Surge Battery Metals: One of the Most Strategic Undeveloped Lithium Assets in the USA

SURGE BATTERY METALS (TSX.V: NILI, FRA: DJ5, OTCQX: NILIF)
Est. Cash: C$74M | Market Cap: C$224M | Share Price: C$0.72

Nevada North, Nevada, USA

***Shares Outstanding:** 311M	**Avg. Volume 90 Day:** 1,277K	**CEO & Director:** Greg Reimer
***Options:** 24.5M (Avg. C$0.55)	**52 Week High:** $1.04	**Chairman & Director:** Graham Harris
***Warrants:** 111M (Avg. C$0.80)	**52 Week Low:** $0.23	**Strategic Advisors:** Brian Paes-Braga | Michael Hess

Corp. PPT: Surge Battery Metals | Corporate PPT | *Cash, Sh. Out., Option & Warrants Estimated Using Q1 26' MD&A & Accounting for June Cap Raise

Company Overview

Surge Battery Metals (NILI) is a junior exploration and development company focused on advancing its Nevada North Lithium Project (NNLP), a high-grade lithium clay asset located in NE Nevada, USA. NNLP hosts exceptional-grade, near-surface lithium clay mineralization with total M&I resources of 10.51Mt LCE at 3,007 ppm Li. Surge advanced the project from discovery to PEA in ~3 years, with the 2025 PEA outlining a US$9.2B NPV8% project (at US$24,000 LCE) with average annual production of 86kt LCE over a 42yr LOM. Surge is following the footsteps of Lithium America's Thacker Pass, a comparable claystone-hosted deposit now in construction & backed by U.S. gov. funding. Surge holds the NNLP through a JV with Evolution Mining, which is funding the project through a PFS study. Post-PFS Evolution will increase its JV ownership stake to 32.5%, with Surge owning 67.5%. Surge is targeting PFS completion & initial mineral reserves by year-end 2026.

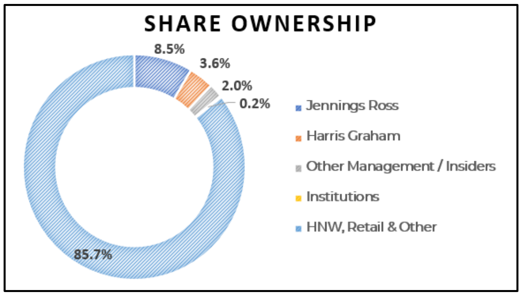

Figure 1. Share ownership of Surge Battery Metals. Pre-strategic investment announced in June 2026. *Source: FactSet.*

The Investment Case

The market continues to value Nevada North as a speculative lithium clay discovery despite now having a 13.6 Mt LCE resource (10.5 Mt M&I), a US$9.2B after-tax NPV, and a clear pathway to permitting and development. We believe the gap between asset quality and market valuation represents the core investment opportunity. The recent addition of strategic investors and advisors Brian Paes-Braga and Michael Hess further supports this thesis. Both have been involved in numerous successful resource ventures, including Lithium X, The Metals Company, and The Metals Royalty Company. We believe these additions, combined with a planned Nasdaq listing later this year, should materially increase the company's visibility among U.S. investors and strategic stakeholders. With a fully funded path through the ongoing PFS and sufficient capital to advance through permitting and development milestones, we believe NILI is well-positioned to continue de-risking the project. Trading at just 0.14x our fully diluted and financed NAV, compared to Lithium Americas, which is currently in construction and trading at 1x consensus NAV, we believe Surge offers substantial upside potential as Nevada North advances through the PFS, permitting and potential strategic funding milestones.

- **One of the Highest-Grade and Largest Sedimentary Lithium Deposits in the US:** Nevada North hosts a 13.6Mt LCE M+I+I resource, including 10.5Mt LCE M&I grading 3,007ppm Li and a high-grade core of 6.7Mt LCE at 3,820ppm Li. The highest-grade mineralization begins at or near surface, supporting a low strip ratio and a PEA mine plan grade of 4,017ppm Li (Thacker Pass FS = 2,540 ppm Li). Following the May 2026 resource update, ~87% of the PEA mine plan has been converted to M&I categories, with additional M&I resources identified outside and below the current PEA pit, suggesting room for future mine plan growth (Figure 8). The updated resource incorporates tighter-spaced drilling, increasing confidence in the resource model and representing a significant de-risking milestone ahead of the Q4 2026 PFS. We continue to see excellent opportunities to add additional high-grade, near-surface resources through drilling.
- **Sector-Leading Economics Relative to U.S. Sedimentary Lithium Peers:** At US$24k/t LCE, the 2025 PEA outlined an ATNPV8% of US$9.2B, 22.8% IRR, 4.6yr payback & operating costs of US$5,243/t LCE. The NNLP compares very favourably to other advanced sedimentary lithium projects across multiple metrics, including grade, capital efficiency, NPV-to-Capex ratio and payback period, while supporting production of 86Ktpa LCE over 42yrs (Table 2). Relative to Lithium Americas' Thacker Pass project, Nevada North delivers a higher NPV, higher margins, lower operating costs, a shorter payback period and more lithium carbonate (LCE) production during the first 10yrs of operations (Figures 12 + 13). We believe this comparison clearly highlights the value of the NNLP's high-grade, low-strip resource.

Mark Souvenir | MD Institutional Sales | (Mark@3L-capital.com) | 1 (647) 203 5226
Steven Therrien, P.Geo | Senior Mining Analyst | (Steven@3L-capital.com) | 1 (807) 252 2747
Micah Yuen | Associate | (Micah@3L-capital.com)

- **Lithium Expertise Supported by Strategic Capital and Development Experience:** Several team members have previously advanced lithium assets through permitting, feasibility studies, strategic transactions and eventual acquisition, providing relevant experience as Nevada North enters its next phase of development. The board includes Graham Harris, founder of Millennial Lithium (acquired for US$490M), lithium industry veteran (ex-Rio Tinto) Iain Scarr, lithium processing expert Dr. Vijay Mehta, and former Berkshire Hathaway Energy executive Richard Weech. The recent addition of Brian Paes-Braga (Lithium X, The Metals Royalty Company, SAF Group) and Michael Hess (The Metals Company, The Metals Royalty Company, Hess Capital) to the Strategic Advisory Board further strengthens the company's access to capital markets, strategic investors and U.S. critical minerals networks.
- **Positioned to Become a Strategically Important U.S. Lithium Producer:** Nevada North has the potential to become one of the world's largest lithium operations (Figure 16), with projected average production of 86ktpa LCE over a 42yr LOM and operating costs of US$5,243/t LCE, placing it among the lower-cost projects of its scale globally (Figure 17). Located in Nevada, one of North America's most important battery manufacturing hubs, Nevada North aligns directly with U.S. efforts to establish a secure domestic lithium supply chain. With the U.S. currently producing less than 1% of global lithium supply and domestic demand expected to grow significantly over the coming decade, we believe Nevada North is one of a limited number of projects capable of meaningfully contributing to U.S. lithium production at scale. The project's size, grade, jurisdiction and strategic importance position it well for future government support, strategic investment and offtake interest as development advances.
- **Significant Re-Rating Potential as Nevada North Advances:** Our fully funded and fully diluted base case NAV for Surge is C$3.2B (C$5.24/sh) using a long-term LCE price of US$18,500/t, implying the shares currently trade at just 0.14x NAV (Table 4). This compares to an average P/NAV multiple of ~0.4x for advanced lithium developers and ~ 1.0x for Lithium Americas, whose Thacker Pass project is currently under construction (Figure 33). At US$24,000/t LCE, NAV increases to C$5.2B (C$8.44/sh), implying a P/NAV of 0.09x. On both EV/resource and EV/reserve metrics, Surge also trades at a substantial discount to peers (Figure 32). While we acknowledge Nevada North is currently at the PEA stage, we believe the combination of a newly established M&I resource, a fully funded path through key development milestones, an upcoming PFS and strategic investor involvement creates multiple opportunities for the market to re-rate the shares as the project continues to de-risk.

Upcoming Catalysts

- Prefeasibility Study (Q4 2026/Q1 2027)
- Nasdaq Listing (H2 2026)
- Engineering and Permit Advancement (Ongoing)

Financial Snapshot

- **Current Cash Position (Est. C$74M):** As of Mar 2026, Surge had C$30M in cash and cash equivalents. In June 2026, Surge announced a private placement of C$30M, with an upsize option to C$36M. Assuming the placement is upsized and fully subscribed, Surge's total cash position is estimated to be ~C$74M upon closing. The cash will be used to advance the NNLP joint venture through permitting to a construction decision, and for general and corporate purposes. Assuming the recent capital raise is upsized to C$36M, bringing Nili's cash position to C$74M, and combined with existing warrants and options, Surge should be funded through permitting and to an FID.
- **Recent Financings:**
    - *June 2026: C$36M @ C$0.60 Unit (Full 3-yr warrant @ C$0.90 expiring June 2029) - (Not closed yet)*
    - **JV:** Apr 2026: C$2.1M from Evolution Mining (Evolution's NNLP stake increased from 25.85% to 29.46%)
    - Feb 2026: C$25.0M @ C$0.90 Unit (Half 3-yr warrant @ C$1.35 expiring February 2029)
    - **JV:** Dec 2025: C$3.0M from Evolution Mining (Evolution's NNLP stake increased from 2.85% to 25.85%)
    - Oct 2025: C$5.0M @ $0.25 Unit (1 full 3-yr warrant @ C$0.40 expiring October 2028)
    - Apr 2025: C$3.106M @ $0.30 Unit (1 full 3-yr warrant @ C$0.45 expiring April 2028)

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A Brief History of Surge - How Did We Get Here?

Table 1 below highlights some of Nili's significant milestones over the past five years.

Table 1. Surge Battery Metals' event history since June 2021. *Source: Company news releases.*

Date	Events
Jun 2021	Surge acquired initial 38 claims surrounding an anomalous lithium stream sediment sample in the Granite Range, 73km north of Wells, Elko County, Nevada, under CEO Greg Reimer and geologist Alan Morris.
2022	Soil sampling program returned a large multi-km lithium anomaly with high-grade lithium values of over 5,000 ppm Li.
2022 - 2023	Three rounds of drilling under a Notice of Intent (NOI) permit confirmed drill discovery and significantly expanded the mineralized footprint. 50-100m+ sequences of lithium-rich clays were intercepted with individual beds returning results such as 33.5m at 4,092 ppm Li, 25m at 4,718ppm Li, or 24.4m at 4,939ppm Li.
Apr 2023	Graham Harris (founder & chair of Millennial Lithium Corp., acquired by Lithium Americas for $490M) appointed to board as Director post initial 2022 discovery drill program, subsequently made Chairman on Jun 6, 2023.
May 2023	Iain Scarr (29 yrs at Rio Tinto; former director & VP of Exploration at Millennial Lithium) appointed to the board as Director.
Jul 2023	Dr. Vijay Mehta (world-renowned lithium expert, Ph. D in flotation technology, owner of 12 lithium-related US patents) appointed to the board as Director.
Feb 2024	Initial MRE announced: 309 Mt @ 2,839 ppm Li for 4.67 Mt LCE (100% Surge). Combined with Evolution Mining's ground, where EVN held 75% of the mineral rights, and Surge held the other 25%, the total resource was 5.25 Mt LCE @ 2,866 ppm Li.
Apr 2024	Owen Taylor (recently retired senior PwC Canada partner, 35 yrs of experience) appointed to the board as Director.
Mid 2024	Eight holes drilled to the south returned favourable intervals of lithium clay package (e.g. 91.4m @ 3,800 ppm Li; 80.7m @ 4,009 ppm Li), generally broader and higher-grade than prior programs.
Mid 2024	Initial metallurgical testing demonstrated the ability to produce technical-grade lithium carbonate (99%+), with ongoing work toward battery-grade purity.
Sep 2024	Updated MRE: 11.24 Mt LCE @ 3,010 ppm Li, a 113% resource increase and 5% grade increase vs. Feb 2024. This resource served as the basis for the initial PEA.
Jun 2025	PEA Released (technical report dated May 19, 2025): after-tax NPV8% of US$9.2B, 22.8% IRR at US$24,000/LCE, 4.7-year payback. Average annual production of 87 kt LCE over a 42yr LOM. Unit Opex of US$5,243/LCE; phased Capex of US$5.3B; sustaining Capex of US$1.5B over LOM.
Dec 2025	Formal JV agreement signed with Evolution Mining (>A$10B MC Au producer). Evolution to sole fund up to C$10M toward a PFS for staged ownership increase up to 32.5%; Surge retaining 67.5%. Evolution contributed 75% interest in an 880-acre private land parcel and 75% of the rights over 21,000 acres in and around NNLP. Current split: 70.5% Surge / 29.5% Evolution.
Q3/Q4 2025	Nine-hole, 1,413m M&I infill and expansion drilling program carried out ahead of planned Q4 2026 / Q1 2027 PFS.
Feb 2026	Final assays reported. Step-out Hole 37 (drilled 640m SW of nearest hole) returned 30.6m @ 4,196 ppm Li from surface, supporting high-grade southeast expansion. Infill holes confirmed continuity and grade.
Mar 2026	Richard Weech (ex-Berkshire Hathaway, led BHE Investments & BHE Renewables) appointed to board as Independent Director.
May 2026	Updated MRE: Total M+I+I resource of 13.6 Mt LCE, up 21% from Sep 2024. First-ever M&I classification: 10.51 Mt LCE @ 3,007 ppm Li. 87% of PEA mine plan converted to M&I, a significant de-risking milestone ahead of PFS.
Jun 2026	Strategic financing announced, co-led by Brian Paes-Braga (Head of SAF Group, Founder of Lithium X Energy, acquired for C$265M in 2018 & Founder, Chairman and CEO of The Metals Royalty Company (TMRC)) and Michael Hess (CIO of Hess Capital, Board Member of The Metals Company (TMC) and TMRC), both joining Surge's newly formed Strategic Advisory Board. SAF Group to appoint up to 2 board members (TBA).

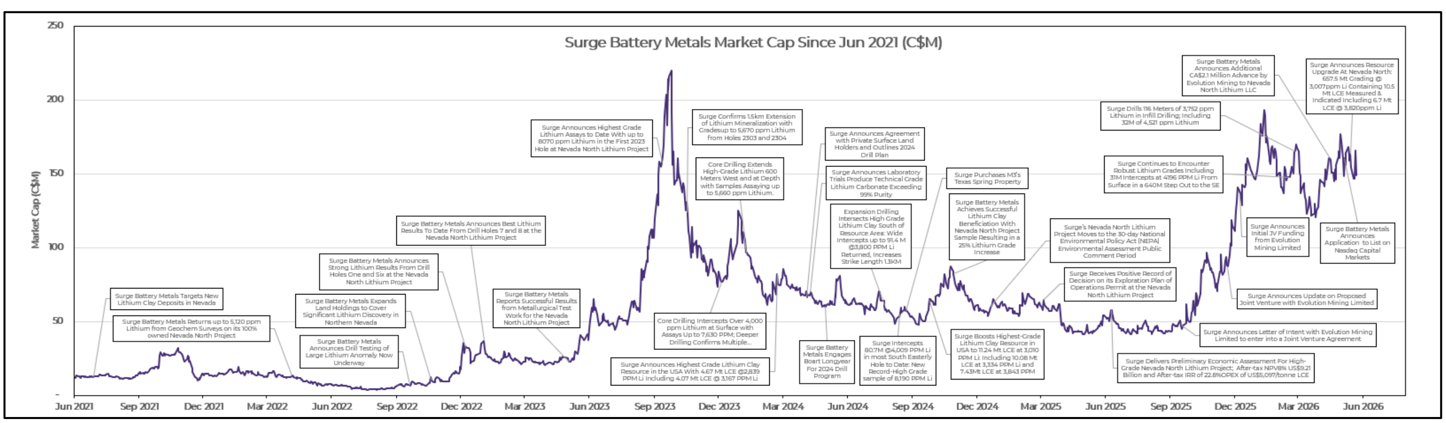

Figure 2. Nili market cap history, price return from June 2021 & significant news events. Zoom to Read. *Source: 3L Capital & FactSet.*

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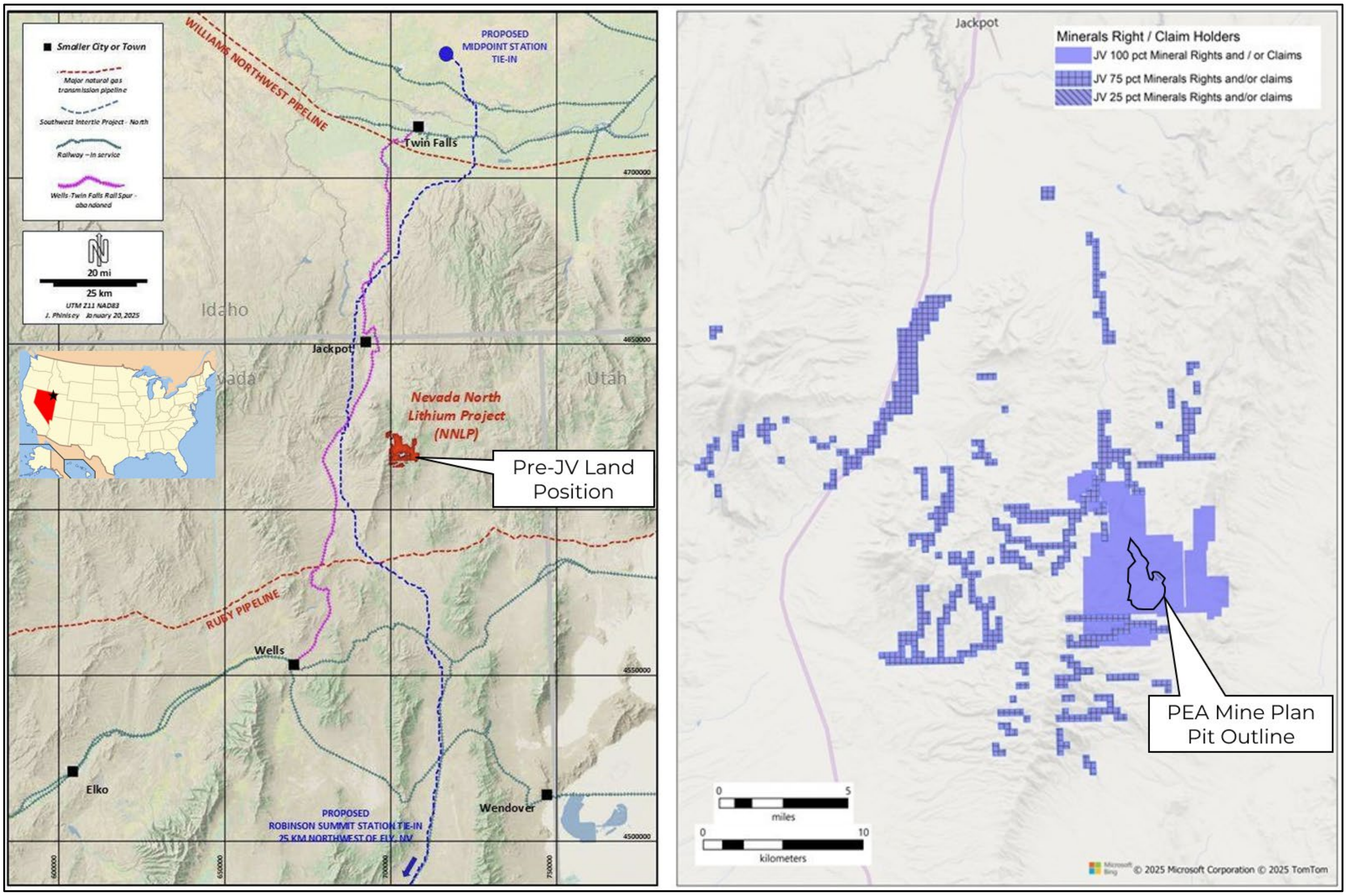

