (c) that the requisite approval for the Arrangement will be at least two-thirds of the votes cast on the appropriate special resolution by CCW Shareholders present in person or represented by proxy at the Meeting and entitled to vote thereat;
- (d) that CCW will call and hold the Meeting in accordance with the CBCA and the articles of CCW; and
- (e) for the grant of the Dissent Rights.

- 2.4 Effective Date of Arrangement.** The Arrangement will become effective on the Effective Date, commencing at the Effective Time, as set out in the Plan of Arrangement.
- 2.5 Commitment to Effect.** Subject to termination of this Agreement pursuant to Article 6, the parties will each use all reasonable efforts and do all things reasonably required to cause the Plan of Arrangement to become effective by no later than October 31, 2023, or by such other date as CCW and CBM may determine, and in conjunction therewith to cause the conditions described in Section 5.1 to be complied with prior to the Effective Date. Without limiting the generality of the foregoing, the parties will proceed forthwith to apply for the Interim Order and CCW will call the Meeting and mail the Information Circular to the CCW Shareholders or otherwise make the Information Circular available to CCW Shareholders pursuant to “notice-and-access” rules.
- 2.6 Filing of Final Order.** Subject to the rights of termination contained in Article 6 upon CCW Shareholders approving the Arrangement Resolution in accordance with the provisions of the Interim Order and the CBCA, CCW obtaining the Final Order and the other conditions contained in Article 6 being complied with or waived, CCW on its behalf and on behalf of CBM will file with the Director, to the extent required:
- (a) the records and information required by the Director pursuant to the Arrangement Provisions; and
  - (b) a copy of the Final Order.
- 2.7 U.S. Securities Law Matters.** The parties agree that the Arrangement will be carried out with the intention that the CBM Shares and CBM Warrants delivered or deemed to be delivered upon completion of the Arrangement to CCW Shareholders will be issued by CBM in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by Section 3(a)(10) thereof. In order to ensure the availability of the exemption under Section 3(a)(10) of the U.S. Securities Act, the parties agree that the Arrangement will be carried out on the following basis:
- (a) the Arrangement will be subject to the approval of the Court and the Court will hold a hearing approving the fairness of the terms and conditions of the Arrangement;
  - (b) prior to the hearing required to approve the Arrangement, the Court will be advised as to the intention of the parties to rely on the exemption under Section 3(a)(10) of the U.S. Securities Act;
  - (c) the Court will be required to satisfy itself as to the substantive and procedural fairness of the terms and conditions of the Arrangement to the CCW Shareholders, CCW Optionholders and CCW Warrantholders subject to the Arrangement;
  - (d) CCW will ensure that all CCW Shareholders entitled to receive CBM Shares and CBM Warrants on completion of the Arrangement will be given adequate notice advising them of their right to attend the hearing of the Court to give approval of the Arrangement and providing them with sufficient information necessary for them to exercise that right;

- (e) the CCW Shareholders entitled to receive such securities on completion of the Arrangement will be advised that such securities issued in the Arrangement have not been registered under the U.S. Securities Act and will be issued in reliance on the exemption under Section 3(a)(10) of the U.S. Securities Act;
- (f) the Final Order approving the Arrangement that is obtained from the Court will expressly state that the terms and conditions of the Arrangement are approved by the Court as being fair, substantively and procedurally, to the CCW Shareholders, CCW Optionholders and CCW Warrantholders;
- (g) the Interim Order approving the Meeting will specify that each CCW Shareholder, CCW Optionholder and CCW Warrantholder will have the right to appear before the Court at the hearing of the Court to give approval of the Arrangement so long as the CCW Shareholder, CCW Optionholder or CCW Warrantholder enters a response to petition within a reasonable time and in accordance with the requirements of Section 3(a)(10) under the U.S. Securities Act; and
- (h) the Final Order will include a statement substantially to the following effect:

“This Order will serve as a basis of a claim to an exemption, pursuant to Section 3(a)(10) of the United States *Securities Act of 1933*, as amended, from the registration requirements otherwise imposed by that Act, regarding the issuance or deemed issuance of CBM Shares and CBM Warrants pursuant to the Plan of Arrangement.”

### ARTICLE 3 REPRESENTATIONS AND WARRANTIES

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

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

#### ARTICLE 4 COVENANTS

- 4.1 Covenants.** Each of the parties covenants with the other that it will do and perform all such acts and things, and execute and deliver all such agreements, assurances, notices and other documents and instruments, as may reasonably be required to facilitate the carrying out of the intent and purpose of this Agreement.
- 4.2 Interim Order and Final Order.** The parties acknowledge that CCW will apply to and obtain from the Court, pursuant to the Arrangement Provisions, the Interim Order providing for, among other things, the calling and holding of the Meeting for the purpose of considering and, if deemed advisable, approving and adopting the Arrangement Resolution. The parties each covenant and agree that if the approval of the Arrangement by the CCW Shareholders as set out in Section 5.1(b) is obtained, CCW will thereafter (subject to the exercise of any discretionary authority granted to CCW's directors) take the necessary actions to submit the Arrangement to the Court for approval and apply for the Final Order and, subject to compliance with any of the other conditions provided for in Article 6 and to the rights of termination contained in Article 6, file the material described in Section 2.6 with the Director.
- 4.3 Fair Market Value.** For the purposes of the Plan of Arrangement, any determination of the fair market value of the CBM Shares or CBM Warrants will be determined by the CCW Board, acting in good faith.

#### ARTICLE 5 CONDITIONS

- 5.1 Conditions Precedent.** The respective obligations of the parties to complete the transactions contemplated by this Agreement will be subject to the satisfaction of the following conditions:
- (a) granting of the Interim Order in form and substance satisfactory to CCW;
  - (b) approval and adoption of the Arrangement Resolution, with or without amendment, at the Meeting in accordance with the Arrangement Provisions, the Constatting Documents of CCW, the Interim Order and the requirements of any applicable regulatory authorities;
  - (c) obtaining the Final Order in form and substance satisfactory to each of CCW and CBM;
  - (d) conditional approval by the TSXV of the Arrangement as of the Effective Date, subject to compliance with the requirements of TSXV;
  - (e) conditional approval by the Exchange of the listing of the CBM Shares, subject to compliance with the requirements of the Exchange;

- (f) all other consents, orders, regulations and approvals, including regulatory and judicial approvals and orders required or necessary or desirable for the completion of the transactions provided for in this Agreement and the Plan of Arrangement will have been obtained or received from the Persons, authorities or bodies having jurisdiction in the circumstances each in form acceptable to CCW and CBM;
- (g) there will not be in force any order or decree restraining or enjoining the consummation of the transactions contemplated by this Agreement and the Plan of Arrangement;
- (h) no law, regulation or policy will have been proposed, enacted, promulgated or applied which interferes or is inconsistent with the completion of the Arrangement and Plan of Arrangement, including any material change to the Tax Act, which would reasonably be expected to have a material adverse effect on any of CCW, the CCW Shareholders or CBM if the Arrangement is completed;
- (i) notices of dissent pursuant to Article 5 of the Plan of Arrangement will not have been delivered by CCW Shareholders holding in the aggregate more than two percent (2%) of the outstanding CCW Shares; and
- (j) this Agreement will not have been terminated under Article 6.

Except for the conditions set out in Sections 5.1(a), (b), (c), (d), (e) and (j), which may not be waived, any of the other conditions in this Section 5.1 may be waived by either CCW or CBM in its discretion.

**5.2 Pre-Closing.** Unless this Agreement is terminated earlier pursuant to the provisions hereof, pre-closing will occur electronically on the Business Day immediately preceding the Effective Date at such time or on such other date as the parties may mutually agree, and each of them will deliver to the other:

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

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

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

**ARTICLE 6  
AMENDMENT AND TERMINATION**

- 6.1 Amendment.** Subject to any mandatory applicable restrictions under the Arrangement Provisions or the Final Order, this Agreement, including the Plan of Arrangement, may at any time and from time to time before or after the holding of the Meeting, but prior to the Effective Date, be amended by the written agreement of the parties hereto without, subject to applicable law, further notice to or authorization on the part of the CCW Shareholders.
- 6.2 Termination.** Subject to Section 6.3, this Agreement may at any time before or after the holding of the Meeting, and before or after the granting of the Final Order, but in each case prior to the Effective Date, be terminated by direction of the Board of Directors of CCW without further action on the part of CCW Shareholders and nothing expressed or implied herein or in the Plan of Arrangement will be construed as affecting the absolute discretion by the Board of Directors of CCW to elect to terminate this Agreement and discontinue efforts to effect the Arrangement for whatever reasons it may consider appropriate.
- 6.3 Cessation of Right.** The right of CCW or CBM or any other party to amend or terminate the Plan of Arrangement pursuant to Section 6.1 and Section 6.2 will be extinguished upon the occurrence of the Effective Date.

**ARTICLE 7  
GENERAL**

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

in the case of CCW:

Canada Silver Cobalt Works Inc.  
3028 Quadra Court  
Coquitlam, British Columbia V3B 5X6

Attention: President and Chief Operating Officer  
Email: matt@canadasilvercobaltworks.com

in the case of CBM:

Coniagas Battery Metals Inc.  
550 Burrard Street  
Suite 2900  
Vancouver, British Columbia V6C 0A3

Attention: Chief Executive Officer  
Email: frank@grupomoje.com

- 7.2 **Assignment.** Neither of the parties may assign its rights or obligations under this Agreement or the Arrangement without the prior written consent of the other.
- 7.3 **Binding Effect.** This Agreement and the Arrangement will be binding upon and will enure to the benefit of the parties and their respective successors and permitted assigns.
- 7.4 **Waiver.** Any waiver or release of the provisions of this Agreement, to be effective, must be in writing and executed by the party granting such waiver or release.
- 7.5 **Governing Law.** This Agreement will be governed by and be construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein.
- 7.6 **Counterparts.** This Agreement may be executed in counterparts, each of which will be deemed to be an original but both of which together will constitute one and the same instrument.
- 7.7 **Expenses.** All expenses incurred by a party in connection with this Agreement, the Arrangement and the transactions contemplated hereby and thereby will be borne by the party that incurred the expense or as otherwise mutually agreed by the parties.
- 7.8 **Entire Agreement.** This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes and replaces all prior and contemporaneous agreements, understandings, negotiations and discussions, whether oral or written, of the parties.
- 7.9 **Time of Essence.** Time is of the essence of this Agreement.

*(Remainder of page left intentionally blank. Signature pages follow.)*



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

**CANADA SILVER COBALT WORKS INC.**

By: (signed) Matthew Halliday  
Matthew Halliday  
President, COO and Director

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

**CONIAGAS BATTERY METALS INC.**

By: *(signed Frank J. Basa)*  
Frank J. Basa  
President, CEO and Director

**EXHIBIT A**  
**PLAN OF ARRANGEMENT**

**PLAN OF ARRANGEMENT UNDER SECTION 192 OF  
THE CANADA BUSINESS CORPORATIONS ACT**

**ARTICLE 1  
DEFINITIONS AND INTERPRETATION**

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

- (a) “**Arrangement**” means the arrangement pursuant to the Arrangement Provisions on the terms and conditions set out herein;
- (b) “**Arrangement Agreement**” means the arrangement agreement dated as of September 13, 2023 between CCW and CBM, as may be supplemented or amended from time to time;
- (c) “**Arrangement Provisions**” means section 192 of the CBCA;
- (d) “**Arrangement Resolution**” means the special resolution of CCW Shareholders to approve the Arrangement, as required by the Interim Order and the CBCA;
- (e) “**Board of Directors**” means the board of directors of CCW;
- (f) “**Business Day**” means a day which is not a Saturday, Sunday or statutory holiday in Vancouver, British Columbia;
- (g) “**CBCA**” means the *Canada Business Corporations Act*, as amended;
- (h) “**CBM**” means Coniagas Battery Metals Inc., a corporation incorporated under the CBCA;
- (i) “**CBM Shares**” means the common shares in the capital of CBM as they exist immediately prior to the Effective Time;
- (j) “**CBM Warrants**” means collectively, the CBM Warrants First Tranche, CBM Warrants Second Tranche, CBM Warrants Third Tranche and CBM Warrants Fourth Tranche.
- (k) “**CBM Warrant Shares**” means the CBM Shares issuable upon the exercise of CBM Warrants.
- (l) “**CBM Warrants First Tranche**” means common share purchase warrants of CBM each entitling the holder thereof to purchase one CBM Warrant Share at an exercise price of forty cents (\$0.40). The CBM Warrants First Tranche may be exercised starting on the Effective Date and will expire two (2) years after the Effective Date.

- (m) **“CBM Warrants Fourth Tranche”** means common share purchase warrants of CBM each entitling the holder thereof to purchase one CBM Warrant Share at an exercise price of forty cents (\$0.40). The CBM Warrants Fourth Tranche may be exercised starting three years after the Effective Date and will expire five (5) years after the Effective Date.
- (n) **“CBM Warrants Second Tranche”** means common share purchase warrants of CBM each entitling the holder thereof to purchase one CBM Warrant Share at an exercise price of forty cents (\$0.40). The CBM Warrants Second Tranche may be exercised starting one (1) year after the Effective Date and will expire three (3) years after the Effective Date.
- (o) **“CBM Warrants Third Tranche”** means common share purchase warrants of CBM each entitling the holder thereof to purchase one CBM Warrant Share at an exercise price of forty cents (\$0.40). The CBM Warrants Third Tranche may be exercised starting two years after the Effective Date and will expire four (4) years after the Effective Date.
- (p) **“CCW”** means Canada Silver Cobalt Works Inc., a corporation existing under the CBCA;
- (q) **“CCW Optionholders”** means the holders of CCW Options on the Effective Date;
- (r) **“CCW Options”** means options to acquire CCW Shares that are outstanding immediately prior to the Effective Time;
- (s) **“CCW Shareholders”** means the holders of CCW Shares;
- (t) **“CCW Shares”** means the outstanding common shares in the capital of CCW as they exist immediately prior to the Effective Time;
- (u) **“CCW Warrantholders”** means the holders of CCW Warrants on the Effective Date;
- (v) **“CCW Warrants”** means the share purchase warrants of CCW exercisable to acquire CCW Shares that are outstanding immediately prior to the Effective Time;
- (w) **“Court”** means the Supreme Court of British Columbia;
- (x) **“Depositary”** means Computershare Investor Services Inc. or such other depositary as CCW may determine;
- (y) **“Dissent Procedures”** means the rules pertaining to the exercise of Dissent Rights as set out in the CBCA and Article 5 of this Plan of Arrangement;
- (z) **“Dissent Rights”** means the rights of registered CCW Shareholders to dissent from the Arrangement Resolution in accordance with the provisions of the CBCA, as

modified by the Interim Order, and to be paid the fair value of CCW Shares in respect of which the CCW Shareholder dissents;

- (aa) **“Dissenting Share”** has the meaning given in Section 3.1(a) of this Plan of Arrangement;
- (bb) **“Dissenting Shareholder”** means a registered holder of CCW Shares who dissents in respect of the Arrangement in compliance with the Dissent Procedures and who has not withdrawn or been deemed to have withdrawn such exercise of Dissent Rights;
- (cc) **“Effective Date”** will be the date of the closing of the Arrangement as agreed to by CCW and CBM;
- (dd) **“Effective Time”** means 12:01 a.m. on the Effective Date;
- (ee) **“Final Order”** means the final order of the Court approving the Arrangement;
- (ff) **“First Share Distribution Record Date”** means the close of business on the Business Day immediately preceding the Effective Date for the purpose of determining CCW Shareholders entitled to receive CBM Shares and CBM Warrants pursuant to this Plan of Arrangement or such other date as the Board of Directors may select;
- (gg) **“Fourth Share Distribution Record Date”** means the close of business on the Business Day immediately preceding the date which is three (3) years after the Effective Date or such other date as the Board of Directors may select;
- (hh) **“Graul Property”** means the property located in the Lac St-Jean region of Québec approximately 160 km north-northeast of the city of Saguenay, comprising 87 claims owned by CCW and 23 claims under option to CCW, covering an aggregate of 6,113 hectares;
- (ii) **“Information Circular”** means the management information circular of CCW, including all schedules thereto, to be sent or made available to CCW Shareholders, CCW Optionholders and CCW Warranholders in connection with the Meeting, together with any amendments or supplements thereto;
- (jj) **“Interim Order”** means the interim order of the Court in connection with the Meeting and the Arrangement;
- (kk) **“Meeting”** means the annual and special meeting of CCW Shareholders and any adjournments thereof to be held to, among other things, consider and, if deemed advisable, approve the Arrangement;
- (ll) **“Plan of Arrangement”** means this plan of arrangement, as the same may be amended from time to time;

- (mm) “**Second Share Distribution Record Date**” means the close of business on the Business Day immediately preceding the date which is one (1) year after the Effective Date or such other date as the Board of Directors may select;
- (nn) “**Tax Act**” means the *Income Tax Act* (Canada), as amended;
- (oo) “**Third Share Distribution Record Date**” means the close of business on the Business Day immediately preceding the date which is two (2) years after the Effective Date or such other date as the Board of Directors may select; and
- (pp) “**U.S. Securities Act**” means the United States *Securities Act of 1933*, as amended.

- 1.2 **Interpretation Not Affected by Headings.** The division of this Plan of Arrangement into articles, sections, subsections, paragraphs and subparagraphs and the insertion of headings are for convenience of reference only and will not affect the construction or interpretation of this Plan of Arrangement. Unless otherwise specifically indicated, the terms “this Plan of Arrangement”, “hereof”, “hereunder” and similar expressions refer to this Plan of Arrangement as a whole and not to any particular article, section, subsection, paragraph or subparagraph and include any agreement or instrument supplementary or ancillary hereto.
- 1.3 **Number and Gender.** Unless the context otherwise requires, words importing the singular number only will include the plural and *vice versa*, words importing the use of either gender will include both genders and neuter and words importing persons will include firms and corporations.
- 1.4 **Meaning.** Words and phrases used herein and defined in the CBCA will have the same meaning herein as in the CBCA, except as otherwise provided or unless the context otherwise requires.
- 1.5 **Date for any Action.** If any date on which any action is required to be taken under this Plan of Arrangement is not a Business Day, such action will be required to be taken on the next succeeding Business Day.
- 1.6 **Governing Law.** This Plan of Arrangement will be governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

## ARTICLE 2 ARRANGEMENT AGREEMENT

- 2.1 **Arrangement Agreement.** This Plan of Arrangement is made pursuant and subject to the provisions of the Arrangement Agreement.
- 2.2 **Arrangement Effectiveness.** The Arrangement and this Plan of Arrangement will become final and conclusively binding on CCW, CCW Shareholders (including Dissenting Shareholders), CCW Optionholders, CCW Warranholders and CBM at the Effective Time without any further act or formality as required on the part of any person, except as expressly provided herein.

**ARTICLE 3**  
**THE ARRANGEMENT**

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

- (a) Each CCW Share outstanding in respect of which a Dissenting Shareholder has validly exercised its Dissent Rights (each, a “**Dissenting Share**”) will be directly transferred and assigned by such Dissenting Shareholder to CCW, without any further act or formality and free and clear of any liens, charges and encumbrances of any nature whatsoever, and will be cancelled and cease to be outstanding and such Dissenting Shareholders will cease to have any rights as a CCW Shareholder other than the right to be paid the fair value for their CCW Shares by CCW.
- (b) CCW will transfer the Graal Property to CBM in exchange for twenty-four million (24,000,000) CBM Shares and twelve million (12,000,000) CBM Warrants.
- (c) CCW will deliver five hundred one thousand six hundred (501,600) CBM Shares and two hundred fifty thousand eight hundred (250,800) CBM Warrants First Tranche to Globex Mining Enterprises Inc. as contractually required in connection with the sale of twenty-three (23) mining claims.
- (d) On the First Share Distribution Record Date, CCW will deliver, as a dividend in kind, an aggregate of five million eight hundred seventy-four thousand six hundred (5,874,600) CBM Shares and two million nine hundred thirty-seven thousand three hundred (2,937,300) CBM Warrants First Tranche to CCW Shareholders of record on the First Share Distribution Record Date on a *pro rata* basis based on the number of CCW Shares outstanding on the First Share Distribution Record Date.
- (e) On the Second Share Distribution Record Date, CCW will deliver, as a dividend in kind, an aggregate of one million nine hundred fifty-eight thousand two hundred (1,958,200) CBM Shares and nine hundred seventy-nine thousand one hundred (979,100) CBM Warrants Second Tranche to CCW Shareholders of record on the Second Share Distribution Record Date on a *pro rata* basis based on the number of CCW Shares outstanding on the Second Share Distribution Record Date.
- (f) On the Third Share Distribution Record Date, CCW will deliver, as a dividend in kind, an aggregate of one million nine hundred fifty-eight thousand two hundred (1,958,200) CBM Shares and nine hundred seventy-nine thousand one hundred (979,100) CBM Warrants Third Tranche to CCW Shareholders of record on the Third Share Distribution Record Date on a *pro rata* basis based on the number of CCW Shares outstanding on the Third Share Distribution Record Date.
- (g) On the Fourth Share Distribution Record Date, CCW will deliver, as a dividend in-kind, an aggregate of one million nine hundred fifty-eight thousand two hundred (1,958,200) CBM Shares and nine hundred seventy-nine thousand one hundred



(979,100) CBM Warrants Fourth Tranche to CCW Shareholders of record on the Fourth Share Distribution Record Date on a pro rata basis based on the number of CCW Shares outstanding on the Fourth Share Distribution Record Date.

- (h) For greater certainty, the CBM Warrants First Tranche may be exercised starting on the Effective Date and will expire two (2) years thereafter; the CBM Warrants Second Tranche may be exercised starting one (1) year after the Effective Date and will expire three (3) years after the Effective Date; the CBM Warrants Third Tranche may be exercised starting two (2) years after the Effective Date and will expire four (4) years after the Effective Date; and the CBM Warrants Fourth Tranche may be exercised starting three (3) years after the Effective Date and will expire five (5) years after the Effective Date.
- (i) Any distribution of CBM Shares and CBM Warrants pursuant to paragraphs (d), (e), (f) and (g) above shall be carried out in compliance with the applicable policies of any stock exchange or stock quotation system on which CCW and CBM are then listed, as the case may be.
- (j) Following each of the First Share Distribution Record Date, Second Share Distribution Record Date, Third Share Distribution Record Date and Fourth Share Distribution Record Date, CCW will provide CBM and its registrar and transfer agent notice to make the appropriate entries in the central securities register of CBM so that the CBM Shares and CBM Warrants delivered to CCW Shareholders may be registered in the respective names of the CCW Shareholders in the central securities register of CBM.

**3.2 No Fractional Shares or Warrants.** Notwithstanding any other provision of this Plan of Arrangement, no fractional CBM Shares or CBM Warrants will be distributed to CCW Shareholders and, as a result, all fractional amounts arising under this Plan of Arrangement will be rounded down to the next whole number without any compensation therefor. Any CBM Shares or CBM Warrants not distributed as a result of so rounding down will be cancelled by CBM.

**3.3 Deemed Fully Paid and Non-Assessable Shares.** All CBM Shares issued pursuant hereto will be deemed to be validly issued and outstanding as fully paid and non-assessable shares for all purposes of the CBCA.

**3.4 Supplementary Actions.** Notwithstanding that the transactions and events set out in Section 3.1 of this Plan of Arrangement will occur and will be deemed to occur in the chronological or concurrent order therein set out without any act or formality, each of CCW and CBM will be required to make, do and execute or cause and procure to be made, done and executed all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may be required to give effect to, or further document or evidence, any of the transactions or events set out in Section 3.1 of this Plan of Arrangement, including, without limitation, any resolutions of directors authorizing the issue, transfer or redemption of shares, any share transfer powers evidencing the transfer of shares and any receipt

therefor, any necessary additions to or deletions from share registers, and agreements for stock options.

- 3.5 Withholding.** Each of CCW, CBM and the Depositary will be entitled to deduct and withhold from any cash payment or any issue, transfer or distribution of CBM Shares or CBM Warrants made pursuant to this Plan of Arrangement such amounts as may be required to be deducted and withheld pursuant to the Tax Act or any other applicable law, and any amount so deducted and withheld will be deemed for all purposes of this Plan of Arrangement to be paid, issued, transferred or distributed to the person entitled thereto under the Plan of Arrangement. Without limiting the generality of the foregoing, any CBM Shares or CBM Warrants so deducted and withheld may be sold on behalf of the person entitled to receive them for the purpose of generating cash proceeds, net of brokerage fees and other reasonable expenses, sufficient to satisfy all remittance obligations relating to the required deduction and withholding, and any cash remaining after such remittance will be paid to the person forthwith.
- 3.6 No Liens.** Any exchange or transfer of securities pursuant to this Plan of Arrangement will be free and clear of any liens, restrictions, adverse claims or other claims of third parties of any kind.
- 3.7 U.S. Securities Law Matters.** The Court is advised that the Arrangement will be carried out with the intention that all securities issued on completion of the Arrangement will be issued in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by Section 3(a)(10) of the U.S. Securities Act.

#### **ARTICLE 4 CERTIFICATES**

- 4.1 CBM Share Certificates and CBM Warrant Certificates.** As soon as practicable following the First Share Distribution Record Date, Second Share Distribution Record Date, Third Share Distribution Record Date and Fourth Share Distribution Record Date, respectively, CCW and CBM will deliver or cause to be delivered to the Depositary certificates representing the CBM Shares and CBM Warrants, respectively, required to be distributed to registered holders of CCW Shares in accordance with the provisions of Section 3.1 of this Plan of Arrangement, which certificates will be held by the Depositary as agent and nominee for such holders for distribution thereto in accordance with this Plan of Arrangement.
- 4.2 Interim Period.** Any CCW Shares sold after the First Share Distribution Record Date, Second Share Distribution Record Date, Third Share Distribution Record Date or Fourth Share Distribution Record Date, respectively, will not carry any rights to receive CBM Shares or CBM Warrants.

#### **ARTICLE 5 RIGHTS OF DISSENT**

- 5.1 Dissent Right.** Registered holders of CCW Shares may exercise Dissent Rights with respect to their CCW Shares in connection with the Arrangement pursuant to the Interim

Order and in the manner set out in the Dissent Procedures, as they may be amended by the Interim Order, Final Order or any other order of the Court, and provided that such Dissenting Shareholder delivers a written notice of dissent to CCW at least two (2) Business Days before the day of the Meeting or any adjournment or postponement thereof.

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

- (a) are ultimately entitled to be paid fair value for their Dissenting Shares will be deemed to have transferred their Dissenting Shares to CCW for cancellation as of the Effective Time pursuant to Section 3.1(a) of this Plan of Arrangement; or
- (b) for any reason are ultimately not entitled to be paid for their Dissenting Shares, will be deemed to have participated in the Arrangement on the same basis as a non-Dissenting Shareholder and will receive CBM Shares and CBM Warrants on the same basis as all other non-Dissenting Shareholders,

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

**5.3 Reservation of CBM Shares and CBM Warrants.** If a CCW Shareholder exercises Dissent Rights, CCW will, on the Effective Date, set aside and not distribute that number of whole CBM Shares and CBM Warrants which are attributable to the CCW Shares for which Dissent Rights have been exercised. If the Dissenting Shareholder is ultimately not entitled to be paid for its Dissenting Shares, CCW will distribute to such Dissenting Shareholder its *pro rata* portion of the CBM Shares and CBM Warrants. If a CCW Shareholder duly complies with the Dissent Procedures and is ultimately entitled to be paid for its Dissenting Shares, then CCW will retain the portion of the CBM Shares and CBM Warrants attributable to such CCW Shareholder and such CBM Shares and CBM Warrants will be dealt with as determined by the Board of Directors of CCW in its discretion.

## **ARTICLE 6 PARAMOUNTCY**

**6.1 Paramountcy.** From and after the Effective Time: (i) this Plan of Arrangement will take precedence and priority over any and all CCW Shares, CCW Options and CCW Warrants issued or granted prior to the Effective Time; and (ii) the rights and obligations of (A) the registered holders of CCW Shares, CCW Options and CCW Warrants, (B) CCW, (C) CBM, and (D) the Depositary and any transfer agent or other depositary therefor, will be solely as provided for in this Plan of Arrangement.

## **ARTICLE 7 AMENDMENTS AND WITHDRAWAL**

**7.1 Amendments.** CCW, in its sole discretion, reserves the right to amend, modify and/or supplement this Plan of Arrangement from time to time at any time prior to the Effective Time provided that any such amendment, modification or supplement must be contained

in a written document that is filed with the Court and, if made following the Meeting, approved by the Court.

- 7.2 Amendments Made Prior to or at the Meeting.** Any amendment, modification or supplement to this Plan of Arrangement may be proposed by CCW at any time prior to or at the Meeting with or without any prior notice or communication, and if so proposed and accepted by CCW Shareholders voting at the Meeting, will become part of this Plan of Arrangement for all purposes.
- 7.3 Amendments Made After the Meeting.** Any amendment, modification or supplement to this Plan of Arrangement may be proposed by CCW after the Meeting but prior to the Effective Time and any such amendment, modification or supplement which is approved by the Court following the Meeting will be effective and will become part of the Plan of Arrangement for all purposes. Notwithstanding the foregoing, any amendment, modification or supplement to this Plan of Arrangement may be made following the granting of the Final Order unilaterally by CCW, provided that it concerns a matter which, in the reasonable opinion of CCW, is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement and is not adverse to the financial or economic interests of any holder of CCW Shares or CBM Shares.
- 7.4 Withdrawal.** Notwithstanding any prior approvals by the Court or by CCW Shareholders, the Board of Directors may decide not to proceed with the Arrangement and to revoke the Arrangement Resolution at any time prior to the Effective Time without further approval of the Court or CCW Shareholders.

**SCHEDULE C  
INTERIM ORDER**

See annexed.



“**CCW Circular**”) attached as Exhibit “A” to the Affidavit of Robert Suttie, sworn on September 20, 2023.

## MEETING

2. CCW is authorized and directed to call, hold and conduct an annual and special meeting (the “**CCW Meeting**”) of the shareholders (the “**CCW Shareholders**”) of the issued and outstanding common shares of CCW (the “**CCW Shares**”), to be held at 3028 Quadra Court, Coquitlam, BC, V3B 5X6 on or around October 31, 2023, commencing at 10:00 a.m. (Pacific time), or such other date and time as the Court may direct, or as adjourned or postponed.
3. At the CCW Meeting, the CCW Shareholders shall:
  - (a) consider and, if thought fit, pass, with or without amendment by special resolution the Arrangement Resolution (the full text of which is set forth in Schedule “A” to the CCW Circular which is attached as Exhibit “A” to the Affidavit of Robert Suttie) authorizing, approving and adopting a plan of arrangement pursuant to s. 192(3) of the CBCA; and
  - (b) consider such other business as may properly come before the CCW Meeting or any adjournments thereof.
4. The CCW Meeting shall be called, held and conducted in accordance with the CBCA and the articles of CCW, subject to the terms of this order (the “**Interim Order**”), and any further order of this Court, and the rulings and directions of the Chair of the CCW Meeting, such rulings and directions not to be inconsistent with this Interim Order.
5. The Chair of the CCW Meeting shall be the Chairperson of the CCW Board or such other person authorized in accordance with the articles of CCW. The Chair is at liberty to call on the assistance of legal counsel to CCW at any time and from time to time as the Chair of the CCW Meeting may deem necessary or appropriate.

## ADJOURNMENT

6. CCW, if it deems advisable, is specifically authorized to adjourn or postpone the CCW Meeting on one or more occasions, without the necessity of first convening the CCW Meeting or first obtaining any vote of the CCW Shareholders respecting the adjournment or postponement and without the need for approval of the Court. Notice of any such adjournments or postponements shall be given by press release, news release, newspaper advertisement, or by notice sent to the CCW Shareholders by the method specified in paragraph 12 of this Interim Order, as determined to be the most appropriate method of communication by the CCW Board.
7. The CCW Record Date (as defined in paragraph 9 below) shall not change in respect of adjournments or postponements of the CCW Meeting.

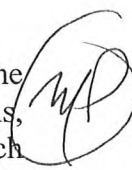
## AMENDMENTS

8. CCW is authorized to make amendments, revisions or supplements to the Plan of Arrangement in accordance with the Arrangement Agreement, any additional notice to the CCW Shareholders or further order of this Court, and the Plan of Arrangement as so amended, revised and/or supplemented shall be the Plan of Arrangement submitted to the CCW Meeting and the subject of the Arrangement.

#### RECORD DATE

9. The record date for the determination of the CCW Shareholders entitled to receive notice of and to vote at the CCW Meeting in respect of the Arrangement is September 19, 2023 (the "**CCW Record Date**"). Only CCW Shareholders whose names were entered in the registers of CCW at the close of business on the CCW Record Date will be entitled to receive notice of and to vote at the CCW Meeting in respect of the Arrangement.

#### NOTICE OF MEETING

10. The CCW Circular is hereby deemed to represent sufficient and adequate disclosure to the CCW Shareholders of the Arrangement.
11. The CCW Circular, in substantially the same form as contained in Exhibit "A" to the Affidavit of <sup>J. Vank Dasa</sup> ~~Robert Suttie~~, sworn on September 19, 2023, with such deletions, amendments or additions thereto as may be necessary or desirable, provided that such amendments are not inconsistent with the terms of this Interim Order, shall be made available to the CCW Shareholders using the "notice-and-access" rules ("**Notice-and-Access**") adopted by the Canadian Securities Administrators under National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**"). The CCW Circular will be available on CCW's website at [www.canadasilvercobaltworks.com](http://www.canadasilvercobaltworks.com) and under CCW's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). The CCW Circular shall include instructions for the Non-Registered Shareholders and Registered Shareholders of CCW on how to obtain paper copies of the Proxy-Related Materials. 
12. A notice of annual and special meeting of shareholders (the "**Notice Package**") containing information prescribed by NI 54-101 including: the date, time and location of the Meeting, the website addresses where the Proxy-Related Materials are posted, a voting information form in the case of Non-Registered Shareholders and a form of proxy in the case of Registered Shareholders of CCW, shall be sent to Non-Registered CCW Shareholders, Registered CCW Shareholders, CCW Warranholders and CCW Optionholders (collectively "**CCW Securityholders**") by prepaid regular mail to the CCW Securityholders' address as it appears on the central securities register of CCW as at the CCW Record Date and in the case of CCW Warranholders and CCW Optionholders, as it appears in the records of CCW.
13. Substantial compliance with paragraph 12 shall constitute good and sufficient notice of the CCW Meeting and these proceedings, and no notice shall be required to any other party. CCW is at liberty to give notice of the CCW Meeting and these proceedings to persons outside the jurisdiction of this Honourable Court in the manner specified herein.



14. Accidental failure of or omission by CCW to give notice to any one or more CCW Shareholders or any other Person set out in paragraph 12, or the non-receipt of such notice by one or more CCW Shareholders, or any other Person set out in paragraph 12, or any failure or omission to give such notice as a result of events beyond the reasonable control of CCW (including, without limitation, any inability to use postal services), shall not constitute a breach of this Interim Order or a defect in the calling of the CCW Meeting, and shall not invalidate any resolution passed or proceeding taken at the CCW Meeting, but if any such failure or omission is brought to the attention of CCW then it shall use reasonable commercial efforts to rectify it by the method and in the time most reasonably practicable in the circumstances.

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

15. The Circular and Notice Package shall be deemed, for the purposes of this Interim Order, to have been served upon and received:
  - (a) in the case of mailing (if required by a CCW Shareholder), the day, Saturdays, Sundays and holidays excepted, following the date of mailing;
  - (b) in the case of any means of transmitted, recorded or electronic communication, when dispatched or delivered for dispatch; and
  - (c) in the case of advertisement, at the time of publication of the advertisement.

#### **UPDATING PROXY-RELATED MATERIALS**

16. Notice of any amendments, updates or supplement to any of the information provided in the Proxy-Related Materials (as defined in the CCW Circular) may be communicated to the CCW Shareholders by press release, news release, newspaper advertisement or by notice sent to the CCW Shareholders by the means set forth in paragraph 12 herein, as determined to be the most appropriate method of communication by the CCW Board.

#### **QUORUM AND VOTING**

17. The votes required at the CCW Meeting required to pass the CCW Arrangement Resolution shall be at least two-thirds of the votes cast on the CCW Arrangement Resolution by the CCW Shareholders, voting together as a class, present in person or represented by Proxy at the Meeting and entitled to vote at the Meeting (the “**Requisite CCW Shareholder Approval**”).
18. The Requisite CCW Shareholder Approval shall be sufficient to authorize and direct CCW to do all such acts and things as may be necessary or desirable to give effect to the Plan of Arrangement on a basis consistent with what is provided for in the CCW Circular without the necessity of any further approval by the CCW Shareholders, subject only to final approval by this Honourable Court.

19. The quorum required at the CCW Meeting shall be the quorum required by the Articles of CCW, being 5% percent of the outstanding CCW Shares entitled to vote at the Meeting.
20. For the purpose of counting votes respecting the CCW Arrangement Resolution, any spoiled votes, illegible votes, defective votes and abstentions shall be deemed to be votes not cast and the CCW Shares represented by such spoiled votes, illegible votes, defective votes or abstentions shall not be counted in determining the number of CCW Shares represented at the CCW Meeting. Proxies that are properly signed and dated but which do not contain voting instructions shall be voted in favour of the CCW Arrangement Resolution.
21. A representative of CCW who attends the CCW Meeting shall file in due course with the Court an affidavit verifying the actions taken and the decisions reached by the CCW Shareholders at the CCW Meeting with respect to the Plan of Arrangement.

#### **PERMITTED ATTENDEES**

22. The only persons entitled to attend the CCW Meeting shall be the CCW Shareholders as of the CCW Record Date or their respective proxyholders, CCW's directors, officers, auditors and advisors, the scrutineers, and any other persons admitted on the invitation of the directors of CCW or on the invitation of the Chair of the CCW Meeting, and the only persons entitled to be represented and to vote at the CCW Meeting shall be the registered CCW Shareholders as at the close of business (Pacific time) on the CCW Record Date, or their respective proxyholders.

#### **SCRUTINEERS**

23. A representative of CCW's registrar and transfer agent (or any agent thereof) is authorized to act as scrutineer for the CCW Meeting.

#### **SOLICITATION OF PROXIES**

24. CCW is authorized to use the forms of proxy in connection with the CCW Meeting, in substantially the same form as attached as Exhibit "B" to the Affidavit of Robert Suttie and the voting methods as set out in the Proxy-Related Materials, and CCW may in its discretion waive generally the time limits for deposit of proxies by CCW Shareholders if CCW deems it reasonable to do so. CCW is authorized, at its expense, to solicit proxies, directly and through its officers, directors and employees, and through such agents or representatives as it may retain for that purpose, and by mail or such other forms of personal or electronic communication as may be determined.
25. The procedure for the use of proxies at the CCW Meeting, including the time limit for place of deposit, the voting methods and revocation of proxy, shall be as set out in the Proxy-Related Materials.

#### **DISSENT RIGHTS**

26. Each of the registered CCW Shareholders as of the CCW Record Date, shall have the right to dissent in respect of the CCW Arrangement Resolution in accordance with section 190 of the CBCA, as varied by the Plan of Arrangement, this Interim Order and the Final Order (the “**Dissent Rights**”).
27. In order for a CCW Shareholder to exercise his, her or its Dissent Rights, a Dissenting Shareholder shall:
  - (a) deliver a written notice of dissent to Canada Silver Cobalt Works Inc. at (i) 3028 Quadra Court, Coquitlam, B.C. V3B 5X6 (Attention: Secretary), or (ii) by e-mail to tina.whyte1@gmail.com with the subject “Canada Silver Cobalt Works Inc. – Dissent Notice”, in each case by no later than 5:00 p.m. (Pacific time) on the second Business Day immediately preceding the date of the Meeting (as it may be adjourned or postponed from time to time);
  - (b) not have voted in favour of the CCW Arrangement Resolution; and
  - (c) have otherwise complied with the provisions of section 190 of the CBCA, as modified and supplemented by the Interim Order, the Plan of Arrangement and any other order of the Court.
28. Notice to the CCW Shareholders of their Dissent Rights with respect to the CCW Arrangement Resolution and their right to receive, subject to the provisions of the CBCA and the Plan of Arrangement, the fair value of their CCW Shares, shall be given by including information with respect to this right in the CCW Circular to be sent to the CCW Shareholders in accordance with the Interim Order.
29. Each Dissenting CCW Shareholder is entitled to be paid the fair value (determined as of the close of business on the day before the CCW Arrangement Resolution was adopted at the CCW Meeting) of all, but not less than all, of the Dissenting CCW Shareholder’s CCW Shares, provided that the Dissenting CCW Shareholder duly dissents to the Arrangement and the Arrangement becomes effective.
30. Pursuant to the Plan of Arrangement, CCW Shareholders who duly exercise their Dissent Rights and who are ultimately entitled to be paid fair value for their CCW Shares shall be paid an amount equal to such fair value by CCW, and shall be deemed to have transferred such CCW Shares as of the Effective Time to CCW, without any further act or formality, and free and clear of all liens, claims and encumbrances.
31. Pursuant to the Plan of Arrangement, if the Dissenting CCW Shareholder is ultimately not entitled, for any reason, to be paid fair value for their CCW Shares, they will be deemed to have participated in the Arrangement, as of the Effective Time, on the same basis as a non-Dissenting CCW Shareholder and will be entitled to receive only the securities contemplated by the Plan of Arrangement that such CCW Dissenting Shareholder would have received pursuant to the Arrangement if such CCW Dissenting Shareholder had not exercised its Dissent Rights.

