



MANAGEMENT'S DISCUSSION & ANALYSIS

YEAR ENDED MARCH 31, 2024

FE Battery Metals Corp. (formerly First Energy Metals Limited)
Management's Discussion & Analysis
Year ended March 31, 2024

1.0 INTRODUCTION

The following is Management's Discussion and Analysis ("MD&A") of the financial and operational results of FE Battery Metals Corp. ("FE Battery" or the "Company") for the year ended March 31, 2024 and up to the date of the MD&A and should be read in conjunction with the annual audited financial statements of the Company for the years ended March 31, 2024, 2023, and 2022 and the related notes thereto, (the "Financial Report"). All dollar figures stated herein are expressed in Canadian dollars, unless otherwise specified.

FE Battery Metals Corp., formerly known as First Energy Metals Limited, was incorporated on October 12, 1966 in the Province of British Columbia under the Business Corporations Act of British Columbia, and its principal business activity is the exploration of mineral properties in Canada.

The Company's common shares trade on the Canadian Securities Exchange (FE), the OTCBB Exchange (FEMFF) and the Frankfurt Exchange (A2JC89).

On November 1, 2022, the Company completed a share consolidation of its capital on the basis of 3.8 existing common shares for 1 new common share post consolidation. All common shares, per common share amounts, warrants and stock options in these financial statements have been retroactively restated to reflect the share consolidation.

Unless indicated otherwise, all financial data in this MD&A has been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

FE Battery is a junior resource company engaged in the exploration and development of mineral properties. It currently maintains early-stage exploration properties in Canada.

This MD&A contains information to July 29, 2024.

Additional information relating to the Company is available on Sedar at www.sedarplus.ca and on the Company's website www.febatterymetals.com.

1.1 FISCAL 2024 HIGHLIGHT SUMMARY

The Company's significant events and highlights for the year ended March 31, 2024 and to the date of this MD&A are as follows:

- In April 2023, the Company completed its option agreement commitments to acquire 100% interest in its Rose West Lithium Property;
- On June 9, 2023, the Company closed a non-brokered private placement consisting of 1,338,461 Quebec flow-through shares ("QFT share") priced at \$0.65 per QFT share and 573,770 National flow through shares ("NFT share") priced at \$0.61 per NFT share for aggregate gross proceeds of \$1,220,000;
- In July 2023, the Company completed its option agreement commitments to acquire 100% interest in its Jubilee Lithium Property;
- In September 2023, the Company completed its purchase agreement commitments to acquire 100% interest in its Cosgrave Lithium Property;

FE Battery Metals Corp. (formerly First Energy Metals Limited)
Management's Discussion & Analysis
Year ended March 31, 2024

- On October 13, 2023, the Company entered into an option agreement to acquire a 100% interest in the Pontax West Lithium Property. The property consists of 72 mining claims covering over 3,800 hectares in the James Bay lithium region of northern Quebec;
- On November 21, 2023, the Company closed a non-brokered private placement consisting of 675,000 common shares priced at \$0.40 per share for aggregate gross proceeds of \$270,000 and 1,855,554 Quebec flow-through units ("QFT unit") priced at \$0.45 per QFT unit for gross proceeds of \$835,000. Each QFT unit consists of one flow-through share and one-half common share purchase warrant. Each whole warrant entitles the holder to purchase one common share at a price of \$0.65 cents per share for a period of two years from the issue date;
- On April 18, 2024, the Company closed a private placement for gross proceeds of \$400,000, by issuing 1,739,130 QFT shares priced at \$0.23 per QFT share

1.2 OVERVIEW OF PROJECTS

1.2.1 Augustus Lithium Property, Quebec

The Augustus Lithium Property is located in Landrienne & Lacorne-Townships, Quebec, Canada. The Augustus Lithium property is comprised of 21 mineral claims covering over 900 hectares located in the Abitibi area of western Quebec.

In November 2022, the Company completed the required option payments, common share issuances and exploration expenditures to acquire 100% interest of the Augustus Lithium property. The property is also subject to a 2.0% NSR.

The Augustus Property is a part of the Preissac–Lacorne pegmatite fields where spodumene bearing lithium pegmatites were discovered in 1940s'. The geology and the mineralization of the Augustus property are similar to the geology and mineralization of the Quebec Lithium Mine located approximately 6 kilometers to the southeast of the property. It has excellent infrastructure support with road network, railway, electricity, water, and trained manpower available locally. Geologically the Preissac-Lacorne area lies within a belt of volcanic and sedimentary rocks intruded to the north by LaMotte batholiths and to the south by the Preissac batholiths and Moly Hill pluton.

There are several historical and currently active lithium and molybdenum prospects/mines located approximately 3 km to 20 km from the property. Some of the important prospects/mines are: Mine Quebec Lithium which was formerly owned by RB Energy, Authier Lithium owned by Sayona Mining of Australia, Valor Lithium, Duval Lithium, Lacorne Lithium, International Lithium, Vallee Lithium, and Moly Hill Mine. All these projects / prospects are at various stages of exploration and development, out of which Mine Quebec Lithium is the most advanced project followed by Authier lithium project.

