MEGAWATT LITHIUM AND BATTERY METALS CORP.

Management's Discussion & Analysis

For the years ended September 30, 2024 and 2023

(Expressed in Canadian dollars)

This Management's Discussion and Analysis ("MD&A") of the results of operations and financial condition of MegaWatt Lithium and Battery Metals Corp. (the "Company" or "MegaWatt") and its subsidiaries should be read in conjunction with the Company's audited consolidated financial statements for the years ended September 30, 2024 and 2023 (the "Financial Statements"), which are prepared in accordance with International Financial Reporting Standards ("IFRS Accounting Standards") as issued by the International Standards Accounting Board and interpretations of the International Financial Reporting Interpretations Committee.

In this MD&A, unless the context otherwise dictates, a reference to "us", "we", "our", or similar terms refers to the Company. The functional currency of the Company and its subsidiaries is disclosed in the notes to the Financial Statements. All dollar amounts are presented in Canadian dollars, the presentation currency of the Company, except where otherwise noted. The functional currency of the Company and its subsidiaries is disclosed in the notes to the Financial Statements. The first, second, third and fourth quarters of the Company's fiscal years are referred to as "Q1", "Q2", "Q3" and "Q4", respectively. The years ended September 30, 2024 and 2023 are referred to as "Fiscal 2024" and "Fiscal 2023" respectively.

This MD&A is prepared by management and approved by the Board of Directors as of January 28, 2025 (the "MD&A Date"). This MD&A contains discussion and analysis of the three months ended and the years ended September 30, 2024 and 2023 and the subsequent period up to the MD&A Date.

BUSINESS OVERVIEW

The Company was incorporated on December 11, 2017 under the laws of British Columbia. On July 20, 2019, the Company completed its initial public offering and listed on the Canadian Securities Exchange ("CSE") under the symbol "MEGA". On April 20, 2022, the Company's common shares commenced trading on the OTCQB under the symbol "WALRF". The head office and principal address of the Company is located at Suite 1500 - 1055 West Georgia Street, Vancouver BC, V6E 4N7. The Company's principal business activities include the acquisition and exploration of exploration and evaluation assets.

On May 9, 2023, the Company consolidated its outstanding common shares on a ten-for-one basis. References to number of shares, per-share amounts, and number of stock options and warrants have been retrospectively restated as of this date.

As at September 30, 2024, the Company had not yet determined whether the Company's exploration and evaluation assets contain ore reserves that are economically recoverable. The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development of and the future profitable production from the property or realizing proceeds from its disposition.

As at September 30, 2024, the Company had a working capital deficit of $1,029,940 (September 30, 2023 - $270,107), an accumulated deficit of $29,788,901 (September 30, 2023 - $27,804,640) and has not generated revenue to date. The Company's operations to date have been funded through the issuance of equity and debt. These factors represent a material uncertainty which may cast significant doubt upon the Company's ability to continue as a going concern. The Company's ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs.

FORWARD-LOOKING STATEMENTS

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.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance, or achievements to be materially different from any of its anticipated results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements.

(Expressed in Canadian dollars)

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.

ACQUISITIONS

TargetCo

On July 13, 2023, the Company closed the acquisition of the remaining 20% of TargetCo pursuant to a share purchase agreement effective July 4, 2023. Pursuant to the terms of the agreement, the Company acquired the remaining 20% of the issued and outstanding securities of TargetCo in consideration for the issuance of 500,000 common shares of the Company at a fair value of $0.19 per share for aggregate fair value totaling $95,000.

Labrador

Labrador Mineral Resources Inc. ("Labrador") is a private company existing under the laws of British Columbia whose principal business is the exploration and development of the Benedict mountains uranium property (the "Benedict Mountains").

On April 1, 2024, the Company announced the acquisition of a 100% ownership of Labrador Mineral Resources Inc. pursuant to a share exchange agreement (the "Share Exchange Agreement") among the Company, Labrador and the shareholders of Labrador (the "Labrador Shareholders"). The acquisition was closed on May 7, 2024.

Pursuant to the terms and conditions of the Share Exchange Agreement and in consideration for all of the issued and outstanding shares in the capital of Labrador, the Company issued an aggregate of 16,275,001 common shares at a fair value of $0.18 per share, for a total fair value of $2,929,500, to the Labrador Shareholders.