32. None of the CCW Shareholders who vote or have instructed a proxyholder to vote CCW Shares in favour of the CCW Arrangement Resolution shall be entitled to exercise their Dissent Rights.

#### APPLICATION FOR FINAL ORDER

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

- (a) the Arrangement, and its terms and conditions, be approved;
- (b) the Arrangement be implemented in the manner and sequence set forth in the Plan of Arrangement, and pursuant to section 191 of the CBCA, the Arrangement will take effect as of the Effective Time (as defined in the Plan of Arrangement);
- (c) a declaration that the terms and conditions of the Arrangement, and the exchange of securities to be effected by completion of the Arrangement, are procedurally and substantively fair to the CCW Shareholders;
- (d) the Arrangement shall be binding on CCW, CCW Shareholders, and Coniagas Battery Metals Inc. upon the taking effect of the Arrangement; and
- (e) CCW shall be entitled to seek the advice and direction of this Court as to the implementation of this Order or to apply for such further Order or Orders as may be appropriate (collectively, the “**Final Order**”).

34. CCW is at liberty to proceed with the hearing of the Final Order on November 3, 2023 at 9:45 a.m. (Pacific time) at the Courthouse at 800 Smithe Street, Vancouver, British Columbia or as soon thereafter as the hearing of the Final Order can be heard or at such other date and time as CCW may determine or this Court may direct.

35. Any CCW Securityholders desiring to support or oppose the application has the right to appear (either in person or by counsel) and make submissions at the hearing of the application for the Final Order, subject to filing a Response to Petition and delivering a copy of the filed Response to Petition together with a copy of any additional affidavits or other materials on which the person intends to rely at the hearing for the Final Order on or before 4:00 p.m. (Pacific time) on October 27, 2023, to the solicitors for the Petitioner at:

FASKEN MARTINEAU DuMOULIN LLP  
Suite 2900, 550 Burrard Street  
Vancouver, BC V6C 0A3  
Attention: Mark Pontin

36. Providing electronic access to the Petition and this Interim Order, in accordance with paragraph 11 of this Interim Order shall constitute good and sufficient service of the within proceedings and no other form of service need be made and no other material need be served on such persons in respect of these proceedings and service of the affidavits,

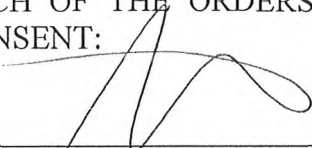
including the Affidavit of Robert Suttie, is dispensed with. CCW shall be at liberty to give notice of this Petition to persons outside the jurisdiction of this Court in the manner specified herein.

- 37. The only persons entitled to notice of any further proceedings herein, including any hearing to sanction and approve the Arrangement, shall be persons who have filed and delivered a Response to Petition in accordance with this Interim Order.
- 38. In the event the hearing for the Final Order is adjourned, only those persons who have filed and delivered a Response to Petition in accordance with this Interim Order need be provided notice of materials filed in this proceeding and the adjourned hearing date.

**VARIANCE**

- 39. CCW shall be entitled, at any time, to apply to vary this Interim Order and apply for such other orders and direction from the Court as may be appropriate.
- 40. *Supreme Court Civil Rules* 8-1 and 16-1(3) will not apply to any further applications in respect of this proceeding, including the application for the Final Order and any application to vary this Interim Order.

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





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Signature of  
 Lawyer for the Petitioner.

**MARK PONTIN**

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BY THE COURT




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REGISTRAR



No. 5-236516  
Vancouver Registry

**IN THE SUPREME COURT OF BRITISH  
COLUMBIA**

CANADA SILVER COBALT WORKS INC.

PETITIONER

RE: IN THE MATTER OF SECTION 192 OF  
THE *CANADA BUSINESS CORPORATIONS ACT*, R.S.C.  
1985, c. C-44

AND:

IN THE MATTER OF A PROPOSED ARRANGEMENT  
AMONG CANADA SILVER COBALT WORKS INC.,  
ITS SHAREHOLDERS AND CONIAGAS BATTERY  
METALS INC.

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**ORDER MADE AFTER APPLICATION**

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**FASKEN MARTINEAU DuMOULIN LLP**

Barristers and Solicitors  
550 Burrard Street, Suite 2900  
Vancouver, BC, V6C 0A3  
+1 604 631 4932

Counsel: Mark Pontin

**SCHEDULE D  
NOTICE OF HEARING**

See annexed.

IN THE SUPREME COURT OF BRITISH COLUMBIA

CANADA SILVER COBALT WORKS INC.

PETITIONER

RE: IN THE MATTER OF SECTION 192 OF  
THE *CANADA BUSINESS CORPORATIONS ACT*, R.S.C. 1985, c. C-44

AND:

IN THE MATTER OF A PROPOSED ARRANGEMENT AMONG  
CANADA SILVER COBALT WORKS INC., ITS SHAREHOLDERS  
AND CONIAGAS BATTERY METALS INC.

**NOTICE OF HEARING**

To: Without Notice

TAKE NOTICE that the Petition of Canada Silver Cobalt Works Inc. dated 21/SEP/2023 will be heard at the courthouse at 800 Smithe Street, Vancouver B.C on 3/NOV/2023 at 9:45 a.m.

1. Date of hearing
  - The Petition is unopposed, by consent or without notice.
2. Duration of hearing
  - The parties have been unable to agree as to how long the hearing will take and
    - (a) the time estimate of the Petitioner's is 15 minutes, and
    - (b) the Petition Respondent's have not given a time estimate.
3. Jurisdiction
  - This matter is within the jurisdiction of a master.
  - This matter is not within the jurisdiction of a master.

Dated: 25/Sep/2023

  
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Signature of  Petitioner  Lawyer for Petitioner,  
Canada Silver Cobalt Works Inc.

Mark Pontin

The Solicitors for the Petitioner are Fasken Martineau DuMoulin LLP, whose office address and address for delivery is 550 Burrard Street, Suite 2900, Vancouver, BC V6C 0A3 Telephone: +1 604 631 3131 Facsimile: +1 604 631 3232 E-mail: mpontin@fasken.com (Reference: Mark Pontin/313552.00020)



**SCHEDULE E**  
**DISSENT PROVISIONS OF THE *CANADA BUSINESS CORPORATIONS ACT***

**Right to dissent**

190(1) Subject to sections 191 and 241, a holder of shares of any class of a corporation may dissent if the corporation is subject to an order under paragraph 192(4)(d) that affects the holder or if the corporation resolves to

- (a) amend its articles under section 173 or 174 to add, change or remove any provisions restricting or constraining the issue, transfer or ownership of shares of that class;
- (b) amend its articles under section 173 to add, change or remove any restriction on the business or businesses that the corporation may carry on;
- (c) amalgamate otherwise than under section 184;
- (d) be continued under section 188;
- (e) sell, lease or exchange all or substantially all its property under subsection 189(3); or
- (f) carry out a going-private transaction or a squeeze-out transaction.

**Further right**

(2) A holder of shares of any class or series of shares entitled to vote under section 176 may dissent if the corporation resolves to amend its articles in a manner described in that section.

**If one class of shares**

(2.1) The right to dissent described in subsection (2) applies even if there is only one class of shares.

**Payment for shares**

(3) In addition to any other right the shareholder may have, but subject to subsection (26), a shareholder who complies with this section is entitled, when the action approved by the resolution from which the shareholder dissents or an order made under subsection 192(4) becomes effective, to be paid by the corporation the fair value of the shares in respect of which the shareholder dissents, determined as of the close of business on the day before the resolution was adopted or the order was made.

**No partial dissent**

(4) A dissenting shareholder may only claim under this section with respect to all the shares of a class held on behalf of any one beneficial owner and registered in the name of the dissenting shareholder.

**Objection**

(5) A dissenting shareholder shall send to the corporation, at or before any meeting of shareholders at which a resolution referred to in subsection (1) or (2) is to be voted on, a written objection to the resolution, unless the corporation did not give notice to the shareholder of the purpose of the meeting and of their right to dissent.

**Notice of resolution**

(6) The corporation shall, within ten days after the shareholders adopt the resolution, send to each shareholder who has filed the objection referred to in subsection (5) notice that the resolution has been adopted, but such notice is not required to be sent to any shareholder who voted for the resolution or who has withdrawn their objection.

**Demand for payment**

(7) A dissenting shareholder shall, within twenty days after receiving a notice under subsection (6) or, if the shareholder does not receive such notice, within twenty days after learning that the resolution has been adopted, send to the corporation a written notice containing

- (a) the shareholder's name and address;
- (b) the number and class of shares in respect of which the shareholder dissents; and
- (c) a demand for payment of the fair value of such shares.

**Share certificate**

(8) A dissenting shareholder shall, within thirty days after sending a notice under subsection (7), send the certificates representing the shares in respect of which the shareholder dissents to the corporation or its transfer agent.

**Forfeiture**

(9) A dissenting shareholder who fails to comply with subsection (8) has no right to make a claim under this section.

**Endorsing certificate**

(10) A corporation or its transfer agent shall endorse on any share certificate received under subsection (8) a notice that the holder is a dissenting shareholder under this section and shall forthwith return the share certificates to the dissenting shareholder.

**Suspension of rights**

(11) On sending a notice under subsection (7), a dissenting shareholder ceases to have any rights as a shareholder other than to be paid the fair value of their shares as determined under this section except where

- (a) the shareholder withdraws that notice before the corporation makes an offer under subsection (12),
- (b) the corporation fails to make an offer in accordance with subsection (12) and the shareholder withdraws the notice, or
- (c) the directors revoke a resolution to amend the articles under subsection 173(2) or 174(5), terminate an amalgamation agreement under subsection 183(6) or an application for continuance under subsection 188(6), or abandon a sale, lease or exchange under subsection 189(9),

in which case the shareholder's rights are reinstated as of the date the notice was sent.

**Offer to pay**

(12) A corporation shall, not later than seven days after the later of the day on which the action approved by the resolution is effective or the day the corporation received the notice referred to in subsection (7), send to each dissenting shareholder who has sent such notice

- (a) a written offer to pay for their shares in an amount considered by the directors of the corporation to be the fair value, accompanied by a statement showing how the fair value was determined; or
- (b) if subsection (26) applies, a notification that it is unable lawfully to pay dissenting shareholders for their shares.

**Same terms**

(13) Every offer made under subsection (12) for shares of the same class or series shall be on the same terms.

## **Payment**

(14) Subject to subsection (26), a corporation shall pay for the shares of a dissenting shareholder within ten days after an offer made under subsection (12) has been accepted, but any such offer lapses if the corporation does not receive an acceptance thereof within thirty days after the offer has been made.

## **Corporation may apply to court**

(15) Where a corporation fails to make an offer under subsection (12), or if a dissenting shareholder fails to accept an offer, the corporation may, within fifty days after the action approved by the resolution is effective or within such further period as a court may allow, apply to a court to fix a fair value for the shares of any dissenting shareholder.

## **Shareholder application to court**

(16) If a corporation fails to apply to a court under subsection (15), a dissenting shareholder may apply to a court for the same purpose within a further period of twenty days or within such further period as a court may allow.

## **Venue**

(17) An application under subsection (15) or (16) shall be made to a court having jurisdiction in the place where the corporation has its registered office or in the province where the dissenting shareholder resides if the corporation carries on business in that province.

## **No security for costs**

(18) A dissenting shareholder is not required to give security for costs in an application made under subsection (15) or (16).

## **Parties**

(19) On an application to a court under subsection (15) or (16),

(a) all dissenting shareholders whose shares have not been purchased by the corporation shall be joined as parties and are bound by the decision of the court; and

(b) the corporation shall notify each affected dissenting shareholder of the date, place and consequences of the application and of their right to appear and be heard in person or by counsel.

## **Powers of court**

(20) On an application to a court under subsection (15) or (16), the court may determine whether any other person is a dissenting shareholder who should be joined as a party, and the court shall then fix a fair value for the shares of all dissenting shareholders.

## **Appraisers**

(21) A court may in its discretion appoint one or more appraisers to assist the court to fix a fair value for the shares of the dissenting shareholders.

## **Final order**

(22) The final order of a court shall be rendered against the corporation in favour of each dissenting shareholder and for the amount of the shares as fixed by the court.

## **Interest**

(23) A court may in its discretion allow a reasonable rate of interest on the amount payable to each dissenting shareholder from the date the action approved by the resolution is effective until the date of payment.

**Notice that subsection (26) applies**

(24) If subsection (26) applies, the corporation shall, within ten days after the pronouncement of an order under subsection (22), notify each dissenting shareholder that it is unable lawfully to pay dissenting shareholders for their shares.

**Effect where subsection (26) applies**

(25) If subsection (26) applies, a dissenting shareholder, by written notice delivered to the corporation within thirty days after receiving a notice under subsection (24), may

(a) withdraw their notice of dissent, in which case the corporation is deemed to consent to the withdrawal and the shareholder is reinstated to their full rights as a shareholder; or

(b) retain a status as a claimant against the corporation, to be paid as soon as the corporation is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the corporation but in priority to its shareholders.

**Limitation**

(26) A corporation shall not make a payment to a dissenting shareholder under this section if there are reasonable grounds for believing that

(a) the corporation is or would after the payment be unable to pay its liabilities as they become due; or

(b) the realizable value of the corporation's assets would thereby be less than the aggregate of its liabilities.

**SCHEDULE F**  
**FAIRNESS OPINION OF LEEDE JONES GABLE INC.**

See annexed.

**Via Email**

The Board of Directors  
Canada Silver Cobalt Works Inc.  
3028 Quadra Court  
Coquitlam, British Columbia V3B 5X6

September 13, 2023

**RE: FAIRNESS OPINION CONCERNING PROPOSED PLAN OF ARRANGEMENT**

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**INTRODUCTION**

Leede Jones Gable Inc. (“**LJG**” or the “**Advisor**”) understands that Canada Silver Cobalt Works Inc. (“**Canada Silver Cobalt**”, “**CCW**” or the “**Corporation**”) is a reporting issuer in Canada with its shares listed on the TSX Venture Exchange (“**TSXV**”) and corporate offices in Coquitlam, British Columbia. The board of directors (the “**Board**”) will evaluate a proposed transaction (the “**Transaction**”) and consider and assess whether the Transaction is in the best interests of the Corporation and is fair from a financial point of view to the Corporation’s shareholders.

Pursuant to a draft Arrangement Agreement of August 3, 2023 and the draft Plan of Arrangement dated August 4, 2023 (collectively the “**Transaction**”), the background and principal terms of the Transaction are as follows:

- ◆ Coniagas Battery Metals Inc. (“**Coniagas**” or “**CBM**”), was incorporated under the Canada Business Corporations Act (“**CBCA**”), is a wholly owned subsidiary of Canada Silver Cobalt by issuing 1,000 common shares (“**Shares**”) for \$10,000;
- ◆ Certain management and directors of Coniagas will purchase 3,000,000 shares at an average price of \$0.0125 per share, for an aggregate purchase price of \$37,500, subject to the approval of disinterested shareholders;
- ◆ CCW will transfer the Graal Property to CBM in exchange for 24,000,000 shares at a deemed value of \$0.25 per share, as proposed by the Board, and 12,000,000 warrants of CBM, exercisable for one common share of CBM at \$0.40 per share for 24 months (each a “**Warrant**”);
- ◆ CCW will deliver 501,600 CBM Shares and 250,800 CBM Warrants to Globex Mining Enterprises Inc. as contractually required in connection with the sale of twenty-three (23) mining claims;
- ◆ In connection with the Transaction, approximately 43.5% of the Shares and Warrants of Coniagas will be distributed to the shareholders of CCW by way of special dividend, consisting of
  - 5,874,600 Shares, at a deemed value of \$0.25 per share, as proposed by the Board, and 2,937,300 Warrants on the effective date of the Transaction (the “**Effective Date**”); and
  - 5,874,600 Shares and 2,937,300 Warrants in three equal distributions on each of the three anniversaries of the Effective Date.collectively, the “**Consideration**”; and

- ◆ The Transaction will proceed by way of plan of arrangement under the CBCA (the “**Arrangement**”) between Canada Silver Cobalt and Coniagas and will be subject to customary closing conditions, including approval by 66 2/3% of the votes cast by shareholders of Canada Silver Cobalt at duly constituted meeting of the holders of Canada Silver Cobalt common shares. Additional conditions include court and regulatory approval, including that of the TSX Venture Exchange, and the listing of Coniagas on a Canadian stock exchange.

## ENGAGEMENT OF LJG

LJG has been retained by the Board as a financial advisor and has been asked to provide an opinion with respect to the fairness of the proposed Transaction, from a financial point of view, to the shareholders of Canada Silver Cobalt (the “**Opinion**”). LJG was formally engaged by the Board of Canada Silver Cobalt pursuant to an engagement agreement dated March 29, 2023 (the “**Engagement Agreement**”). The Engagement Agreement confirmed appointment of LJG by the Board and provides the terms upon which LJG has agreed to provide the Opinion in connection with the proposed Transaction.

The terms of the Engagement Agreement provide that LJG is to be paid a fixed fee payable upon delivery of the Opinion, no part of which is contingent upon the Opinion being favorable or the proposed Transaction closing. In addition, Canada Silver Cobalt has agreed to reimburse LJG for its reasonable out-of-pocket expenses and to indemnify, among others, LJG in certain circumstances, against certain expenses, losses, claims, actions, suits, proceedings, damages and liabilities which may arise directly or indirectly from services performed by LJG in connection with the Engagement Agreement.

**LJG has not been engaged to prepare, and has not prepared, a valuation (formal or otherwise) or appraisal of Canada Silver Cobalt, Coniagas, or the Graal Property, or any of their assets, securities or liabilities (whether on a standalone basis or as a combined entity), and the Opinion should not be construed as such. This Opinion is not an analysis of a formal liquidation process or value of Canada Silver Cobalt, Coniagas or the Graal Property. In particular, LJG has not provided a valuation of the shares tendered by Coniagas for the Graal property.**

As a fairness opinion, the Opinion has been prepared in accordance with the *Disclosure Standards for Formal Valuations and Fairness Opinions* of the Canada Investment Regulatory Organization (formerly IIROC) (“**CIRO**”), but CIRO has not been involved in the preparation or review of the Opinion.

## CREDENTIALS OF LJG

LJG is an independent investment banking firm that offers an integrated platform of equity research, institutional sales and trading, investment banking and private client services. As part of LJG's investment banking activities, it is regularly engaged in providing fairness opinions, advisory services in connection with mergers and acquisitions, public offerings and private placements of listed and unlisted securities, and is regularly engaged in market making, underwriting and secondary trading of securities in connection with a variety of transactions across a variety of sectors, including technology, healthcare and life sciences, consumer and diversified, and metals and mining.

The Opinion represents the opinion of LJG and its form and content have been approved for release by the Managing Directors of LJG, who are collectively experienced in general financial matters.

## RELATIONSHIP WITH INTERESTED PARTIES

Neither LJG nor any of its affiliates is an insider, associate or affiliate (as those terms are defined in the *Securities Act* (Ontario) (the “**Securities Act**”) of Canada Silver Cobalt or Coniagas, or any of their respective associates or affiliates (“**Interested Party**”, or collectively, the “**Interested Parties**”). Neither LJG nor any of its affiliates is an advisor to any of the Interested Parties with respect to the proposed Transaction other than Canada Silver

Cobalt pursuant to the Engagement Agreement.

LJG has not acted as an underwriter or agent in any offering undertaken by the Corporation within the previous twelve months.

LJG acts as a trader and dealer, both as principal and agent, in major financial markets and, as such, may have and may in the future have positions in the securities of any Interested Party, and, from time to time, may have executed or may execute transactions on behalf of any Interested Party or other clients for which it may have received or may receive compensation. As an investment dealer, LJG conducts research on securities and may, in the ordinary course of its business, provide research reports and investment advice to its clients on investment matters, including matters with respect to Canada Silver Cobalt.

No understandings or agreements exist between LJG and Canada Silver Cobalt or any other Interested Party with respect to future financial advisory or investment banking business. LJG may in the future, in the ordinary course of its business, perform financial advisory or investment banking services for Canada Silver Cobalt, or any other Interested Party.

## **SCOPE OF REVIEW**

In connection with the Opinion, LJG reviewed and relied upon (without attempting to independently verify the completeness or accuracy of) or carried out, among other things, the following:

### Historical Financial Information

- ◆ the annual audited financial statements of the Corporation and accompanying management's discussion and analysis for the fiscal years ended December 31, 2022, 2021 and 2020;
- ◆ the interim unaudited financial statements of the Corporation and accompanying management's discussion and analysis for the three months ended March 31, 2023;

### Transaction Documents

- ◆ Plan of Arrangement – draft as at August 4, 2023;
- ◆ Arrangement Agreement – draft as at August 3, 2023;
- ◆ Management Information Circular – draft as at August 29, 2023 relating to its annual general and special meeting of shareholders to be held on October 25, 2023

### Additional Corporation Documents and Public Disclosure

- ◆ Management Information Circular – dated April 28, 2022 relating to the Corporation's annual general meeting of shareholders held on May 25, 2022;
- ◆ Management Information Circular – dated March 24, 2021 relating to the Corporation's annual general meeting of shareholders held on April 20, 2021;
- ◆ Corporate presentation on the Corporation's website dated June 1, 2023;
- ◆ Public market trading statistic and business, operational and financial information of the Company and other publicly traded entities considered by us to be relevant;
- ◆ Public information with respect to other transactions of a comparable nature considered by us to be relevant;
- ◆ Historical metal commodity prices and the impact of various commodity pricing assumptions on the respective business and prospects of the Corporation;

### Property Specific

- ◆ NI 43-101 Technical Report "Gaal Nickel & Copper Project" dated April 6, 2023;



## Management Discussions

- ◆ Discussions with management of the Company concerning the Company's current business plan, its financial condition and its future business prospects;
- ◆ Discussion with members of the Board;

LJG has not, to the best of its knowledge, been denied access by Canada Silver Cobalt to any information requested by LJG and to the best of LJG's knowledge, Canada Silver Cobalt has disclosed to LJG all information in its possession or control, or of which Canada Silver Cobalt has knowledge which could be relevant to the Opinion. LJG did not meet with the auditors of Canada Silver Cobalt and has assumed the accuracy and fair presentation of, and relied upon, the consolidated financial statements of Canada Silver Cobalt and the reports of the auditors thereon.

## **PRIOR VALUATIONS**

Canada Silver Cobalt has represented to LJG that, among other things, there are no valuations or appraisals of Canada Silver Cobalt, its material assets or the assets or securities that are directly relevant to the proposed Transaction prepared by or for or available to Canada Silver Cobalt or its management within the two years preceding the date hereof.

## **ASSUMPTIONS AND LIMITATIONS**

With the Board's acknowledgement and agreement as provided for in the Engagement Agreement, LJG has relied upon the accuracy, completeness and fair presentation of all data and information filed by Canada Silver Cobalt with securities regulatory or similar authorities (including on SEDAR+) or provided to it by Canada Silver Cobalt and its personnel, advisors, or otherwise. The Opinion is conditional upon such accuracy, completeness, and fair presentation. Subject to the exercise of professional judgment, and except as expressly described herein, LJG has not attempted to verify independently the accuracy, completeness or fair presentation of any of such data or information.

With respect to the budgets, forecasts, projections or estimates provided to LJG and used in its analyses, LJG notes that projecting future results is inherently subject to uncertainty. Subject to the exercise of professional judgment, LJG has assumed, however, that such budgets, forecasts, projections and estimates were prepared using the assumptions identified therein and on the basis reflecting the best currently available estimates and judgements of Canada Silver Cobalt management as to the matters covered thereby and which, in the opinion of Canada Silver Cobalt, are (or were at the time of preparation and continue to be) reasonable in the circumstances. LJG expresses no independent view as to the reasonableness of such budgets, forecasts, projections, and estimates or the assumptions on which they are based.

Senior officers and/or the Board of Canada Silver Cobalt have represented to LJG that: (i) the information, data, representations, opinions, and other materials (collectively, the "**Information**") provided to LJG by or on behalf of Canada Silver Cobalt in connection with the Engagement Agreement and for the purposes of the Opinion was prepared, in regards to Information of a financial nature, in accordance with generally accepted accounting principles consistently applied (except as to the absence of full note disclosure in non-audited financial statements) and is, in regards to other Information, true, accurate, complete and correct in all material respects at the date the Information was provided; (ii) the Information provided did not and does not contain any untrue statement of a material fact (as such term is defined in the *Securities Act (Ontario)*) in respect of or involving Canada Silver Cobalt or Coniagas, its assets or the proposed Transaction; (iii) the Information provided did not and does not omit to state a material fact in respect of Canada Silver Cobalt or Coniagas, its assets or the proposed Transaction necessary to make the Information (or any statement therein) not misleading in light of the circumstances under which the Information was made or provided; (iv) the Information provided discloses that CCW has title to the Graal property v) since the date that the Information was provided to LJG, there has been no material change (as such term is defined in the *Securities Act (Ontario)*), financial or otherwise, in the

financial condition, assets, liabilities (contingent or otherwise), business, operations or prospects of Canada Silver Cobalt that has not been disclosed in writing to LJG and there has been no change in any material fact or new material fact which is of a nature so as to render the Information untrue or misleading in any material respect, or which would reasonably be expected to have a material effect on the Opinion, that has not been disclosed in writing to LJG; (vi) any portions of the Information provided to LJG by Canada Silver Cobalt which constitute forecasts, projections, estimates or other forward looking information was, based on data available to Canada Silver Cobalt at such time, reasonable and reflected the assumptions disclosed therein (which assumptions Canada Silver Cobalt and its management believed and continue to believe to be reasonable in the circumstances) and did not and does not contain any untrue statement of a material fact or omit to state any material fact necessary to make such portions of the Information not misleading in light of the circumstances in which such portions of the Information were made or provided; (vii) there are no valuations or appraisals of Canada Silver Cobalt, its material assets or the assets or securities that are relevant to the proposed Transaction by or for or available to Canada Silver Cobalt or its management within the two years preceding the date hereof; (viii) since the date of the Information, no material transactions have been entered into by Canada Silver Cobalt; (ix) other than as disclosed in the Information, Canada Silver Cobalt does not have any material contingent liabilities; (x) other than as disclosed in the Information, there are no actions, suits, proceedings or inquiries, pending or threatened, against or affecting Canada Silver Cobalt, or any of its respective assets at law or in equity or before or by any federal, provincial, state, municipal or other government department, commission, board, bureau, agency, instrumentality or stock exchange which may in any way materially affect Canada Silver Cobalt; (xi) other than as disclosed in the Information, there have been no offers or negotiations for the purchase of Canada Silver Cobalt or for the purchase of all or a material part of the assets of Canada Silver Cobalt or the Graal property within the two years preceding the date hereof; and (xii) Canada Silver Cobalt has no knowledge of any other facts that have not been disclosed by Canada Silver Cobalt or the Board to LJG or that are publicly available to LJG which would reasonably be expected to affect Canada Silver Cobalt, its material assets, the proposed Transaction or the Opinion, including the assumptions used, procedures adopted or the scope of the review undertaken by LJG in the Opinion or in connection therewith, including any plan or proposal for any material change in the affairs of Canada Silver Cobalt such as a plan of reorganization or arrangement or any other agreements, undertakings, commitments or understandings, written or oral, formal or informal.

In preparing the Opinion, LJG has made several assumptions, including that all final or executed versions of documents will conform in all material respects to the drafts provided to LJG, all conditions precedent to be satisfied to complete the proposed Transaction can and will be satisfied or waived, that all approvals, authorizations, consents, permissions, exemptions or orders of relevant regulatory authorities required in respect of or in connection with the proposed Transaction will be obtained, without adverse condition or qualification, that all steps or procedures being followed to implement the proposed Transaction are valid and effective, that the disclosure in such documents will be accurate in all material respects and will comply, in all material respects, with the requirements of all applicable laws and that the proposed Transaction will be completed. In particular, LJG has assumed that the Transaction will receive shareholder and TSXV approval, and that CBM will raise \$1,250,000 pursuant to a private placement of 5,000,000 of its shares at a price of \$0.25 per share. LJG acknowledges the risk that TSXV approval may not be forthcoming if, on the basis of its review, the TSXV finds material deficiencies in the NI 43-101 report for the Graal Property. LJG acknowledges the risk that CBM may be unable to raise \$1,250,000 at a share price of \$0.25 per share or at all and that CBM may be unable to list on a Canadian stock exchange without the proceeds of that offering.

In its analysis in connection with the preparation of the Opinion, LJG made numerous assumptions with respect to industry performance, general business and economic conditions, and other matters, many of which are beyond the control of LJG or Canada Silver Cobalt.

LJG has not considered any compensation arrangements arising from the proposed Transaction which benefit any officer, director or employee of CBM or a class of such persons. Any such arrangement may affect the fairness of the proposed Transaction to shareholders of the Company.

The Opinion is rendered as of September 13, 2023 on the basis of securities markets, economic and general business and financial conditions prevailing as of market close August 28, 2023, and the condition and prospects, financial and otherwise, of Canada Silver Cobalt and its subsidiaries as they were reflected in the Information provided to LJJ. Any changes therein may affect the Opinion and, although LJJ reserves the right to change or withdraw the Opinion in such event, it disclaims any undertaking or obligation to advise any person of any such change that may come to its attention, or to update, change or withdraw the Opinion after such date. LJJ has not undertaken an independent evaluation, appraisal or physical inspection of any assets or liabilities of Canada Silver Cobalt or Coniagas or their subsidiaries, is not an expert on, and did not render advice to Canada Silver Cobalt regarding, and disclaims all liability and obligation in respect of, legal, accounting, regulatory or tax matters.

The preparation of an opinion is a complex process and is not necessarily amenable to partial analysis or summary description. LJJ believes that its analyses must be considered as a whole and that selecting portions of the analyses or the factors considered by it, without considering all factors and analyses together, could create an incomplete view of the process underlying the Opinion. Accordingly, the Opinion should be read in its entirety.

## LIMITATION OF USE

**The Opinion must not be used by any other person or relied upon by any other person other than the Board without the express prior written consent of LJJ. The Opinion does not address the relative merits of the proposed Transaction as compared to other transactions or business strategies that might be available to Canada Silver Cobalt. In considering the fairness of the proposed Transaction, from a financial point of view, LJJ considered the proposed Transaction from the perspective of Canada Silver Cobalt shareholders generally and did not consider the specific circumstances of any particular Canada Silver Cobalt shareholder, including with regard to income tax considerations. In addition, the Opinion does not consider the Proposed Transaction from the perspective of current and future shareholders of Coniagas and must not be used by them in any way.**

## APPROACHES TO FINANCIAL FAIRNESS

In considering the fairness, from a financial point of view, of the proposed Transaction, LJJ reviewed, considered and relied upon or carried out, among other things, the following:

Comparable market value analysis: The implied value of Coniagas based on publicly available financial data, enterprise value, trading/price multiples of certain publicly traded companies and management share ownership in companies whose primary assets are nickel exploration properties.

This methodology utilizes the average and median value metrics of a selected peer group.

The comparable set of companies, or peer group, comprises seven companies (excluding Canada Silver Cobalt) and represents the most comparable publicly-listed companies in the junior small cap nickel exploration space. The value indicators, both on an average and median basis, were assessed relative to Coniagas given the Corporation's size and economic performance. We also reviewed two companies, of relative similar size, involved in Mergers & Acquisition transactions, as part of our analysis.

Additionally, we completed, on an Accounting Cost basis, an analysis of the accounting cost incurred by each of the peers' respective nickel properties compared to the accounting costs incurred by Coniagas' Graal property as a multiple of enterprise value.

LJJ notes that the selection of comparable companies involves considerable subjectivity, and while LJJ does not consider any of the companies reviewed to be absolutely comparable to Coniagas, LJJ believes that each of the comparable companies share certain business, financial, and/or operational characteristics with those of Coniagas and LJJ used professional judgement in selecting the most appropriate value proxies.

All financial analyses were conducted with information available as of market close on August 28, 2023, unless otherwise noted. LJG believes that the financial analyses must be considered as a whole and that selecting portions of the analyses or the factors considered by LJG, without considering all analyses and factors together, could create a misleading view of the process underlying this Opinion.

## **FACTORS CONSIDERED**

The assessment of fairness, from a financial point of view, must be determined in the context of the proposed Transaction. LJG based its conclusion in the Opinion upon a number of quantitative and qualitative factors including, but not limited to:


- ◆ the Consideration to be paid in common shares and warrants to Canada Silver Cobalt shareholders for the Graal property;
- ◆ the value of the proposed Consideration at a deemed price of \$0.25 per share, as proposed by the Board;
- ◆ the Consideration compares, within a reasonable range, with LJG's analyses using value assessment methodologies described in the previous section, "Approaches to Financial Fairness";
- ◆ under both the Comparable market value and the Accounting cost basis analysis, Coniagas compares favourably to its peers;
- ◆ notwithstanding the dilution from management's share purchases of Coniagas, the Company's shareholders will ultimately hold the same basket of assets, albeit, through two different public companies; and
- ◆ other factors or analyses, which LJG judged, based on its experience in rendering such opinions, to be relevant.

## **CONCLUSION**

Based upon and subject to the foregoing and such other matters that LJG considered relevant, LJG is of the opinion that, as of the date hereof, the proposed Transaction is fair, from a financial point of view, to Canada Silver Cobalt Shareholders.

Yours truly,

**LEEDE JONES GABLE INC.**



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**Jean-Francois Perrault**  
**Managing Director, Corporate Finance**

**SCHEDULE G**  
**INFORMATION CONCERNING CONIAGAS BATTERY METALS INC. POST-ARRANGEMENT**  
**INCORPORATION**

CBM was incorporated on November 8, 2021 under the CBCA as a wholly-owned subsidiary of CCW. On August 8, 2023, CBM obtained Articles of Amendment changing the province in which its registered office is situated and making changes to its authorized share capital. CBM's registered office is at 550 Burrard Street, Suite 2900, Vancouver, British Columbia, Canada V6C 0A3.

**DESCRIPTION OF THE BUSINESS**

**Overview**

Upon completion of the Arrangement, CBM expects to be a publicly-traded exploration and mining company focused on nickel, copper and cobalt in northern Québec. CBM has a near-term goal of completing the CBM Financing, listing its shares on the TSXV and completing the work program set out in the Technical Report, which has the following goals: (i) diamond drilling program for 2,000 m of NQ drilling; (ii) metallurgical testing - Develop Process engineering Flowsheet and Pilot plant tests; and (iii) assessment report and consultations with First Nations of Pessamit & Masteuiash.

At present, CBM is not a reporting issuer and the CBM Shares are not listed on any stock exchange. Upon completion of the Arrangement, CBM will become reporting issuer in each of the provinces of Canada by virtue of the Arrangement.

The completion of the Arrangement is conditional upon a recognized Canadian stock exchange approving the listing of the CBM Shares. Until the CBM Shares are listed for trading on the TSXV, Shareholders may not be able to sell their CBM Shares. Even though CBM intends to use commercially reasonable efforts to meet the initial listing requirements under the policies of the TSXV and to obtain approval of the listing of the CBM Shares on the TSXV prior to the Effective Time, there are no assurances that CBM will be able to attain a listing on the TSXV or any Canadian stock exchange. See "Risk Factors" in this Schedule G for more information.

**CBM's Strategy**

CBM's strategy is to focus on creating value for stakeholders through the development of its mineral properties for the purpose of mineral exploration and exploitation, with the intention to develop CBM into a supplier to the EV market. At present, CBM is an exploration-stage company with no producing properties or material assets and consequently has no current operating income, cash flow or revenues. There is no assurance that a commercially viable mineral deposit of nickel, copper or cobalt exists on the Graal Property.

In addition to exploration of the Graal Property, CBM may evaluate other prospects worthy of exploration and development. The ability of CBM to do work in 2023 and 2024 is contingent upon its ongoing ability to raise any additional capital required.

**Graal Property**

Upon completion of the Arrangement, CBM will own 100% of the Graal Property. The authors of the Technical Report have recommended a budget of \$500,000 to continue development of the Graal Property as set out below, comprised of 2,000 metres of drilling; metallurgical testing; and an assessment report & First Nation consultancy. See "Graal Property" in this Schedule G for further information.

**Principal Markets**

As described more fully under "Description of the Business – Overview" above, CBM is an exploration stage company with no producing properties. CBM's principal goal is to become a producer of nickel, copper and cobalt. There is a worldwide market for nickel, copper and cobalt and other base and precious metals into which CBM could sell and supply for battery metals in the EV market. As a result, CBM would not be dependent on a particular purchaser with regard to the sale of nickel, copper and cobalt or other metals which it produces, if and when it reaches production.

## **Specialized Skills and Knowledge**

All aspects of CBM's business require specialized skills and knowledge. Such skills and knowledge include the areas of geology, drilling, logistical planning, geophysics, metallurgy and mineral processing, implementation of exploration programs, legal and accounting. While recent increased activity in the resource mining industry has made it more difficult to locate competent employees and consultants in such fields, CBM is confident it can locate and retain such employees and consultants as are required.

## **Competitive Conditions**

Competition in the mineral exploration industry is intense. CBM competes with other mining companies, many of which have greater financial resources and technical facilities for the acquisition and development of mineral concessions, claims, leases and other interests, as well as for the recruitment and retention of qualified employees and consultants.

CBM will be required to compete for the acquisition of mineral permits, claims, leases and other mineral interests for exploration and development projects. As a result of this competition, CBM may not be able to acquire or retain attractive properties in the future on terms it considers acceptable. The ability of CBM to acquire and retain mineral properties in the future will depend on its ability to operate and develop its existing properties and also on its ability to obtain additional financing to fund further exploration activities. CBM also competes with other mining companies for investment capital with which to fund such projects and for the recruitment and retention of qualified employees. See "Risk Factors" in this Schedule G for more information.

## **Components**

Over the past several years, increased mineral exploration activity on a global scale combined with the recent COVID-19 pandemic, and current forest fire season in northern Québec has made some services difficult to procure, particularly skilled and experienced contract drilling and helicopter services and personnel. It is possible that delays or increased costs may be experienced in order to proceed with drilling activities in the near future. Such delays could significantly affect CBM if, for example, commodity prices fall significantly, thereby reducing the opportunity CBM may have had to develop a particular project had such tests been completed in a timely manner before the fall of such prices. In addition, assay labs are often significantly backlogged, thus significantly increasing the time that CBM waits for assay results. Such delays can slow down work programs, thus increasing field expenses or other costs.

## **Environmental Protection and Social Policies**

All aspects of CBM's field operations will be subject to environmental regulations and generally will require approval by appropriate regulatory authorities prior to commencement. Any failure to comply could result in fines and penalties. CBM's operations are presently primarily focused on northern Québec and are subject to national and local laws and regulations. Specific statutory and regulatory requirements and standards must be met throughout the exploration, development and operation stages of a mining property with regard to air quality, water quality, fisheries and wildlife protection, solid and hazardous waste management and disposal, noise, land use and reclamation.

Given that CBM's projects are still at the exploration stage, the financial and operational impact of environmental protection requirements is minimal. Should any of the CBM's projects advance to the production stage, then more time and money would be involved in satisfying environmental protection requirements.

CBM will be committed to meeting industry standards in each jurisdiction in which it operates with respect to human rights and health and safety policies. Management, employees and contractors will be governed by and required to comply with the policies of CBM in force from time to time, as well as all applicable legislations and regulations. It will be the primary responsibility of the managers, supervisors and other senior CBM field staff to oversee safe work practices and ensure that rules, regulations, policies and procedures are being followed. CBM will establish roles and responsibilities to facilitate effective management of this policy throughout the organization.

## **Employees**

At present, CBM does not have any employees. Given its anticipated stage of development and size following completion of the Arrangement, CBM expects to continue to maintain a lean corporate structure, utilizing, where appropriate, independent contractors and consultants on an "as needed" basis.

## GRAAL PROPERTY

The disclosure set out below regarding the Graal Property is based on, without material modification or revision, the disclosure in the Technical Report that has been incorporated by reference into this Information Circular. The Technical Report is available for review under the SEDAR+ profile of CCW at [www.sedar.com](http://www.sedar.com). The Technical Report contains more detailed information and qualifications than are set out below and readers are encouraged to review the Technical Report in its entirety. This summary is subject to all of the assumptions, information, and qualifications set out therein.

