



**Management's Discussion and Analysis**

**Three Month Period Ended  
March 31, 2019**

(Expressed in Canadian Dollars)

**Report Date – May 27, 2019**

## INTRODUCTION

The following Management's Discussion & Analysis ("MD&A") is intended to assist in the understanding of the trends and significant changes in the financial condition and results of operations of Volt Energy Corp. ("Volt" or the "Company") for the three month period ended March 31, 2019. It should be read in conjunction with condensed interim consolidated financial statements for the three month period ended March 31, 2019 and the audited annual consolidated financial statements for the year ended December 31, 2018 and the notes thereto.

The following information includes financial information derived from the financial statements of the Company, which have been prepared in accordance with International Financial Reporting Standards (IFRS). All financial results are reported in Canadian dollars.

The Company's head office is located at 1090 Hamilton Street, Vancouver, BC V6B 2R9. Additional information relating to the Company can also be found on the SEDAR website at [www.sedar.com](http://www.sedar.com).

## FORWARD LOOKING STATEMENTS

This document contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to as "forward-looking statements"). Often, but not always, forward-looking statements can be identified by the use of words such as "plans," "expects" or "does not expect," "is expected," "planned," "budget," "scheduled," "estimates," "continues," "forecasts," "projects," "predicts," "intends," "anticipates" or "does not anticipate," or "believes," or variations of such words and phrases, or statements 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 our actual results, performance or achievements to be materially different from any of our future results, performance or achievements expressed or implied by the forward-looking statements; consequently, undue reliance should not be placed on forward-looking statements.

Management believes the primary risk factors have been identified in the Risks and Uncertainties section of this document.

Forward-looking statements are based on a number of assumptions that may prove to be incorrect, including, but not limited to, assumptions about:

- general business and economic conditions;
- the potential mineralization and geological merits of the of the Lac Saint Simon lithium property
- the availability of equity and other financing on reasonable terms;
- our ability to procure equipment and operating supplies in sufficient quantities and on a timely basis;
- our ability to attract and retain skilled labour and staff; and

We caution you that the foregoing lists of important risk factors and assumptions are not exhaustive. Events or circumstances could cause our actual results to differ materially from those estimated or projected and expressed in, or implied by, these forward-looking statements. We undertake no obligation to update publicly or otherwise revise any forward-looking statements or the foregoing list of factors, whether as a result of new information or future events or otherwise, except as may be required under applicable laws.

## **DESCRIPTION OF BUSINESS AND REVIEW**

Volt is a Canadian energy company continued under the Business Corporations Act (British Columbia) on December 30, 2010, and its common shares are listed for trading on the TSX Venture Exchange (the "TSXV") under the symbol "VOLT".

On February 1, 2018, Volt transferred its oil and gas properties and related reclamation liabilities in southeastern Saskatchewan and \$75,000 in cash to Roughrider Capital Corp. ("Roughrider"), its wholly-owned subsidiary. The Company completed a plan of arrangement under the Business Corporations Act (British Columbia) (the "Arrangement") with Volt's securityholders on March 13, 2018 wherein, among other things, Volt (i) consolidated its common shares (the "Common Shares") on a four (old) to one (new) basis, (ii) re-classified and re-designated the Common Shares as "Class A common shares" (the "Class A Shares"), (iii) created a new class of common shares of the Company (the "New Volt Shares"), and (iv) distributed to the shareholders of the Company (A) one New Volt Share for every one Class A Share held and (B) two common shares of Roughrider for every one Class A Share held.

All share and per share amounts in the MD&A have been restated to reflect the share consolidation.

The assets and liabilities that were transferred to Roughrider are classified as discontinued operations and classified on the statement of financial position as assets / liabilities held for spin-off ("Spin-Off").

The Company is now focused on adding, creating and increasing value through the acquisition, development and production of alternative energy sources such as cobalt and lithium, particularly in North America. The Company currently holds the Lac Saint Simon lithium property and has abandoned the Temiskaming & Fabre Cobalt - Silver property.

## **LAC SAINT SIMON LITHIUM PROPERTY**

In June 2017, the Company acquired the Lac Saint Simon Lithium property (the "LSS Property") located in west-central Quebec from AgraFlora Organics International Inc. (CSE: AGRA). in exchange for 625,000 common shares of the Company.

