



## **SPOD LITHIUM CORP.**

### **MANAGEMENT DISCUSSION & ANALYSIS**

For the three-month period ended October 31, 2024 and 2023

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This Management Discussion and Analysis ("MD&A") of Spod Lithium Corp. (formerly EEE Exploration Corp. ("Spod" or the "Company")) has been prepared by management as at December 19, 2024 and should be read together with the interim condensed financial statement for the three-month period ended October 31, 2024 and 2023 and the annual audited financial statements for the period ended July 31, 2024 and related notes for the year ended July 31, 2024 which are prepared in accordance with International Financial Reporting Standards ("IFRS"). Additional information regarding the Company can be found on SEDAR+ at [www.sedarplus.com](http://www.sedarplus.com). The following amounts are expressed in Canadian dollars unless otherwise stated.

This MD&A may contain "forward-looking statements" which reflect the Company's current expectations regarding the future results of operations, performance, and achievements of the Company. The Company has tried, wherever possible, to identify these forward-looking statements by, among other things, using words such as "anticipate," "believe," "estimate," "expect" and similar expressions. The statements reflect the current beliefs of the management of the Company and are based on currently available information. Accordingly, these statements are subject to known and unknown risks, uncertainties and other factors, which could cause the actual results, performance, or achievements of the Company to differ materially from those expressed in, or implied by, these statements.

The Company undertakes no obligation to publicly update or review the forward-looking statements whether as a result of new information, future events or otherwise. Historical results of operations and trends that may be inferred from the following discussions and analysis may not necessarily indicate future results from operations.

#### **Company Overview**

Spod Lithium Corp. (the "Company") was incorporated as a wholly owned subsidiary of reporting issuer Pharmalogix Investments Corp. (Formerly UWO Consulting Ltd.) ("UWO") on November 11, 2014 under the laws of British Columbia, Canada. On April 15, 2021, the Company changed its name to EEE Exploration Corp. and on September 21, 2022, the Company name was changed to Spod Lithium Corp. On September 21, 2021, the Company commenced trading on the Canadian Securities Exchange ("CSE" or "Exchange") and is currently trading under the symbol "SPOD". The Company is engaged in the business of mineral exploration focusing on the acquisition and development of mineral properties containing battery, base and precious metals. Pursuant to a plan of arrangement between the Company and UWO, the Company's shares were distributed to the shareholders of UWO during the year ended July 31, 2018.

The Company's exploration and evaluation assets are located in Canada in the provinces of Quebec and Ontario.

The Company's most recent activities include the following:

In August 2023, the option agreement for the MegaLi property was amended to extend the requirement to incur \$350,000 to September 18, 2023. The Company fulfilled this commitment. The Company also paid \$50,000 and issued 700,000 Class A common shares pursuant to the MegaLi option agreement.

In August of 2023, the Company announced due to improving conditions surrounding the Company's properties in the James Bay region of Quebec, the company's long awaited 2023 exploration program scheduled on the Company's MegaLi and Lithium Grande 4 properties commenced.



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In October 2023, the Company provided the following exploration update on its MegaLi project:

- Several pegmatite outcrops have been identified and sampled. Observations show the potential to identify large pegmatites on Block C. Pegmatites are concentrated in 500 metres wide swarms recognized over a kilometric strike length.
- Mineralogical and textural characteristics observed allow to link Block C pegmatites to the LCT type (Lithium-Cesium-Tantalum).
- The MegaLi project shares its border with Patriot Battery Metals Inc's Corvette property and is located about 3 km south from CV5 pegmatite system. The CV5 pegmatite contains 109.2 Mt of inferred resources at 1.74% LiO<sub>2</sub> contains in spodumene.
- 111 prioritised rock-chip samples are on their way to ALS Laboratories for alkaline fusion assaying.
- Fieldwork remains ongoing with only 18 of the forecasted 25 ground campaign days completed to date.