Labrador had purchased a 100% interest, subject to a 1.5% net smelter return royalty ("NSR"), in the Benedict Mountains Property pursuant to a property purchase agreement dated effective February 8, 2024, between Labrador and the former registered and beneficial owner of the Benedicts Mountain Property (the "Property Purchase Agreement"). Pursuant to the Share Exchange Agreement, the Company has assumed all of the obligations of Labrador under the Property Purchase Agreement, including a cash payment of $25,000 to be settled on or before February 8, 2025.

The acquisition of Labrador has been accounted for by the Company as an asset acquisition. The acquisition did not qualify as a business combination under IFRS 3 *Business Combinations*, as the significant inputs, processes, and outputs, that together constitute a business, did not exist in Labrador at the time of acquisition. Accordingly, no goodwill was recorded with respect to the acquisition.

A summary of the fair values of assets acquired, liabilities assumed and the purchase price as at the May 7, 2024 acquisition date is as follows:

	$
Consideration	
Fair value of shares issued to the Labrador Shareholders (16,275,001 at $0.18)	2,929,500
Payable before February 8, 2025	25,000
Transaction costs	14,824
	2,969,324
Fair values of acquired assets and liabilities	
Cash	38,554
Exploration and evaluation assets	2,961,301
Accounts payable and accrued liabilities	(30,531)
	2,969,324

(Expressed in Canadian dollars)

EXPLORATION AND EVALUATION ASSETS

A summary of the Company's exploration and evaluation assets is as follows:

	Benedict Mountains	Australian Silver Mines	Tyr South Project	Century South Silver-Zinc	Cobalt Hill	James Bay Lithium Project	New Age	Total
		$	$	$	$	$	$	$
Acquisition cost								
Balance, September 30, 2022	-	-	-	-	615,000	903,431	-	1,518,431
Additions	-	-	47,500	47,500	-	-	-	95,000
Impairment	-	-	(47,500)	(47,500)	-	-	-	(95,000)
Option and sale proceeds	-	-	-	-	-	(375,000)	-	(375,000)
Balance, September 30, 2023	-	-	-	-	615,000	528,431	-	1,143,431
Additions	2,961,301	-	-	-	-	-	-	2,961,301
Impairment	-	-	-	-	(615,000)	-	-	(615,000)
Balance, September 30, 2024	**2,961,301**	**-**	**-**	**-**	**-**	**528,431**	**-**	**3,489,732**
Exploration and evaluation expenditures								
Balance, September 30, 2022	-	-	-	-	284,358	-	-	284,358
Additions	-	7,261	20,205	-	2,730	443,503	26,790	500,489
Impairment	-	(7,261)	(20,205)	-	-	(443,503)	(26,790)	(497,759)
Balance, September 30, 2023	-	-	-	-	287,088	-	-	287,088
Additions	-	2,588	18,502	-	-	617,050	78,975	717,115
Impairment	-	(2,588)	(18,502)	-	(287,088)	-	-	(308,178)
Balance, September 30, 2024	**-**	**-**	**-**	**-**	**-**	**617,050**	**78,975**	**696,025**
Balance, September 30, 2023	-	-	-	-	902,088	528,431	-	1,430,519
Balance, September 30, 2024	**2,961,301**	**-**	**-**	**-**	**-**	**1,145,481**	**78,975**	**4,185,757**

Benedict Mountains

On May 7, 2024, pursuant to the terms of the Share Exchange Agreement, the Company acquired 100% of Labrador which owns a 100% interest (subject to a 1.5% NSR) in Benedict Mountains pursuant to the Property Purchase Agreement. Benedict Mountains consists of two mineral licenses covering an area of approximately 350 hectares in the Central Mineral Belt on the east coast of Labrador, Canada, approximately 200 kilometers northeast of Goose Bay.

Pursuant to the Share Exchange Agreement, the Company has assumed all of the obligations of Labrador under the Property Purchase Agreement as follows:

- Pay an additional $25,000 to the Vendor on or before February 8, 2025;
- Issue to the Vendor 1,500,000 common shares in the capital of the Company on the closing date May 7, 2024 upon the closing of the acquisition of Labrador, see the "Liquidity and Capital Resources - Share capital highlights" section)

Tyr Silver Project and Century South Silver-Zinc Project

On October 15, 2020, pursuant to the terms of the definitive agreement dated August 13, 2020, the Company closed the acquisition for 60% of 1256714 B.C. Ltd. ("TargetCo") which owns a 100% interest (subject to a 2% NSR) in two prospective silver-zinc projects in Australia, being the Tyr Silver Project and the Century South Silver-Zinc Project. On April 5, 2022, pursuant to the terms of the Definitive Agreement dated March 25, 2022, the Company closed the acquisition of an additional 20% of TargetCo. On July 13, 2023, the Company acquired the remaining 20% of the issued and outstanding securities of TargetCo.

