LITHIUMBANK RESOURCES CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three months ended December 31, 2022
As of February 23, 2023

This Management's Discussion and Analysis ("MD&A") of LithiumBank Resources Corp. (the "Company" or "LBNK") is for the three months ended December 31, 2022, and is prepared by management using information available as of February 23, 2023. We have prepared this MD&A with reference to National Instrument ("NI") 51-102 *Continuous Disclosure Obligations* of the Canadian Securities Administrators. This MD&A should be read in conjunction with the condensed interim consolidated financial statements as at December 31, 2022 and for the three months then ended, the audited consolidated financial statements as at September 30, 2022 and 2021 and for the years then ended, and the respective notes thereto ("Annual Financial Statements"), which are prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board. All amounts are expressed in Canadian dollars, unless otherwise indicated.

For the purposes of preparing this MD&A, management considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of LBNK'S common shares; or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

This MD&A contains forward-looking statements. Statements regarding the adequacy of cash resources to carry out the Company's exploration programs or the need for future financing are forward-looking statements. All forward-looking statements, including those not specifically identified herein, are made subject to cautionary language on page 25. Readers are advised to refer to the cautionary language when reading any forward-looking statements.

HIGHLIGHTS

- The first lithium (or "Li") brine project in Canada to include Indicated resources was filed on December 21, 2022, entitled "Updated Indicated and Inferred Resource Estimates for LithiumBank Resources Corp.'s Boardwalk Lithium-Brine Project in West-central Alberta, Canada" (the "Updated Technical Report"). The Updated Technical Report includes NI 43-101 (*Standards of Disclosure for Mineral Projects*) Mineral Resource Estimates of 393,000 tonnes of Indicated Lithium Carbonate Equivalent ("LCE") at a grade of 71.6 milligrams per litre ("mg/L") and 5,808,000 tonnes of Inferred LCE at 68.0 mg/L lithium. The report is available on www.sedar.com and the Company's website. The Updated Technical Report and Mineral Resource Estimates were prepared by the following Qualified Persons ("QP"): Roy Eccles, P. Geol. of APEX Geoscience Ltd., Jim Touw, P. Geol. of HCL, and Egon Linton, P. Eng. of Hatch Ltd. ("Hatch").

- On November 10, 2022, the Company completed the hydrogeological study from its 100% owned Kindersley lithium-brine project located in southwest Saskatchewan. Highlights of this project include:
  - The Duperow Formation within LBNK's Kindersley Project area hosts a brine volume of 3.89 kilometres^3 ("km^3") at a 6% porosity cut off.
  - The Duperow Formation is an unconfined aquifer that measures up to 300 metres ("m") in thickness within the area of the Company's mineral leases comprising the Kindersley Project.
  - Multiple zones of potential lithium brine production within the Duperow Formation add up to ~90 m in net pay at a 6% porosity cut off.

- On November 1, 2022, the Company announced a result from the Direct Lithium Extraction ("DLE") test work on brine from the 100% owned Boardwalk Lithium Brine Project in Alberta. Test work results indicate the selected DLE technology to be a highly effective and scalable method of extracting lithium chloride ("LiCl") from the Boardwalk brine. Highlights of this include:
  - 93% LiCl recovery achieved in under 60 minutes of extraction processing.
  - High purity lithium concentrates between 2,500-4,000 mg/L (4 g/L) achieved at the end of the DLE process.
  - Testing produced a lithium concentrate with a range between 35-60 times grade increase over the initial raw lithium brine concentration level.

- On October 13, 2022, the Company announced that the hydrogeological study and well network design at the 100% owned Boardwalk Lithium Brine Project, located in west-central Alberta, has been completed. Results show that the key hydraulic parameters within the Leduc Formation allow for consistent, high volume brine production over the assessment period of 20 years.

OVERVIEW

The Company was incorporated under the laws of the province of British Columbia on May 31, 2019. The registered address and records office of the Company are located at 10th floor, 595 Howe Street, Vancouver, British Columbia, Canada, V6C 2T5. As of the date of this report, the Company's principal business activity is the acquisition and exploration of mineral property interests in Canada. The Company is currently listed on the TSX Venture Exchange ("TSX-V") under the trading symbol "LBNK" and on the OTC under the symbol "LBNKF".

The Company is creating an opportunity to participate in the future of clean-tech energy. The Company's strategy is to acquire and develop high quality lithium exploration projects. The Company is formed by an experienced, well qualified and recognized management team. As of the date of this report, LBNK has mineral right claims to 1,483,934 hectares ("ha") of land in Alberta and Saskatchewan.

LBNK has acquired 100% mineral interests in separate lithium-brine properties in west-central Alberta and Saskatchewan (Figure 1): The properties in Alberta consist of Boardwalk (formerly Sturgeon Lake), Park Place (formerly Fox Creek), Peace, Swan Hills, Kakwa, Valhalla, Simonette and Valleyview. Saskatchewan properties consist of Kindersley, South and Estevan.

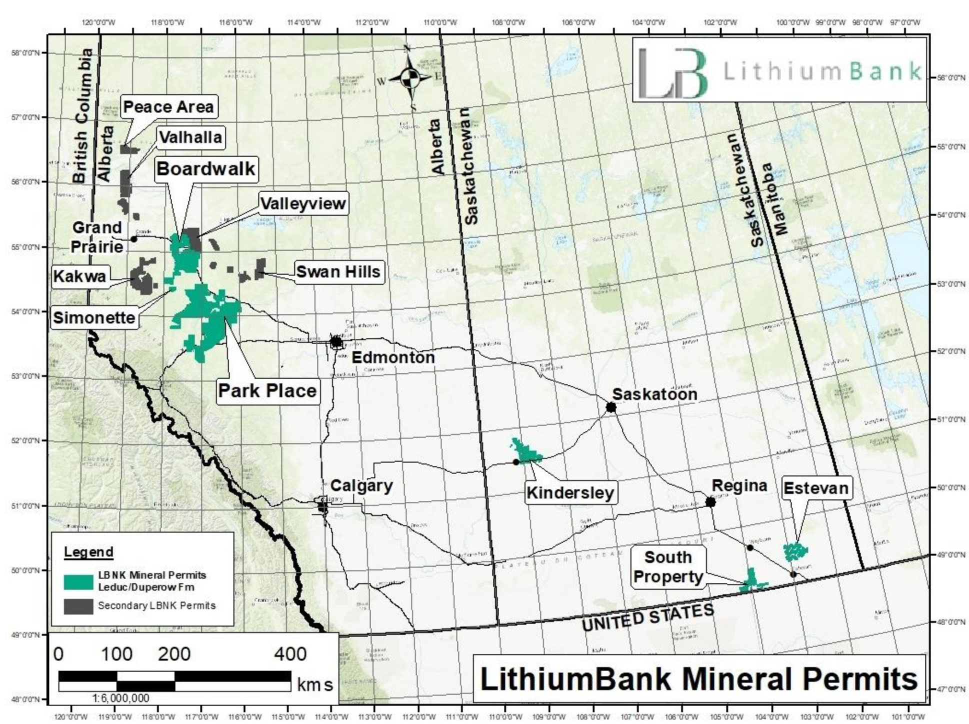
Boardwalk is one of our flagship properties situated in an area of west-central Alberta where government and industry hypersaline formation water (or brine) studies have documented anomalous values of lithium in Late Devonian (Frasnian) aquifers associated with carbonate buildups of the Woodbend Group, Leduc Formation. Access to the deep-seated confined Leduc Formation aquifer brine at the Boardwalk property is through existing oil and gas wells that have pumped the brine from depths of more than 2,350 m to the earth's surface – essentially as wastewater associated with hydrocarbon products. Once the petroleum is extracted, the brine is pumped, or injected, back down into its original Devonian aquifer. Hence, there is an opportunity to share infrastructure and recover lithium from the petro-operations brine circuit.

As determined by the existing petro-operator of the Leduc wells producing from the Boardwalk reservoir are in suspended state (i.e., an oil and gas well that has not been used for production, injection or disposal for a specified amount of time). LBNK formed an access agreement (on May 14, 2021) with the petro-operator to reopen and obtain brine from four wells. The four wells were reopened by the operator in August 2021, and samples were taken, assayed and used for testing various DLE methodologies.

On June 28, 2022, results from the assay analysis indicated that the average grades, of all the analysis from each of the four wells, are above the average grade of the maiden May 2021 NI 43-101 Resource Estimate of 67.1 mg/L lithium. The sampled wells are spread over ~6.3 km, normal to the reef trend, and demonstrate excellent lithium grade continuity over the tested reservoir portions of the ~50 km long Sturgeon Lake reef complex.

