

LITHIUM X ENERGY CORP.

Suite 3123 – 595 Burrard Street
PO Box 49139, Three Bentall Centre
Vancouver, British Columbia, V7X 1J1
Phone: 604.609.6138 / Fax: 604.609.6145

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE is hereby given that the annual general and special meeting (the "Meeting") of the shareholders of **LITHIUM X ENERGY CORP.** (the "Corporation"), will be held in the boardroom at Suite 3123, 595 Burrard Street, Vancouver, British Columbia, V7X 1J1, on Thursday, December 15, 2016, at 10:00 a.m. for the following purposes:

1. To receive and consider the audited financial statements of the Corporation for the financial year ended June 30, 2106 together with the auditor's reports thereon.
2. To appoint the auditor of the Corporation and to authorize the directors to fix the remuneration to be paid to the auditor.
3. To fix the number of directors for the ensuing year at seven.
4. To elect directors for the ensuing year.
5. To re-approve the Corporation's stock option plan.
6. To consider and, if thought fit, to pass, with or without modification, a special resolution, the full text of which is set out in the accompanying Information Circular reducing the stated capital account of the Common Shares of the Corporation by \$26,047,407, or such other amount as shall be determined by the Board of Directors of the Corporation, without making any payment on such reduction.
7. To transact such other business as may properly be transacted at the Meeting or at any adjournment thereof.

An information circular, containing details of matters to be considered at the Meeting, accompanies this notice.

A shareholder who is unable to attend the Meeting in person and who wishes to ensure that such shareholder's shares will be voted at the Meeting is requested to complete, date and sign the enclosed form of proxy and deliver it in accordance with the instructions set out in the form of proxy and in the information circular. As set out in the notes, the enclosed proxy is solicited by management, but, you may amend it, if you so desire, by striking out the names listed therein and inserting in the space provided, the name of the person you wish to represent you at the Meeting.

DATED at Vancouver, British Columbia, this 7th day of November, 2016.

BY ORDER OF THE BOARD OF DIRECTORS

"Brian Paes-Braga"

Brian Paes-Braga,
Chief Executive Officer
and a Director of the Corporation

LITHIUM X ENERGY CORP.

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PO Box 49139, Three Bentall Centre
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INFORMATION CIRCULAR

(containing information as at November 7, 2016 unless indicated otherwise)

**For the Annual General and Special Meeting
to be held on Thursday, December 15, 2016**

SOLICITATION OF PROXIES

This information circular is furnished in connection with the solicitation of proxies by the management of **LITHIUM X ENERGY CORP.** (the "**Corporation**") for use at the annual general and special meeting (the "**Meeting**"), of the shareholders (the "**Shareholders**") of the Corporation, to be held on **Thursday, December 15, 2016** at the time and place and for the purposes set forth in the accompanying notice of meeting and at any adjournment thereof. The enclosed instrument of proxy is solicited by the management of the Corporation. The solicitation will be primarily by mail, however, proxies may be solicited personally or by telephone by the regular officers and employees of the Corporation. The cost of solicitation will be borne by the Corporation.

APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the accompanying form of proxy (the "**Proxy**") are directors and/or officers of the Corporation. **A SHAREHOLDER HAS THE RIGHT TO APPOINT A PERSON (WHO NEED NOT BE A SHAREHOLDER) TO ATTEND AND ACT FOR HIM ON HIS BEHALF AT THE MEETING OTHER THAN THE PERSONS NAMED IN THE ENCLOSED INSTRUMENT OF PROXY. TO EXERCISE THIS RIGHT, A SHAREHOLDER SHALL STRIKE OUT THE NAMES OF THE PERSONS NAMED IN THE INSTRUMENT OF PROXY AND INSERT THE NAME OF HIS NOMINEE IN THE BLANK SPACE PROVIDED, OR COMPLETE ANOTHER INSTRUMENT OF PROXY. A PROXY WILL NOT BE VALID UNLESS IT IS DEPOSITED WITH THE CORPORATION'S REGISTRAR AND TRANSFER AGENT, COMPUTERSHARE INVESTOR SERVICES INC., 100 UNIVERSITY AVENUE, 9TH FLOOR, TORONTO, ONTARIO, M5J 2Y1, OR BY TOLL FREE FAX 1.866.249.7775 NOT LESS THAN 48 HOURS (EXCLUDING SATURDAYS, SUNDAYS AND HOLIDAYS) BEFORE THE TIME OF THE MEETING OR ADJOURNMENT THEREOF.**

The instrument of proxy must be signed and dated by the Shareholder or by his attorney in writing, or, if the Shareholder is a corporation, it must either be under its common seal or signed by a duly authorized officer.

A Shareholder who has given a proxy may revoke it at any time before it is exercised. In addition to revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing executed by the Shareholder or by his attorney authorized in writing, or, if the Shareholder is a corporation, it must either be under its common seal, or signed by a duly authorized officer and deposited with the Corporation's registrar and transfer agent, **Computershare Investor Services Inc., 100 University Avenue, 9th floor, Toronto, Ontario, M5J 2Y1**, at any time up to and including the last business day preceding the Meeting, or any adjournment of it, at which the proxy is to be used, or to the Chairman of the Meeting on the day of the Meeting or any adjournment of it. A revocation of a proxy does not affect any matter on which a vote has been taken prior to the revocation.

VOTING OF SHARES AND EXERCISE OF DISCRETION OF PROXIES

On any poll, the persons named in the enclosed instrument of proxy will vote the shares in respect of which they are appointed. Where directions are given by the Shareholder in respect of voting for or against any resolution, the proxyholder will do so in accordance with such direction.

IN THE ABSENCE OF ANY INSTRUCTION IN THE PROXY, IT IS INTENDED THAT SUCH SHARES WILL BE VOTED IN FAVOUR OF THE MOTIONS PROPOSED TO BE MADE AT THE MEETING AS STATED UNDER THE HEADINGS IN THIS INFORMATION CIRCULAR. The instrument of proxy enclosed, when properly signed, confers discretionary authority with respect to amendments or variations to the matters which may properly be brought before the Meeting. At the time of printing this information circular, the management of the Corporation is not aware that any such amendments, variations or other matters are to be presented for action at the Meeting. However, if any other matters which are not now known to the management should properly come before the Meeting, the proxies hereby solicited will be voted on such matters in accordance with the best judgment of the nominee.

In order to approve a motion proposed at the Meeting, a majority greater than one-half of the votes cast will be required unless the motion requires a special resolution, in which case a majority of not less than two-thirds of the votes cast will be required. In the event a motion proposed at the Meeting requires disinterested shareholder approval, common shares held by Shareholders of the Corporation who are also "insiders", as such term is defined under applicable securities laws, will be excluded from the count of votes cast on such motion.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

General

The authorized capital of the Corporation consists of an unlimited number of common shares and an unlimited number of preferred shares, both without nominal or par value. As of the close of business on November 7, 2016, 66,840,805 common shares were issued and outstanding, each share carrying the right to one vote. No preferred shares have been issued. On November 5, 2013, the Corporation's shares were consolidated on the basis of 10 pre-consolidation common shares for 1 post-consolidation common share (the "**Consolidation**"). All common share, share option, share purchase warrant, and per share amounts in this Information Circular have been retrospectively restated to present post-consolidation amounts.

Only Shareholders of record as at the close of business on November 7, 2016 (the "**Record Date**") who either personally attend the Meeting or who have completed and delivered a form of proxy in the manner and subject to the provisions described under the heading "*Appointment and Revocation of Proxies*" shall be entitled to vote, or have their common shares voted, at the Meeting, or any adjournment thereof. On any poll, each Shareholder of record holding common shares of the Corporation on the Record Date is entitled to one vote for each common share registered in his or her name on the list of Shareholders as at the Record Date.

Advice to Beneficial Holders of Common Shares

The information set forth in this section is of significant importance to many Shareholders as a substantial number of Shareholders do not hold common shares in their own name. Shareholders who do not hold their common shares in their own name (referred to in this information circular as "**Beneficial Shareholders**") should note that only proxies deposited by Shareholders whose names appear on the records of the Corporation as the registered holders of common shares can be recognized and acted upon at the Meeting. If common shares are listed in an account statement provided to a Shareholder by a broker, then, in almost all cases, those common shares will not be registered in the Shareholder's name on the records of the Corporation. Such common shares will more likely be registered under the name of the Shareholder's broker or an agent of that broker. In Canada, the vast majority of such common shares are registered under the name CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms). The common shares held by brokers or their agents or nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, a broker and its agents are prohibited from voting shares for the broker's clients. **Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their common shares are communicated to the appropriate person.**

Applicable regulatory rules require intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of Shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their shares are voted at the Meeting. The purpose of the form of proxy or voting instruction form ("**VIF**") provided to a Beneficial Shareholder by its broker, agent or nominee is limited to instructing the registered holder of the common shares on how to vote such shares on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Investor Communications ("**Broadridge**"). Broadridge typically supplies a voting instruction form, mails those forms to Beneficial

Shareholders and asks those Beneficial Shareholders to return the forms to Broadridge or follow specific telephone or other voting procedures. Broadridge then tabulates the results of all instructions received by it and provides appropriate instructions respecting the voting of the shares to be represented at the Meeting. **A Beneficial Shareholder receiving a voting instruction form from Broadridge cannot use that form to vote common shares directly at the Meeting. Instead, the voting instruction form must be returned to Broadridge or the alternate voting procedures must be completed well in advance of the Meeting in order to ensure such common shares are voted.**

Although Beneficial Shareholders may not be recognized directly at the Meeting for the purpose of voting common shares registered in the name of their broker, agent or nominee, a Beneficial Shareholder may attend the Meeting as a proxyholder for a shareholder and vote common shares in that capacity. Beneficial Shareholders who wish to attend the Meeting and indirectly vote their common shares as proxyholder for the registered shareholder should contact their broker, agent or nominee well in advance of the Meeting to determine the steps necessary to permit them to indirectly vote their common shares as a proxyholder.