Figure 3. Left) Nevada North Project location in NE Nevada, with land position shown in red (before Evolution JV). **Right)** Nevada North Joint Venture land position (Current ownership: Surge Battery Metals 70.5% / Evolution Mining 29.5%, Final Expected: 67.5% / 32.5%). The site is currently accessed Via HWY 93 (magenta line running N-S through image) onto unpaved roads that lead to the NNLP. Surge currently operates under an Exploration Plan of Operations at Nevada North, which permits up to 250 acres of disturbance for the construction of new roads, trails, and drill pads. Surface rights over a portion of the resource are owned by the Salmon River Cattleman's Association, with whom Surge has an LOI for long-term access. See Figures 4-2 and 10-1 of the July 23, 2025, 43-101 for more details (pre-JV). Source: 2025 PEA 43-*101 and Surge Battery Metals website, modified by 3L Capital.*

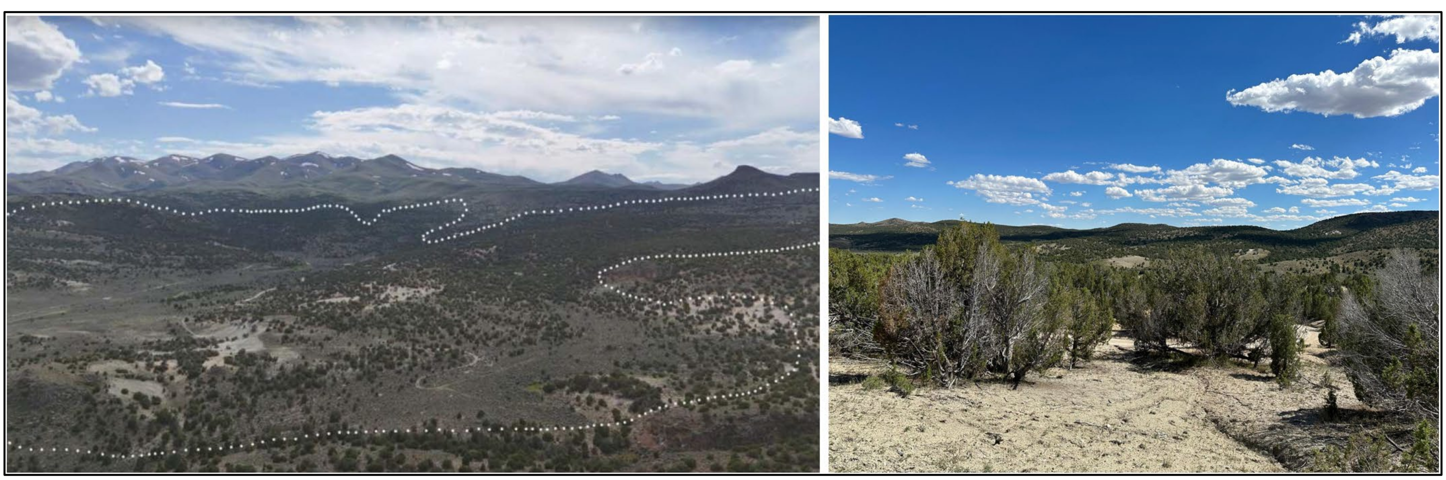

Figure 4. Left) Southwesterly aerial view across the NNLP 2025 lithium inferred resource footprint. **Right)** Photo from the ground of the NNLP project in 2022. *Source: Surge Battery Metals 43-101 and 3L Capital.*

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Lithium Clay and Surge's Nevada North Lithium Project

Here is what you need to know about Lithium Clay Deposits:

- Sediment-hosted lithium resources are often found in dry lakebeds or volcanic calderas, often found in smectite or hectorite clays. Resources are typically large, ranging from 400-3,000 Mt at 900-3,000+ ppm Li.
- Lithium grades are reported as Li ppm vs Li_2O% for hardrock and mg/l for brines. 1000 ppm Li = 0.1% Li = 0.215% Li_2O = 1000 mg/l (in water) for reference.
- Lithium is chemically leached using sulfuric acid or sodium hydroxide, different from brines, which are pumped to the surface and evaporated or hard rock spodumene or lepidolite deposits that are crushed and concentrated before chemical processing (acid or alkaline leaching).
- Although successful processing has been demonstrated at a small scale, no commercial lithium clay mines exist (Thacker Pass in NV is set to be the first & is in construction). Recovery rates, reagent costs and impurity control are key technical hurdles. The final on-site product is technical or battery-grade lithium carbonate or hydroxide.

Here is what you need to know about the Nevada North Lithium Project:

- Li is hosted in shallow-dipping, ~5 - 40m thick & laterally extensive clay beds separated by tuff units (All free dig).
- The highest grading clay unit (CU3) is the closest unit to surface and outcrops across the property. It is typically 25m wide and has an average grade of ~3,900 ppm Li at a 1,250 ppm Li cutoff, containing over 4Mt of LCE.
- The drill spacing required to reach M+I+I resources is wide; A ~800-900m spacing is required for indicated resources, and a ~400-450m spacing is required for measured resources.
- The deposit is still open for expansion, with excellent prospects for improving inferred grades with more infill.

NNLP's most recent MRE, announced in May 2026, established total M+I+I resources of 13.6Mt LCE at a 1,250 ppm Li cutoff, comprising 10.51Mt LCE Measured & Indicated at 3,007 ppm Li & 3.1 Mt LCE Inferred at 2,160 ppm Li, with the higher-grade core of the M+I resource grading 3,820 ppm Li (6.7 Mt LCE). The latest MRE converted 87% of the PEA mine plan pit inferred resources into the higher-confidence M+I category and added significant M+I resources outside the PEA mine plan pit, a significant de-risking milestone heading into the PFS targeted for Q4 2026.

NNLP resources have greatly expanded over the past 2 years, from 5.3Mt LCE Inferred at the initial Feb 2024 MRE, to 11.2Mt LCE Inferred in Sep 2024 (+113%), to the current 13.6Mt LCE (M+I+I) (+21%), a net increase of +160% since the initial MRE. Notably, NNLP's resource growth comes with minimal grade drop, with the latest M+I resource remaining at >3,000 ppm Li, consistent with prior MREs resource grades and reinforcing geological and grade continuity over time.

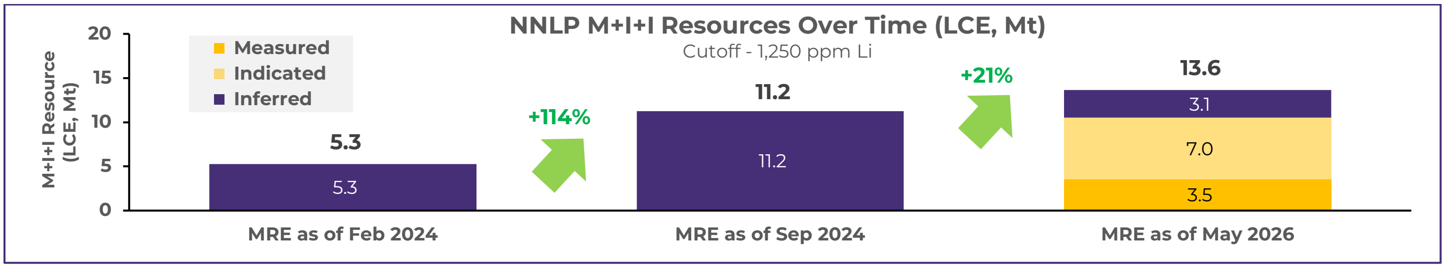

Figure 5. NNLP's 100% basis M+I+I resource growth over time. *Source: 3L Capital & Surge Battery Metals website.*

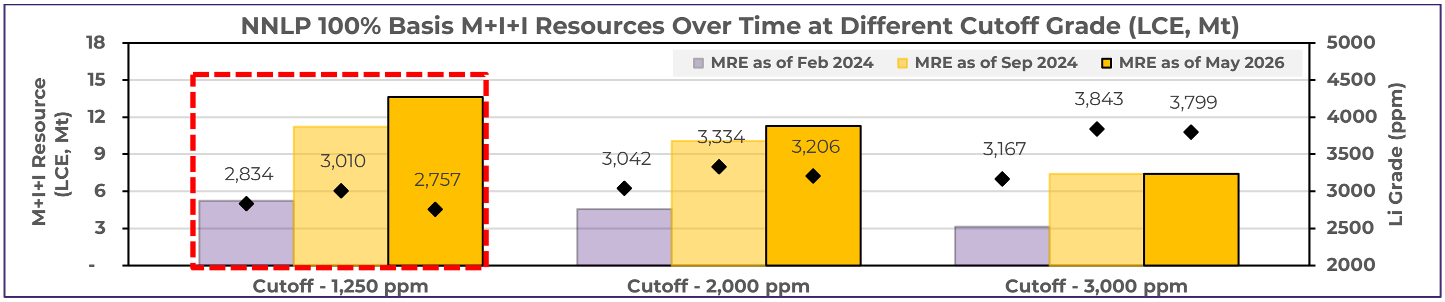

Figure 6. NNLP's 100% basis M+I+I resource sensitivity by cutoff grade over time. *Source: 3L Capital & Surge Battery Metals website.*

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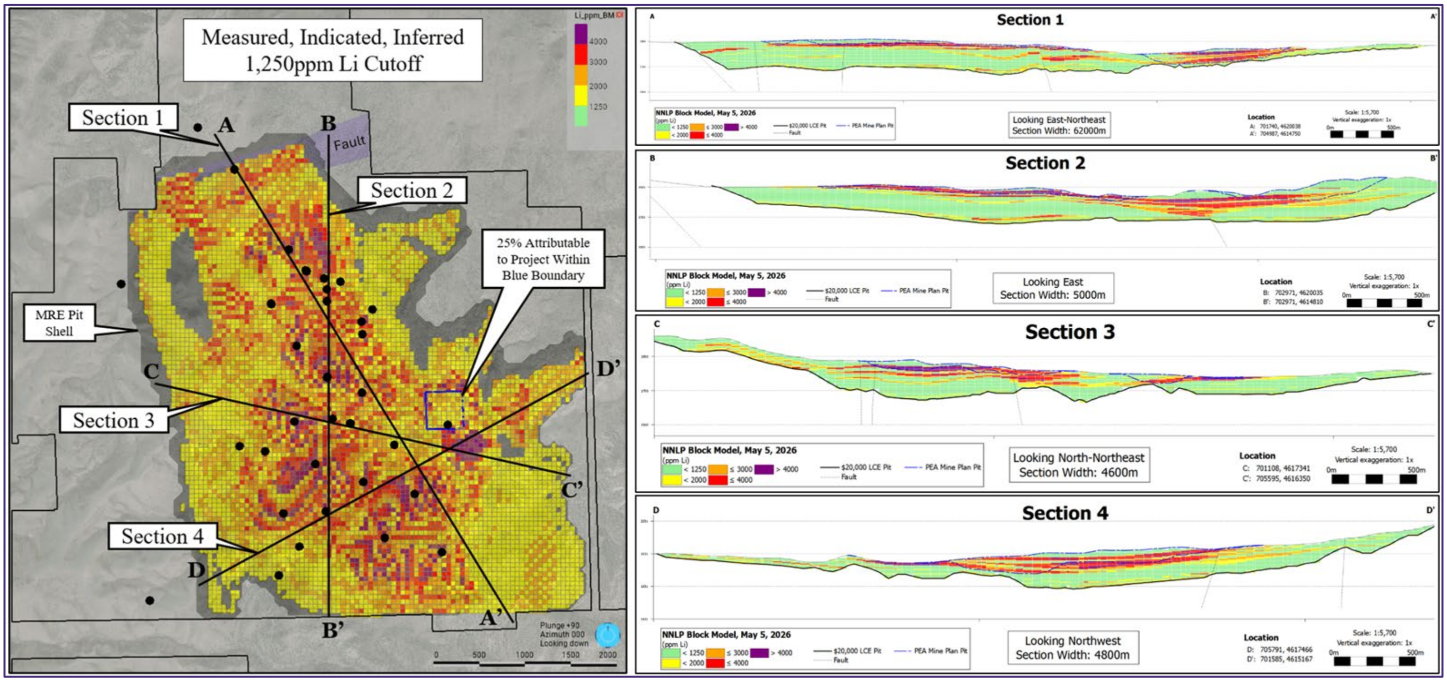

Figure 7. Plan view showing the location of 2022, 2023, 2024 & 2025 drilling and the updated May 2026 resource estimate at a 1,250 ppm Li cutoff, comprising 10.5Mt LCE Measured & Indicated (657.5Mt at 3,007ppm Li) & 3.1Mt LCE Inferred (271.3Mt at 2,160ppm Li). The $20,000 LCE pit area is shown in dark gray. Within the blue box, Surge owns 25% of the subsurface mineral rights. The cross-sections through the May 2026 resource are shown on the right. The $20,000 LCE resource pit boundary is shown in black, and the 2025 PEA Mine Plan Pit in blue. High-grade mineralization (>3,000 ppm Li) extends both within and beyond the 2025 PEA pit boundary, highlighting the potential for more contained LCE in the PFS. Red blocks equate to US$320 - US$426/t in in-situ value before recovery, and purple blocks >US$426/t in-situ (Using US$20,000/t LCE). PEA operating costs are US$93/t ore for reference. *Source: 3L Capital and Surge Battery Metals website.*

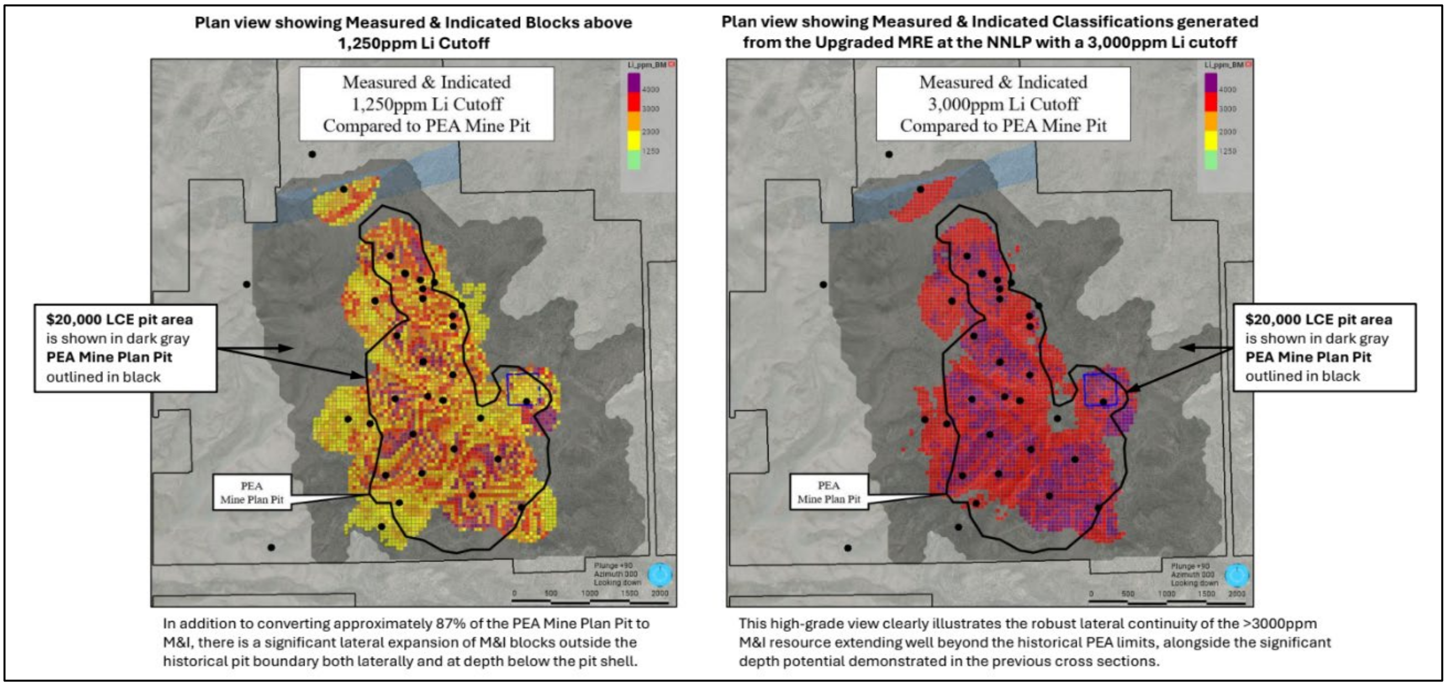

Figure 8. Plan view showing Measured & Indicated blocks above 1,250ppm Li (Left) & 3,000ppm Li (Right) cutoff. At a 1,250ppm Li cutoff, ~87% of the PEA mine plan is converted to M&I resources, with additional upside outside of the PEA pit boundary both laterally & at depth. At a 3,000ppm Li cutoff, high-grade mineralization (>3,000ppm Li) extends well beyond the PEA pit boundary, illustrating future upside potential. The US$20,000 LCE pit area is shown in dark grey for both images. *Source: Surge Battery Metals website.*

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How Does the NNLP Resource Compare to Other Sedimentary Lithium Deposits

In Figure 9 below, we have plotted Nevada North vs other sedimentary lithium deposits on a Grade x M+I+I LCE tonnage plot (pit-constrained), sizing the bubbles by resource tonnes. Surge has the highest pit-constrained resource grade in its class in the US, and if we only used M&I grade (3,007ppm Li), it would be the highest pit-constrained resource grade on the chart. Although in terms of LCE tonnes it is not the biggest, keep in mind that 2-4Mt of LCE often correlates to between 20 and 100 years of mine life. Surge's new PEA has a 42yr mine life incorporating 4.4 Mt of contained LCE. What is not reflected in this chart but is key is what we mentioned above: Surge's highest grades start at the surface, which is not the case for most other deposits.