On February 9, 2023, the Company announced it will be initiating a fully funded drill program commencing mid-February at its Augustus Lithium Property in Quebec, Canada. The Company entered into a drilling contract to drill up to 3,000 metres NQ size core drilling at its Augustus Lithium Property in Quebec, Canada, with the option for additional drilling. The new drill program is based on the Company's exploration work programs of 2022 and 2021, where it has completed 41 drill holes with approximately 8,000 metres of diamond drilling. The Company's exploration work successfully confirmed historically reported spodumene bearing lithium pegmatites on the Augustus and Canadian Lithium prospects on the Property. The current exploration work will be focused on expanding the footprint of lithium mineralization delineated during the 2021-2022 exploration work, as well exploring other prospective lithium pegmatites on the Property.

FE Battery Metals Corp. (formerly First Energy Metals Limited)
Management's Discussion & Analysis
Year ended March 31, 2024

Fiscal 2024 Exploration Highlights:

In December 2023, the Company announced the assay results from its August to October 2023 sampling program. A total of 995 samples were collected from grid sampling on six select areas (Grids A-F) located south of the main known mineralization. Anomalous lithium values returned from Grids C, D, E and F indicate great potential for new LCT (lithium-cesium-tantalum) pegmatite target areas for further exploration.

Assay Highlights

- Soil survey Grid C stands out well with a NW-SE trending lithium (Li) anomaly in the eastern part of the grid. The revealed trend is still open to the southeast and possesses coincident anomalous values of cesium (Cs), niobium (Nb) and tantalum (Ta). The results of Grid C occur far to the south of the main Augustus pegmatites but show a trend roughly parallel to Augustus and the NAL pegmatites. This area has been selected to be a priority target for FE for the discovery of a new LCT type pegmatite zone.
- Soil survey Grid D uncovered another priority target with a roughly E-W zone of strong lithium values which appears to curve to a N-S orientation within the western portion of the sample grid. The anomalous lithium trend is open both to the north and south and contains coincident anomalous values of Cs, Nb and Ta.
- Soil survey Grid F covered a large zone of continuous anomalous lithium values that occur roughly over 100 to 300 meters in width and 1 kilometer south to north in the eastern half of the sampled grid. Anomalous niobium (Nb) and rubidium (Rb) occur with the lithium. FE plans to return to this area with the intent of extending Grid F to test if the Li, Nb and Rb anomaly continuous further north as the grid terminated in high values.
- Soil survey Grid E returned elevated lithium values all over the grid except for a low-grade area in the eastern part of the grid.
- Soil grids A and B returned isolated anomalous lithium values but contained no definite trend.

1.2.2 Abitibi Lithium Property, Quebec

The Abitibi Lithium property is comprised of 235 mineral claims covering approximately 12,500 hectares located in the Abitibi area of western Quebec, approximately 40 kilometres northwest of the town of Val d'Or, Quebec. The Abitibi Lithium Property claims are spread in several claim blocks of which some of the claims are located adjacent to the Augustus Lithium Property claims.

The Company entered into a purchase agreement to acquire a 100% interest in the Abitibi Lithium Property on March 12, 2021. Under the terms of the Abitibi Agreement, the Company completed the required option payments and acquired 100% interest in the Abitibi Lithium Property. The Abitibi Lithium Property is subject to a 3% NSR, which the Company will have the option to reduce the NSR to 2% by paying \$1,000,000.

1.2.3 Canadian Lithium Property, Quebec

The Canadian Lithium property is comprised of 12 mineral claims covering over 671 hectares located in the Landrienne and La Corne Township areas approximately 40 kilometres northwest of the town of Val d'Or, Quebec.

The Canadian Lithium Property is a worked deposit located in Range 1 lot 25-26 in the Landrienne Township at G.P.S 284861 E - 5368288 N. The main outcrop was discovered in 1948 near the boundary line separating the Landrienne and La Corne Townships. A group of parallel pegmatite dykes associated

FE Battery Metals Corp. (formerly First Energy Metals Limited)
Management's Discussion & Analysis
Year ended March 31, 2024

with Lacorne Batholith contains aggregates of spodumene, lepidolite, quartz and feldspar accompanied by traces of beryl, clevelandite, colombo-tantalite. Historical drilling in 1955 on claim CDC-2196058 documented on the Quebec Ministry of Energy and Natural Resources (MERN) database indicate a total of 12 drill holes with a cumulative drilling 1,454 metres indicating extension of Canadian Lithium deposit to the west on this newly acquired claim.

Exploration Highlights

- April 27, 2021 announced assay results of channel samples at the Beluga Pegmatite of the Canadian Lithium Prospect cut a 32-meter-wide section with an average of 0.74% Li₂O which includes 14 meters of spodumene pegmatite with 1.61 percent lithium oxide;
- May 4, 2021 announced assay results of the "Channel 21-2E" samples at the Beluga Pegmatite of the Canadian Lithium Prospect cut a 31-meter-wide section with an average of 0.37% Li₂O which includes 4 meters of spodumene pegmatite at 1.20 percent Li₂O;
- June 15, 2021 announced assay results of the north extension of the "Channel 21-2E" samples at the Beluga Pegmatite of the Canadian Lithium Prospect cut an 8-meter-wide section with an average of 1.44% Li₂O;
- Drill hole LC21-003 intersected a six-meter-wide zone with 0.62 % Li₂O at 45 m depth including a two metres wide intersection with 1.35% Li₂O at 48 m depth. A second two-meter-wide pegmatite intersection assayed 0.63% Li₂O at 73 m depth.

The Company entered into an option agreement to acquire a 100% interest in the Canadian Lithium Property on February 3, 2021. Pursuant the option agreement, the Company completed the required option payments and acquired a 100% interest in the property as of February 2023. The property is also subject to a 2.0% NSR.