### About the LSS Property

The LSS Property is located approximately 2km from the boundary of Nemaska Lithium's (TSX:NMX) Whabouchi Project ("Whabouchi") and is roughly 480 hectares in size. According to Nemaska, Whabouchi is one of the most important spodumene lithium hard rock deposits in the world both in volume and grade. A Mineral Reserve estimate prepared by Met-Chem using the updated Mineral Resource block model suggests that Whabouchi hosts an estimated 20 million tonnes of Proven and Probable Reserves with a grade of 1.53% Li<sub>2</sub>O Open Pit and 7.3 million tonnes of Proven and Probable Reserves with a grade of 1.28% Li<sub>2</sub>O Underground. The mineralization hosted on the Whabouchi property is not necessarily indicative of the mineralization hosted on the Company's LSS Property. The bedrock geology of the LSS Property is composed primarily of pink granite with pegmatites and porphyritic granodiorite. Accessory amounts of amphibolite and diabase have been mapped on the LSS Property. All geological information is based on data available for download by the Quebec government and not by the Company.

The most prospective geology appears to be pegmatites set within the pink granite. Generally, lithium mineralization in the region has been concentrated in pegmatites, with Whabouchi being the classic example. Historically, Tuscana Lithium completed a NI 43-101 technical report on their Abigail property, which covered a large land position in the belt that went as far north as the southern boundary of the LSS Property. More recently, AGRA conducted an initial exploration program on the LSS Property and is expecting completion of an updated NI 43-101 report in short order. The technical report encompasses the preliminary reconnaissance exploration program that was conducted, along with the recently completed unmanned aerial vehicle ("UAV") geophysical survey.

#### **LAC SAINT SIMON LITHIUM PROPERTY (continued)**

The Company has had little success in raising capital to do further work, and accordingly has written the asset down to \$1 on its statement of financial position.

#### **TEMISKAMING & FABRE COBALT – SILVER PROPERTY**

In April 2017, the Company acquired the Temiskaming & Fabre Cobalt - Silver property (the "TFC Property") located in Quebec's Fabre Township in exchange for 662,500 common shares of the Company (the "Vendor Shares").

During the three month period ended March 31, 2019, the Company incurred \$1,000 in geological consulting fee on the TFC Property. These expenditures were related to claim renewals and were expensed during the period.

During the year ended December 31, 2018, the Company incurred minimal expenditures on the TFC Property and did not file the necessary claim renewals to keep the project in good standing. Accordingly, the Company recorded a write-off of exploration and evaluation assets of \$398,885.

#### **OIL PROPERTIES**

##### *West Kingsford, Saskatchewan*

During the year ended December 31, 2018, the Company received cash flow from its joint operations in the West Kingsford area of Saskatchewan up until the Spin-Off of Roughrider on March 13, 2018. At that point, Roughrider was deconsolidated from Volt, and the Company no longer has any oil property interests.

#### **RESULTS OF OPERATIONS**

As a result of the Spin-Off of Roughrider in March 2018, the Company classified its oil operations as discontinued operations. However, in an effort to provide easier comparability with prior periods the results of operations are being presented inclusive of discontinued operations.

##### Three Month Period Ended March 31, 2019

Oil sales, net of royalties, during the three month period ended March 31, 2019 ("Current Quarter") decreased to \$Nil from \$46,522 during the three month period ended March 31, 2018 ("PY Quarter"). The 100% decrease is attributed to the disposal of all of its oil interests through the Spin-Off of Roughrider on March 13, 2018.

Expenses for the Current Quarter decreased by \$1789,373 versus the PY Quarter due to the Company's disposal of its oil assets. Other items decreased \$258,536 to \$Nil due to the gain on spin-off of Roughrider Capital Corp. which occurred in the PY Quarter.

## SELECTED ANNUAL INFORMATION

The Company's functional and presentation currency is the Canadian Dollar for all years presented.

	2018	2017	2016
	(\$)	(\$)	(\$)
Oil sales, net of royalties	46,522	271,266	234,169
Other items	(436,339)	499	130
Expenses	781,243	494,313	329,698
Net loss	(1,171,060)	(224,854)	(97,256)
Net loss per share from continuing operations – basic and diluted	(0.11)	(0.01)	(0.02)
Net loss per share from discontinued operations - basic and diluted	(0.01)	(0.02)	-
Total assets	115,320	1,468,571	637,174
Total long-term liabilities	-	118,810	122,404
Cash dividends	-	-	-

## SELECTED QUARTERLY INFORMATION

The following table summarized the results of operations for the eight most recent quarters.