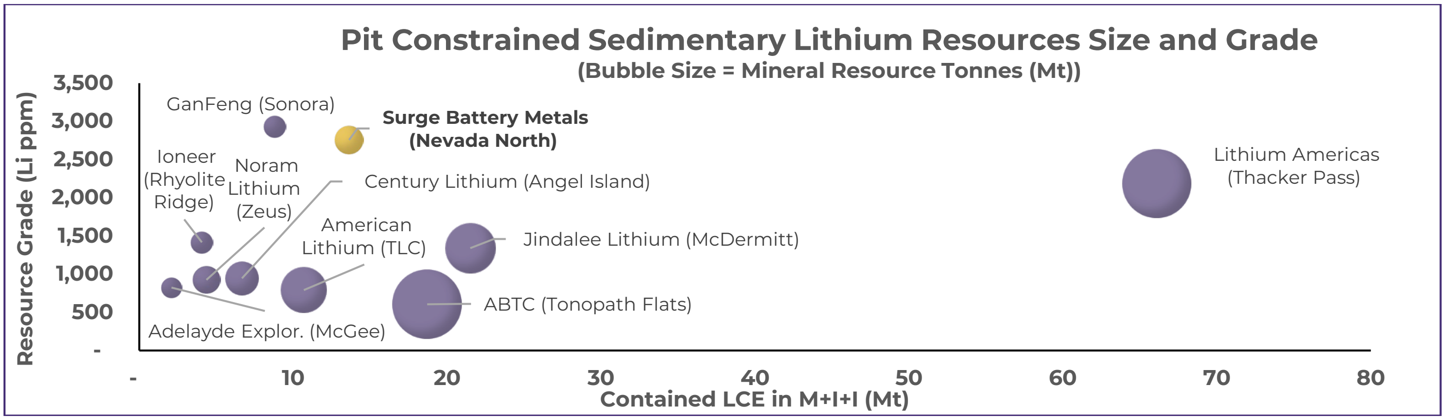

Figure 9. Size and grade bubble chart of prominent sedimentary lithium deposits with pit-constrained, near-surface resources.
Source: 3L Capital and Company Filings.

Processing - The Path from Claystone to Lithium Carbonate

Nevada North aims to produce battery-grade lithium carbonate using a traditional lithium clay processing flow, which includes beneficiation, acid leaching, impurity removal, and lithium carbonate precipitation. Unlike hard rock lithium projects that produce spodumene concentrate and rely on off-site refinement, Nevada North plans to directly process lithium-rich claystone into a refined lithium chemical product on-site.

Processing begins with crushing and beneficiation, where run-of-mine material is mixed with water and subjected to a series of classification stages designed to separate lithium-bearing clay particles from barren coarse gangue material. The coarse fraction is removed, while the lithium-enriched clay fines are thickened and dewatered before being fed to the hydrometallurgical processing plant. This beneficiation step effectively upgrades the feed material while reducing the volume of material that must be processed downstream.

The concentrated clay slurry is then mixed with sulfuric acid, which dissolves lithium and other soluble constituents into solution. The resulting lithium-bearing pregnant leach solution ("PLS") is separated from the residual clay and waste material through a series of neutralization, washing, and filtration stages. Sulfuric acid availability (provided by an on-site acid plant) primarily determines throughput and mining rates, making acid consumption one of the most important economic drivers for the project.

Following leaching, the lithium-bearing solution undergoes multiple purification stages designed to remove magnesium, calcium, and other impurities that would otherwise prevent the production of a technical or battery-grade product. Mg is removed using a combination of crystallization and precipitation circuits, while Ca is removed via soda ash addition and ion-exchange polishing. These steps generate a highly purified lithium-rich brine suitable for lithium carbonate production.

The final stage involves precipitating lithium carbonate from brine using soda ash, followed by additional purification, drying, milling, and packaging. Lithium remaining in process streams is recycled back into the circuit through a zero-liquid-discharge system designed to maximize overall lithium recovery while minimizing liquid waste generation.

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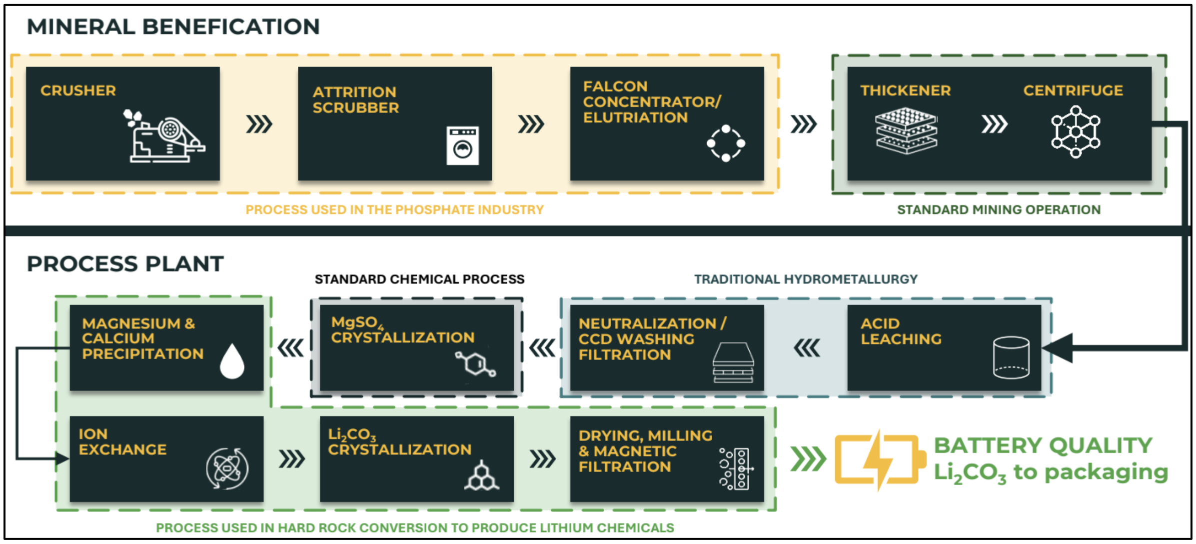

Figure 10. Simplified proposed flowsheet for the NNLP. *Source: Surge Battery Metals website.*

The 2025 PEA assumes an 82.8% lithium recovery rate, resulting in technical-grade lithium carbonate. Although metallurgical tests to date have demonstrated the ability to produce technical-grade lithium carbonate (>99.2% LC), further optimization and scaling are needed to confirm performance at a commercial level and to achieve battery-grade standards (if sought). Key technical factors to monitor as the project progresses include overall lithium recovery (aiming for >82.8%), the amount of sulfur per tonne of mineralization required to achieve acceptable recoveries (Do not want to see material increases above PEA 122.5 kg/t ore), impurity removal efficiency (ability to generate battery-grade lithium carbonate without meaningful increases to Capex or Opex), and the capacity to effectively thicken and dewater clay-rich slurries (want to consistently achieve target pulp densities while maintaining throughput, recovery and water recycling assumptions without changes to the PEA flowsheet requiring material increases in Capex or Opex).

The Nevada North PEA - A Globally Significant Asset That Will Solidify USA as a Lithium Powerhouse

In our view, Surge's Nevada North Lithium Project is the most compelling sedimentary lithium asset in the USA, based on the 2025 PEA (Table 2). Despite a smaller processing footprint (4.9Mtpa avg.), the project delivers the highest NPV ($9.2B) and IRR (23%) in the peer group, driven by a standout mine plan grade (4,017 ppm Li), low Opex ($5,243/t LCE), and sector-leading capital efficiency. With a Phase 1 and Phase 2 Capex of US$5.3B, the NPV-to-Capex ratio (1.7x) is the best of the group, and development Capex per annual tonne of LCE production ($62K/t) is also the lowest, supporting a 4.6yr payback. The strip ratio (1.16:1) is attractive, recoveries (82.8%) are competitive, and the 42yr LOM offers longevity without requiring additional phased expansions to achieve scale. While still at the PEA stage, early economics suggest that the NNLP could become one of the USA's and the world's most strategic lithium assets.

Key points to highlight from the June 2025 PEA:

- At US$15,000/t LCE, the after-tax NPV8% is US$2.7B with an IRR of 13%.
- We calculate a breakeven lithium carbonate price of US$11,276/t LCE using an 8% discount rate.
- The PEA assumes a 2% gross revenue royalty on the project; no commercial agreement exists yet.
- The PEA is unlevered, i.e. it does not consider receiving a Department of Energy (DOE) loan, which Lithium America's Thacker Pass and Ioneer's Rhyolite Ridge received for part of their Capex. The DOE loan interest rate is fixed to the US Treasury Rate. If Surge were to receive a similar loan, project economics could improve.
- The contained lithium within the PEA mine plan (4.38 Mt) only represented 39% of the overall resource at the time (32% of 2026 M+I+I resource and 42% of 2026 M+I resources). Note that there are over 7.43Mt of LCE at 3,799 Li ppm above a cutoff grade of 3,000ppm in 2026 (M+I+I). At a mining rate of 5.15Mtpa, the remaining 3Mt of LCE would theoretically take another 31 years to mine.

Mark Souvenir | MD Institutional Sales | (Mark@3L-capital.com) | 1 (647) 203 5226
Steven Therrien, P.Geo | Senior Mining Analyst | (Steven@3L-capital.com) | 1 (807) 252 2747
Micah Yuen | Associate | (Micah@3L-capital.com)

- The resource that informed the PEA is 100% Inferred. 87% of the mine plan has been converted to M+I resources ahead of the Q4 2026 PFS. Additional M+I resources outside the 2025 PEA plan are likely to be included in the PFS.
- The PEA was completed jointly by M3 Engineering and Technology and Independent Mining Consultants (IMC). M3 was the lead firm for the November 2022 Lithium Americas' Thacker Pass Feasibility Study.
- The PEA assumes mine feed grade through beneficiation can be upgraded by 24% with ~90% recovery before leaching, based on initial testing. There is an opportunity to improve this based on Thacker's progress over time.
- Processing is based on sulfuric acid leaching. On-site acid production from elemental sulphur is planned.
- 83.6% of the US$ 5,243/t LCE Opex is processing (62.6% reagents), with mining (8.1%), tailings (5.6%) and G&A (2.7%) making up the remainder.
- We estimate an All-in-Sustaining-Cost (AISC) per tonne LCE of $5,865 for the LOM.
- Peak production falls in year 6, with 109Kt of LCE production.
- Mined material is free dig. No blasting is required.
- For Phase 1 and 2, 141.8MW of power are required. Of that, 89.9MW will be generated on-site from waste heat provided by the sulfuric acid plant, and the electrical utility provider will supply the remaining 51.9MW.

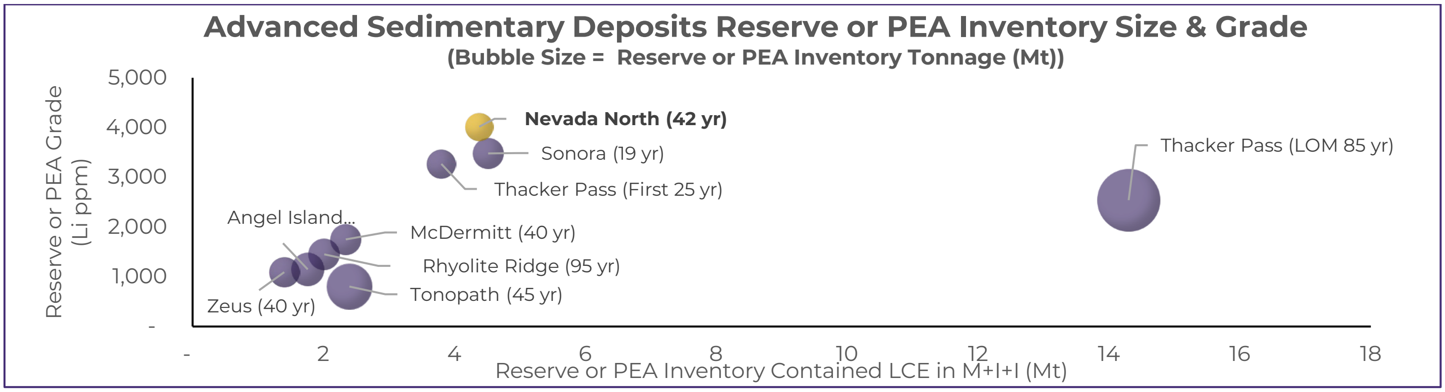

Figure 11. Size and grade bubble chart of prominent sedimentary lithium deposits with dominantly pit-constrained resources. Source: 3L Capital and company filings.

Table 2. Comparison of advanced sedimentary lithium deposits studies in Nevada. Figures are rounded. *Source: 3L Capital and Company Filings.*

Description	Surge Battery Metals *(Nevada North)*	Lithium Americas *(Thacker Pass)*	Jindalee Lithium *(McDermitt)*	ABTC *(Tonopah Flats)*	Ioneer *(Rhyolite Ridge)*
Study Level	PEA	FS	PFS	PFS	FS
Year	Q2 2025	Q1 2025	Q4 2024	Q3 2025	Q2 2025
Li_2CO_3 (LC) or LiOH (LH) / t (US$)	24,000 LC	24,000 LC	24,000 LC	23,000 LH	23,011 LH
NPV 8% (US$M)	9,165	8,691	3,229	2,570	1,499
IRR (%)	23%	20%	18%	22%	18%
Pay Back (Yrs)	4.6	8.7	5	7.5	8
Development Capex (US$M)	5,323	12,441	3,021	1,639	1,668
Sustaining Capex (US$M)	1,514	7,590	508	561	1,830
Opex / Ore t (US$)	93	87	77	16	71
Opex / LCE t (US$)	5,243	8,039	8,673	7,948	6,237
LOM Grade (Li PPM)	4,017	2,540	1,967	805	1,464
Avg. Ore Processed (Mtpa)	4.9	12.4	5.1	5.2	2.6
Recovery (%)	82.8	80.4	84.4	48.0	**84.9
LOM (Yrs)	42	85	*40	45	95
Average Production (kt LCE)	86	135	44	26	17
Strip Ratio (tw:to)	1.2	5.3	1.3	0.28	3.1
NPV to Capex Ratio	1.7	0.7	1.1	1.6	0.9
Dev. Capex per Average Annual Li_2CO_3 Produced (US$K)	62	92	69	64	97
Dev. Capex to LOM Li_2CO_3 Produced (US$M)	1.47	1.08	1.68	1.42	1.02

*Mine Life is 63years, PFS Economic Evaluation for First 40
**Lithium Carbonate Recovery, Lithium Hydroxide Recovery = 96% (Yr3 onwards)

Mark Souvenir | MD Institutional Sales | (Mark@3L-capital.com) | 1 (647) 203 5226
Steven Therrien, P.Geo | Senior Mining Analyst | (Steven@3L-capital.com) | 1 (807) 252 2747
Micah Yuen | Associate | (Micah@3L-capital.com)

How Does Nevada North Compare to Lithium America's Thacker Pass Lithium Clay Deposit

In Figures 12-15 below, we compare Surge's Nevada North Project to Lithium America's Thacker Pass lithium clay deposit across multiple metrics. Thacker Pass is Nevada North's closest analogue and is located in NW Nevada. Thacker is currently under construction and is fully funded for Phase 1 production (US$2.9B in Capex; construction completion targeted for Q4 2027). The company and project are backed by major strategics such as the US Government (DOE), General Motors and Orion Resource Partners. Thacker Pass is owned by a joint venture between Lithium Americas (62%) and General Motors (38%), with Lithium Americas (LAC) carrying a market cap of C$2.24B (as of June 5, 2026).

Nevada North compares favourably with Thacker Pass, particularly in grade, strip-adjusted grade, recovery, Opex per tonne LCE, and operating margin. We'll let the charts speak for themselves below. Bottom line: Although currently smaller, Nevada North delivers stronger grades, lower operating costs, and higher up-front production.