1.2.4 Electron Lithium Property, Quebec

On March 2, 2022, the Company entered into a purchase agreement to acquire a 100% interest in the Electron Lithium property (the "Electron Agreement"). The Electron Lithium property is comprised of 438 mineral claims covering approximately 30,000 hectares of prospective land around the Augustus Lithium Property in western Quebec.

As of November 8, 2022, the Company had completed the option payment and share issuance to acquire 100% interest in the Electron Lithium property.

On November 14, 2022, the Company entered into a joint venture agreement (the "Infini Joint Venture Agreement") with Infini Resources Pty Ltd. ("Infini Resources") whereby Infini Resources may earn a 100% interest in 230 of the 438 mineral claims comprising the Electron Lithium Property.

1.2.5 Falcon Lake Property, Ontario

The Falcon Lake property is comprised of 48 mineral claims covering approximately 987 hectares located in the Thunder Bay Mining Division, Ontario.

On September 30, 2022, the Company entered into an option agreement and a further amended option agreement to acquire a 100% interest in the Falcon Lake property ("Falcon Lake Agreement").

On October 21, 2022, the Company completed its commitments under the terms of the Falcon Lake Agreement, and acquired a 100% interest in the property.

FE Battery Metals Corp. (formerly First Energy Metals Limited)
Management's Discussion & Analysis
Year ended March 31, 2024

On January 27, 2023, the Company executed a joint venture agreement (the "Battery Age Minerals Joint Venture Agreement") with Battery Age Minerals Limited ("Battery Age Minerals") whereby Battery Age Minerals may earn a 100% interest in the Falcon Lake Property.

1.2.6 Kokanee Creek Gold Property, British Columbia

The Kokanee Creek Gold Property consists of three mineral claims covering approximately 1,590 hectares area in the Nelson Mining Division, British Columbia, Canada. It is located 18 km to the east of Nelson. The property is part of a very active mining area with several historical and current gold, silver and base metals deposits located in the region. Nelson is a historical mining town dating back to the discovery of Toad Mountain Silver deposit in 1886. The Blue Bell Mine, located near the town of Riondel approximately 20 km NE of the Kokanee Creek Claims, is a mantau-type base metal deposit hosted by the Badshot limestones of the Lardeau Group. Closer to the Kokanee Claims are historical past producers the Molly Gibson and the Alpine.

In March 2020, the Company entered in an option agreement which was amended on February 28, 2021 and again on August 13, 2021, to acquire 100% interest in the Kokanee Creek Gold Property by making certain cash payments, share issuances and exploration expenditure requirements. During fiscal 2022, the Company completed the obligations under the amended option agreement to acquire 100% interest in the Kokanee Creek Gold Property. The property is subject to a 2.0% Net Smelter Return ("NSR") royalty.

The Company completed exploration work in July 2020 at its Kokanee Creek Gold Property. The exploration work included prospecting to locate historical mineralization areas, carry out surface sampling, and mapping of veins and geological structures. A total of 27 grab rock samples were collected from various outcrops and mineralized areas mentioned in the historical exploration work reports. The results indicate anomalous values of silver, cobalt, tungsten, and zinc. The Company wants to caution that grab samples are selected samples and are not necessarily representative of the mineralization hosted on the property.

Exploration Highlights:

- Silver (Ag) values are in the range of 0.19 grams per tonne (g/t) to 43.69 g/t with average of 27 samples is 7.95 g/t, while seven samples are over 10 g/t, and two samples are 43.69 g/t;
- Gold (Au) values are 0.006 g/t to 0.211 g/t with average 0.054 g/t;
- Zinc is from 29.3 parts per million (ppm) to over 10,000 ppm (>1% Zn), where three samples are over the laboratory's method detection limits of 10,000 ppm;
- Cobalt (Co) is from one ppm to over 2,000 ppm (>0.2%) where one sample is over the laboratory's method detection limits of 2,000 ppm;
- Tungsten (W) is from less than 0.1 ppm to over 100 ppm (>100ppm) where one sample is over the laboratory's method detection limits of 100 ppm.

1.2.7 McNeely Lithium Property

Pursuant to the McNeely Lithium Property purchase agreement entered on June 7, 2021, the Company acquired a 100% interest in the McNeely Lithium Property, by issuing 526,316 common shares and paying \$250,000. The McNeely Lithium Property is located in Quebec and consists of 66 claims covering approximately 2,400 hectares. The McNeely Lithium Property is subject to a 3.0% GMR. Certain of the claims are subject to a pre-existing 1.0% NSR. The Company will have the option to purchase the NSR by paying \$200,000 to the NSR holder.

FE Battery Metals Corp. (formerly First Energy Metals Limited)
Management's Discussion & Analysis
Year ended March 31, 2024

1.2.8 Pontax West Lithium Property

On October 13, 2023, the Company entered into an option agreement to acquire a 100% interest in the Pontax West Lithium Property (the "Pontax Lithium Agreement"). The property consists of 72 mining claims covering over 3,800 hectares in the James Bay lithium region of northern Quebec.

Under the terms of the Pontax West Lithium Agreement, the Company has the option to acquire a 100% interest in the property by completing the following common share issuances:

Due Dates	Issuance of FE Battery common shares
On signing	1,500,000
October 13, 2024	2,000,000
October 13, 2025	2,500,000

The Pontax West Lithium property has a 1% GMR payable to the Optionor of which the Company will have the option to reduce the GMR by 1.0% by paying \$1,000,000 for one-half of one percent.