In October 2023, the Company announced the closing of a non-brokered private placement for gross proceeds of \$303,170 through the issuance of 4,330,999 units at a price of \$0.07 per unit, each unit consisting of one Class A common share and one-half of one transferable Class A common share purchase warrant. Each whole warrant is exercisable for an additional common share at \$0.12 for 24 months from the date of issuance.

In October 2023, the Company and GIA amended the option agreement for the Golden Moon Property to extend to extend each annual requirement by one year.

In December 2023, the Company advised shareholders that the first phase of its exploration program on its MegaLi (78 mineral claims covering a total area of 3,996.67 hectares - 40 square kilometres) and Lithium Grande 4 (41 mining claims covering 2,100 hectares - 21 square kilometres) projects located in James Bay, Quebec was completed.

In December 2023, the Company announced the closing of a non-brokered private placement for gross proceeds of \$1,443,750 through the issuance of 10,694,444 units at a price of \$0.135 per unit, each unit consisting of one flow-through Class A common share and one-half of one transferable Class A common share purchase warrant. Each whole warrant is exercisable for a non-flow-through common share at \$0.12 for 24 months from the date of issuance.

In February 2024, the Company provided results from lithium grab samples and geometric survey from its prospecting program at MegaLi and La Grande 4 properties in James Bay, Quebec. The gravimetry survey executed last fall gave a clear signature for the block C pegmatites and the indication of a stacking of similar signatures away from the exposed pegmatite. This survey combined with the lithium values found in the rock sample assays have generated several prospective drill targets for the 2024 winter exploration program. Highlighted results were as follows:

- Drilling targets are identified through surface sampling and gravimetric survey on Spod's Block C Pegmatite as part of the 2024 winter program.
- Initial prospecting on MegaLi and La Grande 4 claim blocks A, D, E, F all returned Li anomalies. Highest result from La Grande 4 block A is 540 ppm Li.
- Grab samples from the lithium-bearing pegmatites on Spod's discovery Block C, located 5 km east south-east from the Patriot Battery Metals CV5 spodumene resources, assayed up to 440ppm Li, and rubidium enrichment reaching 2,920 ppm.



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In March 2024, the Company announced that it entered into an option agreement with Gravel Ridge Resources Ltd. and 1544230 Ontario Inc. under which SPOD has the option to acquire a 100% interest in 80 unpatented mining claims known as the Barbara Li Project located in the Province of Ontario.

In March 2024, the Company announced the appointment of Ms. Veronique Laberge as the new Chief Financial Officer of the Company following the resignation of Hani Zabaneh.

In March 2024, the Company announced that it has been selected to receive a \$200,000 Ontario Junior Exploration Program ("OJEP") grant from the Government of Ontario to support its exploration efforts on its North Nipigon -Niemi Project in the Georgia Lake Pegmatite field.

In April 2024, the Company announced the appointment of Mr. Mathieu Couillard as the new Chief Executive Officer of the Company and Director following the resignation of Chris Cooper as Chief Executive Officer and Director.

In May 2024, the Company provided updates on the Company's strategic plan for 2024 following the recent management change:

- The Company is focusing on its MegaLi and Lithium Grande 4 options, recognizing the immense potential these assets hold.
- The upcoming work will involve a comprehensive mapping and sampling program, focusing on prime zones in preparation for a stripping program later in 2024.

In May 2024, the Company amended its mineral option agreement with Visible Gold Mines Inc. on the MegaLi Property dated August 3, 2022, and subsequently amended in August 2023. The amended option agreement extends the date on which the Company was to spend at least \$500,000 in exploration expenditures on the MegaLi Property from August 3, 2024 to December 31, 2024. The Company will also amend the second-year (2024) issuance and third-year (2025) Class A common shares issuance to Visible Gold Mines Inc. for 1,175,000 and 1,375,000 Class A common shares, respectively. The Company has fulfilled its second-year payment of \$100,000 and has issued on the same date the second-year issuance of 1,175,000 Class A common shares at a price of \$0.06. Moreover, per the amendments, the Company will issue on or before December 31, 2025, 1,375,000 Class A common shares, pay Visible Gold Mines Inc. an additional \$150,000 and incur at least an additional \$1,000,000 in exploration expenditures.