During the year ended September 30, 2024, the Tyr Silver Project was fully impaired due to the Company's decision to focus on core projects instead. As a result, the Company recorded an amount of $18,502 (2023 - $67,705) as an impairment of exploration and evaluation assets.

During the year ended September 30, 2023, the Century South Silver-Zinc Project was fully impaired due to the Company's decision to focus on core projects instead. As a result, the Company recorded an amount of $47,500 on September 30, 2023, as an impairment of exploration and evaluation assets.

Cobalt Hill

Pursuant to an option agreement dated February 5, 2018, amended on April 25, 2019 and July 3, 2020, the Company was granted an option to acquire a 100% undivided interest in certain Cobalt Hill mineral claims ("Cobalt Hill") located in the Trail Creek Mining Division in British Columbia.

The Company fulfilled the terms of the option agreement and acquired a 100% undivided interest in Cobalt Hill by making cumulative cash payments totaling $355,000 and issuing a cumulative total of 110,000 common shares of the Company. The optionor retained a 1.5% NSR on Cobalt Hill.

During the year ended September 30, 2024, the Cobalt Hill Project was fully impaired due to the Company's decision to focus on core projects instead. As a result, the Company recorded an amount of $902,088 September 30, 2024, as an impairment of exploration and evaluation assets.

James Bay Lithium Project

In January 2021, the Company completed the acquisition of a 100% interest in and to the Route 381 Lithium, comprised of 40 mineral claims located in James Bay Territory in Quebec. In consideration for the acquisition, the Company paid the vendors an aggregate of $60,000 in cash and issued 400,000 common shares of the Company with a fair value of $1,720,000. In addition, the Company is subject to grant vendors a 2% NSR.

In December 2021, the Company acquired, by way of staking, 229 mineral exploration claims prospective for lithium in the James Bay region of Quebec, Canada ("Mitsumis").

During the year ended September 30, 2023, the James Bay Lithium Project was fully impaired as the Company determined that the recoverable amount of the property was $nil as a result of its assessment that the fair value of all the proceeds expected from the option agreement (see the "Option on the James Bay Lithium Project" section) were also $nil upon Cygnus Gold Limited failing make the required option payments as they became due. As a result, the Company recorded $443,503 on September 30, 2023 as an impairment of exploration and evaluation assets. Following the termination of the Property Option Agreement, the Company resumed exploration activities and incurred exploration costs of $617,050 during the year ended September 30, 2024 (2023 - $443,503).

(Expressed in Canadian dollars)

New Age Co Properties

On April 14, 2021, the Company announced that it had completed the acquisition of all issued and outstanding securities of New Age Co.

Rare Earth Elements ("REE") (Northern Territory) - Arctic Fox and Isbjorn

Located in Australia's Northern Territory, both properties are in the exploration stage. Arctic Fox is contiguous with the Nolans Bore REE project and the Isbjorn asset is contiguous to the Charley Creek REE project.

Nickel-cobalt-scandium-HPA (New South Wales) - Chinook, Kodiak & Caribou

The three nickel-cobalt-scandium-HPA properties - Chinook, Kodiak and Caribou are located in Australia's central New South Wales, which is considered by management to be a highly prospective region of exploration. During the year ended September 30, 2023, the New Age Co Properties were fully impaired due to the application of IFRS to bring the Company's assets in line with its market capitalization. During the year ended September 30, 2024, the Company continued to capitalize its ongoing exploration and evaluation expenditures of $78,975 (2023 - $26,790) of exploration and evaluation expenditures on the properties.

Option on the James Bay Lithium Project

Effective September 27, 2022, the Company entered into an option agreement (the "Property Option Agreement") with Cygnus Gold Limited ("Cygnus"), whereby the Company granted Cygnus the option to acquire up to an 80% interest in Route 381 and Mitsumis. Option consideration from Cygnus is recorded as a reduction of the properties' capitalized exploration and evaluation assets reflecting a recovery of past costs incurred. On August 1, 2024, Cygnus terminated the Property Option Agreement with the Company, as a result, all the remaining commitments under the first and second options were abandoned.

SELECTED ANNUAL INFORMATION

The selected annual information below is derived from the Company's financial statements.