### Item 1- Summary

Canada Silver Cobalt works Inc. (CCW) and Coniagas Battery Metals Inc. commissioned Goldminds Geoservices (“Goldminds”) & Laurentia Exploration Inc. (“Laurentia”) to prepare this technical report. It is prepared in compliance with the Standards of Disclosure for Mineral Projects as defined by NI 43-101.

The Graal Property (the “Property” or “Graal”) is located in the north of Saguenay Lac St- Jean region. It is comprised of 110 map-designed claims covering 6,113 hectares. The Property is located 160 kilometers NNE of the city of Saguenay and 272 kilometers east of Chibougamau in NTS 22E15 and 22E10. The Property has a latitude 49° 47’ North and longitude 70° 50’ West. The center point of the Property is at UTME 386635 / UTMN 5517695 (NAD83 Zone 19).

Portions of the Property were previously owned by Virginia Gold Mines Inc. (“Virginia”), Soquem and by Globex Mining Enterprises Inc (“Globex”). Exploration and mapping work on the Property were initiated in the 1970’s by the Ministère de l’Énergie et des Ressources Naturelles (“MERN”) and NQN Mines Ltd respectively. CCW is 100%-owner of the Property since 2022.

The Property lies within the Grenville Province. Most of the rocks on Graal consist in ultramafic to mafic magmatic complex belonging to the Lac-Saint-Jean Anorthositic Suite (“LSJAS”). These rock packages are dated from Proterozoic. The two main mineralization types found on the Property are Fe-Ti-P deposits and Ni-Cu-PGE massive sulfides. Both of these métallogénie models involve immiscibility of concerned substances from the original melt due to various geological processes.

An airborne gravity survey was undertaken in 2021 followed by two (2) phases of diamond drilling program summing up to 23,830.85m drilled and which was held between 2021 and summer 2022. A SQUID over MHY zone followed the promising surface TDEM results from earlier in 2022 and which also covered MHY on top of Gravi zone. The combined results and interpretation from these integrated geophysical methodologies participated in design of the on-going and following exploration drilling programs.

First phase of 2021-2022 drilling program comprised 32 holes (NRC-21-01 to NRC-22- 29 included) including 3 wedged holes.

Second phase of drilling program started in spring 2022 and ended in summer 2022. This phase comprised 32 holes (GRL-22-30 to GRL-22-61 included).

The first hole (NRC-21-01) and the 3 wedged holes aimed at intersecting the center of kilometric Bouguer gravity anomaly (~1500m of diameter). The hole and associated wedges failed to intersect the target due to a major fault at depth.

CCW discovered a new zone (Discovery Zone) with massive sulfides 2500m northwest of the known historical mineralization (MHY Nord showing). The 2021-2022 drilling program also increased the extent of the Ni-Cu mineralized footprint of MHY Nord (MHY Zone) and MHY Ap (Gravi Zone) showings. Best composite grades from the 2021-2022 campaign are 0.84% Ni, 0.59% Cu and 0.09% Co over 5.7m in NRC-21-03 (Discovery Zone), 0.32% Ni, 0.45% Cu and 0.04% Co over 33.6m in NRC-22-24 (Gravi Zone) and 0.73% Ni, 0.41% Cu and 0.09% Co over 5.7m in GRL-22-60 (MHY Zone).

ALS Laboratory (“ALS”) was mandated for the sample preparation and assaying. A total of 416 Quality Assurance and Quality Control (QAQC) materials were inserted in the discussed drilling program amongst 3057 assayed samples. QAQC materials represent 11.98% of the total assayed samples.

The Property is adjacent to Arianne Phosphate Inc. “Lac à Paul” phosphate project which sits within the same regional anorthositic complex. The main prospect from Arianne Phosphate Inc. is located 14km northwest of Graal.

A 2,000 m drilling program is recommended to follow-up on the 2021-2022 drilling campaign results which objectives are: 1) a diamond drilling program for 2,000 m of NQ drilling; 2) Metallurgical testing - Develop Process engineering Flowsheet and Pilot plant tests and 3) assessment report and consultations with First Nations of Pessamit & Masteuish

#### **Item 4- Property Description and Location**

##### **4.1- Location**

The Graal Property (**Figure 1**) is located north of Lac St-Jean area. The nearest city, with all major services, is the city of Alma. The village of Saint-Ludger-de-Milot is 175 km south on the Chute-des-Passes lumber road. The Property is also located at 190 km North from the seaport terminal of Grande-Anse (Saguenay). This gives direct navigation access to the Saint Laurent River.

The main access road is a lumber road from Saint-Ludger-de-Milot which goes up to the Chute-des-Passes power dam south of the Peribonka reservoir. This gravel road is open all year. Thereafter secondary and tertiary logging roads are used to access the Property and drive across.

The Property central point is at UTME 386635 / UTMN 5517695 (NAD83 Zone 19). In the SNRC system, the references maps are 22E/10 and 22E/15.



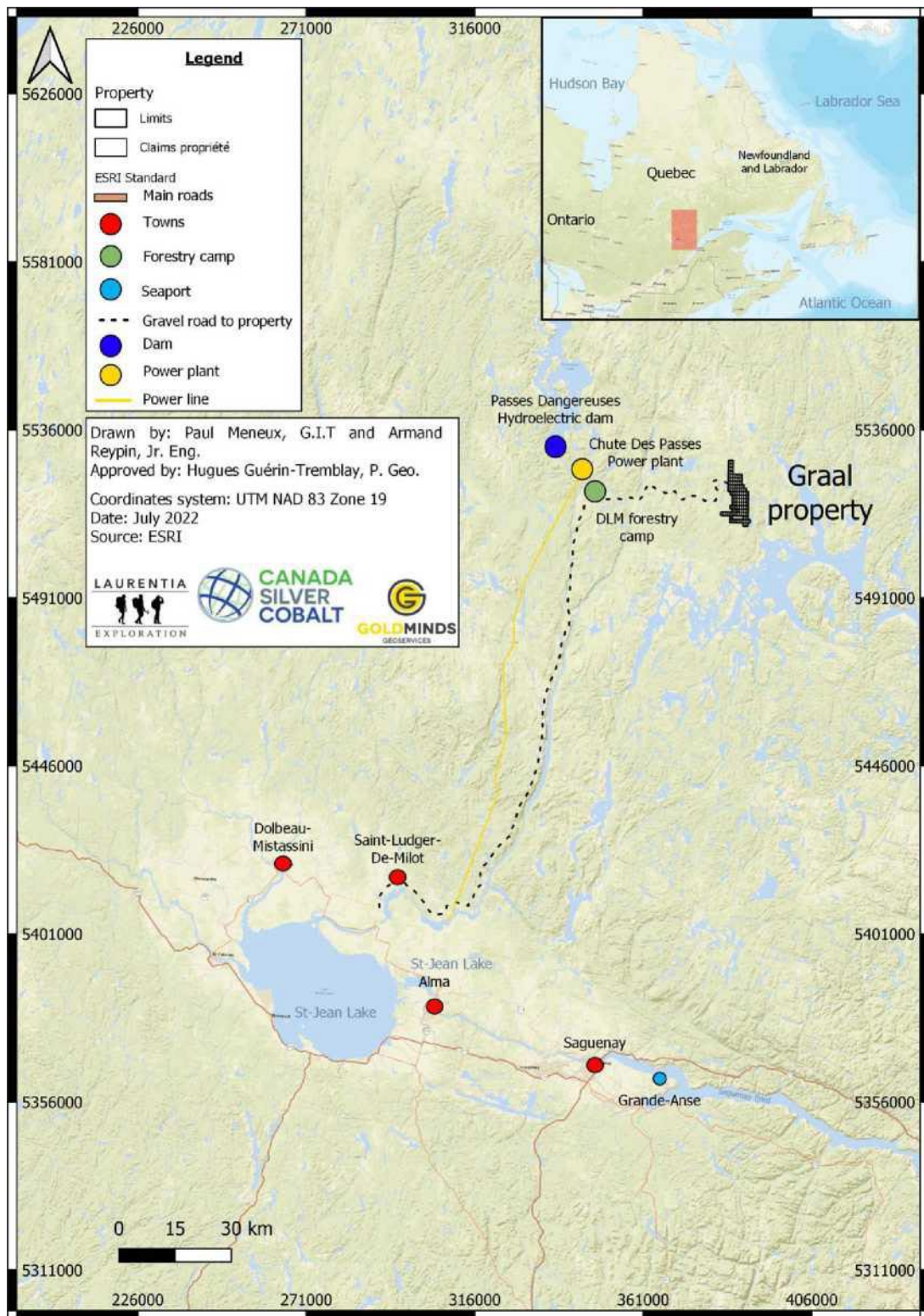


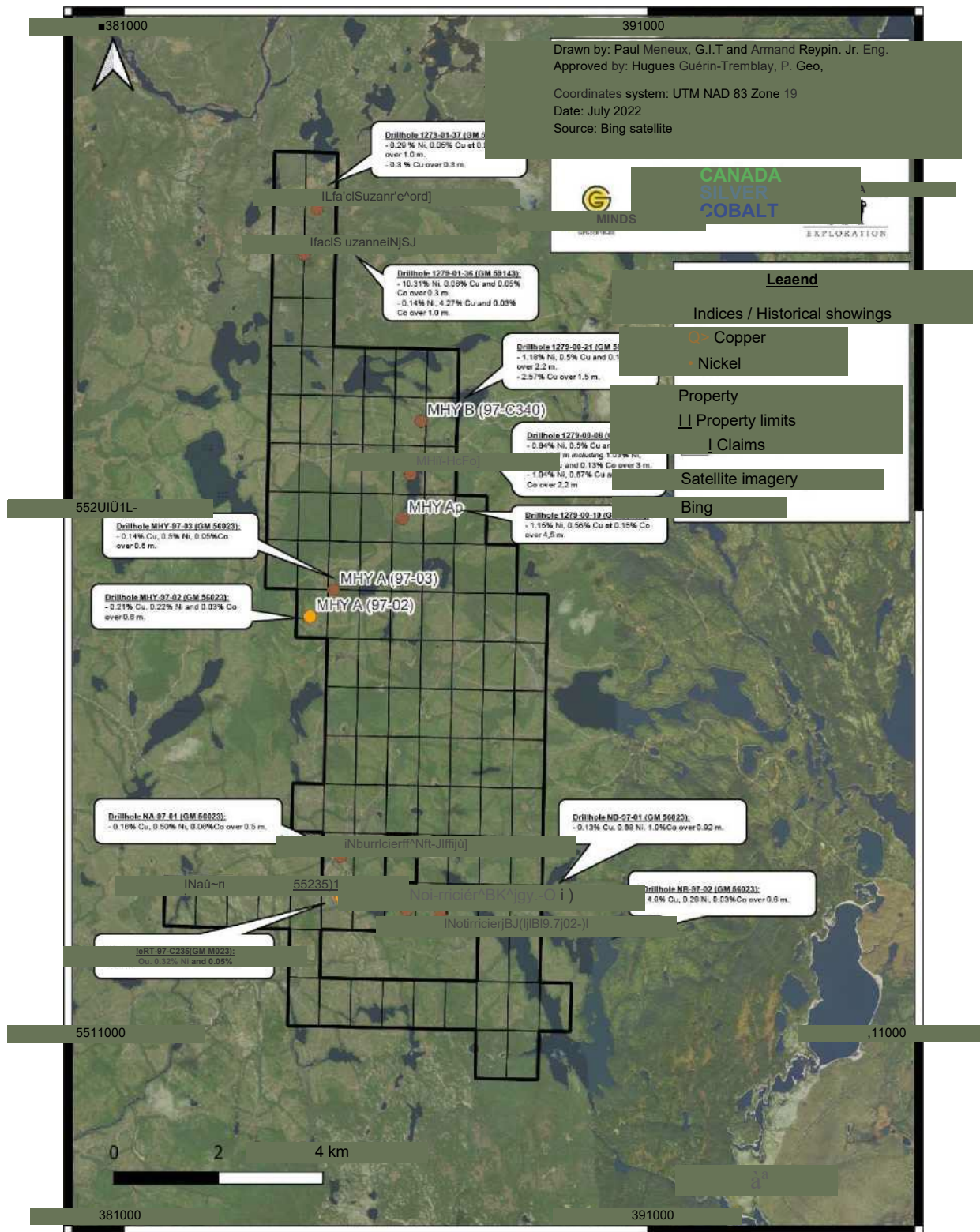
Figure 1: Location of the Property.

#### 4.2- Property description

The Graal Property contains 110 designated claims (GDC) totaling 6113 hectares. Within the Property, 11 historical areas of interest are identified (Table 2, Figure 2).

**Table 2 : Showing list on the Property**

Showings	Type of showing	Name	Description
Lac Suzanne- Nord	DDH	1279-01-37	0.29 % Ni, 0.05% Cu and 0.03% Co over 1.0m in hole 1279-01-37, GM 59143, Roy 2001
Lac Suzanne NO	DDH	1279-01-36	10.31% Ni, 0.06% Cu and 0.05% Co over 0.3m, and 0.14% Ni, 4.27% Cu et 0.03% Co over 1,0m in hole 1279- 01-36, GM 59143, Roy 2001
MHYB	Blasting	97-C340	0.31% Ni, 0.89% Cu, and 0.03% Co in blasting 97-C340, GM 56023, Francoeur 1998
MHYB	DDH	1279-00-21	1.18% Ni, 0.5% Cu and 0.15% Co over 2.2 m at 50.6m, and 2.57% Cu over 1.5m at 55.7m in hole 1279-00-21, GM 58815, Roy 2001
MHY Nord	DDH	1279-00-08	up to 0.84% Ni, 0.5% Cu and 0.1% Co over 10.2m including 1.03% Ni, 0.49% Cu and 0.13% Co sur 3m in hole 1279-00-08, GM 58807, Roy 2001;
MHY Nord	DDH	1279-03-40	and 1.03% Ni and 0.8% Cu over 10.25m including 1.06% Ni and 2.75% Cu over 1.5m in hole 1279-03-40, GM 60730, Roy 2003
MHYAp	DDH	1279-00-10	up to 1.15% Ni, 0.56% Cu and 0.15% Co over 4.5m in hole 1279-00-10, GM 58807, Roy 2001, Francoeur 1998
MHY A	DDH	MHY-97-03	up to 0.5% Ni, 0.14% Cu and 0.05% Co over 0.6m in hole MHY-97-03, GM 56023, Francoeur 1998
MHY A	DDH	MHY-97-02	up to 0.22% Ni, 0.21% Cu and 0.03% Co over 0.6m in hole MHY-97-02, GM 56023, Francoeur 1998
Nourricier A	Trench	RT-97-C25	up to 0.77% Ni, 0.34% Cu and 0.1% Co over 1.2m in trench RT-97-C235, GM 56023, Francoeur 1998
Nourricier A	DDH	NA-97-01	up to 0.5% Ni, 0.16% Cu, 0.07% Co over 0.5m in hole NA-97-01, GM 56023, Francoeur 1998
Nourricier B	DDH	NB-97-01	up to 0.68% Ni, 0.13% Cu, 1% Co over 0.92m in hole NB- 97-01, GM 56023, Francoeur 1998
Nourricier B	DDH	NB-97-02	up to 0.76 % Ni, 0.13 % Cu, 0.08 % Co over 1.45m in hole NB-97-02, GM 56023, Francoeur 1998



**Figure 2 : Graal Property mineral occurrences**

The claims are registered in the Province of Quebec’s electronic system and boundaries in the field may be located with a differential global positioning system (DGPS).

The claims are in good standing at the time of writing this report. The only environmental liability concerns the presence of woodland caribou in the northern part of the Property, restricting the exploration works outside of this protected zone (Ministère des Forêts, de la Faune et des Parcs, 2022). The claims of Canada Silver Cobalt Works Inc. have been validated on the MNR Quebec GESTIM website and are listed in the following tables.

All the claims (**Table 3**) are now 100%-owned by Canada Silver Cobalt Works Inc. as all agreement requirements have been fulfilled with Globex and SOQUEM.

**Table 3 : Mining title list from MNRQ GESTIM mining title management system.**

Type	No titre	Status	Détenteur(s) (Nom, Numéro et Pourcentage)	Expiration date	Superficie (Ha)
CDC	2377582	Actif	Canada Silver Cobalt Works inc. (100084)	2024-03-27	55,54
CDC	2377583	Actif	Canada Silver Cobalt Works inc. (100084)	2024-03-27	55,54
CDC	2377584	Actif	Canada Silver Cobalt Works inc. (100084)	2024-03-27	55,54
CDC	2377585	Actif	Canada Silver Cobalt Works inc. (100084)	2024-03-27	55,54
CDC	2377586	Actif	Canada Silver Cobalt Works inc. (100084)	2024-03-27	55,53
CDC	2377587	Actif	Canada Silver Cobalt Works inc. (100084)	2024-03-27	55,53
CDC	2377588	Actif	Canada Silver Cobalt Works inc. (100084)	2024-03-27	55,53
CDC	2377589	Actif	Canada Silver Cobalt Works inc. (100084)	2024-03-27	55,52
CDC	2377590	Actif	Canada Silver Cobalt Works inc. (100084)	2024-03-27	55,52
CDC	2377591	Actif	Canada Silver Cobalt Works inc. (100084)	2024-03-27	55,55
CDC	2377592	Actif	Canada Silver Cobalt Works inc. (100084)	2024-03-27	55,55
CDC	2377593	Actif	Canada Silver Cobalt Works inc. (100084)	2024-03-27	55,55
CDC	2377594	Actif	Canada Silver Cobalt Works inc. (100084)	2024-03-27	55,52
CDC	2377595	Actif	Canada Silver Cobalt Works inc. (100084)	2024-03-27	55,55
CDC	2377596	Actif	Canada Silver Cobalt Works inc. (100084)	2024-03-27	55,53
CDC	2377597	Actif	Canada Silver Cobalt Works inc. (100084)	2024-03-27	55,52
CDC	2519477	Actif	Canada Silver Cobalt Works inc. (100084)	2023-06-05	55,62
CDC	2519478	Actif	Canada Silver Cobalt Works inc. (100084)	2023-06-05	55,62
CDC	2519479	Actif	Canada Silver Cobalt Works inc. (100084)	2023-06-05	55,62
CDC	2519480	Actif	Canada Silver Cobalt Works inc. (100084)	2023-06-05	55,62
CDC	2519481	Actif	Canada Silver Cobalt Works inc. (100084)	2023-06-05	55,62
CDC	2519482	Actif	Canada Silver Cobalt Works inc. (100084)	2023-06-05	55,61
CDC	2519483	Actif	Canada Silver Cobalt Works inc. (100084)	2023-06-05	55,61
CDC	2519484	Actif	Canada Silver Cobalt Works inc. (100084)	2023-06-05	55,6
CDC	2519485	Actif	Canada Silver Cobalt Works inc. (100084)	2023-06-05	55,6
CDC	2519486	Actif	Canada Silver Cobalt Works inc. (100084)	2023-06-05	55,59
CDC	2519487	Actif	Canada Silver Cobalt Works inc. (100084)	2023-06-05	55,59
CDC	2520323	Actif	Canada Silver Cobalt Works inc. (100084)	2023-07-03	55,49
CDC	2520324	Actif	Canada Silver Cobalt Works inc. (100084)	2023-07-03	55,49

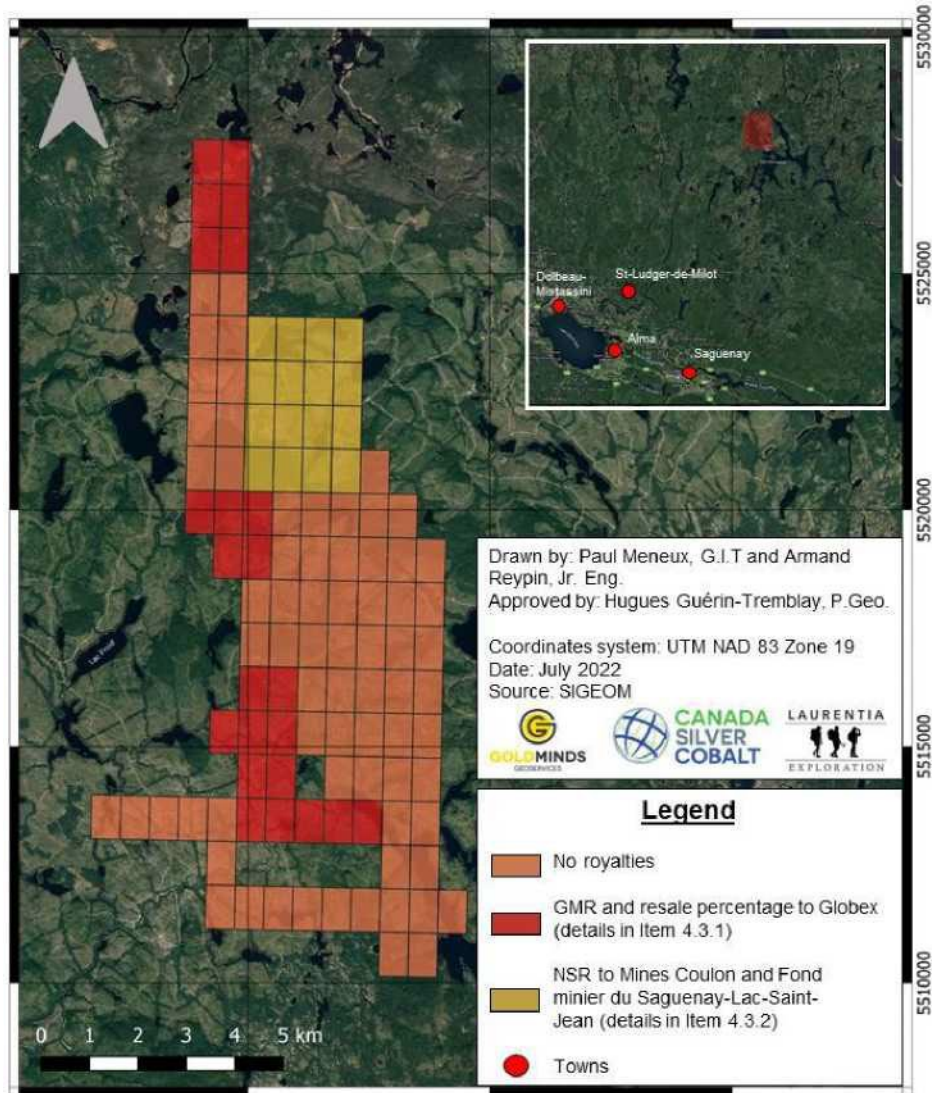
Type	No titre	Status	Expiration date	Superficie (Ha)
CDC	2520325	Actif	2023-07-03	55,48
CDC	2520326	Actif	2023-07-03	55,48
CDC	2522101	Actif	2023-08-22	55,6
CDC	2522102	Actif	2023-08-22	55,57
CDC	2522103	Actif	2023-08-22	55,57
CDC	2522104	Actif	2023-08-22	55,56
CDC	2522105	Actif	2023-08-22	55,56
CDC	2522106	Actif	2023-08-22	55,56
CDC	2522107	Actif	2023-08-22	55,5
CDC	2522108	Actif	2023-08-22	55,5
CDC	2584092	Actif	2023-10-19	55,61
CDC	2584093	Actif	2023-10-19	55,61
CDC	2584094	Actif	2023-10-19	55,6
CDC	2584095	Actif	2023-10-19	55,6
CDC	2584096	Actif	2023-10-19	55,6
CDC	2584097	Actif	2023-10-19	55,59
CDC	2584098	Actif	2023-10-19	55,59
CDC	2584099	Actif	2023-10-19	55,59
CDC	2584100	Actif	2023-10-19	55,59
CDC	2584101	Actif	2023-10-19	55,59
CDC	2584102	Actif	2023-10-19	55,58
CDC	2584103	Actif	2023-10-19	55,58
CDC	2584104	Actif	2023-10-19	55,58
CDC	2584105	Actif	2023-10-19	55,58
CDC	2584106	Actif	2023-10-19	55,58
CDC	2584107	Actif	2023-10-19	55,58
CDC	2584108	Actif	2023-10-19	55,58
CDC	2584109	Actif	2023-10-19	55,58
CDC	2584110	Actif	2023-10-19	55,57
CDC	2584111	Actif	2023-10-19	55,57



### 4.3- Royalties

As presented in **Figure 3**, the Graal Property, as it stands now, includes a successful option agreement completed with Globex (**Table 2**) as well as a successful acquisition of claims from SOQUEM/Coulon Joint Venture (**Table 3**).

Two groups of claims, as highlighted in **Figure 3**, have associated royalties.



**Figure 3 : Claim types forming the Graal Property**

#### 4.3.1- The claims acquired from Globex

The conditions in the Globex Agreement, transferred from Enertourbe Inc. to COW, have been met. The 23 concerned claims are subject to a two (2) percent Gross Metal Royalty (“GMR”). In addition to the GMR, if the Property is sold to a 3<sup>rd</sup> party, Globex is entitled to 10% of the selling price.

**Table 4 : Claims list extract of schedule A at the time of Agreement.**

**Schedule A  
List of Claims**

Claim code	Licence no.	NTS	Range	Lot	Hectares	Expiry date	Credits
CDC	2519477	22E15	2	49	55,6	2023-06-05	\$0,00
CDC	2519478	22E15	2	50	55,6	2023-06-05	\$0,00
CDC	2519479	22E15	2	51	55,6	2023-06-05	\$0,00
CDC	2519480	22E15	2	52	55,6	2023-06-05	\$0,00
CDC	2519481	22E15	2	53	55,6	2021-06-05	\$0,00
CDC	2519482	22E15	3	49	55,6 *	2023-06-05	\$0,00
CDC	2519483	22E15	3	50	55,6	2021-06-05	\$0,00
CDC	2519484	22E15	4	49	55,6	2021-06-05	\$0,00
CDC	2519485	22E15	4	50	55,6	2021-06-05	\$0,00
CDC	2519486	22E15	5	49	55,6	2021-06-05	\$0,00
CDC	2519487	22E15	5	SO	55,6	2021-06-05	\$260,00
CDC	2520323	22E15	16	47	55,5	2021-07-03	\$0,00
CDC	2520324	22E15	16	48	55,5	2023-07-03	\$0,00
CDC	2520325	22E15	17	47	55,5	2021-07-03	\$510,00
CDC	2520326	22E15	17	48	55,5	2021-07-03	\$580,00
CDC	2522101	22E15	4	48	55,6	2021-08-22	\$0,00
CDC	2522102	22E15	8	48	55,6	2023-08-22	\$0,00
CDC	2522103	22E15	8	49	55,6	2023-08 22	\$0,00
CDC	2522104	22E15	9	47	55,6	2021-08-22	\$0,00
CDC	2522105	22E15	9	48	55,6	2021-08-22	\$0,00
CDC	2522106	22E15	9	49	55,6	2023-08-22	\$0,00
CDC	2522107	22E15	15	47	55,5	2023-08-22	\$0,00
CDC	2522108	22E15	15 ■	48	55,5	2021-08-22	\$0,00

**4.3.2- The claims acquired from SOQUEM/COULON JV**

In relation to the SOQUEM/COULON JV agreement and the Fond Minier (Chute-des-passes project 1279-3), there is: 1) a 1% Net Smelter Revenue (NSR) Royalty belonging to the Fond Minier du Saguenay-Lac-Saint-Jean of which 0.5% can be purchased for \$500,000; 2) a 0.5% Net Smelter Return (NSR) Royalty belonging to SOQUEM of which 0.25% can be purchased for \$125,000; and 3) a 0.5% NSR Royalty belonging to COULON of which 0.25% can be purchased for \$125,000. In conclusion, there is a total of 2% NSR on these 16 claims where 1% can be purchased for \$750,000.



**Table 5 : Claims list of the SOQUEM/COULON at time of Agreement**

Titres miniers projet Chute-des-Passes (1279-3)

Date: 2021-11-15

Numéro de titre	Feuillet	Superficie
2377582	22E15	55,54
2377583	22E15	55,54
2377584	22E15	55,54
2377585	22E15	55,54
2377586	22E15	55,53
2377587	22E15	55,53
2377588	22E15	55,53
2377589	22E15	55,52
2377590	22E15	55,52
2377591	22E15	55,55
2377592	22E15	55,55
2377593	22E15	55,55
2377594	22E15	55,52
2377595	22E15	55,55
2377596	22E15	55,53
2377597	22E15	55,52

Nombre de titres miniers: 16

Superficie totale (ha): 888,56

For the rest of the claims forming the Graal Property, there is no applicable royalty, only normal exploration work requirements to maintain the claims in good standing with the Quebec Ministry of Natural Resources.

## **Item 5- Accessibility, Climate, Local Resources, Infrastructure and Physiography**

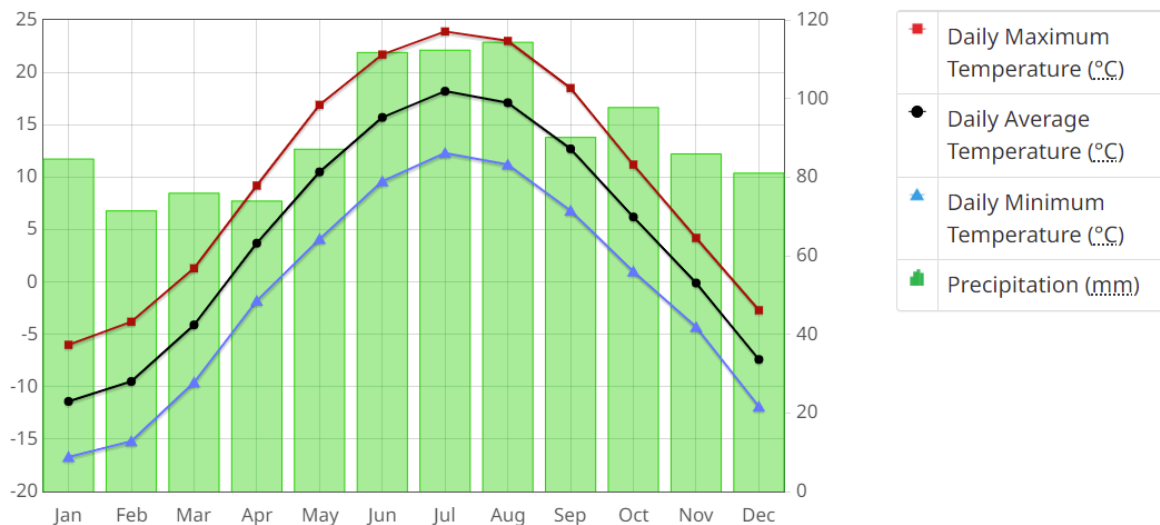
### **5.1- Accessibility**

The Property can be accessed by a well-maintained gravel road which is used by large lumber trucks. It is called "Chemin des Passes" and begins from the village of Saint-Ludger-de-Milot (**Figure 1**). Secondary and tertiary roads provide good access. A commercial camp is located at kilometer 132 while the access road to the Property is at kilometer 156 on the Chemin des Passes.

### **5.2- Climate**

The climate is typical of the Canadian Shield. Winters are cold, with an average of -16 degrees Celsius and summer months are warm and rainy, with an average of 18 degrees Celsius. There is an average of 116mm of rainfall in July (**Figure 4**).

The closest climate data collection site is in Saint-Ludger-de-Milot which is 175 kilometers away from the Graal Property.



**Figure 4: Temperature and Precipitation Graph for 1981 to 2010 Canadian Climate Normal St-Ludger-de-Milot. (Source: climate.weather.gc.ca, 2022)**

### 5.3- Local resources

The region of Lac St-Jean has an extensive agricultural and forestry industry. It also has a significant hydro-power dam system to supply electricity to the aluminum production and processing industries. The local mining operations are mainly quarries for aggregates and dimensional stone. One world-renowned underground Niobium mine (NIOBEC) is located at St-Honoré (Saguenay) which is owned by MAGRIS.

Even though the region is not primarily a mining area, qualified work forces may be found in the region. The University of Quebec in Chicoutimi has a well-developed geological department. The Chibougamau area is 230 km from the Graal project and offers mining facilities. The city of Alma can provide basic needs such as food and accommodation. Several surrounding cities with their distinct services may also provide extensive contractor services and supplies within 200 km.

### 5.4- Infrastructures

The Graal Property has good access to local infrastructure such as water, electricity and roads.

The Property area is large enough to support mining operations, infrastructures, processing facilities, waste dump and tailings. The nearest power line is the major transmission line from Chute-des-Passes.

### 5.5- Physiography

The Property is generally hilly with local steep banks. The hills in the region are usually between 418 and 530 meters above sea level. The Property is adjacent to lakes and rivers. The claims are located North-West of the Pipmuacan Reservoir and Lake Suzanne is on the Northern portion of the Property at 417m above sea level.

In the area, forest fires and forest exploitation have decimated part of the vegetal cover which consists mostly of black spruce. Vegetation also includes white spruce, balsam fir and jack pine (**Figure 5**). There are also birches, poplars and banksian pines (**St-Hilaire, C., Archer, P., 1997**). Along the shores of lakes and rivers, the white cedar is very common. Bogs are also observed in some low regions.



**Figure 5: Typical vegetation and landscapes on the Graal Property, Fall 2021, C. Duplessis, P.Eng (QP)**

## **Item 6- History**

This section is based on information taken from the review of the public statutory reports. This technical report presents a summary and does not intend to replace the existing historical reports.

### **6.1- Mapping history**

**1970:** Mapping within the Grenville Project by Ministry of Natural Resources.

**1997:** Identification by **C. Hebert (MRNQ)** of potential Ni-Cu and Co mineralization in the north portion of the anorthositic rocks of Lac St-Jean in field work of regional recognition.

**1998 to 1999:** Mapping at 1: 50 000 scale of SNRC sheets 22E/06, 22E/07, 22E/10, 22E/11, 22E/14 and 22E/15.

### **6.2- Exploration works history on the Property**

**1970:** NQN Mines Ltd carried out exploration work as airborne electromagnetic survey and geological mapping (**GM 27034, Depatie 1971**).

**1986 to 1988:** Lionel Lefebvre, a prospector, performed excavation trenches on showings known since the 1970s within a broader area (work not referenced).

**1996:** Option of a claim block containing a Cu-Ni showing from Mining Fund Saguenay-Lac St- Jean by Virginia Gold Mines Inc. Prospection work.

**1997:** Virginia Gold Mines performed various exploration tasks including an Mag-EM helicopter- borne survey. 18 diamond drill holes were subsequently drilled (total of 1,998 m, **GM 56023, Francoeur, 1998.**).

**1998:** Virginia Gold Mines continued exploration work and extended MHY (Grid). Magnetometric and Max-Min surveys were conducted (**GM 56382, Poirier and Granger 1998**). Virginia also performed borehole analyses for PzOs-TiOz content and mineralogical study at the CRM (**GM 56578, Lévesque 1999**).

**2000:** Virginia Gold Mines conducted a first drilling campaigns in June, for a total of 1,245 m drilled. A second campaign followed on October, summing up to 1,380 m (**GM 58807, Roy 2001; GM 58815, Roy 2001**).

**2002:** SOQUEM conducted a pulse DEEP-EM type electromagnetic survey (GM 60717, **Boivin 2002**).

**2003:** SOQUEM and Virginia Gold Mines completed an eight (8) drill holes campaign, for a total of 1,147 m on MHY Grid (**GM 60730, Roy 2003**).

**2004:** SOQUEM and Virginia Gold Mines conducted a 1,085 m drilling campaign in May on MHY Grid with six (6) new holes and one (1) extension of a previous 2003 hole to intersect mineralization at depth (**GM 61185, Roy 2004**).

### 6.3- Historical Highlights

Below are listed the results from past exploration works over the Property (**Tables 6 to 8**).

**Table 6: Best intersections in drilling and blasting from the 1997 Virginia works (GM 56023, Francoeur 1998).**

Hole name or Sample number	Best Grades	Mineralization
MHY-97-03	0.14% Cu, 0.5% Ni, 0.05%Co over 0.6 m	Massive Cp veins (smaller than 1 cm) with less than 10%Po
MHY-97-02	0.21% Cu, 0.22 Ni, 0.03%Co over 0.6 m	Massive to Disseminated Po
NA-97-01	0.16% Cu, 0.50% Ni, 0.06%Co over 0.5 m. Trench sampling in the same area returned 0.21% Cu, 1.10%Ni & 0.16% Co	10-70%Po
NA-97-02	0.53%Cu,0.21% Ni, 0.03%Co over 0.4 m	35%Po, less than 2% Cp
NA-97-03	0.13%Cu, 0.31% Ni, 0.05%Co over 0.6 m	60%Po
NA-97-04	0.22%Cu, 0.26% Ni, 0.06%Co over 0.5 m	70%Po
RT-97-C235 (trench sample)	4.3% Cu, 0.32% Ni, 0.05%Co	Massive sulfides
NB-97-01	0.13% Cu, 0.68 Ni, 1.0%Co over 0.92 m	80%Po, 1% Cp
NB-97-02	0.4.9% Cu, 0.20 Ni, 0.03%Co over 0.6 m	Semi-massive sulfides 30% Po, 10 % Cp
NB-97-03	1.4% Cu, 0.09 Ni, 0.01 %Co over 0.21 m	10% Po, 5%Cp

**Table 7: Best intersections in drilling campaigns between 2000 and 2003 on the MHY area (GM 58807, Roy 2001; GM 60730, Roy 2003)**

Hole Name	From (m)	To (m)	Grades
1279-00-08	25.00	35.15	<b>0.84 % Ni, 0.5% Cu, 0.10 % Co over 10.15 m</b>
1279-00-09	18.00	19.80	0.97 % Ni, 0.28 % Cu over 1.8 m
	41.80	43.80	0.76 % Ni, 0.47 % Cu over 2.0 m
	58.50	61.50	0.36 % Ni, 0.49 % Cu over 3.0 m
	70.10	76.00	<b>0.9 % Ni, 0.66 % Cu, 0.12 % Co over 5.9 m</b>
1279-00-10	22.00	26.50	<b>1.15 % Ni, 0.56 % Cu, 0.15 % Co over 4.5 m</b>
1279-03-40	63.00	73.25	<b>1.03 % Ni, 0.8 % Cu over 10.25 m including 1.06 % Ni, 2.75 % Cu over 1.5 m</b>
	66.00	67.50	
1279-03-45	115.50	123.50	0.74 % Ni, 0.43% Cu over 9.5 m
	120.50	123.50	<i>including 1.2 % Ni, 0.43 % Cu over 3.0 m</i>

**Table 8: Best intersections of drilling from the 2004 campaign on the MHY area (GM 61185, Roy 2004).**

Drill Hole	From(m)	To(m)	Grade
1279-04-46	124.35	130.35	0.67% Ni, 0.27% Cu, 0.09% Co over 6.0m <i>including 1.1% Ni over 1.5m</i>
	145.85	151.35	1.06% Cu, 0.09% Co & 0.8% Ni over 5.5m <i>including 2.5% Cu over 1 m and 1.2 % Ni over 1.5m</i>
	140.25	140.75	2.14% Cu over 0.5m
1279-04-47	58.80	59.10	0.12% Cu, 0.06% Co & 0.51% Ni over 0.3m
1279-04-48	68.00	68.50	0.08 % Cu, 0.04% Co & 0.48% Ni over 0.5m
1279-04-49	97.80	98.70	0.74% Cu, 0.04% Co & 0.32% Ni over 0.9m
	105.70	106.70	0.54% Ni over 1m
1279-04-50	53.10	56.00	0.57% Cu, 0.12% Co & 0.96% Ni over 2.9m
	59.00	62.80	1.22% Cu, 0.03% Co & 0.23% Ni over 3.8m
1279-04-51	188.90	189.50	0.45% Cu, 0.08% Co & 0.79% Ni over 0.6m
1279-03-39P	173.35	174.85	0.29% Cu, 0.1 % Co & 0.18% Ni over 0,5m

Significant Ti-P mineralization was also intersected in history on Graal. Drill hole 1279-01-37 (Lac Suzanne-Nord showing) returned 12.65% TiO<sub>2</sub> and 0.2% P<sub>2</sub>O<sub>5</sub> over 30.60 m (GM 59143, Roy 2001).

## Item 7- Geology setting

### 7.1- Regional geology

This section is extracted from previous reports done in the MRNF sheet 22E/15 by (Cimon. J. and Hébert. C., MB 98-09) and (Hébert. C. and Beaumier. M., RG 99-05). The most relevant information has been translated from French to English mainly from these two reports.

The Graal block is located in the central portion of the Grenville geological Province (**Figure 6**) within the allochthonous polycyclic belt. Several phases of deformation and migmatization are visible on the oldest rocks of the region, mostly orthogneiss and paragneiss.