The table below shows the Boardwalk assay results:

Well ID	Number of assays	Maximum Grade Lithium (mg/L)	Minimum Grade Lithium (mg/L)	Average Grade Lithium (mg/L)
100/09-26-068-22W5/00	20	90.3	67.4	73.8
100/07-25-068-22W5/00	7	71.8	68.8	70.8
100/10-06-069-21W5/00	7	72.3	65.9	69.9
100/13-27-068-22W5/00	7	77.6	65.7	72.6



OUTLOOK

Benchmark Mineral Intelligence reports that lithium prices through 2022 have been on an upward trend for over two years in relation to the rapid adoption of electric vehicles (“EV”). The global energy transition continues to rapidly push EV production and sales to new all-time highs. Global lithium producers are struggling to meet the growing demand and lithium is expected to be in short supply over the next decade. It is due to this that the price of lithium is expected to remain relatively high until this demand is met.

The Company’s strategic approach continues to include de-risking its flagship assets by commissioning a brine processing pilot plant so as to establish optimal production parameters and costs. Additionally, LithiumBank expects to conduct detailed hydrogeological modeling and brine sampling at both Boardwalk and Park Place to further expand and upgrade the classification of their lithium resources to measured and indicated categories.

The Company is currently testing brine with a number of experienced Direct Lithium Extraction ("DLE") technology providers to determine the one with the best recovery, power consumption, and project economics. This work and subsequent reservoir sampling is expected to be incorporated into a Preliminary Economic Assessment on the Boardwalk Project which the Company expect will be completed in early Q2 2023, and a NI-43-101 inferred resource assessment at Park Place. LithiumBank has also retained consultants that have successfully permitted and attracted government financing for industrial projects in Alberta.

EXPLORATION AND EVALUATION ASSETS AND EXPENDITURES

The following table provides a property-by-property breakdown of exploration and evaluation expenditures reported on the condensed interim consolidated statements of loss and comprehensive loss for the three months ended December 31, 2022:

	Three Months Ended December 31		
	2022	2021	Change
	$	$	$
Clarke Lake – BC	-	7,926	(7,926)
Boardwalk (formerly Sturgeon Lake) – AB	406,683	136,593	270,090
Park Place (formerly Fox Creek) – AB	62,637	11,934	50,703
Kakwa – AB	-	-	-
Nipisi – AB	-	-	-
Other	-	69,398	(69,398)
Simonette – AB	3,764	1,248	2,516
Swan Hills – AB	-	4,213	(4,213)
Valhalla – AB	-	1,000	(1,000)
Estevan – SK	-	2,000	(2,000)
Kindersley – SK	2,697	-	2,697
South – SK	-	2,000	(2,000)
	475,781	236,312	239,469

ALBERTA PROPERTIES

To date, the Company has acquired a 100% minerals interest in eight separate Li-brine properties in west-central Alberta comprised of 167 crown mineral permits totalling 1,347,718 ha.

	Balance, September 30 2021 $	Acquisition $	Impairment[1] $	Balance, September 30, 2022 $	Acquisition $	Balance, December 31, 2022 $
Boardwalk – AB	13,625	1,875	-	15,500	-	15,500
Park Place – AB	16,000	14,375	-	30,375	5,000	35,375
Kakwa – AB	11,056	-	(11,056)	-	-	-
Nipisi – AB	9,406	-	(9,406)	-	-	-
Peace – AB	-	2,500	-	2,500	-	2,500
Simonette – AB	1,969	-	-	1,969	-	1,969
Swan Hills – AB	7,219	-	(7,219)	-	-	-
Valhalla – AB	7,069	-	(7,069)	-	-	-
Valleyview - AB	-	6,250	-	6,250	-	6,250
	66,344	25,000	(34,750)	56,594	5,000	61,594

[1] The Company does not plan to continue exploration of these properties (Kakwa, Nipisi, Swan Hills, Valhalla).

Boardwalk (formerly Sturgeon Lake)

- Boardwalk consists of 228,769.5 ha of contiguous MIM Permits acquired directly through the Alberta Government. No freehold land occurs in the Boardwalk permitted area.
- Oil and gas production at Boardwalk has been active since 1955.
- Between 2011 and 2019 a total of 65 different wells have sampled brine from the Sturgeon Lake Leduc Formation.
- In 2021, LBNK collected 20,000 L brine samples from four different wells (80,000 L total) in the southern part of Boardwalk that returned assays between 69.9 – 73.8 mg/L lithium. The samples are being used for due diligence, assay analysis and mineral processing test work with multiple Direct Lithium Extraction (“DLE”) technology companies.
- On May 18, 2021, a 2021 Technical Report and a maiden Mineral Resource Estimate was completed on the Boardwalk Leduc reef formation.
- In 2021, LBNK purchased strategically selected seismic lines and re-interpreted the data.
- In 2021, LBNK retained Hatch to conduct a comparative study of multiple North American based DLE technology companies that can deliver high purity LiCl.
- In 2021, LBNK retained Hatch to design, test and manage all DLE programs for LBNK.
- In 2021, Hatch was retained to complete the NI 43-101 PEA Technical Report.
- In 2022, GLJ and Fluid Domains were engaged to complete a hydrogeological study. The hydraulic characteristics, from the hydrogeological study, indicate that the Leduc Formation at Boardwalk is favourable for high volume, long-term production of the lithium-rich brine. The hydrogeology and well network design to be used in the PEA considers a 20-year period of production and is capable of a daily production rate of 250,000 m^3 of brine. The production zone consists of approximately 10% by volume of brine contained within the Leduc Formation at the Boardwalk project where LBNK has 100% of the mineral rights.
- In November 2022, the Company reported 93% recovery in under 60 minutes land up to 60 times lithium increase from DLE extraction test work managed by Hatch
- In December 2022, the Company was the first lithium brine project in Canada to include Indicated resources on an NI 43-101 technical report, the Updated Technical Report. The Updated Technical

Report includes an NI 43-101 Mineral Resource Estimates of 393,000 tonnes of Indicated LCE at a grade of 71.6 mg/L and 5,808,000 tonnes of Inferred LCE at 68.0 mg/L lithium.
- During the three months ended December 31, 2022, the Company incurred exploration expenditures of $406,683 (cumulative exploration expenditures to December 31, 2022 - $2,090,425).

Park Place (formerly Fox Creek)
- Park Place is comprised of 635,908 ha contiguous of MIM permits acquired directly through the Alberta government. No freehold land occurs in the Park Place permitted area.
- Oil and gas production at Boardwalk has been active since 1957.
- Since 2020, LBNK has continuously increased its land position in the Park Place area focusing on the Leduc and Swan Hills formations where historic brine samples assayed between 80-130 mg/L lithium.
- In 2021, a seismic study consisting of strategically selected seismic lines has been purchased and re-interpreted. LBNK is in discussions with petro-operators in the Park Place permit area to conduct a brine sample program that will consist of collecting 20,000 L from multiple wells.
- In 2022 LBNK collected a Leduc brine sample that reported 77.2 mg/L lithium
- LBNK has engaged Matrix Solutions Inc. to conduct a detailed hydrogeological study to be part of an NI 43-101 Resource Estimate. The study is currently underway.
- During the three months ended December 31, 2022, the Company incurred exploration expenditures of $62,637 (cumulative exploration expenditures to December 31, 2022 - $641,491).

Peace
- Peace consists of four contiguous mineral permits totaling 29,789 ha. These properties were acquired in April 2022.
- Oil and gas production is active in the Leduc Formation in the permitted area.
- Historic brine analysis in the area is anomalous in lithium and as high as 96 mg/L lithium only a few km east of LBNK's permits.
- LBNK is planning an initial sampling program.

Simonette
- Simonette consists of 6,686 ha. The Company has collected a 20-cubic metre (20,000 L) sample of Leduc brine. The brine will be used for analysis and future mineral processing test work.
- During the three months ended December 31, 2022, the Company incurred exploration expenditures of $3,764 (cumulative exploration expenditures to December 31, 2022 - $52,524).

Valleyview
- Valleyview consists of 90,527 ha.
- A sampling program is currently being planned to test brine in formations other than the Leduc.

SASKATCHEWAN PROPERTIES

Saskatchewan has long been a mining friendly jurisdiction making it attractive to lithium development. Lithium-in-brine has been identified in southern Saskatchewan with shallower resources and grades similar to and exceeding lithium grades in Alberta. The Company has acquired mineral licenses in strategic locations where there is known lithium, infrastructure and favourable geology to potentially host sizable mineral resources.

To date, the Company has acquired a 100% minerals interest in three separate Li-brine properties in Saskatchewan comprised of 33 crown mineral licenses totaling 136,216 ha.