		Years ended September 30,	
	2024	2023	2022
	$	$	$
Net loss and comprehensive loss attributable to shareholders of the Company	**1,984,261**	1,085,740	12,293,947
Basic and diluted loss per share	**0.08**	0.12	1.66
Total assets	**4,280,429**	1,637,473	2,857,029
Total liabilities	**1,124,612**	477,061	701,636

(Expressed in Canadian dollars)

SUMMARY OF QUARTERLY RESULTS

A summary of selected information from the Company's financial statements for the past eight quarters is as follows:

	Q4 2024	Q3 2024	Q2 2024	Q1 2024
	$	$	$	$
Net loss and comprehensive loss	**987,253**	436,111	453,165	107,732
Total assets	**4,280,429**	4,496,144	2,325,056	1,725,617
Working capital surplus (deficit)	**(1,029,940)**	(317,842)	155,567	(520,414)
Total liabilities	**1,124,612**	486,824	646,375	672,937
Net loss and comprehensive loss per share - basic and diluted	**(0.03)**	0.02	0.04	0.01

	Q4 2023	Q3 2023	Q2 2023	Q1 2023
	$	$	$	$
Net loss and comprehensive loss	601,072	97,980	213,267	177,662
Total assets	1,637,473	2,007,624	2,062,691	2,555,352
Working capital surplus (deficit)	(270,107)	(139,035)	(41,055)	174,942
Current liabilities	477,061	341,140	298,227	577,621
Net loss and comprehensive loss per share - basic and diluted	0.06	0.01	0.02	0.02

All of the Company's exploration and evaluation assets are in the exploration stage. The Company has not had revenue from inception and does not expect to have revenue in the near future. The Company's operating results are not seasonal in nature and have been mainly due to the amount of exploration activities on projects.

During the last eight quarters, the Company's loss has ranged from $97,980 to $987,253. The high net loss and comprehensive loss in Q4 2024 of $987,253 was primarily the result of the full impairment of the Cobalt Hill Project and the Tyr South Project. Q2 2024 and Q3 2024 also had higher-than-typical net loss and comprehensive loss of $453,165 and $436,111, respectively which was due to higher expenditures on marketing campaigns and consulting fees to support capital raising activities and the acquisition of Labrador. These services related to sourcing new projects and properties, strategic planning, and business development. The increased net loss and comprehensive loss in Q4 2023 was primarily the result of the full impairment of the Tyr Silver Project and the partial impairment of the James Bay Lithium Project.

(Expressed in Canadian dollars)

PERFORMANCE

A summary of the Company's results of operations is as follows:

	Q4 2024	Q4 2023	**Fiscal 2024**	Fiscal 2023
	$	$	**$**	$
Operating expenses (income)				
General and administrative expense	**(11,576)**	3,981	**3,465**	27,310
Management and consulting	**72,000**	68,000	**495,300**	291,158
Marketing and shareholder communication	**38,350**	900	**330,324**	6,741
Professional fees	**11,333**	57,211	**231,602**	183,783
Regulatory and filing fees	**8,062**	18,723	**42,783**	58,105
Share-based compensation	**-**	-	**15,641**	-
Total operating expenses	**118,169**	148,815	**1,119,115**	567,097
Other income (expenses)				
Gain on settlement of debt	**-**	-	**9,000**	-
Impairment of exploration and evaluation assets	**(923,178)**	(482,449)	**(923,178)**	(592,759)
Interest expense	**(3,094)**	-	**(8,881)**	-
Interest income	**22**	-	**747**	-
Amortization of flow-through premium liability	**57,166**	46,709	**57,166**	86,392
Net loss before taxes	**(987,253)**	(584,555)	**(1,984,261)**	(1,073,464)
Income tax expense	**-**	(16,517)	**-**	(16,517)
Net loss and comprehensive loss	**(987,253)**	(601,072)	**(1,984,261)**	(1,089,981)
Net loss and comprehensive loss attributable to:				
Shareholders of the Company	**(987,253)**	(600,481)	**(1,984,261)**	(1,085,740)
Non-controlling interest	**-**	(591)	**-**	(4,241)

Q4 2024 compared to Q4 2023:

Net loss and comprehensive loss increased to $987,253 from $601,072 in the prior year comparable period. The primary divers of the increase in net loss and comprehensive loss were:

- Impairment of exploration and evaluation assets increased to $923,178 from $482,449 in the prior year comparable period due to a larger full impairment of the Cobalt Hill Project and the Tyr Silver Project in the current period compared to the full impairment of the Tyr Silver Project and the partial impairment of the James Bay Lithium Project in the prior year comparable period.
- Marketing and shareholder communication increased to $38,350 from $900 in the prior year comparable period due to increased management, consulting and advisory services retained in the current period. These services related to sourcing new projects and properties, strategic planning, and business development.