Occupying an area of nearly 20 000km<sup>2</sup>, the Lac-Saint-Jean Anorthositic Suite (“LSJAS”) is the largest anorthositic complex in the world. It is considered to have been thrust upon the older gneisses. The units are dated from the Proterozoic. It is part of polycyclic tectonic division according to **Rivers et al (1989)**. The LSJAS is composed of various units which comprise leuconorite, anorthosite, norite, gabbro-norite, nelsonite, leucogabbro and leucotroctolite. The rocks are displayed in the form of coalescing lobes.

Rocks surrounding the gneissic complex contain hornblende-quartz-biotite-gneiss, granulitic gneiss and gabbroic ribbon gneiss.

These rocks are injected by the intrusion of felsic granite and monzonite (Hébert. C and Beaumier. M., RG 99-05). The regional metamorphism is of upper amphibolite to lower granulite facies and the rocks have undergone two episodes of deformation.

Anorthositic complexes are particularly abundant in the Grenville Province. Their economic potential is usually limited to Fe-Ti-P deposits. However, recent discoveries of Cu, Ni and Cobearing sulphides showings in the area revitalized exploration and geoscience research interest (Cimon. J. and Hébert. C., PRO 98-06).

The observed mineralization is characterized by a dominance of pyrrhotite, followed by chalcopyrite, pentlandite and variable amounts of pyrite.

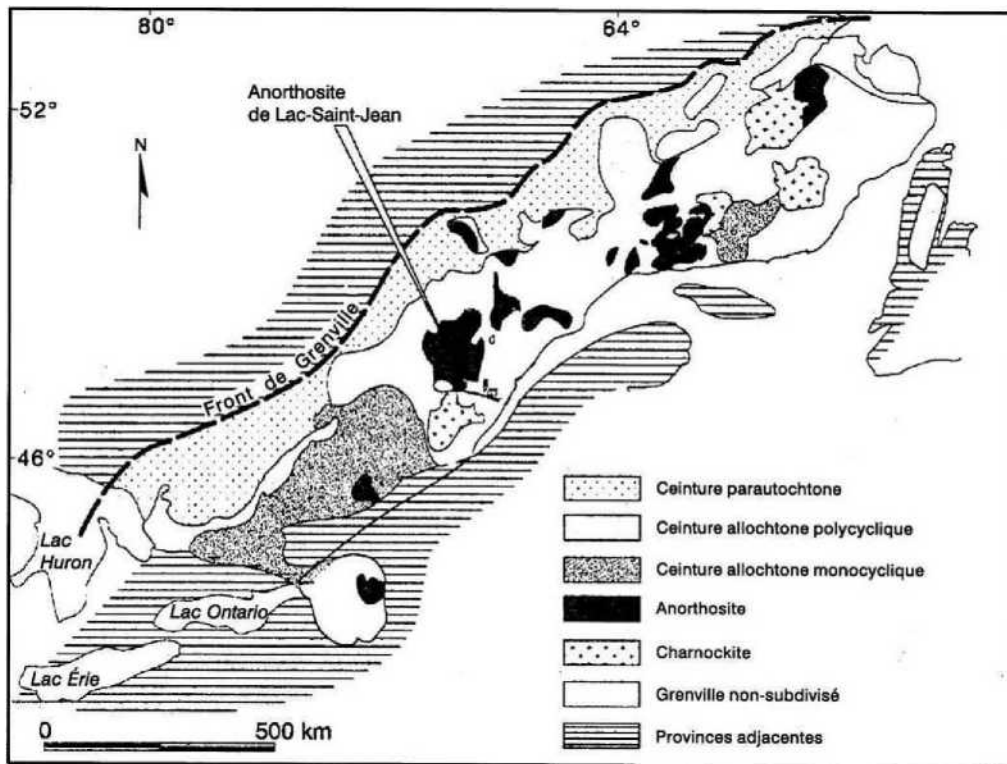


Figure 6: Regional geology and location of the anorthosite of Lac-Saint-Jean inside the Grenville Geological Province map from (Cimon. J. and Hébert. C., 1998. PRO 98-06).

## 7.2- Property Geology

The Graal Property is mostly constituted by rocks belonging the Grenville geological Province. The region lies in the belt of allochthonous polycyclic after suggested subdivisions by Rivers et al. (1989) for this geological province.

The dominant rocks are a sequence of mafic to ultramafic rocks which contain anorthosite, leuconorite, norite, gabbro, pyroxenite and locally peridotite, dunite and magnetite.

The northern part of the Graal Property is underlain by banded gneisses. On the central part, the bedrock is composed of leuconorite with inclusions of gabbro, pyroxenite, peridotite, dunite, and various spinel-rich ultramafic rocks. Ilmenite is enriched in vanadium and the other minerals from the spinel group are enriched in chromium.

The southern half of the Graal Property can be divided into two parts: 1) the south-eastern region which exhibits the same surface geology as the central part, and 2) the south-western region which is underlain by norite with inclusions of gabbro, pyroxenite, peridotite (Figure 7).

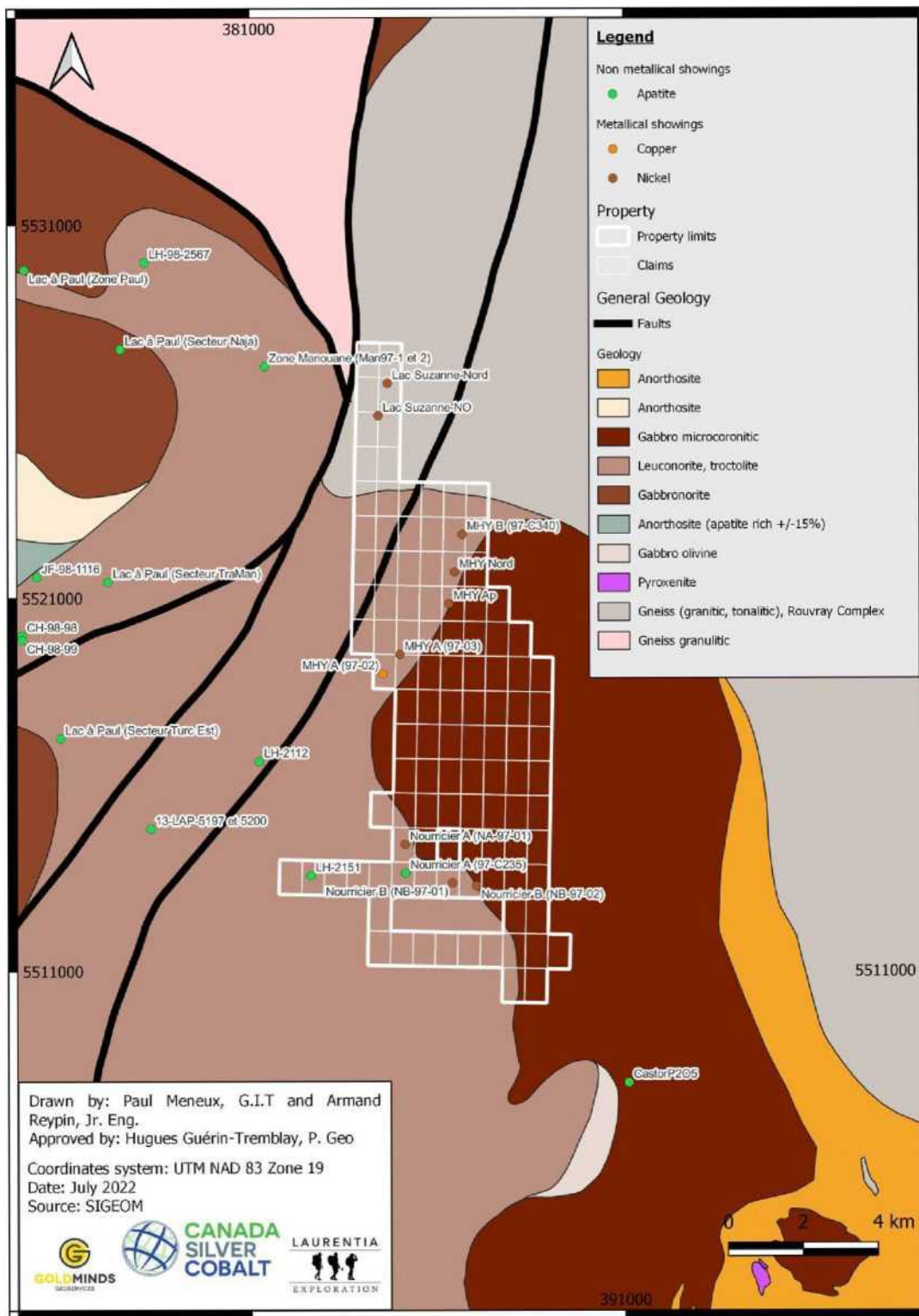


Figure 1: Geology map of the Graal Property.

### 7.3- Mineralization

Mineralization occurs mostly as disseminated and semi-massive to massive sulphides (**Figure 8**). The dominant minerals are pyrrhotite and chalcopyrite. This kind of mineralization is known as magmatic massive sulphides deposits associated with anorthosite, troctolite, mangerite and nelsonite intrusives in which magmatic differentiation generates sulphides melt later brought to near surface through diapiric ascension (**Rioux, 2018**). These sulfide magmas can be enriched in nickel, copper, cobalt and Platinum Group Elements (PGE).



**Figure 8: Example of massive sulfide mineralization in wet drill core at Graal (GRL-22-61; Box 17-19: 71.70 m - 77.60 m)**

### 7.4- Other mineralization

The geological environment is favourable for phosphorus mineralization, such as the Lac à Paul deposit, located at ~10 km North-West of the Property and owned by Ariane Phosphate Inc. The deposit has mineral reserves of 472 million tonnes at 6.9% P<sub>2</sub>O<sub>5</sub> (**Cegertec WorleyParsons, 2013**). Mineralization occurs as apatite associated to nelsonite units (**Cegertec WorleyParsons, 2013**).

Fe-Ti-V mineralization is also present on the Property, associated to massive oxides intervals, such as the Lac Suzanne-Nord showing (12.65 % TiO<sub>2</sub> over 30.6m in hole 1279-01-37, **GM 59143, Roy 2001**).

### Item 25- Interpretation and Conclusions

The Graal Property contains concentration of pyrrhotite and chalcopyrite in a norite and leuconorite horizon which are defined as deposits.

The Property is located north of Lac Saint-Jean, Québec. The Anorthositic Igneous Complex was emplaced within the gneisses of the Granulites Centrales (CGT) of the Grenville province.

In the past, Virginia Gold Mines Inc. and SOQUEM conducted various work programs including: geophysics, prospecting, mapping, grab surface sampling, and diamond drilling in the sector but let their property expire.

Canada Silver Cobalt Works Inc. took a significant position in terms of property in the sector. Some royalties exist on certain claims of the Property.

The drill program has found new zones and has extended historical mineralization.



In addition to Nickel and Copper, Cobalt is measured and, in some cases, Platinum and Palladium are observed in the assay results.

There is not enough drilling on the Property at this stage to prepare a mineral resource estimate as it is open in all directions.

A second lab analysis proved the assay results to be reproducible. No significant bias is observed.

The Property deserves additional work in the form of diamond drilling as there is a lot to be explored.

The Corporation is working on building a relationship with the First Nations.

**Item 26- Recommendations**

The authors make the following recommendations that focus on two aspects: The improvement of the available data and the working plan for the development of the Property.

**26.1- Improvement**

All drill hole collars should be surveyed with a DGPS by a certified surveyor in order to be able to use the data in a future Mineral Resources Estimate.

**26.2- Work Program to develop the project**

COW has developed a program with a budget in conjunction with GoldMinds and Laurentia to advance the project. The program has 3 goals:

- A. Diamond drilling program for 2,000 m of NQ drilling.
  - a. Increase the quantity and quality knowledge.
  - b. Validate orebody model orientations.
  - c. Test other anomalies on the Property.
  - d. Recover mineralized material for metallurgical testing.
  
- B. Metallurgical testing - Develop Process engineering Flowsheet and Pilot plant tests.
  - a. To develop flow sheet for the Ni and Cu recovery in sulfide concentrate.
  
- C. Assessment report and consultations with First Nations of Pessamit & Masteuiash.

QPs formally recommend continuing the development of the project.

QPs recommend acquiring additional claims located near the Property if possible.

QPs are aware that at the time of writing this report, all assay results and geophysical results are available for reporting and are included in this report.

A budget of \$500,000 is proposed to continue development of the Property as proposed and outlined above.

**Budget**

Drilling 2,000 m.	\$450,000
Metallurgical testing	\$25,000
Assessment report & First Nation Consultancy	\$25,000
<b>Total</b>	<b>\$500,000</b>

## AVAILABLE FUNDS AND PRINCIPAL PURPOSES

### Available Funds

The costs relating to the CBM Financings and the listing of CBM on the TSXV, including, without limitation, initial listing fees and accounting and legal fees, will be borne by CBM. CBM estimates these expenses to be approximately \$50,000. To the extent these expenses have been incurred to date, such expenses have been paid by CCW on CBM's behalf. Any funds advanced by CCW will be repaid from the proceeds of the CBM Financing.

Following completion of the Arrangement and the CBM Financings, it is expected that CBM will have approximately \$1,150,000 of available funds, comprised of the following:

Available Proceeds	(\$)
CBM Financing, gross proceeds	1,250,000
Expenses related to the CBM Private Placement and listing on the TSXV	100,000
Approximate working capital	1,150,000

### Principal Purposes

The following table sets out the expenditures that CBM expects to incur during the twelve months following completion of the Arrangement:

Principal Purpose	(\$)
Exploration on Graal Property	500,000
General and Administrative Expenses	300,000
<b>Total</b>	<b>800,000</b>

CBM intends to spend the funds available to it as set out in the table above and intends to arrange for a future financing when additional funds are required. However, there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary for CBM to achieve its objectives or to pursue other opportunities that management believes are in the interests of CBM. See "Risk Factors" in this Schedule G for more information.

### Business Objectives and Milestones

At present, CBM is an exploration-stage company with no producing properties and consequently has no current operating income, cash flow or revenues. Even if CBM's significant land package in northern Québec, positive drill results and the province's supportive approach to resource development provides confidence, there is no assurance that a commercially viable mineral deposit of nickel, copper or cobalt exists on the Graal Property. CBM's goals include exploration and mining with the objective of advancing the Graal Project and establishing mineral resources in order to develop CBM into a supplier for battery metals in the EV market.

## DIVIDENDS AND DISTRIBUTIONS

CBM has not paid dividends since its incorporation. CBM currently intends to retain all available funds, if any, for use in its business and does not anticipate paying any dividends for the foreseeable future.

## SUMMARY HISTORICAL AND FINANCIAL INFORMATION

### Cautionary Note

The historical "carve-out" financial information has been prepared for illustrative purposes only and may not be indicative of the operating results or the financial condition that would have been achieved if the Arrangement had been completed on the

date or for the periods noted above, nor do they purport to project the results of operations or financial positions for any future period or as of any future date.

Annexed as Schedules H, I and J to this Information Circular are the audited annual financial statements of CBM, the “carve-out” financial statements for the Graal Property and the *pro forma* financial statements of CBM, respectively, consisting of: (A) the statements of financial position as at June 30, 2022, December 31, 2022 and June 30, 2023; (B) the statements for the three and six months ended June 30, 2023 and 2022; and (C) the notes thereto.

### **Annual and Interim Management’s Discussion and Analysis**

The “carve-out” MD&A for the years ended December 31, 2022 and 2021 are annexed as Schedules H and I to this Information Circular. The annexed “carve-out” annual MD&A and carve-out interim MD&A should be read in conjunction with corresponding annual and interim carve-out financial statements of CBM, together with the notes thereto.

### **CBM Selected Pro Forma Financial Information**

The following table sets out selected *pro forma* financial information in respect of CBM as at June 30, 2023, as if the Arrangement had taken place on that date and should be read in conjunction with the more complete information contained in the *pro forma* financial statements of CBM annexed as Schedule J to this Information Circular. The *pro forma* financial statements are not necessarily indicative of CBM’s financial position and results that would have occurred if the events reflected had taken place on the dates indicated, nor do they purport to project CBM’s financial position or results for any future period.

CBM currently does not generate any revenues and its liquidity will depend on the CBM Financing, pursuant to which it intends to raise gross proceeds of up to \$1,250,000, which CBM intends to use as set out under the heading “Use of Proceeds”.

	<b>June 30, 2023 (\$)</b>
Total Assets	\$1,437,510
Total Liabilities	\$691,033
Total shareholders’ equity	\$746,477
Total shareholders’ equity and liabilities	\$1,437,510

### **DESCRIPTION OF SHARE CAPITAL**

#### **Authorized Capital**

CBM is authorized to issue an unlimited number of common shares, referred to herein as CBM Shares, and an unlimited number of preferred shares, which may be issued in series, all without par value, referred to herein as CBM Preferred Shares. As at the date of this Information Circular, 1,000 CBM Shares are issued and outstanding.

#### **CBM Shares**

Subject to the rights, privileges, conditions and restrictions attached to the other classes of shares, the CBM Shares carry the following rights and restrictions:

- (i) Holders of CBM Shares have the right to receive notice of any meeting of CBM shareholders, to attend such meeting and to vote thereat on the basis of one vote per CBM Share held;
- (ii) Holders of CBM Shares have the right to receive any dividend declared by CBM; and
- (iii) Upon the winding-up of CBM, holders of CBM Shares have the right to share the remaining property of CBM.

## **CBM Preferred Shares**

The CBM Preferred Shares will carry the following rights and restrictions:

The CBM Preferred Shares may at any time and from time to time be issued in one or more series, each series to consist of such number of shares as may, before the issue thereof, be determined by resolution of the CBM Board.

The CBM Board shall, by resolution duly passed before the issue of any CBM Preferred Shares of any series, determine the designation, rights, privileges, conditions and restrictions to be attached to the shares of such series, including, but without in any way limiting or restricting the generality of the foregoing, the rate of preferential dividends, the dates of payment thereof, the terms and conditions of redemption, if any, and conversion rights, if any, the whole as may be confirmed and declared by articles of amendment. Notwithstanding the foregoing, no CBM Preferred Shares shall have attached to them any right to vote at any meeting of shareholders other than:

- (i) as provided for pursuant to the CBCA; and (ii) as may be provided for in the rights, privileges, conditions and restrictions attaching to any new series of CBM Preferred Shares created by the CBM Board, but, in such case, voting rights shall be attached to the CBM Preferred Shares of such series if, and only if, CBM fails to pay a certain number of dividends, as previously determined by the CBM Board from time to time.

The term “redemption price” for any CBM Preferred Shares means:

- (i) where such share was issued for money, the amount for which such share was issued; or (ii) where such share was issued in whole or in part for a consideration other than money, then the amount in money (if any) paid for the issue of such share, plus an amount equal to the fair market value of such other consideration received; such fair market value shall be calculated as at the date of issue of such share and shall be determined in accordance with recognized standards of valuation.

The CBM Preferred Shares of each series shall, with respect to priority in payment of dividends and in the distribution of assets in the event of the liquidation or the dissolution of CBM, whether voluntary or involuntary, or any other distribution of the assets of CBM among its shareholders for the purpose of winding up its affairs, be entitled to a preference over the CBM Shares and over any other shares ranking junior to the CBM Preferred Shares, and the CBM Preferred Shares of each series shall also be given such other preferences over the CBM Shares and any other shares ranking junior to the CBM Preferred Shares as may be determined as to their respective series authorized to be issued.

The CBM Preferred Shares of each series shall rank on a parity with the CBM Preferred Shares of every other series with respect to priority in payment of dividends and in the distribution of assets in the event of the liquidation, dissolution or winding up of CBM, whether voluntary or involuntary, or any other distribution of the assets of CBM among its shareholders for the purpose of winding up its affairs.

In the event of the liquidation, dissolution or winding up of CBM or any other distribution of assets of CBM among its shareholders for the purpose of winding up its affairs, the holders of the CBM Preferred Shares of each series shall be entitled to receive, before any distribution of the assets is made among the holders of CBM Shares or any other class of shares ranking junior to the CBM Preferred Shares, an amount equal to the redemption price for such shares plus an amount equal to all accrued and unpaid dividends thereon, whether or not declared (which for such purposes shall be calculated up to the date of such distribution) and no more.

Subject to the issuance of a certificate by the Director under the CBCA, CBM may at any time or times or from time to time pass a special resolution or resolutions whereby the terms of the CBM Preferred Shares may be altered, amended or repealed or the application thereof suspended in any particular case and changes may be made to the rights, privileges, conditions and restrictions attaching to the CBM Preferred Shares, but no such special resolution shall have any force or effect until after it has been sanctioned by the affirmative vote of the holders of not less than two-thirds of the CBM Preferred Shares then outstanding at a meeting duly called for such purpose, in addition to such other vote of other classes of shares as may be required by the CBCA.

## CBM OMNIBUS INCENTIVE PLAN

The CBM Board adopted an omnibus equity incentive plan (the “**CBM Omnibus Incentive Plan**”) on September 11, 2023. The adoption of the CBM Omnibus Incentive Plan is subject to the approval by Shareholders at the Meeting. The CBM Board determined that it is desirable to have a wide range of incentive awards, including stock options (“**Options**”), restricted share units (“**RSUs**”), performance share units (“**PSUs**”) and deferred share units (“**DSUs**”) (collectively, the “**Awards**”) to attract, retain and motivate employees, directors, executive officers and consultants of CBM. Any capitalized undefined terms in this section shall have meaning ascribed thereto in the CBM Omnibus Incentive Plan.

The CBM Omnibus Incentive Plan permits the grant of Options, RSUs, PSUs and DSUs (individually or collectively, an “**Award**”) to eligible Participants (as defined below). The CBM Omnibus Incentive Plan, and any Awards issued thereunder, will be effective upon the ratification of the CBM Omnibus Incentive Plan by Shareholders at the Meeting. Thereafter, the CBM Omnibus Incentive Plan will continue to be effective until the date it is terminated by the CBM Board in accordance with the CBM Omnibus Incentive Plan.

The purpose of the CBM Omnibus Incentive Plan is to: (i) provide CBM with a mechanism to attract, retain and motivate highly-qualified directors, officers, employees and consultants of CBM and its affiliates; (ii) align the interests of Participants with that of other shareholders of CBM generally; and (iii) enable and encourage Participants to participate in the long-term growth of CBM through the acquisition of CBM Shares as long-term investments.

Under the CBM Omnibus Incentive Plan, the aggregate number of CBM Shares reserved for issuance pursuant to Awards of Options granted under the CBM Omnibus Incentive Plan shall not exceed 10% of the total number of issued and outstanding CBM Shares from time to time.

The CBM Omnibus Incentive Plan with respect to the Options is a “rolling plan” and as a result, any and all increases in the number of issued and outstanding CBM Shares will result in an increase to the number of Options for issuance under the CBM Omnibus Incentive Plan. To the extent any Awards of Options (or portion(s) thereof) under the CBM Omnibus Incentive Plan have been exercised, expire, terminate or are cancelled for any reason prior to their exercise, then any CBM Shares subject to such Awards (or portion(s) thereof) shall be added back to the number of CBM Shares reserved for issuance under the CBM Omnibus Incentive Plan and will again become available for issuance pursuant to the exercise of Awards of Options granted under the CBM Omnibus Incentive Plan.

In respect of DSUs, RSUs or PSUs, the aggregate number of CBM Shares reserved for issuance pursuant to Awards other than for Options granted under the CBM Omnibus Incentive Plan shall not exceed 26,104,496 CBM Shares. To the extent any Awards other than for Options (or portion(s) thereof) under the CBM Omnibus Incentive Plan terminate or are cancelled for any reason prior to exercise, then any CBM Shares subject to such Awards (or portion(s) thereof) shall be added back to the number of CBM Shares reserved for issuance under the CBM Omnibus Incentive Plan and will again become available for issuance pursuant to the exercise of Awards (other than for Options) granted under the CBM Omnibus Incentive Plan. CBM Shares will not be deemed to have been issued pursuant to the CBM Omnibus Incentive Plan with respect to any portion of an Award (other than for Options) that is settled in cash.

For so long as CBM is listed on the TSXV:

- (a) the maximum number of CBM Shares for which Awards may be issued to any one Insider (as defined by the TSXV) shall not exceed 10% of the outstanding CBM Shares at any time, unless CBM obtains disinterested shareholder approval as required by the policies of the TSXV;
- (b) the maximum number of CBM Shares for which Awards may be issued to Insiders as a group in any twelve-month period shall not exceed 10% of the outstanding CBM Shares, calculated on the date an Award is granted to the Participant, unless CBM obtains disinterested shareholder approval as required by the policies of the TSXV;
- (c) the maximum number of CBM Shares for which Awards may be issued to any one Participant in any twelve-month period shall not exceed 5% of the outstanding CBM Shares, calculated on the date an Award is granted to the Participant, unless CBM obtains shareholder approval as required by the policies of the TSXV;
- (d) the aggregate number of CBM Shares for which Awards may be issued to any one Consultant (as defined by the TSXV) within any twelve-month period shall not exceed 2% of the outstanding CBM Shares, calculated on the date an Award is granted to the Consultant;

- (e) the aggregate number of CBM Shares for which Awards may be issued to Investor Relations Service Providers (as the term is defined in the CBM Omnibus Incentive Plan) as a group within any twelve-month period shall not exceed 2% of the outstanding CBM Shares, calculated on the date an Award is granted to the Consultant, and such Awards shall include Options only; and
- (f) Options granted to Investor Relations Service Providers shall be subject to the vesting requirements set out in TSXV Policy 4.4 - *Security Based Compensation* (“**Policy 4.4**”), and Awards granted to all other Participants shall be subject to the vesting requirements of Policy 4.4.

The CBM Omnibus Incentive Plan provides for customary adjustments or substitutions, as applicable, in the number of CBM Shares that may be issued under the CBM Omnibus Incentive Plan in the event of a merger, arrangement, amalgamation, consolidation, reorganization, recapitalization, separation, stock dividend, extraordinary dividend, stock split, reverse stock split, split up, spin-off or other distribution of stock or property of CBM, combination of securities, exchange of securities, dividend in kind, or other like change in capital structure or distribution (other than normal cash dividends) to CBM’s shareholders, or any similar corporate event or transaction. The CBM Omnibus Incentive Plan also provides, with respect to DSUs, PSUs and RSUs, for the payment of dividend equivalents in the amount that a Participant would have received if DSUs, PSUs and RSUs had settled for CBM Shares on the record date of dividends declared by CBM provided that if the number of securities issued as dividend equivalents, together with all of CBM’s other share-based compensation, would exceed 10% of the number of CBM Shares (or any of the other limits set out in Policy 4.4, including limits on grants with respect to individuals, Insiders, Consultants and Investor Relations Service Providers) then such dividend equivalents will be paid in cash.

### **Plan Administration**

The CBM Omnibus Incentive Plan will be administered by the CBM Board, which may delegate its authority to any duly-authorized committee of the CBM Board (the “**Plan Administrator**”). The Plan Administrator has sole and complete authority, in its discretion, to:

- (a) determine the individuals (the “**Participants**”) to whom grants of Awards under the CBM Omnibus Incentive Plan may be made;
- (b) make grants of Awards under the CBM Omnibus Incentive Plan, whether relating to the issuance of Shares or otherwise (including any combination of Options, RSUs, PSUs, DSUs or Other Share-Based Awards), in such amounts, to such Participants and, subject to the provisions of the CBM Omnibus Incentive Plan, on such terms and conditions as it determines, including, without limitation:
  - (i) the time or times at which Awards may be granted;
  - (ii) the conditions under which: (A) Awards may be granted to Participants; or (B) Awards may be forfeited to CBM, including any conditions relating to the attainment of specified performance goals;
  - (iii) the number of Shares to be covered by any Award;
  - (iv) the price, if any, to be paid by a Participant in connection with the purchase of Shares covered by any Awards;
  - (v) whether restrictions or limitations are to be imposed on the Shares issuable pursuant to grants of any Award, and the nature of such restrictions or limitations, if any;
  - (vi) any acceleration of exercisability or vesting, or waiver of termination regarding any Award, based on such factors as the Plan Administrator may determine;
  - (vii) establish the form or forms of Award Agreements (as defined in the CBM Omnibus Incentive Plan);
  - (viii) cancel, amend, adjust or otherwise change any Award under such circumstances as the Plan Administrator may consider appropriate in accordance with the provisions of the CBM Omnibus Incentive Plan;

- (ix) construe and interpret the CBM Omnibus Incentive Plan and all Award Agreements;
- (x) adopt, amend, prescribe and rescind administrative guidelines and other rules and regulations relating to the CBM Omnibus Incentive Plan, including rules and regulations relating to sub-plans established for the purpose of satisfying applicable foreign laws or for qualifying for favourable tax treatment under applicable foreign laws;
- (xi) if an Award is to be granted to Employees, Consultants, or Management Company Employees, the Plan Administrator and the Participant to whom that Award is to be granted are responsible for ensuring and confirming that the Participant is a *bona fide* Employee, Consultant, or Management Company Employee; and
- (xii) make all other determinations and take all other actions necessary or advisable for the implementation and administration of the CBM Omnibus Incentive Plan.

### **Change in Control**

If there is a Change in Control (as defined in the CBM Omnibus Incentive Plan), the Plan Administrator may take such steps as it deems necessary or desirable, including to cause (i) the conversion or exchange of any outstanding Awards into or for, rights or other securities of substantially equivalent value, as determined by the Plan Administrator in its discretion, in any entity participating in or resulting from a Change in Control; (ii) outstanding Awards to vest and become exercisable, realizable, or payable, or restrictions applicable to an Award to lapse, in whole or in part prior to or upon consummation of such Change in Control, and, to the extent the Plan Administrator determines, terminate upon or immediately prior to the effectiveness of such Change in Control; (iii) the termination of an Award in exchange for an amount of cash and/or property, if any, equal to the amount that would have been attained upon the exercise or settlement of such Award or realization of the Participant's rights as of the date of the occurrence of the transaction net of any exercise price payable by the Participant (and, for the avoidance of doubt, if as of the date of the occurrence of the transaction the Plan Administrator determines in good faith that no amount would have been attained upon the exercise or settlement of such Award or realization of the Participant's rights net of any exercise price payable by the Participant, then such Award may be terminated by CBM without payment); (iv) the replacement of such Award with other rights or property selected by the CBM Board in its sole discretion; or (v) any combination of the foregoing. Any such actions taken in connection with a Change in Control must comply with the policies of the TSXV including, without limitation, the requirement that the acceleration of vesting of Options granted to Investor Relations Service Providers shall only occur with the prior written approval of the TSXV.

### **Incentive Awards**

#### *Options*

Subject to the terms and conditions of the CBM Omnibus Incentive Plan and any policies of the TSXV, the CBM Board may grant Options to Participants in such amounts and upon such terms (including the exercise price, duration of the Options, the number of CBM Shares to which the Option pertains, and the conditions, if any, upon which an Option shall become vested and exercisable) as the CBM Board shall determine.

The exercise price of the Options will be determined by the CBM Board at the time any Option is granted. In no event will such exercise price be lower than the last closing price of the CBM Shares on the TSXV. Except where a Participant elects for a Net Exercise (as defined below), such price upon exercise of any Option shall be payable to CBM in full in cash, certified cheque or wire transfer.

Subject to prior approval by the CBM Board, a Participant may elect to surrender for cancellation to CBM any vested Options in accordance with the net exercise policies of the TSXV (a "**Net Exercise**"). In connection with a Net Exercise, CBM will issue to the Participant, as consideration of the Options, that number of Option Shares (as defined in the CBM Omnibus Incentive Plan) determined on a net issuance basis in accordance with the following formula below:

$$X = \frac{Y (A - B)}{A}$$

where:

X = The number of Option Shares issuable to the Participant as consideration for respect of the exchange or surrender of an Option under Section 4.6 of the CBM Omnibus Incentive Plan ;

Y = The number of Option Shares issuable with respect to the vested portion of the Option to be exercised by the Participant (the “**Subject Options**”);

A = The VWAP of the Shares; and

B = The Exercise Price of the Subject Options.

Unless otherwise specified in an Award Agreement (as defined in the CBM Omnibus Incentive Plan), and subject to any provisions of the CBM Omnibus Incentive Plan or the applicable Award Agreement relating to acceleration of vesting of Options, Options shall vest subject to TSXV policies (including TSXV Policies with respect to the vesting of Options granted to person performing Investor Relations Activities (as defined in the CBM Omnibus Incentive Plan)), and the CBM Board may, in its sole discretion, determine the time during which an Option shall vest and the method of vesting, or that no vesting restriction shall exist.

Subject to any requirements of the TSXV, the CBM Board may determine the expiry date of each Option. Subject to a limited extension if an Option expires during a black-out period, Options may be exercised for a period of up to ten years after the grant date, provided that: (i) upon a Participant’s termination for cause, all Options, whether vested or not, as at the date on which a Participant ceases to be eligible to participate under the CBM Omnibus Incentive Plan (the “**Termination Date**”) as a result of termination of employment, will automatically and immediately expire and be forfeited; (ii) upon the death of a Participant, all unvested Options as at the Termination Date shall automatically and immediately vest, and all vested Options will continue to be subject to the CBM Omnibus Incentive Plan and be exercisable until the earlier of the original expiry date of the award and twelve months after the Termination Date; (iii) in the case of the disability of a Participant, all Options shall remain and continue to vest (and are exercisable) in accordance with the terms of the CBM Omnibus Incentive Plan for a period of twelve months after the Termination Date, provided that any Options that have not been exercised (whether vested or not) within twelve months after the Termination Date shall automatically and immediately expire and be forfeited on such date; (iv) in the case of the retirement of a Participant, all Options shall remain and continue to vest (and are exercisable) in accordance with the terms of the CBM Omnibus Incentive Plan for a period of twelve months after the Termination Date, provided that any Options that have not been exercised (whether vested or not) within twelve months after the Termination Date shall automatically and immediately expire and be forfeited on such date; and; (v) in all other cases where a Participant ceases to be eligible under the CBM Omnibus Incentive Plan , including a termination without cause or a voluntary resignation, unless otherwise determined by the CBM Board, all unvested Options shall automatically and immediately expire and be forfeited as of the Termination Date, and all vested Options will continue to be subject to the CBM Omnibus Incentive Plan and be exercisable for a period of 90 days after the Termination Date, provided that any Options that have not been exercised within 90 days after the Termination Date shall automatically and immediately expire and be forfeited on such date.

#### *Share Units*

The CBM Board is authorized to grant RSUs, PSUs and DSUs evidencing the right to receive CBM Shares (issued from treasury), cash based on the value of a CBM Share or a combination thereof at some future time to eligible persons under the CBM Omnibus Incentive Plan.

RSUs generally become vested, if at all, following a period of continuous employment. PSUs are similar to RSUs, but their vesting is, in whole or in part, conditioned on the attainment of specified performance metrics as may be determined by the CBM Board. The terms and conditions of grants of RSUs and PSUs, including the quantity, type of award, grant date, vesting conditions, vesting periods, settlement date and other terms and conditions with respect to these Awards will be set out in the Participant’s Award Agreement.

Subject to the achievement of the applicable vesting conditions, the payout of an RSU or PSU will generally occur on the settlement date. The payout of a DSU will generally occur upon or following the Participant ceasing to be a director, executive officer, employee or consultant of CBM, subject to satisfaction of any applicable conditions.



## STOCK EXCHANGE LISTING

CBM is not currently listed on any stock exchange and there is currently no trading market for CBM Shares. CBM is in the process of applying to list the CBM Shares and CBM Warrants on the TSXV and intends to use commercially reasonable efforts to meet the initial listing requirements under the policies of the TSXV and to obtain approval of the listing of the CBM Shares and CBM Warrants on the TSXV prior to the Effective Time. Listing of the CBM Shares and CBM Warrants on the TSXV will be subject to satisfying all of the TSXV's initial listing requirements. **It is a condition of the Arrangement that a recognized Canadian stock exchange have conditionally approved the listing of the CBM Shares.**

## SALES OF SHARES

CBM issued, on incorporation, ten CBM Shares to CCW at a price of \$1.00 per share, for proceeds of \$10.

Immediately following the Effective Date, CBM intends to effect the CBM Private Placement and raise \$1,250,000 through the issuance by way of private placement of 5,000,000 CBM Shares at a price of \$0.25 per share, for gross proceeds of \$1,250,000, with each CBM Share to be accompanied by one CBM Private Placement Warrant. Each CBM Private Placement Warrant will entitle the holder thereof to purchase one CBM Warrant Share at an exercise price of \$0.40 for two years from the date of issuance. CBM intends to use the proceeds of the CBM Private Placement to carry out the recommended program on the Graal Property and for working capital. It is intended that the CBM Private Placement will provide CBM with sufficient funds to meet the initial listing requirements of the TSXV. However, there can be no assurances that CBM will be able to complete the CBM Private Placement or attain a listing on the TSXV or any other stock exchange.

In addition, CBM intends to issue the following CBM Shares immediately after the Effective Date: (i) 1,500,000 CBM Shares at a price of \$0.005 per share to its directors, officers and others for gross proceeds of \$7,500 and (ii) 1,500,000 CBM Shares at a price of \$0.02 per share to its directors, officers and others for gross proceeds of \$30,000. The general objectives of the CBM Seed Financings strategy are to compensate CBM management in a manner that encourages and rewards a high level of performance and outstanding results with a view to increasing long-term shareholder value and align CBM management's interests with the long-term interests of CBM shareholders.

## ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFERS

No CBM Shares are currently held in escrow or subject to contractual restrictions on transfer. Following the Listing Date, CBM will be subject to Policy 5.4, under which escrow may be required.

In accordance with Policy 5.4, the CBM Shares issued in the CBM Seed Financings will be subject to escrow as they will be issued at a price which is less than the TSXV's prescribed minimum issue price of \$0.05 per security. As of the date of this Information Circular, it is expected that CBM will be considered as a "Tier 2 Issuer" (as such term is defined in Policy 1.1) and therefore, the CBM Shares issued in the CBM Seed Financings will be released from escrow as follows: (i) 10% upon the issuance of the TSXV Bulletin; and (ii) an additional 15% will be released on the dates 6, 12, 18, 24, 30 and 36 months following the issuance of the TSXV Bulletin.

Following the Listing Date, CCW will be considered as a "Principal" to CBM. As such, all CBM Shares held by CCW will also be subject to escrow, but it is expected that the TSXV will provide relief from the escrow requirements in order to allow CCW to distribute CBM Shares and CBM Warrants to the Shareholders of CCW in accordance with the Arrangement.

## PRINCIPAL SHAREHOLDER

To the knowledge of management of CCW and CBM, no person, firm or company will beneficially own, control or direct, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to any class of voting securities of CBM immediately following the Effective Time other than CCW, which is expected to hold 11,750,200 CBM Shares, representing 36.7% of the issued and outstanding CBM Shares assuming completion of the CBM Financings. In addition, CCW will hold 5,874,600 CBM Warrants.

## DIRECTORS AND EXECUTIVE OFFICERS

The names, municipality of residence and positions with CBM of the individuals expected to serve as the directors and executive officers of CBM after giving effect to the Arrangement are set out below.

Name, Province and Country of Residence and Current Position with the Company	Director/Officer Since	CBM Shares Beneficially Owned, Directly or Indirectly, or Over Which Control or Direction is Exercised	Principal Occupation for the Past Five Years
Frank J. Basa Ontario, Canada President, CEO and Director	2021	—	Chairman and Chief Executive Officer Canada Silver Cobalt Works Inc. (precious metals and battery metals junior mining company)  President and Chief Executive Officer Granada Gold Mine Inc. (junior mining exploration company)
Aurelian Basa Québec, Canada Director	2023	—	Special Projects Consultant Canada Silver Cobalt Works Inc. (precious metals and battery metals junior mining company)  Marketing Consultant Granada Gold Mine Inc. (junior mining exploration company)
Ronald Goguen, Sr. New Brunswick, Canada Director	2023	—	Chief Executive Officer Colibri Resource Corporation (junior gold mining company)
William D. Macdonald New Brunswick, Canada Director	2023	—	Retired
Dianne Tookenay Ontario, Canada Director	2023	—	Director Canada Silver Cobalt Works Inc. (precious metals and battery metals junior mining company)  Director Granada Gold Mine Inc. (junior mining exploration company)

Name, Province and Country of Residence and Current Position with the Company	Director/Officer Since	CBM Shares Beneficially Owned, Directly or Indirectly, or Over Which Control or Direction is Exercised	Principal Occupation for the Past Five Years
Remantra Sheopaul Chief Financial Officer	2023	—	Senior Financial Analyst Marrelli Support Services Inc. (accounting, regulatory, compliance and management advisory services) since December 2020;  Prior thereto, Accounting Manager RSM Canada LLP (audit, tax and consulting services)
Vincent Maltais Québec, Canada Corporate Secretary	2023	—	Lawyer Fasken Martineau DuMoulin LLP (law firm) since April 2021;  Prior thereto, lawyer and law student

### Description of CBM’s Management and Directors

The following is a brief description of the expected management and directors of CBM after completion of the Arrangement. It is expected that each member of CBM’s management team will devote the time necessary to perform the work required in connection with the management of CBM.