	Balance, September 30, 2021	Acquisition	Balance, September 30, 2022	Acquisition	Balance, December 31, 2022
	$	$	$	$	$
Estevan	661,593	73,558	735,151	-	735,151
Kindersley	-	1,463,875	1,463,875	453,536	1,917,411
South (Saskatchewan)	337,282	991,614	1,328,896	90,246	1,419,142
	998,875	2,529,047	3,527,922	543,782	4,071,704

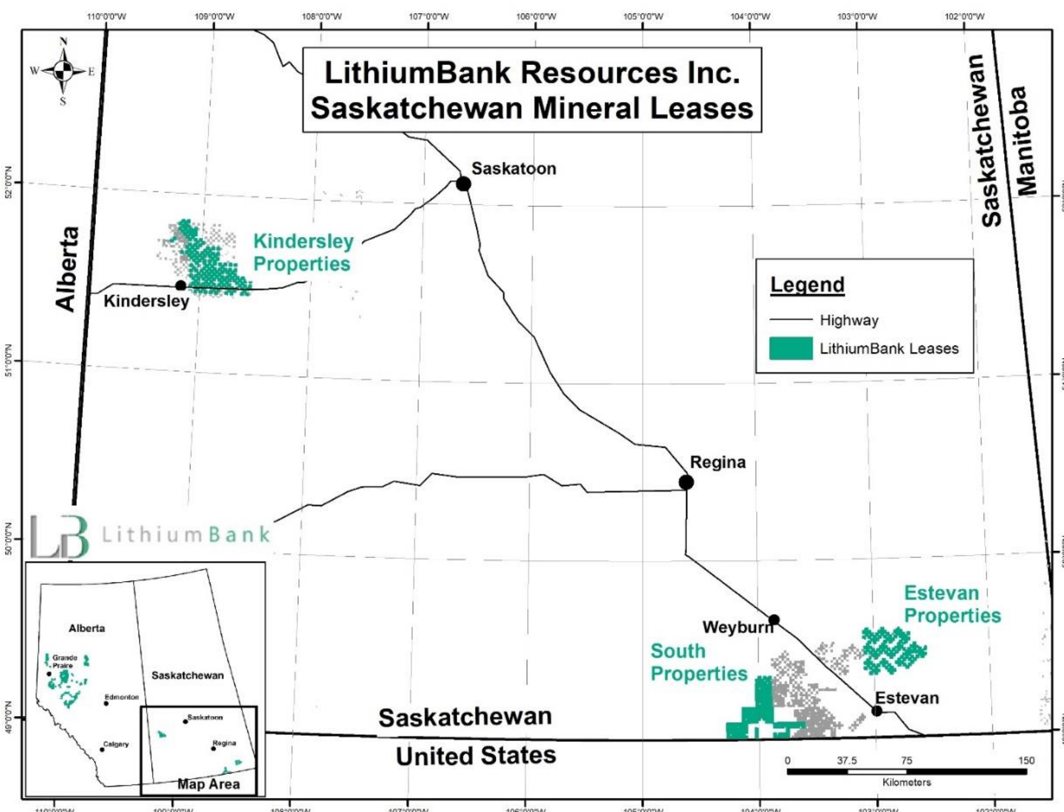


Figure 2. Map of LBNK Mineral Licenses in Saskatchewan

Estevan

- The Estevan properties, located in southeast Saskatchewan, are a group of mineral brine dispositions. The Estevan properties consist of 11 blocks of various sizes purchased through auction from the Saskatchewan government. These blocks are contiguous; however, the mineral titles are a checkerboard pattern with freehold mineral rights (non-Crown or privately held mineral rights) where the mineral titles are not contiguous. The Estevan properties consist of 36,779 ha from 11 blocks. The Estevan properties cover a total area of approximately 90,000 ha of which 53,221 ha are freehold mineral rights and 36,779 ha are mineral titles held by the Company.
- During the three months ended December 31, 2022, the Company incurred exploration expenditures of $nil (cumulative exploration expenditures to December 31, 2022 - $3,750).

Kindersley

- The Kindersley properties, located in west-central Saskatchewan near the Alberta border, are a group of mineral brine dispositions. The Kindersley properties consist of 14 blocks of various sizes purchased through auction from the Saskatchewan government. These blocks are contiguous; however, the mineral titles are a checkerboard pattern with freehold mineral rights (non-Crown or privately held mineral rights) where the mineral titles are not contiguous. The Kindersley properties consist of 41,014 ha from 14 blocks.
- The Company completed the hydrogeological study on November 9, 2022 and reported the following:
    - The Duperow Formation within LBNK's Kindersley Project area hosts a brine volume of 3.89 kilometres^3 ("km^3") at a 6% porosity cut off.
    - The Duperow Formation is an unconfined aquifer that measures up to 300 metres ("m") in thickness within the area of the Company's mineral leases comprising the Kindersley Project.
    - Multiple zones of potential lithium brine production within the Duperow Formation add up to ~90 m in net pay at a 6% porosity cut off.
- The Company is targeting completion of a 43-101 technical report with a Mineral Resource Estimate and PEA during calendar 2023.
- During the three months ended December 31, 2022, the Company incurred exploration expenditures of $2,697 (cumulative expenditures to December 31, 2022 - $71,037).

South

- The South properties, located along the southern border of Saskatchewan with the United States, are a group of mineral brine dispositions. The South properties consist of 8 blocks of various sizes purchased through auction from the Saskatchewan government. These blocks are semi-contiguous, meaning not all blocks in the South properties are contiguous, but are part of the same area of geologic interest. The South properties consist of 54,321 ha from 8 blocks.
- In December 2022 Prairie Lithium announced the acquisition of their 351,709 acres (142,332 ha) project by Arizona Lithium for ~$70.6M CAD or ~$201/acre (~$496/ha), which is adjacent to the South property to the east.
- During the three months ended December 31, 2022, the Company incurred exploration expenditures of $nil (cumulative exploration expenditures to December 31, 2022 - $18,138).

NI 43-101 TECHNICAL REPORTS

The Boardwalk property is in west-central Alberta, Canada, directly south and west of the town of Valleyview, approximately 85 km east of the city of Grande Prairie and 270 km northwest of the city of Edmonton.

The property can be accessed by provincial highways and secondary one- or two-lane all-weather roads. Access within the property is further facilitated by numerous all-weather and dry-weather gravel roads and tracks, many of which are serviced year-round due to oil and gas exploration in the area.

The Boardwalk property is comprised of 29 Alberta MIM permits that collectively form a contiguous package of land that totals 228,769.5 ha. The permits were acquired directly from the Government of Alberta through the province's online mineral tenure system. LBNK has 100% ownership of the mineral rights at the Boardwalk property; 19 of the 29 mineral permits encompass the Sturgeon Lake Reef Complex of the Late Devonian Leduc Formation reservoir, or brine aquifer.

LBNK's Boardwalk Li-brine project is an early-stage development exploration project. Stratigraphically, the resource area is confined to the subsurface, confined Devonian Leduc Formation aquifer underlying the property.

An NI 43-101 Technical Report dated May 18, 2021 titled *NI 43-101 Technical Report, Inferred Resource Estimate on LBNK's Sturgeon Lake Lithium-Brine Property in West-central Alberta, Canada* (the "2021 Technical Report") was prepared by a multi-disciplinary team that includes geologists, hydrogeologist and chemical engineers with relevant experience in the geology of the Western Canada Sedimentary Basin, brine geology/hydrogeology and Li-brine processing, assert that there is a collective agreement that the LBNK lithium-brine project at the Boardwalk property has reasonable prospects for eventual economic extraction of lithium from brine, and the author of the report, Roy Eccles, P. Geol., takes responsibility for this statement.

Following recommendations of the 2021 Technical Report, the Boardwalk Li-brine project was updated on December 20, 2022, the Updated Technical Report. The Updated Technical Report was prepared by the following QPs: Roy Eccles, P. Geol. of APEX Geoscience Ltd., Jim Touw, P. Geol. of HCL and Egon Linton, P. Eng. of Hatch.

The Updated Technical Report includes a Boardwalk Resource Estimate that is the first lithium brine project in Canada to classify Indicated and Inferred Mineral Resources in accordance with guidelines established by the Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") *Estimation of Mineral Resources and Mineral Reserves Best Practice Guidelines* dated November 29, 2019, and the CIM *Definition Standards for Mineral Resources and Mineral Reserves* amended and adopted May 10, 2014.