Partially offsetting the increase in net loss and comprehensive loss was a decrease in an expense and an increase in other income as follows:

- Professional fees decreased to $11,333 from $57,211 in the prior year comparable period mainly due to the reversal of accrued amounts of $119,352 in the current period.
- Amortization of flow-through premium liability increased to $57,166 compared to $46,709 in the prior year comparable period as a result of qualifying expenditures at the Company's mineral properties. As at September 30, 2024, the associated flow-through premium liability has been fully recognized into income and has a balance of $nil.

(Expressed in Canadian dollars)

Fiscal 2024 compared to Fiscal 2023:

Net loss and comprehensive loss increased to $1,984,261 from $1,089,981 in the prior year. The primary drivers of the increase in the net loss and comprehensive loss were:

- Management and consulting increased to $495,300 from $291,158 in the prior year due to increased management, consulting and advisory services retained in the current year. These services related to sourcing new projects and properties, strategic planning, and business development.
- Marketing and shareholder communication increased to $330,324 from $6,741 in the prior year due to additional media and marketing campaigns in the current year to support capital raising activities.
- Professional fees increased to $231,602 from $183,783 in the prior year mainly due to higher legal fees in the current year relating to the private placements and the acquisition of Labrador.
- Amortization of flow-through premium liability decreased to $57,166 from $86,392 in the prior year due to lower flow-through eligible expenditures in the current year. As at September 30, 2024, the associated flow-through premium liability has been fully recognized into income and has a balance of $nil.
- Impairment of exploration and evaluation assets increased to $923,178 from $592,759 in the prior year due to a larger full impairment of the Cobalt Hill Project and the Tyr Silver Project in the current year compared to the full impairment of the Tyr Silver Project and the partial impairment of the James Bay Lithium Project in the prior year.

Partially offsetting the increase in net loss and comprehensive loss were decreases to expenses as follows:

- General and administrative decreased to $3,465 from $27,310 in the prior year mainly due to a recovery on a tax penalty accrued in the current year.
- Regulatory and filing fees decreased to $42,783 from $58,105 in the prior year mainly due to the completion of a commercial press release service which was present in the prior year and lower fees associated with the acquisition of Labrador in the current year compared to the acquisition of TargetCo in the prior year.

LIQUIDITY AND CAPITAL RESOURCES

A summary of the Company's cash flows are as follows:

	Fiscal 2024	Fiscal 2023
	$	$
Cash used in operating activities	**(946,065)**	(600,586)
Cash used in investing activities	**(72,744)**	(125,489)
Cash provided by financing activities	**1,028,525**	-
Net change in cash	**9,716**	(726,075)
Cash, beginning of the year	**36,715**	762,790
Cash, end of year	**46,431**	36,715

Cash used in operating activities was $946,065 compared to $600,586 in the prior year due to higher expenditures on marketing campaigns and consulting fees. These services related to sourcing new projects and properties, strategic planning, and business development.

Cash used in investing activities was $72,744 compared to $125,489 in the prior year mainly due to the higher cash spent on exploration and evaluation of $500,489 in the prior year, compared to $96,474 in the current year, partially being offset by option proceeds of $375,000.

Cash provided by financing activities of $1,028,525 during the current year is a result of the Company receiving proceeds from a note payable for $75,000 on December 21, 2023 and net proceeds of $953,525 from the closing of three non-brokered private placements during March 2024.

(Expressed in Canadian dollars)

Reconciliation of the use of proceeds from March 2024 private placements

A summary of the Company's use of funds for the March 2024 private placement as at September 30, 2024 is as follows:

	Intended use of proceeds	Actual use of proceeds	(Over)/under expenditure	Explanation of variance
	$	$	$	
Total net proceeds	**953,525**			
Expected allocation of proceeds:				
Property payments	46,100	9,098	37,002	Due to timing
Property exploration	101,900	764	101,136	Due to timing
Marketing	97,000	177,327	(80,327)	Expanded digital marketing scope
General working capital	708,525	322,485	386,040	Due to timing
	953,525	**509,674**	**443,851**	

Share capital highlights

During the year ended September 30, 2024, the Company had the following non-cash share capital transactions:

- On January 17, 2024, the Company issued 900,000 common shares with a fair value of $81,000 for settlement of accounts payable and accrued liabilities in the amount of $90,000. As a result of the debt settlement, the Company recorded a gain on debt settlement of $9,000 on the statement of loss and comprehensive loss.
- On May 7, 2024, the Company issued 16,275,001 common shares pursuant to the Share Exchange Agreement to acquire Labrador at $0.18 per common share for a total fair value of $2,929,500.

