Free Battery Metal Limited
Management Discussion and Analysis
For the years ended December 31, 2024 and 2023

Introduction

The following discussion of the results of operations and financial condition of Free Battery Metal Limited. ("FREE" or "the Company") prepared as of April 8, 2025 consolidates management's review of the factors that affected the Company's financial and operating performance for the years ended December 31, 2024 and 2023, and factors reasonably expected to impact on future operations and results. This discussion is intended to supplement and complement the Company's audited consolidated financial statements as at and for the years ended December 31, 2024 and 2023 ("2024 Audited Consolidated Financial Statements") and the notes thereto which were prepared in accordance with International Financial Reporting Standards ("IFRS").

The 2024 Audited Consolidated Financial Statements are available at www.sedarplus.ca. All amounts disclosed are in Canadian dollars unless otherwise stated.

Cautionary Note Regarding Forward-Looking Information

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or state that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement.

Inherent in forward-looking statements are risks, uncertainties and other factors beyond the Company's ability to predict or control. Please also make reference to those risk factors referenced in the "Risk Factors" section below. Readers are cautioned that such risk factors, uncertainties and other factors are not exhaustive. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. Specifically, this MD&A includes, but is not limited to, forward-looking statements regarding: the Company's ability to meet its working capital needs at the current level for the next twelve-month period; management's outlook regarding future trends; sensitivity analysis on financial instruments, which may vary from amounts disclosed; completion of the Transaction (defined below); and general business and economic conditions.

All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements, whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

The Company

Free battery Metal Limited (the "Company") was incorporated under the Business Corporations Act of Ontario on February 17, 2010. The Company completed a transaction resulting in a reverse takeover ("RTO") of the Company by Rift Lithium Inc. ("RLI"). RLI was incorporated under the Business Corporations Act of British Columbia on November 23, 2021. The Reverse Takeover Transaction was completed by way of a three-cornered amalgamation (the "Amalgamation") pursuant to which, among other things, (i) RLI amalgamated with a wholly-owned subsidiary of the Company, incorporated for the purposes of the Amalgamation, and (ii) all of the outstanding common shares in the capital of RLI were cancelled and, in consideration, the holders thereof received common shares in the capital of the Company on a 1:1 basis.

Prior to the completion of the RTO, the Company changed its name to "Free Battery Metal Limited". In connection with the RTO, RLI completed a private placement of subscription receipts (each, a "Subscription Receipt") at a price of $1.00 per Subscription Receipt, pursuant to which RLI issued an aggregate of 1,000,000 Subscription Receipts for aggregate gross proceeds of $1,000,000 (the "Offering"). Concurrent with closing of the RTO, each Subscription Receipt was converted into one common share of the Company.

The Company is an exploration and development company focused on the acquisition, exploration and development of properties which are prospective for Lithium and other metals.

The address of the Company's registered and head office is 1 Adelaide Street East, Suite 801, Toronto, Ontario, M5C 2V9. The common shares of the Resulting Issuer were approved for trading on June 9, 2023 on the Canadian Securities Exchange, and commenced trading on June 13, 2023 under the symbol "FREE". Concurrent with the RTO, the Company changed its year-end from May 31, to December 31, the year-end of RLI.

Highlights for the year ended December 31, 2024 and to the date of this MD&A

- Received funding of $45,334 in 2024 (total received to date was $66,722) from the Ontario Junior Exploration Program.
- Announced its strategic initiative to spearhead advancements in sustainable mining practices through the innovative concept of phytomining. With a commitment to environmental stewardship and technological innovation, the Company is actively seeking acquisitions, specialized advisors, and joint venture opportunities to propel its vision forward and invite collaboration from like-minded entities.
- Entered into an option agreement on the Mound Lake Property (see details below).

Exploration Projects – Mound Lake Property

On November 24, 2021, the Company entered into an agreement to acquire mineral claims located in the province of Ontario ("the Mound Lake Property"), in exchange of 2,000,000 common shares (at $0.40 per share) of the Company. The shares were issued on November 24, 2021. The valuation was determined by arm's length negotiations between the parties, including with the subscribers of subscription receipts as to the pre-money valuation for this property. During the year ended December 31, 2022, the Company spent $161,452 on the property ($46,000 in additional acquisition costs, $104,912 on an aerial magnetic survey, $6,585 towards the preparation of 43-101 report, $3,955 on geological consultants).