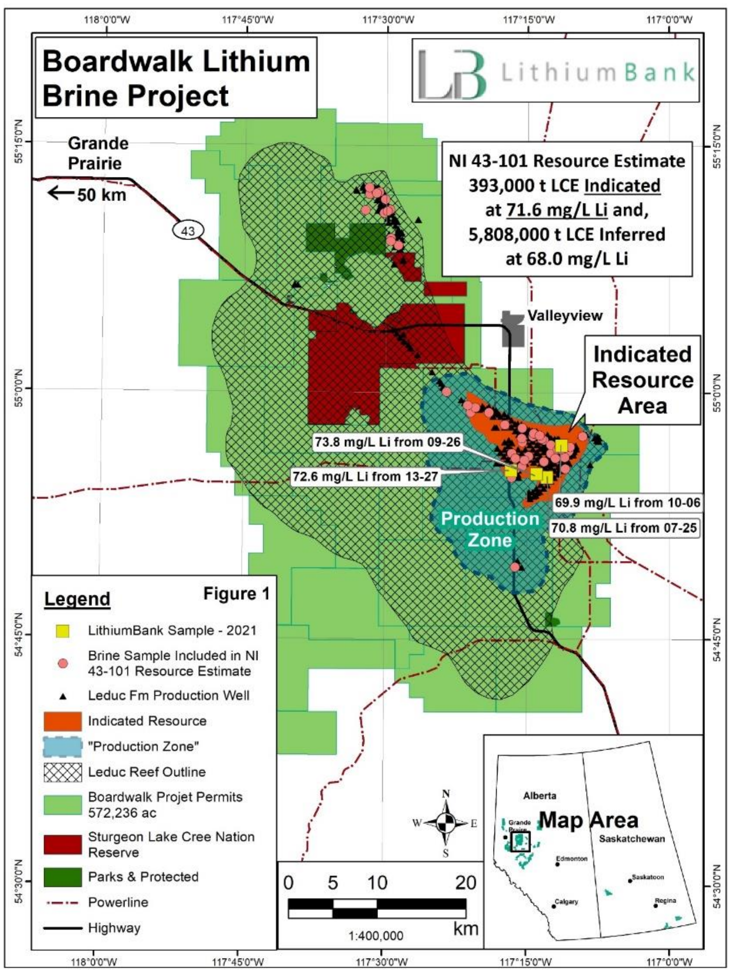
The Boardwalk Leduc Formation Li-brine Indicated and Inferred resource estimate from the Updated Technical Report is presented as a global (total) resource and shown in the table below:

Reporting Parameter	Inferred	Indicated
Aquifer volume (km^3)	308.930	19.833
Brine volume (km^3)	16.046	1.030
Average lithium concentration (mg/L)	68	71.6
Average porosity (%)	5.3	5.3
Average brine in pore space (%)	98.0	98
Total elemental Li resource (tonnes)	1,091,000	74,000
Total LCE (tonnes)	5,808,000	393,000

Notes:

1. Mineral resources are not mineral reserves and do not have demonstrated economic viability. There is no guarantee that all or any part of the mineral resource will be converted into a mineral reserve. The estimate of mineral resources may be materially affected by geology, environment, permitting, legal, title, taxation, socio-political, marketing or other relevant issues.
2. The weights are reported in metric tonnes (1,000 kilograms or 2,204.6 pounds).
3. Tonnage numbers are rounded to the nearest 1,000 unit.
4. In a confined aquifer (as reported herein), porosity is a proxy for specific yield.
5. The resource estimation was completed and reported using a cutoff of 50 mg/L Li.
6. In order to describe the resource in terms of industry standard, a conversion factor of 5.323 is used to convert elemental Li to Li2CO3, or LCE.

Figure 3: Map outlining the Park Place and Boardwalk project and highlighting the Indicated Resources.



EXPLORATION WORK AND RECOMMENDATIONS FROM THE UPDATED TECHNICAL REPORT

The Updated Resource Estimate and Technical Report suggested a two-phased exploration work program and recommended the combined total of which, with a 10% contingency, is estimated to cost approximately $2,640,000.

Phase 1 work includes: 1) additional brine sampling for assay testing and to advance mineral processing test work, and 2) for the preparation of a PEA Technical Report. The Phase 1 work is estimated at $814,000 with a 10% contingency.

Phase 2 work recommendations are dependent on the result of the Phase 1 work results. The Phase 2 work is intended to: 1) design the lithium recovery process flowsheet and refine and advance the test work from laboratory bench-scale tests to a field-based pilot plant program, 2) include ongoing community and First Nations' consultation, 3) assessment of, and implementation of, environmental studies, and 4) technical reporting in accordance with CIM definition standards and best practice guidelines (2014, 2019) and the Canadian Securities Administration's *Standards for Disclosure of Mineral Projects*, NI 43-101. The Phase 2 work is estimated at $1,826,000 with a 10% contingency.

During 2021, LBNK acquired a series of existing two-dimensional ("2-D") seismic line profiles and data that encompasses the Boardwalk property. The seismic information included a total of seven 2-D seismic lines totaling 67 line-km. The original seismic surveys were conducted between 1982 and 1990.

Reinterpretation of seismic data was conducted to advance the spatial definition and reservoir characteristics of the Leduc Formation reef underlying the Boardwalk property. The information resulted in a better understanding of the dimensions of the Leduc Formation reefal buildups. In addition, the seismic information advanced the Company's understanding of the underlying structural geology that may be responsible for the location and development of the reefs and could potentially act as sources of fluid flow of hot geothermal fluids that may be enriched in lithium from the crystalline basement and/or clastic units overlying the basement (i.e., the Granite Wash).

QUALIFIED PERSON

Kevin Piepgrass, P. Geo., registered at the Association of Professional Engineers and Geoscientists of British Columbia, is a QP, as defined by NI 43-101, and supervised the preparation of the scientific and technical information that form the basis for this MD&A. Mr. Piepgrass is a consultant at the Company and Chief Operating Officer ("COO").

DISCUSSION OF OPERATIONS

During the three months ended December 31, 2022, the Company reported a net loss of $1,183,636, or $0.03 loss per share, compared to $519,488, or $0.02 loss per share, in the same period last year. The Company is in the pre-revenue stage of its operations and incurs expenses required to continue its exploration activities, meet financial and regulatory obligations, and undertake marketing and business development activities.

Significant changes in operating expenses during the three months ended December 31, 2022 included:

- Consulting fees increased to $235,972 in the three months ended December 31, 2022 (2021 - $72,417) mainly due to new expenditures related to investor communication services and other general consulting services.
- Directors' fees were implemented in the third quarter of fiscal 2022 and totaled $81,000 in three months ended December 31, 2022 compared to $nil in the three months ended December 31, 2021.
- Exploration and evaluation costs increased to $475,781 in the three months ended December 31, 2022 (2021 - $236,312) due to an increase in geological consulting activities.
- General and administration expenses were $125,002 in the three months ended December 31, 2022 (2021 - $59,740) due to a general increase in corporate and administrative matters, such as filing fees, insurance, office and related expenditures.
- Management fees increased to $130,813 in the three months ended December 31, 2022 (2021 - $56,850) mainly due to structural changes in the management team and changes in related compensation.
- Professional fees decreased to $48,097 in the three months ended December 31, 2022 (2021 - $87,106) mainly due to higher legal costs incurred in the prior year relating to the Company's prospectus filling and listing on the TSX-V.
- Share-based payments increased to $66,774 in the three months ended December 31, 2022 (2021 - $nil) due to the vesting of stock options that were granted in the prior year and during the three months ended December 31, 2022. In the comparable period, the Company had no stock options that were granted or vesting.
- Travel expenses increased to $40,801 in the three months ended December 31, 2022 (2021 - $11,371) due to increased operation and general corporate activities, as well as business development.