The Corporation has provided this Information Circular and Notice of Meeting to intermediaries for distribution to non-objecting beneficial owners (usually referred to as NOBOs for Non-Objecting Beneficial Owners). The Corporation will not pay for an intermediary to deliver proxy related materials and voting instruction forms to objecting beneficial owners (called OBOs for Objecting Beneficial Owners). OBOs have objected to their intermediary disclosing ownership information about themselves to the Corporation. Accordingly, OBOs will not receive the materials unless their intermediary assumes the costs of delivery.

The Corporation is not relying on the "notice-and-access" delivery procedures outlined in National Instrument 54-101 to distribute copies of the proxy related materials in connection with the Meeting.

Principal Holders of Voting Shares

To the knowledge of the directors and senior officers of the Corporation, as of the Record Date, there are no persons or corporations that beneficially own, directly or indirectly, or exercise control or direction over, common shares carrying more than 10% of the voting rights attached to all outstanding common shares of the Corporation.

EXECUTIVE COMPENSATION

Definitions: For the purpose of this Information Circular:

"**Chief Executive Officer**" or "**CEO**" of the Corporation means each individual who acted as chief executive officer of the Corporation or acted in a similar capacity for any part of the most recently completed financial year.

"**Chief Financial Officer**" or "**CFO**" of the Corporation means each individual who acted as chief financial officer of the Corporation or acted in a similar capacity for any part of the most recently completed financial year.

"**closing market price**" means the price at which the Corporation's common shares were last sold, on the applicable date, on the NEX board of the TSX Venture Exchange.

"**equity incentive plan**" means an incentive plan, or portion of an incentive plan, under which awards are granted and that falls within the scope of IFRS 2 *Share-based Payment*.

"**executive officer**" of the Corporation means an individual who at any time during the most recently completed financial year was:

- (a) a chair, vice-chair or president of the Corporation;
- (b) a vice-president of the Corporation in charge of a principal business unit, division or function including sales, finance or production; or
- (c) performing a policy-making function in respect of the Corporation.

"**incentive plan**" means any plan providing compensation that depends on achieving certain performance goals or similar conditions within a specified period.

"**incentive plan award**" means compensation awarded, earned, paid or payable under an incentive plan.

"**Named Executive Officers**" or "**NEOs**" means each of the following individuals:

- (a) each CEO;
- (b) each CFO;
- (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 that financial year; and
- (d) each additional individual who would be a NEO under (c) above, but for the fact that the individual was neither an executive officer of the Corporation, nor acting in a similar capacity, at the end of that financial year.

"**non-equity incentive plan**" means an incentive plan or portion of an incentive plan that is not an equity incentive plan.

"**option-based award**" means an award under an equity incentive plan of options, including, for greater certainty, share options, share appreciation rights, and similar instruments that have option-like features.

"**plan**" includes any plan, contract, authorization or arrangement, whether or not set out in any formal document, where cash, securities, similar instruments or any other property may be received, whether for one or more persons.

"**replacement grant**" means an option that a reasonable person would consider to be granted in relation to a prior or potential cancellation of an option.

"**repricing**" means, in relation to an option, adjusting or amending the exercise or base price of the option, but excludes any adjustment or amendment that equally affects all holders of the class of securities underlying the option and occurs through the operation of a formula or mechanism in, or applicable to, the option.

"**share based award**" means an award under an equity incentive plan of equity-based instruments that do not have option-like features, including, for greater certainty, common shares, restricted shares, restricted share units, deferred share units, phantom shares, phantom share units, common share equivalent units, and stock.

STATEMENT OF EXECUTIVE COMPENSATION

COMPENSATION DISCUSSION AND ANALYSIS

The compensation of the Corporation's Named Executive Officers has been established with a view to attracting and retaining executives critical to the Corporation's short and long-term success and to continue providing executives with compensation that is in accordance with existing market standards generally and competitive within the mining industry, in particular.

Compensation of the Corporation's Named Executive Officers is comprised of a base salary and the grant of options to purchase common shares under the Corporation's existing stock option plan (as more particularly described below). Through its executive compensation practices, the Corporation seeks to provide value to its shareholders through a strong executive leadership. Specifically, the Corporation's executive compensation structure seeks to attract and retain talented and experienced executives necessary to achieve the Corporation's strategic objectives, motivate and reward executives whose knowledge, skills and performance are critical to the Corporation's success, and to align the interests of the Corporation's executives and shareholders by motivating executives to increase shareholder value.

Within the context of the overall objectives of the Corporation's compensation practices, the Corporation determined the specific amounts of compensation to be paid to each of its executives during the year ended June 30, 2016 based on a number of factors, including the Corporation's understanding of the amount of compensation generally paid by similarly situated companies to their executives with similar roles and responsibilities; the Corporation's executive performance during the fiscal year, the roles and responsibilities of the Corporation's executives, the individual experience and skills of, and expected contributions from, the Corporation's executives, the Corporation's executives' historical compensation and performance within the Corporation, and any contractual commitments the Corporation has made to its executives regarding compensation.

The board of directors of the Corporation (the "Board of Directors" or "Board") has not conducted a formal evaluation of the implications of the risks associated with the Corporation's compensation policies. Risk

management is a consideration of the Board of Directors when implementing its compensation policies and the Board of Directors do not believe that the Corporation's compensation policies result in unnecessary or inappropriate risk taking including risks that are likely to have a material adverse effect on the Corporation.

Base Salary

The Corporation's approach is to pay its executives a base salary that is competitive with those of other executive officers in similar companies. The Corporation believes that a competitive base salary is a necessary element of any compensation program that is designed to attract and retain talented and experienced executives. The Corporation also believes that attractive base salaries can motivate and reward executives for their overall performance.

To the extent that the Corporation has entered into employment agreements with its executives, the base salaries of such individuals reflect the base salaries that the Corporation negotiated with them. The base salaries that the Corporation negotiated with its executives were based on its understanding of base salaries for comparable positions at similarly situated companies at the time, the individual experience and skills of, and expected contribution from, each executive, the roles and responsibilities of the executive, the base salaries of the Corporation's existing executives and other factors.

Option Based Awards

The Corporation has in effect a stock option plan (the "Stock Option Plan") in order to provide effective incentives to directors, officers, senior management personnel, employees and consultants of the Corporation and to enable the Corporation to attract and retain experienced and qualified individuals in those positions by permitting such individuals to directly participate in an increase in per share value created for the Corporation's Shareholders. The Corporation has no equity compensation plans other than the Stock Option Plan. The Stock Option Plan is an important part of the Corporation's long-term incentive strategy for its executive officers, permitting them to participate in any appreciation of the market value of the Common Shares over a stated period of time. The Stock Option Plan is intended to reinforce commitment to long-term growth in profitability and shareholder value. The size of stock option grants to officers is dependent on each officer's level of responsibility, authority and importance to the Corporation and the degree to which such executive officer's long term contribution to the Corporation will be key to its long-term success. Previous grants of stock options are taken into account when considering new grants. The Corporation also grants options to charitable organizations as part of its commitment to social responsibility.

The Corporation is seeking the approval of the Shareholders at the Meeting to re-approve the Stock Option Plan. The significant terms of the Corporation's Stock Option Plan are set out below under the heading "*Particulars of Other Matters to be Acted Upon – Re-Approval of Rolling Stock Option Plan*".

Use of Financial Instruments

The Corporation does not have a policy that would prohibit a Named Executive Officer or director from purchasing financial instruments, including prepaid variable forward contracts, equity swaps, collars or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the Named Executive Officer or director. However, management is not aware of any Named Executive or director purchasing such an instrument.

Named Executive Officers Compensation

In accordance with the provisions of applicable securities legislation, the Corporation had five (5) Named Executive Officers during the financial year ended June 30, 2016, namely, Paul Matysek who has served as Executive Chairman of the Corporation since November 26, 2015, Brian Paes-Braga who has served as Chief Executive Officer of the Corporation since November 26, 2015, Daniel Kriznic who has served as Chief Financial Officer of the Corporation since November 26, 2015, Geir Liland, who has served as Chief Executive Officer of the Corporation from March 1, 2011 to November 26, 2015, and Kristen Reinertson, who served as Chief Financial Officer and Corporate Secretary of the Corporation from April 17, 2013 to November 26, 2015.

The following table sets out certain information respecting the compensation paid to the Named Executive Officers of the Corporation during the financial years ended June 30, 2016, 2015 and 2014. These individuals are referred to collectively as "**Named Executive Officers**" or "**NEOs**".