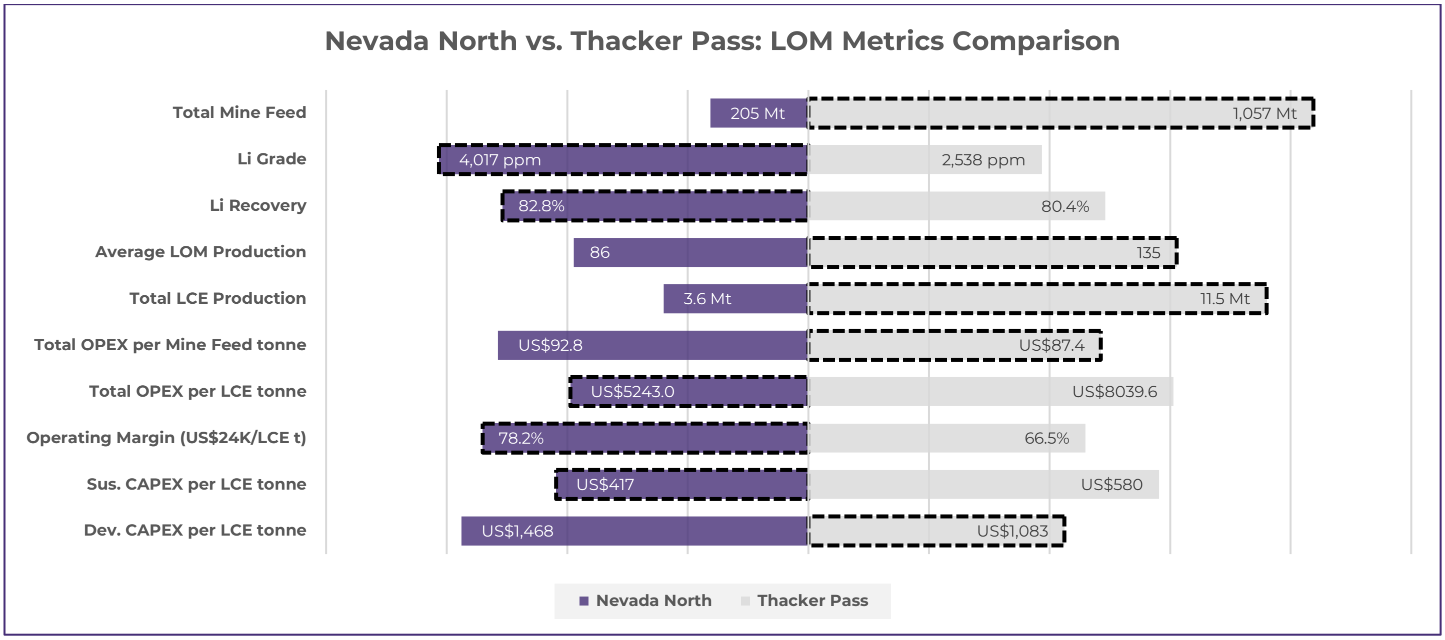

Figure 12. Nili's Nevada North vs Lithium Americas' Thacker Pass comparison. *Source: 3L Capital and Company Filings.*

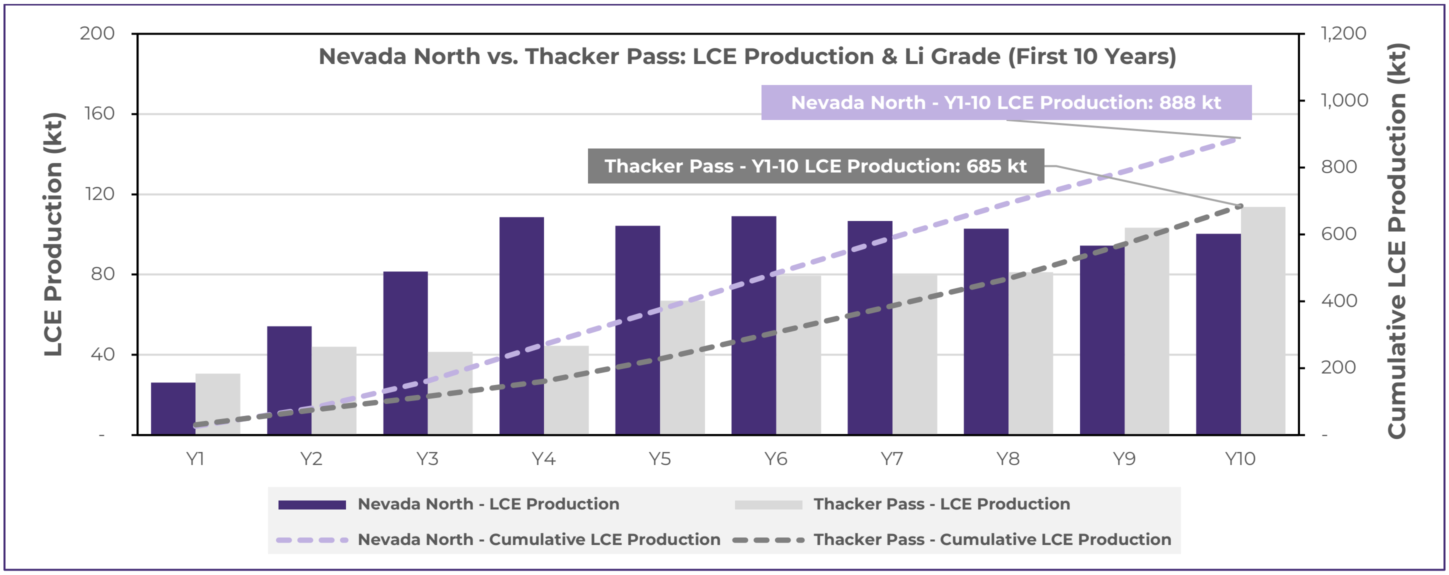

Figure 13. First 10 years of LCE production from Nevada North and Thacker Pass. Nevada North produces 203Kt more Lithium Carbonate in the first 10 years vs Thacker Pass. *Source: 3L Capital & Company Filings.*

Mark Souvenir | MD Institutional Sales | (Mark@3L-capital.com) | 1 (647) 203 5226
Steven Therrien, P.Geo | Senior Mining Analyst | (Steven@3L-capital.com) | 1 (807) 252 2747
Micah Yuen | Associate | (Micah@3L-capital.com)

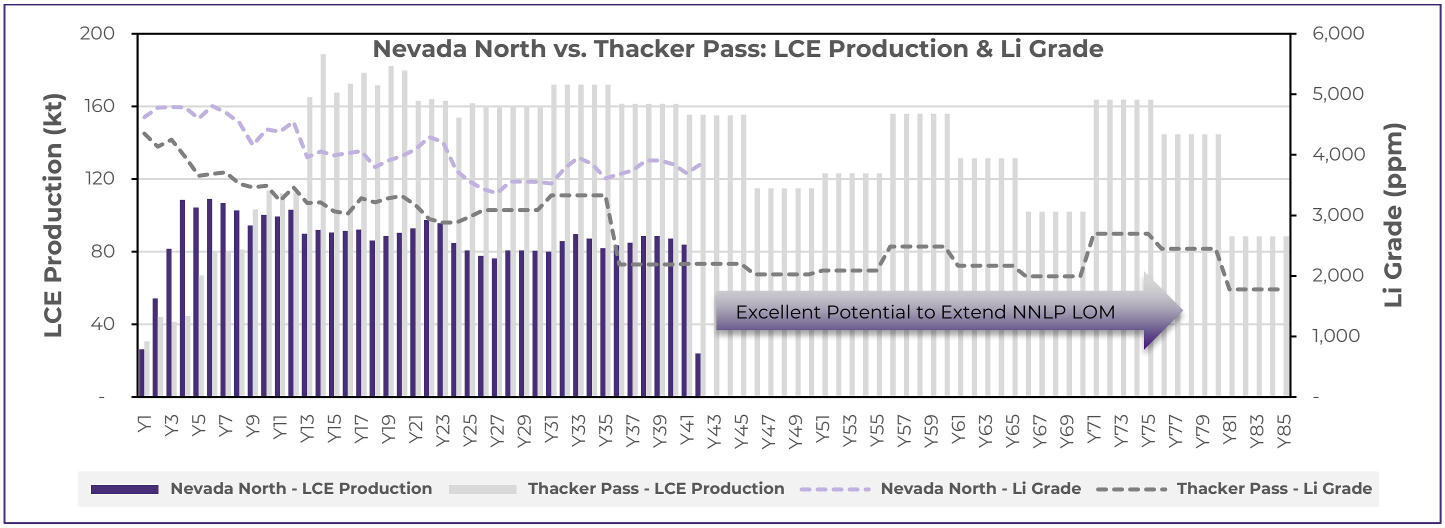

Figure 14. LOM LCE production for the 42yr Nevada North and 85yr Thacker Pass deposits. Note the grade of production between the two deposits and consider that there are 7.43Mt LCE above a 3,000ppm Li cutoff at Nevada North, whereas only 4.38Mt LCE at 4,017 ppm Li is contained in the PEA mine plan. To mine the difference at the same processing rate planned in the PEA would take an additional 30+ years, by our estimate. *Source: 3L Capital and Company Filings.*

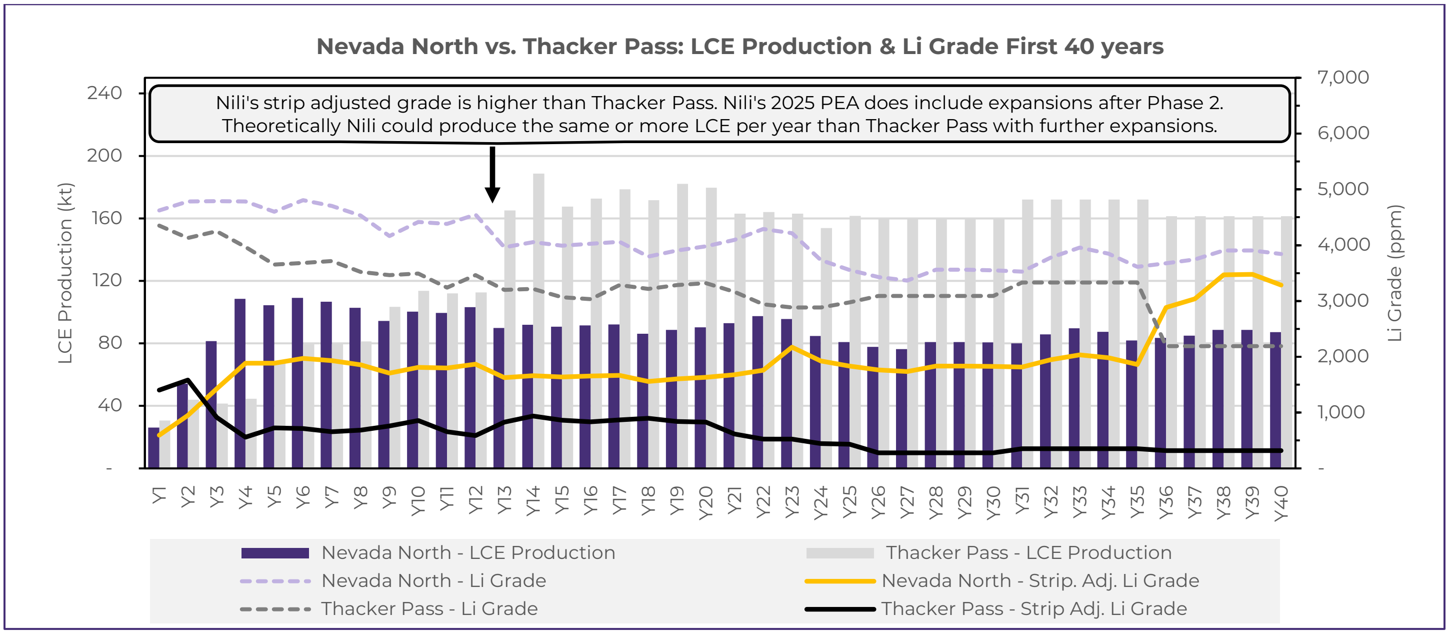

Figure 15. LCE production, grade and strip-adjusted grade for the first 40yrs at Nevada North and Thacker Pass. We think the strip-adjusted grade comparison highlights one of the best attributes Nevada North has going for it: the highest grades are at or very close to surface. *Source: 3L Capital and company technical reports.*

How Does Nevada North Fit into the Global Picture

Nevada North demonstrates strong potential to become one of the world's top-producing lithium projects. If developed according to the PEA plan, NNLP would rank as the 4th-largest lithium project worldwide among 2024 lithium projects, based on an LOM average production of 86 kt LCE per year. Even in its initial year, the project is projected to deliver 26 kt LCE, placing it among the top 14 producers globally in 2024. Should a construction decision be made, NNLP has the potential to become a competitive, globally impactful lithium operation.

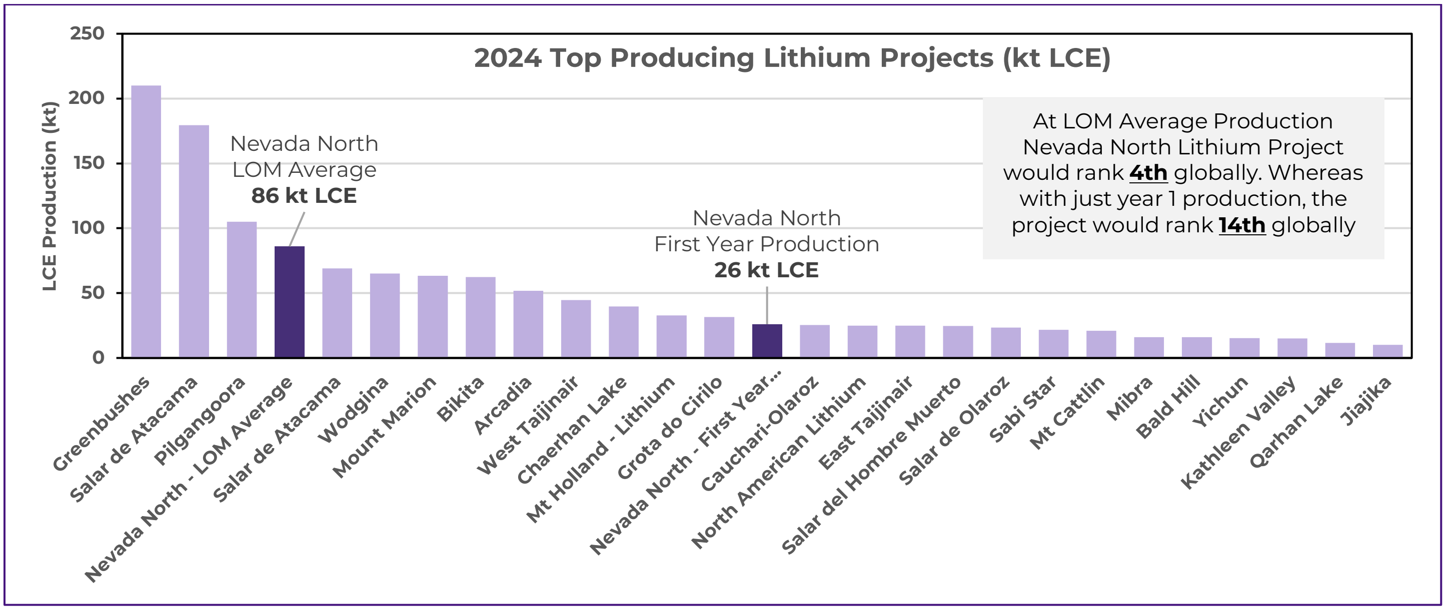

Figure 16. 2024 top-producing lithium projects. Nevada North's LOM and first-year production are included for comparison. *Source: 3L Capital & S&P Cap IQ (As of Mar 14, 2026).*

The 2025 PEA shows that the NNLP has an average operating cost of US$5,243/t LCE over a 42yr LOM. Of this total, 84% (US$4,406) is attributed to process plant, 8% (US$413) to mining, 5% (US$287) to tailings/salt/coarse gangue management, & 3% (US$137) to G&A. Compared to 2024 lithium-producing projects, the NNLP stands out as a high-volume project with a well-balanced cost structure. While NNLP's planned Opex is mid-range, it is lower than that of similar-sized peers. NNLP's strong LOM production scale of 86 ktpa LCE positions it among the largest projects globally.

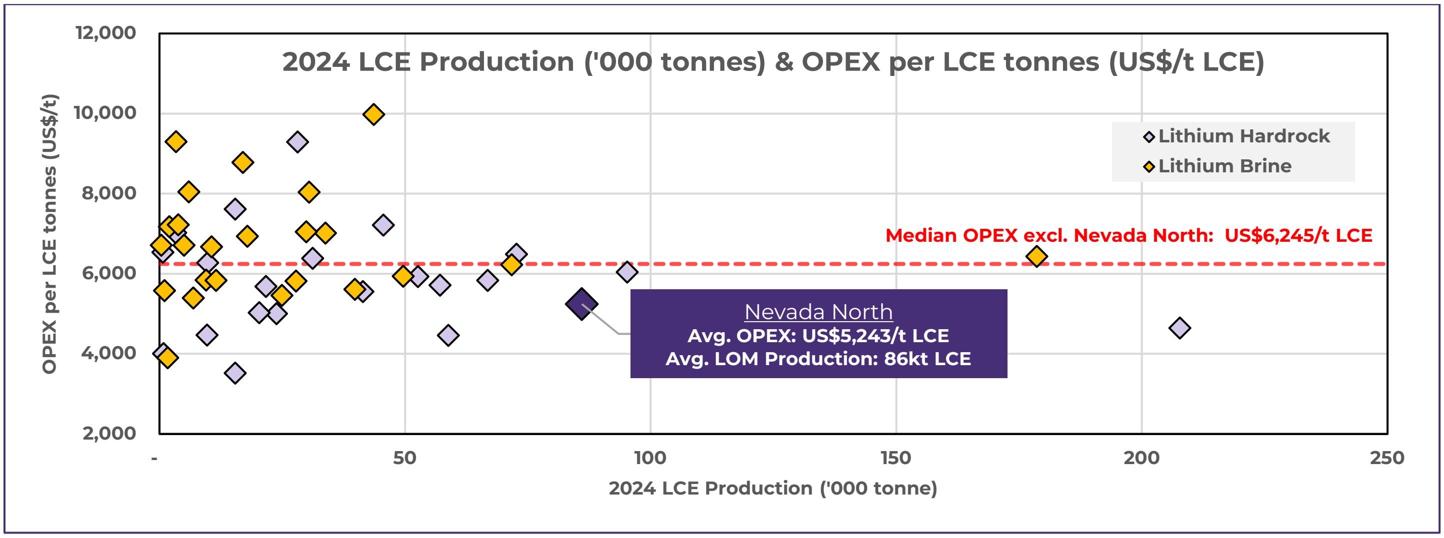

Figure 17. 2024 Lithium mine operating costs (not including royalty). We've added a nominal US$2,500/t LCE to hard rock mine Opex to account for the conversion of concentrate to a Lithium Carbonate product. *Source: 3L Capital Estimate & S&P Cap IQ (As of Mar 14, 2026).*

According to S&P Cap IQ consensus estimates, global lithium chemical supply is projected to grow steadily from 1.1Mt LCE in 2024 to over 3.1Mt LCE by 2035, representing a CAGR of 8.9%. The supply mix continues to be dominated by lithium brine and hardrock sources, growing at a CAGR of 9.9% and 7.6%, respectively, over the same period. While sedimentary lithium remains a small contributor, its role is expected to expand gradually, with its share of total supply rising from zero in 2024 to ~4% by 2035.

