



FIRST LITHIUM MINERALS CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE PERIOD ENDED SEPTEMBER 30, 2023

DATED NOVEMBER 24, 2023

Disclosure Regarding Forward-Looking Statements

This Management's Discussion and Analysis contains forward-looking statements that include risks and uncertainties that are disclosed under the section Risk Factors. Other factors that could affect actual results are uncertainties pertaining to government regulations, both domestic as well as foreign, and the changes within the capital markets. Other risks may be disclosed from time to time in First Lithium Minerals Corp.'s public disclosures.

First Lithium Minerals Corp.
Management's Discussion and Analysis
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Unless otherwise indicated, in this Management's Discussion and Analysis ("**MD&A**") all references to "**dollar**" or the use of the symbol "**\$**" are to the Canadian Dollar.

The preparation of the financial statements are in conformity with International Financial Reporting Standards ("**IFRS**") and requires management to make assumptions that affect the reported amounts of assets, liabilities and expenses in addition to the disclosure of contingent liabilities at the date of the financial statements. First Lithium Minerals Corp. (the "**Corporation**" or "**FLMC**" or "**PCG**") bases its estimates on historical experience, current trends and various other assumptions that are believed to be reasonable under the circumstances. Actual results could differ and will most likely differ from those estimates.

ITEM 1 - Overview

The Corporation was incorporated under the Alberta Business Corporations Act on March 25, 1993 and on June 30, 2022 filed articles of amendments to change its name from Petrocorp Group Inc. ("**PCG**") to First Lithium Minerals Corp. and to continue under the Ontario Business Corporations Act. On June 29, 2022 the Canadian Stock Exchange (the "**Exchange**") conditionally approved the "Going Public Transaction" of First Lithium Minerals Inc. ("**FLMI**") described below.

In 2018, FLMI initiated staking mineral exploration concessions on the salars of Ollague, Carcote and Ascotán ("**OCA Prospect**"), in the Antofagasta Region II of Chile. The prospect area is approximately 215 km northeast from the city of Calama, within the cordilleran sector, bordering Bolivia and is accessible via paved highway. The OCA Prospect is 8,976 hectares, spans the three salars, and is approximately 350 km from the port city of Tocopilla.

In 2019, FLMI identified a second potential prospect ("**Paige**"), which was subsequently impaired in 2022.

In 2022, the Corporation staked an additional 200 Ha, the Lucia Property located at the commune of San Pedro de Atacama, Calama, Province of El Loa, II Region of Antofagasta, Chile, within the Salar de Capur.

Going Public Transaction

On July 28, 2022, PCG closed its reverse takeover ("**RTO**") transaction with FLMI, immediately prior to the RTO, FLMI merged with QL Minerals Inc. ("**QLM**"), (collectively the "**Transaction**").

Prior to the Transaction;

- PCG consolidated its common shares on a basis of 81.96721311 old common shares for 1 new common share;
- FLM consolidated its shares on a basis of 2.5 old common shares for 1 new common share prior to merging with QLM (QLM owns the Senneville prospect in Quebec);
- FLMI settled \$3,571,591 in liabilities via the issuance of its new common shares at a deemed price of \$0.225 per share; and
- FLMI raised \$5,914,500 via the issuance of subscription receipts that converted into 23,658,000 new common shares of FLMI on the closing of the Transaction.

Once consolidated, all shareholders exchanged their shares for shares of the resulting issuer. Commencement of trading began on August 9, 2022 under the symbol FLM on the Exchange. The common shares of the Corporation also trade in the United States under the symbol PGPXF and on the FSE under the symbol X28.

OCA Prospect

The OCA Prospect is located within the Lithium Triangle of South America, which includes parts of the Andean Region of Chile, Bolivia and Argentina, where closed evaporate basins have allowed the development of a series of brine deposits in the form of dry salt lakes or terminal 'playas'.

The OCA Prospect is located in the Antofagasta Region, Chile, approximately 215 kilometers northeast of the city of Calama, in the border area with Bolivia, in the municipality of Ollague, and is approximately 350 km from Tocopilla, the closest commercial port on the Pacific Ocean.