SUMMARY COMPENSATION TABLE

Name and principal position with the Corporation	Financial Year Ended June 30	Salary (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation		Pension value (\$)	All other compensation (\$)	Total Compensation (\$)
					Annual Incentive Plans (\$)	Long-term incentive plans (\$)			
Paul Matysek, ⁽¹⁾ Executive Chairman and a director	2016	120,000 ⁽⁶⁾	Nil	590,226 ⁽⁹⁾	Nil	Nil	Nil	250,000 ⁽⁶⁾	960,226
	2015	N/A	N/A	N/A	N/A	Nil	Nil	Nil	Nil
	2014	N/A	N/A	N/A	N/A	N/A	Nil	Nil	Nil
Brian Paes-Braga, ⁽²⁾ Chief Executive Officer and a director	2016	146,000 ⁽⁷⁾	Nil	519,185 ⁽¹⁰⁾	Nil	Nil	Nil	250,000 ⁽⁷⁾	915,185
	2015	N/A	N/A	N/A	N/A	Nil	Nil	Nil	Nil
	2014	N/A	N/A	N/A	N/A	Nil	Nil	Nil	Nil
Daniel Kriznic, ⁽³⁾ Chief Financial Officer	2016	70,000 ⁽⁸⁾	Nil	420,908 ⁽¹¹⁾	Nil	Nil	Nil	200,000 ⁽⁸⁾	690,908
	2015	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2014	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Geir Liland, ⁽⁴⁾ Chief Executive Officer and a director	2016	Nil	Nil	92,187 ⁽¹²⁾	Nil	Nil	Nil	10,000 ⁽¹³⁾	102,187
	2015	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2014	Nil	Nil	9,277 ⁽¹⁴⁾	Nil	Nil	Nil	Nil	9,277
Kristen Reinertson, ⁽⁵⁾ Chief Financial Officer and Corporate Secretary	2016	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2015	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2014	Nil	Nil	7,521 ⁽¹⁵⁾	Nil	Nil	Nil	Nil	7,521

Notes:

- (1) Paul Matysek has served as the Executive Chairman and a director of the Corporation since November 26, 2015.
- (2) Brian Paes-Braga has served as the Chief Executive Officer and a director of the Corporation since November 26, 2015.
- (3) Daniel Kriznic has served as the Chief Financial Officer of the Corporation since November 26, 2015.
- (4) Geir Liland served as the Chief Executive Officer from March 1, 2011 to November 26, 2015 and has served as a director of the Corporation since March 1, 2011.
- (5) Kristen Reinertson served as the Chief Financial Officer and Corporate Secretary of the Corporation from April 17, 2013 to November 26, 2015.
- (6) The Corporation paid Bedrock Capital Corp., a private company owned by Mr. Matysek, fees of \$120,000 and a bonus of \$250,000 pursuant to a Management Services Agreement dated March 1, 2016 between the Corporation and Bedrock Capital Corp.
- (7) The Corporation paid Quiet Cove Capital Corp., a private company owned by Mr. Paes-Braga, fees of \$146,000 and a bonus of \$250,000 pursuant to a Management Services Agreement dated March 1, 2016 between the Corporation and Quiet Cove Capital Corp.
- (8) The Corporation paid Slocan Strategies Inc., a private company owned by Mr. Daniel Kriznic, fees of \$70,000 and a bonus of \$200,000 pursuant to a Management Services Agreement dated March 1, 2016 between the Corporation and Slocan Strategies Inc.
- (9) This amount represents the estimated fair value of 271,000 stock options granted to Mr. Matysek on November 26, 2015, 400,000 stock options granted on December 31, 2015, 250,000 stock options granted on March 18, 2016, and 250,000 stock options granted on June 29, 2016. The estimated fair value was calculated using the Black-Scholes fair value method for stock-based compensation, assuming a risk free interest rate of 0.60% - 1.92%, an average expected life of 5 years to 10 years, a 75% annualized volatility rate, a 0.0% dividend rate, and a 0.0% forfeiture rate.

- (10) This amount represents the estimated fair value of 271,000 stock options granted to Mr. Paes-Braga on November 26, 2015, 300,000 stock options granted on December 31, 2015, 250,000 stock options granted on March 18, 2016, and 213,820 stock options granted on June 29, 2016. The estimated fair value was calculated using the Black-Scholes fair value method for stock-based compensation, assuming a risk free interest rate of 0.60% - 1.92%, an average expected life of 5 years to 10 years, a 75% annualized volatility rate, a 0.0% dividend rate, and a 0.0% forfeiture rate.
- (11) This amount represents the estimated fair value of 271,000 stock options granted to Mr. Kriznic on November 26, 2015, 200,000 stock options granted on December 31, 2015, 250,000 stock options granted on March 18, 2016, and 150,000 stock options granted on June 29, 2016. The estimated fair value was calculated using the Black-Scholes fair value method for stock-based compensation, assuming a risk free interest rate of 0.60% - 1.92%, an average expected life of 5 years to 10 years, a 75% annualized volatility rate, a 0.0% dividend rate, and a 0.0% forfeiture rate.
- (12) This amount represents the estimated fair value of 75,000 stock options granted to Mr. Liland on November 26, 2015, 50,000 stock options granted on March 18, 2016, and 50,000 stock options granted on June 29, 2016. The estimated fair value was calculated using the Black-Scholes fair value method for stock-based compensation, assuming a risk free interest rate of 0.60% - 1.92%, an average expected life of 5 years to 10 years, a 75% annualized volatility rate, a 0.0% dividend rate, and a 0.0% forfeiture rate.
- (13) Director's Fees paid to Mr. Liland.
- (14) This amount represents the estimated fair value of 75,000 stock options granted to Mr. Liland on February 3, 2014 as well as 45,000 (post-consolidated) previously granted stock options that were repriced to \$0.11 on November 25, 2013. The estimated fair value was calculated using the Black-Scholes fair value method for stock-based compensation, assuming a risk free interest rate of 2.84% for the option grant and a risk free interest rate of 2.58% - 2.93% for the option repricing, an average expected life of 10 years, a 75% annualized volatility rate, a 0.0% dividend rate, and a 0.0% forfeiture rate.
- (15) This amount represents the estimated fair value of 75,000 stock options granted to Ms. Reinertson on February 3, 2014 as well as 10,000 (post-consolidated) previously granted stock options that were repriced to \$0.11 on November 25, 2013. The estimated fair value was calculated using the Black-Scholes fair value method for stock-based compensation, assuming a risk free interest rate of 2.84% for the option grant and a risk free interest rate of 2.97% for the option repricing, an average expected life of 10 years, a 75% annualized volatility rate, a 0.0% dividend rate, and a 0.0% forfeiture rate.

Named Executive Officers – Incentive Plan Awards

During the financial year ended June 30, 2016, a total of 3,251,820 stock options were granted to NEOs, no share-based awards were granted to NEOs, and Kristen Reinertson who served as the Chief Financial Officer and Corporate Secretary of the Corporation from April 17, 2013 to November 26, 2015, exercised 85,000 stock options. As at June 30, 2016, the Corporation had an aggregate of 6,053,820 stock options outstanding.

Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth information concerning all awards outstanding as at the financial year ended June 30, 2016, for each Named Executive Officer:

OUTSTANDING SHARE-BASED AWARDS AND OPTION-BASED AWARDS TABLE AS AT JUNE 30, 2016

NEO Name	Option-based Awards				Share-based Awards ⁽⁵⁾		
	Number of securities underlying unexercised options (#) ⁽¹⁾	Option exercise price (\$) ⁽¹⁾	Option expiration date	Value of unexercised in-the-money options (\$) ⁽⁴⁾	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 out or distributed (\$)
Paul Matysek	271,000	\$0.15	Nov. 26/25	\$1,061,630	N/A	N/A	N/A
	400,000	\$0.45	Dec. 31/25				
	250,000	\$1.12	Mar. 18/21				
	250,000	\$1.62	Jun. 29/21				
Brian Paes-Braga	271,000	\$0.15	Nov. 26/25	\$ 936,459	N/A	N/A	N/A
	300,000	\$0.45	Dec. 31/25				
	250,000	\$1.12	Mar. 18/21				
	213,820	\$1.62	Jun. 29/21				

NEO Name	Option-based Awards				Share-based Awards ⁽⁵⁾		
	Number of securities underlying unexercised options (#) ⁽¹⁾	Option exercise price (\$) ⁽¹⁾	Option expiration date	Value of unexercised in-the-money options (\$) ⁽⁴⁾	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 out or distributed (\$)
Daniel Kriznic	271,000 200,000 250,000 150,000	\$0.15 \$0.45 \$1.12 \$1.62	Nov. 26/25 Dec. 31/25 Mar. 18/21 Jun. 29/21	\$ 890,630	N/A	N/A	N/A
Geir Liland	25,000 10,000 10,000 75,000 75,000 50,000 50,000	\$ 0.11 ⁽²⁾ \$ 0.11 ⁽³⁾ \$ 0.11 ⁽³⁾ \$ 0.12 \$0.15 \$1.12 \$1.62	March 1/21 Jan. 19/22 Jan. 7/23 Feb. 3/24 Nov. 26/25 Mar. 18/21 Jun. 29/21	\$ 333,400	N/A	N/A	N/A
Kristen Reinertson	Nil	N/A	N/A	N/A	N/A	N/A	N/A

Notes:

- (1) The Corporation completed the Consolidation effective November 5, 2013. The number of options and exercise prices have been adjusted to reflect the Consolidation.
- (2) On November 25, 2013, the exercise price of these options was reduced from \$2.10 to \$0.11. The Corporation received disinterested shareholder approval for this amendment on October 17, 2013.
- (3) On November 25, 2013, the exercise price of these options was reduced from \$1.00 to \$0.11. The Corporation received disinterested shareholder approval for this amendment on October 17, 2013.
- (4) These options are "in the money" as the closing market price of the Corporation on the TSX Venture Exchange (the "Exchange") on June 30, 2016 of \$1.68 is greater than the stock option exercise price(s).
- (5) The Corporation has not granted any share-based awards.

Incentive Plan Awards – Value Vested or Earned During the Year ended June 30, 2016

A total of 3,251,820 options were granted to the Named Executive Officers during the year ended June 30, 2016 and were fully vested during the year ended June 30, 2016. The following table shows the incentive plan awards value vested during the year ended June 30, 2016 as well as the annual cash incentive earned for each Named Executive Officer:

Named Executive Officer	Option-based Awards – Value Vested During the Year (\$) ⁽¹⁾	Share-Based Awards – Value Vested During the Year (\$)	Non-Equity Incentive Plan Compensation – Value Earned During the Year (\$)
Paul Matysek	Nil	Nil	Nil
Brian Paes-Braga	Nil	Nil	Nil
Daniel Kriznic	Nil	Nil	Nil
Geir Liland	Nil	Nil	Nil
Kristen Reinertson	Nil	Nil	Nil

Note:

- (1) *This amount represents the aggregate dollar value that would have been realized if the options had been exercised on the vesting date, based on the difference between the market price of the common shares underlying the options on the TSXV on the vesting date and the exercise price of the options.*

Pension Plan Benefits

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

Termination and Change of Control Benefits

Pursuant to a Management Services Agreement dated March 1, 2016 between the Corporation and Bedrock Capital Corporation ("**Bedrock**"), a private company controlled by Mr. Paul Matysek, a director and the Executive Chairman of the Corporation, the Corporation has agreed to pay to Bedrock a base fee of \$20,000 per month (the "**Bedrock Base Fee**") for management consulting services. In the event that the Bedrock agreement is terminated not for cause, the Corporation must pay Bedrock a termination fee equal to 24 months of the Bedrock Base Fee. In the event that the Bedrock Agreement is terminated by Bedrock within 60 days following a change of control (as defined in the agreement) or by the Corporation within 12 months following a change of control, the Corporation must pay Bedrock a termination fee equal to 24 months of the Bedrock Base Fee plus an amount that is equivalent to all cash bonuses paid by the Corporation to Bedrock in the 24 months prior to the Change of Control, with the exception of the \$100,000 signing bonus paid on execution of the Agreement.