In May 2024, the Company amended its mineral option agreement with Noranda Royalties Inc. on the Lithium Grande 4 property dated July 4, 2022, and subsequently amended in July 2023. The amended option agreement extends the date on which the Company was to spend at least \$500,000 in exploration expenditures on the Lithium Grande 4 property from July 4, 2024 to December 31, 2024. The Company will also amend the second-year (2024) issuance and third-year (2025) Class A common shares issuance to Noranda Royalties Inc. for 1,175,000 and 1,375,000 Class A common shares, respectively. The Company has fulfilled its second-year payment of \$100,000 and has issued on the same date the second-year issuance of 1,175,000 Class A common shares at a price of \$0.06. Moreover, per the amendments, the Company will issue on or before December 31, 2025, 1,375,000 Class A common shares, pay Noranda Royalties Inc. an additional \$150,000 and incur at least an additional \$1,000,000 in exploration expenditures.

In May 2024, the Company appointed Mr. Martin Dallaire as a new Director of the Company.



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In June 2024, the Company granted 300,000 options to a consultant, exercisable at a price of \$0.05 per option for a period of 5 years from the date of the grant.

In July 2024, the Company announce the completion of a second phase field program on its MegaLi and Lithium Grande 4 properties composed of six claim blocks adjacent to the Patriot Battery Metals Inc.'s Corvette project located in the James Bay area, Quebec, Canada. Highlighted results were as follows:

- A total of 452 soil samples have been collected by the ExploLogik team, which provides exploration services to the Company, aimed at three objectives: identification of spodumene bearing phase inside the known MegaLi project Block "C" pegmatite, testing the ground about 3km along strike from the initial target, and evaluating the lithium potential of Block "A", Block "D", Block "E" on the Lithium Grande 4 project.
- On Block "C" (MegaLi project), 316 soil samples were collected over the pegmatite trend, covering a surface of about 1.7 km by 4.8 km.
- The remaining 127 soil samples were distributed between Lithium Grande 4 Block "A", Block "D" and Block "E" located respectively 7 km north, 12 km east and 15 km east of Patriot's CV5. Block "A", returned a series of rocks showing a strong Rb enrichment and low K/Rb below 30. The objective for the soil sampling program is to locate spodumene-bearing pegmatite covered by overburden. In the case of Block "D", the unique claim hosts a strong density of pegmatites dikes limited by the density of outcrops.

In October 2024, the Company announce that it has received the majority of the results from the second phase of its field program on the MegaLi and Lithium Grande 4 ("LG4") properties and is planning a drill program based on the best targets identified. Results from the second phase of the field program conducted during summer 2024 demonstrated the presence of lithium-bearing pegmatites on the MegaLi and LG4 properties, showing strong geological similarities to the adjacent Shaakichiuwaanaan Property. The SPOD drill program aims to test various targets on Blocks A, C, and D. Considering the glacial dispersion of the lithium soil anomalies, two or three short drill holes are planned for the most significant anomalies to ensure adequate coverage of each target. The current plan includes 13 drill pads, but this may evolve based on drilling observations, with each location potentially accommodating more than one hole. The drilling program is scheduled to start around November and conclude before the end of 2024.

In October 2024, the Company appointed Mr. Richard Goldstein as a new Director of the Company following the resignation of Gerard Kelly.

In November 2024, the Company announced that they received the required permits to commence its drilling program on the MegaLi and Lithium Grande 4 ("LG4") projects. The fully funded, initial drill program will consist of a minimum of 10 drill holes for a total of about 1,500 m. The work will target Block "A" and Block "D" on the LG4 property and Block "C" on the MegaLi property. The drill program is to follow up on two successful phase 2 field programs of soil and rock sampling which identified pegmatite trends, zoned internal structures and accessory minerals such as beryl and tourmaline. Gold anomalies were also identified and associated with pegmatite contacts.