Access to the OCA Prospect from the city of Calama is expeditious, through paved roads and highways, with small extensions of dirt roads passable throughout the year, which allow direct access to the sectors of interest. The travel time to access each of the three salars of interest is approximately 2.5 hours by car from Calama. Calama is an active commercial mining center with developed industrial, mining, and commercial infrastructure.

Power and transportation infrastructure are present and well developed in the area. The Ferrocarril de Antofagasta a Bolivian railway that runs through Ollague, Chile, forms a major transportation corridor between the seaport city of Antofagasta, Chile and the capital of Bolivia, La Paz. Cerro Pabellon Geothermal Power Plant is located approximately 70km south of the southern border of the OCA Prospect area.

From the geological point of view, the OCA Prospect belongs to the domain of the Andean Salars, which main economic interests are sodium, potassium, lithium, magnesium, and borate salts. (Sernageomin, 2014).

The OCA Prospect is composed of 39 mineral exploration concessions, covering a total area of 8,976 hectares.

The climate in the prospect area is arid, with rainfall of 0.60 – 0.85 mm per year. Evaporation in the area of the salars ranges from a median monthly between of 235 mm/month (Ollagüe) and 229 mm/month (Cebollar). The total annual evaporation varies between 2,823.4 mm (Ollagüe) and 2,748.6 mm (Cebollar).

In November 2022, the Corporation initiated geophysical surveying programs and conducted a project site visit to continue exploration activities, mapping, and geologic surveying. The geophysical surveys program comprised data collection of contiguous 200m coincident loop measuring vertical (Z) component dB/dt TEM along 500 to 1,000m spaced lines over selected exploration concessions at the salars of Ollague, Carcote, and Ascotan. The Company acquired resistivity data over a total of 267 TEM contiguously spaced stations along 28 profiles for a total of 47.8 line-km.

The property-wide Transient Electromagnetic ("**TEM**") geophysical surveys identified multiple low resistivity zones across several prospective areas. The Company believes the discovered zones are indicative of characteristics typically exhibited by mineralized saline aquifers of hydrogeological conditions of northern Chile. The geophysical surveys indicated highly conductive horizontal zones of less than 1.0 Ohm-meter of up to 400 metres (m) in thickness, from about 100-200m beneath the surface. Specifically, two sectors, the northeastern property areas at the salar de Carcote (approx. 1,275 ha) and salar de Ascotan (approx. 1,775 ha) displayed promising geophysical characteristics with responses as low as 0.2 Ohm-meters identified as priority high conductivity targets for continuing exploration as prospective mineralized saline aquifers.