Mark Souvenir | MD Institutional Sales | (Mark@3L-capital.com) | 1 (647) 203 5226
Steven Therrien, P.Geo | Senior Mining Analyst | (Steven@3L-capital.com) | 1 (807) 252 2747
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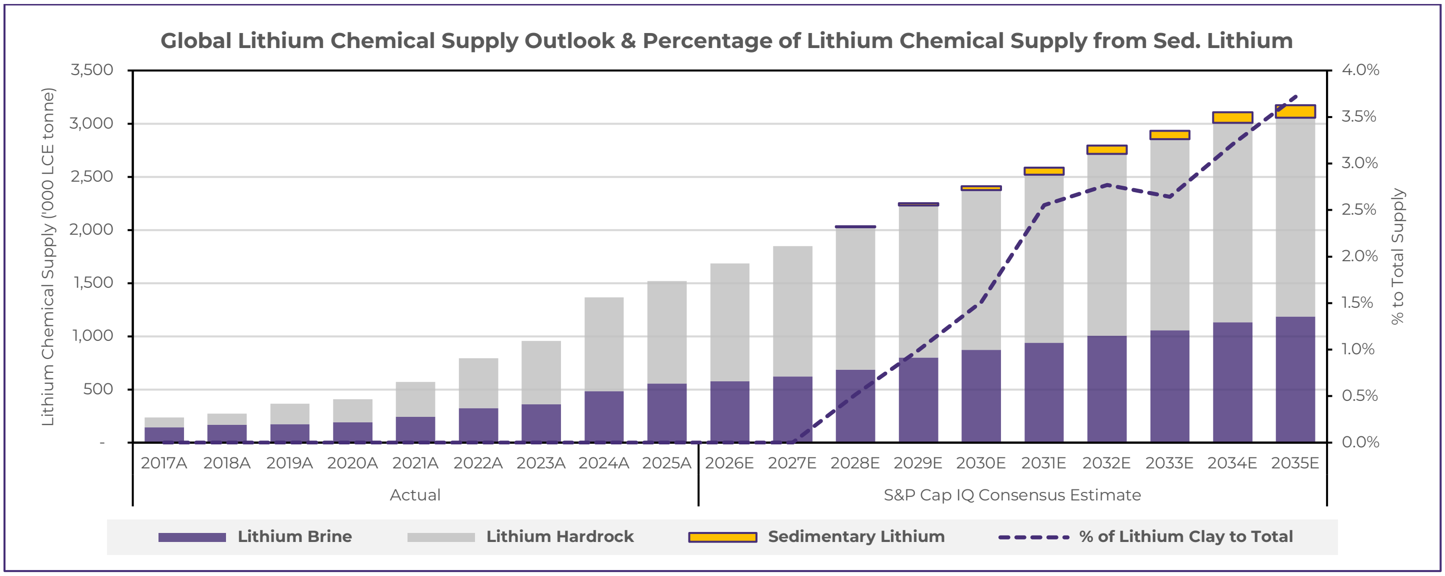

Figure 18. Actual and forecasted Lithium supply by source type. *Source: 3L Capital & S&P Cap IQ (As of Mar 14, 2026).*

S&P Cap IQ consensus estimates also highlight a growing structural imbalance in the lithium market, driven by increasing global demand. While the lithium chemical supply is expected to grow from 1.1Mt LCE in 2024 to 3.1Mt LCE by 2035, demand is projected to increase at an even faster pace, from 1Mt LCE to 3.6Mt LCE by 2035 or a CAGR of 10.7%, resulting in a shift from supply surplus to growing deficits. After peaking at an estimated surplus of 92kt LCE in 2026, the market is forecast to swing into deficit by 2032, widening sharply to a shortfall of 416kt LCE by 2035. This deepening supply gap underscores the need for new lithium projects like the NNLP. It points to upward pressure on lithium prices in the coming years, as supply struggles to keep pace with the accelerating demand.

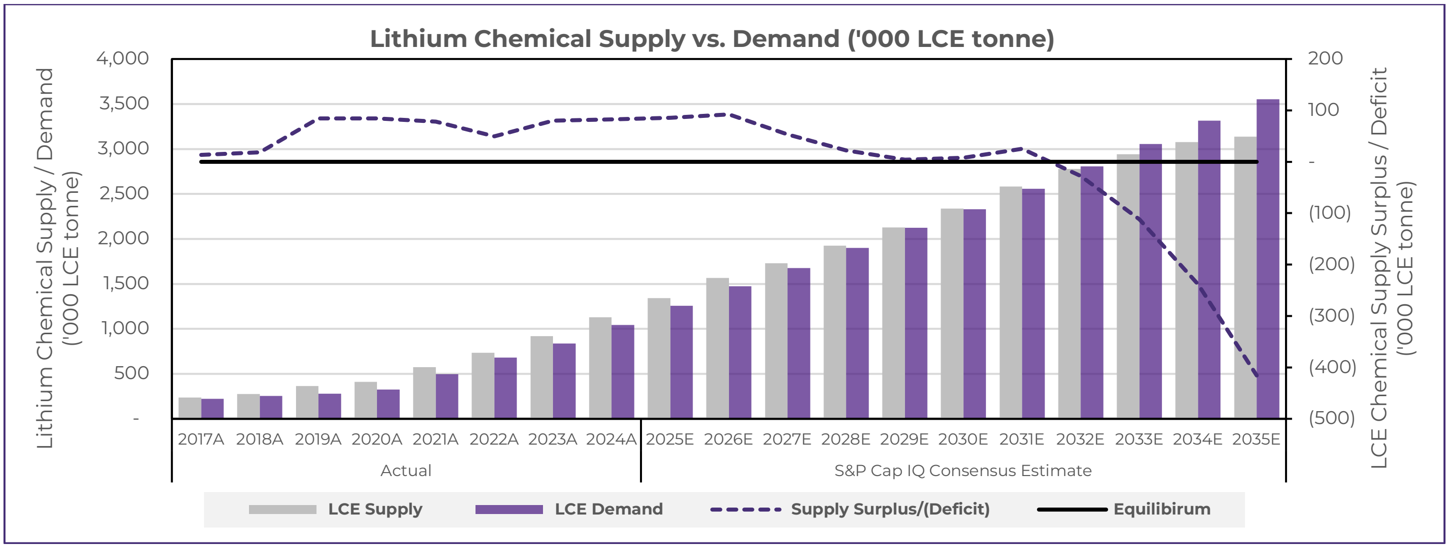

Figure 19. Actual and forecasted Lithium supply vs demand. *Source: 3L Capital & S&P Cap IQ (As of Mar 14, 2026).*

Consensus forecasts show a clear upward trend in lithium prices, rising from US$9,570/t LCE in 2025 to US$22,566/t LCE by 2035. This increase aligns with the projected structural supply deficit in the lithium market, driven by accelerating demand. Our modelling of the NNLP PEA suggests a breakeven price of US$11,276/t LCE using an 8% discount rate, with breakeven thresholds of US$12,645/t & US$9,516/t at 10% & 5% discount rates, respectively. These breakeven prices represent the minimum long-term pricing required to justify project development (i.e., 0 NPV with a 5%, 8%, or 10% IRR). With consensus prices forecast to exceed these breakeven levels after 2031 under all scenarios, the outlook supports positive project economics for NILI long term. We anticipate Nevada North to be in production in 2032/2033.

Mark Souvenir | MD Institutional Sales | (Mark@3L-capital.com) | 1 (647) 203 5226
Steven Therrien, P.Geo | Senior Mining Analyst | (Steven@3L-capital.com) | 1 (807) 252 2747
Micah Yuen | Associate | (Micah@3L-capital.com)

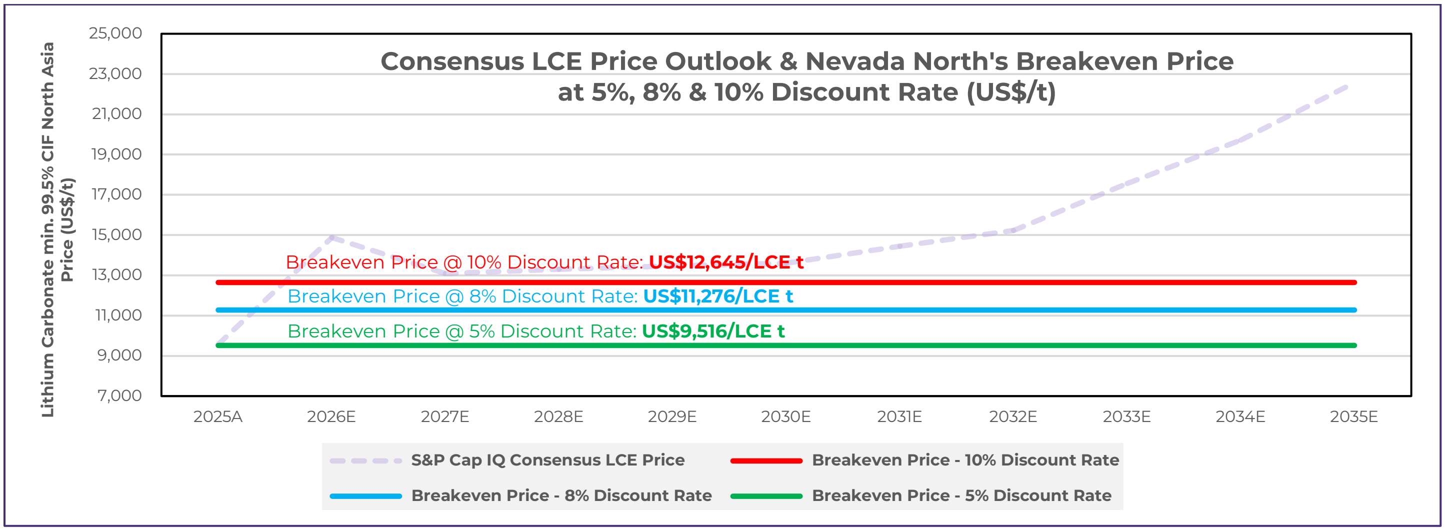

Figure 20. Consensus LCE price outlook and 3L Capital's calculated PEA breakeven LCE price for Nevada North. *Source: 3L Capital and S&P Cap IQ (As of Mar 14, 2026).*

Where Does Nevada North Fit in The U.S.'s Critical Mineral Strategy?

Amid escalating U.S.-China tensions, lithium has emerged as one of the most strategically important minerals the U.S. is seeking to source domestically. Despite accounting for less than 1% of global lithium production today, the U.S. possesses one of the world's largest lithium endowments, ranking fourth globally in reserves and first in resources according to the USGS. Much of this growth has been driven by the advancement of large sedimentary lithium deposits in Nevada, including projects such as Thacker Pass, Rhyolite Ridge and Nevada North. As one of the largest and highest-grade sedimentary lithium deposits in the United States, Nevada North is well-positioned to play an important role in the country's long-term critical minerals strategy.

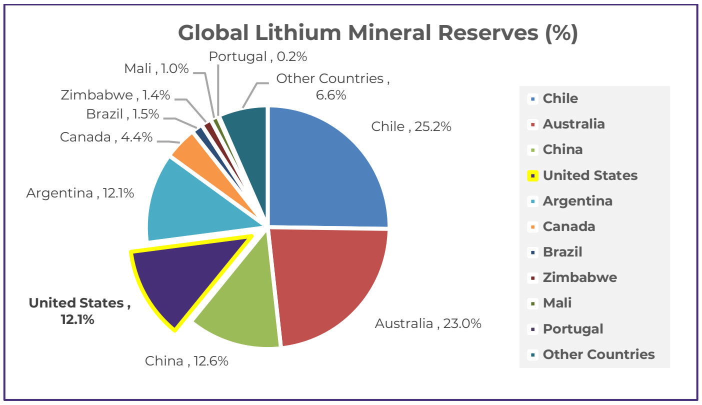

Figure 21. 2025 Global Li Reserves. *Source: 3L Capital & USGS.*

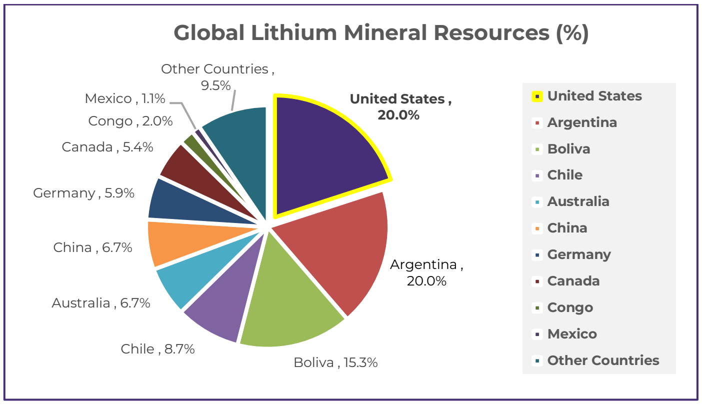

Figure 22. 2025 Global Li Resources. *Source: 3L Capital & USGS.*

The U.S. lithium project pipeline is broad & diverse, with projects spanning sediments, hardrock, brine & DLE sources concentrated primarily in the western U.S. (mainly in Nevada), yet most projects remain in the early stages. As of Oct 2025, of the 66 projects tracked by the Dallas Fed, 38 are still in the exploration stage & 9 are at the resource stage. However, a growing number are advancing through the technical study phases, with 4 at PEA, 2 at PFS and 7 at DFS, with only 1 currently in production (Silver Peak Mine) & 3 under construction (Thacker Pass Project (Sediment), East Texas Project (DLE) & Pennsylvania Project (DLE)). While the pipeline is still maturing, projects that have cleared technical studies & established resources are increasingly rare and increasingly valuable in the context of the U.S. sourcing its own domestic supply.

Mark Souvenir | MD Institutional Sales | (Mark@3L-capital.com) **|** 1 (647) 203 5226
Steven Therrien, P.Geo | Senior Mining Analyst | (Steven@3L-capital.com) **|** 1 (807) 252 2747
Micah Yuen | Associate | (Micah@3L-capital.com)

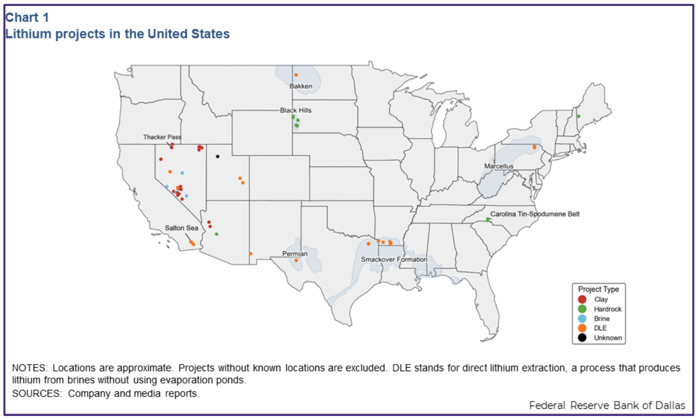

Figure 23. Lithium projects in the U.S. as of Oct 14, 2025. *Source: Dallas Fed.*

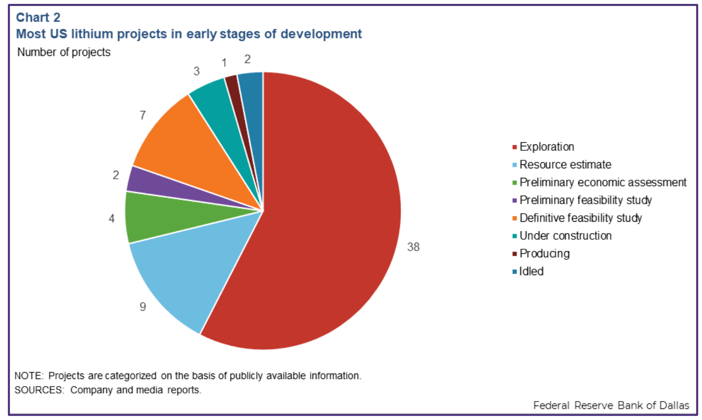

Figure 24. Lithium projects in the U.S. by stages of development as of Oct 14, 2025. *Source: Dallas Fed.*

Against this backdrop, among the 19 U.S. projects from publicly traded companies with available technical reports, Surge's NNLP stands out as one of the most compelling undeveloped lithium assets in the U.S. by resource size on 100% project basis, NNLP ranks as the 5th largest U.S. lithium project at 13.6Mt LCE MI&I, ahead of the majority of the other projects, and climbs to 2nd largest nationally by PEA inventory at 4.9Mt LCE, only behind Lithium America's Thacker Pass (14.2 Mt LCE), a project already under construction with over US$2B in U.S. federal backing.

What differentiates NNLP is its grade. Among all U.S. lithium sediment-hosted projects, NNLP boasts the highest lithium M+I resource grade at 3,007 ppm Li, ~19% above the next closest peer, Nevada Lithium's Bonnie Claire (2,528 ppm Li), and ~35% higher than Thacker Pass (2,230 ppm Li).