At March 31, 2024, the Company and the Optionor are in discussions to amend and extend the option terms of the Pontax Lithium Agreement.

1.2.9 Rose East Lithium Property

On March 4, 2023, the Company entered into an option agreement to acquire a 100% interest in the Rose East Lithium Property ("Rose East Lithium"). The Rose East Lithium Project consists of 59 mining claims covering approximately 3,100 hectares in northern Quebec.

Under the terms of the Rose East Lithium Agreement, the Company has the option to acquire a 100% interest in the property by completing the following option payments:

Due Dates	Issuance of FE Battery common shares
March 4, 2023 (issued)	1,500,000
March 4, 2024	1,500,000

The Rose East Lithium Property is subject to a 1.0% GMR, of which the Company may repurchase by paying \$1,000,000 for each 0.5%.

At March 31, 2024, the Company and the Optionor are in discussions to amend and extend the option terms of the March 3, 2023 option agreement.

1.2.10 Rose West Lithium Property

On November 25, 2022, the Company entered into an option agreement to acquire a 100% interest in the Rose West Property. The Rose West Lithium property is located in the James Bay region of northern Quebec and consists of 32 mining claims covering approximately 1,700 hectares within townships.

On December 9, 2022, the Company entered into amended option agreement to which the Company could

FE Battery Metals Corp. (formerly First Energy Metals Limited)
Management’s Discussion & Analysis
Year ended March 31, 2024

acquire a 100% interest in the property by issuing 1,300,000 shares and granted the Company a 1% GMR. As of March 31, 2024, the Company issued the required shares to acquire a 100% interest in the Rose West Lithium property.

1.2.11 Cosgrave Lithium Property

On August 24, 2023, the Company entered into a purchase agreement to acquire a 100% interest in the Cosgrave Lithium property (the “Cosgrave Agreement”). The Cosgrave Lithium property is comprised of 198 mineral claims covering approximately 3,700 hectares located in the Ear Falls, Ontario.

Pursuant to the terms of the Cosgrave Agreement, the Company acquired a 100% interest in the Cosgrave Lithium property by issuing 175,000 common shares of the Company and by making the option payment of \$22,500 during the year ended March 31, 2024.

The Cosgrave Lithium Property is subject to a 1.5% NSR royalty, which the Company will have the option to reduce the NSR by 0.75% to 0.75% by paying \$500,000.

Qualified Person

Technical data pertaining to the properties above was reviewed and approved by Afzaal Pirzada, P.Geo., who is FE Battery’s qualified person under National Instrument 43-101.

1.3 SELECTED ANNUAL FINANCIAL INFORMATION

The following table presents audited selected financial information for the last three audited fiscal years:

	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2022
	\$	\$	\$
Revenue	-	-	-
Net loss	(6,635,073)	(5,750,583)	(4,691,322)
Net loss per share	(0.14)	(0.22)	(0.28)
Total assets	9,297,394	13,011,449	6,903,814
Long term liabilities	-	-	-
Dividends	-	-	-

1.4 DISCUSSION OF OPERATIONS

Year ended March 31, 2024 compared to year ended March 31, 2023

The net loss and comprehensive loss for the year ended March 31, 2024 (the “Current Year”) was \$6,635,073, a \$884,490 increase over the net loss of \$5,750,583 for the year ended March 31, 2023 (the “Comparative Year”). The significant variances for the Current Year and Comparative Year are as follows:

- Consultants and director fees were \$111,500 in the Current Year, an decrease of \$56,267 over \$167,767 for the Comparative Year. Consulting fees consist primarily of corporate advisory and development fees as well as director fees;
- Exploration and evaluation expenditures were \$2,583,405 in the Current Year, an increase of \$762,732 over \$1,820,673 for the Comparative Year. The increase is due primarily to exploration drill programs on its Quebec lithium prospects carried out during the Current Year;

FE Battery Metals Corp. (formerly First Energy Metals Limited)
Management's Discussion & Analysis
Year ended March 31, 2024

- Investor relations were \$1,093,021 in the Current Year, an increase of \$227,213 over \$865,909 for the Comparative Year. Investor relations consist of North American and European Investor Marketing programs;
- Professional fees were \$132,139 in the Current Year, a decrease of \$12,257 over \$144,396 for the Comparative Year. The decrease was due to reduced legal costs for the Company during the Current Year;
- Shareholder communications was \$125,844 for the Current Year, a decrease of \$70,702 over \$196,546 for the Comparative Year. Shareholder communication consists primarily of investor programs focused on increasing market and investor awareness of the Company by engaging several groups to assist in growing the Company's online and digital media presence throughout North America and European markets. Shareholder communications also includes expenses such as transfer agent fees, exchange listing fees, website maintenance and news release costs;
- Share-based compensation was \$1,786,445 in the Current Year, while the Comparative Year was \$2,190,000 expense. Share-based compensation expense is the fair value of restricted share units and stock options granted and vested to directors, officers and consultants during the year;
- Gain on option of exploration and evaluation assets was \$Nil in the Current Year (Comparative Year - \$832,302). The Comparative Year consisted of option earn-in payments received by the Company pursuant to two joint venture agreements entered into during the Current Year;
- Unrealized loss on marketable securities was \$549,946 in the Current Year while the Comparative Year was \$66,899. The loss was due to a decrease in the fair value of the market securities held;
- Recovery of flow-through premium liability was \$717,679 in the Current Year (Comparative Year - \$185,872) due to the flow through recovery during the current year; and
- Write-down of exploration and evaluation assets was \$749,771 for the Current Year (Comparative Year - \$1,081,250). These amounts are due to the Company's write down of the deferred costs on certain properties for which the Company is either negotiating amendment agreements, re-staking claims or has decided not to continue with further exploration work on the property.