#### Frank J. Basa – President, CEO and Director

Mr. Basa has more than 29 years of global experience in gold mining and development as a professional hydrometallurgical engineer with a focus on milling, gravity concentration, flotation, leaching and refining of precious and base metals. He graduated from McGill University with a B.A. in Engineering in 1983 and has been a member of the Professional Engineers of Ontario since 1987. He is President of Grupo Moje Limited and Mineral Recovery Management Systems Corp. He has served as Chairman, President and Chief Executive Officer of Granada Gold Mine Inc., a company listed on the TSXV, since June 2004.

#### Aurelian Basa – Director

Aurelian Basa has spent nearly a decade engaged in the natural resources industry and has travelled extensively throughout Asia, Africa, and Europe in this capacity. Most recently, he has secured feed sources for the Re-2Ox Process including high-grade tailings projects, recycled batteries, and battery metal deposits abroad. In his current role, Mr. Basa advances ‘Metals-as-a-Service (MaaS)’, a platform connecting commodity traders to responsible sources of critical metals supported through ongoing relationships with European metal traders and Asian battery manufacturers. Mr. Basa holds a Bachelor’s degree in Geography with a specialization in Planning and the Environment from Concordia University, Montreal, Québec. He also manages Resource Active Media, a digital content agency tailored to publicly-traded mining companies. Mr. Basa is the son of Frank J. Basa, President, CEO and a director of CBM.

#### Ronald Goguen, Sr. – Independent Director

Ronald Goguen, Sr. became Chairman & CEO of Colibri Resource Corporation in July 2017. Colibri Resource Corporation has been a public company since 2004 and is a junior gold mining company. Mr. Goguen purchased his first exploration drilling company, Ideal Drilling, in 1980. In 1981, he added a second exploration drilling company and increased sales and net income significantly. Those companies were combined to become Major Drilling Group International Inc., a publicly-traded company that has traded on the Toronto Stock Exchange since 2015. Mr. Goguen served as President and Chief Executive Officer until 2000 and during this time was a key driving force in building Major Drilling into one of the largest mineral drilling service companies in the world, with 33 operations in 15 countries. Since leaving Major Drilling in 2000, Mr. Goguen has served as the President of Royal Oaks Real Estates Inc. and Royal Oaks Golf & Country Club. He has been a member of the Board of Directors of Northeast Bank since 1990. In 2006, Mr. Goguen was appointed Chairman of the Board of Beaver Brook Antimony Mine Inc., and he remained so until bringing the operation into production in 2008. Beaver Brook is the largest antimony mine

outside of China. In 1995, Mr. Goguen was named Atlantic Canada's Entrepreneur of the Year as presented by the Governor General of Canada.

#### **William D. Macdonald – Independent Director**

William D. Macdonald is a former Director and Logistics Mexican Manager of Landdrill International Inc., a Mexican-based company engaged in providing drilling services throughout Mexico and Nicaragua. The company offers various drilling services including diamond, reverse circulation, residential well, geotechnical, and environmental drilling. Mr. Macdonald is presently a director of Colibri Resource Corporation, a junior mining company. He is also a director of Canadian Gold Resources Ltd. Mr. Macdonald was also Chief Executive Officer of LEM Manufacturing, a manufacturer of drilling equipment.

#### **Dianne Tookenay – Independent Director**

Dianne Tookenay is a band member of Brunswick House First Nation in Ontario and has been a director of CCW since June 15, 2015 and has been a director of Granada Gold Mine Inc., a company listed on the TSXV, since April 2017. Ms. Tookenay holds a Certificate in Mining Law from Osgoode Hall Law School, York University, a Joint Masters of Public Administration degree from the University of Manitoba, a Bachelor of Administration degree from Lakehead University and Native Band Management and Indian Economic Development Diplomas from Confederation College Applied Arts and Technology. Ms. Tookenay has accumulated a wide breadth of business development and advocacy roots within the First Nation communities.

#### **Remantra Sheopaul – Chief Financial Officer**

Remantra Sheopaul works with Marrelli Support Services Inc. of Toronto, Ontario, which provides CFO, accounting, regulatory, compliance and management advisory services to numerous issuers on the Toronto Stock Exchange, TSXV and other Canadian and U.S. exchanges. In his role with Marrelli Support Services Inc., Mr. Sheopaul has been regularly involved in initial public offerings, analysis of complex accounting transactions, and assisting non-public and public clients regarding IFRS disclosure and compliance matters. Mr. Sheopaul has a focus on building strong relationships with clients to understand and anticipate their needs. He is currently Chief Financial Officer of Granada Gold Mine Inc., Canada Carbon Inc. and Angel Wing Metals Inc., all of which are companies listed on the TSXV, and of Metalite Resources Inc., a company listed on the Canadian Securities Exchange. Mr. Sheopaul holds a Bachelor of Commerce degree in Accounting from Ryerson University (now Toronto Metropolitan University).

#### **Vincent Maltais – Corporate Secretary**

Vincent Maltais is a lawyer in the business law group at the Montreal office of Fasken Martineau DuMoulin LLP. He practises business law with a focus on securities law, mining law and mergers and acquisitions. Mr. Maltais assists private and public companies in various industries with mergers and acquisitions as well as banking and public corporate financings. He holds a Bachelor of Laws degree and a cumulative Bachelor's degree in philosophy and political science from the Université de Montréal. Mr. Maltais is involved in the community and has provided legal information services to homeless and marginalized persons through Montreal's Mobile Legal Clinic. He was also involved with the Association des étudiants en droit de l'Université de Montréal as a tutor and mentor, and with Pro Bono Students Canada at the Juripop MOOT Court Competition. Before joining Fasken Martineau DuMoulin LLP in April 2021, Mr. Maltais practised in the business law group of a Montréal-area law firm.

### **CEASE TRADE ORDERS, BANKRUPTCIES, PENALTIES OR SANCTIONS**

To the knowledge of CBM, except as described below, none of the directors of CBM:

- (a) is, or within the last ten years has been, a director, chief executive officer or chief financial officer of any company that:
  - (i) was subject to 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 applicable securities legislation, and which in all cases was in effect for a period of more than 30 consecutive days (an “**Order**”), which Order was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer of such company; or

- (ii) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer of such company; or
- (b) is, or within the last ten years has been, a director or executive officer of any company that, while the proposed director 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
- (c) has, within the last ten years, 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 his assets.

To the knowledge of CBM, except as described below, none of the directors of CBM has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

On May 3, 2023, CCW announced that it had obtained an MCTO from the BCSC, the Corporation's principal regulator, under NP 12-203 with respect to the Corporation's Annual Documents. The MCTO prohibited the CEO and CFO from trading in securities of the Corporation until it filed the Annual Documents and the BCSC revoked the MCTO. The issuance of the MCTO did not affect the ability of persons other than the CEO and CFO to trade in the Corporation's securities. On June 13, 2023, CCW filed the Annual Documents and the MCTO was revoked by the BCSC on June 14, 2023. Frank J. Basa, Ronald Goguen, Sr. and Dianne Tookenay, each of whom is a director of CBM, are also directors of CCW.

On May 11, 2022, the New Brunswick Financial and Consumer Services Commission issued a Failure-to-File Cease Trade Order ("**FFCTO**") against Colibri Resource Corporation. The FFCTO was issued as a result of the failure of Colibri Resource Corporation to file its audited annual financial statements for the year ended December 31, 2021, accompanying management discussion and analysis together with the related certifications on or before the prescribed filing deadline as required by National Instrument 51-102 *Continuous Disclosure Obligations*, and National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*, respectively. The FFCTO was revoked on August 2, 2022 after Colibri Resource Corporation filed all required documents on SEDAR. Ronald Goguen, Sr. was a director and officer, and William Macdonald was a director, of Colibri Resource Corporation at the time of the FFCTO.

Ronald Goguen, Sr. and William MacDonald were formerly directors of Landdrill International Inc. ("**Landdrill**"). Mr. Goguen was also the Chairman and Chief Executive Officer. In May 2013, Landdrill was petitioned into bankruptcy by its secured creditor and was declared bankrupt as of May 30, 2013 pursuant to the *Bankruptcy and Insolvency Act* (Canada). Immediately prior to the bankruptcy, all directors of Landdrill, including Messrs. Goguen and MacDonald, tendered their resignations. The TSXV delisted the common shares of Landdrill on September 27, 2012 for failure to meet the continued listing requirements of the TSXV. Cease trade orders against Landdrill issued by securities regulatory authorities in Alberta, British Columbia and New Brunswick remain in effect.

In a settlement agreement made with the staff of the New Brunswick Financial and Consumer Services Commission and approved by the New Brunswick Financial Services Tribunal on July 22, 2014, Ronald Goguen, Sr. agreed that, in connection with the bankruptcy of Landdrill referred to above, he failed to cause Landdrill to satisfy its continuous disclosure obligations, and in doing so, he failed to discharge his corporate obligation in a manner consistent with New Brunswick securities laws. As part of the settlement, Mr. Goguen agreed to refrain from disseminating to the public continuous disclosure on behalf of a reporting issuer until such time as he attended a timely disclosure course with the Toronto Stock Exchange. Mr. Goguen completed this requirement.

## **DIRECTOR AND EXECUTIVE OFFICER COMPENSATION**

### **Compensation Discussion and Analysis**

At this time, no compensation has been paid to any of the officers or directors of CBM, and CBM executive officers will not receive salaried compensation until closing of the Arrangement.

Following completion of the Arrangement, it is anticipated that CBM will adopt a compensation structure for its executive officers that is appropriate for its size and the nature of its operations, while also providing an incentive for growth. CBM expects that the initial compensation structure will reflect its intention to keep general and administrative costs low and as a cash-preserving measure, CBM may emphasize compensation through CBM Options. Depending on the future development of CBM and other factors that may be considered relevant by the CBM Board from time to time, it may be determined in the future to emphasize increased base salaries and rely to a lesser extent on share options or other incentives.

CBM has not established an annual retainer fee or meeting attendance fee for directors. However, CBM expects to establish directors' fees in the future and each director will be entitled to participate in any security-based compensation arrangement or other plan adopted by CBM, from time to time, with the approval of the CBM Board. The CBM Board will periodically review the adequacy and form of the compensation of directors and ensure that the compensation realistically reflects the responsibilities and risks involved in being an effective director.

### **Termination of Employment, Changes in Responsibility and Employment Contracts**

CBM does not have any contract, agreement, plan or arrangement that provides for payments at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change of control of CBM or a change in responsibilities following a change in control.

There are no termination clauses or change of control benefits in employment agreements, or any other contract, agreement, plan or arrangement.

### **Option-Based Awards**

The CBM Omnibus Incentive Plan will be administered by the CBM Board, which will designate, in each year, the recipients of options and the terms and conditions of each grant, in each case in accordance with applicable securities laws and stock exchange requirements. The awards and shares available to be issued under the CBM Omnibus Incentive Plan will be used to retain and motivate current directors, officers, employees, consultants and attract new directors, officers, employees and consultants. See "CBM Omnibus Incentive Plan" above.

## **INDEBTEDNESS OF DIRECTORS AND OFFICERS**

No individual who is a director or executive officer of CBM, or an associate or affiliate of such an individual, is indebted to CBM.

## **AUDIT COMMITTEE**

NI 52-110 requires that CBM's Audit Committee meet certain requirements. It also requires that CBM disclose in this Information Circular certain information regarding the Audit Committee, as set out below.

### **Overview**

The Audit Committee is responsible for monitoring CBM's systems and procedures for financial reporting and internal control, reviewing certain public disclosure documents and monitoring the performance and independence of CBM's external auditors. The committee is also responsible for reviewing CBM's annual audited financial statements, unaudited quarterly financial statements and management's discussion and analysis of financial results of operations for both annual and interim financial statements and review of related operations prior to their approval by the Board.

## **Audit Committee Charter**

The CBM Board has adopted an Audit Committee Charter which is annexed as Exhibit A to this Schedule G mandating the role of the Audit Committee in supporting the CBM Board in meeting its responsibilities to CBM Shareholders.

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

The Audit Committee will consist of at least three directors as determined by the CBM Board, the majority of whom are not officers or employees of CBM or any of its affiliates.

At least one member of the Audit Committee will have accounting or related financial management expertise. All members of the Audit Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of the Charter, the definition of “financially literate” is 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 presumably be expected to be raised by CBM’s financial statements.

If CBM ceases to be a “venture issuer” (as that term is defined in NI 52-110), then: (i) the Audit Committee will be composed of a minimum of three directors of CBM and (ii) all of the members of the Audit Committee will be required to be free from any relationship that, in the opinion of the CBM Board, would interfere with the exercise of his or her independent judgment as a member of the Audit Committee.

If CBM ceases to be a “venture issuer” then all members of the Audit Committee will be financially literate. All members of the Audit Committee who are not financially literate will work toward becoming financially literate to obtain a working familiarity with basic finance and accounting practices.

The members of the Audit Committee of CBM are Frank J. Basa, William D. Macdonald and Ronald Goguen, Sr. The CBM Board considers that a majority of the members of the Audit Committee, namely William D. Macdonald and Ronald Goguen, Sr., are “independent directors” and that all members of the Audit Committee are financially literate. Unless a Chair is appointed by the Board, the members of the Audit Committee may designate a Chair by a majority vote of the full Audit Committee membership.

### **Relevant Education and Experience**

Education and experience relevant to the performance of responsibilities as an Audit Committee member include any education or experience that would provide the member with:

- (a) an understanding of the accounting principles used by CBM to prepare its financial statements;
- (b) the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves;
- (c) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by CBM’s financial statements, or experience actively supervising one or more persons engaged in such activities; and
- (d) an understanding of internal controls and procedures for financial reporting.

The education and experience of each member of the Audit Committee relevant to the performance of his responsibilities as an Audit Committee member are set out above under “Description of CBM’s Management and Directors”.

### **Pre-Approval Policies and Procedures**

The CBM Board has adopted the Audit Committee Charter, annexed as Exhibit A to this Schedule G, which contains policies and procedures for the engagement of non-audit services. The Audit Committee will be responsible for the pre-approval of all audit services and permissible non-audit services to be provided to CBM by the external auditors subject to any exceptions provided in NI 52-110.

## External Auditors Service Fees (By Category)

As CBM was a wholly-owned subsidiary of CCW until 2023, no fees were billed to CBM by the auditor of CCW during the last two fiscal years.

## Exemption in Section 6.1 of NI 52-110

Following completion of the Arrangement, CBM is not expected to rely on the exemption from the provisions in section 6.1 of NI 52-110 from the requirement of Part 3 (Composition of the Audit Committee). Following completion of the Arrangement, CBM is expected to rely on the exemption in section 6.1 of NI 52-110, from the requirement of Part 5 (Reporting Obligations) as it is a “venture issuer” as that term is defined under NI 52-110.

## CORPORATE GOVERNANCE DISCLOSURE

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

### The CBM Board

The CBM Board is currently composed of five directors, namely: Frank J. Basa, Aurelian Basa, Ronald Goguen, Sr., William D. Macdonald and Dianne Tookenay.

The CBM Board is specifically responsible for approving long-term strategic plans and annual operating plans and budgets recommended by management. CBM Board approval is also required for all material contracts, business transactions and all debt and equity financing proposals. The CBM Board also takes responsibility for identifying the principal risks of CBM’s business and for ensuring these risks are effectively monitored and mitigated to the extent reasonably practicable. In keeping with its overall responsibility for the stewardship of CBM, the CBM Board is responsible for the integrity of CBM’s internal control and management information systems and for CBM’s policies respecting corporate disclosure and communications.

The CBM Board delegates to management, through the Chief Executive Officer and Chief Financial Officer, responsibility for meeting defined corporate objectives, implementing approved strategic and operating plans, carrying on CBM’s business in the ordinary course, managing CBM’s cash flow, evaluating new business opportunities, recruiting staff and complying with applicable regulatory requirements. The CBM Board also looks to management to furnish recommendations respecting corporate objectives, long-term strategic plans and annual operating plans.

### *Independence*

Section 1.4 of NI 52-110 sets out the standard for director independence. Under NI 52-110, a director is independent if he or she has no direct or indirect material relationship with the issuer. A material relationship is a relationship which could, in the view of the CBM Board, be reasonably expected to interfere with the exercise of a director’s independent judgment. NI 52-110 also sets out certain situations where a director will automatically be considered to have a material relationship to the issuer.

Applying the definition set out in section 1.4 of NI 52-110, three of the five members of the CBM Board (Ronald Goguen, Sr., William D. Macdonald and Dianne Tookenay) are independent. Frank J. Basa, CEO of CBM, is not independent in that he is an officer of CBM, and Aurelian Basa is deemed to be not independent in that he is the son of Frank J. Basa.



## Directorships

As at the date hereof, the following directors of CBM are also directors of other reporting issuers, as set out below:

Name of Director	Names of Other Reporting Issuer
Frank J. Basa	Canada Silver Cobalt Works Inc. Granada Gold Mine Inc.
Aurelian Basa	—
Ronald Goguen, Sr.	Colibri Resource Corporation
William D. Macdonald	Colibri Resource Corporation
Dianne Tookenay	Canada Silver Cobalt Works Inc. Granada Gold Mine Inc.

## Orientation and Continuing Education

CBM has not adopted a formal process of orientation for new members of the CBM Board. Orientation of new directors is conducted on an *ad hoc* basis.

Directors will be kept informed as to matters impacting, or which may impact, CBM's operations through reports and presentations at meetings of the CBM Board. Directors will also be provided with the opportunity to meet with senior management and other employees and advisors, who can answer questions that may arise.

## Expectations of Management and Ethical Business Conduct

The CBM Board expects management to operate the business of CBM in a manner that enhances shareholder value and is consistent with the highest level of integrity. Management is expected to execute CBM's business plan and to meet performance goals and objectives.

## Nominations and Assessment

The CBM Board will determine new nominees to the CBM Board, although a formal process has not been adopted. It is expected that nominees will generally be the result of recruitment efforts by the individual CBM Board members, including both formal and informal discussions among CBM Board members and the President. The current size of the CBM Board is such that the entire CBM Board will take responsibility for selecting new directors and assessing current directors.

The CBM Board will monitor the performance of individual CBM Board members and committee members. The CBM Board does not, at present, have a formal process in place for assessing the effectiveness of the CBM Board as a whole, its committees or individual directors, but will consider implementing one in the future should circumstances warrant. Based on CBM's size, its stage of development and the limited number of individuals on the CBM Board, the CBM Board considers a formal assessment process to be inappropriate at this time. The CBM Board plans to continue evaluating its own effectiveness on an *ad hoc* basis.

New directors are briefed on strategic plans, short, medium and long-term corporate objectives, business risks and mitigation strategies, corporate governance guidelines and existing company policies. However, there is no formal orientation for new members of the CBM Board, and this is considered to be appropriate, given CBM's size and current level of operations.

The skills and knowledge of the CBM Board as a whole is such that no formal continuing education process is currently deemed required. The CBM Board is comprised of individuals with varying backgrounds, who have, both collectively and individually, extensive experience in running and managing businesses. CBM Board members are encouraged to communicate with management, auditors and technical consultants to keep themselves current with industry trends and developments and changes in legislation, with management's assistance. CBM Board members have full access to CBM's records. See table under the heading "Directors and Executive Officers" above for a description of the current principal occupations of the members of the CBM Board.

## **CBM Board Committees**

CBM currently has one standing committee – the audit committee. See the section above entitled “*Audit Committee*” for further information.

## **Diversity Disclosure**

As a distributing corporation incorporated under the CBCA, CBM will be required to disclose information annually to the CBM Shareholders and to the Director appointed under the CBCA on the diversity of the CBM Board and senior management with respect to the four Designated Groups, namely: women, indigenous peoples, persons with disabilities, and members of visible minorities. The term “senior management” is defined in the *Canada Business Corporations Regulations* as: the chair and vice-chair of the board of directors; the president of the corporation; the chief executive officer and chief financial officer; the vice-president in charge of a principal business unit, division or function, including sales, finance or production; and an individual who performs a policy-making function in respect of the corporation. The information below is provided as at the date of this Information Circular.

## **Diversity of the CBM Board and Senior Management**

CBM has not adopted a formal written policy regarding the diversity of the CBM Board or its senior management. CBM does not believe a formal policy would increase the representation of the Designated Groups on the CBM Board or in senior management. CBM considers all qualified individuals for each position that may arise.

In selecting potential directors and members of senior management, CBM reviews an applicant’s skills, experience and independence as it relates to the requirements of the position as factors in CBM’s selection process. This selection process includes all individuals in all Designated Groups when nominating candidates for election to the CBM Board and for senior management positions.

### *Director Term Limits and Other Mechanisms of CBM Board Renewal*

CBM has not implemented term restrictions or any other mechanism regarding the CBM Board that would limit the time an individual can serve on the CBM Board. Imposing a term limit could result in an individual who has acquired an extensive knowledge and understanding of CBM’s operations being required to leave the Board of Directors based solely on length of service. The directors of CBM will be elected annually.

### *Targets for Representation of Designated Groups on the CBM Board and among Senior Management*

CBM has not established quotas or targets for representation of Designated Groups on the CBM Board or in senior management. CBM believes that focusing on a quota or target rather than on skills and experience may limit CBM’s ability to provide CBM Shareholders with a board of directors and senior management that meets the qualifications and needs of CBM and the CBM Shareholders.

### *Representation of Designated Groups Among CBM Board and Senior Management*

CBM currently has five members of the Board of Directors and one member of senior management who is not also a director, for a total of six. Currently, one (16.67%) of the CBM Board and senior management is a woman; one (16.67%) is an indigenous person; one (16.67%) is a member of a visible minority; and none (0%) are individuals with disabilities.

## **RISK FACTORS**

CBM, like other mining exploration companies, is exposed to a variety of financial and environmental risks as well as operational and safety risks related to the nature of its activities. It is also subject to risks related to other factors, such as metal prices and financial market conditions. The main risks to which CBM is exposed are as follows:

### **Financing Risk**

CBM will be required to periodically obtain new funds in order to pursue its activities. There can be no assurance that it will be able to do so.

## **Volatility of Stock Price and Limited Liquidity**

It is the intention of CBM to list the CBM Shares on the TSXV. Once listed, the CBM Shares may experience significant volatility in price and trading volume. There can be no assurance of adequate liquidity for the CBM Shares.

## **Exploration and Development**

Mineral exploration and development of mineral properties involves a high degree of risk, and few properties which are explored are ultimately developed into producing mines. There is no assurance that CBM's exploration and development activities will result in any discoveries of commercial bodies of minerals. The long-term profitability of CBM's operations will be in part directly related to the cost and success of its exploration programs, which may be affected by a number of factors. Unusual or unexpected formations, formation pressures, fires, power outages, labour disruptions, flooding, explosions, tailings impoundment failures, cave-ins, landslides and the inability to obtain adequate machinery, equipment or labour are some of the risks involved in mineral exploration and exploitation activities.

Substantial expenditures are required to establish mineral reserves and resources through drilling, to develop metallurgical 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 mining. Although substantial benefits may be derived from the discovery of a major deposit, no assurance can be given that resources will be discovered in sufficient quantities to justify commercial operations or that the funds required for development can be obtained on a timely basis. The commercial viability of a mineral deposit once discovered is also dependent on a number of factors, some of which are the particular attributes of the deposit, such as size, grade and proximity to infrastructure, as well as metal prices. Most of the above factors are beyond the control of CBM. There can be no assurance that CBM's mineral exploration activities will be successful. In the event that such commercial viability is never attained, CBM may seek to transfer its property interests or otherwise realize value or may even be required to abandon its business and fail as a "going concern".

## **The EV Industry**

CBM's future growth will be dependent in part on consumer demand for EVs and consumer willingness to adopt EVs as an alternative to internal-combustion engine vehicles. Although there has been increased interest in, and adoption of, EVs, if the market for EVs in general does not develop or develops more slowly than expected, or if demand for EVs decreases, CBM's business, results of operations and financial condition may be adversely affected in a material way.

The EV market is rapidly evolving and may be subject to unforeseen changes. Developments in alternative technologies, or improvements in the fuel economy of internal combustion engines, may adversely affect the EV market and thereby adversely affect CBM's business, results of operations and financial condition.

At present, EVs constitute a small percentage of overall vehicle sales. Factors that may influence the adoption of EVs include:

- the limited range over which EVs may be driven on a single battery charge;
- the availability of service and charging stations for EVs;
- concerns about electric grid capacity and reliability;
- the availability of EVs;
- perceptions about EV quality, safety, design, performance and cost;
- volatility in the cost of oil and gasoline, and improvements in the fuel economy of internal-combustion engine vehicles;
- government regulations and economic incentives; and
- macroeconomic factors.

Any of the foregoing factors may cause consumers to not purchase EVs, which may adversely affect CBM's business, results of operations and financial condition.

## **Competition Among Suppliers to the EV Industry**

CBM intends to be a metals supplier to participants in the EV industry. As such, CBM will face substantial competition from other metals suppliers to the EV industry, many of which have greater financial resources than CBM. CBM has not to date sold any metals to participants in the EV industry. There can be no assurance that CBM will be able to sell metals to participants in the EV industry on a profitable basis, or at all.

## **Permits and Licenses**

CBM's operations may require permits and licenses from different governmental authorities. Obtaining permits can be a complex and time-consuming process. There can be no assurance that CBM will obtain all the required permits and licenses in order to continue the exploration and development of its properties. Failure to obtain such licenses and permits may adversely affect CBM's business as CBM would be unable to legally conduct its intended exploration work, which may result in it losing its interest in the subject property. Any failure to comply with permits and applicable laws and regulations, even if inadvertent, could result in the interruption or closure of operations or material fines, penalties or other liabilities. In addition, the requirements applicable to sustain existing permits and licenses may change or become more stringent over time and there is no assurance that CBM will have the resources or expertise to meet its obligations under such licenses and permits.

## **Government Laws and Regulations**

CBM's operations and exploration activities will be subject to the laws and regulations of federal, provincial and local governments in the jurisdictions in which CBM will operate. These laws and regulations are extensive and govern prospecting, exploration, development, production, exports, taxes, labour standards, occupational health and safety, waste disposal, toxic substances, environmental protection, mine safety and other matters.

Compliance with such laws and regulations increases the costs of planning, designing, drilling, developing, constructing, operating, closing, reclaiming and rehabilitating mines and other facilities. New laws, regulations or taxes, amendments to current laws, regulations or taxes governing operations and activities of mining corporations or more stringent implementation or interpretation thereof could have a material adverse impact on CBM, cause a reduction in levels of production and delay or prevent the development of new mining properties.

The Canadian mining industry is subject to federal and provincial environmental protection laws and regulations. They set high standards on the mining industry in order to reduce or eliminate the effects of waste generated by extraction and processing operations and subsequently emitted into the air or water. Compliance with applicable environmental laws and regulations and review processes, as well as the obtaining of permits, particularly for the use of the land, permits for the use of water, and similar authorizations from various governmental bodies increases the costs of planning, designing, drilling, as well as exploration and operating activities.

Some of CBM's operations may be subject to reclamation, site restoration and closure requirements. It is possible that CBM's estimates of its ultimate reclamation liability could change as a result of possible changes in laws and regulations and changes in cost estimates. Failure to comply with applicable laws and regulations may result in enforcement actions thereunder, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions.

## **Aboriginal Rights and Duty to Consult**

CBM operates and does exploration on properties which may be subject to Aboriginal rights or titles. To the extent applicable, CBM will consult with First Nations about any impact of its activities on such rights, titles or claims, which may cause delays in making decisions or project start-ups. Further, there can be no assurance of favourable outcomes of any such consultations. CBM may face adverse consequences such as significant expenses on account of lawsuits and loss of reputation.

## **Environmental Risks**

CBM's operations will be subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions of spills, release or emission of various substances produced in association with certain mining industry operations, such as seepage from tailing disposal areas, which could result in environmental pollution. Failure to comply with such legislation may result in imposition of fines and penalties, which may be substantial. In addition, certain types of operations require submissions to and approval of environmental impact assessments. Environmental legislation is evolving in a manner which means stricter standards and enforcement. These laws and regulations

will require CBM to acquire permits and other authorizations for certain activities. There can be no assurance that CBM will be able to acquire such necessary permits or authorizations on a timely basis, if at all. Fines and penalties for non-compliance are also stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations. CBM intends to fully comply with all environmental regulations.

### **Title Matters**

The staked mining claims in which CBM has an interest have not been surveyed and accordingly, the precise location of the boundaries of the claims and ownership of mineral rights on specific tracts of land comprising the claims may be in doubt. Although, CBM has taken all possible measures to ensure proper title to its properties, including filing of necessary documents and payments to local regulatory authorities, there is no guarantee that the title of any of its properties will not be challenged.

### **Metal Prices**

Even if the exploration programs of CBM are successful, factors out of CBM's control may affect the marketing of the minerals found. World-wide supply and demand for metals determines metal prices which are affected by many factors including international, economic and political trends, inflation expectations, exchange rate fluctuations, interest rates, global and regional consumption levels, speculative activities and worldwide production levels. The effects of these factors cannot be precisely predicted.

### **Key Personnel**

The management of CBM rests on certain key personnel and mostly on its President and Chief Executive Officer. The loss of the President and Chief Executive Officer could have a negative impact on the development and the success of CBM.

## **PROMOTER**

Under applicable Canadian securities laws, CCW may be considered a promoter of CBM in that it took initiative in organizing the business of CBM.

As of the date of this Information Circular, CCW is the registered holder of 1,000 CBM Shares, representing 100% of the issued and outstanding CBM Shares.

Following completion of the Arrangement and assuming completion of the CBM Financings, CCW is expected to beneficially own, control and direct, directly or indirectly, 11,750,200 CBM Shares, representing 36.7% of the issued and outstanding CBM Shares, and 5,874,600 CBM Warrants.

## **LEGAL PROCEEDINGS**

### **Legal Proceedings**

CBM is not aware of any actual or pending material legal proceedings to which CBM is or is likely to be party or of which any of its business or property is or is likely to be subject.

### **Regulatory Actions**

There are no (a) penalties or sanctions imposed against CBM by a court relating to securities legislation or by a securities regulatory authority during its most recently completed financial year; (b) other penalties or sanctions imposed by a court or regulatory body against CBM that would likely be considered important to a reasonable investor in making an investment decision in CBM; or (c) settlement agreements CBM entered into before a court relating to securities legislation or with a securities regulatory authority during its most recently completed financial year.

## **INTERESTS OF CERTAIN PERSONS IN MATERIAL TRANSACTIONS**

Except as set out elsewhere in this Information Circular, none of the directors or executive officers of CBM, or any person that is expected to beneficially own or control or direct more than 10% of any class or series of shares of CBM, or any associate or affiliate of any of the foregoing persons, has or has had any material interest in any past transaction within the three years before the date of this Information Circular, or any proposed transaction, that has materially affected or would materially affect CBM or any of its subsidiaries.

Certain directors and officers of CBM are also directors, officers or shareholders of other companies that are similarly engaged in the business of acquiring, developing and exploiting natural resource properties. Such associations to other companies in the resource sector may give rise to conflicts of interest from time to time. As a result, opportunities provided to a director of CBM may not be made available to CBM, but rather, may be offered to a company with competing interests. The directors and senior officers of CBM are required by law to act honestly and in good faith with a view to the best interests of CBM and to disclose any personal interest which they may have in any project or opportunity of CBM, and to abstain from voting on such matters.

## **AUDITORS, TRANSFER AGENT AND REGISTRAR**

McGovern Hurley LLP, Chartered Professional Accountants, 251 Consumer's Road, Suite 800, Toronto, Ontario M2J 4R3, is the auditor of CBM.

Computershare Investor Services Inc., at its principal office in Vancouver, British Columbia, is the transfer agent and registrar for the CBM Shares.

## **MATERIAL CONTRACTS**

The only material contract entered into by CBM since its incorporation is the Arrangement Agreement dated September 13, 2023 between CCW and CBM, as described under "The Arrangement – Details of the Arrangement" in this Information Circular.

## **EXPERTS**

Claude Duplessis P.Eng., of GoldMinds Geoservices Inc., and Hugues Guérin Tremblay P.Geo., of Laurentia Exploration Inc. are the authors of the Technical Report. As of the date of this Circular, Mr. Duplessis and Mr. Guérin Tremblay do not own any CBM Shares or CCW Shares.

**EXHIBIT A**  
**AUDIT COMMITTEE CHARTER**

**Purpose**

1. The purpose of the Audit Committee of the Board of Directors (the “**Board**”) of Coniagas Battery Metals Inc. (the “**Corporation**”) is to:
  - (a) review and recommend to the Board for acceptance, prior to its public release, all material financial information required to be disclosed by the Corporation;
  - (b) oversee management-designed and implemented accounting systems and internal controls; and
  - (c) recommend, engage, supervise, arrange for the compensation and ensure the independence of the external auditor to the Corporation.

**Composition**

2. The Audit Committee will be comprised of at least three members, all of whom shall be members of the Board.
3. A majority of the members of the Audit Committee shall not be executive officers, employees or control persons of the Corporation or of an affiliate of the Corporation within the meaning of National Instrument 52-110 *Audit Committees* (“**NI 52-110**”).
4. All members of the Committee shall be financially literate within the meaning of NI 52-110 and possess:
  - (a) an understanding of the accounting principles used by the Corporation to prepare its financial statements;
  - (b) the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves;
  - (c) experience in preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Corporation’s financial statements, or experience in actively supervising one or more individuals engaged in such activities; and
  - (d) an understanding of internal controls and procedures for financial reporting.

**Meetings**

5. The Audit Committee is required to meet in person, or by telephone or video conference call, at least once each quarter and otherwise as often as required to discharge the duties of the Audit Committee.
6. The Chair of the Audit Committee appointed by the Board will, in consultation with the members, determine the schedule, time and place of meetings, and in consultation with management and the external auditor, establish the agenda for meetings.
7. A quorum for a meeting of the Audit Committee shall be a majority of members present in person or by telephone or video conference call.
8. Notice of the time and place of every meeting shall be given in writing, by email or facsimile to each member of the Audit Committee at least 24 hours prior to the time fixed for such meeting, provided that a member may waive a notice of meeting.

## Responsibilities

9. The Audit Committee is responsible to:
- (a) independently or together with the Board, investigate fraud, illegal acts and conflicts of interest and respond to existing and potential conflicts of interest;
  - (b) discuss issues of its choosing with the external auditor, management and corporate counsel;
  - (c) establish procedures for the confidential anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters;
  - (d) establish procedures for the receipt and treatment of complaints received by the Corporation regarding accounting, internal accounting controls and auditing matters and the retention (for at least seven years) of copies of concerns and evidence of investigations; and
  - (e) make inquiries of the external auditor and legal counsel to the Corporation regarding potential claims, assessments, contingent liabilities, and legal and regulatory matters that may have a material impact on the financial statements of the Corporation.

## External Auditor

10. To preserve the independence of the external auditor responsible for preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation, the Audit Committee is responsible for:
- (a) recommending to the Board the external auditor to be nominated;
  - (b) recommending to the Board the external auditor's compensation;
  - (c) evaluating the external auditor's qualifications, performance and independence including by annually reviewing:
    - (i) a report of the auditor describing its internal quality-control procedures;
    - (ii) material issues raised by its most recent internal quality-control review; and
    - (iii) the results of any inquiry or investigation by government or professional authorities of the auditor within the last five years;
  - (d) reviewing the experience and qualifications of the senior members of the external auditor, ensuring that the lead audit partner is replaced periodically in accordance with applicable law or policies, and that the audit firm continues to be independent;
  - (e) reviewing and pre-approving any engagements for non-audit services to be provided to the Corporation or its subsidiary entities by the external auditor and its affiliates in light of the estimated fees and any impact on the external auditor's independence;
  - (f) reviewing with management and with the external auditor:
    - (i) any proposed changes in major accounting policies;
    - (ii) the presentation and impact of significant risks and uncertainties; and
    - (iii) key estimates and judgments of management that may be material to financial reporting; and
  - (g) reviewing and approving the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Corporation in compliance with the requirements of NI 52-110.



11. The Audit Committee shall:

- (a) engage independent counsel and other advisors as it determines necessary to carry out its duties;
- (b) set and pay the compensation for any advisors employed by the Audit Committee;
- (c) maintain direct communications with the internal and external auditors;
- (d) discuss and review specific issues with the external auditor;
- (e) oversee the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation;
- (f) resolve any disagreements between management and the external auditor regarding financial reporting;
- (g) meet with the external auditor at least annually in the absence of management;
- (h) ensure that the external auditor is answerable to the Audit Committee, as representatives of the shareholders, rather than to the executive officers and management;
- (i) pre-approve all audit services;
- (j) meet with the external auditor prior to the audit to review the scope and general extent of the external auditor's annual audit, including planning and staffing the audit and the factors considered in determining the audit scope, including risk factors;
- (k) upon completion of the annual audit and prior to public disclosure, review the following with the Chief Executive Officer and Chief Financial Officer of the Corporation, and other executive officers as applicable:
  - (i) annual financial statements, and management's discussion and analysis of financial condition and results of operations;
  - (ii) significant accounting judgments and reporting principles, practices and procedures applied in preparing the financial statements, including newly-adopted accounting policies and the reasons for their adoption;
  - (iii) results of the combined audit of the financial statements and internal controls over financial reporting;
  - (iv) significant changes to the audit plan, if any, and any disputes or difficulties with management encountered during the audit, including any disagreements which, if not resolved, would have caused the external auditor to issue a non-standard report on the Corporation's financial statements; and
  - (v) cooperation received by the external auditor during its audit, including access to all requested records, data and information.

**Accounting Systems. Internal Controls and Procedures**

12. The Audit Committee will:

- (a) be satisfied and obtain reasonable assurances from management and the external auditor that:
  - (i) the Corporation's accounting systems are reliable;
  - (ii) the Corporation's prescribed internal controls are effective; and

- (iii) adequate procedures are in place for the review of the disclosure of financial information extracted or derived from the Corporation's financial statements.
- (b) periodically assess the adequacy of the Corporation's accounting systems and internal controls and procedures for the review of disclosure of financial information;
- (c) direct the external auditor's examinations to particular issues;
- (d) review control weaknesses identified by the external auditor and management's response; and
- (e) review with the external auditor its view of the qualifications and performance of the key financial and accounting executives of the Corporation.

## **Reporting**

13. The Audit Committee is responsible, following each meeting, to report to the Board regarding its activities, findings, recommendations, any issues that arise with respect to the quality or integrity of the Corporation's financial statements, compliance with applicable law, the performance and independence of the external auditor and the effectiveness of the internal audit function.
14. The Audit Committee is responsible for reviewing and recommending to the Board for approval, prior to their public distribution, of all:
  - (a) interim and annual financial statements and notes thereto;
  - (b) management's discussion and analysis of financial condition and results of operations;
  - (c) relevant sections of the annual report, annual information form and management information circular containing financial information, as applicable;
  - (d) forecasted financial information and forward-looking statements;
  - (e) press releases and other documents in which financial statements, earnings or losses forecasts, results of operations or other financial information is disclosed; and
  - (f) disclosure of the selection of accounting policies (and changes thereto), major accounting judgments, accruals and estimates.
15. The Audit Committee will annually, prior to public disclosure of the Corporation's annual financial statements, ensure that the external auditor has current participant status with, and is in compliance with any restriction or sanction imposed by, the Canadian Public Accountability Board.
16. The Audit Committee will prepare any reports required to be prepared by an audit committee under applicable laws or regulations including quarterly reports regarding ongoing investigations made pursuant to the Corporation's whistleblower policy.

## **Governance**

17. The Audit Committee is responsible to annually review and in its discretion make recommendations to the Board regarding changes to this Audit Committee Charter and the position description of its Chair.

## **Materials**

18. The Audit Committee shall have access to all books, records, facilities and personnel of the Corporation necessary for the discharge of its duties.

Adopted and approved by the Board as of September 18, 2023.

**SCHEDULE H**  
**AUDITED FINANCIAL STATEMENTS OF CONIAGAS BATTERY METALS INC. AND MANAGEMENT'S**  
**DISCUSSION AND ANALYSIS**

See annexed.

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**CONIAGAS BATTERY METALS INC.**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2022 AND PERIOD**  
**FROM NOVEMBER 11, 2021 (INCORPORATION) TO**  
**DECEMBER 31, 2021**  
**(EXPRESSED IN CANADIAN DOLLARS)**

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*Audit. Tax. Advisory.*

## **Independent Auditor's Report**

To the Directors of Coniagas Battery Metals Inc.