	Three month period ended			
	Mar 31 2019	Dec 31 2018	Sept 30 2018	Jun 30 2018
	(\$)	(\$)	(\$)	(\$)
Oil sales, net of royalties	-	-	-	46,522
Expenses	34,512	36,563	471,458	59,337
Other items	-	(695,440)	-	565
Net income (loss)	(34,512)	(732,003)	(471,458)	(58,772)
Net loss per share	(0.00)	(0.08)	(0.04)	(0.01)

	Three month period ended			
	Mar 31 2018	Dec 31 2017	Sep 30 2017	Jun 30 2017
	(\$)	(\$)	(\$)	(\$)
Oil sales, net of royalties	46,522	71,443	67,648	64,848
Expenses	213,885	160,263	101,195	125,443
Other items	258,536	(206)	81,289	447
Net income (loss)	91,173	(89,026)	47,742	(61,042)
Net loss per share	0.01	(0.01)	0.01	(0.01)

## **SELECTED QUARTERLY INFORMATION** (continued)

### Notes on Material Quarterly Variations:

December 31, 2018 – reported an increase in expenses due to the impairment and abandonment charges recorded against the Company's exploration and evaluation assets.

September 30, 2018 – reported an increase in expenses due to additional professional and consulting fees incurred while performing due diligence on a proposed business merger.

June 30, 2018 – reported no revenue in the period due to the Spin-Off of the Company's producing oil assets in March 2018.

March 31, 2018 – the interim MD&A previously recorded a net income of \$91,173 for the quarter due to incorrectly recording gain on spin out of \$258,536 at quarter end. This was subsequently adjusted to the final gain of \$289,221 and reallocated to the fourth quarter of 2018 as income, which is reflected in the table above.

September 30, 2017 – reported net income for the period due to the reversal of the \$81,866 loss on debt settlement that was incorrectly recorded in the quarter ended March 31, 2017.

## **COMMITMENTS**

As at March 31, 2019, the Company had no commitments.

## **OFF-BALANCE SHEET ARRANGEMENTS**

The Company did not enter into any off-balance sheet arrangements during the period ended March 31, 2019.

## **OUTSTANDING SHARE DATA**

As at the Report Date, the Company had 12,097,849 common shares outstanding.

As at the Report Date, the Company had 1,000,000 stock options outstanding. They are exercisable at \$0.07 per share until May 2, 2024.

## **SUBSEQUENT EVENTS**

On April 7, 2019 a total of 155,000 stock options expired without being exercised.

On May 2, 2019, the Company granted 1,000,000 incentive stock options to directors which are exercisable at \$0.07 per share for a period of five years.

## RELATED PARTIES TRANSACTIONS

Key management includes the Chief Executive Officer ("CEO"), Chief Financial Officer ("CFO"), directors and companies controlled by them. The Company incurred the following transactions with key management of the Company during the three month periods ended March 31, 2019 and 2018.

### *Key management compensation <sup>1</sup>*

	<b>2019</b>	<b>2018</b>
	(\$)	(\$)
Management and director fees to J. Lewis Dillman, CEO of the Company, or a corporation controlled by the CEO	3,000	3,000
Professional and director fees paid or accrued to Sean McGrath, CFO of the Company, or a corporation controlled by the CFO	10,500	14,774
Director fees paid or accrued to Stephen Polakoff, a director of the Company	3,000	3,000
Director and consulting fees paid or accrued to David Parry, a former director of the Company, or corporations controlled by David Parry	-	3,000
Director fees paid or accrued to Karl Marek, a director of the Company	3,000	2,000
	<u>19,500</u>	<u>25,774</u>

### *Other related party transactions*

	<b>2019</b>	<b>2018</b>
	(\$)	(\$)
Mineral royalties paid or accrued to J. Lewis Dillman, CEO of the Company	-	398

As at March 31, 2019, a total of \$32,000 (December 31, 2018 - \$20,000) was included in accounts payable and accrued liabilities owing to the directors of the Company for director fees.