Three months ended March 31, 2024 compared to three months ended March 31, 2023

The net loss and comprehensive loss for the three months ended March 31, 2024, was \$1,059,793 as compared to the net loss and comprehensive loss for the three months ended March 31, 2023, of \$3,290,038. The decrease in net loss of \$2,230,245 for the Current Period over the Comparative Period was primarily due to an increase exploration expenditure of \$1,028,953, and share-based compensation expense of \$2,244,588 occurring in the Comparative Period and partially off-set by a gain of \$832,302 on the option of exploration and evaluation assets, with the remaining differences similar to the same factors mentioned in the Current Year and Comparative Year discussion above.

FE Battery Metals Corp. (formerly First Energy Metals Limited)
Management’s Discussion & Analysis
Year ended March 31, 2024

1.5 SUMMARY OF QUARTERLY RESULTS

The financial results for each of the eight most recently completed quarters are summarized below:

	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023
Net revenues	\$ -	\$ -	\$ -	\$ -
Net loss	(\$1,059,793)	(\$1,703,604)	(\$1,866,040)	(\$2,005,636)
Per share	(\$0.02)	(\$0.03)	(\$0.04)	(\$0.05)
	March 31, 2023	December 31, 2022	September 30, 2022	June 30, 2022
Net revenues	\$ -	\$ -	\$ -	\$ -
Net loss	(\$3,927,459)	(\$794,743)	(\$526,680)	(\$501,701)
Per share	(\$0.15)	(\$0.03)	(\$0.02)	(\$0.02)

Significant variations in the net loss between periods are primarily due to the write-down of exploration and evaluation assets, and share-based compensation as well as fluctuations in general administrative and shareholder communications expenses.

1.6 LIQUIDITY AND CAPITAL RESOURCES

Since inception, the Company’s capital resources have been primarily limited to proceeds raised from equity financings. The Company’s liquidity depends primarily on its ability to obtain external financing to meet the Company’s future operating expenditures.

The Company is not exposed to any externally imposed capital requirements. There were no changes in the Company’s approach to capital management during the period.

FE Battery began the year ended March 31, 2024, with \$3,664,578 in cash. During the year ended March 31, 2024, the Company expended \$4,110,969 on operating activities, net of working capital changes, spent \$52,500 on investing activities on its exploration and evaluation assets and generated \$2,203,799 from financing activities which was attributable to proceeds from share issuances, net of share issue costs, to end at March 31, 2024 with \$1,704,908 in cash.

On June 9, 2023, the Company closed a non-brokered private placement consisting of 1,338,461 Quebec flow-through shares (“QFT share”) priced at \$0.65 per QFT share and 573,770 National flow through shares (“NFT share”) priced at \$0.61 per NFT share for aggregate gross proceeds of \$1,220,000. The Company recognized a liability for flow-through shares of \$91,783. The Company also paid finder’s fees of \$73,200;

On November 21, 2023, the Company closed a non-brokered private placement consisting of 675,000 common shares priced at \$0.40 per share for aggregate gross proceeds of \$270,000 and 1,855,554 Quebec flow-through units (“QFT unit”) priced at \$0.45 per QFT unit for gross proceeds of \$835,000. Each QFT unit consists of one flow-through share and one-half common share purchase warrant. Each whole warrant entitles the holder to purchase one common share at a price of \$0.65 per share for a period of two years from the issue date. The QFT share purchase warrants were valued using the Black-Scholes pricing model with the following assumptions: weighted average risk-free interest rate of 4.39% and 4.57%, volatility factor of 116.96% and an expected life of two years. The Company recognized a liability for flow-through shares of \$92,778. The Company also paid finder’s fees of \$48,000.

FE Battery Metals Corp. (formerly First Energy Metals Limited)
Management’s Discussion & Analysis
Year ended March 31, 2024

As discussed above, at March 31, 2024, the Company’s working capital was \$1,678,090 compared to a working capital of \$1,994,858 at March 31, 2023. The Company’s continued operations are dependent upon the Company’s ability to obtain sufficient financing to carry on planned operations.

Management estimates that these funds will not be sufficient to provide the Company with the financial resources to carry out currently planned exploration and operations through the next twelve months and will therefore will need to seek additional sources of financing to meet all exploration expenditures for its property commitments as well its ongoing operations. While the Company was successful in obtaining its most recent financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms acceptable to the Company. These material uncertainties may cast significant doubt upon the Company’s ability to continue as a going concern.

The Company had 50,846,156 common shares issued and outstanding as at March 31, 2024. (March 31, 2023 – 41,920,038).