### **Opinion**

We have audited the financial statements of Coniagas Battery Metals Inc. (the "Company"), which comprise the statements of financial position as at December 31, 2022 and 2021, and the statements of income and comprehensive income, statements of changes in equity and statements of cash flows for the year ended December 31, 2022 and the period from November 11, 2021 (date of incorporation) to December 31, 2021, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2022 and 2021 and its financial performance and its cash flows for the periods then ended in accordance with International Financial Reporting Standards ("IFRS").

### **Basis for opinion**

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Other information**

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Responsibilities of management and those charged with governance for the financial statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

## **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risks of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty

exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**McGovern Hurley LLP**



**Chartered Professional Accountants  
Licensed Public Accountants**

Toronto, Ontario  
September 25, 2023

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**Coniagas Battery Metals Inc.**  
**Statements of Financial Position**  
**(Expressed in Canadian Dollars)**

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	<b>As at December 31, 2022</b>	<b>As at December 31, 2021</b>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	\$ 10	\$ 10
<b>Total assets</b>	<b>\$ 10</b>	<b>\$ 10</b>
<b>EQUITY</b>		
Share capital	\$ 10	\$ 10
Retained earnings	-	-
<b>Total equity</b>	<b>\$ 10</b>	<b>\$ 10</b>

The accompanying notes to the financial statements are an integral part of these statements.

Nature of business and going concern (note 1)

**Approved on behalf of the Board:**

(Signed) "Frank Basa" \_\_\_\_\_ Director



**Coniagas Battery Metals Inc.**  
**Statements of Changes in Equity**  
**(Expressed in Canadian Dollars)**

	Share capital	Retained earnings	Total
<b>Balance, November 11, 2021</b>	\$ -	\$ -	\$ -
Incorporation shares issued	10	-	10
Net income and comprehensive income for the period	-	-	-
<b>Balance, December 31, 2021</b>	<b>\$ 10</b>	<b>\$ -</b>	<b>\$ 10</b>
Net income and comprehensive income for the year	-	-	-
<b>Balance, December 31, 2022</b>	<b>\$ 10</b>	<b>\$ -</b>	<b>\$ 10</b>

The accompanying notes to the financial statements are an integral part of these statements.

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**Coniagas Battery Metals Inc.****Statements of Cash Flows****(Expressed in Canadian Dollars)**

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	Year Ended December 31, 2022	Period from November 11, 2021 (Incorporation) to December 31, 2021
<b>Financing activities</b>		
Incorporation shares issued	\$ -	\$ 10
<b>Net cash provided by financing activities</b>	-	10
<b>Net change in cash</b>	-	10
<b>Cash, beginning of year</b>	10	-
<b>Cash, end of year</b>	\$ 10	\$ 10

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The accompanying notes to the financial statements are an integral part of these statements.

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# Coniagas Battery Metals Inc.

## Notes to Financial Statements

Year Ended December 31, 2022 and Period from November 11, 2021 (Incorporation) to December 31, 2021  
(Expressed in Canadian Dollars)

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### 1. Nature of business and going concern

Coniagas Battery Metals Inc. ("CBM" or the "Company") is a private company incorporated under the provisions of Canada Business Corporations Act on November 11, 2021. The Company is a wholly owned subsidiary of Canada Silver Cobalt Works Inc. ("CCW"), a TSX-V listed entity. Its registered and head office is located at 3028 Quadra Court, Coquitlam, British Columbia V3B 5X6.

### 2. Significant accounting policies

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the IFRS Interpretations Committee ("IFRIC").

The policies applied in these financial statements are based on IFRSs issued and outstanding as of December 31, 2022. These financial statements were approved by the Board of Directors on September 25, 2023.

#### Basis of presentation

These financial statements have been prepared on a historical cost basis. The Company's functional and presentation currency is Canadian dollars.

These financial statements do not include the statement of income and comprehensive income as there were no activities during the year ended December 31, 2022 and the period from November 11, 2021 (date of incorporation) to December 31, 2021.

#### Cash

Cash is comprised of cash on hand. As of December 31, 2022, there were no cash equivalents held by the Company.

#### Financial instruments

##### Financial assets

##### Initial recognition and measurement

Non-derivative financial assets within the scope of IFRS 9 are classified and measured as "financial assets at fair value", as either fair value through profit or loss ("FVPL") or fair value through other comprehensive income ("FVOCI"), and "financial assets at amortized costs", as appropriate. The Company determines the classification of financial assets at the time of initial recognition based on the Company's business model and the contractual terms of the cash flows.

All financial assets are recognized initially at fair value plus, in the case of financial assets not at FVPL, directly attributable transaction costs on the trade date at which the Company becomes a party to the contractual provisions of the instrument. Financial assets with embedded derivatives are considered in their entirety when determining their classification at FVPL or at amortized cost. Cash is measured at amortized cost.

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## Coniagas Battery Metals Inc.

### Notes to Financial Statements

Year Ended December 31, 2022 and Period from November 11, 2021 (Incorporation) to December 31, 2021  
(Expressed in Canadian Dollars)

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## 2. Significant accounting policies (continued)

### Financial instruments (continued)

#### Subsequent measurement – financial assets at amortized cost

After initial recognition, financial assets measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the Effective Interest Rate (“EIR”) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR.

#### Subsequent measurement – financial assets at FVPL

Financial assets measured at FVPL include financial assets management intends to sell in the short term and any derivative financial instrument that is not designated as a hedging instrument in a hedge relationship. Financial assets measured at FVPL are carried at fair value in the statements of financial position with changes in fair value recognized in other income or expense in the consolidated statements of loss. The Company does not measure any financial instruments at FVPL.

#### Subsequent measurement – financial assets at FVOCI

Financial assets measured at FVOCI are non-derivative financial assets that are not held for trading and the Company has made an irrevocable election at the time of initial recognition to measure the assets at FVOCI. The Company does not measure any financial assets at FVOCI.

After initial measurement, investments measured at FVOCI are subsequently measured at fair value with unrealized gains or losses recognized in other comprehensive income or loss in the statements of comprehensive loss. When the investment is sold, the cumulative gain or loss remains in accumulated other comprehensive income or loss and is not reclassified to profit or loss.

Dividends from such investments are recognized in other income in the statements of loss when the right to receive payments is established.

#### Derecognition

A financial asset is derecognized when the contractual rights to the cash flows from the asset expire, or the Company no longer retains substantially all the risks and rewards of ownership.

#### Impairment of financial assets

There are currently no financial assets subject to impairment. The Company has elected to apply the simplified approach to impairment as permitted by IFRS 9, which requires the expected lifetime loss to be recognized at the time of initial recognition of accounts receivable. To measure estimated credit losses, accounts receivable have been grouped based on shared credit risk characteristics, including the number of days past due. An impairment loss is reversed in subsequent periods if the amount of the expected loss decreases and the decrease can be objectively related to an event occurring after the initial impairment was recognized.

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## Coniagas Battery Metals Inc.

### Notes to Financial Statements

Year Ended December 31, 2022 and Period from November 11, 2021 (Incorporation) to December 31, 2021  
(Expressed in Canadian Dollars)

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## 2. Significant accounting policies (continued)

### Financial instruments (continued)

#### Financial liabilities

##### Initial recognition and measurement

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVPL as is the case for held for trading or derivative instruments, or the Company has opted to measure the financial liability at FVPL. All financial liabilities are recognized initially at fair value.

##### Subsequent measurement – financial liabilities at amortized cost

After initial recognition, financial liabilities measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR.

##### Derecognition

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires with any associated gain or loss recognized in other income or expense in the statements of loss.

##### Fair value hierarchy

The Company classifies its financial instruments measured at fair value according to a three-level hierarchy that reflects the significance of the inputs used in making the fair value measurements. The three levels of fair value hierarchy are as follows:

- Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices that are observable for assets or liabilities, either directly or indirectly;
- Level 3 - Inputs for assets or liabilities that are not based on observable market data.

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# Coniagas Battery Metals Inc.

## Notes to Financial Statements

Year Ended December 31, 2022 and Period from November 11, 2021 (Incorporation) to December 31, 2021  
(Expressed in Canadian Dollars)

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### 2. Significant accounting policies (continued)

#### Income taxes

Income taxes on the profit or loss for the periods presented comprises current and deferred tax.

Current tax expense is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the end of the reporting period, adjusted for amendments to tax payable with regards to previous reporting periods.

Deferred tax is recorded using the asset and liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting or taxable loss to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset tax assets against tax liabilities, when they relate to income taxes levied by the same taxation authority and the Company intends to settle its tax assets and liabilities on a net basis.

#### Significant accounting estimates and judgments

The preparation of these financial statements requires management to make judgments and estimates that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these judgments and estimates. The financial statements include judgments and estimates which, by their nature, are uncertain. The impacts of such judgments and estimates are pervasive throughout the financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in future periods when the revision affects both current and future periods.

#### Income, value added, withholding and other taxes

The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

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## **Coniagas Battery Metals Inc.**

### **Notes to Financial Statements**

**Year Ended December 31, 2022 and Period from November 11, 2021 (Incorporation) to December 31, 2021  
(Expressed in Canadian Dollars)**

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## **2. Significant accounting policies (continued)**

### **Recent accounting pronouncements**

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2023. Many are not applicable or do not have a significant impact to the Company and have been excluded. The Company is currently evaluating the impact of these new pronouncements.

IFRS 10 – Consolidated Financial Statements (“IFRS 10”) and IAS 28 – Investments in Associates and Joint Ventures (“IAS 28”) were amended in September 2014 to address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business. The effective date of these amendments is yet to be determined, however early adoption is permitted.

IAS 1 – Presentation of Financial Statements (“IAS 1”) was amended in January 2020 to provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments clarify that the classification of liabilities as current or noncurrent is based solely on a company’s right to defer settlement at the reporting date. The right needs to be unconditional and must have substance. The amendments also clarify that the transfer of a company’s own equity instruments is regarded as settlement of a liability, unless it results from the exercise of a conversion option meeting the definition of an equity instrument. Also in February 2021, the IASB issued ‘Disclosure of Accounting Policies’ with amendments that are intended to help preparers in deciding which accounting policies to disclose in their financial statements. The amendments are effective for year ends beginning on or after January 1, 2023.

IAS 8 – In February 2021, the IASB issued ‘Definition of Accounting Estimates’ to help entities distinguish between accounting policies and accounting estimates. The amendments are effective for year ends beginning on or after January 1, 2023.

IAS 12 – In May 2021, the IASB issued ‘Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction’ that clarifies how entities account for deferred tax on transactions such as leases and decommissioning obligations. The amendments are effective for year ends beginning on or after January 1, 2023.

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## Coniagas Battery Metals Inc.

### Notes to Financial Statements

Year Ended December 31, 2022 and Period from November 11, 2021 (Incorporation) to December 31, 2021  
(Expressed in Canadian Dollars)

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#### 3. Share capital

##### Authorized share capital

An unlimited number of common shares without par value, voting and participating

##### Issued

	Number of shares	Share capital
Balance, November 11, 2021	-	\$ -
Issued (i)	10	10
Balance, December 31, 2021 and December 31, 2022	10	\$ 10

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(i) The Company was incorporated on November 11, 2021 issuing 10 shares for \$1 per share.

#### 4. Related party transactions

The Company did not have any related party transactions during the year ended December 31, 2022 and the period from November 11, 2021 (incorporation) to December 31, 2021, other than the incorporation shares issued to the Company's parent (note 3).

#### 5. Income taxes

##### Current income tax

The reconciliation of the combined Canadian federal and provincial statutory income tax rate of 26.5% on the net income for the periods ended December 31 is as follows:

	Year Ended December 31, 2022	Period from November 11, 2021 (Incorporation) to December 31, 2021
Income before income taxes	\$ -	\$ -
Expected income tax recovery based on statutory rate	-	-
<b>Income tax provision</b>	<b>\$ -</b>	<b>\$ -</b>

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There are no taxable or deductible temporary differences as at December 31, 2022 and 2021.



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## **Coniagas Battery Metals Inc.**

### **Notes to Financial Statements**

**Year Ended December 31, 2022 and Period from November 11, 2021 (Incorporation) to December 31, 2021  
(Expressed in Canadian Dollars)**

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#### **6. Capital risk management**

The Company considers its capital structure to consist of share capital and deficit. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support its development and operating activities.

The Company's objective when managing capital is to safeguard its ability to continue as a going concern in order to pursue the exploration of its mineral properties. The Company satisfies its capital requirements through careful management of its cash resources.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the year ended December 31, 2022 and the period from November 11, 2021 (incorporation) to December 31, 2021.

**CONIAGAS BATTERY METALS INC.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**YEAR ENDED DECEMBER 31, 2022**

## **Introduction**

Coniagas Battery Metals Inc. ("CBM") is a private company incorporated under the provisions of Canada Business Corporations Act on November 11, 2021. The Company is a wholly owned subsidiary of Canada Silver Cobalt Works Inc. ("CCW"), a TSX-V listed entity. Its registered and head office is located at 3028 Quadra Court, Coquitlam, British Columbia V3B 5X6.

## **Forward Looking Statements**

This Management's Discussion and Analysis ("MD&A") contains certain statements that may be deemed "forward-looking statements," within the meaning of certain securities laws. Forward-looking statements relate to management's expectations or beliefs about future performance, events, or circumstances that include, but are not limited to, future production, costs of production, operational activities, and events or developments that CBM expects or targets. Forward-looking statements can usually be identified by words such as: "future", "plans", "scheduled", "expects", "intends", "estimates", "forecasts", "will", "may", "could", "would", and variations thereof. Although CBM believes that these statements are based on reasonable assumptions, all forward-looking statements involve known and unknown risks and uncertainties that may cause the actual performance, events, or circumstances of CBM to be materially different than anticipated. The forward-looking information in this MD&A describes CBM's expectations as of the date of this MD&A.

CBM cautions that the foregoing list of material factors is not exhaustive. When relying on CBM's forward-looking information to make decisions, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. CBM has assumed a certain progression, which may not be realized. It has also assumed that the material factors referred to in the previous paragraph will not cause such forward-looking information to differ materially from actual results or events. However, the list of these factors is not exhaustive and is subject to change and there can be no assurance that such assumptions will reflect the actual outcome of such items or factors.

Forward-looking statements are based on management's current plans, estimates, projections, beliefs, and opinions and we do not undertake any obligation to update forward-looking statements should the assumptions related to these plans, estimates, projections, beliefs and opinions change, except as required by law.

## **Date**

The following MD&A, which is dated of September 25, 2023, provides a review of the activities, results of operations and financial condition of CBM as at and for the year ended December 31, 2022 and the period from November 11, 2021 (incorporation) to December 31, 2021, as well as future prospects of CBM. This MD&A should be read in conjunction with the audited financial statements of CBM as at December 31, 2022 and for the year ended December 31, 2022 and the period from November 11, 2021 to December 31, 2021 (the "Audited Financial Statements").

All dollar amounts in this MD&A are express in Canadian dollars unless otherwise specified.

## **Stated Business Objectives**

CBM intends to develop the Graal Property.

**Coniagas Battery Metals Inc.**  
**Management's Discussion and Analysis**  
**Year Ended December 31, 2022**  
**Dated: September 25, 2023**

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## **Property Holdings**

As at the date of this MD&A, CBM does not hold any property. Upon the effectiveness of the Arrangement, CBM will hold the Graal Property and related assets.

## **Overall Performance**

### **Selected Annual Financial Information**

	<b>December 31, 2022</b>	<b>December 31, 2021</b>
	<b>(\$)</b>	<b>(\$)</b>
Total assets	10	10
Net income	Nil	Nil

## **Results of Operations**

For the year ended December 31, 2022, CBM reported a net income of \$nil.

For the period from November 11, 2021 (incorporation) to December 31, 2021, CBM reported a net income of \$nil.

## **Summary of Quarterly Results**

<b>Three months ended</b>	<b>Revenue</b>	<b>Net income</b>
	<b>(\$)</b>	<b>(\$)</b>
December 31, 2021	Nil	Nil
March 31, 2022	Nil	Nil
June 30, 2022	Nil	Nil
September 30, 2022	Nil	Nil
December 31, 2022	Nil	Nil

## **Liquidity and Financial Position**

### **Liquidity**

CBM is a exploration and development company with no producing resource properties, and consequently does not generate operating income or cash flow. To date, CBM has relied upon sale of equity securities to provide working capital for capital acquisitions, exploration and development activities, and to fund the administrations of CBM. Since CBM does not expect to generate any revenues in the near future, it will continue to rely upon equity and debt financing to raise capital. There can be no assurance that financing will be available to CMB when required, or on terms satisfactory to CBM. At December 31, 2022, CBM had \$10 in cash.

### **Capital Resources**

CBM's working capital at December 31, 2022 was \$10 (December 31, 2021 - \$10).

### **Future Accounting Pronouncements**

A number of other new standards and issued amendments to standards and interpretations are not yet effective for the year ending December 31, 2022 and have not been applied when preparing CBM's

financial statements. Management does not currently expect the implementation of these new standards and amendments will have a significant effect on the financial statements of CBM.

### **Financial Risk Management**

CBM is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

#### **Credit Risk**

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. CBM is not exposed to significant credit risk.

#### **Foreign Exchange Risk**

Foreign currency risk is the risk that the fair values or future cash flows of a financial instrument will fluctuate as they are denominated in currencies that differ from the respective functional currency. CBM is not exposed to significant foreign currency risk.

#### **Liquidity Risk**

Liquidity risk is the risk that CBM will encounter difficulty in satisfying financial obligations as they become due. CBM manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. CBM's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements. CBM is not exposed to significant liquidity risk.

#### **Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. CBM manages interest rate risk by maintaining an investment policy that focuses primarily on preservation of capital and liquidity. There were no changes in CBM's approach to risk management during the reporting period.

### **Capital Management**

CBM is actively looking to acquire an interest in a business or assets and this involves a high degree of risk. CBM does not generate cash flows from operations. CBM's primary source of funds comes from the issuance of capital stock. CBM does not use other sources of financing that require fixed payments of interest and principal due to lack of cash flow from current operations, and is not subject to any externally imposed capital requirements. CBM's objective when managing capital is to safeguard CBM's ability to continue as a going concern. CBM defines its capital as equity. Capital requirements are driven by CBM's general operations. To effectively manage CBM's capital requirements, CBM monitors expenses and overhead to ensure costs and commitments are being paid.

### **Disclosure of Outstanding Share Data**

At December 31, 2022 and as at the date of this MD&A, there was one (10) outstanding common share.

### **Off-Balance Sheet Arrangements**

As of the date of this MD&A, the Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the financial performance or financial condition of the Company, including, and without limitation, such considerations as liquidity and capital resources.

## **Risk Factors**

### **Risks and Uncertainties**

CBM is in the business of exploring and, if warranted, developing mineral properties, which is a highly speculative endeavour, and CBM's future performance may be affected by events, risks or uncertainties that are outside of CBM's control. CBM's management consider the risks set out below to be the most significant to potential investors of CBM, but not all risks associated with an investment in securities of CBM. If any of these risks materialize into actual events or circumstances or other possible additional risks and uncertainties of which the directors are currently unaware or which they consider not be material in relation to CBM's business, actually occur, CBM's assets, liabilities, financial condition, results of operations (including future results of operations), business and business prospects, are likely to be materially and adversely affected. In such circumstances, the price of CBM's securities could decline and investors may lose all or part of their investment.

### **Limited Operating History**

CBM is still in an early stage of development. CBM is engaged in the business of exploring and, if warranted, developing mineral properties in the hope of locating economic deposits of minerals. CBM's mineral interests are in the exploration stage and do not have mineral reserves. CBM has no history of earnings. There is no guarantee that economic quantities of mineral reserves will be discovered on CBM's property.

### **Management**

The success of CBM is currently dependant on the performance of its directors and officers. The loss of the services of any of these persons could have a materially adverse effect on CBM's business and prospects. There is no assurance that CBM can maintain the services of its directors, officers or other qualified personnel required to operate its business. At this date there are no indications that any change in management cannot be maintained at the current structure.

### **Conflicts of Interest**

CBM's directors, officers and other members of management serve as directors, officers, promoters and members of management of other companies involved in the acquisition, exploration and development of mineral resource properties and, therefore, it is possible that a conflict may arise between their duties as a director, officer, promoter or member of CBM's management team and their duties as a director, officer, promoter or member of management of such other companies. The CBM's directors and officers are aware of the laws governing accountability of directors and officers for corporate opportunity and the requirement of directors to disclose conflicts of interest. CBM will rely upon these laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty by any of its directors or officers.

### **Additional Funding Requirements**

From time to time, CBM will require additional financing in order to carry out its acquisition, exploration and development activities. Failure to obtain such financing on a timely basis could cause the CBM to forfeit its interest in certain properties, miss certain acquisition opportunities and reduce or terminate its operations. If CBM's cash flow from operations is not sufficient to satisfy its capital or resource expenditure

requirements, there can be no assurance that additional debt or equity financing will be available to meet these requirements or be available on favourable terms.

**Price Volatility and Lack of Active Market**

In recent years, the securities markets in Canada and elsewhere have experienced a high level of price and volume volatility, and the market prices of securities of many public companies have experienced significant fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. Any quoted market for CBM's securities may be subject to such market trends and that the value of such securities may be affected accordingly.

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**CONIAGAS BATTERY METALS INC.**  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**THREE AND SIX MONTHS ENDED**  
**JUNE 30, 2023 AND 2022**  
**(EXPRESSED IN CANADIAN DOLLARS)**  
**(UNAUDITED)**

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**Coniagas Battery Metals Inc.**  
**Condensed Interim Statements of Financial Position**  
**(Expressed in Canadian Dollars)**  
**Unaudited**

	As at June 30, 2023	As at December 31, 2022	As at June 30, 2022
<b>ASSETS</b>			
<b>Current assets</b>			
Cash	\$ 10	\$ 10	\$ 10
<b>Total assets</b>	<b>\$ 10</b>	<b>\$ 10</b>	<b>\$ 10</b>
<b>EQUITY</b>			
Share capital	\$ 10	\$ 10	\$ 10
Retained earnings	-	-	-
<b>Total equity</b>	<b>\$ 10</b>	<b>\$ 10</b>	<b>\$ 10</b>

The accompanying notes to the unaudited condensed interim financial statements are an integral part of these statements.

Nature of business and going concern (note 1)

**Approved on behalf of the Board:**

(Signed) "Frank Basa" \_\_\_\_\_ Director

(Signed) "Aurelian Basa" \_\_\_\_\_ Director

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**Coniagas Battery Metals Inc.**  
**Condensed Interim Statements of Changes in Equity**  
**(Expressed in Canadian Dollars)**  
**Unaudited**

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	Share capital	Retained earnings	Total
<b>Balance, December 31, 2021</b>	\$ 10	\$ -	\$ 10
Net income and comprehensive income for the period	-	-	-
<b>Balance, June 30, 2022 and December 31, 2022</b>	\$ 10	\$ -	\$ 10
Net income and comprehensive income for the period	-	-	-
<b>Balance, June 30, 2023</b>	\$ 10	\$ -	\$ 10

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The accompanying notes to the unaudited condensed interim financial statements are an integral part of these statements.

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# Coniagas Battery Metals Inc.

Notes to Condensed Interim Financial Statements  
Three and Six Months Ended June 30, 2023 and 2022  
(Expressed in Canadian Dollars)  
Unaudited

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## 1. Nature of business and going concern

Coniagas Battery Metals Inc. ("CBM" or the "Company") is a private company incorporated under the provisions of Canada Business Corporations Act on November 11, 2021. The Company is a wholly owned subsidiary of Canada Silver Cobalt Works Inc. ("CCW"), a TSX-V listed entity. Its registered and head office is located at 3028 Quadra Court, Coquitlam, British Columbia V3B 5X6.

## 2. Significant accounting policies

### *Statement of compliance*

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). These unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by IASB and interpretations issued by IFRIC.

These unaudited condensed interim financial statements do not include the statement of income and comprehensive income and the statement of cash flows as there were no activities during three and six months ended June 30, 2023 and 2022.

The policies applied in these unaudited condensed interim financial statements are based on IFRSs issued and outstanding as of September 25, 2023, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these unaudited condensed interim financial statements as compared with the most recent annual financial statements as at and for the year ended December 31, 2022. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending December 31, 2023 could result in restatement of these unaudited condensed interim financial statements.

## 3. Share capital

### Authorized share capital

An unlimited number of common shares without par value, voting and participating

### Issued

	Number of shares	Share capital
Balance, December 31, 2021, June 30, 2022, December 31, 2022 and June 30, 2023	10	\$ 10

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## 4. Related party transactions

The Company did not have any related party transactions during the six months ended June 30, 2023 and 2022.

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## **Coniagas Battery Metals Inc.**

**Notes to Condensed Interim Financial Statements**  
**Three and Six Months Ended June 30, 2023 and 2022**  
**(Expressed in Canadian Dollars)**  
**Unaudited**

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### **5. Capital risk management**

The Company considers its capital structure to consist of share capital and retained earnings. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support its development and operating activities.

The Company's objective when managing capital is to safeguard its ability to continue as a going concern in order to pursue the exploration of its mineral properties. The Company satisfies its capital requirements through careful management of its cash resources.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the periods ended June 30, 2023 and 2022.

**CONIAGAS BATTERY METALS INC.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**THREE AND SIX MONTHS ENDED JUNE 30, 2023**

## **Introduction**

Coniagas Battery Metals Inc. ("CBM") is a private company incorporated under the provisions of Canada Business Corporations Act on November 11, 2021. The Company is a wholly owned subsidiary of Canada Silver Cobalt Works Inc. ("CCW"), a TSX-V listed entity. Its registered and head office is located at 3028 Quadra Court, Coquitlam, British Columbia V3B 5X6.

## **Forward Looking Statements**

This Management's Discussion and Analysis ("MD&A") contains certain statements that may be deemed "forward-looking statements," within the meaning of certain securities laws. Forward-looking statements relate to management's expectations or beliefs about future performance, events, or circumstances that include, but are not limited to, future production, costs of production, operational activities, and events or developments that CBM expects or targets. Forward-looking statements can usually be identified by words such as: "future", "plans", "scheduled", "expects", "intends", "estimates", "forecasts", "will", "may", "could", "would", and variations thereof. Although CBM believes that these statements are based on reasonable assumptions, all forward-looking statements involve known and unknown risks and uncertainties that may cause the actual performance, events, or circumstances of CBM to be materially different than anticipated. The forward-looking information in this MD&A describes CBM's expectations as of the date of this MD&A.

CBM cautions that the foregoing list of material factors is not exhaustive. When relying on CBM's forward-looking information to make decisions, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. CBM has assumed a certain progression, which may not be realized. It has also assumed that the material factors referred to in the previous paragraph will not cause such forward-looking information to differ materially from actual results or events. However, the list of these factors is not exhaustive and is subject to change and there can be no assurance that such assumptions will reflect the actual outcome of such items or factors.

Forward-looking statements are based on management's current plans, estimates, projections, beliefs, and opinions and we do not undertake any obligation to update forward-looking statements should the assumptions related to these plans, estimates, projections, beliefs and opinions change, except as required by law.

## **Date**

The following MD&A, which is dated of September 25, 2023, provides a review of the activities, results of operations and financial condition of CBM as at and for the three and six months ended June 30, 2023, as well as future prospects of CBM. This MD&A should be read in conjunction with the unaudited condensed interim financial statements of CBM as at June 30, 2023 and for the three and six months ended June 30, 2023 (the "Interim Financial Statements").

All dollar amounts in this MD&A are express in Canadian dollars unless otherwise specified.

## **Stated Business Objectives**

CBM intends to develop the Graal Property.

## **Property Holdings**

As at the date of this MD&A, CBM does not hold any property. Upon the effectiveness of the Arrangement, CBM will hold the Graal Property and related assets.

## **Overall Performance**

### **Results of Operations**

For the three and six months ended 2023, CBM reported a net income of \$nil (2022 - \$nil).

## **Liquidity and Financial Position**

### **Liquidity**

CBM is an exploration and development company with no producing resource properties, and consequently does not generate operating income or cash flow. Since CBM does not expect to generate any revenues in the near future, it will continue to rely upon equity and debt financing to raise capital. There can be no assurance that financing will be available to CMB when required, or on terms satisfactory to CBM. At June 30, 2023, CBM had \$10 in cash.

### **Capital Resources**

CBM's working capital at June 30, 2023 was \$10 (December 31, 2022 - \$10).

## **Financial Risk Management**

CBM is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

### **Credit Risk**

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. CBM is not exposed to significant credit risk.

### **Foreign Exchange Risk**

Foreign currency risk is the risk that the fair values or future cash flows of a financial instrument will fluctuate as they are denominated in currencies that differ from the respective functional currency. CBM is not exposed to significant foreign currency risk.

### **Liquidity Risk**

Liquidity risk is the risk that CBM will encounter difficulty in satisfying financial obligations as they become due. CBM manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. CBM's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements. CBM is not exposed to significant liquidity risk.

### **Interest Rate Risk**

**Coniagas Battery Metals Inc.**  
**Management's Discussion and Analysis**  
**Three and Six Months Ended June 30, 2023**  
**Dated: September 25, 2023**

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Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. CBM manages interest rate risk by maintaining an investment policy that focuses primarily on preservation of capital and liquidity. There were no changes in CBM's approach to risk management during the reporting period.

### **Capital Management**

CBM is actively looking to acquire an interest in a business or assets and this involves a high degree of risk. CBM does not generate cash flows from operations. CBM's primary source of funds comes from the issuance of capital stock. CBM does not use other sources of financing that require fixed payments of interest and principal due to lack of cash flow from current operations, and is not subject to any externally imposed capital requirements. CBM's objective when managing capital is to safeguard CBM's ability to continue as a going concern. CBM defines its capital as equity. Capital requirements are driven by CBM's general operations. To effectively manage CBM's capital requirements, CBM monitors expenses and overhead to ensure costs and commitments are being paid.

### **Disclosure of Outstanding Share Data**

At June 30, 2023 and as at the date of this MD&A, there was ten (10) outstanding common share.

### **Off-Balance Sheet Arrangements**

As of the date of this MD&A, the Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the financial performance or financial condition of the Company, including, and without limitation, such considerations as liquidity and capital resources.

### **Risk Factors**

#### **Risks and Uncertainties**

CBM is in the business of exploring and, if warranted, developing mineral properties, which is a highly speculative endeavour, and CBM's future performance may be affected by events, risks or uncertainties that are outside of CBM's control. CBM's management consider the risks set out below to be the most significant to potential investors of CBM, but not all risks associated with an investment in securities of CBM. If any of these risks materialize into actual events or circumstances or other possible additional risks and uncertainties of which the directors are currently unaware or which they consider not be material in relation to CBM's business, actually occur, CBM's assets, liabilities, financial condition, results of operations (including future results of operations), business and business prospects, are likely to be materially and adversely affected. In such circumstances, the price of CBM's securities could decline and investors may lose all or part of their investment.

#### **Limited Operating History**

CBM is still in an early stage of development. CBM plans to engage in the business of exploring and, if warranted, developing mineral properties in the hope of locating economic deposits of minerals. CBM's mineral interests are in the exploration stage and do not have mineral reserves. CBM has no history of earnings. There is no guarantee that economic quantities of mineral reserves will be discovered on CBM's property.

### **Management**



**Coniagas Battery Metals Inc.**  
**Management's Discussion and Analysis**  
**Three and Six Months Ended June 30, 2023**  
**Dated: September 25, 2023**

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The success of CBM is currently dependant on the performance of its directors and officers. The loss of the services of any of these persons could have a materially adverse effect on CBM's business and prospects. There is no assurance that CBM can maintain the services of its directors, officers or other qualified personnel required to operate its business. At this date there are no indications that any change in management cannot be maintained at the current structure.

**Conflicts of Interest**

CBM's directors, officers and other members of management serve as directors, officers, promoters and members of management of other companies involved in the acquisition, exploration and development of mineral resource properties and, therefore, it is possible that a conflict may arise between their duties as a director, officer, promoter or member of CBM's management team and their duties as a director, officer, promoter or member of management of such other companies. The CBM's directors and officers are aware of the laws governing accountability of directors and officers for corporate opportunity and the requirement of directors to disclose conflicts of interest. CBM will rely upon these laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty by any of its directors or officers.

**Additional Funding Requirements**

From time to time, CBM will require additional financing in order to carry out its acquisition, exploration and development activities. Failure to obtain such financing on a timely basis could cause the CBM to forfeit its interest in certain properties, miss certain acquisition opportunities and reduce or terminate its operations. If CBM's cash flow from operations is not sufficient to satisfy its capital or resource expenditure requirements, there can be no assurance that additional debt or equity financing will be available to meet these requirements or be available on favourable terms.

**Price Volatility and Lack of Active Market**

In recent years, the securities markets in Canada and elsewhere have experienced a high level of price and volume volatility, and the market prices of securities of many public companies have experienced significant fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. Any quoted market for CBM's securities may be subject to such market trends and that the value of such securities may be affected accordingly.

**SCHEDULE I**  
**“CARVE-OUT” FINANCIAL STATEMENTS FOR THE GRAAL PROPERTY AND MANAGEMENT’S**  
**DISCUSSION AND ANALYSIS**

See annexed.

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**GRAAL PROPERTIES**  
**CARVE-OUT FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2022 AND 2021**  
**(EXPRESSED IN CANADIAN DOLLARS)**

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*Audit. Tax. Advisory.*

## **Independent Auditor's Report**

To the Directors of Canada Silver Cobalt Works Inc.

### **Opinion**

We have audited the carve-out financial statements of the Graal Properties (the "Project"), which comprise the carve-out statements of financial position as at December 31, 2022 and 2021, and the carve-out statements of loss and comprehensive loss, carve-out statements of changes in equity (deficiency) and carve-out statements of cash flows for the years then ended, and notes to the carve-out financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying carve-out financial statements present fairly, in all material respects, the carve-out financial position of the Project as at December 31, 2022 and 2021 and its carve-out financial performance and its carve-out cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

### **Basis for opinion**

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the carve-out financial statements section of our report. We are independent of the Project in accordance with the ethical requirements that are relevant to our audit of the carve-out financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Material uncertainty related to going concern**

We draw attention to Note 2 in the carve-out financial statements, which indicates that the Project does not have adequate cash resources to fund its operations and will require additional financing. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that material uncertainties exist that cast significant doubt on the Project's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### **Basis of preparation**

Without modifying our opinion, we draw attention to the fact that, as described in Note 1 in the carve-out financial statements, the Project did not operate as a separate entity. The carve-out financial statements as at and for the years ended December 31, 2022 and 2021 are therefore not necessarily indicative of results that would have occurred if the Project had been a separate stand-alone entity during the years presented or of future results of the Project. Our opinion is not modified in respect of this matter.

## **Other information**

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the carve-out financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the carve-out financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the carve-out financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Responsibilities of management and those charged with governance for the carve-out financial statements**

Management is responsible for the preparation and fair presentation of the carve-out financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of carve-out financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the carve-out financial statements, management is responsible for assessing the Project's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Project or cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Project's financial reporting process.

## **Auditor's responsibilities for the audit of the carve-out financial statements**

Our objectives are to obtain reasonable assurance about whether the carve-out financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these carve-out financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the carve-out financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risks of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Project's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Project's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the carve-out financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Project to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the carve-out financial statements, including the disclosures, and whether the carve-out financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**McGovern Hurley LLP**



**Chartered Professional Accountants  
Licensed Public Accountants**

Toronto, Ontario  
September 25, 2023

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## GRAAL Properties

### Carve-out Statements of Financial Position (Expressed in Canadian Dollars)

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	As at December 31, 2022	As at December 31, 2021
<b>ASSETS</b>		
<b>Current assets</b>		
Prepaid expenses	\$ 150,000	\$ 50,000
<b>Total assets</b>	<b>\$ 150,000</b>	<b>\$ 50,000</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current liabilities</b>		
Trade payables and accrued liabilities	\$ 602,705	\$ 1,521,019
<b>Total liabilities</b>	<b>602,705</b>	<b>1,521,019</b>
<b>Equity (deficiency)</b>		
Owner's investment	6,730,668	2,439,765
Deficit	(7,183,373)	(3,910,784)
<b>Total equity (deficiency)</b>	<b>(452,705)</b>	<b>(1,471,019)</b>
<b>Total liabilities and equity (deficiency)</b>	<b>\$ 150,000</b>	<b>\$ 50,000</b>

The accompanying notes to the carve-out financial statements are an integral part of these statements.

Basis of presentation (note 1)

Nature of operations and going concern (note 2)

Commitments and contingencies (note 10)

#### Approved on behalf of the Board:

(Signed) "Frank Basa" \_\_\_\_\_ Director

(Signed) " " \_\_\_\_\_ Director

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## GRAAL Properties

### Carve-out Statements of Loss and Comprehensive Loss (Expressed in Canadian Dollars)

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	Year Ended December 31, 2022	Year Ended December 31, 2021
<b>Expenses</b>		
Exploration and evaluation expenditures (notes 5 and 6)	\$ 2,749,514	\$ 3,247,213
<b>Corporate</b>		
Accounting and audit	10,000	10,000
Admin and general expenses	22,838	41,758
Filing costs and shareholders' information	167,456	93,872
Legal fees	45,555	40,410
Marketing and communications	61,925	110,775
Consulting and professional fees (note 6)	123,228	120,692
Salaries and wages	38,065	25,376
Travel, lodging and food	54,008	5,500
<b>Total corporate expenses</b>	<b>523,075</b>	<b>448,383</b>
<b>Net loss and comprehensive loss for the year</b>	<b>\$ (3,272,589)</b>	<b>\$ (3,695,596)</b>

The accompanying notes to the carve-out financial statements are an integral part of these statements.



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## **GRAAL Properties**

### **Carve-out Statements of Changes in Equity (Deficiency) (Expressed in Canadian Dollars)**

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	<b>Owner's investment</b>	<b>Deficit</b>	<b>Total</b>
<b>Balance, December 31, 2020</b>	<b>\$ 203,602</b>	<b>\$ (215,188)</b>	<b>\$ (11,586)</b>
Contributions	2,236,163	-	2,236,163
Net loss and comprehensive loss for the year	-	(3,695,596)	(3,695,596)
<b>Balance, December 31, 2021</b>	<b>\$ 2,439,765</b>	<b>\$ (3,910,784)</b>	<b>\$ (1,471,019)</b>
Contributions	4,290,903	-	4,290,903
Net loss and comprehensive loss for the year	-	(3,272,589)	(3,272,589)
<b>Balance, December 31, 2022</b>	<b>\$ 6,730,668</b>	<b>\$ (7,183,373)</b>	<b>\$ (452,705)</b>

The accompanying notes to the carve-out financial statements are an integral part of these statements.

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## GRAAL Properties

### Carve-out Statements of Cash Flows (Expressed in Canadian Dollars)

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	Year Ended December 31, 2022	Year Ended December 31, 2021
<b>Operating activities</b>		
Net loss and comprehensive loss for the year	\$ (3,272,589)	\$ (3,695,596)
Changes in non-cash working capital items:		
Prepaid expenses	(100,000)	(50,000)
Trade payables and other liabilities	(918,314)	1,509,433
<b>Net cash used in operating activities</b>	<b>(4,290,903)</b>	<b>(2,236,163)</b>
<b>Financing activities</b>		
Contributions from owner	4,290,903	2,236,163
<b>Net cash provided by financing activities</b>	<b>4,290,903</b>	<b>2,236,163</b>
<b>Net change in cash</b>	-	-
<b>Cash, beginning of year</b>	-	-
<b>Cash, end of year</b>	<b>\$ -</b>	<b>\$ -</b>

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The accompanying notes to the carve-out financial statements are an integral part of these statements.

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## **GRAAL Properties**

### **Notes to Carve-out Financial Statements Years Ended December 31, 2022 and 2021 (Expressed in Canadian Dollars)**

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#### **1. Basis of presentation**

Canada Silver Cobalt Works Inc. ("CCW" or the "Company") holds the GRAAL project (the "Project") which consists of certain mineral claims in Quebec. The Company has announced its intention to transfer the Project to the Company's subsidiary Coniagas Battery Metals Inc. ("CBM") by way of plan of arrangement under the Canada Business Corporations Act. These carve-out financial statements have been prepared on a carve-out basis from the financial records of the Company.

These carve-out financial statements reflect the assets, liabilities, expenses and cash flows of the Project undertaken by the Company for the years ended December 31, 2022 and 2021.

The purpose of these carve-out statements is to provide general purpose historical financial information of the Project in connection with the option of the Project by the Company. These carve-out financial statements reflect the Project expenditures as if the Project had been operating separately during the periods presented. Therefore, these carve-out financial statements present the historical exploration and evaluation expenditures incurred by the Company related to the Project plus an allocation of corporate overhead charges.