Pursuant to a Management Services Agreement dated March 1, 2016 between the Corporation and Quiet Cove Capital Corp. ("**Quiet Cove**"), a private company controlled by Mr. Brian Paes-Braga, a director and the Chief Executive Officer of the Corporation, the Corporation has agreed to pay to Quiet Cove a base fee of \$24,000 per month (the "**QC Base Fee**") for management consulting services. In the event that the Quiet Cove agreement is terminated not for cause, the Corporation must pay Quiet Cove a termination fee equal to 24 months of the QC Base Fee. In the event that the Quiet Cove agreement is terminated by Quiet Cove within 60 days following a change of control (as defined in the agreement) or by the Corporation within 12 months following a change of control, the Corporation must pay Quiet Cove a termination fee equal to 24 months of the QC Base Fee plus an amount that is equivalent to all cash bonuses paid by the Corporation to Quiet Cove in the 24 months prior to the Change of Control.

Pursuant to a Management Services Agreement dated March 1, 2016 between the Corporation and Slocan Strategies Inc. ("**Slocan**"), a private company controlled by Mr. Daniel Kriznic, the Chief Financial Officer of the Corporation, the Corporation has agreed to pay to Slocan a base fee of \$15,000 per month (the "**Slocan Base Fee**") for management consulting services. In the event that the Slocan agreement is terminated not for cause, the Corporation must pay Slocan a termination fee equal to 24 months of the Slocan Base Fee. In the event that the Slocan agreement is terminated by Slocan within 60 days following a change of control (as defined in the agreement) or by the Corporation within 12 months following a change of control, the Corporation must pay Slocan a termination fee equal to 24 months of the Slocan Base Fee plus an amount that is equivalent to all cash bonuses paid by the Corporation to Slocan in the 24 months prior to the Change of Control with the exception of the \$100,000 signing bonus paid on execution of the Slocan agreement.

Director Compensation

During the financial year ended June 30, 2016, the Corporation had five directors, three of which were also Named Executive Officer, namely Paul Matysek, Brian Paes-Braga and Geir Liland. For a description of the compensation paid to the Named Executive Officers of the Corporation who also act as directors, see "Named Executive Officers Summary Compensation Table" above. The Corporation does not have any standard arrangements pursuant to which directors are compensated by the Corporation for their services in their capacity as directors, or for committee participation, involvement in special assignments or for services as consultants or experts during the year ended June 30, 2016 or subsequently, up to and including the date of this information circular although directors may be compensated on an ad hoc basis, subject to the approval of the other board members, for certain services provided to the Corporation. Directors are eligible to receive grants of stock options pursuant to the Corporation's stock option plan. The following table sets out certain information respecting the compensation paid to the directors of the Corporation other than the Named Executive Officers of the Corporation during the financial year ended June 30, 2016.

Director Compensation – Summary Compensation Table

Name	Financial Year Ended June 30	Fees Earned (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Harry Pokrandt ⁽¹⁾	2016	10,000	Nil	\$103,981 ⁽⁵⁾	Nil	Nil	Nil	\$113,981
Robert McLeod ⁽²⁾	2016	10,000	Nil	\$103,981 ⁽⁶⁾	Nil	Nil	Nil	\$113,981
Tom Shiffman ⁽³⁾	2016	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Julie Rennie ⁽⁴⁾	2016	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) *Harry Pokrandt has been a director of the Corporation since November 26, 2015.*
- (2) *Robert McLeod has been a director of the Corporation since November 26, 2015.*
- (3) *Tom Shiffman was a director of the Corporation from March 1, 2011 to November 26, 2015.*
- (4) *Julie Rennie was a director of the Corporation from March 1, 2011 to November 26, 2015.*
- (5) *This amount represents the estimated fair value of 175,000 stock options granted to Mr. Pokrandt on November 26, 2015, 50,000 stock options granted on March 18, 2016, and 50,000 stock options granted on June 29, 2016. The estimated fair value was calculated using the Black-Scholes fair value method for stock-based compensation, assuming a risk free interest rate of 0.60% - 1.92%, an average expected life of 5 years to 10 years, a 75% annualized volatility rate, a 0.0% dividend rate, and a 0.0% forfeiture rate.*
- (6) *This amount represents the estimated fair value of 175,000 stock options granted to Mr. McLeod on November 26, 2015, 50,000 stock options granted on March 18, 2016, and 50,000 stock options granted on June 29, 2016. The estimated fair value was calculated using the Black-Scholes fair value method for stock-based compensation, assuming a risk free interest rate of 0.60% - 1.92%, an average expected life of 5 years to 10 years, a 75% annualized volatility rate, a 0.0% dividend rate, and a 0.0% forfeiture rate.*

Directors – Incentive Plan Awards

During the financial year ended June 30, 2016, a total of 500,000 stock options were granted to directors who were not NEOs, no share-based awards were granted to directors who were not NEOs and none of the current directors of the Corporation exercised any of their stock options. Former Director, Tom Shiffman exercised 120,000 stock options and former Director, Julie Rennie exercised 120,000 stock options. As at June 30, 2016, the Corporation had an aggregate of 6,053,820 stock options outstanding.

Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth information concerning all awards outstanding as at the financial year ended June 30, 2016, for each director of the Corporation that was not a Named Executive Officer.

OUTSTANDING SHARE-BASED AWARDS AND OPTION-BASED AWARDS TABLE AS AT JUNE 30, 2016

Name	Option-based Awards				Share-based Awards ⁽³⁾		
	Number of securities underlying unexercised options (#) ⁽¹⁾	Option exercise price (\$) ⁽¹⁾	Option expiration date	Value of unexercised in-the-money options (\$) ⁽²⁾	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 out or distributed (\$)
Harry Pokrandt	175,000 50,000 50,000	\$0.15 \$1.12 \$1.62	Nov. 26/25 Mar. 18/21 Jun. 29/21	\$298,750	N/A	N/A	N/A
Robert McLeod	175,000 50,000 50,000	\$0.15 \$1.12 \$1.62	Nov. 26/25 Mar. 18/21 Jun. 29/21	\$298,750	N/A	N/A	N/A
Tom Shiffman	Nil	N/A	N/A	N/A	N/A	N/A	N/A
Julie Rennie	Nil	N/A	N/A	N/A	N/A	N/A	N/A

Notes:

- (1) *The Corporation completed the Consolidation effective November 5, 2013. The number of options and exercise prices have been adjusted to reflect the Consolidation.*
- (2) *These options are "in the money" as the closing market price of the common shares of the Corporation on the TSX Venture Exchange on June 30, 2016 of \$1.68 was greater than the stock option exercise price(s).*
- (3) *The Corporation has not granted any share-based awards.*

Incentive Plan Awards – Value Vested or Earned During the Year ended June 30, 2016

A total of 500,000 options were granted to the directors who were not Named Executive Officers during the year ended June 30, 2016 and were fully vested during the year ended June 30, 2016. The following table shows the incentive plan awards value vested during the year ended June 30, 2016 as well as the annual cash incentive earned for each director who was not a Named Executive Officer:

Director	Option-based Awards – Value Vested During the Year (\$) ⁽¹⁾	Share-Based Awards – Value Vested During the Year (\$)	Non-Equity Incentive Plan Compensation – Value Earned During the Year (\$)
Harry Pokrandt	Nil	Nil	Nil
Robert McLeod	Nil	Nil	Nil
Tom Shiffman	Nil	Nil	Nil
Julie Rennie	Nil	Nil	Nil

Note:

- (1) *This amount represents the aggregate dollar value that would have been realized if the options had been exercised on the vesting date, based on the difference between the market price of the common shares underlying the options on the TSXV on the vesting date and the exercise price of the options.*

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth information with respect to all compensation plans under which equity securities are authorized for issuance as at June 30, 2016:

Equity Compensation Plan Information as of June 30, 2016

Plan Category	A Number of securities to be issued upon exercise of outstanding options, warrants and rights	B Weighted average exercise price of outstanding options, warrants and rights	C Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column A)
Equity compensation plans approved by securityholders ⁽¹⁾	6,053,820 ⁽²⁾	\$ 0.79 ⁽²⁾⁽³⁾	622,761 ⁽²⁾
Equity compensation plans not approved by securityholders	Nil	N/A	Nil
TOTALS:	6,053,820⁽²⁾	\$ 0.79⁽²⁾⁽³⁾	622,761⁽²⁾

Notes:

- (1) Represents the stock option plan of the Corporation. As at June 30, 2016, the stock option plan reserved shares equal to a maximum of 10% of the issued and outstanding common shares of the Corporation from time to time for issue pursuant to the stock option plan.
- (2) The Corporation completed the Consolidation effective November 5, 2013. The number of securities and exercise price reflect the Consolidation.
- (3) On November 25, 2013, 520,000 outstanding share options were repriced to \$0.11 from a range of \$1.00 to \$2.10.