Outstanding Share Data as at the date of this MD&A

	Common shares issued and outstanding	Share purchase warrants	Restricted share units	Stock options
Authorized: an unlimited number of common shares without par value.				
Outstanding at March 31, 2024	50,846,156	1,381,537	-	3,560,526
Common shares to private placement	1,739,130	-	-	-
Grant of stock options	-	-	-	1,200,000
Grant of restricted share units	-	-	2,000,000	-
Expired share purchase warrants	-	(453,759)	-	-
Outstanding at the date of this MD&A	52,585,286	927,778	2,000,000	4,760,526

1.7 OFF STATEMENT OF FINANCIAL POSITION ARRANGEMENTS

At March 31, 2024, the Company had no off-balance sheet arrangement such as guarantee contracts, contingent interest in assets transferred to an entity, derivative instruments obligations or any obligations that trigger financing, liquidity, market or credit risk to the Company.

1.8 TRANSACTIONS WITH RELATED PARTIES

Remuneration of directors and key management personnel of the Company was as follows for the year ended March 31, 2024, 2023, and 2022:

	For the years ended March 31,		
	2024	2023	2022
Consulting fees charged by directors of the Company	\$ 26,000	\$ 25,100	\$ 64,000
Salaries, fees and benefits	\$ 234,800	\$ 200,000	\$ 188,021
Share-based payments	\$ 1,455,180	\$ 600,000	\$ -

FE Battery Metals Corp. (formerly First Energy Metals Limited)
Management’s Discussion & Analysis
Year ended March 31, 2024

Related party balances as at March 31, 2024 and 2023 were as follows:

	March 31,		March 31,
	2024		2023
Amounts due to Directors and Officers of the Company	\$ 171,294	\$	322,176
Amounts due to former directors and officers and companies controlled by former directors and officers	83,575		62,700
Totals	\$ 254,869	\$	384,876

1.9 FOURTH QUARTER

FE Battery began the fourth quarter ended March 31, 2024, with \$2,140,564 in cash. During the three months ended March 31, 2024, the Company expended \$435,656 on operating activities, to end at March 31, 2024 with \$1,704,908 in cash.

1.10 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements requires management to use judgment in applying its accounting policies and estimates and assumptions about the future. Estimates and other judgments are continuously evaluated and are based on management’s experience and other factors, including expectations about future events that are believed to be reasonable under the circumstances. There have been no significant changes to the Company’s critical accounting estimates for the year ended March 31, 2024 from those disclosed in Note 3 of the Financial Statements.

1.11 CHANGES IN ACCOUNTING POLICIES

The Company prepares its financial statements using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

The accounting policies and methods of application applied by the Company in these financial statements are the same as those applied in the Company’s most recent annual financial statements for the year ended March 31, 2024, except for those policies which have changed as a result of the adoption of new and amended IFRS pronouncements effective April 1, 2023.

New, Amended and Future IFRS Pronouncements

More detail on these new, amended and future IFRS pronouncements are provided in Note 2 of the Company’s Financial Statements.

1.12 FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

Fair Value

IFRS 7 establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 – Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability; and

Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

FE Battery Metals Corp. (formerly First Energy Metals Limited)
Management’s Discussion & Analysis
Year ended March 31, 2024

The following provides the valuation method of the Company’s financial instruments as at March 31, 2024 and 2023:

	Level	As at March 31,	
		2020	2019
Cash	1	\$ 1,704,908	\$ 3,664,578
Reclamation deposits	1	\$ 11,000	\$ 11,000
Marketable securities	1	\$ 187,425	\$ 737,371
Financial liabilities	1	\$ 491,452	\$ 2,819,281

There were no transfers from levels or change in the fair value measurements of financial instruments for the years ended March 31, 2024 and 2023.

Financial Risk Management

The Company’s activities expose it to a variety of financial risks including liquidity risk, credit risk and market risk.

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. The Company attempts to manage liquidity risk by maintaining a sufficient cash balance. As at March 31, 2024, the Company had cash of \$1,704,908 to settle accounts payable and accrued liabilities (inclusive of amounts due to related parties) of \$491,452.

Liquidity risk on amounts due to creditors and amounts due to related parties were significant to the Company’s statement of financial position. The Company manages these risks by actively pursuing additional share capital issuances to settle its obligations in the normal course of its operating, investing and financing activities. The Company’s ability to raise share capital is indirectly related to changing metal prices and the price of lithium and gold in particular.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments that potentially subject the Company to credit risk consist of cash, short-term investment, reclamation bonds and amounts receivable. The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the maximum exposure to credit risk.

The Company deposits its cash with a high credit quality major Canadian financial institution as determined by ratings agencies. The Company does not invest in asset-backed deposits or investments and does not expect any credit losses. To reduce credit risk, the Company regularly reviews the collectability of its amounts receivable and establishes an allowance based on its best estimate of potentially uncollectible amounts. The Company historically has not had difficulty collecting its amounts receivable.

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 price risk: currency risk, interest rate risk and other price risk.

FE Battery Metals Corp. (formerly First Energy Metals Limited)
Management's Discussion & Analysis
Year ended March 31, 2024

Interest Rate Risk

The Company has no significant exposure at March 31, 2024 to interest rate risk through its financial instruments.

Currency Risk

The Company has no significant exposure at March 31, 2024 to currency risk through its financial instruments.

Financial assets and financial liabilities that bear interest at fixed rates are subject to fair value interest rate risk. In respect of financial assets, the Company's policy is to invest cash at floating rates of interest in order to maintain liquidity while achieving a satisfactory return. Fluctuations in interest rates impact the amount of return the Company may realize but interest rate risk is not significant to the Company.