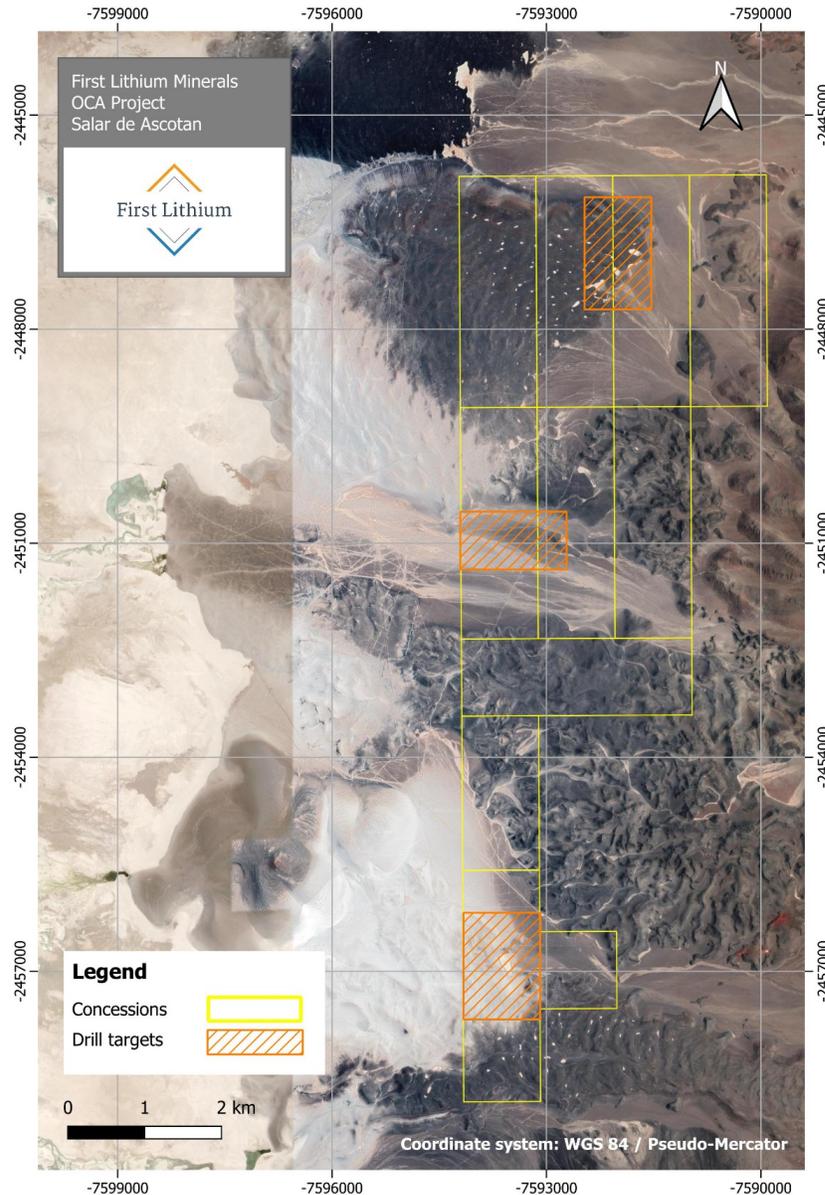
In January 2023, the Corporation conducted Magneto-Telluric ("**MT**") geophysical surveys. The MT geophysical survey program was comprised of data collection of 60 Tensor MT sites spaced 600m along 8 lines on two identified sectors at the northeastern prospect areas at the salar de Ascotan (approx. 1,775 ha), salar de Carcote (approx. 1,275 ha), and the southern prospect area of the salar de Ollague (approx. 300 ha).

The results of the MT geophysical survey program indicated highly conductive horizontal zones of less than 1.0 Ohm-meter signatures which are typically associated with brine mineralization in hydrogeologic settings across the Andean plateau. Preliminary hydrogeological modelling suggests a gradually increasing brine signature starting at approximately 200 meters beneath the surface with thickness up to 400 meters reaching a consolidated lacustrine base or bedrock at approximately 600 meters at depth. The resistivity data collected by the surveys provided a better understanding of the prospects' lithology, sediments, potential brine signatures, and enhanced geological modeling.

In May 2023, the Corporation completed its drill target assessment, and is planning to proceed to its inaugural brine resource exploration program in the northeastern property areas at the salar de Ascotan

(approx. 1,775 ha), which displays promising geophysical characteristics based on the Transient Electromagnetic (“TEM”) and Magneto-Telluric (“MT”) geophysical surveys conducted in Q4/22 and Q1/23.

The initial exploration program will consider up to five boreholes to depths of up to 500 meters. Depending on lithology and hydrogeological conditions encountered, it is envisaged that the holes will be drilled with a combination of PQ and HQ core sizes using plastic liners to facilitate core recovery for geological assessment and drainable porosity analysis. Brine sampling is planned at 12m intervals using bailer, packer, or other suitable methodology depending on lithology and hydrogeological conditions.