MANAGEMENT CONTRACTS

Management functions of the Corporation are, and since the beginning of the financial year ended June 30, 2016 have been, performed by the directors and senior officers of the Corporation and are not to any substantial degree performed by any other person or corporation.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Other than "routine indebtedness" as defined in applicable securities legislation, since the beginning of the financial year ended June 30, 2016, none of:

- (a) the executive officers, directors, employees and former executive officers, directors and employees of the Corporation or any of its subsidiaries;
- (b) the proposed nominees for election as a director of the Corporation; or
- (c) any associates of the foregoing persons;

is or has been indebted to the Corporation or any of its subsidiaries or has been indebted to any other entity where that indebtedness was the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries, and which was not entirely repaid on or before the date of this information circular.

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

No person who has been a director, senior officer or insider of the Corporation, no proposed nominee for director and no associate or affiliate of any of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matters to be acted upon at the Meeting other than the election of directors.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

For purposes of the following discussion, "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 a 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 percent of the voting rights attached to all outstanding voting securities of the Corporation, other than the voting securities held by the person or company as underwriter in the course of a distribution; and (d) the Corporation itself if it has purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities.

Except as disclosed elsewhere in this Information Circular or in the Notes to the Corporation's financial statements for the financial years ended June 30, 2016, none of:

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

has any material interest, direct or indirect, in any transaction or in any proposed transaction which has materially affected or would materially affect the Corporation or any subsidiary of the Corporation.

FINANCIAL STATEMENTS

The audited financial statements of the Corporation for the financial year ended June 30, 2016 (the "**Financial Statements**"), together with the Auditor's Report thereon, will be presented to Shareholders at the Meeting. The Financial Statements, the Auditor's Report thereon together with Management Discussion and Analysis ("**MD&A**") for the financial year ended June 30, 2016 are available on SEDAR at www.sedar.com. The Notice of Annual General and Special Meeting of Shareholders, Information Circular, Request for Financial Statements (NI 51-102) and form of Proxy will be available from the Corporation's Registrar and Transfer Agent, Computershare Investor Services Inc., 510 Burrard Street, 2nd floor, Vancouver, British Columbia, V6C 3B9, or from the Corporation's head office located at Suite 3123, 595 Burrard Street, PO Box 49139, Three Bentall Centre, Vancouver, British Columbia, V7X 1J1.

REQUEST FOR FINANCIAL STATEMENTS

National Instrument 51-102 "*Continuous Disclosure Obligations*" sets out the procedures for a shareholder to receive financial statements. If you wish to receive financial statements, you may use the enclosed form or provide instructions in any other written format. Registered Shareholders must also provide written instructions in order to receive the financial statements.

FIXING THE NUMBER OF DIRECTORS AND ELECTION OF DIRECTORS

The persons named in the enclosed Instrument of Proxy intend to vote in favour of fixing the number of directors at seven (7). Management has nominated seven (7) individuals to stand for election. Each director of the Corporation is elected annually and holds office until the next Annual General Meeting of Shareholders unless his successor is duly elected or until his resignation as a director. In the absence of instructions to the contrary, the shares represented by Proxy will be voted for the nominees herein listed. Management does not contemplate that any of the nominees will be unable to serve as a director.

Advance Notice Provisions

At the Corporation's 2013 annual general and special meeting, the Corporation's Shareholders voted to adopt amendments to the Corporation's Articles to include advance notice provisions (the "Advance Notice Provisions"). The Advance Notice Provisions include, among other things, a provision that requires advance notice be given to the Corporation in circumstances where nomination of persons for election to the Board are made by Shareholders of the Corporation. The Advance Notice Provisions set a deadline by which Shareholders must submit nominations (a "Notice") for the election of directors to the Corporation prior to any annual or special meeting of Shareholders. The Advance Notice Provisions also set forth the information that a Shareholder must include in the Notice to the Corporation, and establish the form in which the shareholder must submit the Notice for that notice to be in proper written form.

In the case of an annual meeting of Shareholders, a Notice must be provided to the Corporation not less than 30 days and not more than 65 days prior to the date of the annual meeting.

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

INFORMATION CONCERNING NOMINEES SUBMITTED BY MANAGEMENT

The following table sets out the names of the persons proposed to be nominated by management for election as a director, the province in which each person is ordinarily resident, the positions and offices which each presently holds with the Corporation, the period of time for which each person has been a director of the Corporation, the respective principal occupations or employment during the past five years if such nominee is not presently an elected director and the number of common shares of the Corporation which each beneficially owns, directly or indirectly, or over which control or direction is exercised as of the date of this Information Circular.

The nominees for the office of director and information concerning them as furnished by the individual nominees are as follows:

Name, Province or State and Country of Residence, and Position with the Corporation ⁽¹⁾	Present Principal Occupation, Business or Employment ⁽¹⁾	Date Served as Director Since	No. of Common Shares Beneficially Owned, or Controlled or Directed, Directly or Indirectly ⁽¹⁾
Paul Matysek British Columbia, Canada Executive Chairman And a Director	Executive Chairman of Lithium X Energy Corp since November 2015. Former CEO, President and Director of Goldrock Mines Corp from 2012 to July 2016; CEO of Lithium One Inc. from Nov 2009 to 2011; President and CEO of Potash One Inc. from Nov 2007 to Jan 2011.	November 26, 2015	1,558,606
Brian Paes-Braga British Columbia, Canada Chief Executive Officer And a Director	CEO of Lithium X Energy Corp since November 2015. Former Managing Director of Intrinsic Capital from December 2013 to April 2015. Former Vice President of Jordan Capital Markets from Feb 2009 to Dec 2013	November 26, 2015	3,358,606
Harry Pokrandt British Columbia, Canada Director	Business Consultant since August 2015. Former Managing Director of Macquarie Capital Markets Canada Ltd - September 1985 to August 2015	November 26, 2015	525,000
Robert J. McLeod, P. Geo British Columbia, Canada Director	President and Chief Executive Officer, IDM Mining Ltd. (TSX: IDM) since October 2013 and Vice President of Exploration from April 2011 to October 2013. CEO and VP of Exploration, Full Metal Minerals Ltd (TSX-V: FFM), from May 2004 to October 2014	November 26, 2015	Nil
Michele Ashby Colorado, USA Nominee	Executive Business Consultant since 2012. CEO of MINE LLC form 2005-2013.	proposed	Nil
Joseph A. Carrabba Florida, USA Nominee	From 2013 until the present day, Mr. Carrabba has served as CEO of Irati Energy, a private mining company in Brazil, and as a corporate director and consultant. Mr. Carrabba was the former Chairman, President and Chief Executive Officer of Cliffs Natural Resources Inc from 2005 to 2013.	proposed	Nil

Name, Province or State and Country of Residence, and Position with the Corporation ⁽¹⁾	Present Principal Occupation, Business or Employment ⁽¹⁾	Date Served as Director Since	No. of Common Shares Beneficially Owned, or Controlled or Directed, Directly or Indirectly ⁽¹⁾
Patrick James Gleeson Ontario, Canada Nominee	Mr. Gleeson is a lawyer with 15 years of transaction experience, predominantly focused on earlier stage development projects in the natural resource space. He has served on the board of multiple natural resource companies, both private and public. He received a J.D. and M.A. in International Relations from the University of Toronto.	proposed	Nil

Notes:

(1) *The information as to the province and country of residence, principal occupation and shares beneficially owned or over which a director exercises control or direction, not being within the knowledge of the Corporation, has been furnished by the respective directors individually as of November 7, 2016, being the Record Date of this information circular.*

The Corporation does not currently have an Executive Committee of its Board of Directors. Pursuant to National instrument 52-110, the Corporation is required to have an Audit Committee of its board of directors. The current members of the Audit Committee are Harry Pokrandt, Robert McLeod and Geir Liland.

Except as disclosed below, none of the proposed nominees for director have been, within 10 years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company that:

- (a) was subject to a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation for a period of more than 30 consecutive days that was issued while that person was acting in that capacity;
- (b) was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation for a period of more than 30 consecutive days that was issued after that person ceased to act in that capacity and which resulted from an event that occurred while that person was acting in that capacity; or
- (c) 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.

None of the proposed nominees for director have, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold their assets.

AUDIT COMMITTEE DISCLOSURE

The charter of the Corporation's audit committee and the other information required to be disclosed by Form 52-110F2 are attached to this information circular as Schedule "A".

CORPORATE GOVERNANCE

The information required to be disclosed by National Instrument 58-101 *Disclosure of Corporate Governance Practices* is attached to this information circular as Schedule "B".

APPOINTMENT AND REMUNERATION OF AUDITOR

The Board of Directors proposes the appointment of KPMG LLP, Chartered Accountants, of Vancouver, British Columbia, as auditors of the Corporation. Unless otherwise instructed, the proxies given pursuant to this solicitation will be voted for the appointment of KPMG LLP as auditors of the Corporation to hold office until the close of the next annual general meeting of the Corporation. It is proposed that the remuneration to be paid to the auditors of the Corporation be fixed by the Board of Directors of the Corporation.

As required by Section 4.11 of National Instrument 51-102, included with this information circular as Schedule "C" are copies of the following materials which have been filed with securities regulatory authorities in connection with the change of auditors:

1. Notice of Change of Auditor dated September 1, 2016;
2. Letter from Dale Matheson Carr-Hilton Labonte LLP, Chartered Accountants, dated September 6, 2016; and
3. Letter from KPMG LLP, Chartered Accountants, dated September 2, 2016.

PARTICULARS OF OTHER MATTERS TO BE ACTED UPON

A. RE-APPROVAL OF ROLLING STOCK OPTION PLAN

At last year's annual general meeting, Shareholders re-approved the Corporation's 10% "rolling" stock option plan dated August 30, 2013 (the "Stock Option Plan"). Under the policies of the TSX Venture Exchange (the "Exchange"), a rolling stock option plan must be re-approved on a yearly basis by Shareholders.