Management of capital

The Company primarily considers shareholders' equity in the management of its capital. The Company manages its capital structure and makes adjustments to it based on funds available to the Company, in order to support exploration and development of mineral properties. The Board of Directors has not established quantitative capital structure criteria management but will review on a regular basis the capital structure of the Company to ensure its appropriateness to the stage of development of the business.

The Company's objectives when managing capital are:

- To maintain and safeguard its accumulated capital in order to provide an adequate return to shareholders by maintaining sufficient level of funds, to support continued evaluation and maintenance of the Company's existing properties, and to acquire, explore and develop other precious metals, base metals and industrial mineral deposits;
- To invest cash on hand in highly liquid and highly rated financial instruments with high credit quality issuers, thereby minimizing the risk and loss of principal; and
- To obtain the necessary financing if and when it is required.

The properties in which the Company currently holds an interest are in the exploration stage and the The properties in which the Company currently holds an interest are in the exploration stage and the Company is dependent on external financing to explore and take the project to development. In order to carry out planned exploration and development and pay for administrative costs, the Company will spend its existing working capital and attempt to raise additional amounts as needed.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

In order to facilitate the management of capital and development of its mineral properties, the Company's management informs the Board of Directors as to the quantum of expenditures for review and approval prior to commencement of work. In addition, the Company may issue new equity, incur additional debt, enter into joint venture agreements or dispose of certain assets. When applicable, the Company's investment policy is to hold cash in interest bearing accounts at high credit quality financial institutions to maximize liquidity. In order to maximize ongoing development efforts, the Company does not pay dividends. The Company expects to continue to raise funds, from time to time, to continue meeting its capital management objectives.

There were no changes in the Company's approach to capital management during the year ended March 31, 2024, compared to the year ended to March 31, 2023. The Company is not subject to externally imposed

FE Battery Metals Corp. (formerly First Energy Metals Limited)
Management's Discussion & Analysis
Year ended March 31, 2024

capital requirements. Further information relating to management of capital is disclosed in Note 1 of the Financial Statements.

1.13 RISKS AND UNCERTAINTIES

An investment in the securities of the Company is highly speculative and involves numerous and significant risks. Only investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment should undertake such investment. Prospective investors should carefully consider the risk factors that have affected, and which in the future are reasonably expected to affect, the Company and its financial position.

The Company's financial condition, results of operations and businesses are subject to certain risks, certain of which are described below (and elsewhere in this MD&A):

Property risk

None of the Company's Canadian projects have reserves or demonstrated economic viability and there is no assurance that an economic or minable deposit will be found. If the Company acquires additional mineral properties, any material adverse development affecting the new mineral properties could also have a material adverse effect on the financial condition and results of operations.

Additional Funding Requirements

The Company is reliant upon additional equity financing in order to continue its business and operations, as it is in the business of mineral exploration and at present does not derive any income from its mineral assets. There is no guarantee that future sources of funding will be available to the Company. If the Company is not able to raise additional equity funding in the future, it will be unable to carry out its business.

Mineral Exploration

Mineral exploration involves a high degree of risk. Few properties that are explored are brought to production. Unusual or unexpected geological formations, formation pressures, structural weaknesses, fires, power outages, labour disruptions, flooding, explosions, tailings impoundment failures, cave-ins, landslides and the inability to obtain adequate machinery, equipment or labour are some of the risks involved in mineral exploration and exploitation activities. The Company has relied on and will continue to rely on consultants and others for mineral exploration and exploitation expertise. Substantial expenditures are required to establish mineral reserves and resources through drilling. There can be no assurance that the funds required will be obtained on a timely basis or at all. The economics of exploiting mineral reserves and resources discovered by the Company are affected by many factors, many of which are outside the control of the Company, including the cost of operations, variations in the grade recovered, price fluctuations in the metal markets, costs of processing and other equipment, and other factors such as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. There can be no assurance that the Company's mineral exploration and exploitation activities will be successful.

Commodity Price Volatility

The price of various commodities that the Company is exploring for can fluctuate significantly and is beyond the Company's control. The Company is specifically concerned with the prices of precious and base metals. While the Company would benefit from an increase in the value of precious and base metals, a decrease in the value of precious and base metals and other minerals could also adversely affect it.

Title to Mineral Properties

Acquisition of title to mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral properties may be disputed or impugned. Although the Company has investigated its title

FE Battery Metals Corp. (formerly First Energy Metals Limited)
Management's Discussion & Analysis
Year ended March 31, 2024

to the mineral properties for which it holds an option or concessions or mineral leases or licences, there can be no assurance that the Company has valid title to such mineral properties or that its title thereto will not be challenged or impugned. For example, mineral properties sometimes contain claims or transfer histories that examiners cannot verify; and transfers under foreign law often are complex. The Company does not carry title insurance with respect to its mineral properties. A successful claim that the Company does not have title to a mineral property could cause the Company to lose its rights to explore, develop and mine that property, perhaps without compensation for its prior expenditures relating to the property.

Country Risk

The Company could be at risk regarding any political developments in the country in which it operates.

Uninsurable Risks

Mineral exploration activities involve numerous risks, including unexpected or unusual geological operating conditions, formation weaknesses, hydrogeological conditions, rock bursts, cave-ins, fires, floods, earthquakes and other environmental occurrences and political and social instability. It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks as a result of high premiums or other reasons. Should such liabilities arise, they could negatively affect the Company's profitability and financial position and the value of its common shares.