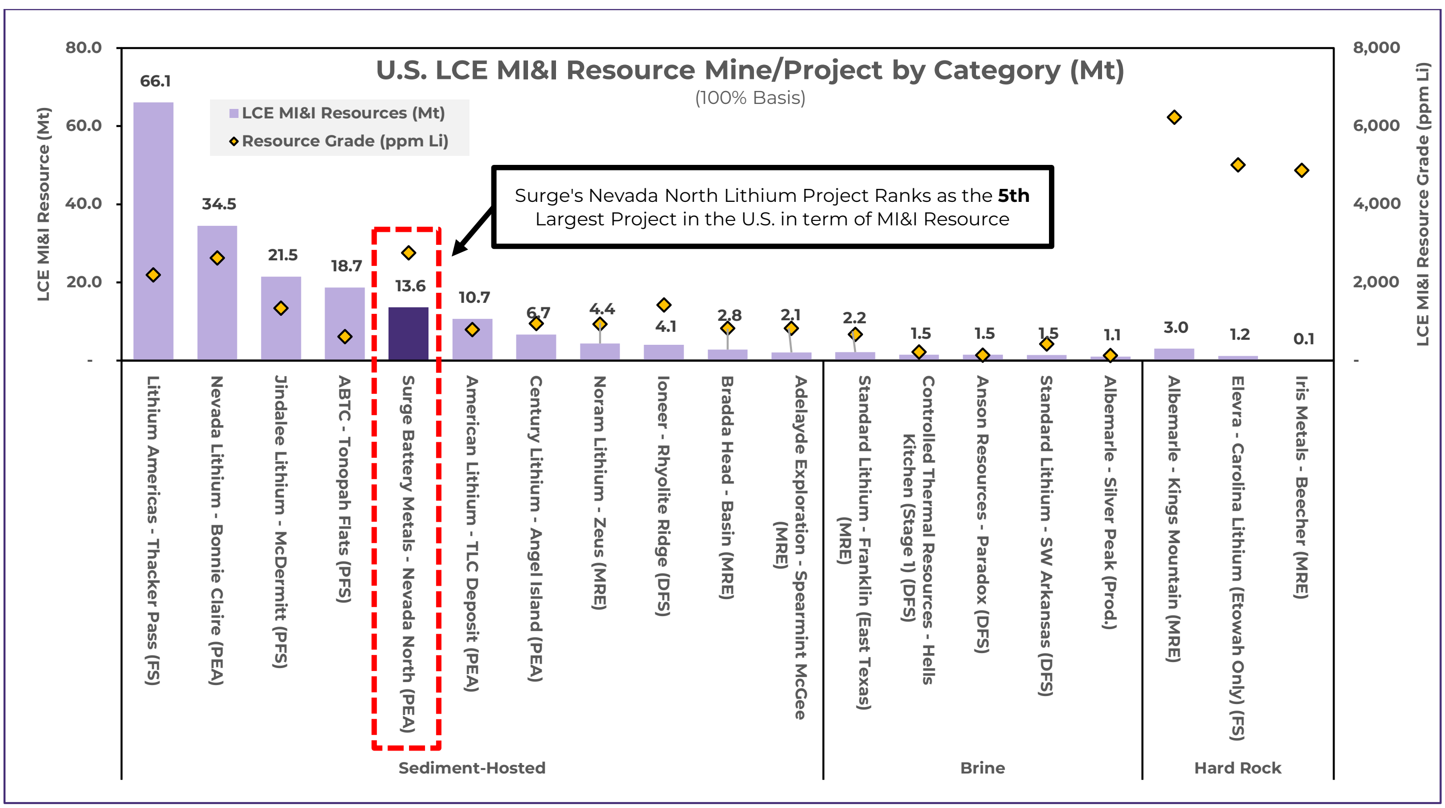

Figure 25. U.S. LCE M+I+I Resource mine/project by category. **List is not extensive* Source: NI43-101s & 3L Capital.*

Mark Souvenir | MD Institutional Sales | (Mark@3L-capital.com) | 1 (647) 203 5226
Steven Therrien, P.Geo | Senior Mining Analyst | (Steven@3L-capital.com) | 1 (807) 252 2747
Micah Yuen | Associate | (Micah@3L-capital.com)

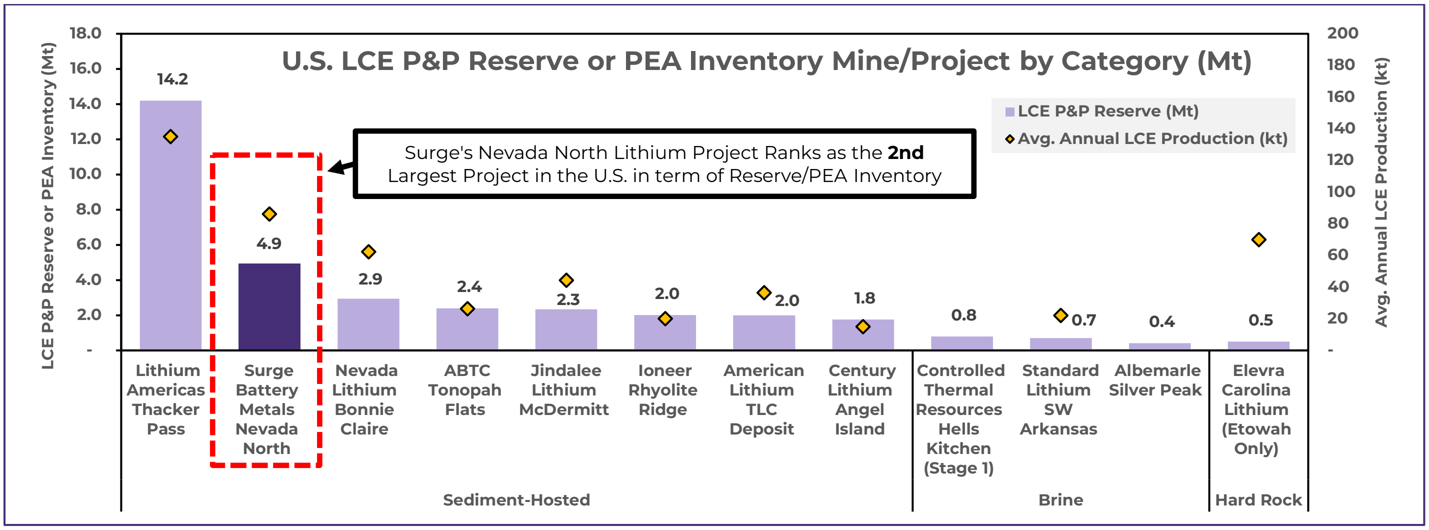

Figure 26. U.S. LCE reserve/PEA inventory mine/project by category. **List is not extensive* Source: NI43-101s & 3L Capital.*

Nevada North is strategically situated within the state of Nevada, one of the most battery-intensive industrial ecosystems in the U.S. At the heart of that ecosystem is Tesla's Gigafactory Nevada, the largest battery manufacturing facility in the country, which currently produces ~35 GWh of battery cells annually through its Panasonic partnership and is expanding with a new 100 GWh cell factory currently under construction. At full build-out, Tesla's Gigafactory alone would require an estimated ~119Kt of LCE annually for the combined ~135 GWh of planned capacity, based on an assumed lithium intensity of 52.8kg LCE per 60 kWh EV battery (~880t LCE/GWh; Lithium Americas). Beyond Nevada, Nevada North is also within regional reach of battery module manufacturers in neighbouring Utah, including Electric Power System & Fluence Energy, further broadening its potential future customer base. We believe NNLP's strategic location near one of North America's most concentrated centers of lithium demand provides Surge with a significant advantage, enhancing its strong economic and production profile.

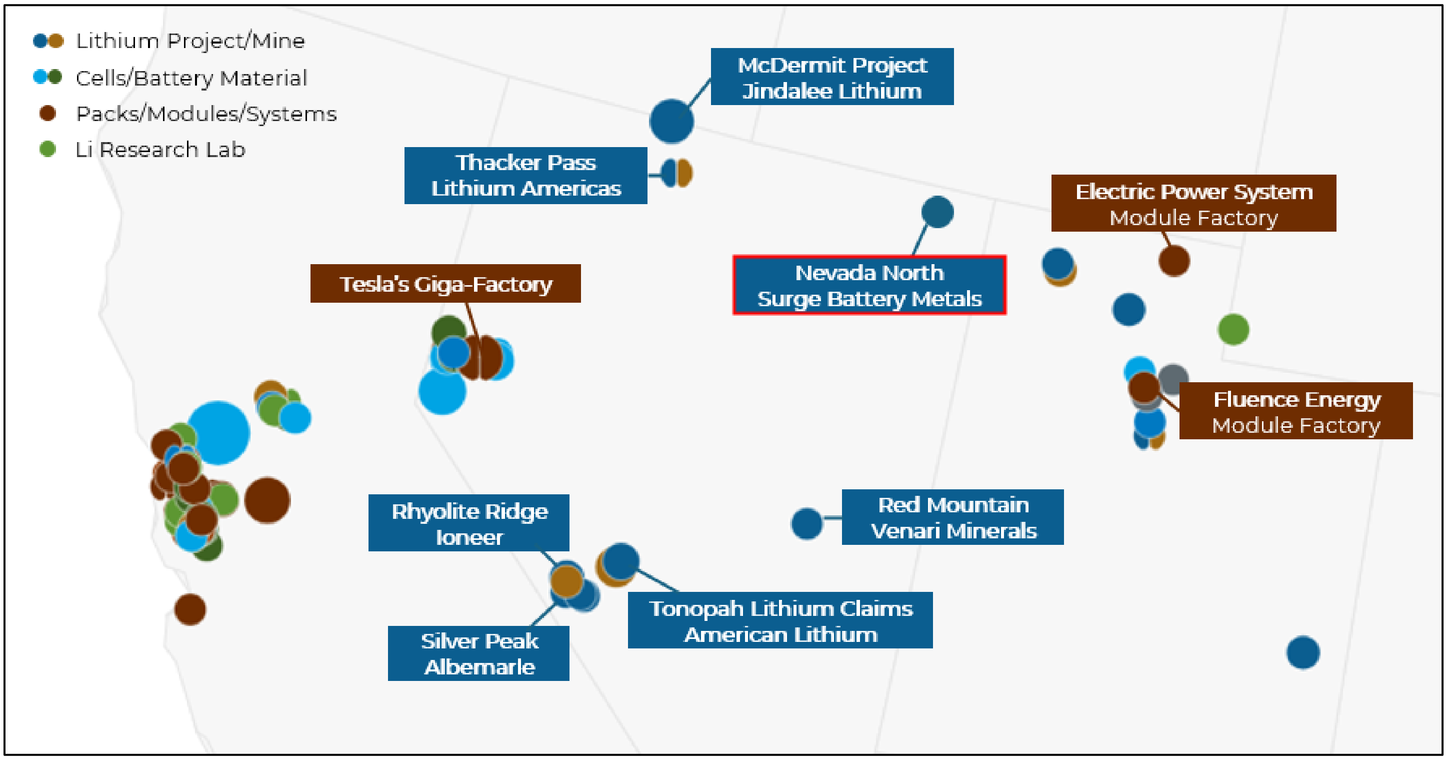

Figure 27. Map of SW U.S. lithium-ion battery supply chain. *Source: National Laboratory of the Rockies & 3L Capital.*

Mark Souvenir | MD Institutional Sales | (Mark@3L-capital.com) | 1 (647) 203 5226
Steven Therrien, P.Geo | Senior Mining Analyst | (Steven@3L-capital.com) | 1 (807) 252 2747
Micah Yuen | Associate | (Micah@3L-capital.com)

Given its scale, grade and strategic location, we believe Nevada North fits the profile of projects that have recently attracted U.S. government support. The U.S. has committed billions of dollars to domestic critical mineral development through agencies such as the DOE, DOD and EXIM Bank, including a US$2.26B DOE loan package for Lithium Americas' Thacker Pass project and a US$996M loan guarantee for Ioneer's Rhyolite Ridge project. While no such support has been announced for Nevada North yet, we believe the current policy environment represents a meaningful tailwind, and any future government funding would materially de-risk the project's path to construction and production.

Table 3. List of U.S. Government support for critical minerals. *Source: 3L Capital, Company Filings and Public News Releases.*

Company	Ticker	Metals	Date	Agency	Type	Amount (US$)	Commentary
Lithium Americas	LAC-CA	Lithium	Oct 2024; Restructured 2025	DOE (LPO)	Loan + Equity Warrants	**US$2.26B**	Thacker Pass lithium clay mine, Nevada. Restructured under Trump to include 5% equity warrants in LAC + 5% Thacker Pass JV interest; first $435M drawdown received 2025.
Ioneer	INR-AU	Lithium, Boron	Jan 2025	DOE (LPO)	Loan Guarantee	**US$996M**	Rhyolite Ridge, Esmeralda County, Nevada, finalized at Biden/Trump transition; second major Nevada lithium project to receive federal loan support; first production targeted 2028.
Perpetua Resources	PPTA-CA	Gold, Antimony	Multiple, 2025	DoD (DPA Title III) + EXIM	Grants + Proposed Loan	**US$80M+** (DoD) & **US$2.7B** (EXIM proposed)	Stibnite project, Idaho; only known US domestic antimony source; White House "Priority Project"; $59.2M DPA Title III + $6.9M TIA; groundbreaking Oct 2025; EXIM $2.7B advancing to Congressional notice Mar 2026.
MP Materials	MP-US	REE (NdPr, HREE)	Jul 2025	DoD (OSC)	Equity + Loan	**US$550M** ($400M equity + $150M loan)	Mountain Pass, CA, landmark first-ever direct DoD equity stake in a mining company (15% position); 10-yr NdPr price floor at US$110/kg; 10-yr magnet offtake; $150M OSC loan for heavy REE separation.
Vulcan Elements	Private	REE (Magnets)	Nov 2025	DoD (OSC) + DoC	Loan + Equity	**US$670M** ($620M OSC Loan + $50M DoC Equity)	Fully integrated domestic REE magnet supply chain — DoC took $50M equity position under CHIPS Act; part of US$1.4B PPP (incl. US$550M private capital + US$80M ReElement loan).
Graphite One	GPH-CA	Graphite	2025	EXIM	LOI	**US$2.1B** (US$670M Mine + US$1.4B Ohio Facility)	Two-part LOI for Graphite Creek mine (Alaska) and advanced manufacturing facility (Ohio), EXIM backing full mine-to-product domestic graphite supply chain.
Orion Critical Minerals Consortium	Private	Cobalt, Copper	Jan 2026	DFC	Equity / Debt	**US$600M** (DFC Portion of US$1.8B PPP)	US-backed consortium acquiring cobalt and copper assets in the DRC, US$1.8B PPP; DFC's US$600M counters China's 61% control of DRC cobalt production.

Permitting Pathway and Timeline to Final Investment Decision

In recent years, the U.S. government has made accelerating domestic critical mineral development a policy priority. President Trump's March 2025 Executive Order on domestic minerals reinforced the use of FAST-41, a federal framework designed to improve permitting transparency, interagency coordination and schedule certainty for strategically important projects. In 2025, ABTC's Tonopah Flats and Century Lithium's Angel Island lithium projects were added to the FAST-41 permitting dashboard, highlighting growing federal support for domestic lithium development. While outcomes vary by project, FAST-41 participation has been estimated to reduce permitting timelines by ~20%.

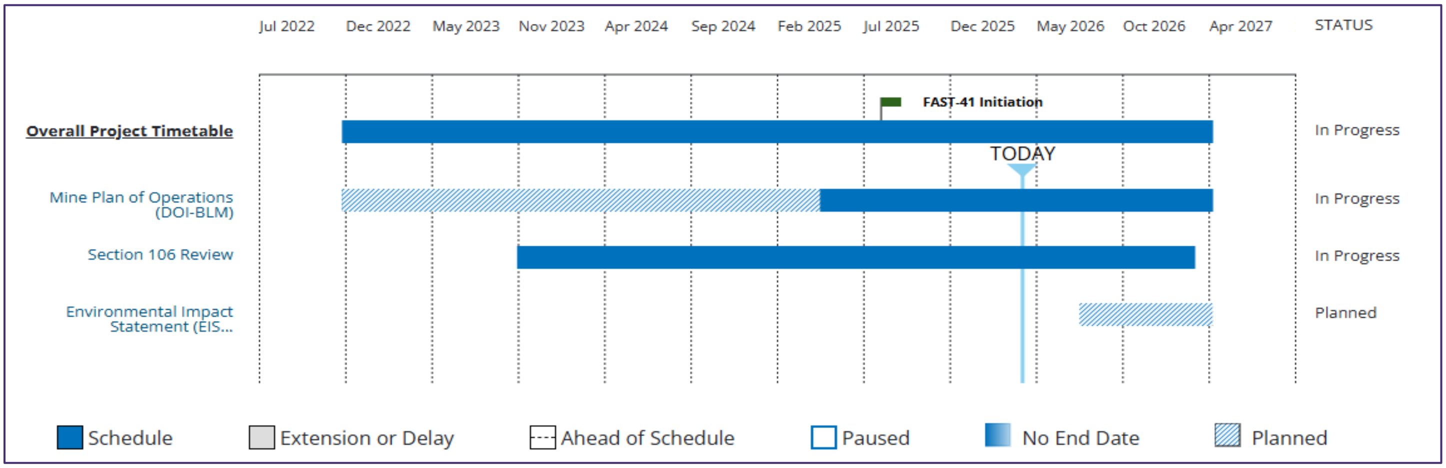

Figure 28. Sample permitting timeline: ABTC's Tonopah Project. *Source: Permitting Dashboard Federal Infrastructure Project.*

Nevada North's resources are located on a combination of private and BLM-administered lands, meaning the project will require federal permitting approvals as it advances toward development. Although Nevada North has not yet begun the formal mine permitting process or applied for FAST-41 coverage, the ongoing PFS helps lay the technical groundwork for future permitting efforts. Given the project's scale, grade, strategic location and potential importance to U.S. critical mineral supply chains, we believe future inclusion under FAST-41 or similar federal initiatives is a reasonable possibility. Surge's current guidance contemplates a positive Record of Decision and Final Investment Decision in 2029.

Mark Souvenir | MD Institutional Sales | (Mark@3L-capital.com) | 1 (647) 203 5226
Steven Therrien, P.Geo | Senior Mining Analyst | (Steven@3L-capital.com) | 1 (807) 252 2747
Micah Yuen | Associate | (Micah@3L-capital.com)

Figure 29. Nevada North development timeline. *Source: Surge Battery Metals website.*

While permitting remains one of the key risks facing any major U.S. mining project, we believe the evolving policy environment, recent Nevada lithium precedents (Thacker Pass and Rhyolite Ridge receiving permits) and potential access to federal permitting initiatives provide a favourable backdrop as Nevada North advances toward development. Securing FAST-41 coverage would represent a meaningful de-risking milestone and could improve confidence in the project's development timeline.

Valuation & Upside

Our valuation for Surge Battery Metals incorporates a discounted cash flow model, largely based on the PEA, and additionally factors in new information from the MRE and some of our own assumptions. The DCF drives the majority of our calculated NAV; however, the breakdown of funding sources and future ownership also has a large impact. In our valuation model, we assume Surge follows the path outlined in the PEA, meaning over US$5B of Capex will be required as the Phase 2 expansion occurs immediately after Phase 1/initial construction. Phase 1 initial Capex is US$2.97B, and Phase 2 is US$2.35B.

Funding Sources

With potential government support as a cornerstone, we outline a hypothetical funding stack for NNLP's US$5.0B of the US$5.3B Phase 1/2 development Capex. Development Capex is anchored by an estimated US$3.0B U.S. government loan (of which Gov. gains 5% Surge's ownership as part of the loan deal and later, 5% of the NNLP JV), which is consistent with the scale of support extended to comparable Nevada sedimentary lithium projects (e.g. Lithium America's Thacker Pass & Ioneer's Rhyolite Ridge). We estimate a further US$750M investment from a potential strategic partner (e.g. automaker, chemical company or battery manufacturer) in exchange for 25% ownership of the NNLP JV. Together, these would bring Surge's ownership down from 67.5% (post-evolution's PFS funding) to ~48%. The remaining US$1.25B of Capex would be split pro rata between Surge (US$633M) & Evolution Mining and the New Strategic Partner (US$617M), with Surge's portion funded through a mix of proceeds from a potential royalty deal & an equity raise. We estimate that at a 2% GORR & long-term LCE price of US$20,000/t LCE, a royalty deal could generate US$110M in upfront proceeds, implying ~15% IRR for the royalty company, consistent with typical royalty return thresholds, while having minimal impact on NNLP's project NPV.