The following basis of preparation for the carve-out financial statements has been applied:

- All assets and liabilities directly related to the Project have been attributed to the Project. These do not include assets and liabilities that are not specifically identifiable with the Project.
- Expenses directly related to the Project have been entirely attributed to the Project.
- During the years ended December 31, 2022 and 2021, the Project received services and support functions from the Company and the operations of the Project were dependent upon the Company's ability to perform these services and support functions. These services and support functions costs are used by the Project and are paid by the Company and have been allocated to the Project based on the proportionate exploration expenses attributed to the Project compared to the total exploration expenses of the Company.

Expenses that have been allocated to the Project for the purposes of these carve-out financial statements have been recorded as contributions from the Company within owner's investment. Owner's investment represents the cumulative owner's investment in the Project through the dates presented and includes cumulative operating results.

Management believes the assumptions and allocations underlying the carve-out financial statements are reasonable and appropriate under the circumstances. The expenses and cost allocations have been determined on a basis considered by the Company to be a reasonable reflection of the utilization of services provided to or the benefit received by the Project during the periods presented. However, these assumptions and allocations are not necessarily indicative of the costs the Project would have incurred if it had operated on a stand-alone basis or as an entity independent of the Company.

These carve-out financial statements have been prepared in accordance with and using accounting policies in full compliance with IFRS and International Accounting Standards ("IAS") issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC"), effective for the Company's reporting for the year ended December 31, 2022.

The Company's Board of Directors authorized the issuance of the carve-out financial statements on September 25, 2023.

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## **GRAAL Properties**

### **Notes to Carve-out Financial Statements Years Ended December 31, 2022 and 2021 (Expressed in Canadian Dollars)**

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#### **2. Nature of operations and going concern**

The Project requires financing to support future operating activities and does not have adequate cash resources to fund its operations over the next year and will require additional financing in order to conduct its planned work programs and discharge its liabilities as they become due. Accordingly, a material uncertainty exists that may cast significant doubt on the Project's ability to continue as a going concern. These carve-out financial statements do not include the adjustments that would be necessary should the Project be unable to continue as a going concern. Such adjustments could be material. These carve-out financial statements have been prepared on a going concern basis, which assumes that the Project will be able to realize its assets and discharge its liabilities in the normal course of business.

Although the Company has taken steps to verify title to the Project, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, social licensing requirements, unregistered prior agreements, unregistered claims, aboriginal claims, and noncompliance with regulatory and environmental requirements. The Project may also be subject to increases in taxes and royalties, renegotiation of contracts, expropriation of properties, and political uncertainty.

It has not yet been determined whether the Project contains mineral reserves that are economically recoverable. The continued operations of the Project are dependent upon the existence of economically recoverable reserves, the ability of the Project to obtain the necessary financing to complete the exploration and development of such properties and upon future profitable production or proceeds from the disposition of the properties.

#### **3. Significant accounting estimates and basis of presentation**

##### **Basis of presentation and functional currency**

These carve-out financial statements have been prepared on the historical cost basis. The consolidated financial statements have been presented on an accrual basis except for cash flow information. The presentation and functional currency of the Project is the Canadian dollar.

##### **Significant accounting estimates and judgments**

The preparation of these carve-out financial statements requires management to make judgments and estimates that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these judgments and estimates. The consolidated financial statements include judgments and estimates which, by their nature, are uncertain. The impacts of such judgments and estimates are pervasive throughout the carve-out financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in future periods when the revision affects both current and future periods.

##### **Provisions and contingencies**

Provisions and contingencies arising in the course of operations, including provisions for income or other tax matters are subject to estimation uncertainty. Management uses all information available in assessing the recognition, measurement and disclosure of matters that may give rise to provisions or contingencies. The actual outcome of various provisional and contingent matters may vary and may cause significant adjustments when the amounts are determined or additional information is acquired.

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## **GRAAL Properties**

**Notes to Carve-out Financial Statements  
Years Ended December 31, 2022 and 2021  
(Expressed in Canadian Dollars)**

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### **3. Significant accounting estimates and basis of presentation (continued)**

#### **Income, value added, withholding and other taxes**

The Project is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Project's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Project recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Project's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Project's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

#### **Decommissioning, restoration and similar liabilities**

Decommissioning, restoration and similar liabilities are estimated based on the Project's interpretation of current regulatory requirements, constructive obligations and are measured at fair value. Fair value is determined based on the net present value of estimated future cash expenditures for the settlement of decommissioning, restoration or similar liabilities that may occur upon decommissioning of the mine. Such estimates are subject to change based on changes in laws and regulations and negotiations with regulatory authorities.

#### **Contingencies**

See note 10.

#### **Allocation of overhead expenses**

See note 1.

### **4. Significant accounting policies**

#### **Financial instruments**

##### **Financial assets**

###### Initial recognition and measurement

Non-derivative financial assets within the scope of IFRS 9 are classified and measured as "financial assets at fair value", as either fair value through profit or loss ("FVPL") or fair value through other comprehensive income ("FVOCI"), and "financial assets at amortized costs", as appropriate. The Project determines the classification of financial assets at the time of initial recognition based on the Project's business model and the contractual terms of the cash flows.

All financial assets are recognized initially at fair value plus, in the case of financial assets not at FVPL, directly attributable transaction costs on the trade date at which the Project becomes a party to the contractual provisions of the instrument. Financial assets with embedded derivatives are considered in their entirety when determining their classification at FVPL or at amortized cost. Cash is measured at amortized cost.

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## **GRAAL Properties**

**Notes to Carve-out Financial Statements**  
**Years Ended December 31, 2022 and 2021**  
**(Expressed in Canadian Dollars)**

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### **4. Significant accounting policies (continued)**

#### **Financial instruments (continued)**

##### Subsequent measurement – financial assets at amortized cost

After initial recognition, financial assets measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the Effective Interest Rate ("EIR") method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR.

##### Subsequent measurement – financial assets at FVPL

Financial assets measured at FVPL include financial assets management intends to sell in the short term and any derivative financial instrument that is not designated as a hedging instrument in a hedge relationship. Financial assets measured at FVPL are carried at fair value in the statements of financial position with changes in fair value recognized in other income or expense in the consolidated statements of loss. The Project does not measure any financial instruments at FVPL.

##### Subsequent measurement – financial assets at FVOCI

Financial assets measured at FVOCI are non-derivative financial assets that are not held for trading and the Project has made an irrevocable election at the time of initial recognition to measure the assets at FVOCI. The Project does not measure any financial assets at FVOCI.

After initial measurement, investments measured at FVOCI are subsequently measured at fair value with unrealized gains or losses recognized in other comprehensive income or loss in the statements of comprehensive loss. When the investment is sold, the cumulative gain or loss remains in accumulated other comprehensive income or loss and is not reclassified to profit or loss.

Dividends from such investments are recognized in other income in the statements of loss when the right to receive payments is established.

##### Derecognition

A financial asset is derecognized when the contractual rights to the cash flows from the asset expire, or the Project no longer retains substantially all the risks and rewards of ownership.

##### Impairment of financial assets

The Project's only financial assets subject to impairment are amounts receivable, which are measured at amortized cost. The Project has elected to apply the simplified approach to impairment as permitted by IFRS 9, which requires the expected lifetime loss to be recognized at the time of initial recognition of the receivable. To measure estimated credit losses, accounts receivable have been grouped based on shared credit risk characteristics, including the number of days past due. An impairment loss is reversed in subsequent periods if the amount of the expected loss decreases and the decrease can be objectively related to an event occurring after the initial impairment was recognized.

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## **GRAAL Properties**

**Notes to Carve-out Financial Statements  
Years Ended December 31, 2022 and 2021  
(Expressed in Canadian Dollars)**

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### **4. Significant accounting policies (continued)**

#### **Financial instruments (continued)**

##### **Financial liabilities**

###### Initial recognition and measurement

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVPL as is the case for held for trading or derivative instruments, or the Project has opted to measure the financial liability at FVPL. The Project's financial liabilities include trade payables and accrued liabilities, which are measured at amortized cost. All financial liabilities are recognized initially at fair value.

###### Subsequent measurement – financial liabilities at amortized cost

After initial recognition, financial liabilities measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR.

###### Derecognition

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires with any associated gain or loss recognized in other income or expense in the statements of loss.

###### Fair value hierarchy

The Project classifies its financial instruments measured at fair value according to a three-level hierarchy that reflects the significance of the inputs used in making the fair value measurements. The three levels of fair value hierarchy are as follows:

- Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices that are observable for assets or liabilities, either directly or indirectly;
- Level 3 - Inputs for assets or liabilities that are not based on observable market data.

#### **Mineral exploration properties and exploration expenditures**

The Project expenses all exploration and evaluation costs relating to mineral properties, in the period in which they are incurred.

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## **GRAAL Properties**

**Notes to Carve-out Financial Statements  
Years Ended December 31, 2022 and 2021  
(Expressed in Canadian Dollars)**

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### **4. Significant accounting policies (continued)**

#### **Income taxes**

Income taxes on the profit or loss for the periods presented comprises current and deferred tax.

Current tax expense is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the end of the reporting period, adjusted for amendments to tax payable with regards to previous reporting periods.

Deferred tax is recorded using the asset and liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting or taxable loss to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset tax assets against tax liabilities, when they relate to income taxes levied by the same taxation authority and the Project intends to settle its tax assets and liabilities on a net basis.

#### **Asset retirement obligations**

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration, development, or ongoing production of a mineral property interest. Such costs arising for the decommissioning of plant and other site restoration work, discounted to their net present value, are provided for and capitalized to the carrying value of the asset, as soon as the obligation to incur such costs arises.

Discount rates, using a pre-tax rate that reflects the time value of money, are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset through depreciation using either the unit-of-production or the straight-line method. The related liability is adjusted for each period for the unwinding of the impact of discounting and for changes to the current market based discount rate, amount, or timing of the underlying cash flows needed to settle the obligation.

As at December 31, 2022 and December 31, 2021, the Project has no material restoration, rehabilitation and environmental costs as the environmental disturbance to date is minimal.

#### **Foreign currency translation**

Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated to the Canadian dollar at the exchange rate at that date. Foreign exchange differences arising on translation are recognized in the statement of loss. Non-monetary assets and liabilities that are measured at historical cost are translated using the exchange rate at the date of the transaction.



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## **GRAAL Properties**

**Notes to Carve-out Financial Statements  
Years Ended December 31, 2022 and 2021  
(Expressed in Canadian Dollars)**

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### **4. Significant accounting policies (continued)**

#### **Cash and cash equivalents**

Cash equivalents include highly liquid Canadian bank guaranteed funds that are valued at cost plus accrued interest. The carrying amounts approximate the fair market value as they have maturities at the date of purchase of less than one year with early redemption without penalties available. The Project does not have any cash or cash equivalents as of December 31, 2022 or December 31, 2021.

#### **Recent accounting pronouncements**

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2023. Many are not applicable or do not have a significant impact to the Company and have been excluded. The Company is currently evaluating the impact of these new pronouncements.

IFRS 10 – Consolidated Financial Statements (“IFRS 10”) and IAS 28 – Investments in Associates and Joint Ventures (“IAS 28”) were amended in September 2014 to address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business. The effective date of these amendments is yet to be determined, however early adoption is permitted.

IAS 1 – Presentation of Financial Statements (“IAS 1”) was amended in January 2020 to provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments clarify that the classification of liabilities as current or noncurrent is based solely on a company’s right to defer settlement at the reporting date. The right needs to be unconditional and must have substance. The amendments also clarify that the transfer of a company’s own equity instruments is regarded as settlement of a liability, unless it results from the exercise of a conversion option meeting the definition of an equity instrument. Also in February 2021, the IASB issued ‘Disclosure of Accounting Policies’ with amendments that are intended to help preparers in deciding which accounting policies to disclose in their financial statements. The amendments are effective for year ends beginning on or after January 1, 2023.

IAS 8 – In February 2021, the IASB issued ‘Definition of Accounting Estimates’ to help entities distinguish between accounting policies and accounting estimates. The amendments are effective for year ends beginning on or after January 1, 2023.

IAS 12 – In May 2021, the IASB issued ‘Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction’ that clarifies how entities account for deferred tax on transactions such as leases and decommissioning obligations. The amendments are effective for year ends beginning on or after January 1, 2023.

#### **Accounting pronouncements adopted during the year**

During the year ended December 31, 2022, the Company adopted amendments to IAS 37. This new change did not have any material impact on the Company’s financial statements.

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## GRAAL Properties

Notes to Carve-out Financial Statements  
Years Ended December 31, 2022 and 2021  
(Expressed in Canadian Dollars)

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### 5. Exploration and evaluation projects

#### GRAAL Properties, Quebec

The Project consists of various claims in Quebec that were acquired by the Company by (i) staking; and (ii) the acquisitions below.

##### Lac Suzanne Property

In February 2021, the Company acquired a 100% interest in the Lac Suzanne Property, located in Northern Lac St-Jean, Quebec. In consideration for the 100% interest,

- the Company made an aggregate cash payment of \$52,500 to the vendor; and
- the Company incurred an aggregate exploration expenditures of \$200,000 on the property.

The property is subject to 2% Gross Metal Royalty.

##### Chute-des-Passes Property

In November 2021, the Company acquired a 100% ownership of the Chute-des-Passes Property claims from SOQUEM Inc. ("SOQUEM") (50% ownership) and Mines Coulon Inc. ("Mines Coulon") (50% ownership). In consideration for the 100% ownership, the Company made cash payments totalling \$10,000 and each vendor retained an NSR.

In consideration for the purchase of its interest in the Chute-des-Passes Property, the Company granted SOQUEM the right to receive a royalty of 0.5% each of the NSR on the Chute-des-Passes Property, half of which is redeemable for an amount of \$125,000. In return for the transfer of its interest in the Chute-des-Passes Property, the Company granted Mines Coulon the right to receive a royalty of 0.5% of the NSR on the Chute-des-Passes Property, half of which is redeemable for an amount of \$ 125,000.

There is also an existing NSR of 1%, of which 0.5% is redeemable for \$ 500,000. The total NSR on the property is 2% where 1% is redeemable for the sum of \$750,000.

The following table shows exploration and evaluation expenses incurred on the properties

	Year Ended December 31, 2022	Year Ended December 31, 2021
Acquisition costs	\$ 5,110	\$ 96,593
Drilling	2,499,267	2,471,291
Facility expenses	17,424	-
Consulting and professional fees	17,386	143,377
Geology, geophysics and surveys	192,827	535,952
Labour	17,500	-
	<b>2,749,514</b>	<b>3,247,213</b>

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## GRAAL Properties

### Notes to Carve-out Financial Statements Years Ended December 31, 2022 and 2021 (Expressed in Canadian Dollars)

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#### 6. Related party transactions

The Project has entered into agreements with officers of the Company and private companies controlled by officers and directors of the Company for management consulting, geological consulting and other services required by the Project.

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

The remuneration of officers and directors of the Company for the year ended December 31, 2022 was \$158,018 (2021 - \$91,123). For the year ended December 31, 2022, \$45,500 (2021 - \$16,000) was included in exploration and evaluation expenses on the Company's consolidated statements of loss and comprehensive loss.

#### 7. Income taxes

##### Current income tax

The reconciliation of the combined Canadian federal and provincial statutory income tax rate of 26.5% on the net loss for the years ended December 31 is as follows:

	Year Ended December 31, 2022	Year Ended December 31, 2021
Loss before income taxes	\$ (3,272,589)	\$ (3,695,596)
Expected income tax recovery based on statutory rate	(867,000)	(979,000)
Adjustments to expected income tax benefit:		
Tax benefits not recognized	867,000	979,000
<b>Income tax provision (recovery)</b>	<b>\$ -</b>	<b>\$ -</b>

##### Deferred income tax

Deferred income taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying amounts of assets and liabilities. Deferred income tax assets have not been recognized in respect of the following deductible temporary differences because it is not probable that future taxable profit will be available against which the Project can use these benefits:

	Year Ended December 31, 2022	Year Ended December 31, 2021
Non-capital loss carryforwards	\$ 1,018,000	\$ 502,000
Mineral property costs	6,159,000	3,409,000
Deferred income tax provision (recovery)	\$ 7,177,000	\$ 3,911,000

The non-capital losses expire between 2040 and 2043.

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## **GRAAL Properties**

**Notes to Carve-out Financial Statements  
Years Ended December 31, 2022 and 2021  
(Expressed in Canadian Dollars)**

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### **8. Capital risk management**

The Project considers its capital structure to consist of owner's investment. The Project manages its capital structure and makes adjustments to it, based on the funds available to the Project, in order to support its exploration, development and operating activities.

The Project's objective when managing capital is to safeguard its ability to continue as a going concern in order to pursue the exploration of its mineral properties. The Project satisfies its capital requirements through careful management of its cash resources.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Project, is reasonable. There were no changes in the Project's approach to capital management during the years ended December 31, 2022 and 2021.

### **9. Financial instruments and risk factors**

The Project's financial instruments consist of trade payables and accrued liabilities.

Financial assets and liabilities are classified and measured at amortized cost using the effective interest method. The fair value for short-term financial assets and liabilities which include trade payables and accrued liabilities approximate their fair value due to their short-term nature. The fair value estimates are made at a specific point in time, based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and, therefore, cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

The Project's risk exposures and the impact on the Project's financial instruments are summarized below:

#### **Credit risk**

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. The Project is exposed to credit risk on its amounts receivable. The Project did not have any amounts receivable as at December 31, 2022 and 2021.

#### **Liquidity risk**

The Project's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. There can be no assurance that the Project will be successful in its efforts to arrange additional financing on terms satisfactory to the Project.

#### **Market risk**

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and commodity and equity prices.

#### Interest rate risk

The Project is not exposed to interest rate risk as it does not have interest bearing debt.

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## **GRAAL Properties**

**Notes to Carve-out Financial Statements  
Years Ended December 31, 2022 and 2021  
(Expressed in Canadian Dollars)**

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### **9. Financial instruments and risk factors (continued)**

#### Commodity price risk

The ability of the Project to develop its mineral properties and the future profitability of the Project is directly related to the market prices of silver, cobalt and nickel.

#### Currency risk

As the Project transacts business in Canadian dollars, there is minimal foreign currency risk at December 31, 2022 and 2021.

### **10. Commitments and contingencies**

#### **Environmental contingencies**

The Project's exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Project has made, and expects to make in the future, expenditures to comply with such laws and regulations.

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**GRAAL PROPERTIES**  
**CONDENSED INTERIM CARVE-OUT FINANCIAL**  
**STATEMENTS**  
**THREE AND SIX MONTHS ENDED**  
**JUNE 30, 2023 AND 2022**  
**(EXPRESSED IN CANADIAN DOLLARS)**  
**(UNAUDITED)**

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## GRAAL Properties

### Condensed Interim Carve-out Statements of Financial Position

(Expressed in Canadian Dollars)

Unaudited

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	As at June 30, 2023	As at December 31, 2022
<b>ASSETS</b>		
<b>Current assets</b>		
Prepaid expenses	\$ 150,000	\$ 150,000
<b>Total assets</b>	<b>\$ 150,000</b>	<b>\$ 150,000</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current liabilities</b>		
Trade payables and accrued liabilities	\$ 691,033	\$ 602,705
<b>Total liabilities</b>	<b>691,033</b>	<b>602,705</b>
<b>Equity (deficiency)</b>		
Owner's investment	6,789,740	6,730,668
Deficit	(7,330,773)	(7,183,373)
<b>Total equity (deficiency)</b>	<b>(541,033)</b>	<b>(452,705)</b>
<b>Total liabilities and equity (deficiency)</b>	<b>\$ 150,000</b>	<b>\$ 150,000</b>

The accompanying notes to the condensed interim carve-out financial statements are an integral part of these statements.

Basis of presentation (note 1)

Nature of operations and going concern (note 2)

Commitments and contingencies (note 5 and 7)

#### Approved on behalf of the Board:

(Signed) "Frank Basa" \_\_\_\_\_ Director

(Signed) "Matt Halliday" \_\_\_\_\_ Director

## GRAAL Properties

### Condensed Interim Carve-out Statements of Loss and Comprehensive Loss

(Expressed in Canadian Dollars)

Unaudited

	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022
<b>Expenses</b>				
Exploration and evaluation expenditures (notes 5 and 6)	\$ 42,591	\$ 535,360	\$ 78,356	\$ 852,621
<b>Corporate</b>				
Accounting and audit	2,500	2,500	5,000	5,000
Admin and general expenses	563	3,437	1,423	4,819
Filing costs and shareholders' information	9,937	58,158	12,673	81,507
Legal fees	2,939	26,923	3,641	31,176
Marketing and communications	449	3,621	1,159	6,762
Consulting and professional fees (note 6)	28,995	25,583	35,802	43,564
Salaries and wages	1,619	3,267	5,649	5,050
Travel, lodging and food	2,054	12,992	3,697	14,743
<b>Total corporate expenses</b>	<b>49,056</b>	<b>136,481</b>	<b>69,044</b>	<b>192,621</b>
<b>Net loss and comprehensive loss for the period</b>	<b>\$ (91,647)</b>	<b>\$ (671,841)</b>	<b>\$ (147,400)</b>	<b>\$ (1,045,242)</b>

The accompanying notes to the condensed interim carve-out financial statements are an integral part of these statements.



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## GRAAL Properties

### Condensed Interim Carve-out Statements of Changes in Equity (Deficiency)

(Expressed in Canadian Dollars)

Unaudited

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	Owner's investment	Deficit	Total
<b>Balance, December 31, 2021</b>	<b>\$ 2,439,765</b>	<b>\$ (3,910,784)</b>	<b>\$ (1,471,019)</b>
Contributions	2,213,375	-	2,213,375
Net loss and comprehensive loss for the period	-	(1,045,242)	(1,045,242)
<b>Balance, June 30, 2022</b>	<b>\$ 4,653,140</b>	<b>\$ (4,956,026)</b>	<b>\$ (302,886)</b>

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<b>Balance, December 31, 2022</b>	<b>\$ 6,730,668</b>	<b>\$ (7,183,373)</b>	<b>\$ (452,705)</b>
Contributions	59,072	-	59,072
Net loss and comprehensive loss for the period	-	(147,400)	(147,400)
<b>Balance, June 30, 2023</b>	<b>\$ 6,789,740</b>	<b>\$ (7,330,773)</b>	<b>\$ (541,033)</b>

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The accompanying notes to the condensed interim carve-out financial statements are an integral part of these statements.

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## GRAAL Properties

### Condensed Interim Carve-out Statements of Cash Flows

(Expressed in Canadian Dollars)

Unaudited

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	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022
<b>Operating activities</b>		
Net loss and comprehensive loss for the period	\$ (147,400)	\$ (1,045,242)
Changes in non-cash working capital items:		
Prepaid expenses	-	(150,000)
Trade payables and other liabilities	88,328	(1,018,133)
<b>Net cash used in operating activities</b>	<b>(59,072)</b>	<b>(2,213,375)</b>
<b>Financing activities</b>		
Contributions from owner	59,072	2,213,375
<b>Net cash provided by financing activities</b>	<b>59,072</b>	<b>2,213,375</b>
<b>Net change in cash</b>	<b>-</b>	<b>-</b>
<b>Cash, beginning of period</b>	<b>-</b>	<b>-</b>
<b>Cash, end of period</b>	<b>\$ -</b>	<b>\$ -</b>

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The accompanying notes to the condensed interim carve-out financial statements are an integral part of these statements.

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# **GRAAL Properties**

## **Notes to Condensed Interim Carve-out Financial Statements**

**Three and Six Months Ended June 30, 2023 and 2022**

**(Expressed in Canadian Dollars)**

**Unaudited**

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### **1. Basis of presentation**

Canada Silver Cobalt Works Inc. ("CCW" or the "Company") holds the GRAAL project (the "Project") which consists of certain mineral claims in Quebec. The Company has announced its intention to transfer the Project to the Company's subsidiary Coniagas Battery Metals Inc. ("CBM") by way of plan of arrangement under the Canada Business Corporations Act. These condensed interim carve-out financial statements have been prepared on a carve-out basis from the financial records of the Company.

These condensed interim carve-out financial statements reflect the assets, liabilities, expenses and cash flows of the Project undertaken by the Company for the periods ended June 30, 2023 and 2022.

The purpose of these condensed interim carve-out statements is to provide general purpose historical financial information of the Project in connection with the option of the Project by the Company. These condensed interim carve-out financial statements reflect the Project expenditures as if the Project had been operating separately during the periods presented. Therefore, these condensed interim carve-out financial statements present the historical exploration and evaluation expenditures incurred by the Company related to the Project plus an allocation of corporate overhead charges.

The following basis of preparation for the condensed interim carve-out financial statements has been applied:

- All assets and liabilities directly related to the Project have been attributed to the Project. These do not include assets and liabilities that are not specifically identifiable with the Project.
- Expenses directly related to the Project have been entirely attributed to the Project.
- During the periods ended June 30, 2023 and 2022, the Project received services and support functions from the Company and the operations of the Project were dependent upon the Company's ability to perform these services and support functions. These services and support functions costs are used by the Project and are paid by the Company and have been allocated to the Project based on the proportionate exploration expenses attributed to the Project compared to the total exploration expenses of the Company.

Expenses that have been allocated to the Project for the purposes of these condensed interim carve-out financial statements have been recorded as contributions from the Company within owner's investment. Owner's investment represents the cumulative owner's investment in the Project through the dates presented and includes cumulative operating results.

Management believes the assumptions and allocations underlying the condensed interim carve-out financial statements are reasonable and appropriate under the circumstances. The expenses and cost allocations have been determined on a basis considered by the Company to be a reasonable reflection of the utilization of services provided to or the benefit received by the Project during the periods presented. However, these assumptions and allocations are not necessarily indicative of the costs the Project would have incurred if it had operated on a stand-alone basis or as an entity independent of the Company.

The Company's Board of Directors authorized the issuance of the condensed interim carve-out financial statements on September 25, 2023.

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## **GRAAL Properties**

### **Notes to Condensed Interim Carve-out Financial Statements**

**Three and Six Months Ended June 30, 2023 and 2022**

**(Expressed in Canadian Dollars)**

**Unaudited**

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#### **2. Nature of operations and going concern**

The Project requires financing to support future operating activities and does not have adequate cash resources to fund its operations over the next year and will require additional financing in order to conduct its planned work programs and discharge its liabilities as they become due. Accordingly, a material uncertainty exists that may cast significant doubt on the Project's ability to continue as a going concern. These carve-out financial statements do not include the adjustments that would be necessary should the Project be unable to continue as a going concern. Such adjustments could be material. These condensed interim carve-out financial statements have been prepared on a going concern basis, which assumes that the Project will be able to realize its assets and discharge its liabilities in the normal course of business.

Although the Company has taken steps to verify title to the Project, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, social licensing requirements, unregistered prior agreements, unregistered claims, aboriginal claims, and noncompliance with regulatory and environmental requirements. The Project may also be subject to increases in taxes and royalties, renegotiation of contracts, expropriation of properties, and political uncertainty.

It has not yet been determined whether the Project contains mineral reserves that are economically recoverable. The continued operations of the Project are dependent upon the existence of economically recoverable reserves, the ability of the Project to obtain the necessary financing to complete the exploration and development of such properties and upon future profitable production or proceeds from the disposition of the properties.

#### **3. Significant accounting estimates and basis of presentation**

##### **Statement of compliance**

The Project applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). These condensed interim carve-out financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by IASB and interpretations issued by IFRIC.

The condensed interim carve-out financial statements should be read in conjunction with the Project's annual carve-out financial statements for the year ended December 31, 2022.

##### **Basis of presentation and functional currency**

These condensed interim carve-out financial statements have been prepared on the historical cost basis. The consolidated financial statements have been presented on an accrual basis except for cash flow information. The presentation and functional currency of the Project is the Canadian dollar.

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## **GRAAL Properties**

### **Notes to Condensed Interim Carve-out Financial Statements**

**Three and Six Months Ended June 30, 2023 and 2022**

**(Expressed in Canadian Dollars)**

**Unaudited**

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### **3. Significant accounting estimates and basis of presentation (continued)**

#### **Significant accounting estimates and judgments**

The preparation of these condensed interim carve-out financial statements requires management to make judgments and estimates that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these judgments and estimates. The condensed interim carve-out financial statements include judgments and estimates which, by their nature, are uncertain. The impacts of such judgments and estimates are pervasive throughout the condensed interim carve-out financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in future periods when the revision affects both current and future periods.

#### **Provisions and contingencies**

Provisions and contingencies arising in the course of operations, including provisions for income or other tax matters are subject to estimation uncertainty. Management uses all information available in assessing the recognition, measurement and disclosure of matters that may give rise to provisions or contingencies. The actual outcome of various provisional and contingent matters may vary and may cause significant adjustments when the amounts are determined or additional information is acquired.

#### **Income, value added, withholding and other taxes**

The Project is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Project's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Project recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Project's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Project's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

#### **Decommissioning, restoration and similar liabilities**

Decommissioning, restoration and similar liabilities are estimated based on the Project's interpretation of current regulatory requirements, constructive obligations and are measured at fair value. Fair value is determined based on the net present value of estimated future cash expenditures for the settlement of decommissioning, restoration or similar liabilities that may occur upon decommissioning of the mine. Such estimates are subject to change based on changes in laws and regulations and negotiations with regulatory authorities.

#### **Contingencies**

See note 7.

#### **Allocation of overhead expenses**

See note 1.

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## GRAAL Properties

### Notes to Condensed Interim Carve-out Financial Statements

Three and Six Months Ended June 30, 2023 and 2022

(Expressed in Canadian Dollars)

Unaudited

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#### 4. Significant accounting policies

The accounting policies set out in the Project's annual carve-out financial statements for the year ended December 31, 2022 have been applied consistently to these condensed interim carve-out financial statements.

#### 5. Exploration and evaluation projects

##### GRAAL Properties, Quebec

The Project consists of various claims in Quebec that were acquired by the Company by (i) staking; and (ii) the acquisitions below.

##### Lac Suzanne Property

In February 2021, the Company acquired a 100% interest in the Lac Suzanne Property, located in Northern Lac St-Jean, Quebec. In consideration for the 100% interest,

- the Company made an aggregate cash payment of \$52,500 to the vendor; and
- the Company incurred an aggregate exploration expenditures of \$200,000 on the property.

The property is subject to 2% Gross Metal Royalty.

##### Chute-des-Passes Property

In November 2021, the Company acquired a 100% ownership of the Chute-des-Passes Property claims from SOQUEM Inc. ("SOQUEM") (50% ownership) and Mines Coulon Inc. ("Mines Coulon") (50% ownership). In consideration for the 100% ownership, the Company made cash payments totalling \$10,000 and each vendor retained an NSR.

In consideration for the purchase of its interest in the Chute-des-Passes Property, the Company granted SOQUEM the right to receive a royalty of 0.5% each of the NSR on the Chute-des-Passes Property, half of which is redeemable for an amount of \$125,000. In return for the transfer of its interest in the Chute-des-Passes Property, the Company granted Mines Coulon the right to receive a royalty of 0.5% of the NSR on the Chute-des-Passes Property, half of which is redeemable for an amount of \$125,000.

There is also an existing NSR of 1%, of which 0.5% is redeemable for \$500,000. The total NSR on the property is 2% where 1% is redeemable for the sum of \$750,000.

The following table shows exploration and evaluation expenses incurred on the properties

	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022
Acquisition costs	\$ 1,500	\$ 2,953	\$ 4,327	\$ 4,067
Drilling	16,019	459,717	16,167	746,256
Facility expenses	3,566	1,270	4,406	5,816
Consulting and professional fees	2,946	2,000	21,933	5,000
Geology, geophysics and surveys	18,560	62,670	30,753	79,332
Labour	-	6,750	770	12,150
	<b>42,591</b>	<b>535,360</b>	<b>78,356</b>	<b>852,621</b>

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## **GRAAL Properties**

### **Notes to Condensed Interim Carve-out Financial Statements**

**Three and Six Months Ended June 30, 2023 and 2022**

**(Expressed in Canadian Dollars)**

**Unaudited**

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#### **6. Related party transactions**

The Project has entered into agreements with officers of the Company and private companies controlled by officers and directors of the Company for management consulting, geological consulting and other services required by the Project.

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

The remuneration of officers and directors of the Company for the three and six months ended June 30, 2023 was \$13,277 and \$43,060, respectively (2022 - \$37,363 and \$66,842, respectively). For the three and six months ended June 30, 2023, \$3,000 and \$27,500, respectively (2022 - \$13,750 and \$26,650, respectively) was included in exploration and evaluation expenses on the Company's consolidated statements of loss and comprehensive loss.

#### **7. Commitments and contingencies**

##### **Environmental contingencies**

The Project's exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Project has made, and expects to make in the future, expenditures to comply with such laws and regulations.

**GRAAL PROPERTIES**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**YEAR ENDED DECEMBER 31, 2022**



## **Introduction**

Canada Silver Cobalt Works Inc. ("CCW" or the "Company") holds the GRAAL project (the "Project") which consists of certain mineral claims in Quebec. The Company has announced its intention to transfer the Project to the Company's subsidiary Coniagas Battery Metals Inc. by way of plan of arrangement under the Canada Business Corporations Act.

## **Forward Looking Statements**

This Management's Discussion and Analysis ("MD&A") contains certain statements that may be deemed "forward-looking statements," within the meaning of certain securities laws. Forward-looking statements relate to management's expectations or beliefs about future performance, events, or circumstances that include, but are not limited to, future production, costs of production, operational activities, and events or developments that the Project expects or targets. Forward-looking statements can usually be identified by words such as: "future", "plans", "scheduled", "expects", "intends", "estimates", "forecasts", "will", "may", "could", "would", and variations thereof. Although the Project believes that these statements are based on reasonable assumptions, all forward-looking statements involve known and unknown risks and uncertainties that may cause the actual performance, events, or circumstances of the Project to be materially different than anticipated. The forward-looking information in this MD&A describes the Project's expectations as of the date of this MD&A.

The Project cautions that the foregoing list of material factors is not exhaustive. When relying on the Project's forward-looking information to make decisions, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. The Project has assumed a certain progression, which may not be realized. It has also assumed that the material factors referred to in the previous paragraph will not cause such forward-looking information to differ materially from actual results or events. However, the list of these factors is not exhaustive and is subject to change and there can be no assurance that such assumptions will reflect the actual outcome of such items or factors.

Forward-looking statements are based on management's current plans, estimates, projections, beliefs, and opinions and we do not undertake any obligation to update forward-looking statements should the assumptions related to these plans, estimates, projections, beliefs and opinions change, except as required by law.

## **Date**

The following MD&A, which is dated of September 25, 2023, provides a review of the activities, results of operations and financial condition of the Project as at and for the year ended December 31, 2022, as well as future prospects of the Project. This MD&A should be read in conjunction with the audited carve-out financial statements of the Project as at and for the years ended December 31, 2022 and 2021, along with the notes thereto (the "Audited Financial Statements").

All dollar amounts in this MD&A are express in Canadian dollars unless otherwise specified.

## **Property Holdings**

The Project consists of various claims in Quebec that were acquired by the Company by (i) staking; and (ii) the acquisitions below.

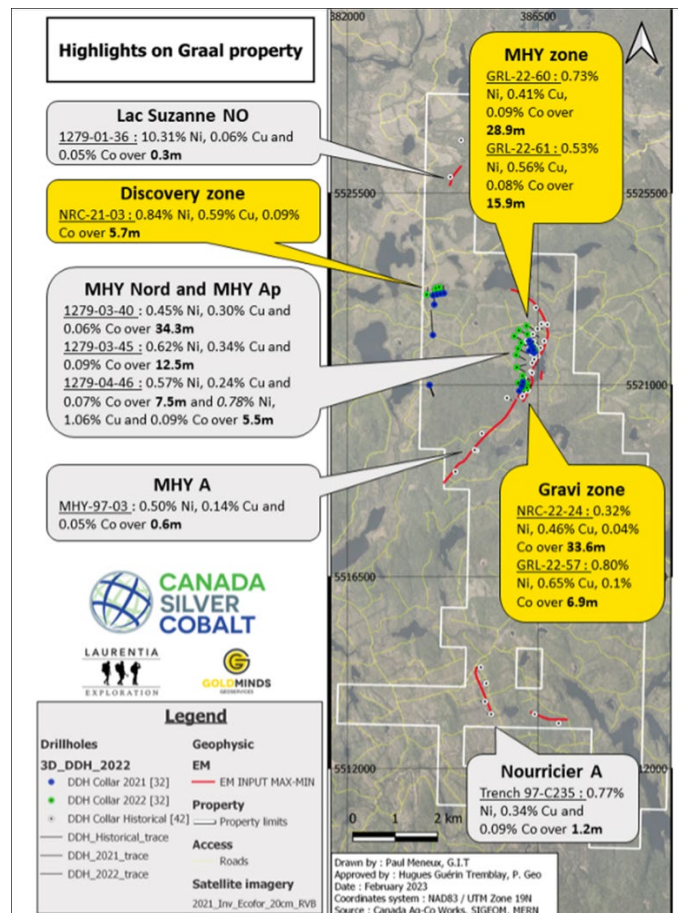
**Lac Suzanne Property**

In February 2021, the Company acquired a 100% interest in the Lac Suzanne Property, located in Northern Lac St-Jean, Quebec. In consideration for the 100% interest,

- the Company made an aggregate cash payment of \$52,500 to the vendor; and
- the Company incurred an aggregate exploration expenditure of \$200,000 on the property.

The property is subject to 2% Gross Metal Royalty.

The property was acquired for its potential to host a variety of EV battery metals including nickel, copper and cobalt with the intention of expanding our current holdings and strategically positioning the Company and its shareholders to take full advantage of the evolving market conditions for EV battery base metal inputs. This property was acquired based on numerous metal intercepts from past drilling and sampling programs with the best results recording grades of up to 10.31% nickel, 4.9% copper and 1% cobalt from diamond drilling.



Showing location of select assay highlights from historic drilling, Phase 1 and Phase 2

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**Year Ended December 31, 2022**  
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Work completed on the Graal-Nourricier property to date:

- Airborne gravity and magnetic field surveys flown in the spring of 2021.
- Drilling primary drill target, identified based on the recently flown Bouguer airborne survey. Conceptual modelling has an extent of 1200m x 2200m. The unknown is the elevation – or the depth at which the base of the net-textured and massive sulfides sits. The target was not reached due to significant faulting. The Company intends to re-visit this deep target after continuing to drill and define shallower targets further north on the property near historic showings.
- Continuation of the First phase of drilling on the more northern targets. A total of 9758m in 32 holes were completed between July 2021 and January 2022. Initial results released June 27, 2022.

HOLE ID	From (m)	To (m)	Length (m)	Ni (%)	Cu (%)	Co (%)	% Ni Eq <sup>(1)</sup>
<b>NRC-22-26</b>	<b>135</b>	<b>140.8</b>	<b>5.8</b>	<b>0.57</b>	<b>0.41</b>	<b>0.08</b>	<b>0.89</b>
Including	137	137.7	0.7	1.02	0.66	0.13	<b>1.54</b>
Including	139.1	140.1	1	1.05	0.43	0.11	<b>1.45</b>
<b>NRC-22-26</b>	<b>148.8</b>	<b>159.3</b>	<b>10.5</b>	<b>0.1</b>	<b>0.13</b>	<b>0.02</b>	<b>0.19</b>
Including	158.5	159.3	0.8	0.38	0.59	0.05	<b>0.68</b>

Note (1): %Ni Eq = %Ni+(%Cu X Cu Price/ Ni Price) + %Co X Co Price/ Ni Price) where Nickel is 33,000USD/t, Copper is 10,000USD/t and Cobalt is 81,500USD/t; source LME March 30, 2022

- Phase 2 of drilling: A total of 6965m in 33 holes were completed between May and early July, 2022. Holes were targeting shallow, high-conductance geophysical anomalies identified by the FL-TDEM survey earlier in 2022. This anomaly was interpreted to be 1,700m long in the North-South direction and 850m wide in the East-West direction (see news release April 19, 2022).
- Massive and semi-massive sulphides containing were described in the logs of holes GRL-22-60 and -61. Results in table below.
- On August 15, 2022, the Company filed a National Instrument 43-101 - Standards of Disclosure for Mineral Projects compliant technical report dated July 4, 2022, on its Graal Nickel & Copper Project, Saguenay-Lac-St-Jean, Québec, Canada. The report was prepared by Claude Duplessis P.Eng. GoldMinds Geoservices Inc. QP, Hugues Guérin Tremblay P.Geo. Laurentia Exploration Inc. QP and Alizée Liénard, P. Geo. Laurentia Exploration Inc. The technical report is available under the Company's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and on the Company's website.