Environmental Regulation and Liability

The Company's activities are subject to laws and regulations controlling not only mineral exploration and exploitation activities but also the possible effects of such activities upon the environment. Environmental legislation may change and make mining uneconomic or result in significant environmental or reclamation costs. Environmental legislation provides for restrictions and prohibitions and a breach of environmental legislation may result in the imposition of fines and penalties or the suspension or closure of operations. In addition, certain types of operations require the submission of environmental impact statements and approval thereof by government authorities. Environmental legislation is evolving in a manner that may mean stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their directors, officers and employees. Permits from a variety of regulatory authorities are required for many aspects of mineral exploitation activities, including closure and reclamation. Future environmental legislation could cause additional expense, capital expenditures, restrictions, liabilities and delays in the development of the Company's properties, the extent of which cannot be predicted. In the context of environmental permits, including the approval of closure and reclamation plans, the Company must comply with standards and laws and regulations that may entail costs and delays, depending on the nature of the activity to be permitted and how stringently the regulations are implemented by the permitting authority. The Company does not maintain environmental liability insurance.

Regulations and Permits

The Company's activities are subject to a wide variety of laws and regulations governing health and worker safety, employment standards, waste disposal, protection of the environment, protection of historic and archaeological sites, mine development and protection of endangered and protected species and other matters. The Company is required to have a wide variety of permits from governmental and regulatory authorities to carry out its activities. Changes in these laws and regulations or changes in their enforcement or interpretation could result in changes in legal requirements or in the terms of the Company's permits that could have a significant adverse impact on the Company's existing or future operations or projects. Obtaining permits can be a complex, time-consuming process. There can be no assurance that the Company will be able to obtain the necessary permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining permits and complying with these permits and applicable laws and regulations could stop or materially delay or restrict the Company from continuing or proceeding with

FE Battery Metals Corp. (formerly First Energy Metals Limited)
Management's Discussion & Analysis
Year ended March 31, 2024

existing or future operations or projects. Any failure to comply with permits and applicable laws and regulations, even if inadvertent, could result in the interruption or closure of operations or material fines, penalties or other liabilities.

Potential Dilution

The issue of common shares of the Company upon the exercise of the options and warrants will dilute the ownership interest of the Company's current shareholders. The Company may also issue additional options and warrants or additional common shares from time to time in the future. If it does so, the ownership interest of the Company's then current shareholders could also be diluted.

1.14 OTHER MD&A INFORMATION

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

The components of exploration costs are described in Note 6 of the Financial Statements.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

Management has established processes to provide them sufficient knowledge to support representations that they have exercised reasonable diligence that (i) the financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the financial statements, and (ii) the financial statements fairly present in all material respects the financial condition, results of operations and cash flow of the Company, as of the date of and for the periods presented.

There was no change in the Company's internal controls over financial reporting ("ICFR") that occurred during the year ended March 31, 2024, and which materially affected, or is reasonably likely to materially affect, the Company's ICFR.

APPROVAL

The Board of Directors of FE Battery has approved the disclosure contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it and can be located, along with additional information, on the SEDAR website at www.sedarplus.ca.

FORWARD LOOKING STATEMENTS

Certain statements in this MD&A, other than statements of historical fact, constitute "forward-looking information" within the meaning of Canadian securities legislation, and the United States Private Securities Litigation Reform Act of 1995. "Forward-looking information" includes, but is not limited to, statements with respect to potential mineralization and geological merits of the Company's exploration projects the Company's future plans, exploration and drilling programs, objectives, business strategy, budgets, projected costs, financial results, expected cash runway and liquidity, and requirements for additional capital. In certain cases, forward-looking information can be identified by the use of words such as "plans", "expects", "contemplates", "budget", "possible", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "believes", or variations of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved".

Forward-looking information is based on assumptions regarding future events and other matters and involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Assumptions on

FE Battery Metals Corp. (formerly First Energy Metals Limited)
Management's Discussion & Analysis
Year ended March 31, 2024

which forward-looking information in this MD&A is based include the assumption that strategic alternatives are available to the Company, the assumption the Company will continue as a going concern and will continue to be able to access the capital required to advance its projects and continue operations. Risks and uncertainties include, among others: inherent risks involved in the exploration and development of mineral properties; uncertainties involved in interpreting drill results and other exploration data; potential for delays in exploration activities; geology, grade and continuity of mineral deposits; possibility that future exploration results may not be consistent with the Company's current expectations; reduction in future prices of precious metals; currency fluctuations; accidents, labor disputes and other risks associated with the mining industry; delays in obtaining governmental approvals; uncertainties relating to the availability and costs of financing required in the future; events adversely affecting the cash resources and estimated cash availability; and competition and loss of key employees. Other risks and uncertainties are discussed throughout this MD&A and, in particular, in the section below entitled "Risks and Uncertainties".

In making the statements in this MD&A containing forward-looking information, the Company has applied several material assumptions, including but not limited to, assumptions regarding the ability of the Company to obtain, on reasonable terms, the necessary financing to complete the exploration and development of its property interests, as well as the future profitable production or proceeds from the disposition of the Company's exploration and evaluation assets.

Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking information will prove to be accurate, and actual results and future events could differ materially from those anticipated in such statements.

The Company disclaims any intention or obligation to update or revise the forward-looking information in this MD&A, whether as a result of new information, events or otherwise, except as required by applicable securities legislation. Accordingly, readers are cautioned not to put undue reliance on forward-looking information.