At the Meeting, the Shareholders will be asked to pass an ordinary resolution re-approving the Stock Option Plan. Some of the key provisions of the Stock Option Plan are set forth below:

- (a) the Stock Option Plan reserves, for issuance pursuant to the exercise of stock options, a maximum number of common shares of the Corporation equal to up to a maximum of 10% of the issued common shares of the Corporation at the time of any stock option grant;
- (b) under Exchange policy, an Optionee must either be an Eligible Charitable Organization or a Director, Employee or Consultant of the Corporation at the time the option is granted in order to be eligible for the grant of a stock option to the Optionee;
- (c) the aggregate number of options granted to any one Person (and companies wholly owned by that Person) in a 12 month period must not exceed 5% of the issued common shares of the Corporation calculated on the date an option is granted to the Person (unless the Corporation has obtained the requisite Disinterested Shareholder Approval);
- (d) the aggregate number of options granted to any one Consultant in a 12 month period must not exceed 2% of the issued common shares of the Corporation, calculated at the date an option is granted to the Consultant;
- (e) the aggregate number of options granted to all Persons retained to provide Investor Relations Activities must not exceed 2% of the issued shares of the Corporation in any 12 month period, calculated at the date an option is granted to any such Person;
- (f) options issued to Persons retained to provide Investor Relations Activities must vest in stages over a period of not less than 12 months with no more than 1/4 of the options vesting in any 3 month period;
- (g) the minimum exercise price per common share of a stock option must not be less than the Market Price of the common shares of the Corporation, subject to a minimum exercise price of \$0.05;
- (h) options can be exercisable for a maximum of 10 years from the date of grant (subject to extension where the expiry date falls within a "blackout period" (see (o) below);
- (i) stock options (other than options held by a person involved in investor relations activities) will cease to be exercisable 90 days after the optionee ceases to be a Director (which term includes a senior officer), Employee, Consultant, Eligible Charitable Organization or Management Company Employee otherwise than by death, or for a "reasonable period" after the optionee ceases to serve in such capacity, as determined by the board of directors of the Corporation. Stock options granted to persons involved in Investor

Relations Activities will cease to be exercisable 30 days after the optionee ceases to serve in such capacity otherwise than by death, or for a "reasonable period" after the optionee ceases to serve in such capacity, as determined by the board of directors of the Corporation;

- (j) all options are non-assignable and non-transferable;
- (k) Disinterested Shareholder Approval will be obtained for any reduction in the exercise price of a stock option if the Optionee is an Insider of the Corporation at the time of the proposed amendment;
- (l) the Stock Option Plan contains provisions for adjustment in the number of common shares or other property issuable on exercise of a stock option in the event of a share consolidation, split, reclassification or other capital reorganization, or a stock dividend, amalgamation, merger or other relevant corporate transaction, or any other relevant change in or event affecting the common shares;
- (m) upon the occurrence of an Accelerated Vesting Event (as defined in the Stock Option Plan), the Board will have the power, at its sole discretion and without being required to obtain the approval of Shareholders or the holder of any stock option, to make such changes to the terms of stock options as it considers fair and appropriate in the circumstances, including but not limited to: (a) accelerating the vesting of stock options, conditionally or unconditionally; (b) terminating every stock option if under the transaction giving rise to the Accelerated Vesting Event, options in replacement of the stock options are proposed to be granted to or exchanged with the holders of stock options, which replacement options treat the holders of stock options in a manner which the Board considers fair and appropriate in the circumstances having regard to the treatment of holders of common shares under such transaction; (c) otherwise modifying the terms of any stock option to assist the holder to tender into any take-over bid or other transaction constituting an Accelerated Vesting Event; or (d) following the successful completion of such Accelerated Vesting Event, terminating any stock option to the extent it has not been exercised prior to successful completion of the Accelerated Vesting Event. The determination of the Board in respect of any such Accelerated Vesting Event shall for the purposes of the Stock Option Plan be final, conclusive and binding;
- (n) in connection with the exercise of an Option, as a condition to such exercise the Corporation shall require the optionee to pay to the Corporation an amount as necessary so as to ensure that the Corporation is in compliance with the applicable provisions of any federal, provincial or local laws relating to the withholding of tax or other required deductions relating to the exercise of such Option; and
- (o) an Option will be automatically extended past its expiry date if such expiry date falls within a blackout period during which the Corporation prohibits optionees from exercising their options, subject to the following requirements: (a) the blackout period must (i) be formally imposed by the Corporation pursuant to its internal trading policies; and (ii) must expire upon the general disclosure of undisclosed Material Information; and (b) the automatic extension of an optionee's Option will not be permitted where the optionee or the Corporation is subject to a cease trade order (or similar order under Securities Laws) in respect of the Corporation's securities.

"Consultant", "Director", "Disinterested Shareholder Approval", "Eligible Charitable Organization", "Employee", "Investor Relations Activities", "Management Company Employee", "Market Price", "Material Information", "Person" and "Securities Laws" all have the same definition as in the policies of the TSX Venture Exchange.

Pursuant to the Board's authority to govern the implementation and administration of the Stock Option Plan, all previously granted and outstanding stock options shall be governed by the provisions of the Stock Option Plan.

Management recommends, and the persons named in the enclosed form of proxy intend to vote in favour of, the re-approval of the Stock Option Plan.

The text of the resolution to be passed is as follows. In order to be passed, a majority of the votes cast at the Meeting in person or by proxy must be voted in favour of the resolution.

"BE IT RESOLVED THAT the Corporation's Stock Option Plan dated August 30, 2013 be and is hereby ratified, confirmed and approved with such additional provisions and amendments, provided that such are not inconsistent with the policies of the TSX Venture Exchange, as the directors of the Corporation may deem necessary or advisable."

B. REDUCTION OF STATED CAPITAL AND ACCUMULATED DEFICIT

At the Meeting, Shareholders will be asked to consider and, if thought appropriate, adopt, with or without modification, a special resolution to reduce the stated capital account of the Common Shares by \$26,047,407, or such other amount as shall be determined by the Board, without making any payment on such reduction (the “**Stated Capital Reduction Resolution**”).

Background

As at September 30, 2015, the Corporation had an accumulated deficit of \$26,047,407. The deficit is attributable to losses experienced by the Corporation since its incorporation up to September 30, 2015.

Shareholders will be asked at the meeting to approve a special resolution authorizing a reduction in the Corporation’s stated capital account of the Common Shares by \$26,047,407 (the “**Reduction of Capital**”). The \$26,047,407 reduction reflects the amount of the Corporation’s stated capital that is not represented by its realizable assets. The Reduction of Capital will be credited against the consolidated accumulated deficit of the Corporation (the “**Deficit**”). The Reduction of Capital will not otherwise affect the assets or liabilities of the Corporation. The Reduction of Capital will not result in any monetary or other payment to Shareholders. It will not change the amount of shareholder’s equity, but solely its composition.

The proposed Reduction of Capital and resulting reduction of the Deficit is recommended rather than the Corporation continuing to show a historical accumulated loss amount in the Corporation’s financial statements. Management believes that the proposed Reduction of Capital will allow the Corporation’s balance sheet to more accurately reflect the assets, operations and strategic focus of the Corporation.

The Corporation does not have reasonable grounds to believe that (i) it is, or after the stated capital reduction contemplated by the Stated Capital Reduction Resolution, would be unable to pay its liabilities as they become due, or (ii) after the stated capital reduction contemplated by the Stated Capital Reduction Resolution, the realizable value of the Corporation’s assets would be less than the aggregate of its liabilities.

Certain Canadian Federal Income Tax Considerations

The following is a summary of the principal Canadian federal income tax considerations related to the proposed reduction of stated capital that are generally applicable to Shareholders. This summary is based on the current provisions of the Income Tax Act (Canada)(the “**Tax Act**”), the regulations to the Tax Act, and the current published administrative policies and assessing practices of the Canada Revenue Agency made publicly available prior to the date hereof. This summary also takes into account all proposed amendments to the Tax Act and regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof, and assumes that all proposed amendments will be enacted in the form proposed, although no assurances can be given in this regard. Except for the proposed amendments, this summary does not take into account or anticipate any changes in law, whether by legislative, governmental, regulatory or judicial action or decision, or changes in the administrative policies or assessing practices of the Canada Revenue Agency, nor does it take into account provincial, territorial or foreign income tax considerations, which may differ from the Canadian federal income tax considerations discussed below.

Generally under the Tax Act any payment made by a public corporation on a reduction of capital will be treated as a dividend, subject to certain limited exceptions such as the redemption of shares, certain reorganizations and the distribution of certain transaction proceeds. However, since no amount will be paid by the Corporation on the reduction of capital contemplated in the Stated Capital Reduction Resolution, none of the shareholders will be deemed to have received a dividend by virtue of such reduction of capital. In addition, there will not be any resulting adjustments to the adjusted cost base of shares held by shareholders as a result of such reduction of capital.

This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular shareholder. This summary is not exhaustive of all the Canadian federal income tax considerations. Accordingly, shareholders should consult their own tax advisors with respect to their particular circumstances.

Requisite Approval

At the Meeting, Shareholders will be asked to approve the Stated Capital Reduction Resolution, in the form set out below. The approval of the Stated Capital Reduction Resolution requires the affirmative vote of 66 2/3% of the votes cast by holders of Common Shares present in person or represented by proxy at the Meeting.

“**RESOLVED**, as a Special Resolution, that:

1. The stated capital account maintained in respect of the Common Shares of the Corporation is hereby authorized to be reduced by \$26,047,407, or such other amount as shall be determined by the Board of Directors, without any payment being made to holders of Common Shares on such reduction.
2. Any director or officer of the Corporation and each of them is hereby authorized to do such things and to execute and deliver all such documents that such director or officer may, in his discretion, determine to be necessary or useful in order to give full effect to the intent and purpose of this resolution.
3. Notwithstanding that this resolution has been passed by the Corporation's shareholders, the directors of the Corporation are hereby authorized and empowered to revoke this resolution, without any further approval of the Corporation's shareholders if such revocation is considered necessary or desirable by the directors.

