

LITHOS ENERGY LTD.
(the "Company")

Majority Voting Policy for Election of Directors on the Board

The board of directors (the "**Board**") of the Company believes that each of its members should have the support of shareholders of the Company ("**Shareholders**"). To this end and in light of best practice standards in Canada, the Board has unanimously adopted this statement of policy providing for majority voting in director elections at any meeting of Shareholders other than at "contested meetings".

For the purposes of this policy, a "contested meeting" means a meeting of Shareholders at which the number of directors nominated for election is greater than the number of seats available on the Board.

Forms of proxy for the vote at a meeting of Shareholders where directors are to be elected will enable Shareholders to vote in favour of, or to withhold from voting for, each nominee separately. At each meeting of Shareholders, the chair of the Board will ensure that the number of votes in favour or withheld from voting for each nominee is recorded and promptly made public after the applicable meeting. If the vote was by a show of hands, the Company will disclose the number of votes by proxy in favour or withheld for each nominee.

Pursuant to this policy, if a director nominee is not elected by at least a majority (being 50% +1 vote) of the votes cast by Shareholders with respect to his or her election, the nominee will be considered by the Board not to have received the support of Shareholders, even though duly elected as a matter of corporate law. Any such nominee must immediately submit his or her resignation to the Board.

The Board will make a decision whether to accept or reject the resignation within 90 days after the date of the applicable meeting of Shareholders. The Board will accept each resignation tendered in accordance with this policy absent exceptional circumstances.

Upon making its decision, the Board will promptly cause the Company to issue a news release disclosing the Board's decision and, if the resignation is not accepted by the Board, the reasons therefor.

The resignation will take effect upon acceptance by the Board, if applicable. Any director who tenders his or her resignation pursuant to this policy will not attend any meetings of the Board in which his or her resignation is being deliberated.

If a vacancy occurs, and subject to any corporate law restrictions, the Board may (i) leave the vacancy unfilled until the next annual general meeting, (ii) fill the vacancy through the appointment of a new director whom the Board considers merits the support of Shareholders, or (iii) call a special meeting at which there will be presented a management nominee to fill the vacant position.

Future nominees for election to the Board will be required to confirm that they will abide by this policy before their names are put forward.

The Board may adopt such procedures as it sees fit to assist it in its determinations with respect to this policy.

This policy will be fully described or included in every management proxy circular sent to Shareholders in connection with a meeting of Shareholders at which directors are being elected.

LITHOS ENERGY LTD.

By: 

Scott Taylor, Chief Executive Officer,
Director