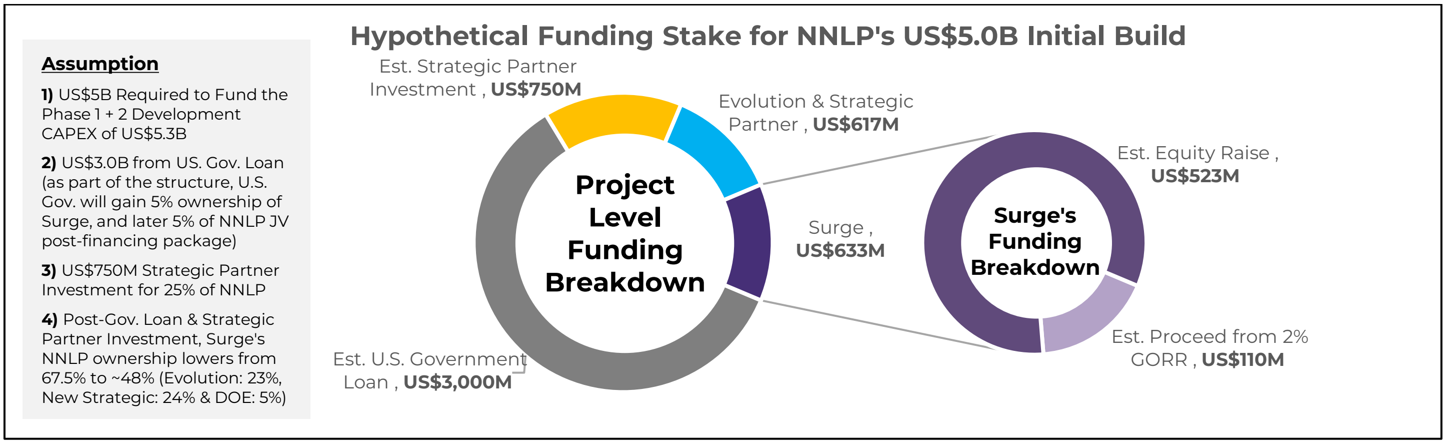

Figure 30. Hypothetical funding for NNLP's initial Phase 1 and Phase 2 US$5B capital requirement. *Source: 3L Capital.*

Before construction, Surge needs to fund the multi-year path to a final investment decision, encompassing completion of the PFS, further engineering test work, a full feasibility study, environmental permitting & ongoing resource delineation. We estimate the total JV-level pre-construction spend at ~C$80M, of which Surge's 67.5% (post-Evolution JV funding) pro rata share is ~C$54M. Surge is well-positioned to meet this near-term requirement, with ~C$74M in estimated cash, which includes a fully subscribed & upsized financing of C$36M announced in Jun 2026 & ~C$9.5M of recent warrant proceeds, providing sufficient liquidity to cover Surge's pre-construction spend, including further derisking and permitting activities. Additional capital could also be realized from outstanding options & warrants, totalling ~C$100M if fully exercised. We assume ~80% of these outstanding options & warrants will be exercised, generating ~C$81M of additional proceeds.

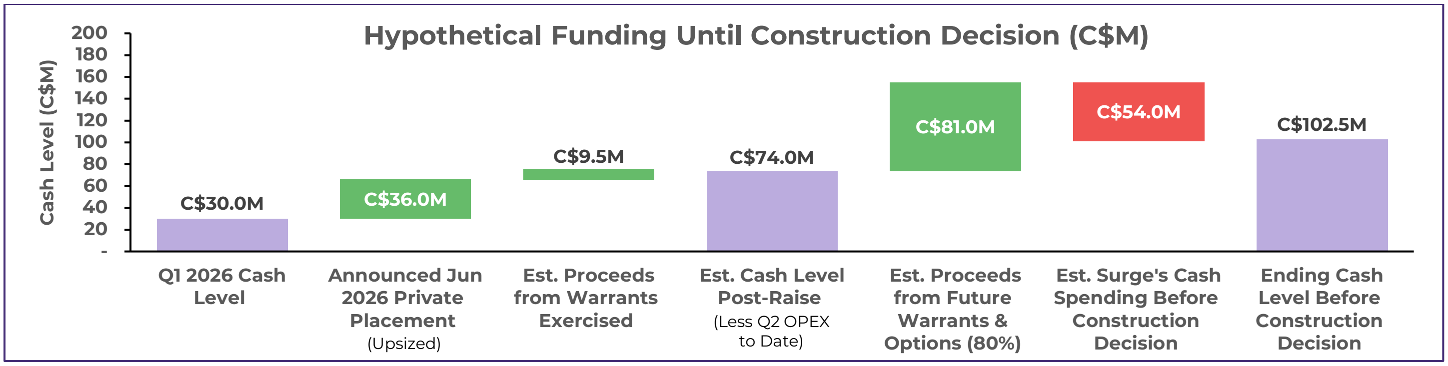

Figure 31. Hypothetical funding until NNLP's construction decision. Assuming ~C$80M of spending at JV level required until a construction decision, of which Surge's 67.5% ownership equates to ~C$54M. *Source: 3L Capital.*

Surge Valuation

We provide a summary of our main assumptions used in calculating Surge Battery Metals' Net Asset Value below.

- Base case long-term LCE price of US$18,500/t LCE, with an included upside case at US$24,000/t LCE long-term
- 3L estimated PFS ore tonnage increased from the PEA's 205 Mt and 4.37Mt LCE contained to 224 Mt (+9%) and 4.84Mt (+11%) contained, reflecting +21% growth in M+I+I LCE resources from the May 2026 MRE update and an initial 10.5Mt LCE in M&I categories
    - We have only modelled 45yrs of LOM, but believe this could extend much longer and therefore have assigned a value of US$15/t for resources outside of our modelled mine plan (Lithium Americas = US$30/t M+I+I LCE for reference)
    - We did not model any additional phased expansions to increase throughput like Thacker Pass, but believe this represents an opportunity to further increase production to levels similar to or higher than Thacker
- Estimated lithium grade is revised upward from the PEA's 4,017 ppm Li to 4,055 ppm Li (+1%), and average annual production increased from 86Ktpa LCE to 91Ktpa LCE (+5%). Throughput as per PEA & initial production in 2033.

Mark Souvenir | MD Institutional Sales | (Mark@3L-capital.com) | 1 (647) 203 5226
Steven Therrien, P.Geo | Senior Mining Analyst | (Steven@3L-capital.com) | 1 (807) 252 2747
Micah Yuen | Associate | (Micah@3L-capital.com)

- Initial and Sustaining Capex as sequenced and proposed in the PEA, with expected 2nd or 3rd mover Capex savings offsetting inflationary pressures. Construction to begin in Q4 2029/Q1 2030.
- Unit Opex increased from the PEA's US$5,243/t to US$5,635/t LCE (+7.5%), reflecting expected inflation as well as introducing conservatism until additional test work is publicly reported confirming study assumptions.
- Project financing: US$3B DOE government loan, & US$750M investment from a strategic partner for 25% project level ownership, reducing Surge's effective NNLP ownership to 50.6% and Evolution's ownership to 24.4%.
    - US Gov. acquires 5% ownership in Surge and 5% ownership in JV, post construction. This further reduces Surge's project ownership to 48.1%, Evolutions to 23.15%, and the conceptual Strategic Partner to 23.75%.
- US$1.25B to be raised by Surge (US$633M) and Evolution Mining (US$305M) and strategic partner (US$312M).
    - For Surge, the US$633M is raised by issuing a 2% GORR for US$110M and raising US$523M through equity.
    - Evolution and strategic partner's Capex portion is funded by cash.
- 10yrs of corporate G&A at C$5M per annum, interest on loans & financing fees on equity are deducted from NAV.
- We assume 80% of existing/future warrants & options are exercised, bringing in ~C$81M to Surge's treasury.

Our modelled attributable NNLP8% NPV for Surge in our base case US$18,500/t LCE scenario is C$2,326M and a total NAV of C$3,221M (C$5.24/sh), while in our upside US$24,000/t LCE scenario, NPV is C$4,296M and total NAV is C$5,190M (C$8.44/sh). On a fully funded and fully diluted P/NAV basis, Surge trades at a 0.14x P/NAV at US$18,500/t LCE and at 0.09x P/NAV at US$24,000/t LCE.

Table 4. Surge Battery Metals - 3L NAV summary. *Source: 3L Capital.*

	Base: US$18,500 LCE		Upside: US$24,000 LCE	
Nevada North DCF (48%) (C$M)	NPV8%-18,500 LCE	**$2,326**	NPV8%-24,000 LCE	**$4,296**
Resource Outside of Mine Plan (48%) (C$M)	4.23Mt LCE @ US$15/t	**$86**	4.23Mt LCE @ US$15/t	**$86**
Est. Cash (C$M)	Current + Jun 2026 Financing	**$74**	Current + Jun 2026 Financing	**$74**
Debt (C$M)	Current	**$0**	Current	**$0**
Corporate G&A (C$M)	10 Years	**($50)**	10 Years	**($50)**
Proceeds from Future Warrants & Options (C$M)	80% Exercised	**$81**	80% Exercised	**$81**
Proceeds from Future 2% GORR Sales (C$M)	2% GORR	**$149**	2% GORR	**$149**
Construction Equity Proceeds (C$M)		**$706**		**$706**
Financing Fees & Interest Payments (C$M)	6% IR + 4% on Eqt. Rse	**($151)**	6% IR + 4% on Eqt. Rse	**($151)**
Total NAV (C$M)		**$3,221**		**$5,190**
Est. Shares Outstanding (M)	Current + Jun 2026 Financing	**311**	Current + Jun 2026 Financing	**311**
Options/Warrants (M)	80% Exercised	**108**	80% Exercised	**108**
PSU/RSU		**14**		**14**
Construction Equity Issue 1 (M)	Shares at C$4.25/sh	**83**	Shares at C$4.25/sh	**83**
Construction Equity Issue 2 (M)	Shares at C$5.25/sh	**67**	Shares at C$5.25/sh	**67**
Shares to DOE as Part of Loan Package	5% of Surge at C$5.25/sh	**31**	5% of Surge at C$5.25/sh	**31**
Fully Financed & Diluted Share Count (M)		**615**		**615**
Total NAVPS FD (C$)		**$5.24**		**$8.44**
Surge Battery Metals Share Price (C$)	Current	**$0.72**	Current	**$0.72**
Price / NAV		**0.14x**		**0.09x**

***$1.00 USD = $1.35 CAD**
****Cash & Share Outstanding based on FQ1 2026 Financial and C$36M Jun 2026 Financing.**
*****3L NPV8% at 2033 production start of US$4.84B (C$6.54B) using US$18,500/t LCE (48% ownership)**

For informational purposes, we modelled a conceptual scenario that excludes Phase 2, resulting in ~US$3B in Capex and production of ~45Ktpa LCE over an initial 45 years at 4,388 ppm Li. We assumed a US$2.5B government loan (Same 5% equity and 5% JV ownership as above), a 2% GORR sale and US$700M in equity raised between Surge and Evolution (Surge US$449M and Evolution US$251M). This scenario does not include a strategic partner taking an ownership stake in the project. Our NAVPS in both the US$18,500 & US$24,000/t LCE scenarios were nearly equal to that presented above.

We also acknowledge a third scenario, which we did not model, could involve pushing Phase 2 later in the mine life and funding the expansion through existing cash flow. In this scenario, Phase 2 Capex spend might not occur until year 4 or 5 of the LOM. Production would be lower upfront (i.e., 40-50ktpa LCE for 5-7 years) before increasing to the 80-100ktpa range. Conceptually, Surge's ownership in this scenario would remain higher than what we have modelled, as they would require less debt. They should also require less equity dilution in this scenario. As the PFS progresses and we receive more updates, this could be a scenario we end up modelling down the road.

Mark Souvenir | MD Institutional Sales | (Mark@3L-capital.com) **|** 1 (647) 203 5226
Steven Therrien, P.Geo | Senior Mining Analyst | (Steven@3L-capital.com) **|** 1 (807) 252 2747
Micah Yuen | Associate | (Micah@3L-capital.com)

Upside to Current Valuation

We believe Surge remains undervalued in the sedimentary lithium developer space, trading at a meaningful discount to peers across different valuation metrics. As the project advances through the PFS, reserve conversion, and ultimately toward a construction decision, we expect the valuation gap to narrow materially. We also believe that the entire sedimentary-hosted lithium space could see a boost in valuations (i.e., EV/LCE, P/NAV, etc.) towards those of hard-rock spodumene deposits if/when Thacker Pass comes online & proves the commercial viability of sedimentary lithium.

On an EV/Reserve or PEA LCE attributable inventory basis, Surge trades at US$36.0/t LCE against a peer average of US$67.5/t LCE, implying 87% upside to the group mean. On an EV/resource basis, Surge trades at US$11.6/t LCE against a sedimentary lithium developer average of US$23.2/t LCE, implying 100% upside to reach the peer average. Lithium Americas, the most advanced and largest sedimentary lithium developer in the peer group, trades at US$28.1/t LCE on a resource basis and US$129.9/t LCE on a reserve basis. As Surge advances toward construction, we believe it will move closer to Lithium Americas' EV/resource & reserve multiples, implying upside of 140%+ if reached.

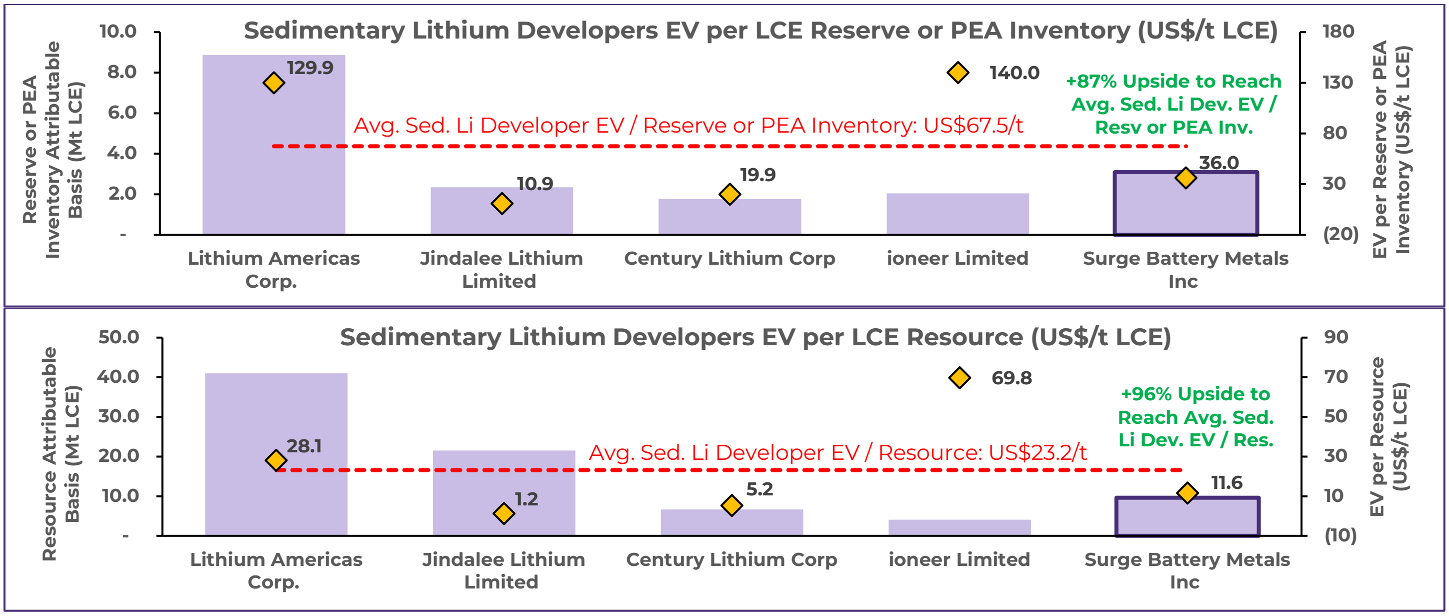

Figure 32. Advanced sedimentary lithium developers' reserve or PEA inventory and resource size (attributable basis) and EV per LCE reserve or PEA inventory and resource as of June 9, 2026. *Source: FactSet and 3L Capital.*

On a P/NAV basis, Surge currently trades at 0.14x, a significant discount to both the sedimentary lithium developer consensus P/NAV average of 0.37x and Lithium Americas' 0.96x. For Surge to re-rate to the peer average would imply 168% upside, and 585% to reach Lithium Americas' multiple (Base case). We expect Surge's valuation multiples to approach those of Ioneer or Lithium Americas as the project advances.

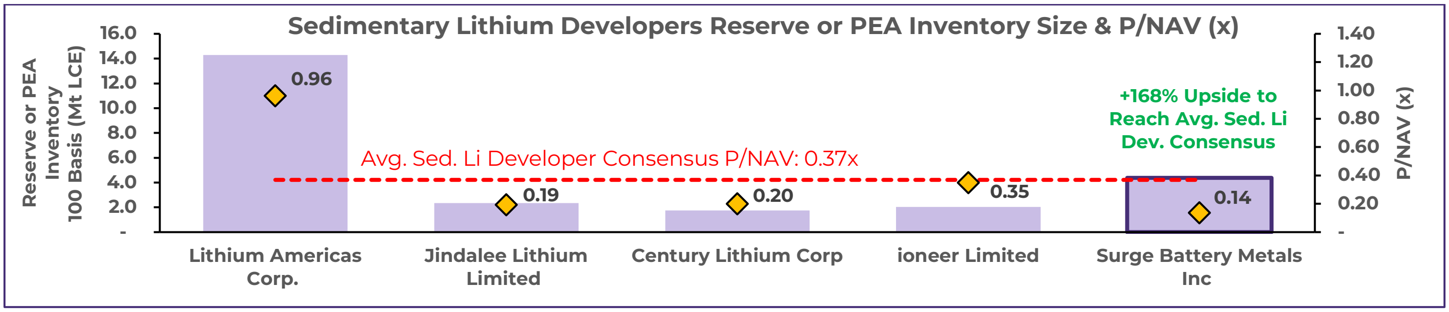

Figure 33. Advanced sedimentary lithium developers' reserve or PEA inventory size (100% basis) and FactSet consensus P/NAV as of June 9, 2026. Surge Battery Metals P/NAV calculated by 3L Capital. *Source: FactSet and 3L Capital.*

Mark Souvenir | MD Institutional Sales | (Mark@3L-capital.com) **|** 1 (647) 203 5226
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Management

Greg Reimer - President & CEO - Director
An accomplished leader and former Executive VP of Transmission and Distribution at BC Hydro, where he managed $5.5 billion in annual revenue. Greg previously served as BC's Deputy Minister of Energy and Mines. He brings a proven track record in organizational transformation, energy policy, and governance from numerous corporate and industry boards.