The Board unanimously recommends that each shareholder vote FOR the Stated Capital Reduction Resolution.

COMMON SHARES REPRESENTED BY PROXIES IN FAVOUR OF MANAGEMENT WILL BE VOTED IN FAVOUR OF THE STATED CAPITAL REDUCTION RESOLUTION IN THE ABSENCE OF DIRECTIONS TO THE CONTRARY FROM THE SHAREHOLDER APPOINTING THEM. THE FOREGOING SPECIAL RESOLUTION MUST BE APPROVED BY 66 2/3% OF THE VOTES CAST AT THE MEETING BY THE SHAREHOLDERS VOTING IN PERSON OR BY PROXY.

OTHER MATTERS

As of the date of this Information Circular, management knows of no other matters to be acted upon at this Meeting. However, should any other matters properly come before the Meeting, the shares represented by the proxy solicited hereby will be voted on such matters in accordance with the best judgment of the persons voting the shares represented by the proxy.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is on SEDAR at www.sedar.com. Financial information relating to the Corporation is provided in the Corporation's consolidated financial statements and MD&A for the financial year ended June 30, 2016. Shareholders may contact the Corporation to request copies of financial statements and MD&A at its head office, Suite 3123, 595 Burrard Street, PO Box 49139, Three Bentall Centre, Vancouver, British Columbia, V7X 1J1.

APPROVAL OF THE DIRECTORS

The directors of the Corporation have approved the content and the sending of this information circular.

DATED at Vancouver, British Columbia, this 7th day of November, 2016.

LITHIUM X ENERGY CORP.

"BRIAN PAES-BRAGA"

Brian Paes-Braga,
Chief Executive Officer
and a Director of the Corporation

SCHEDULE "A"
LITHIUM X ENERGY CORP.
FORM 52-110F2
AUDIT COMMITTEE DISCLOSURE

ITEM 1: THE AUDIT COMMITTEE'S CHARTER

PURPOSE

The overall purpose of the Audit Committee (the "**Committee**") of LITHIUM X ENERGY CORP. (the "**Corporation**") is to ensure that the Corporation's management has designed and implemented an effective system of internal financial controls, to review and report on the integrity of the consolidated financial statements and related financial disclosure of the Corporation, and to review the Corporation's compliance with regulatory and statutory requirements as they relate to financial statements, taxation matters and disclosure of financial information. It is the intention of the Board that through the involvement of the Committee, the external audit will be conducted independently of the Corporation's Management to ensure that the independent auditors serve the interests of Shareholders rather than the interests of Management of the Corporation. The Committee will act as a liaison to provide better communication between the Board and the external auditors. The Committee will monitor the independence and performance of the Corporation's independent auditors.

COMPOSITION, PROCEDURES AND ORGANIZATION

- (1) The Committee shall consist of at least three members of the Board of Directors (the "**Board**").
- (2) At least two (2) members of the Committee shall be independent and the Committee shall endeavour to appoint a majority of independent directors to the Committee, who in the opinion of the Board, would be free from a relationship which would interfere with the exercise of the Committee members' independent judgment. At least one (1) 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 applicable to the Corporation. For the purposes of this Charter, an individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements.
- (3) The Board, at its organizational meeting held in conjunction with each annual general meeting of the Shareholders, shall appoint the members of the Committee for the ensuing year. The Board may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee.
- (4) Unless the Board shall have appointed a chair of the Committee, the members of the Committee shall elect a chair and a secretary from among their number.
- (5) The quorum for meetings shall be a majority of the members of the Committee, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak and to hear each other.
- (6) The Committee shall have access to such officers and employees of the Corporation and to the Corporation's external auditors, and to such information respecting the Corporation, as it considers to be necessary or advisable in order to perform its duties and responsibilities.
- (7) Meetings of the Committee shall be conducted as follows:
 - (a) the Committee shall meet at least four times annually at such times and at such locations as may be requested by the chair of the Committee. The external auditors or any member of the Committee may request a meeting of the Committee;
 - (b) the external auditors shall receive notice of and have the right to attend all meetings of the Committee; and
 - (c) management representatives may be invited to attend all meetings except private sessions with the external auditors.

- (8) The internal auditors and the external auditors shall have a direct line of communication to the Committee through its chair and may bypass management if deemed necessary. The Committee, through its chair, may contact directly any employee in the Corporation as it deems necessary, and any employee may bring before the Committee any matter involving questionable, illegal or improper financial practices or transactions.

ROLES AND RESPONSIBILITIES

- (1) The overall duties and responsibilities of the Committee shall be as follows:
- (a) to assist the Board in the discharge of its responsibilities relating to the Corporation's accounting principles, reporting practices and internal controls and its approval of the Corporation's annual and quarterly consolidated financial statements and related financial disclosure;
 - (b) to establish and maintain a direct line of communication with the Corporation's internal and external auditors and assess their performance;
 - (c) to ensure that the management of the Corporation has designed, implemented and is maintaining an effective system of internal financial controls; and
 - (d) to report regularly to the Board on the fulfilment of its duties and responsibilities.
- (2) The duties and responsibilities of the Committee as they relate to the external auditors shall be as follows:
- (a) to recommend to the Board a firm of external auditors to be engaged by the Corporation, and to verify the independence of such external auditors;
 - (b) to review and approve the fee, scope and timing of the audit and other related services rendered by the external auditors;
 - (c) review the audit plan of the external auditors prior to the commencement of the audit;
 - (d) to review with the external auditors, upon completion of their audit:
 - A. contents of their report;
 - B. scope and quality of the audit work performed;
 - C. adequacy of the Corporation's financial and auditing personnel;
 - D. co-operation received from the Corporation's personnel during the audit;
 - E. internal resources used;
 - F. significant transactions outside of the normal business of the Corporation;
 - G. significant proposed adjustments and recommendations for improving internal accounting controls, accounting principles or management systems; and
 - H. the non-audit services provided by the external auditors;
 - (e) to discuss with the external auditors the quality and not just the acceptability of the Corporation's accounting principles; and
 - (f) to implement structures and procedures to ensure that the Committee meets the external auditors on a regular basis in the absence of management.
- (3) The duties and responsibilities of the Committee as they relate to the internal control procedures of the Corporation are to:
- (a) review the appropriateness and effectiveness of the Corporation's policies and business practices which impact on the financial integrity of the Corporation, including those relating to internal auditing, insurance, accounting, information services and systems and financial controls, management reporting and risk management;

- (b) review compliance under the Corporation's business conduct and ethics policies and to periodically review these policies and recommend to the Board changes which the Committee may deem appropriate;
 - (c) review any unresolved issues between management and the external auditors that could affect the financial reporting or internal controls of the Corporation; and
 - (d) periodically review the Corporation's financial and auditing procedures and the extent to which recommendations made by the internal audit staff or by the external auditors have been implemented.
- (4) The Committee is also charged with the responsibility to:
- (a) review the Corporation's quarterly statements of earnings, including the impact of unusual items and changes in accounting principles and estimates and report to the Board with respect thereto;
 - (b) review and approve the financial sections of:
 - A. the annual report to Shareholders;
 - B. the annual information form, if required;
 - C. annual and interim MD&A;
 - D. prospectuses;
 - E. news releases discussing financial results of the Corporation; and
 - F. other public reports of a financial nature requiring approval by the Board,and report to the Board with respect thereto;
 - (c) review regulatory filings and decisions as they relate to the Corporation's consolidated financial statements;
 - (d) review the appropriateness of the policies and procedures used in the preparation of the Corporation's consolidated financial statements and other required disclosure documents, and consider recommendations for any material change to such policies;
 - (e) review and report on the integrity of the Corporation's financial statements;
 - (f) review the minutes of any audit committee meeting of subsidiary companies;
 - (g) review with management, the external auditors and, if necessary, with legal counsel, any litigation, claim or other contingency, including tax assessments that could have a material effect upon the financial position or operating results of the Corporation and the manner in which such matters have been disclosed in the financial statements;
 - (h) review the Corporation's compliance with regulatory and statutory requirements as they relate to financial statements, tax matters and disclosure of financial information; and
 - (i) develop a calendar of activities to be undertaken by the Committee for each ensuing year and to submit the calendar in the appropriate format to the Board of Directors following each annual general meeting of Shareholders.
- (5) The Committee shall have the authority:
- (a) to engage independent counsel and other advisors as it determines necessary to carry out its duties,
 - (b) to set and pay the compensation for any advisors employed by the Committee; and
 - (c) to communicate directly with the internal and external auditors.

ITEM 2: COMPOSITION OF THE AUDIT COMMITTEE

The current members of the Committee are Harry Pokrandt, Robert McLeod and Geir Liland. Geir Liland was the Chief Executive Officer of the Corporation from March 1, 2011 to November 26, 2015 and is therefore not independent. Harry Pokrandt and Robert McLeod are considered independent. All of the members are financially literate. "Independent" and "financially literate" have the meaning used in National Instrument 52-110 (the "**Instrument**") of the Canadian Securities Administrators.

ITEM 3: RELEVANT EDUCATION AND EXPERIENCE

The Instrument provides that an individual is "financially literate" if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements.

All of the members of the Corporation's audit committee are financially literate as that term is defined in the Instrument. All members have an understanding of the accounting principles used by the Corporation to prepare its financial statements and have an understanding of its internal controls and procedures for financial reporting. In addition to each member's general business experience, the education and experience of each Committee member relevant to the performance of his/her responsibilities as a Committee member is as follows:

Harry Pokrandt brings over 30 years of experience in Canada's capital markets, and recently retired from Macquarie Capital Markets Canada Ltd after a successful career as a trader, underwriter and investment banker. Mr. Pokrandt has worked on numerous financing and advisory assignments in the metals and mining sector over the course of his career and has a BA in Economics from Hillsdale College. He has served as a director as well as an audit committee member of three junior public mining companies since 2015. This experience has given him the knowledge required to understand and assess the general application of the accounting principles used by the Corporation and to understand internal controls and procedures for financial reporting.