SUMMARY OF QUARTERLY RESULTS

The following is a summary of certain financial information concerning the Company for each of the last eight quarters:

	Quarter Ended	Net Loss $	Loss per Share $
Q1/2023	December 31, 2022	(1,183,636)	(0.03)
Q4/2022	September 30, 2022	(1,035,217)	(0.03)
Q3/2022	June 30, 2022	(900,613)	(0.02)
Q2/2022	March 31, 2022	(1,008,398)	(0.03)
Q1/2022	December 31, 2021	(519,488)	(0.02)
Q4/2021	September 30, 2021	(4,173,433)	(0.17)
Q3/2021	June 30, 2021	(1,057,374)	(0.04)
Q2/2021	March 31, 2021	(371,328)	(0.02)

The Company has not earned any revenue since inception. The Company focused on creating infrastructure and property acquisition in the first years of operations. The Company expects exploration and operating expenses to increase in the future as ongoing operations normalize and expand. Variations in the Company's net losses and expenses and notable trends for the eight quarters above are as follows:

- As the Company does not yet generate revenue from its operations, the Company's financial results are primarily impacted by the timing and nature of ongoing exploration and development-related activities, consulting fees, professional fees and equity-settled share-based payment transactions.
- Net loss in Q4 2022 was $1,035,217 compared to $900,613 in Q3 2022. An increase of $134,604 is mainly driven by hydrogeological studies at the Boardwalk lithium brine project and sampling activities.
- Net loss in Q2 2022 was $1,008,398 compared to $519,488 in Q1 2022. This variance was mainly driven by continued sampling operations, increase in expenses related to investors communication, professional fees related to LBNK listing on the TSX-V, non-offering prospectus, financing, and other general corporate and commercial matters.
- Net loss in Q1 2022 was $519,488. This is $3,653,945 less than the prior quarter, which had share-based payments relating to the reverse takeover. The Company continued to incur expenses required for its exploration activities, sampling program, meet financial and regulatory obligations, and undertake marketing and business development activities.
- Net loss in Q4 2021 was $4,173,433 compared to $1,057,374 in prior quarter. This variance mainly stems from share-based payments of $3,621,968 relating to the share consideration for the reverse takeover.
- Net loss in Q3 2021 of $1,057,374 compared to $371,328 in Q2 2021 was mainly driven by an increase in sampling and related expenditures, and an increase in professional fees related to general corporate matters. The Company continued its sampling program in the Boardwalk property and acquired seismic data for its ongoing operations.
- Net loss in Q2 2021 was $371,328 compared to $503,798 in the prior quarter. This variance stems from the fact that no share-based payments were made in Q2 2021. This decrease was offset by an increase of $155,513 in sampling and related activities.

LIQUIDITY AND CAPITAL RESOURCES

	Year Ended		
	Q1 2023	Q1 2022	Change
	$	$	$
Cash used in operating activities	(1,060,011)	(628,304)	(431,707)
Cash used in investing activities	(548,782)	(2,455,222)	1,906,440
Cash provided by financing activities	-	1,300,841	(1,300,841)
Net decrease in cash and cash equivalents	(1,608,793)	(1,782,685)	173,892

The Company reported a working capital of $2,689,863 as at December 31, 2022 (September 30, 2022 - $4,355,507), representing a decrease in working capital of $1,665,644. As at December 31, 2022, the Company had cash and cash equivalents available of $2,817,171 compared to cash and cash equivalents available of $4,425,964 at September 30, 2022.

During the three months ended December 31, 2022, the Company used $1,060,011 (2021 - $628,304) in operating activities. The Company had a net loss of $1,183,636 (2021 - $519,488), items not affecting cash of $66,774 (2021 - $nil) and changes in non-cash working capital items totaling $56,851 (2021 - $(108,816)).

During the three months ended December 31, 2022, the Company spent a total of $548,782 (2021 - $2,455,222) on the acquisition of mineral properties.

During the three months ended December 31, 2022, the Company generated $nil (December 31, 2021 - $1,300,841) from financing activities. The funds received in Q1 2022 were from the private placement of special warrants of the Company.

The Company has no operations that generate cash flow and generally relies on equity issuances to fund its capital requirements and provide liquidity. The Company's future financial success will depend on its ability to raise capital and/or on the productivity of its operational activities. Discovery and development may take many years, can consume significant resources, and is largely based on factors that are beyond the control of the Company and its management. The recovery of the amounts comprising exploration and evaluation assets are dependent upon: (i) the ability of the Company to obtain necessary financing to successfully complete the exploration and development of those reserves; and (ii) upon future profitable production or on selling of exploration assets.

It is the intention of the Company to obtain financing through access to public equity markets, and debts as sources of funding for its exploration expenditures and to meet ongoing working capital requirements. Although the Company has been successful in the past in raising funds to continue operations, there is no assurance it will be able to do so in the future. These material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern.

USE OF PROCEEDS FROM FINANCING

On September 27, 2021 and October 15, 2021, the Company completed two tranches of a non-brokered private placement financing of an aggregate 4,565,989 special warrants of the Company ("Special Warrants") at a price of $1.50 per Special Warrant, for gross proceeds of $6,848,984. Each Special Warrant was comprised of one unit of the Company, with each unit being comprised of one common share of the Company ("Common Share") and one-half of one common share purchase warrant of the Company ("Warrant"). Each Warrant is exercisable to acquire one Common Share at a price of $2 for a period of 36 months from the date of issuance. A comparison of the use of proceeds disclosed in the prospectus dated March 1, 2022 to management's current estimate of the use of proceeds is as follows:

Principal Purpose	Special Warrants Proceeds[1] $	Spent to Date $	Balance $
Exploration activities on the Boardwalk project over the next 12 months	2,656,222	1,816,915	839,307
Sampling program being undertaken by Canadian Discovery	400,000	102,500	297,500
Exploration activities on the Alberta claims over the next 12 months	295,826	257,682	38,144
Exploration activities on the Saskatchewan claims over the next 12 months	100,000	77,012	22,988
Permits and related – Saskatchewan acquisitions	2,500,000	3,100,704	(600,704)
Permits and related – Alberta acquisitions	200,000	28,125	171,875
Travel, general, and administration	109,017	149,017	-
Total	6,301,065	5,531,955	769,110

[1] Gross proceeds of $6,848,984 was raised for net proceeds of $6,301,065 after $547,919 was paid in finders fees.

The acquisition costs in Saskatchewan were higher than forecast as the Company found more opportunities to purchase exploration assets than expected.

OUTSTANDING SHARE CAPITAL

The Company has authorized an unlimited number of common shares without par value.

	Number Outstanding as of February 23, 2023	*Number Outstanding as of December 31, 2022*
Common shares issued and outstanding	38,569,739	37,174,739
Stock options	5,414,625	3,559,625
Common share purchase warrants	2,282,994	2,282,994
Compensation warrants	365,278	365,278

As at February 23, 2023, the Company had held 6,803,750 common shares, 1,085,969 stock options and 135,000 share purchase warrants in escrow for insiders (December 31, 2022 6,382,500 common shares, 1,507,219 stock options and 135,000 share purchase warrants). The escrow agreement provides for 10% of such securities to be released on the date on which the common shares are listed on the TSX-V and 15% of such securities to be released every six months after the listing date (for a total of a 36-month release period).

In addition to escrowed shares, as at February 23, 2023, the Company had an additional 8,349,500 common shares for non-insider shareholders (December 31, 2022 - 8,349,500 common shares) which are also subject to seed share resale restrictions pursuant to TSX-V policy. A portion of these restricted shares will be released every six months until September 30, 2024.

Subsequent to December31, 2022, the Company issued 1,395,000 shares pursuant to the exercise of stock options for gross proceeds of $249,000.

Subsequent to December31, 2022, the Board of Directors have approved the implementation of a new “fixed up to 20%” stock option plan (the “New Plan”) to replace its existing “rolling up to 10%” stock option plan (the “Current Plan”). Under the New Plan, the Company may issue up to an aggregate of 7,700,000 stock options to purchase common shares in the capital of the Company (each an “Option”). Subsequent to December 31, 2022, the Company granted 3,250,000 stock options to certain directors, officers and consultants under a new fixed stock option plan. The stock options have an exercise price of $1.10 and an expiry date of January 27, 2028. The option grant is subject to the policies of the TSX Venture Exchange (the “TSXV”) and the terms and conditions of the New Plan. The New Plan is subject to: (i) the approval of the TSXV; and (ii) the approval and ratification of shareholders of the Company, which approval will be sought at the Company’s next annual general meeting of shareholders (the “Meeting”). At the Meeting, the Company will also seek disinterested shareholder approval and ratification of the Options granted under the New Plan.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no undisclosed off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on its results of operations, financial condition, revenues or expenses, liquidity, capital expenditures or capital resources that are material to investors.

TRANSACTIONS BETWEEN RELATED PARTIES

Related parties include management, which comprise any person(s) having authority and responsibility for planning, directing and controlling the activities of the Company. Management includes the directors, officers and other persons fulfilling a senior management function, close family members and enterprises controlled by these individuals, as well as certain persons performing similar functions.

The following fees and expenses were incurred with related parties:

	Three Months Ended December 31, 2022 $	Three Months Ended December 31, 2021 $
Consulting fees	37,500	12,000
Directors' fees	81,000	-
Exploration and evaluation	37,500	18,750
General and administration	5,417	-
Management fees	130,813	56,850
Total	292,230	87,600

i. Effective August 1, 2020, the Company entered into a consulting agreement with Robert Shewchuk, President and Chief Executive Officer ("CEO") of the Company. During the three months ended December 31, 2022, the Company recognized management fees of $51,563 (2021 - $41,250) and $21,000 in director's fees related to Mr. Shewchuk's services. Effective February 1, 2023, the Company entered into a new management services agreement with Mr. Shewchuk and the monthly fee was increased to $22,000. In addition, the Company will pay and a bonus each year based on milestones as set out by the compensation committee and the board of directors.