During the year ended December 31, 2023, the Company spent $9,605 on a valuation report, and $171,527 on a phase 1 exploration field program (described below) and accrued $105,000 on a phase 2 program (including geological consultants and lab analysis). These expenses were offset by $21,388 received from the Ontario Junior Exploration Program to help finance early-stage exploration projects.

No material expenses were incurred during the year ended December 31, 2024. The Company did receive an additional $45,334 from OJEP in 2024.

Phase 1 exploration program – summer 2023

A dedicated 4-person crew from Planet X Exploration Services conducted comprehensive prospecting and grab sampling across the property from June 16 to July 3, 2023. Navigating the property via a network of roads and abandoned logging roads accessible through all-terrain vehicles, the team examined prospective outcrops and meticulously collected a total of 213 grab samples. Each sample underwent detailed on-site description, photography, and analysis using a handheld XRF instrument. Duplicate samples were retained for further in-depth research and analysis. A preliminary review of the analysis results revealed abundant pathfinder elements, notably elevated Tantalum, Beryllium, and Rubidium levels, along with consistent values of Lithium. Our team of experts is currently conducting a thorough evaluation of these findings to define precise targets for subsequent exploration and research initiatives. Building upon these results, management generated geospatial maps pinpointing sample sites and element concentrations. These maps have already begun to identify several areas of significant interest, notably an apparent trend of coincident Lithium, Tantalum, Rubidium, and Beryllium values spanning approximately 3 kilometers on the eastern side of Mound Lake

Given the positive results from the summer Phase 1 exploration program the Company announced the commencement of its fall work program on September 12, 2023. Central to this program is the investigation of Anomaly 107226, where an exceptional Tantalum value of 261ppm was uncovered from a sample on the northeast side of Mound Lake. It's worth noting that any Tantalum value exceeding 65ppm is considered significant, potentially indicating the presence of a pegmatite capable of hosting economically valuable lithium-cesium-tantalum mineralization. The Company intends to conduct additional sampling at this site and its immediate vicinity. In addition to the 48-Element ICP analyses, our team will collect samples for comprehensive whole rock analysis, mineralogical, and petrological studies. Furthermore, we plan to expand our exploration efforts by gathering grab samples from previously unexplored regions within the property, including additional samples from the Mound Lake Pluton itself. To date, the Company has collected an additional 30 samples.

The Company entered into a binding term sheet effective January 10, 2025 with Snow Lake Resources Ltd., (NASDAQ: LITM) d/b/a Snow Lake Energy ("Snow Lake"), an arm's length party, (the "Term Sheet", and the transactions contemplated therein, the "Transaction") pursuant to which Snow Lake can earn up to an 80% interest in Free Battery's Mound Lake Property.

Summary of the Transaction

Pursuant to the terms and conditions of the Transaction, (i) on or before the first anniversary of the effective date of a definitive agreement to replace the Term Sheet (the "Definitive Agreement"), Snow Lake, a 10% owner of the Mound Lake Property, shall have the right to acquire (the "First Option") an additional 41% interest in the Mound Lake Property (for an aggregate 51% interest) (the "First Option Interest") upon Snow Lake (x) having made work expenditures of at least C$1,000,000 and (y) paying C$500,000 to Free Battery; and (ii) on or before the second anniversary of the effective date of the Definitive Agreement, Snow Lake shall have the right to acquire (the "Second Option" and together with the First Option, the "Option Earn-Ins")) an additional 29% interest in the Mound Lake Property (for an aggregate 80% interest) (the "Second Option Interest") upon Snow Lake (x) having made additional work expenditures of C$1,000,000 (for aggregate work expenditures of C$2,000,000 (the "Work Commitment")) and (y) paying an additional C$1,000,000 to Free Battery (for aggregate cash payments of C$1,500,000). Shortfalls in work expenditures below the Work Commitment may be paid by Snow Lake to Free Battery as cash in lieu to satisfy the work expenditures' requirement.

Prior to the completion of a pre-feasibility study on the Mound Lake Property, Snow Lake will be the operator of the Mound Lake Property and be responsible for all costs and expenses associated with exploration and development of the Mound Lake Property. Following the completion of a pre-feasibility study on the Mound Lake Property, the parties shall diligently and in good faith negotiate the terms of a joint venture arrangement to advance development of the Mound Lake Property. Such arrangement will include, among other things, (i) a mechanism by which expenditures on the Mound Lake Property will be funded on a pro rata basis, based upon the respective parties proportionate interest in the Mound Lake Property; (ii) in the event any one party declines to fund the expenditures in proportion to their interest, their respective interest in the joint venture shall be reduced accordingly, subject to the Dilution Conversion (as defined hereinafter); (iii) a mechanism for preparing and approving a budget and work program in respect of the Mound Lake Property; and (iv) the ongoing management of the joint venture.