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On December 11, 2024, the Company announced the closing of a non-brokered private placement, raising gross proceeds of \$385,000 through the issuance of 7,700,000 units at a price of \$0.05 per Unit. Each Unit consists of one common share in the capital of the Company and one Common Share purchase warrant of the Company, whereby each whole Warrant will convert into one additional Common Share at an exercise price of \$0.10 for a period of twenty-four (24) months following the closing date of issuance

#### Selected Annual Information

The following table provides a summary of the Company's financial operations in the past three years. For more detailed information, refer to the Financial Statements.

	Year Ended July 31, 2024	Year Ended July 31, 2023 (restated) <sup>1</sup>	Year Ended July 31, 2022
Total revenue	\$ Nil	\$ Nil	\$ Nil
General and administrative expenses	667,563	590,197	301,969
Loss and comprehensive loss for the year	525,918	479,019	302,594
Loss per share – basic and diluted	0.01	0.01	0.02
Total assets	5,443,761	3,912,383	710,582
Total liabilities	781,719	191,543	143,299

#### Summary of Quarterly Results

	October 31, 2024	July 31, 2024	April 30, 2024	January 31, 2024
	\$	\$	\$	\$
Net Loss for the Period	97,247	312,447	102,018	112,549
Loss per Share	0.00	0.00	0.01	0.00

	October 31, 2023	July 31, 2023 (restated) <sup>1</sup>	April 30, 2023	January 31, 2023
	\$	\$	\$	\$
Net Loss for the Period	(1,096)	68,081	158,981	136,642
Loss per Share	0.00	0.00	0.01	0.00

#### <sup>1</sup>Restatement of comparative figures

Subsequent to the approval of the July 31, 2023 financial statements, the Company's directors and management questioned some marketing and consulting expenses totaling \$773,900 and discovered that the underlying services had not been provided prior to July 31, 2023. During the year ended July 31, 2024, the full amount of \$773,900 was reimbursed to the Company. As a result, the comparative figures for the year ended July 31, 2023 were restated.

In the statement of financial position for the year ended July 31, 2023, the prepaid expenses and deposits were increased by \$773,900 to reclassify consulting and marketing fees previously recorded in the statement of loss and comprehensive loss that were reimbursed to the Company during the current financial year. The deficit was decreased by \$773,900 to reflect the changes in the net loss and comprehensive loss.



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In the statement of loss and comprehensive loss for the year ended July 31, 2023, the consulting fees were decreased by \$112,400 and marketing expenses were decreased by \$661,500 to reclassify expenses previously recorded in the statement of loss and comprehensive loss that were reimbursed to the Company during the current financial year. The deficit was decreased by \$773,900 to reflect the changes in the net loss and comprehensive loss.

In the statement of changes in shareholders' equity, the deficit was decreased by \$773,900 to reflect the changes in the net loss and comprehensive loss.

### **Results of Operations**

#### ***Three months ended October 31, 2024***

The Company had no revenue from operations for the three months ended October 31, 2024, and 2023.

During the three months ended October 31, 2024, the Company incurred a net and comprehensive loss of \$97,247 (2023 – income \$1,096) consisting of administrative expenses of \$110,504 (2023 - \$119,816) and other income of \$13,257 (2023 - \$120,912).

Administrative expenses of \$110,504 (2023 - \$119,816) consisted of general and administrative expenses of \$14,991 (2023 - \$15,301), consulting fees of \$30,000 (2023 - \$36,000), transfer agent and filing fees expenses of \$3,887 (2023 - \$6,842), management fees of \$43,700 (2023 - \$42,000), marketing expenses of \$4,232 (2023 - \$nil) and legal and accounting expenses of \$13,694 (2023 - \$19,673).