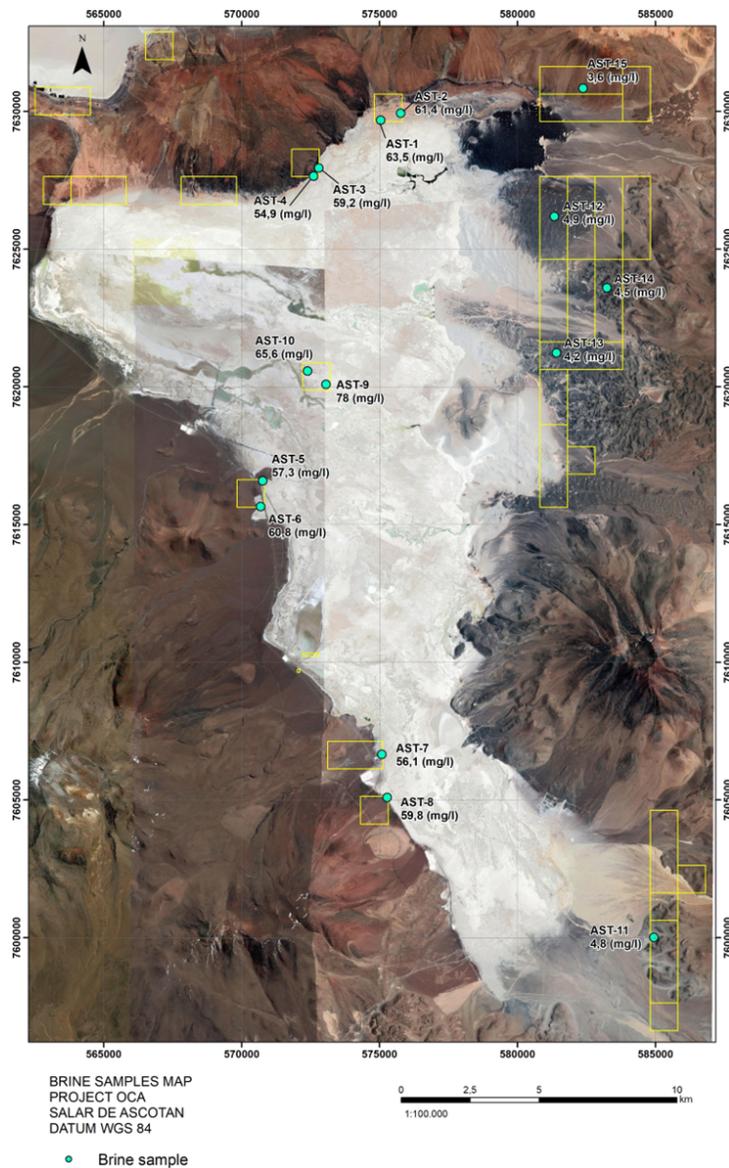
The above figure is the OCA Lithium project, salar de Ascotan northeastern exploration concessions prospect area with the planned exploration drill targets sectors highlighted.

In June 2023, the Corporation acquired a 100% interest in 49 mining claims for \$372,500 that was settled with 4,300,000 common shares of the Corporation valued at \$322,500 plus \$50,000 in cash. In addition, the Corporation staked an additional 52 mining claims (collectively the “LSL” Property) and may continue to stake

additional mining claims. The LSL Property is a contiguous land package of approximately 2,067 ha located approximately 160 km northeast of Sioux Lookout, Ontario. Settlement for this acquisition was made in July 2023.

In September 2023, the Corporation completed a selective geochemical surface sampling program at the Salar de Ascotan. A total of 15 brine and brackish water samples were collected directly off the surface in the salar at depths of up to 0.3 meter and in the alluvium surrounding the salar surface. Results from AGS Laboratory, Coquimbo, Chile assays of the complete sample set range from trace to 78 Li (mg/L), with the average of 42.6 Li (mg/L) and median of 57.3 Li (mg/L). Potassium assay values averaged 1,042.8 K (mg/L) with a median at 1,445 K (mg/L), and Boron averaged 705.1 B (mg/L) with a median of 1,003.3 B (mg/L).

As total dissolved solids (TDS) concentrations increase with depth in common hydrogeological settings of northern Chilean salars, the geochemical results are congruent with the expectation that lithium and alkaline metals should be present in higher concentrations at depth.