Following the exercise of the First Option, in the event that either party's interest in the Mound Lake Property falls below 10%, such party's interest shall be converted into a 1% net smelter return royalty on the Mound Lake Property, which shall not be subject to a right of first refusal or any other pre-emptive rights in favour to such party (the "Dilution Conversion").

Selected annual information

	2024	2023	2022
	$	$	$
Revenue/Interest income	-	10,000	299
Expenses	124,038	1,442,439	222,514
Net loss and comprehensive loss for the year	(78,704)	(1,432,439)	(222,215)
Basic and fully diluted loss per share	(0.02)	(0.50)	(0.11)
Cash flows from operating activities	(101,720)	(611,673)	(186,805)
Cash flows from financing activities	-	-	-
(Decrease) Increase in cash in year	(101,720)	(611,673)	(186,805)
As at December 31,	**2024**	**2023**	**2022**
Total Assets	124,150	226,978	820,598
Total long-term financial liabilities	Nil	Nil	Nil
Cash dividends declared for all classes of shares	Nil	Nil	Nil

Summary of Quarterly Results (in accordance with IFRS)

Three Months Ended	Net Revenues ($)	Net Loss	
		Net loss ($)	Basic and Diluted (Loss) Per Share ($)
31-Dec-24	-	(32,988)	(0.01)
30-Sept-24	-	(23,123)	(0.01)
30-June-24	-	(21,614)	(0.01)
31-Mar-24	-	(979)	(0.00)
31-Dec-23	-	(167,706)	(0.48)
30-Sept-23	-	(198,299)	(0.56)
30-June-23	-	(1,001,626)	(0.50)
31-Mar-23	-	(64,808)	(0.03)

The Company’s level of activity and expenditures during a specific quarter are influenced by the availability of working capital, the availability of additional external financing, the time required to gather, analyze and report on geological data related to mineral properties, the results of the Company’s prior exploration activities on its properties and the amount of expenditure required to advance its projects. The increase in loss in Q2 2023 was due to the closing of the RTO and related listing expense (see below). The decrease in loss in Q1 2024 was due to $45,334 received under the OJEP.

Results of Operations

(Expressed in Canadian Dollars)

	2024	2023
Expenses		
General and administrative	$ 10,464	$ 26,622
Consulting (i)	-	56,500
Professional and management fees (ii)	79,712	306,411
Regulatory (iii)	11,300	27,968
Exploration and evaluation expenses	10,562	264,745
Share based payments (iv)	12,000	156,000
Listing cost (v)	-	604,193
Total expenses	(124,038)	(1,442,439)
Other items		
Interest income	-	10,000
Ontario Junior Exploration Program Funding	45,334	-
Net Loss and Comprehensive Loss for the Year	$ (78,704)	$ (1,432,439)

(i) Assistance for successful completion of RTO and restructuring.

(ii) Includes legal, audit and management fees. The decrease in legal and audit as more was required in the prior period to complete the RTO, financing, restructuring as well as general corporate matters. For management fees, see related party transactions.

(iii) Fees for listing on the exchange (in 2023) and other regulatory costs.

(iv) Share-based payments represent the value of stock options that vested during the period. On February 21, 2024, 50,000 options were granted to a consultant to the Company. This is a non- cash expense.

(v) In connection with the RTO, the Company recognized a listing expense being equal to the consideration paid less the net asset acquired under the RTO. This is a non-cash expense.

Liquidity and Capital Resources

As at December 31, 2024 the Company had current assets of $124,150 and current liabilities of $131,243 (resulting in a working capital deficiency of $7,093).

The decrease in cash during the period of $101,720 was the result of cash used in operating activities**.** The government OJEP funding helped offset expenses during the period.

At its current operating level, the Company does not have sufficient funds to cover short-term operational needs.

The primary need for liquidity is to fund exploration programs and to maintain general corporate operations. The primary source of liquidity has primarily been private financing and government grants.

The Company has no debt and no financial commitments.