Other income was for the reversal of flow-through share liability of \$33,257 (2023 - \$120,912) less \$20,000 (2023 - \$nil) in write-down of exploration and evaluation assets.

### **Exploration and Evaluation Assets**

As at October 31, 2024, the Company incurred total costs of \$4,355,925 (July 31, 2024 - \$4,221,130).

For the three months ended October 31, 2024, acquisition costs were \$65,000 (2023 - \$134,134) and exploration costs of \$89,795 (2023 - \$729,790) for geological and drilling. The Company also recorded an impairment of \$20,000 on one of the properties (2023 - \$nil).

### **Liquidity and Capital Resources**

As at October 31, 2024, the Company reported a net working capital of \$208,870 (July 31, 2024 - \$440,912). As at October 31, 2024 the Company had a cash balance of \$546,198 (July 31, 2024 - \$1,162,793), sales tax receivable of \$54,126 (July 31, 2024 - \$37,360), prepaid expenses and deposits of \$19,563 (July 31, 2024 - \$9,978) and short-term investments of \$12,500 (July 31, 2024 - \$12,500) to settle current liabilities of \$423,517 (July 31, 2024 - \$781,719). The Company expects to fund the liabilities with cash on hand and if necessary, through the issuance of capital stock over the coming year.

As at October 31, 2024, the Company's cash decreased by \$616,595 to \$546,198 from \$1,162,793. For the three months ended October 31, 2024, cash used by operating activities of \$461,800 (2023 - \$120,368), cash provided by financing activities of \$Nil (2023 - \$302,500), and cash used in investing activities of \$154,795 (2023 - \$535,475).





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During the three months ended October 31, 2024, cash used by operating activities consists primarily of general and administrative expenditures of \$110,504 (2023 - \$119,816) and net change in non-cash working capital items of \$351,296 (2023 - \$552).

During the three months ended October 31, 2024, cash provided by financing activities of \$Nil (2023 - \$302,500) from the proceeds from issuance of common shares net of legal costs.

During the three months ended October 31, 2024, cash used in investing activities of \$154,795 (2023 - \$535,475) for exploration and evaluation assets.

The Company may have capital requirements in excess of its currently available resources. In the event the Company's plans change, its assumptions change or prove inaccurate, or its capital resources in addition to projected cash flow, if any, prove to be insufficient to fund operations, the Company may be required to seek additional financing. There can be no assurance that the Company will have sufficient financing to meet its future capital requirements or that additional financing will be available on terms acceptable to the Company in the future.

#### **Off-Balance Sheet Arrangements**

The Company does not utilize off-balance sheet arrangements.

#### **New standards, Amendments, and Interpretations**

The Company has not yet begun the process of assessing the impact of other new and amended standards that are effective for annual periods beginning on or after August 1, 2024 will have on its financial statements or whether to early adopt any of the new requirements. The Company does not expect the impact of such changed on the financial statements to be material, although additional disclosure may be required.



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#### Related party Transactions

As at October 31, 2024, due to related parties includes \$3,675 (July 31, 2024 – \$21,325) to directors, officers or companies controlled by a director or an officer. The amounts are unsecured, non-interest bearing and have no fixed terms of repayment. At October 31, 2024 management fees of \$5,000 (July 31, 2024 - \$6,000) were included in prepaid expenses.

The Company considers officers and members of the Board of Directors as related parties. Key management costs for the three-month period ended October 31, 2024 totals \$57,394 (2023 - \$48,000). Remuneration was made to the following officers and directors, or to companies controlled by these officers and directors:

	October 31, 2024	October 31, 2023
	\$	\$
Management fees paid or accrued to a company controlled by the former CEO (Chris Cooper)	-	36,000
Management fees paid or accrued to a company controlled by the CEO (Mathieu Couillard)	30,000	-
Management fees paid or accrued to the former CFO and director (Hani Zabaneh)	1,000	6,000
Management fees paid or accrued to a company controlled by the CFO (Veronique Laberge)	10,500	-
Consulting fees paid or accrued to two directors (J. Theberge and Martin Dallaire)	1,200	3,000
Consulting fees paid or accrued to a company controlled by a director (Gerald Kelly)	1,000	3,000
Legal fees paid or accrued to a company controlled by the spouse of the CFO	13,694	-
	57,394	48,000

As at October 31, 2024, the Company holds 250,000 common shares of GIA Resources Inc., a company related through officer in common, with a fair value of \$12,500 (July 31, 2024 - \$12,500).