During the year ended September 30, 2024, the Company generated cash proceeds from the following share capital transactions:

- On March 8, 2024, the Company issued 4,290,000 common shares pursuant to a private placement at $0.10 per common share (the "LIFE Offering") for gross proceeds of $429,000. Share issuance costs on the LIFE Offering consisted of cash commissions paid to finders of $6,178, brokers fees of $3,600 and legal fees of $12,518.
- On March 8, 2024, the Company issued 4,460,000 common shares pursuant to a private placement and closed its first tranche of a concurrent $0.10 share financing (the "Concurrent PP"), for gross proceeds of $446,000. Share issuance costs on the first tranche of the Concurrent PP consisted of cash commissions paid to finders of $6,422, brokers fees of $2,100 and legal fees of $13,014.
- On March 15, 2024, the Company issued 1,300,000 common shares and closed its second tranche of the Concurrent PP for gross proceeds of $130,000. Share issuance cost on the second tranche of the Concurrent PP consisted of cash commissions paid to finders of $3,850 and legal fees of $3,794.

During the year ended September 30, 2023, the Company had the following non-cash share capital transaction:

- On July 13, 2023, the Company issued 500,000 common shares at $0.19 per share for a fair value of $95,000 for the remaining 20% of TargetCo.

LIQUIDITY OUTLOOK

The Company has no cash inflow from operations. Its significant sources of funds since incorporation have been the sale of its common share and the proceeds from loans

The Company's ability to continue as a going concern is dependent upon the Company's ability to fund any additional losses it may incur. As at September 30, 2024, the Company had a working capital deficiency of $992,688 (September 30, 2023 - $270,107). There is no certainty that additional financing at terms that are acceptable to the Company will be available, and an inability to obtain financing would have a direct impact on the Company's ability to continue as a going concern. These conditions indicate a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. The Company's Financial Statements were prepared on a going concern basis, which implies that the Company will realize its assets and discharge its liabilities in the normal course of business. The Financial Statements do not reflect adjustments to the carrying value of assets and liabilities that would be necessary if the Company is unable to achieve and maintain profitable operations.

(Expressed in Canadian dollars)

Management intends to finance operating costs with the proceeds from equity financings. Details of current year financing are outlined above in the Liquidity and Capital Resources section.

MATERIAL ACCOUTING POLICIES, SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

The Company's material accounting policies are described in Note 3 of the Financial Statements. Significant accounting judgments and sources of estimation uncertainty are described in Note 4 of the Financial Statements.

RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Key management includes directors and key officers of the Company, including the President, Chief Executive Officer and Chief Financial Officer.

A summary of the Company's related party transactions and key management compensation for the years ended September 30, 2024 and 2023 is as follows:

	2024	2023
	$	$
Management and consulting	**249,000**	132,000
Share-based compensation	**15,641**	-
	264,641	132,000

As at September 30, 2024, the Company had $90,785 (September 30, 2023 - $57,950) due to key management personnel and management entities and is included in accounts payable and accrued liabilities on the consolidated statements of financial position. The amounts payable are unsecured, non-interest bearing and due on demand.

OFF-BALANCE SHEET ARRANGEMENTS

The Company had no off-balance sheet arrangements as at September 30, 2024 or the MD&A Date.

FINANCIAL INSTRUMENTS AND FINANCIAL RISK

The Company's financial instruments consist of cash, accounts payable and accrued liabilities and note payable are classified and measured at amortized cost. The carrying value of these financial instruments approximate their respective fair values due to their short-term nature.

The financial instruments expose the Company to certain financial risks. The risk exposures and the impact on the Company's financial instruments are summarized below.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the Company by failing to discharge an obligation. The Company is exposed to credit risk through its cash and the Company reduces its credit risk on cash by placing these instruments with financial institutions of high credit worthiness. As at September 30, 2024, the Company is not exposed to significant credit risk.