Core photo of GRL-22-61, highlighting the sulphide intersection between 62.10 to 77.80m (News Release February 16, 2023)

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Sample and Assay Highlights from Phase 2 Drilling

Hole ID	From (m)	To (m)	Length	NiEq % <sup>(1)</sup>	Ni %	Cu %	Co %
GRL-22-41	217.30	222.10	4.80	1.31	0.86	0.48	0.11
GRL-22-41	232.50	234.00	1.50	0.33	0.22	0.12	0.03
GRL-22-41	236.50	237.50	1.00	0.45	0.34	0.11	0.03
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Including	113.10	114.70	1.60	1.48	1.04	0.28	0.13
GRL-22-54	91.10	100.00	8.90	0.94	0.60	0.38	0.08
GRL-22-55	100.50	104.80	4.30	1.31	0.88	0.38	0.11
GRL-22-56	44.80	47.50	2.70	1.27	0.72	0.73	0.11
GRL-22-57	94.10	102.50	8.40	1.09	0.67	0.55	0.08
Including	95.60	99.90	4.30	1.61	0.99	0.80	0.12
GRL-22-58	120.70	127.70	7.00	0.47	0.26	0.33	0.04
Including	126.00	127.70	1.70	1.10	0.60	0.76	0.09
GRL-22-60	51.50	80.40	28.90	1.12	0.73	0.41	0.09
Including	51.50	74.30	22.80	1.35	0.89	0.50	0.11
GRL-22-61	62.10	78.00	15.90	0.94	0.53	0.56	0.08
Including	71.40	78.00	6.60	1.52	0.94	0.83	0.11

Note (1): These intervals represent core length and may not represent true width. All intervals are assay composites. NiEq % is based on US\$: \$10/lb Ni, \$3.5/lb Cu, \$25/oz Ag, \$1800/oz Au, \$27/lb Co, \$870/oz Pt, \$2000/oz Pd (from Company News Release February 27, 2023).



Zoomed in core photo of GRL-22-60 showing the massive sulphides (News Release February 16, 2023)

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**Chute-des-Passes Property**

In November 2021, the Company acquired a 100% ownership of the Chute-des-Passes Property claims from SOQUEM Inc. ("SOQUEM") (50% ownership) and Mines Coulon Inc. ("Mines Coulon") (50% ownership). In consideration for the 100% ownership, the Company made cash payments totalling \$10,000 and each vendor retained an NSR.

In consideration for the purchase of its interest in the Chute-des-Passes Property, the Company granted SOQUEM the right to receive a royalty of 0.5% each of the NSR on the Chute-des-Passes Property, half of which is redeemable for an amount of \$125,000. In return for the transfer of its interest in the Chute-des-Passes Property, the Company granted Mines Coulon the right to receive a royalty of 0.5% of the NSR on the Chute-des-Passes Property, half of which is redeemable for an amount of \$ 125,000.

There is also an existing NSR of 1%, of which 0.5% is redeemable for \$ 500,000. The total NSR on the property is 2% where 1% is redeemable for the sum of \$750,000.

The following table shows exploration and evaluation expenses incurred on the Project during the years ended December 31, 2022 and 2021:

	<b>Year Ended December 31, 2022 (\$)</b>	<b>Year Ended December 31, 2021 (\$)</b>
Acquisition costs	5,110	96,593
Drilling	2,499,267	2,471,291
Facility expenses	17,424	Nil
Consulting and professional fees	17,386	143,377
Geology, geophysics and surveys	192,827	535,952
Labour	17,500	Nil
<b>Total</b>	<b>2,749,514</b>	<b>3,247,213</b>

**Overall Performance**

**Selected Annual Financial Information**

	<b>December 31, 2022 (\$)</b>	<b>December 31, 2021 (\$)</b>	<b>December 31, 2020 (\$)</b>
Total assets	150,000	50,000	Nil
Owner's investment	6,730,668	2,439,765	203,602
Net loss	(3,272,589)	(3,695,596)	(215,188)

**Summary of Quarterly Results**

<b>Three Months Ended</b>	<b>Revenue (\$)</b>	<b>Exploration and Evaluation Expenditures (\$)</b>	<b>Net Loss (\$)</b>
March 31, 2021	Nil	190,349	231,415
June 30, 2021	Nil	353,072	406,542
September 30, 2021	Nil	160,807	194,211
December 31, 2021	Nil	2,542,985	2,863,428
March 31, 2022	Nil	317,261	373,401

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June 30, 2022	Nil	535,360	671,841
September 30, 2022	Nil	964,097	1,156,068
December 31, 2022	Nil	932,796	1,071,279

### **Results of Operations**

For the year ended December 31, 2022, the Project incurred a net loss of \$3,272,589 (2021 – net loss of \$3,695,596). The change in net loss is mainly comprised of the following:

- Exploration and evaluation expenditures of \$2,749,514 (2021 - \$3,247,213). See “Property Holdings” section for details.
- Admin and general expenses of \$22,838 (2021 - \$41,758) decreased due to a decline in exploration activity in 2022.
- Filing costs and shareholders’ information of \$167,456 (2021 – \$93,872) increased due to financing initiatives undertaken during 2022.
- Marketing and communications of \$61,925 (2021 - \$110,775) due to decreased marketing activities in 2022.
- Consulting and professional fees of \$123,228 (2021 - \$120,692) remained similar in 2022.
- Travel, lodging and food of \$54,008 (2021 - \$5,500) due to an increase in travel activities as travel restrictions related to the COVID-19 pandemic ease, and shareholder information initiatives increase.

### **Liquidity and Financial Position**

#### **Liquidity**

The Project is comprised of no producing resource properties, and consequently does not generate operating income or cash flow. To date, the Project has relied upon its owners’ investments to provide working capital for capital acquisitions, exploration and development activities, and to fund the administrations. Since the Project does not expect to generate any revenues in the near future, it will continue to rely upon the owners’ investments. There can be no assurance that the owners’ investments will be available to the Project when required, or on terms satisfactory to the Project. At December 31, 2022, the Project had \$nil in cash.

#### **Capital Resources**

As at December 31, 2022, the Project had a working capital deficit of \$452,705 (2021 – deficit of \$1,471,019).

### **Future Accounting Pronouncements**

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2023. Many are not applicable or do not have a significant impact to the Company and have been excluded. The Company is currently evaluating the impact of these new pronouncements.

IFRS 10 – Consolidated Financial Statements (“IFRS 10”) and IAS 28 – Investments in Associates and Joint Ventures (“IAS 28”) were amended in September 2014 to address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business. The effective date of these amendments is yet to be determined, however early adoption is permitted.

IAS 1 – Presentation of Financial Statements ("IAS 1") was amended in January 2020 to provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments clarify that the classification of liabilities as current or noncurrent is based solely on a company's right to defer settlement at the reporting date. The right needs to be unconditional and must have substance. The amendments also clarify that the transfer of a company's own equity instruments is regarded as settlement of a liability, unless it results from the exercise of a conversion option meeting the definition of an equity instrument. Also in February 2021, the IASB issued 'Disclosure of Accounting Policies' with amendments that are intended to help preparers in deciding which accounting policies to disclose in their financial statements. The amendments are effective for year ends beginning on or after January 1, 2023.

IAS 8 – In February 2021, the IASB issued 'Definition of Accounting Estimates' to help entities distinguish between accounting policies and accounting estimates. The amendments are effective for year ends beginning on or after January 1, 2023.

IAS 12 – In May 2021, the IASB issued 'Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction' that clarifies how entities account for deferred tax on transactions such as leases and decommissioning obligations. The amendments are effective for year ends beginning on or after January 1, 2023.

### **Related Party Transactions**

The Project has entered into agreements with officers of the Company and private companies controlled by officers and directors of the Company for management consulting, geological consulting and other services required by the Project.

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

The remuneration of officers and directors of the Company for the year ended December 31, 2022 was \$158,018 (2021 - \$91,123). For the year ended December 31, 2022, \$45,500 (2021 - \$16,000) was included in exploration and evaluation expenses on the Company's consolidated statements of loss and comprehensive loss.

### **Capital Risk Management**

The Project considers its capital structure to consist of owner's investment. The Project manages its capital structure and makes adjustments to it, based on the funds available to the Project, in order to support its exploration, development and operating activities.

The Project's objective when managing capital is to safeguard its ability to continue as a going concern in order to pursue the exploration of its mineral properties. The Project satisfies its capital requirements through careful management of its cash resources.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Project, is reasonable. There were no changes in the Project's approach to capital management during the years ended December 31, 2022 and 2021.

### **Financial Instruments and Risk Factors**

The Project's financial instruments consist of trade payables and accrued liabilities.

**GRAAL Properties**  
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Financial assets and liabilities are classified and measured at amortized cost using the effective interest method. The fair value for short-term financial assets and liabilities which include trade payables and accrued liabilities approximate their fair value due to their short-term nature. The fair value estimates are made at a specific point in time, based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and, therefore, cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

The Project's risk exposures and the impact on the Project's financial instruments are summarized below:



### **Credit Risk**

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. The Project is exposed to credit risk on its amounts receivable. The Project did not have any amounts receivable as at December 31, 2022 and 2021.

### **Liquidity Risk**

The Project's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. There can be no assurance that the Project will be successful in its efforts to arrange additional financing on terms satisfactory to the Project.

### **Market risk**

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and commodity and equity prices.

#### *Interest Rate Risk*

The Project is not exposed to interest rate risk as it does not have interest bearing debt.

#### *Commodity Price Risk*

The ability of the Project to develop its mineral properties and the future profitability of the Project is directly related to the market prices of silver, cobalt and nickel.

#### *Currency Risk*

As the Project transacts business in Canadian dollars, there is minimal foreign currency risk at December 31, 2022 and 2021.

### **Commitments and Contingencies**

The Project's exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Project has made, and expects to make in the future, expenditures to comply with such laws and regulations.

### **Off-Balance Sheet Arrangements**

As of the date of this MD&A, the Project does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the financial performance or financial condition of the Project, including, and without limitation, such considerations as liquidity and capital resources.

### **Risk Factors**

The mineral industry involves significant risks. In addition to the risk factors described elsewhere in this MD&A, the risk factors that should be taken into account in considering the Project's business include, but are not limited to, those set out in the "Risk Factors" section of the Information Circular. Any one or more of these risks could have a material adverse effect on the future prospects of the Project.

**GRAAL PROPERTIES**

**INTERIM MANAGEMENT'S DISCUSSION AND  
ANALYSIS**

**THREE AND SIX MONTHS ENDED JUNE 30, 2023**

## **Introduction**

Canada Silver Cobalt Works Inc. ("CCW" or the "Company") holds the GRAAL project (the "Project") which consists of certain mineral claims in Quebec. The Company has announced its intention to transfer the Project to the Company's subsidiary Coniagas Battery Metals Inc. by way of plan of arrangement under the Canada Business Corporations Act.

## **Forward Looking Statements**

This Management's Discussion and Analysis ("MD&A") contains certain statements that may be deemed "forward-looking statements," within the meaning of certain securities laws. Forward-looking statements relate to management's expectations or beliefs about future performance, events, or circumstances that include, but are not limited to, future production, costs of production, operational activities, and events or developments that the Project expects or targets. Forward-looking statements can usually be identified by words such as: "future", "plans", "scheduled", "expects", "intends", "estimates", "forecasts", "will", "may", "could", "would", and variations thereof. Although the Project believes that these statements are based on reasonable assumptions, all forward-looking statements involve known and unknown risks and uncertainties that may cause the actual performance, events, or circumstances of the Project to be materially different than anticipated. The forward-looking information in this MD&A describes the Project's expectations as of the date of this MD&A.

The Project cautions that the foregoing list of material factors is not exhaustive. When relying on the Project's forward-looking information to make decisions, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. The Project has assumed a certain progression, which may not be realized. It has also assumed that the material factors referred to in the previous paragraph will not cause such forward-looking information to differ materially from actual results or events. However, the list of these factors is not exhaustive and is subject to change and there can be no assurance that such assumptions will reflect the actual outcome of such items or factors.

Forward-looking statements are based on management's current plans, estimates, projections, beliefs, and opinions and we do not undertake any obligation to update forward-looking statements should the assumptions related to these plans, estimates, projections, beliefs and opinions change, except as required by law.

## **Date**

The following MD&A, which is dated of September 25, 2023, provides a review of the activities, results of operations and financial condition of the Project as at and for the three and six months ended June 30, 2023, as well as future prospects of the Project. This MD&A should be read in conjunction with the unaudited condensed interim carve-out financial statements of the Project as at and for the three and six months ended June 30, 2023, along with the notes thereto, as well as the audited carve-out financial statements of the Project as at and for the years ended December 31, 2022 and 2021, along with the notes thereto.

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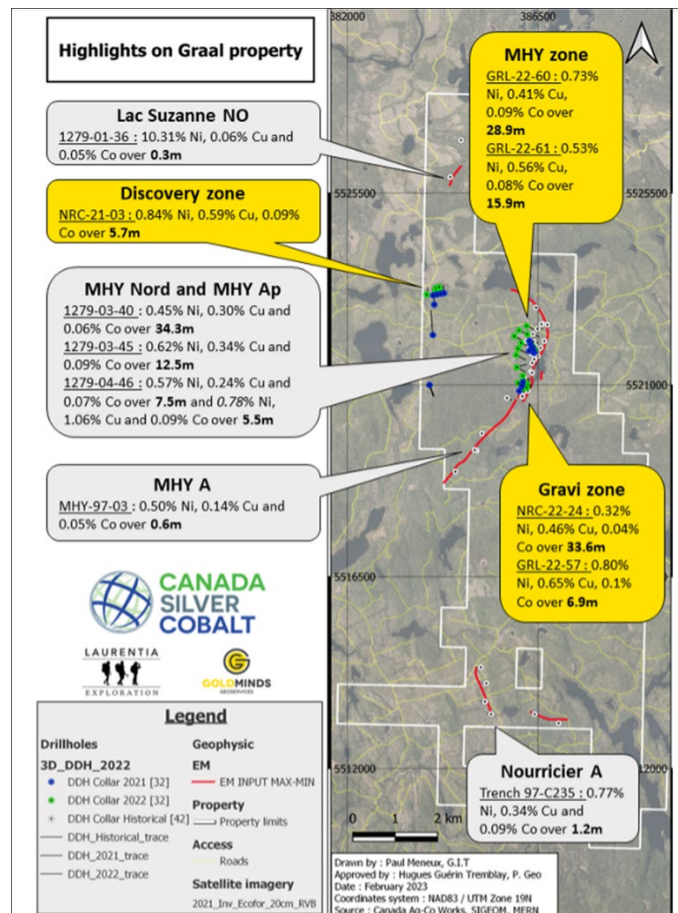
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There is also an existing NSR of 1%, of which 0.5% is redeemable for \$ 500,000. The total NSR on the property is 2% where 1% is redeemable for the sum of \$750,000.

The following table shows exploration and evaluation expenses incurred on the Project during the three and six months ended June 30, 2023 and 2022:

	<b>Three Months Ended June 30, 2023 (\$)</b>	<b>Three Months Ended June 30, 2022 (\$)</b>	<b>Six Months Ended June 30, 2023 (\$)</b>	<b>Six Months Ended June 30, 2022 (\$)</b>
Acquisition costs	1,500	2,953	4,327	4,067
Drilling	16,019	459,717	16,167	746,256
Facility expenses	3,566	1,270	4,406	5,816
Consulting and professional fees	2,946	2,000	21,933	5,000
Geology, geophysics and surveys	18,560	62,670	30,753	79,332
Labour	Nil	6,750	770	12,150
<b>Total</b>	<b>42,591</b>	<b>535,360</b>	<b>78,356</b>	<b>852,621</b>

**Overall Performance**

**Results of Operations**

*Three Months Ended June 30, 2023*

For the three months ended June 30, 2023, the Project incurred a net loss of \$91,647 (2022 – net loss of \$671,841). The change in net loss is mainly comprised of the following:

- Exploration and evaluation expenditures of \$42,591 (2022 - \$535,360) decreased due to a decline in drilling in 2023. See "Property Holdings" section for details.
- Filing costs and shareholders' information of \$9,937 (2022 – \$58,158) decreased due to less financing initiatives undertaken during 2023 compared to 2022.
- Travel, lodging and food of \$2,054 (2022 - \$12,992) due to a decrease in travel activities related to shareholder information initiatives in 2023 compared to 2022.

**GRAAL Properties**  
**Interim Management's Discussion and Analysis**  
**Three and Six Months Ended June 30, 2023**  
**Dated: September 25, 2023**

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*Six Months Ended June 30, 2023*

For the six months ended June 30, 2023, the Project incurred a net loss of \$147,400 (2022 – net loss of \$1,045,242). The change in net loss is mainly comprised of the following:

- Exploration and evaluation expenditures of \$78,356 (2022 - \$852,621) decreased due to a decline in drilling in 2023. See "Property Holdings" section for details.
- Filing costs and shareholders' information of \$12,673 (2022 – \$81,507) decreased due to less financing initiatives undertaken during 2023 compared to 2022.
- Travel, lodging and food of \$3,697 (2022 - \$14,743) due to a decrease in travel activities related to shareholder information initiatives in 2023 compared to 2022.

## **Liquidity and Financial Position**

### **Liquidity**

The Project is comprised of no producing resource properties, and consequently does not generate operating income or cash flow. To date, the Project has relied upon its owners' investments to provide working capital for capital acquisitions, exploration and development activities, and to fund the administrations. Since the Project does not expect to generate any revenues in the near future, it will continue to rely upon the owners' investments. There can be no assurance that the owners' investments will be available to the Project when required, or on terms satisfactory to the Project. At June 30, 2023, the Project had \$nil in cash.

### **Capital Resources**

As at June 30, 2023, the Project had a working capital deficit of \$541,033 (December 31, 2022 – deficit of \$452,705).

### **Related Party Transactions**

The Project has entered into agreements with officers of the Company and private companies controlled by officers and directors of the Company for management consulting, geological consulting and other services required by the Project.

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

The remuneration of officers and directors of the Company for the three and six months ended June 30, 2023 was \$13,277 and \$43,060, respectively (2022 - \$37,363 and \$66,842, respectively). For the three and six months ended June 30, 2023, \$3,000 and \$27,500, respectively (2022 - \$13,750 and \$26,650, respectively) was included in exploration and evaluation expenses on the Company's consolidated statements of loss and comprehensive loss.

### **Capital Risk Management**

The Project considers its capital structure to consist of owner's investment. The Project manages its capital structure and makes adjustments to it, based on the funds available to the Project, in order to support its exploration, development and operating activities.



**GRAAL Properties**  
**Interim Management's Discussion and Analysis**  
**Three and Six Months Ended June 30, 2023**  
**Dated: September 25, 2023**

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The Project's objective when managing capital is to safeguard its ability to continue as a going concern in order to pursue the exploration of its mineral properties. The Project satisfies its capital requirements through careful management of its cash resources.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Project, is reasonable. There were no changes in the Project's approach to capital management during the periods ended June 30, 2023 and 2022.

### **Financial Instruments and Risk Factors**

The Project's financial instruments consist of trade payables and accrued liabilities.

Financial assets and liabilities are classified and measured at amortized cost using the effective interest method. The fair value for short-term financial assets and liabilities which include trade payables and accrued liabilities approximate their fair value due to their short-term nature. The fair value estimates are made at a specific point in time, based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and, therefore, cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

The Project's risk exposures and the impact on the Project's financial instruments are summarized below:

#### **Credit Risk**

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. The Project is exposed to credit risk on its amounts receivable. The Project did not have any amounts receivable as at June 30, 2023.

#### **Liquidity Risk**

The Project's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. There can be no assurance that the Project will be successful in its efforts to arrange additional financing on terms satisfactory to the Project.

#### **Market risk**

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and commodity and equity prices.

##### *Interest Rate Risk*

The Project is not exposed to interest rate risk as it does not have interest bearing debt.

##### *Commodity Price Risk*

The ability of the Project to develop its mineral properties and the future profitability of the Project is directly related to the market prices of silver, cobalt and nickel.

##### *Currency Risk*

As the Project transacts business in Canadian dollars, there is minimal foreign currency risk at June 30, 2023.

### **Commitments and Contingencies**

The Project's exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Project has made, and expects to make in the future, expenditures to comply with such laws and regulations.

### **Off-Balance Sheet Arrangements**

As of the date of this MD&A, the Project does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the financial performance or financial condition of the Project, including, and without limitation, such considerations as liquidity and capital resources.

### **Risk Factors**

The mineral industry involves significant risks. In addition to the risk factors described elsewhere in this MD&A, the risk factors that should be taken into account in considering the Project's business include, but are not limited to, those set out in the "Risk Factors" section of the Information Circular. Any one or more of these risks could have a material adverse effect on the future prospects of the Project.

**SCHEDULE J**  
**PRO FORMA FINANCIAL STATEMENTS OF CONIAGAS BATTERY METALS INC.**

See annexed.

**Coniagas Battery Metals Inc.**

Unaudited Pro Forma Consolidated Financial Statements

(Expressed in Canadian Dollars)

December 31, 2022

**Coniagas Battery Metals Inc.****Pro Forma Consolidated Statement of Financial Position**

As at December 31, 2022

(Unaudited - Expressed in Canadian Dollars)

	Coniagas Battery Metals Inc. (As at December 31, 2022)	GRAAL Properties (As at December 31, 2022)	Note Ref.	Pro Forma Adjustments	Pro Forma Consolidated
	\$	\$		\$	\$
<b>Assets</b>					
<b>Current assets</b>					
Cash	10	-	4(d) 4(e) 4(f)	7,500 30,000 1,250,000	1,287,510
Prepaid expenses	-	150,000			150,000
<b>Total assets</b>	<b>10</b>	<b>150,000</b>		<b>1,287,500</b>	<b>1,437,510</b>
<b>Liabilities</b>					
<b>Current liabilities</b>					
Accounts payable and accrued liabilities	-	602,705			602,705
<b>Total liabilities</b>	<b>-</b>	<b>602,705</b>		<b>-</b>	<b>602,705</b>
<b>Shareholders' Equity</b>					
Share capital	10	-	4(a) 4(b) 4(c) 4(d) 4(e) 4(f)	10 (10) 5,974,595 7,500 30,000 997,077	7,009,182
Owners' investment	-	6,730,668	4(c)	(6,730,668)	-
Warrants	-	-	4(c) 4(f)	756,073 252,923	1,008,996
Deficit	-	(7,183,373)			(7,183,373)
<b>Total shareholders' equity</b>	<b>10</b>	<b>(452,705)</b>		<b>1,287,500</b>	<b>834,805</b>
<b>Total shareholders' equity and liabilities</b>	<b>10</b>	<b>150,000</b>		<b>1,287,500</b>	<b>1,437,510</b>

*See accompanying notes to the unaudited pro-forma consolidated financial statements.*

**Coniagas Battery Metals Inc.****Pro Forma Consolidated Statement of Loss and Comprehensive Loss**

For the Year Ended December 31, 2022

(Unaudited - Expressed in Canadian Dollars)

	Coniagas Battery Metals Inc. (Year Ended December 31, 2022) \$	GRAAL Properties (Year Ended December 31, 2022) \$	Note Ref.	Pro Forma Adjustments \$	Pro Forma Consolidated \$
<b>Expenses</b>					
Exploration and evaluation expenditures	-	2,749,514		-	2,749,514
<b>Corporate</b>					
Accounting and audit	-	10,000		-	10,000
Admin and general expenses	-	22,838		-	22,838
Filing costs and shareholders' information	-	167,456		-	167,456
Legal fees	-	45,555		-	45,555
Marketing and communications	-	61,925		-	61,925
Consulting and professional fees	-	123,228		-	123,228
Salaries and wages	-	38,065		-	38,065
Travel, lodging and food	-	54,008		-	54,008
<b>Total corporate expenses</b>	-	523,075		-	523,075
<b>Net loss and comprehensive loss for the period</b>	-	(3,272,589)		-	(3,272,589)

See accompanying notes to the unaudited pro-forma consolidated financial statements.

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**Coniagas Battery Metals Inc.**  
**Notes to the Pro Forma Consolidated Financial Statements**  
**For the Year Ended December 31, 2022**  
**(Expressed in Canadian dollars)**  
**(Unaudited)**

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**1. Basis of presentation**

The accompanying unaudited pro forma consolidated statement of financial position and statement of loss and comprehensive loss of Coniagas Battery Metals Inc. (“CBM”) give effect to the proposed transfer of the property owned by Canada Silver Cobalt Works Inc. (“CCW”) and located in the Lac St-Jean region of Québec approximately 160 km north-northeast of the city of Saguenay (the “Graal Property”), comprising 87 claims and 23 claims under option to CCW, covering an aggregate of 6,113 hectares, to CBM, by way of plan of arrangement under the Canada Business Corporations Act, as more fully described in Note 3.

The unaudited pro forma consolidated statement of financial position and statement of operations (the “pro forma financial statements”) have been prepared by the management of CBM based on historical financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”).

Certain significant estimates have been made by management in the preparation of these pro forma consolidated financial statements.

The unaudited pro forma consolidated statement of financial position has been compiled from:

- The statement of financial position and statement of loss and comprehensive loss of CBM as at December 31, 2022, obtained from the audited financial statements of CBM for the year ended December 31, 2022; and
- The statement of financial position and statement of loss and comprehensive loss of the Project as at December 31, 2022, obtained from the audited carve-out financial statements of the Project for the year ended December 31, 2022.

The unaudited pro forma consolidated statement of financial position and statement of loss and comprehensive loss have been prepared as if the transaction had occurred as of December 31, 2022.

The unaudited pro forma consolidated financial statement has been prepared for illustration purposes only and may not be indicative of the combined results or financial position had the transaction been in effect at the date indicated.

In the opinion of CBM’s management, the pro forma financial statement includes all adjustments necessary for a fair presentation of the transactions described in Note 4 applied on a basis consistent with CBM’s accounting policies. Actual amounts recorded once these transactions and other adjusting items are completed will likely differ from those recorded in these unaudited pro forma financial statements. Further, these unaudited financial statements are not necessarily indicative of the financial position that may be obtained in the future. These differences may be material.

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**Coniagas Battery Metals Inc.**  
**Notes to the Pro Forma Consolidated Financial Statements**  
**For the Year Ended December 31, 2022**  
**(Expressed in Canadian dollars)**  
**(Unaudited)**

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**2. Significant accounting policies**

The significant accounting policies followed in these unaudited pro forma financial statements are consistent with those applied in CBM's audited annual financial statements for the year ended December 31, 2022.

**3. Plan of arrangement**

On September 25, 2023, CCW and CBM entered into an arrangement agreement pursuant to which CCW intends to transfer the Graal Property (the "Project") to CBM, its wholly-owned subsidiary, in exchange for 24,000,000 common shares and 12,000,000 warrants of CBM, by way of plan of arrangement under the *Canada Business Corporations Act* (the "Arrangement"). Each whole CBM warrant will entitle its holder to purchase one additional common share of CBM at a price of \$0.40 for 2 years from the respective dates of distribution to the shareholders of CCW.

The Arrangement will require approval of at least two-thirds of the votes cast by the shareholders of CCW at the annual and special meeting of shareholders scheduled to be held on or around October 31, 2023.

**4. Pro forma assumptions and adjustments**

- (a) Under the terms of the Arrangement, the owners of the Project will have acquired all outstanding shares of CBM. In substance, the Arrangement involves the Project's owners obtaining control of CBM; accordingly, the Arrangement is considered to be a reverse acquisition transaction under which the Project is identified as the accounting acquirer.

The Project's acquisition of CBM constitutes an asset acquisition as CBM did not meet the definition of a business, as defined in IFRS 3 – Business Combinations.

The transaction has been accounted for in accordance with IFRS 2 – Share Based Payments. The following table summarizes the fair value of consideration paid on the acquisition and the allocation of purchase price to the assets and liabilities acquired. The fair value of the CBM's net assets acquired by the Project and the aggregate consideration given are as follows:



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**Coniagas Battery Metals Inc.**  
**Notes to the Pro Forma Consolidated Financial Statements**  
**For the Year Ended December 31, 2022**  
**(Expressed in Canadian dollars)**  
**(Unaudited)**

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**4. Pro forma assumptions and adjustments (continued)**

Issuance of units in exchange for property	\$	10
Total consideration paid	\$	10
Cash	\$	10
Accounts payable and accrued liabilities		-
Net assets received	\$	10
Exploration and evaluation expenditures	\$	-

(b) Book values of CBM's share capital and deficit are eliminated on closing.

(c) The 24,000,000 common shares and 12,000,000 warrants of CBM (note 2) are deemed to have a fair value of \$6,730,668, which is the Project owners' investment as at December 31, 2022.

The 12,000,000 warrants of CBM have been assigned a value of \$756,073 as estimated using the Black-Scholes model under the following assumptions: share price - \$0.25; risk-free interest rate - 4.06%; dividend yield - 0%; expected stock volatility - 68%; and expected life - 2 years.

(d) Subsequent to December 31, 2022, the CBM issued an aggregate of 1,500,000 shares at a price of \$0.005 per share to its directors, officers and others for gross proceeds of \$7,500.

(e) Subsequent to December 31, 2022, the CBM issued an aggregate of 1,500,000 shares at a price of \$0.02 per share to its directors, officers and others for gross proceeds of \$30,000.

(f) CBM has proposed a private placement of 5,000,000 units at a price of \$0.25 per share, for gross proceeds of \$1,250,000. Each unit will consist of one common share and one warrant of CBM. Each warrant will entitle its holder to purchase one additional common share of CBM at a price of \$0.40 for 2 years.

The 5,000,000 warrants have been assigned a value of \$252,923 as estimated using the Black-Scholes model under the following assumptions: unit price - \$0.25; risk-free interest rate - 4.06%; dividend yield - 0%; expected stock volatility - 68%; and expected life - 2 years.

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**Coniagas Battery Metals Inc.**  
**Notes to the Pro Forma Consolidated Financial Statements**  
**For the Year Ended December 31, 2022**  
**(Expressed in Canadian dollars)**  
**(Unaudited)**

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**5. Pro forma share capital**

(a) The following table summarizes the pro-forma share capital:

**Common shares**

	Note	Number	Amount
CBM Shares issued and outstanding December 31, 2022		10	\$ 10
Shares issued per Arrangement	4(a)	10	10
CBM Shares eliminated	4(b)	(10)	(10)
CBM Shares issued to CCW	4(c)	24,000,000	5,974,595
Private placement	4(d)	1,500,000	7,500
Private placement	4(e)	1,500,000	30,000
Private placement	4(f)	5,000,000	1,250,000
Fair value of warrants	4(f)	-	(252,923)
		32,000,010	\$ 7,009,182

(b) The following table summarizes the pro-forma warrants

	Note	Number	Amount
CBM Warrants issued and outstanding December 31, 2022		-	\$ -
CBM Warrants issued to CCW	4(c)	12,000,000	756,073
Private placement	4(f)	5,000,000	252,923
		17,000,000	\$ 1,008,996

**Coniagas Battery Metals Inc.**

Unaudited Pro Forma Consolidated Financial Statements

(Expressed in Canadian Dollars)

June 30, 2023

**Coniagas Battery Metals Inc.****Pro Forma Consolidated Statement of Financial Position**

As at June 30, 2023

(Unaudited - Expressed in Canadian Dollars)

	Coniagas Battery Metals Inc. (As at June 30, 2023) \$	GRAAL Properties (As at June 30, 2023) \$	Note Ref.	Pro Forma Adjustments \$	Pro Forma Consolidated \$
<b>Assets</b>					
<b>Current assets</b>					
Cash	10	-	4(d)	7,500	
			4(e)	30,000	
			4(f)	1,250,000	1,287,510
Prepaid expenses	-	150,000			150,000
<b>Total assets</b>	<b>10</b>	<b>150,000</b>		<b>1,280,000</b>	<b>1,437,510</b>
<b>Liabilities</b>					
<b>Current liabilities</b>					
Accounts payable and accrued liabilities	-	691,033			691,033
<b>Total liabilities</b>	<b>-</b>	<b>691,033</b>		<b>-</b>	<b>691,033</b>
<b>Shareholders' Equity</b>					
Share capital	10	-	4(a)	10	
			4(b)	(10)	
			4(c)	5,933,129	
			4(d)	7,500	
			4(e)	30,000	
			4(f)	1,011,206	6,981,845
Owners' investment	-	6,789,740	4(c)	(6,789,740)	-
Warrants	-	-	4(c)	856,611	
			4(f)	238,794	1,095,405
Deficit	-	(7,330,773)			(7,330,773)
<b>Total shareholders' equity</b>	<b>10</b>	<b>(541,033)</b>		<b>1,287,500</b>	<b>746,477</b>
<b>Total shareholders' equity and liabilities</b>	<b>10</b>	<b>150,000</b>		<b>1,287,500</b>	<b>1,437,510</b>

See accompanying notes to the unaudited pro-forma consolidated financial statements.

**Coniagas Battery Metals Inc.****Pro Forma Consolidated Statement of Loss and Comprehensive Loss**

For the Six Month Period Ended June 30, 2023

(Unaudited - Expressed in Canadian Dollars)

	Coniagas Battery Metals Inc. (Six Months Ended June 30, 2023) \$	GRAAL Properties (Six Months Ended June 30, 2023) \$	Note Ref.	Pro Forma Adjustments \$	Pro Forma Consolidated \$
<b>Expenses</b>					
Exploration and evaluation expenditures	-	78,356		-	78,356
<b>Corporate</b>					
Accounting and audit	-	5,000		-	5,000
Admin and general expenses	-	1,423		-	1,423
Filing costs and shareholders' information	-	12,673		-	12,673
Legal fees	-	3,641		-	3,641
Marketing and communications	-	1,159		-	1,159
Consulting and professional fees	-	35,802		-	35,802
Salaries and wages	-	5,649		-	5,649
Travel, lodging and food	-	3,697		-	3,697
<b>Total corporate expenses</b>	-	69,044		-	69,044
<b>Net loss and comprehensive loss for the period</b>	-	(147,400)		-	(147,400)

*See accompanying notes to the unaudited pro-forma consolidated financial statements.*

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## **Coniagas Battery Metals Inc.**

### **Notes to the Pro Forma Consolidated Financial Statements**

**For the Six Month Period Ended June 30, 2023**

**(Expressed in Canadian dollars)**

**(Unaudited)**

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#### **1. Basis of presentation**

The accompanying unaudited pro forma consolidated statement of financial position and statement of loss and comprehensive loss of Coniagas Battery Metals Inc. ("CBM") give effect to the proposed transfer of the property owned by Canada Silver Cobalt Works Inc. ("CCW") and located in the Lac St-Jean region of Québec approximately 160 km north-northeast of the city of Saguenay (the "Graal Property"), comprising 87 claims and 23 claims under option to CCW, covering an aggregate of 6,113 hectares, to CBM, by way of plan of arrangement under the Canada Business Corporations Act, as more fully described in Note 3.

The unaudited pro forma consolidated statement of financial position and statement of operations (the "pro forma financial statements") have been prepared by the management of CBM based on historical financial statements prepared in accordance with International Financial Reporting Standards ("IFRS").

Certain significant estimates have been made by management in the preparation of these pro forma consolidated financial statements.

The unaudited pro forma consolidated statement of financial position has been compiled from:

- The statement of financial position and statement of loss and comprehensive loss of CBM as at June 30, 2023, obtained from the unaudited interim financial statements of CBM for the three and six months ended June 30, 2023; and
- The statement of financial position and statement of loss and comprehensive loss of the Project as at June 30, 2023, obtained from the unaudited interim carve-out financial statements of the Project for the three and six months ended June 30, 2023.

The unaudited pro forma consolidated statement of financial position and statement of loss and comprehensive loss have been prepared as if the transaction had occurred as of June 30, 2023.

The unaudited pro forma consolidated financial statement has been prepared for illustration purposes only and may not be indicative of the combined results or financial position had the transaction been in effect at the date indicated.

In the opinion of CBM's management, the pro forma financial statement includes all adjustments necessary for a fair presentation of the transactions described in Note 4 applied on a basis consistent with CBM's accounting policies. Actual amounts recorded once these transactions and other adjusting items are completed will likely differ from those recorded in these unaudited pro forma financial statements. Further, these unaudited financial statements are not necessarily indicative of the financial position that may be obtained in the future. These differences may be material.

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## Coniagas Battery Metals Inc.

### Notes to the Pro Forma Consolidated Financial Statements

For the Six Month Period Ended June 30, 2023

(Expressed in Canadian dollars)

(Unaudited)

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#### 2. Significant accounting policies

The significant accounting policies followed in these unaudited pro forma financial statements are consistent with those applied in CBM's audited annual financial statements for the year ended December 31, 2022.

#### 3. Plan of arrangement

On September 25, 2023, CCW and CBM entered into an arrangement agreement pursuant to which CCW intends to transfer the Graal Property (the "Project") to CBM, its wholly-owned subsidiary, in exchange for 24,000,000 common shares and 12,000,000 warrants of CBM, by way of plan of arrangement under the *Canada Business Corporations Act* (the "Arrangement"). Each whole CBM warrant will entitle its holder to purchase one additional common share of CBM at a price of \$0.40 for 2 years from the respective dates of distribution to the shareholders of CCW.

The Arrangement will require approval of at least two-thirds of the votes cast by the shareholders of CCW at the annual and special meeting of shareholders scheduled to be held on or around October 31, 2023.

#### 4. Pro forma assumptions and adjustments

- (a) Under the terms of the Arrangement, the owners of the Project will have acquired all outstanding shares of CBM. In substance, the Arrangement involves the Project's owners obtaining control of CBM; accordingly, the Arrangement is considered to be a reverse acquisition transaction under which the Project is identified as the accounting acquirer.

The Project's acquisition of CBM constitutes an asset acquisition as CBM did not meet the definition of a business, as defined in IFRS 3 – Business Combinations.

The transaction has been accounted for in accordance with IFRS 2 – Share Based Payments. The following table summarizes the fair value of consideration paid on the acquisition and the allocation of purchase price to the assets and liabilities acquired. The fair value of the CBM's net assets acquired by the Project and the aggregate consideration given are as follows:

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**Coniagas Battery Metals Inc.****Notes to the Pro Forma Consolidated Financial Statements****For the Six Month Period Ended June 30, 2023****(Expressed in Canadian dollars)****(Unaudited)**

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**4. Pro forma assumptions and adjustments (continued)**

Issuance of units in exchange for property	\$	10
Total consideration paid	\$	10
Cash	\$	10
Accounts payable and accrued liabilities		-
Net assets received	\$	10
Exploration and evaluation expenditures	\$	-

(b) Book values of CBM's share capital and deficit are eliminated on closing.

(c) The 24,000,000 common shares and 12,000,000 warrants of CBM (note 2) are deemed to have a fair value of \$6,789,740, which is the Project owners' investment as at June 30, 2023.

The 12,000,000 warrants of CBM have been assigned a value of \$856,611 as estimated using the Black-Scholes model under the following assumptions: share price - \$0.25; risk-free interest rate - 4.58%; dividend yield - 0%; expected stock volatility - 74%; and expected life - 2 years.

(d) Subsequent to June 30, 2023, the CBM issued an aggregate of 1,500,000 shares at a price of \$0.005 per share to its directors, officers and others for gross proceeds of \$7,500.

(e) Subsequent to June 30, 2023, the CBM issued an aggregate of 1,500,000 shares at a price of \$0.02 per share to its directors, officers and others for gross proceeds of \$30,000.

(f) CBM has proposed a private placement of 5,000,000 units at a price of \$0.25 per share, for gross proceeds of \$1,250,000. Each unit will consist of one common share and one warrant of CBM. Each warrant will entitle its holder to purchase one additional common share of CBM at a price of \$0.40 for 2 years.

The 5,000,000 warrants have been assigned a value of \$238,794 as estimated using the Black-Scholes model under the following assumptions: unit price - \$0.25; risk-free interest rate - 4.58%; dividend yield - 0%; expected stock volatility - 74%; and expected life - 2 years.



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**Coniagas Battery Metals Inc.****Notes to the Pro Forma Consolidated Financial Statements****For the Six Month Period Ended June 30, 2023****(Expressed in Canadian dollars)****(Unaudited)**

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**5. Pro forma share capital**

(a) The following table summarizes the pro-forma share capital:

**Common shares**

	Note	Number	Amount
CBM Shares issued and outstanding June 30, 2023		10	\$ 10
Shares issued per Arrangement	4(a)	10	10
CBM Shares eliminated	4(b)	(10)	(10)
CBM Shares issued to CCW	4(c)	24,000,000	5,933,129
Private placement	4(d)	1,500,000	7,500
Private placement	4(e)	1,500,000	30,000
Private placement	4(f)	5,000,000	1,250,000
Fair value of warrants	4(f)	-	(238,794)
		<u>32,000,010</u>	<u>\$ 6,981,845</u>

(b) The following table summarizes the pro-forma warrants

	Note	Number	Amount
CBM Warrants issued and outstanding June 30, 2023		-	\$ -
CBM Warrants issued to CCW	4(c)	12,000,000	856,611
Private placement	4(f)	5,000,000	238,794
		<u>17,000,000</u>	<u>\$ 1,095,405</u>