#### Financial Instruments

	Ref.	October 31, 2024	July 31, 2024
		\$	\$
Other financial assets	a	558,698	1,175,293
Other financial liabilities	b	(69,016)	(320,439)

a. Comprised of cash and short-term investments.

b. Comprised of accounts payable and due to related parties.

The Company has determined the estimated fair values of its financial instruments based on appropriate valuation methodologies; however, considerable judgment is required to develop these estimates. The fair values of the Company's financial instruments are not materially different from their carrying values.





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#### ***Management of Industry and Financial Risk***

The Company is in the business of consulting on capital markets, deal structuring, venture capital and corporate advisory.

The Company's financial instruments are exposed to certain financial risks, which include the following:

##### ***Credit risk***

Credit risk is the risk of loss due to the counterparty's inability to meet its obligations. The Company's exposure to credit risk is on its cash and other receivables. Risk associated with cash is managed through the use of major banks which are high credit quality financial institutions as determined by rating agencies. Other receivables comprise sales tax refunds from the Canadian federal government. Credit risk has been assessed as low.

##### ***Liquidity risk***

Liquidity risk is the risk that the Company will encounter difficulties in meeting obligations when they become due. The Company ensures that there is sufficient capital in order to meet short-term operating requirements, after taking into account the Company's holdings of cash. The Company's cash are held in corporate bank accounts available on demand. Liquidity risk has been assessed as high.

##### ***Market Risk***

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and price risk.

##### ***Currency Risk***

The Company is subject to normal market risks including fluctuations in foreign exchange rates and interest rate. The Company does not have any assets or liabilities denominated in foreign currencies and engages in very few transactions denominated in a foreign currency; therefore, its exposure to currency risk is low.

##### ***Interest Rate Risk***

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk.

##### ***Price risk***

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company is exposed to price risk on its short term investment. Price risk is assessed as high.

#### **Proposed Transactions**

None



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#### **Critical Accounting Estimates**

Not applicable for Venture Issuers.

#### **Other Requirements**

#### ***Summary of Outstanding Securities***

##### Class A Common Shares

Authorized: Unlimited number of Class A Common Shares without par value.

Issued and outstanding as at October 31, 2024 : 69,519,158 shares.

Issued and outstanding as at December 19, 2024 (date of this report) : 77,219,158 shares.

##### Class B Preferred Shares

Authorized: Unlimited number of Class B Preferred Shares without par value.

Issued and outstanding: None

##### Stock options

Issued and exercisable as at October 31, 2024 : 1,200,000 options.

Issued and exercisable as at December 19, 2024: 1,200,000 options.

##### Warrants

As at October 31, 2024, and December 19, 2024 (date of this report) there were 7,512,722 share purchase warrants.

#### ***Subsequent events***

On December 11, 2024, the Company closed a non-brokered private placement, raising gross proceeds of \$385,000 through the issuance of 7,700,000 units at a price of \$0.05 per Unit. Each Unit consists of one common share in the capital of the Company and one Common Share purchase warrant of the Company, whereby each whole Warrant will convert into one additional Common Share at an exercise price of \$0.10 for a period of twenty-four (24) months following the closing date of issuance.

*Additional disclosures pertaining to the Company's technical report, management information circulars, material change reports, press releases and other information are available on the SEDAR+ website at [www.sedarplus.com](http://www.sedarplus.com).*