Robert McLeod is a professional geologist with over 23 years of experience in mining and mineral exploration working for a variety of major and junior mining companies. He has served as a director and officer and audit committee member of several junior public companies over the course of his career, which experience has given him the knowledge required to understand and assess the general application of the accounting principles used by the Corporation and to understand internal controls and procedures for financial reporting.

Geir Liland has acted as a director, officer (including CFO) and audit committee member of several junior public companies for many years, which experience has given him the knowledge required to understand and assess the general application of the accounting principles used by the Corporation and to understand internal controls and procedures for financial reporting.

ITEM 4: AUDIT COMMITTEE OVERSIGHT

At no time since the commencement of the Corporation's most recently completed financial year was a recommendation of the Committee to nominate or compensate an external auditor (currently, KPMG, LLP, Chartered Accountants) not adopted by the Board.

ITEM 5: RELIANCE ON CERTAIN EXEMPTIONS

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

ITEM 6: PRE-APPROVAL POLICIES AND PROCEDURES

Formal policies and procedures for the engagement of non-audit services have yet to be formulated and adopted. Subject to the requirements of the Instrument, the engagement of non-audit services is considered by the Corporation's Board of Directors, and where applicable by the Audit Committee, on a case by case basis.

ITEM 7: EXTERNAL AUDITOR SERVICE FEES (BY CATEGORY)

The aggregate fees charged to the Corporation by the external auditor in each of the last two fiscal years is as follows:

	<u>FYE 2016</u>	<u>FYE 2015</u>
Audit fees during the year ended June 30	\$ 6,120	\$ 6,120
Audit related fees	Nil	Nil
Tax fees	Nil	Nil
All other fees (non-tax)	\$ 1,250	Nil
Total Fees:	\$ 7,370	\$ 6,120

ITEM 8: EXEMPTION

In respect of the most recently completed financial year, the Corporation is relying on the exemption set out in section 6.1 of the Instrument with respect to compliance with the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of the Instrument.

SCHEDULE "B"
LITHIUM X ENERGY CORP.
FORM 58-101F2
CORPORATE GOVERNANCE DISCLOSURE

Pursuant to National Instrument 58-101 *Disclosure of Corporate Governance Practices* LITHIUM X ENERGY CORP. (the "**Corporation**") is required to and hereby discloses its corporate governance practices as follows.

ITEM 1. BOARD OF DIRECTORS

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

Harry Pokrandt and Robert McLeod, directors of the Corporation, are "independent" in that they are independent and free from any interest and any business or other relationship which could or could reasonably be perceived to, materially interfere with the director's ability to act with the best interests of the Corporation, other than the interests and relationships arising from shareholdings. Geir Liland was Chief Executive Officer of the Corporation from March 1, 2011 to November 26, 2015 and is therefore not independent.

ITEM 2. DIRECTORSHIPS

The current and proposed directors of the Corporation are currently directors of the following other reporting issuers:

Name	Name of Reporting Issuer
Paul Matysek	Arena Minerals Inc. Nevada Copper Corp. Forsys Metals Corp. Nano One Materials Corp.
Brian Paes-Braga	None
Geir Liland	Adamera Minerals Corp. Fiore Exploration Ltd.
Robert McLeod	Redstar Gold Corp. Independence Gold Corp. Copperbank Resources Corp. Genesis Metals Corp Gold Standard Ventures Corp. IDM Mining Ltd.
Harry Pokrandt	Sandspring Resources Ltd. Fiore Exploration Ltd.
Michele Ashby	McEwen Mining Inc.
Joseph A. Carrabba	Aecon Group Inc. Newmont Mining Corporation Keycorp Pty Ltd. NioCorp Developments Ltd TimkenSteel Corporation
Patrick James Gleeson	Pitchblack Resources Ltd.

ITEM 3. ORIENTATION AND CONTINUING EDUCATION

The Board of Directors of the Corporation briefs all new directors with the policies of the Board of Directors, and other relevant corporate and business information.

ITEM 4. ETHICAL BUSINESS CONDUCT

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

Under the corporate legislation, a director is required to act honestly and in good faith with a view to the best interests of the Corporation and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances, and disclose to the board the nature and extent of any interest of the director in any material contract or material transaction, whether made or proposed, if the director is a party to the contract or transaction, is a director or officer (or an individual acting in a similar capacity) of a party to the contract or transaction or has a material interest in a party to the contract or transaction. The director must then abstain from voting on the contract or transaction unless the contract or transaction (i) relates primarily to their remuneration as a director, officer, employee or agent of the Corporation or an affiliate of the Corporation, (ii) is for indemnity or insurance for the benefit of the director in connection with the Corporation, or (iii) is with an affiliate of the Corporation. If the director abstains from voting after disclosure of their interest, the directors approve the contract or transaction and the contract or transaction was reasonable and fair to the Corporation at the time it was entered into, the contract or transaction is not invalid and the director is not accountable to the Corporation for any profit realized from the contract or transaction. Otherwise, the director must have acted honestly and in good faith, the contract or transaction must have been reasonable and fair to the Corporation and the contract or transaction be approved by the Shareholders by a special resolution after receiving full disclosure of its terms in order for the director to avoid such liability or the contract or transaction being invalid.

ITEM 5. NOMINATION OF DIRECTORS

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

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

ITEM 6. COMPENSATION

The Board of Directors conducts reviews with regard to directors' compensation once a year. To make its recommendation on directors' compensation, the Board of Directors relies solely on the experience and knowledge of its members.

ITEM 7. OTHER BOARD COMMITTEES

The Board of Directors has an Audit Committee as well as a Compensation and Corporate Governance Committee.

ITEM 8. ASSESSMENTS

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

SCHEDULE "C"
LITHIUM X ENERGY CORP.

CHANGE OF AUDITOR

NOTICE OF CHANGE OF AUDITOR
National Instrument 51-102

LITHIUM X ENERGY CORP.

(the "**Company**")

Effective September 1, 2016 Dale Matheson Carr-Hilton Labonte LLP, Chartered Professional Accountants (the "**Former Auditor**") resigned as auditors of the Company at the request of the Company. KPMG LLP (the "**Successor Auditor**") has been appointed as the Company's successor auditors. The proposal to change auditors has been considered and approved by the Audit Committee of the Company's Board of Directors and by the Company's Board of Directors.

There have been no reportable events, being "disagreements", "consultations" or "unresolved issues" as defined in NI 51-102, between the Company and its Former Auditors. The Former Auditor did not provide a modified opinion in their auditor's reports on the financial statements of the Company for the preceding two fiscal years.

DATED at Vancouver, British Columbia, this 1st day of September, 2016.

LITHIUM X ENERGY CORP.
BY ORDER OF THE BOARD

"Brian Paes-Braga"

Brian Paes-Braga
Chief Executive Officer and Director



DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

VANCOUVER
1500 – 1140 W. Pender Street
Vancouver, BC V6E 4G1
TEL 604.687.4747 | FAX 604.689.2778

TRI-CITIES
700 – 2755 Lougheed Hwy.
Port Coquitlam, BC V3B 5Y9
TEL 604.941.8266 | FAX 604.941.0971

WHITE ROCK
301 – 1656 Martin Drive
White Rock, BC V4A 6E7
TEL 604.531.1154 | FAX 604.538.2613

WWW.DMCL.CA

September 6, 2016

British Columbia Securities Commission

P.O. Box 10142, Pacific Centre
9TH Floor – 701 West Georgia Street
Vancouver, B.C. V7Y 1L2

TSX Venture Exchange

P.O. Box 11633
Suite 2700 – 650 West Georgia Street
Vancouver, B.C. V6B 4N9

Alberta Securities Commission

Suite 600, 250 – 5th Street S.W.
Calgary, Alberta T2P 0R4

Ontario Securities Commission

20 Queen Street West, 22nd Floor
Toronto, ON M5H 3S8

Dear Sirs:

Re: Lithium X Energy Corp. (the "Company")
Notice Pursuant to National Instrument 51-102 - Change of Auditor

As required by the National Instrument 51-102 and in connection with us not being re-appointed as auditors of the Company, we have reviewed the information contained in the Company's Notice of Change of Auditor, dated September 1., 2016 and agree with the information contained therein, based upon our knowledge of the information relating to the said notice and of the Company at this time.

Yours very truly,

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

PARTNERSHIP OF:

VANCOUVER Robert J. Burkart, Inc. Kenneth P. Chong Inc. Alvin F. Dale Ltd. Donald L. Furney, Ltd. David J. Goertz, Inc. Matthew G. Gosden, Inc. Barry S. Hartley, Inc. Reginald J. LaBonte Ltd. Robert J. Matheson, Inc. Rakesh I. Patel Inc. Lorraine W. Rinfret, Inc. Brad A. Robin Inc. **WHITE ROCK** Michael K. Braun Inc. Peter J. Donaldson, Inc. Harjit S. Sandhu, Inc. **TRI-CITIES** Fraser G. Ross, Ltd. Brian A. Shaw Inc.



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Chartered Professional Accountants
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British Columbia Securities Commission
Alberta Securities Commission
Ontario Securities Commission

September 2, 2016

Dear Sirs

Re: Notice of change of Auditors of Lithium X Energy Corp.

We have read the Notice of Change of Auditor of Lithium X Energy Corp. (the "Company") dated September 1, 2016 (the "Notice") prepared pursuant to National Instrument 51-102 – *Continuous Disclosure Obligations* related to the change of auditor of the Company and are in agreement with the information contained in the Notice, except that we have no basis to agree or disagree with the statement that there were no reportable events between the Company and Dale Matheson Carr-Hilton Labonte LLP.

Yours truly,

Chartered Professional Accountants