(Expressed in Canadian dollars)

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company is exposed through its accounts payable and note payable. As at September 30, 2024, the Company has a working capital deficit of $1,029,940 (September 30, 2024 - $270,107) and the Company will need to raise additional funding in order to continue to fund its exploration and evaluation activities. To mitigate this risk, the Company has a planning and budgeting process in place to determine the funds required to support its ongoing operations and capital expenditures. The Company endeavors to ensure that sufficient funds are raised from equity offerings to meet its operating requirements, after taking into account existing cash. Management has concluded that liquidity risk is high.

Market risk

Market or foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of the changes in the foreign exchange rates. As at September 30, 2024, the Company is not exposed to significant foreign currency risk. A 5% change in the foreign exchange rate with the Australian Dollar would result in an impact of approximately $392 (2023 - $2,477) to the Company's net loss.

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. As at September 30, 2024, the Company has assessed the interest rate risk as minimal.

SUBSEQUENT EVENTS

On January 24, 2025, the Company entered into a promissory note agreement with 1142377 BC Ltd. (the "Promisee"). Pursuant to this agreement, the Company promises to pay the Promisee a principal sum of $55,000 with an annual interest rate of 15%. The principal sum and all outstanding interest that may accrue will be payable to the Promisee on demand.

During November 2024, 150,000 stock options expired unexercised.

OUTSTANDING SHARE DATA

A summary of the Company's issued and outstanding securities is as follows:

	September 30, 2024	MD&A Date
	#	#
Common shares issued and outstanding	36,483,733	36,483,733
Stock options	435,000	285,000

RISKS AND UNCERTAINTIES

The principal activity of the Company is the acquisition and exploration of mineral property assets which is inherently risky. There is intensive government legislation from state, provincial, federal, municipal and aboriginal governments, surrounding the exploration for and production of minerals from our and any mining operations. Exploration and development is capital intensive and the Company currently has no source of income. Only the skills of its management and staff in mineral exploration and exploration financing serve to mitigate these risks, and therefore constitute one of the main assets of the Company.

a) Title

Title to mineral properties, as well as the location of boundaries on the grounds may be disputed. Moreover, additional amounts may be required to be paid to surface right owners in connection with any mining development. At all of such properties where there are current or planned exploration activities, the Company believes that it has either contractual, statutory, or common law rights to make such use of the surface as is reasonably necessary relating to those activities. Although the Company believes it has taken reasonable measures to ensure proper title to its properties, there is no guarantee that title to its properties will not be challenged or impaired. Successful challenges to the title of the Company's properties could impair the development of operations on those properties.

b) Permits and licenses

Although the Company either currently holds or has applied for or is about to apply for all consents which it requires to carry out its current drilling programs, the Company cannot be certain that it will receive the necessary permits and licenses on acceptable terms or at all, to conduct further exploration and to develop its properties. The failure to obtain such permits, or delays in obtaining such permits could adversely affect the operations of the Company. Government approvals and permits are currently and may in the future be required in connection with the operations of the Company. To the extent such approvals are required and not obtained; the Company may be curtailed or prohibited from continuing its mining operations or from proceeding with planned exploration or development of mineral properties.

c) Exploration and development efforts may be unsuccessful

There is no certainty that the expenditures to be made by the Company in the exploration and development of its properties as described herein will result in discoveries of mineralized material in commercial quantities. Most exploration and development projects do not result in the discovery of commercially mineable ore deposits and no assurance can be given that any level of recovery of ore reserves will in fact be realized or that any identified mineral deposit will ever qualify as a commercially mineable (or viable) ore body which can be legally and economically exploited. Estimates of reserves, mineable deposits and production costs can be affected by such factors as environmental permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions. In addition, the grade of ore ultimately mined may differ from that indicated by drilling results. Short term factors relating to ore reserves, such as the need for orderly development of ore bodies or the processing of new or different grades, may have an adverse effect on mining operations and on the results of operations. There can be no assurance that minerals recovered in small scale tests will be duplicated in large scale tests under on-site conditions or in production scale. Material changes in ore reserves, grades, stripping ratios or recovery rates may affect the economic viability of any project.

d) No mineral resources or reserves in production

The properties in which the Company has an interest or right to earn an interest are in the exploration or pre-development stages only and are without a known body of ore in commercial production.

e) Uncertainty of obtaining additional funding requirements

Programs planned by the Company may necessitate funding, which could cause a dilution of the value of the investment of the shareholders of the Company. The recuperation value of mining properties indicated in the balance sheet depends on the discovery of mineralization that can be profitably exploited and on the Company's capacity to obtain additional funds to realize these programs.