Steffen Ball - Vice President, Commercial Development
An accomplished technical and commercial strategist, Mr. Ball brings extensive expertise in critical minerals supply chains. He previously held senior roles at Nissan North America and Ford Motor Company, where he spearheaded global battery raw material sourcing. With a background in mine-site operations and a Geology degree from the Colorado School of Mines, he excels at leveraging industry relationships to drive assets toward production.

Daniel Chafetz - Vice President, Project Development
Mr. Chafetz is a Certified Professional Geologist (CPG) serving as the operational lead for the Nevada North Lithium Project from discovery through the current Pre-Feasibility Study (PFS). He directs the integrated technical team, ensuring geological data, mine planning, engineering, and permitting remain aligned with budgets and timelines. He previously held key technical roles at Ioneer's Rhyolite Ridge Lithium-Boron Project, Pure Energy Minerals in Clayton Valley, and Lithium One at Salar del Hombre Muerto in Argentina. He is the founder of Apex Consultants LLC and holds an M.S. in Geochemistry from the University of Nevada, Reno.

Tu Lieu - Chief Financial Officer
A designated CPA with nearly 20 years of experience in senior financial leadership and accounting. He has a proven track record in financial planning, reporting, and cash flow management, previously serving as a financial controller and FP&A manager. Most recently, he held the position of VP of Finance at Surge and Nevada North, where he led audit compliance and strategic budgeting within the resource sector.

Michael Harris - Vice President, Corporate Development
A strategic leader overseeing corporate strategy, capital markets, and strategic partnerships for the Nevada North Lithium Project. With a background in construction-focused financial services and structured lending, he specializes in project finance, joint venture structuring, and institutional engagement. He is instrumental in aligning project advancement with U.S. critical minerals policy and domestic supply chain priorities.

Alan Morris - Geological Advisor
A Certified Professional Geologist with over 37 years of experience in the minerals industry. Mr. Morris specializes in lithium deposits within Nevada and is the owner of Ruby Mountain GIS. His expertise focuses on property evaluations, acquisitions, and the technical assessment of lithium-bearing geological formations.

Brian Morrison - Corporate Secretary
An experienced corporate administrator with a deep background in financial services and public company governance. Following his tenure as an account manager with Computershare Investor Services, he has served as a specialized consultant for publicly traded issuers since 2008. He brings extensive expertise in corporate trust, regulatory compliance, and financial oversight, having served as a director and CFO for various public entities.

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Directors

Greg Reimer - President & CEO - Director
As described above.

Graham Harris - Chairman - Director
Mr. Harris brings four decades of financial expertise and a history of significant exits to his role as Senior VP of Capital Markets for Millennial Potash Corp. Notably, he was the founder and Chair of Millennial Lithium Corp. (acquired for $490M) and a founding director of both Millennial Potash and M2 Cobalt. With over $400 million in capital raised and a background in senior management at Canaccord Genuity, Mr. Harris has been instrumental in growing his ventures to a combined market capitalization exceeding $1 Billion.

Iain Scarr - Director
As the founder of IMEX Consultants, Mr. Scarr brings over 30 years of experience from Rio Tinto, where he served as Commercial Director and VP of Exploration. A veteran of the lithium sector, he successfully guided three major lithium projects in Argentina from the discovery stage through to feasibility and acquisition.

Dr. Vijay Mehta - Director
A world-renowned expert in lithium extraction with a PhD in flotation technology, Dr. Mehta brings 50 years of industry experience. He holds 12 U.S. patents and has consulted for the global "who's who" of lithium mining. He specializes in the technological and economic feasibility of battery-grade lithium brine processing and production.

Richard Weech - Director
Mr. Weech is an executive professional with a 35yr record of leading and contributing to high-achieving organizations delivering superior results in a variety of diverse leadership, financial, and operating roles in public and private businesses. He has extensive experience in leading and building businesses, developing people, raising capital, strategic planning, business development, joint venture structuring and risk management. Before retiring in 2022, Mr. Weech led the Berkshire Hathaway Energy subsidiaries, BHE Investments and BHE Renewables, from 2014 to July 2022, driving significant asset and financial growth, including developing and evaluating lithium extraction opportunities. Mr. Weech holds the CA, CPA, CFA professional designations and graduated with a Bachelor of Commerce with Distinction from the University of Alberta.

Owen Taylor - Director
A recently retired Senior Partner at PwC Canada, Mr. Taylor served as the National Leader for the Government and Public Sector practice. With 35 years of experience in regulatory and commercial advisory, he is the founder of Parker Strategies Ltd, providing strategic negotiation services for large-scale, complex corporate transactions.

Strategic Advisors

Brian Paes-Braga - Strategic Advisor
Brian Paes-Braga is a Canadian entrepreneur and merchant banking executive with a track record of building and capitalizing high-growth resource companies. He was the Founder and CEO of Lithium X Energy Corp., which raised over $50 million and was acquired in an all-cash transaction for $265 million within 2.5 years of founding. Since 2015, Mr. Paes-Braga has been involved in over $2 billion in growth equity financings and more than $10 billion in market value creation across mining, energy, and technology. He is Managing Partner at SAF Group and Head of SAF Capital Partners, a structured credit and merchant banking firm, and is also the Founder, Chairman & CEO of The Metals Royalty Company (Nasdaq: TMCR), a critical minerals royalty company, and Executive Chairman of NG Energy International (TSX: GASX).

Michael Hess - Strategic Advisor
Michael Hess is an experienced investor and operator with a focus on the U.S. energy supply chain, bringing over 15 years of expertise evaluating, financing, and developing energy infrastructure, logistics, and services businesses. He began his career in the energy groups at Goldman Sachs and KKR before co-founding the Bison Companies, where he leads strategy, finance, and business development across a portfolio spanning oil and gas development, water infrastructure, and payments for the U.S. energy supply chain. Mr. Hess serves as Chief Investment Officer of Hess Capital, the private and public investment arm of the Hess family, serves as Co-Chairman of The Metals Royalty Company (Nasdaq: TMCR), and sits on the board of TMC The Metals Company (Nasdaq: TMC).

Risks

Lithium Price: The project's economics are highly sensitive to lithium prices. A sustained decline in lithium carbonate prices could materially reduce future cash flows, lower the project's NPV and IRR, and negatively impact its ability to attract financing or strategic investment. Based on current economic studies, we estimate the project generates a negative NPV at lithium carbonate prices below ~US$10,000/t LCE, highlighting the importance of a supportive long-term lithium pricing environment to justify development.

Table 5. 2025 Nevada North PEA sensitivity analysis. *Source: Surge Battery Metals website.*

Sensitivity ($)/t LCE	$15,000	$18,000	$21,000	Base Case $24,000	$27,000	$30,000	$33,000
Post-tax $NPV_{8\%}$ (millions)	2,792	4,983	7,099	9,214	11,314	13,354	15,394
Post-tax IRR (%)	13.0%	16.6%	19.8%	22.8%	25.7%	28.2%	30.6%

Thacker Pass Dependency Risk: As the first lithium clay project in NA to reach commercial production, Thacker Pass will serve as an important benchmark for the broader sedimentary lithium sector. Nevada North shares several key characteristics with Thacker Pass, including large-scale open-pit mining of lithium-bearing claystones and the use of hydrometallurgical processing to produce battery-grade lithium carbonate. Material operational, metallurgical, or economic challenges at Thacker Pass could negatively impact investor confidence in sedimentary lithium projects more broadly. Such outcomes may increase market skepticism about the scalability, recoveries, operating costs, and long-term viability of lithium clay extraction, potentially affecting Nili's valuation and its ability to attract financing, regardless of its technical merits.

Processing / Metallurgical Risk: Nevada North's economic viability depends on the successful commercial-scale extraction of lithium from claystone, a deposit type with limited operating precedent globally. There is a risk that future metallurgical testing will show lower lithium recoveries than the 82.8% assumed in the PEA, higher reagent consumption, or more complex clay handling and dewatering requirements. Such outcomes could increase capital and operating costs, reduce lithium production, and negatively impact overall project economics. While test work has demonstrated the ability to produce battery-grade lithium carbonate, further optimization and scale-up work will be required to confirm the process flowsheet and commercial performance assumptions.

Water Rights: In our view, water supply represents one of the more important outstanding development considerations for Nevada North. The PEA contemplates total water requirements of approximately 6,420 AFA at full build-out, consisting of 3,458 AFA for Phase 1 and an additional 2,961 AFA for Phase 2. To date, the company has applied for a portion of the PEA's anticipated water needs, and additional water rights acquisitions, leases, or approvals will likely be required to support the full development scenario outlined in the PEA. We think that 3,458 AFA for Phase 1 can be reduced by optimization, potentially bringing the requirement down to 2,500-3,000 AFA. While we believe there are potential pathways to secure additional supply over time, the availability, timing, and cost of obtaining sufficient water rights remain important factors that could influence the project's ultimate scale and development timeline.

Financing Risk: Nevada North is a large-scale development project that could require several billion dollars of capital to advance through feasibility, permitting, construction, and commissioning. While management may ultimately seek to fund development through a combination of strategic partnerships, government-backed debt, project financing, royalties, streams, and equity, there is no assurance that sufficient capital will be available on acceptable terms, or at all. Failure to secure funding could delay development, result in material shareholder dilution, require the sale of project interests, or negatively impact the project's economics and overall value to shareholders.

Capital and Operating Cost Risk: There is a risk that future engineering studies identify higher capital and operating costs than currently estimated due to inflationary pressures, labour shortages, equipment pricing, energy costs, reagent consumption/availability, infrastructure requirements, or changes to the project design. Material increases in capital expenditures or operating costs could reduce project returns, lower the project's NPV and IRR, extend payback periods, and negatively affect the project's overall economic viability.

Resource / Geological Modelling Risk: There is a risk that future infill and step-out drilling identify greater geological complexity, increased grade variability, or reduced continuity relative to current interpretations, which could negatively impact resource estimates, resource classification, and future resource-to-reserve conversion. While this risk cannot be eliminated, we believe it is partially mitigated by the strong correlation between drilling results, electromagnetic geophysical signatures, surface mapping, and geostatistical analyses completed to date. Additionally, the successful conversion of a significant portion of the resource from Inferred to Measured and Indicated categories in 2026 provides further confidence in the geological model and reduces the likelihood of material changes to the overall resource estimate.

Mark Souvenir | MD Institutional Sales | (Mark@3L-capital.com) **|** 1 (647) 203 5226
Steven Therrien, P.Geo | Senior Mining Analyst | (Steven@3L-capital.com) **|** 1 (807) 252 2747
Micah Yuen | Associate | (Micah@3L-capital.com)

Appendix - Global and US Lithium Reserve and Resource Growth

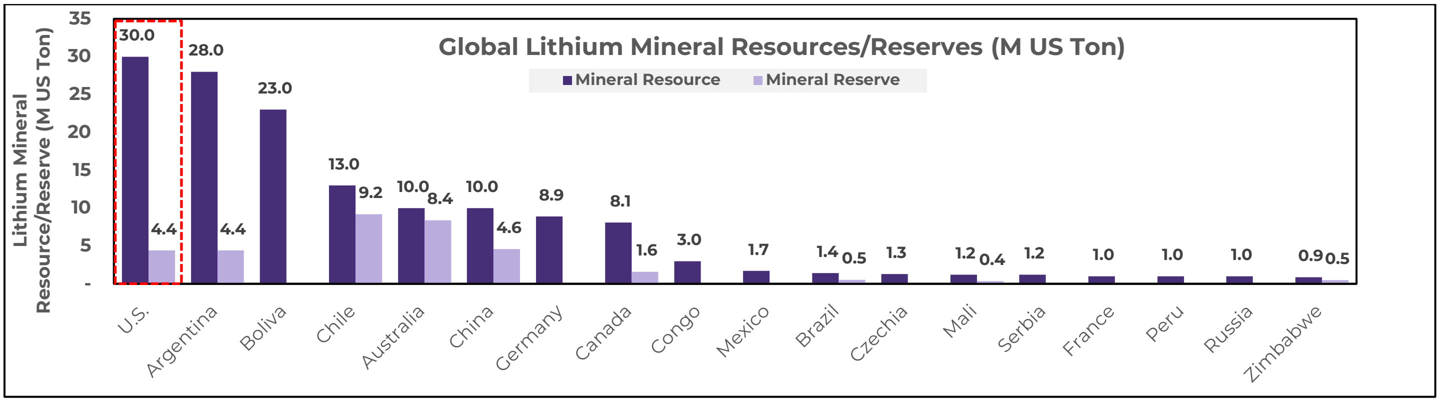

Figure 34. 2025 Global Lithium Mineral Resource or Reserve. *Source: 3L Capital & USGS.*

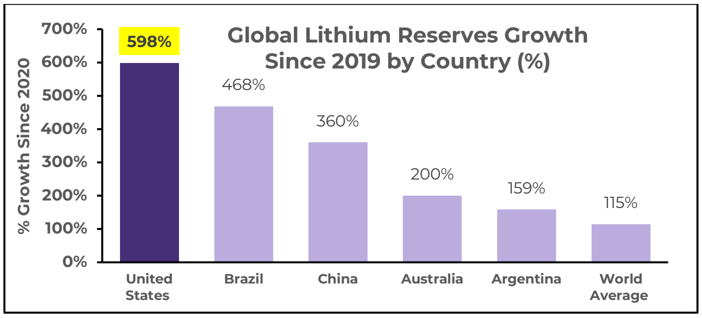

Figure 35. 2025 Global Lithium Reserves Percentage Growth Since 2019 by Country. *Source: 3L Capital & USGS.*

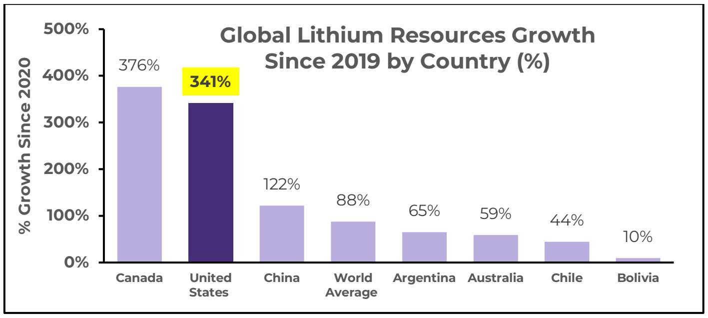

Figure 36. 2025 Global Lithium Resources Percentage Growth Since 2019 by Country. *Source: 3L Capital & USGS.*

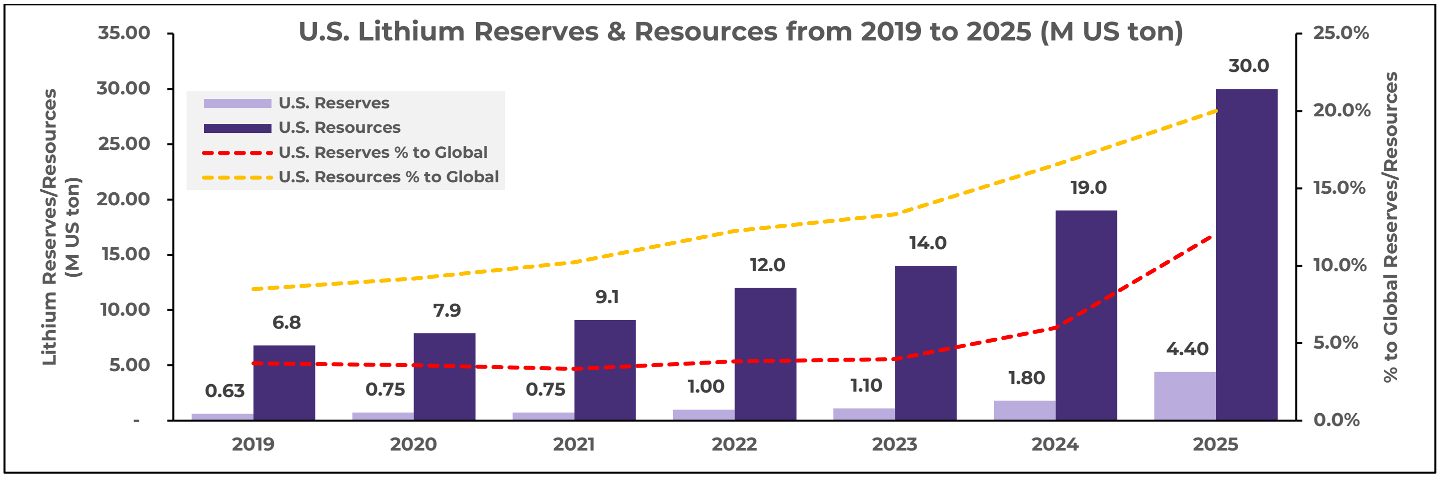

Figure 37. U.S. Lithium Mineral Resource or Reserves over time &. *Source: 3L Capital & USGS.*

Mark Souvenir | MD Institutional Sales | (Mark@3L-capital.com) | 1 (647) 203 5226
Steven Therrien, P.Geo | Senior Mining Analyst | (Steven@3L-capital.com) | 1 (807) 252 2747
Micah Yuen | Associate | (Micah@3L-capital.com)

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For a detailed discussion of company-specific risks, please refer to the "Risk Factors" segment in the company's MD&A section.

Mark Souvenir | MD Institutional Sales | (Mark@3L-capital.com) **|** 1 (647) 203 5226
Steven Therrien, P.Geo | Senior Mining Analyst | (Steven@3L-capital.com) **|** 1 (807) 252 2747
Micah Yuen | Associate | (Micah@3L-capital.com)