Overall, given working capital deficiency at December 31, 2024, the Company will need to raise additional capital for exploration programs and to funds general operations in 2024.

The Corporation’s principal source of financing is equity financing, the success of which depends on venture capital markets, the attractiveness of exploration companies to investors, and metal prices. To continue its exploration activities and be able to support its ongoing operations, the Company will need to continue its relations with the financial community to obtain further equity financing in the future. Outstanding options, if exercised, represent potential financing. There is risk that additional financing will not be available.

Outstanding Share Data

Subsequent to the year end, on March 28, 2025, the board of directors of the Company approved a consolidation of its issued and outstanding common shares ("Common Shares") on the basis of one post-consolidated Common Share for every twenty pre-consolidated Common Shares (the "Consolidation"), with April 3, 2025, as the effective date of the Consolidation. Following the Consolidation, the Common Shares were reduced from 70,112,397 to approximately 3,505,621 Common Shares. All share and per share amounts in this report have been adjusted retrospectively to reflect the Consolidation.

As at the date of this MD&A (and after the effect of the consolidation), the Company had 3,505,621 common shares and 250,000 stock options outstanding.

Off-Balance Sheet Arrangements

The Company has not had any off-balance sheet arrangements from the date of its incorporation to the date of this MD&A.

Related Party Transactions

During the year ended December 31, 2024, $36,000 (2023 - $30,000) was charged by CFO Advantage Inc, a corporation owned by the chief financial officer of the Company, for management services. As at December 31, 2024, $6,780 (December 31, 2023 - $3,390) is included in accounts payable and accrued liabilities.

During the year ended December 31, 2024, $12,500 (2023 - $22,600) was charged by Pam Sangster, the Chief Executive Officer, for management services. As at December 31, 2024, $2,000 (2023 - $11,300) is included in accounts payable and accrued liabilities.

During the year ended December 31, 2023, $10,170 was charged by Kurtz Financial Group, a corporation owned by the former chief executive officer of the Company, for management services. As at December 31, 2024 and 2023, $nil is included in accounts payable and accrued liabilities.

Capital Management

The Company’s objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

The Company includes equity, comprised of issued common shares and reserves, in the definition of capital.

The Company’s primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund the identification and evaluation of potential acquisitions. To secure the additional capital necessary to pursue these plans, the Company may attempt to raise additional funds through the issuance of equity. The Company is not subject to any external capital restrictions.

Risks and Uncertainties

The following describes certain risks, events and uncertainties that could affect the Company and that each reader should carefully consider.

External financing may be required to fund the Company's activities primarily through the issuance of common shares. There can be no assurance that the Company will be able to obtain adequate financing. The securities of the Company should be considered a highly speculative investment.

The Company has not generated any revenues and does not expect to generate revenues in the near future. In the event that the Company generates revenues in the future, the Company intends to retain its earnings in order to finance further growth. Furthermore, the Company has not paid any dividends in the past and does not expect to pay any dividends in the foreseeable future.

Risk Disclosures and Fair Values

Fair Values

At December 31, 2024, the Company's financial instruments consist of cash, accounts payable and accrued liabilities. The fair value of these financial instruments approximates the carrying value due to the relatively short-term maturity of the instrument.

Credit Risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash. To minimize the credit risk the Company places these instruments with a high credit quality financial institution.

Foreign Exchange Risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is not exposed to foreign exchange risk.

Interest Rate Risk

The Company is not exposed to any significant interest rate risk.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs and to meet the Company's liabilities. The $131,243 of accounts payable and accrued liabilities are due within one year.

Fair value of financial instruments

The Company has a three-tier hierarchy as a framework for disclosing fair value based on inputs used to value the Company's financial instruments. The hierarchy of inputs is summarized below:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities. An active market is one in which transactions for the assets occur with sufficient frequency and volume to provide pricing information on an ongoing basis;
- Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices); and
- Level 3 - inputs for the asset or liability that are not based on observable market data.

The classification of a financial instrument in the fair value hierarchy is based upon the lowest level of input that is significant to the measurement of fair value.

Critical Accounting Estimates

The Company's material accounting policies are summarized in Note 3 of the audited financial statements for the year ended December 31, 2024.

Risks and Uncertainties

The Company’s business is subject to a number of risk factors which are described in detail in the Filing Statement filed on SEDAR June 8, 2023.

Additional Information

Additional information relating to the Company can be found on SEDAR at www.sedarplus.ca.