The above figure is the Surface Brine and Brackish Water Sample Location, OCA Project, Salar de Ascotan. August 2023 Geochemical Sampling Program.

The corporation is advancing to its inaugural brine resource exploration program in the northeastern property areas at the Salar de Ascotan (approx. 1,775 ha), which also displayed promising geophysical characteristics based on the Transient Electromagnetic ("TEM") and Magneto-Telluric (MT) geophysical surveys conducted in Q4/22 and Q1/23. Future drilling and sampling are planned to test the conceptual hydrogeologic model, enhance understanding of the controls as well as obtain a more comprehensive understanding of the lithium and alkaline metals bearing brines and sediments and their economic potential.

In August 2023, the Corporation's personnel met with the Quechua Cebollar Ascotan Community on the envisioned exploration activities, visited the proposed sites for a drilling program, and discussed the areas and elements of future cooperation and engagement.

In September 2023, the Corporation applied for a regulatory environmental assessment permit and is currently in the process of applying for a drilling permit, concurrently with the drilling contractor selection.

The Company is expecting to commence the drilling program in Q4 2023 or Q1 2024, conditional upon obtaining required permits, licences, and agreements.

In Q3/23 lithium carbonate 99.5% Li₂CO₃ prices contracted to \$21.00-25.00 /kg due to subdued demand and an excess inventory in Asia. As a result, market sentiment turned slightly bearish with the market participants expecting no drastic turnaround in the short-term. In the long-term, the demand expects to exceed supply and create a structural deficit. Major lithium producers reported the continuation of its capacity increases in South America and Asia due to strong market fundamentals and the expectations of a robust future demand driven by the EV adoption and growth in consumer electronics. Industrial chemicals and fertilizer markets showed a positive demand growth in Q3/23 and are expected to continue into 2024.

ITEM 2 - Selected Annual Information

The following is selected annual information for the preceding three fiscal years:

December 31	2022	2021	2020
Net revenues	\$ nil	\$ nil	\$ nil
Net loss	3,991,669	707,677	709,258
Total assets	5,235,386	479,194	182,292
Long term liabilities	Nil	Nil	Nil
Loss per share	0.07	0.02	0.01
Cash dividends per share	0.00	0.00	0.00

For further financial information, please refer to the Corporation's audited financial statements that have been filed on SEDAR.

ITEM 3 - Results of Operations

For the year ended December 31, 2022 versus December 31, 2021

The Corporation has no revenue producing assets at this stage, as its mineral properties are all at the exploration and evaluation stage of development. The Corporation is currently enhancing shareholders' value by exploring its mineral assets and expanding its land exploration portfolio.

For the year ended December 31, 2022, the Corporation had general and administrative expenditures of \$158,787 inclusive of management fees versus \$1,818 the year earlier, for a negative variance of \$156,969. The significant increase is due to Corporation's going public transaction and now being fully funded to carry-out its business plan.

For the year ended December 31, 2022, the Corporation had mineral exploration expenditures and operating expenses total of \$503,449 versus \$243,499 the year earlier, for a negative variance of \$259,950 or 106.8%. As expected, these costs increased subsequent to going public as the Corporation successfully completed its financing in order to invest in its exploration and evaluation programs. Investment in the Corporation's various exploration properties are expensed as incurred. Management expects to continue to significantly invest in its exploration and evaluation properties and seek to expand its portfolio of prospects when such opportunities arise.

For the year ended December 31, 2022, the Corporation had professional expenditures of \$98,377 versus \$250,572 the year earlier, for a positive variance of \$152,195 or 60.7%. As expected, this expense decreased upon the completion of its listing onto the Exchange.

For the year ended December 31, 2022, the Corporation incurred regulatory and shareholder expenses of \$472,616 versus \$Nil the year earlier. These expenses include all regulatory expenses, such as exchange fees, transfer agent fees, corporate governance/director fees, shareholder communications and investors relations. The Corporation went public in August 2022 and prior to that date, it did not have such expenses. Upon going public the Corporation initiated various communication programs to introduce the company to investors.