   Pursuant to the agreement, in the event of a change of control, the Company would be required to pay 24 months of the monthly base management fee. In the event of termination without cause, the Company would be required to pay 18 months of the monthly base management fee.

ii. Effective February 1, 2023, the Company entered into a management services agreement with a corporation controlled by Paul Matysek, Executive Chair of the Company. The monthly base fee payable under the agreement is $22,000. In addition, the Company will pay signing bonus of $85,000 and a bonus each year based on milestones as set out by the compensation committee and the board of directors.

   Pursuant to the agreement, in the event of a change of control, the Company would be required to pay 24 months of the monthly base management fee. In the event of termination without cause, the Company would be required to pay 18 months of the monthly base management fee.

iii. Gianni Kovacevic, a director of the Company, is compensated for consulting services, not related to his director role, at a monthly fee of $5,000 since April 1, 2022. During the three months ended December 31, 2022, Mr. Kovacevic received $15,000 (2021 - $12,000) in compensation for consulting services.

   During the three months ended December 31, 2022, the Company paid $15,000 in director's fees to Mr. Kovacevic.

   As of December 31, 2022, the Company has included in its accounts payable and accrued liabilities $nil (September 30, 2022 - $6,723) due to Mr. Kovacevic.

iv. On August 1, 2020, the Company entered into a consultancy agreement with 90th Capital Corp. ("90th Capital") and Kevin Piepgrass, the COO of the Company. During the three months ended December 31, 2022, 90th Capital received $48,750 (2021 - $18,750) for services rendered. On February 1, 2022, the Company engaged Mr. Piepgrass as COO and increased his compensation to $16,250 per month.

The Company is required to pay an equivalent to 12 months' pay if the consulting service agreement is terminated by either party in the event of a change in control of the Company. If the agreement is terminated by the Company for reasons other than event of default, the Company is required to pay a sum equal to 12 months' pay.

v. On February 1, 2022, the Company entered into a consultancy agreement with Jonathan LaMothe, the Vice President of Exploration. During the three months ended December 31, 2022, Mr. LaMothe received $37,500 (2021 - $nil) for services rendered. Mr. LaMothe is compensated at a monthly rate of $12,500.

   At December 31, 2022, the Company included in accounts payable $3,875 (September 30, 2022 - $nil) owing to Mr. LaMothe for expense reimbursements.

   The Company is required to pay an equivalent to 12 months' pay if the consulting agreement is terminated in the event of a sale of the Company.

vi. On October 1, 2020, the Company entered into an engagement letter with Fehr & Associates. On February 1, 2022, the compensation to Fehr & Associates was increased from $5,000 to $6,250 per month plus $120 per hour for quarterly regulatory reporting. During the three months ended December 31, 2022, Fehr & Associates charged total fees of $30,500 (2021 - $15,600) for Chief Financial Officer and outsourced accounting services.

   As of December 31, 2022, the Company has included in its accounts payable and accrued liabilities $23,375 (September 30, 2022 - $11,825) due to Fehr & Associates.

vii. As of April 1, 2022, each director receives a monthly remuneration of $5,000, with the chair of the board being remunerated at $7,000 per month. Effective February 1, 2023, each non-executive director will receive a monthly remuneration of $5,000 and executive directors ceased receiving directors fees. During the three months ended December 31, 2022, the Company paid $81,000 (2021 - $nil) in directors' fees.

The amounts owed to related parties as described above are unsecured, non-interest-bearing and with no specific terms of repayment.

On July 31, 2020, in connection with certain consulting services, the Company granted to the president and CEO of the Company (the "Royalty Holder") an overriding revenue royalty equal to 2% of the gross proceeds realized from the sale of all products produced on the claims. This agreement was subsequently amended and replaced in its entirety on November 26, 2021, in order to more accurately reflect the intention of the parties. The amended agreement includes all claims acquired during the period commencing on the date of the original agreement and continuing for a period of twelve months thereafter and at any time, as a result of the mineral sampling and resource determination program currently conducted in northeastern British Columbia.

The above agreement contains a buy-back right whereby the Company has the option to purchase from the Royalty Holder, and to require the Royalty Holder to sell to the Company, half of the Royalty Holder's royalty, thereby reducing the royalty percentage of the royalty from 2% to 1% for aggregate consideration of $2 million given the volume of current and prospective future claims.

PROPOSED TRANSACTIONS

The Company has no undisclosed proposed transactions.

CONTRACTUAL OBLIGATIONS

The Company has no commitments, material capital lease agreements and no material long-term obligations other than what has been previously stated in this MD&A.

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

In applying the Company's accounting policies, management makes a number of judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. Actual results may differ from the judgments, estimates and assumptions made by management and will seldom equal the estimated results. Please refer to the Annual Financial Statements for the years ended September 30, 2022 and 2021 for a full list of policies.

CRITICAL JUDGMENTS

The following are critical judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the condensed interim consolidated financial statements:

i. The assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty (Note 1).

ii. Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfer and title may be affected by undetected defects.

iii. Management is required to assess exploration and evaluation assets for impairment. As part of this assessment, management must make an assessment as to whether there are indicators of impairment. The Company considers both internal and external sources of information when assessing whether there are indications of impairment for the Company's exploration and evaluation assets. If there are indicators, management performs an impairment test on the major assets within this balance.

ESTIMATION UNCERTAINTY

The following are key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the current and next fiscal financial years:

i. The inputs used in valuing share-based payments are subject to estimation uncertainty. The Company uses the fair value method to account for all share-based awards granted, modified or settled, and the Black-Scholes option pricing model to determine the fair value of stock options granted. As such, a share-based payment is recorded based on the estimated fair value of options with a corresponding credit to reserves. Significant estimates in the Black-Scholes option pricing model include the risk-free interest rate, estimated annualized volatility and the expected life.

NEW ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

The Company has reviewed new and revised accounting pronouncements that have been issued, but are not yet effective. The Company has not early-adopted any of these standards and is currently evaluating the impact, if any, that these standards might have on its condensed interim consolidated financial statements.

FINANCIAL INSTRUMENTS

The fair value of the Company's financial instruments is approximated by their carrying value due to their short-term nature.

IFRS 13 *Fair Value Measurement* establishes a fair value hierarchy for financial instruments measured at fair value that reflects the significance of inputs used in making fair value measurements as follows:

Level 1 – quoted prices in active markets for identical assets or liabilities;
Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liabilities, either directly (i.e., as prices) or indirectly (i.e., from derived prices); and
Level 3 – inputs for the asset or liability that are not based upon observable market data.

The fair value of cash and cash equivalents is based on Level 1 inputs. Accounts payable and accrued liabilities approximate fair values due to their short-term nature.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The information included in the condensed interim consolidated financial statements and this MD&A is the responsibility of management, and their preparation in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the condensed interim consolidated financial statements, and the reported amount of expenses during the reported period. Actual results could differ from those estimates.

RISKS AND UNCERTAINTIES

The Company has not had a history of operations or earnings, and the overall success of the Company will be affected by its current and future business activities.

The Company is subject to risks and challenges similar to other companies in a comparable stage of development. These risks include, but are not limited to, continuing losses, dependence on key individuals, and the ability to secure adequate financing to meet minimum capital required to successfully complete its projects and continue as a going concern. These factors should be reviewed carefully.

The following risk factors, in addition to the risks noted above, if any, in the *Financial Instruments and Risk Management* and *Liquidity and Capital Resources* sections, should be given special consideration when evaluating trends, risks and uncertainties relating to the Company's business.

EXPLORATION, DEVELOPMENT AND PRODUCTION RISKS

There is no guarantee that a company can successfully extract lithium from Alberta's Devonian petroleum system in a commercial capacity. The extraction technology is still at the developmental stage. Finally, there is a risk that the scalability of any initial mineral processing bench-scale and/or demonstration pilot test work may not translate to a full-scale commercial operation.

The exploration for and development of minerals involves significant risks, which even a combination of careful evaluation, experience and knowledge of management, key employees and contractors of the Company may not eliminate. Few exploration and evaluation assets that are explored are ultimately developed into producing mines. There can be no guarantee that the estimates of quantities and qualities of minerals disclosed will be economically recoverable. With all mining operations, there is uncertainty and, therefore, risk associated with operating parameters and costs resulting from the scaling up of extraction methods tested in pilot conditions. Mineral exploration is speculative in nature and there can be no assurance that any minerals discovered will result in the definition of a mineral resource. The Company's operations will be subject to all of the hazards and risks normally encountered in the exploration, development and production of minerals. These include unusual and unexpected geological formations, rock falls, seismic activity, flooding and other conditions involved in the extraction of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Although precautions to minimize risk will be taken, operations are subject to hazards that may result in environmental pollution and consequent liability that could have a material adverse impact on the business, operations and financial performance of the Company. The long-term commercial success of the Company depends on its ability to explore, develop and commercially produce minerals from its exploration and evaluation assets and to locate and acquire additional properties worthy of exploration and development for minerals.