The Company's exploration activities can therefore be interrupted at any moment if the Company is incapable of obtaining the necessary funds in order to continue any additional activities that are necessary and that are not described in the exploration programs outlined in the Company's geological report for its properties.

f) Mineral prices may not support future profit

The mining industry in general is intensely competitive and there is no assurance that, even if commercial quantities of mineral resources are developed, a profitable market will exist for the sale of same. Factors beyond the control of the Company may affect the marketability of any substances discovered. The price of minerals can be volatile, and is affected by numerous factors beyond the control of the Company, including international, economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates and global or regional consumption patterns, speculative activities and increased production due to improved mining techniques.

g) Competition

The mining industry is intensively competitive in all its phases. The Company competes with companies possessing greater financial resources and technical facilities than itself for the acquisition of mineral interests as well as for the recruitment and retention of qualified personnel.

h) Liquidity and financing risk

The Company has no source of operating cash flow and may need to raise additional funding in the future through the sale of equity or debt securities or by optioning or selling its properties. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. No assurance can be given that additional funding will be available for further exploration and development of the Company's properties when required, upon terms acceptable to the Company or at all. Failure to obtain such additional financing could result in the delay or indefinite postponement of further exploration and development of its properties, or even a loss of property interest, which would have a material adverse impact upon the Company.

i) Exploration costs

The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realized in practice, which may materially and adversely affect the Company's viability.

j) Uninsurable risks

In the course of exploration, development and production of mineral properties, risks, including, but not limited to, unexpected or unusual geological or operating conditions, natural disasters, inclement weather conditions, pollution, rock bursts, cave-ins, fires, flooding, earthquakes, civil unrest, terrorism and political violence may occur. It is not always possible to fully insure against all risks associated with the Company's operations and the Company may decide not to take out insurance against certain risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the securities of the Company.

k) Market conditions

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Market prices for shares of early-stage companies are often volatile. Share market conditions are affected by many factors such as: announcement of mineral discoveries; financial results; general economic outlook; introduction of tax reform or other new legislation; interest rates and inflation rates; changes in investor sentiment toward particular market sectors; the demand for, and supply of, capital; and terrorism or other hostilities. The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular.

l) Stress in the global economy

Reduction in credit, combined with reduced economic activity and the fluctuations in the U.S. dollar may adversely affect businesses and industries that purchase commodities, affecting commodity prices in more significant and unpredictable ways than the normal risks associated with commodity prices.

The availability of services such as drilling contractors and geological service companies and/or the terms on which these services are provided may be adversely affected by the economic impact on the service providers. The adverse effects on the capital markets generally make the raising of capital by equity or debt financing much more difficult and the Company is dependent upon the capital markets to raise financing. Any of these events, or any other events causing turmoil in world financial markets, may have a material adverse effect on the Company's business, operating results and financial condition.

m) Current global financial condition

Current global financial conditions have been subject to increased volatility. As such, the Company is subject to counterparty risk and liquidity. The Company is exposed to various counterparty risks including, but not limited to financial institutions that hold the Company's cash, and through companies that have payables to the Company. The Company is exposed to liquidity risks in meeting its operating expenditure requirements in instances where cash positions are unable to be maintained or appropriate financing is unavailable. These factors may impact the ability of the Company to obtain loans and other credit facilities in the future and, if obtained, on terms favorable to the Company. If these increased levels of volatility and market turmoil continue, the Company's operations could be adversely impacted and the trading price of the common shares could be adversely affected.

n) Operating hazards and risks associated with the mining industry

Mining operations generally involve a high degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Hazards such as unusual or unexpected formations and other conditions are involved.

Operations in which the Company has direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production of precious and base metals, any of which could result in work stoppages, damage to or destruction of mines and other producing facilities, damage to life and property, environmental damage and possible legal liability for any or all damage. The Company may become subject to liability for cave-ins and other hazards for which it cannot insure or against which it may elect not to insure where premium costs are disproportionate to the Company's perception of the relevant risks. The payment of such insurance premiums and of such liabilities would reduce the funds available for exploration activities.

ADDITIONAL INFORMATION

Additional information about the Company is available on the Company's website at https://megawattmetals.com/ and SEDAR+ at http://www.sedarplus.ca.