For the year ended December 31, 2022, the Corporation had an operating loss of \$1,233,229 versus \$495,889 the year earlier, for a negative variance of \$737,340 or 148.7%. Management anticipates that the operating loss will continue to increase as it carries out the proposed exploration and evaluation of mineral properties as this amount is expensed to operations as incurred.

For the year ended December 31, 2022, the Corporation had a foreign exchange loss of \$44,835 versus a gain of \$24,615 the year earlier, for a negative variance of \$69,450 or 282%.

For the year ended December 31, 2022, the Corporation had an interest expense of \$128,139 versus \$236,403 a year earlier. As the Corporation is fully funded via its equity raise of 2022, this expense shall decrease.

For the year ended December 31, 2022, the Corporation had an interest income of \$47,151 versus \$Nil a year earlier. The interest income was related to the Corporation investing its cash balance in short term interest account.

For the year ended December 31, 2022, the Corporation had incurred listing expenses of \$2,630,920 which mostly related to a deemed non-cash value of the shares of the resulting issuer held by the shareholders of the PCG prior the Transaction.

For the year ended December 31, 2022, the Corporation wrote off \$1,697 in exploration and evaluation relating to the Paige Property versus none the year earlier.

The net loss for the year ended December 31, 2022, was \$3,991,669 for a loss per share of \$0.07 based on 54,329,118 weighted average common shares outstanding for the year versus \$707,677 for a loss per share of \$0.02 based 29,643,667 weighted average common shares outstanding for the previous year.

During the year ended December 31, 2022, the Corporation invested an additional \$45,114 versus \$37,389 the year earlier to continue to maintain its mineral claims in Chile, and this is over and above the amount expensed in exploration costs.

During the year ended December 31, 2022, the Corporation raised \$5,634,937 via issuance of common shares, and \$32,826 via the acquisition of QLM.

The Corporation's cash and cash equivalents balance as at December 31, 2022 was \$3,817,497 (2021 - \$28,616), with a working capital of \$4,158,581 (2021 working capital deficit of \$4,195,712). The increase is due to the financing that closed in June 2022.

ITEM 4 - Summary of Quarterly Results

The following table sets forth, for each quarter ended on the date indicated since incorporation, information relating to the Corporation's revenue, net loss and loss per common share as prepared under IFRS.

	Revenues	Net income (loss)	Loss/share: basic and diluted
September 30, 2023	\$ —	\$ (278,641)	\$ 0.00
June 30, 2023	—	(254,115)	0.00
March 31, 2023	—	(526,239)	0.01
December 31, 2022	—	(607,069)	0.01
September 30, 2022	—	(2,797,308)	0.04
June 30, 2022	—	(432,502)	0.01
March 31, 2022	—	(154,790)	0.01
December 31, 2021	—	(85,850)	0.00

For the three months ended September 30, 2023 versus September 30, 2022

The Corporation has no revenue producing assets at this stage, as its mineral properties are all at the exploration and evaluation stage of development. The Corporation is currently enhancing shareholders' value by exploring its mineral assets and expanding its land exploration portfolio.

For the three months ended September 30, 2023, the Corporation had general and administrative expenditures of \$501 versus \$11,878 the year earlier, for a positive variance of \$11,377. Management anticipates that this line item will average approximately \$10-12,000 annually as the Corporation continues to invest in exploration and evaluation to determine the viability of its properties, therefore it is not anticipated to be a significant amount going forward.

For the three months ended September 30, 2023, the Corporation had director fees of \$7,500 versus \$5,000 the year earlier, for a negative variance of \$2,500. Prior to going public in 2022, the Corporation only had the CEO as a director and the compensation expense to its directors in the comparative period was for two months versus three months in the current year. Management does not anticipate this amount to fluctuate significantly.

For the three months ended September 30, 2023, the Corporation had management fees of \$60,000 versus \$40,000 the year earlier, for a negative variance of \$20,000. Prior to going public in 2022, the Corporation compensated its CEO via equity incentives and the compensation in the comparative period was for two months versus three months in the current year. Management does not anticipate this amount to fluctuate significantly.