SUBSTANTIAL CAPITAL REQUIREMENTS AND LIQUIDITY

The Company will continue to have working capital requirements that will require additional financings. The inability of the Company to access sufficient capital for its operations could have a material adverse effect on the Company's financial condition, results of operations or prospects. Sales of substantial amounts of securities may have a highly dilutive effect on the ownership or share structure of the Company. Sales of a large number of common shares in the public markets, or the potential for such sales, could decrease the trading price of the common shares and could impair the Company's ability to raise capital through future sales of common shares.

There can be no assurance that debt or equity financing will be available or sufficient to meet these requirements or for other corporate purposes or, if debt or equity financing are available, that it will be on terms acceptable to the Company. Moreover, future activities may require the Company to alter its capitalization significantly. The inability of the Company to access sufficient capital for its operations could have a material adverse effect on the Company's financial condition, results of operations or prospects. In particular, failure to obtain such financing on a timely basis could cause the Company to forfeit its interest in its exploration and evaluation assets, miss certain acquisition opportunities and reduce or terminate its operations.

COMPETITION

The mining industry is highly competitive. Many of the Company's competitors for the acquisition, exploration, production and development of exploration and evaluation assets, and for capital to finance such activities, include companies that have greater financial and personnel resources available to them than the Company.

COMMODITY PRICE FLUCTUATIONS

The prices of commodities vary on a daily basis. Price volatility could have dramatic effects on the results of operations and the ability of the Company to execute its business plan. Lithium is a specialty chemical and is not a commonly traded commodity like copper, zinc, gold or iron ore. However, the price of lithium tends to be set through a limited long-term offtake market, contracted between relatively few suppliers and purchasers.

ENVIRONMENTAL RISKS AND PROPERTY-RELATED UNCERTAINTIES

Beyond Indigenous consultation, provincial protected areas and wildlife restriction zones, the authors are not aware of any environmental issues associated with the property, or exploration strategies associated with early-stage exploration assessment of deep-seated brine (<2,400 m depth), that would influence LBNK's right or ability to perform work at the Boardwalk property.

LBNK's mineral permits occur adjacent to two Boardwalk First Nations' Reserves, 154 and 154A, and Young's Point Provincial Park. Specific land use conditions within the Boardwalk property include restrictions related to: i) the Trumpeter Swan habitat, which form a buffer zone around identified lakes and water bodies and limit access development within 500 m of the high-water mark; and ii) key wildlife and biodiversity zones, which occur along the eastern margin of the property and limit activity from January 15 to April 30 of each year.

All phases of the mining business present environmental risks and hazards and are subject to environmental regulations pursuant to a variety of international conventions and provincial and municipal laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with mining operations. The legislation also requires that wells and facility sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures, and a breach may result in the imposition of fines and penalties, some of which may be material.

Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability, and potentially increased capital expenditures and operating costs. Environmental assessments of projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and, in particular, environmental laws. Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or production costs or reduction in levels of production at any future producing exploration and evaluation assets or require abandonment or delays in the development of new mining properties.

RELIANCE ON KEY PERSONNEL

Recruiting qualified personnel as the Company grows is critical to its success. The number of persons skilled in the acquisition, exploration and development of mining properties is limited, and competition for such persons is intense. As the Company's business activity grows, it will require additional key financial, administrative, engineering, geological and mining personnel, as well as additional operations staff. If the Company is not successful in attracting and training qualified personnel, the efficiency of its operations could be affected, which could have an adverse impact on future cash flows, earnings, results of operations and the financial condition of the Company. The Company is particularly at risk at this stage of its development, as it relies on a small management team, the loss of any member of which could cause severe adverse consequences.

The success of the Company will be largely dependent upon the performance of its management and key employees and contractors. In assessing the risk of an investment in the shares of the Company, potential investors should realize that they are relying on the experience, judgment, discretion, integrity and good faith of the management of the Company.

CONFLICTS OF INTEREST

The Company's directors and officers are or may become directors or officers of other mineral resource companies or reporting issuers, or may acquire or have significant shareholdings in other mineral resource companies and, to the extent that such other companies may participate in ventures in which the Company may or may also wish to participate, the directors and officers of the Company may have a conflict of interest with respect to such opportunities, or in negotiating and concluding terms respecting the extent of such participation.

The Company and its directors and officers will attempt to minimize such conflicts. If such a conflict of interest arises at a meeting of the directors of the Company, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In appropriate cases, the Company will establish a special committee of independent directors to review a matter in which several directors, or officers, may have a conflict. In determining whether the Company will participate in a particular program and the interest to be acquired by it, the directors will primarily consider the potential benefits to the Company, the degree of risk to which the Company may be exposed and its financial position at that time. Other than as indicated, the Company has no other procedures or mechanisms to deal with conflicts of interest.

DIVIDENDS

The Company has never paid cash dividends on its common shares and does not expect to pay any cash dividends in the future in favour of utilizing cash to support the development of its business. Any future determination relating to the Company’s dividend policy will be made at the discretion of the Company’s Board and will depend on a number of factors, including future operating results, capital requirements, financial condition, the terms of any credit facility or other financing arrangements the Company may obtain or enter into, future prospects and other factors the Company’s Board may deem relevant at the time such payment is considered. As a result, shareholders will have to rely on capital appreciation, if any, to earn a return on their investment in the common shares for the foreseeable future.

HEDGING

Although there were no hedging arrangements in place as of the date of this MD&A, management may elect to use such instruments in the future. Derivative instruments may be used to manage changes in commodity prices, interest rates, foreign currency exchange rates, energy costs and the costs of other consumable commodities. Common inherent risks associated with derivative transactions include: (i) credit risk resulting from a counterparty failing to meet its obligation; (ii) market risk associated with changes in market factors that affect fair value of the derivative instrument; (iii) basic risk resulting from ineffective hedging activities; and (iv) legal risk associated with an action that invalidates performance by one or both parties. There is no assurance that any hedging or other derivative program will be successful.

MINERAL RESOURCE UNCERTAINTIES

Mineral resources that are not mineral reserves do not have demonstrated economic viability. Due to the uncertainty that may attach to mineral resources, there can be no assurances that mineral resources will be upgraded to mineral reserves as a result of continued exploration or during the course of operations.

There can be no assurances that any of the mineral resources stated in this MD&A or published technical reports of the Company will be realized. Until a deposit is extracted and processed, the quantity of mineral resources or reserves, grades, recoveries and costs must be considered as estimates only. In addition, the quantity of mineral resources or reserves may vary depending on, among other things, product prices. Any material change in the quantity of mineral resources or reserves, grades, dilution occurring during mining operations, recoveries, costs or other factors may affect the economic viability of stated mineral resources or reserves. In addition, there is no assurance that chemical recoveries in limited, small scale laboratory tests will be duplicated by larger scale tests or during production. Fluctuations in lithium/lithium product prices, results of future drilling, metallurgical testing, actual mining and operating results, and other events subsequent to the date of stated mineral resources and reserves estimates may require revision of such estimates. Any material reductions in estimates of mineral resources or reserves could have a material adverse effect on the Company.

TAXATION

The Company is affected by the tax regimes of numerous jurisdictions. Revenues, expenditures, income, investments, land use, intercompany transactions and all other business conditions can be taxed. Tax regulations, interpretations and enforcement policies may differ from the Company's applied methods and may change over time due to circumstances beyond the Company's control. The effect of such events could have material adverse effects on the Company's anticipated tax consequences. There is no assurance regarding the nature or rate of taxation, assessments and penalties that may be imposed.

THE COMPANY MAY BE RELIANT ON THIRD PARTY REPORTING

The Company relies, and will rely, on public disclosure and other information regarding the properties in which it has an interest that it receives from the owners, operators and independent experts of such operations, and certain of such information is included in this MD&A. Such information is necessarily imprecise, as it depends upon the judgment of the individuals who operate the properties, as well as those who review and assess the geological and engineering information. In addition, the Company must rely on the accuracy and timeliness of the public disclosure and other information it receives from the owners and operators of the properties, and uses such information in its analyses, forecasts and assessments relating to its own business and to prepare its disclosure with respect to its streams and royalties. If the information provided by such third parties to the Company contains material inaccuracies or omissions, the Company's disclosure may be inaccurate and its ability to accurately forecast or achieve its stated objectives may be materially impaired, which may have a material adverse effect on the Company.