As at March 31, 2019, a total of \$74 (December 31, 2018 - \$35,229) was included in accounts payable and accrued liabilities as owing to a corporation that shares management in common pursuant to a short term non-interest bearing loan.

## LIQUIDITY

The Company's cash position decreased to \$38,804 on March 31, 2019 from \$105,330 on December 31, 2018. In addition, working capital decreased to a \$692 deficiency from \$33,820 on December 31, 2018. These declines were a result of the disposal of the Company's cash generating oil interests through the Spin-Off of Roughrider.

In February 2018, Company transferred all of its oil properties to Roughrider, and then subsequently completed a plan of arrangement wherein it distributed all of the shares of Roughrider to the shareholders of the Company. As a result, the Company's business focus moving forward is to acquire and explore energy metal properties of merit. The Company has limited financial capital and no current source of revenues, and this casts significant doubt upon the going concern assumption. The Company's continuation as a going concern is dependent upon its ability to raise equity capital or borrowings sufficient to meet current and future obligations. If for any reason, the Company is unable to maintain cash flows and continue as a going concern, then this could result in adjustments to the amounts and classifications of assets and liabilities in the Company's consolidated financial statements and such adjustments could be material.

## **OUTLOOK**

During 2018, the Company divested itself of its oil assets and began to focus on other energy related commodities such as cobalt and lithium. In furtherance of this, the Company acquired the Lac Saint Simon lithium property. The junior resource markets have not been well received over the last two years however, and management has not had much success accessing the equity markets to generate capital for exploration on its projects. Accordingly, the Company has been in a care and maintenance mode in an effort to preserve what capital it has, while continuing to identify and evaluate new projects of merit.

## **RISKS AND UNCERTAINTIES**

The Company is in the energy exploration and development business and as such is exposed to a number of risks and uncertainties that are not uncommon to other companies in the same business. Exploration for and development of mineral properties involves a high degree of risk, and the cost of conducting programs may be substantial and the likelihood of success is difficult to assess.

Beyond exploration risk, management is faced with other possible risks which include the following:

### Financial Market Risk

The Company is in part dependent on the equity markets as a source of capital for making acquisitions or completing exploration programs. Accordingly, the Company's capital resources and ability to make acquisitions or incur exploration expenditures are largely determined by the strength of the resource markets and by the status of the Company's projects in relation to these markets, and its ability to compete for the investor support of its projects.

### Title Risk

The Company has investigated its right to explore and exploit its properties and, to the best of its knowledge, there are no known encumbrances. However, the results of the Company's investigations should not be construed as a guarantee of title.

### Environmental Risk

The Company seeks to operate within environmental protection standards that meet or exceed existing requirements in the country in which the Company operates. Present or future laws and regulations, however, may affect the Company's operations. Future environmental costs may increase due to changing requirements or costs associated with exploration and the developing, operating and reclamation of mineral properties. Programs may also be delayed or prohibited in some areas.

### Value Risk

There is no material risk as the Company has impaired the value of its exploration and evaluations to \$1 as at March 31, 2019.

Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, then actual results may vary materially from those described on forward-looking statements.



## **CAPITAL MANAGEMENT**

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of long-term debt and equity, comprising share capital, net of accumulated deficit.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may attempt to issue new shares, issue debt and acquire or dispose of assets.

The Company is not subject to any externally imposed capital requirements.

There have been no changes to the Company's approach to capital management during the period ended March 31, 2019.

## **CRITICAL ACCOUNTING ESTIMATES**

The preparation of the Company's consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates. The following areas required a significant degree of estimation and judgment:

### Carrying value and the recoverability of exploration and evaluation assets

Management has determined that exploration, evaluation and related costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including geologic and other technical information, history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, scoping and feasibility studies, accessible facilities and existing permits.

### Exploration and evaluation expenditures

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment to determine whether future economic benefits are likely, from either future exploitation or sale, or whether activities have not reached a stage that permits a reasonable assessment of the existence of reserves.

## **MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS**

The information provided in this report, including the financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the accompanying consolidated financial statements.

## **ADDITIONAL INFORMATION**

Additional information concerning the Company can be accessed on SEDAR.

**CORPORATE INFORMATION**

Directors: Sean McGrath  
J. Lewis Dillman  
Stephen Polakoff  
Karl Marek

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