SUBSTANTIAL NUMBER OF AUTHORIZED BUT UNISSUED SHARES

The Company has an unlimited number of common shares that may be issued by the Board without further action or approval of the Company's shareholders, except in limited circumstances. While the Board is required to fulfill its fiduciary obligations in connection with the issuance of such shares, the shares may be issued in transactions with which not all shareholders agree, and the issuance of such shares will cause dilution to the ownership interests of the Company's shareholders.

PERMITS AND LICENSES

The activities of the Company are subject to government approvals, various laws governing prospecting, development, land resumptions, production taxes, labour standards and occupational health, mine safety, toxic substances and other matters, including issues affecting local Indigenous populations. Amendments to current laws and regulations governing operations and activities of exploration and mining, or more stringent implementation thereof, could have a material adverse impact on the business, operations and financial performance of the Company. Further, the mining licenses and permits issued in respect of its mineral property may be subject to conditions that, if not satisfied, may lead to the revocation of such licenses. In the event of revocation, the value of the Company's investments in its exploration and evaluation assets may decline.

TITLE RISKS

The acquisition of title to exploration and evaluation assets or interests therein is a very detailed and time-consuming process. The exploration and evaluation assets may be subject to prior unregistered agreements or transfers and title may be affected by undetected defects.

LIMITED OPERATING HISTORY

The Company was incorporated on May 31, 2019 and has yet to generate a profit from its activities. The Company will be subject to all of the business risks and uncertainties associated with any business enterprise, including the risk that it will not achieve its growth objective. The Company anticipates that it may take several years to achieve positive cash flow from operations. Even if the Company does undertake exploration activity on its exploration and evaluation assets, there is no certainty that the Company will produce revenue, operate profitably or provide a return on investment in the future.

UNFORESEEN EXPENSES

While the Company is not aware of any expenses that may need to be incurred that have not been taken into account, if such expenses were subsequently incurred, the expenditure proposals of the Company may be adversely affected.

COVID-19

The global impact of COVID-19 has resulted in a great deal of volatility and uncertainty in the financial markets, global economy and related supply chains. The financial markets have recovered from their lows although the negative impact from COVID-19 on the Company's financial results remains high and cannot be estimated at this time.CM NTD Delete next report??

NO REVENUE AND NEGATIVE CASH FLOW

The Company has negative cash flow from operating activities and does not currently generate any revenue. Lack of cash flow from the Company's operating activities could impede its ability to raise capital through debt or equity financing to the extent required to fund its business operations. In addition, working capital deficiencies could negatively impact the Company's ability to satisfy its obligations promptly as they become due. If the Company does not generate sufficient cash flow from operating activities, it will remain dependent upon external financing sources. There can be no assurance that such sources of financing will be available on acceptable terms or at all.

LEGAL AND LITIGATION

All industries, including the mining industry, are subject to legal claims, with and without merit. Defense and settlement costs of legal claims can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, the resolution of any particular legal proceeding to which the Company may become subject could have a material adverse effect on the Company's business, prospects, financial condition and operating results. There are no current claims or litigation outstanding against the Company.

INSURANCE

The Company is also subject to a number of operational risks and may not be adequately insured for certain risks, including accidents or spills, industrial and transportation accidents, which may involve hazardous materials; labour disputes; catastrophic accidents; fires, blockades or other acts of social activism; changes in the regulatory environment; impact of non-compliance with laws and regulations; natural phenomena, such as inclement weather conditions, floods, earthquakes, tornados, thunderstorms, ground movements, cave-ins, and encountering unusual or unexpected geological conditions; and technological failure of exploration methods. There is no assurance that the foregoing risks and hazards will not result in damage to or destruction of the properties of the Company, personal injury or death, environmental damage or, regarding the exploration or development activities of the Company, increased costs, monetary losses, and potential legal liability and adverse governmental action, all of which could have an adverse impact on the Company's future cash flows, earnings, results of operations and financial condition. The payment of any such liabilities would reduce the funds available to the Company. If the Company is unable to fully fund the cost of remedying an environmental problem, it might be required to suspend operations or enter into costly interim compliance measures pending completion of a permanent remedy. No assurance can be given that insurance to cover the risks to which the Company's activities are subject will be available at all or at commercially reasonable premiums. The Company is not currently covered by any form of environmental liability insurance, since insurance against environmental risks (including liability for pollution) or other hazards resulting from exploration and development activities is unavailable or prohibitively expensive. This lack of environmental liability insurance coverage could have an adverse impact on the Company's future cash flows, earnings, results of operations and financial condition.

UNINSURED RISKS

The Company, as a participant in mining and exploration activities, may become subject to liability for hazards that cannot be insured against or against which it may elect not to be so insured due to high premium costs. Furthermore, the Company may incur a liability to third parties (in excess of any insurance coverage) arising from negative environmental impacts or any other damage or injury.

DISCLOSURE CONTROLS AND PROCEDURES

The MD&A is central to the assessment that the condensed interim consolidated financial statements, together with other financial information included in the filings, fairly present in all material respects the Company's financial condition, results of operations and cash flows.

The Company's management designed the disclosure controls and procedures to provide reasonable assurance that material information relating to the Company, including its consolidated subsidiaries, is made known to them on a timely basis. The Company's management believes that any disclosure controls and procedures, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the disclosure controls and procedures are met.

FORWARD-LOOKING STATEMENTS

This MD&A contains forward-looking information and forward-looking statements, as defined in the applicable securities laws (collectively referred to herein as "forward-looking statements").

The forward-looking statements are based on the Company's current expectations and estimates of the business and management. Certain statements included in this MD&A constitute forward-looking statements, including those identified by the expressions "anticipate", "believe", "plan", "suggest", "estimate", "anticipate", "project", "indicate", "expect", "intend", "may", "should expect", "target", "will" and other similar words or statements that certain events or conditions “may” or “will” occur. The forward-looking statements are not historical facts, but reflect current expectations regarding future results or events. This MD&A contains forward-looking statements. These forward-looking statements are based on current expectations and various estimates, factors and assumptions, and involve known and unknown risks, uncertainties and other factors.

Forward-looking statements are necessarily based on estimates and assumptions made by us in light of our experience and perception of historical trends, current conditions and expected future developments, as well as the factors we believe are appropriate. Forward-looking statements in this MD&A include, but are not limited to, statements relating to:

- Expectations regarding the Company’s revenue, expenses, operations, and future operational and financial performance;
- Developments in the Company’s operations in future periods, including cost and timing of studies, resource estimates and PEAs;
- The Company’s ability to obtain funding for its operations, including funding for the Company’s exploration and development plans and refining of mineral resources to commercial grade;
- The Company’s ability to effectively implement planned exploration programs;
- Management’s outlook regarding future trends;
- Unexpected events and delays in the course of its exploration and drilling programs;
- The failure to discover any significant amounts of lithium or other minerals on any of the Company’s properties;
- Risks inherent in the mineral exploration and development business;
- The Company’s ability to retain qualified consultants necessary for the exploration and development of any of the Company’s properties, and for the operation of its business;
- The Company’s business model and strategic plans;
- The impact of general business and economic conditions;
- Risk related to the Company’s dependence on key personnel;
- The compensation that is expected to be paid to consultants of the Company;
- Estimates of the Company’s expenses, capital requirements and the Company’s needs for additional financing;
- Governmental regulations of mining activities and oil and gas in Alberta and Saskatchewan and elsewhere;
- The continued demand for lithium;
- The failure to discover any significant amounts of lithium or other minerals on any of the Company’s properties;
- The fact that resource figures for minerals are merely estimates and no assurances can be given that any estimated levels of minerals will actually be produced;
- The uncertainty of the requirements demanded by environmental agencies;
- The Company’s ability to obtain the necessary licenses and permits to explore and exploit its properties; and
- Other risks related to mining activities that are beyond the Company’s control.

All forward-looking statements, including those not specifically identified herein, are made subject to cautionary language below. Readers are advised to refer to the cautionary language when reading any forward-looking statements.

The Company disclaims any obligation to update any forward-looking statements, except as required by law, whether as a result of new information, future events or results, or otherwise.

Forward-looking information does not take into account the effect of transactions or other items announced or occurring after the statements are made. Forward-looking information is based upon a number of expectations and assumptions and is subject to a number of risks and uncertainties, many of which are beyond the Company's control, that could cause actual results to differ materially from those that are disclosed in or implied by such forward-looking information.

Any forward-looking statement speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or results, or otherwise. Forward-looking statements are not a guarantee of future performance, and accordingly, undue reliance should not be put on such statements due to the inherent uncertainty therein.

There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

ADDITIONAL INFORMATION

Additional information about the Company, including the condensed interim consolidated financial statements, is available on SEDAR at www.sedar.com.