For the three months ended September 30, 2023, the Corporation had mineral exploration expenditures of \$110,509 versus \$62,649 the year earlier, for a negative variance of \$47,860. Management anticipates that that this line item will increase and fluctuate going forward as the Corporation invests in exploration and evaluation to determine the viability of its properties. In addition, the Corporation will acquire additional properties should the opportunity arise.

For the three months ended September 30, 2023, the Corporation had professional expenditures of \$91,661 versus a reversal of \$248,865 the year earlier. The reversal is due to the fact that the Corporation completed its financing and listing on to the Exchange in the comparative period and therefore the professional expenditures incurred to date during 2022 were reclassified against Shareholders Equity in accordance with IFRS. Management anticipates this line item to be approximately \$250,000 annually on a going forward basis, unless a transaction outside the normal course of business occurs, which would be incremental.

For the three months ended September 30, 2023, the Corporation had regulatory and shareholders expenses of \$50,400 versus \$244,201 the year earlier, for a positive variance of \$193,801. These

expenses include all regulatory expenses, such as exchange fees, transfer agent fees, corporate governance/director fees, shareholder communications and investors relations. The Corporation went public in August 2022 and upon going public the Corporation initiated various investor communication programs to introduce the company to investors and management expects this line item to decrease over sequential quarters.

For the three months ended September 30, 2023, the Corporation had operating losses of \$320,571 versus \$114,863 the year earlier, for a negative variance of \$205,708. The cause of this variances was discussed above.

For the three months ended September 30, 2023, the Corporation had a foreign exchange loss of \$1,435 versus a loss of \$62,296 the year earlier, for a positive variance of \$60,861, which relates to the Chilian operations.

For the three months ended September 30, 2023, the Corporation had interest income of \$43,365 versus \$10,771 the year earlier, for a positive variance of \$32,594. The interest income was related to the Corporation investing its excess cash balance in short term guaranteed interest securities as it executes its exploration program. Management anticipates interest income to decrease as the reduction in the Corporation's cash balance decreases.

For the three months ended September 30, 2023, the Corporation had no listing expense versus \$2,630,920 the year earlier as it completed its reverse takeover in order to have its common shares traded on an exchange. The expense is comprised of the issuance of 3,316,372 common shares as a finders fee, 8,204,343 common shares for the cost of acquiring PCG, both of which are a non-cash expense, and \$378,068 relating to professional fees incurred to list the common shares.

The net loss for the three months ended September 30, 2023 was \$278,641 for a loss per share of \$0.00 based on 90,703,592 weighted average shares outstanding for the period versus \$2,797,308 for loss per share of \$0.04 based on 70,524,002 weighted average shares outstanding for the previous period.

For the three months ended September 30, 2023, cash flows used in operations was \$185,299 versus \$1,736,184 for a positive variance of \$1,550,885. The main cause of this variance was due to the use of cash in settling liabilities as well as investment in exploration and evaluation activities and the investor relation campaign initiated upon going public.

For the three months ended September 30, 2023, cash flows provided from financing activities was \$47,487 versus \$6,215,619 for a negative variance of \$6,168,132. The reduction is due to the fact that in the corresponding period the Corporation closed its financing.

For the three months ended September 30, 2023, cash flows used in investing activities was \$6,003 versus \$94,003 for a positive variance of \$88,427. The Corporation expenses its exploration costs while capitalizing its cost of acquiring new properties and maintaining its rights to such properties.

The net decrease in cash and cash equivalent during the three months period ended September 30, 2023 was \$143,815 versus an increase of \$4,385,005 the year earlier for a negative variance of \$4,528,820. The cause of this variance was discussed above.

For the nine months ended September 30, 2023 versus September 30, 2022

The Corporation has no revenue producing assets at this stage, as its mineral properties are all at the exploration and evaluation stage of development. The Corporation is currently enhancing shareholders' value by exploring its mineral assets and expanding its exploration portfolio.

For the nine months ended September 30, 2023, the Corporation had general and administrative expenditures of \$8,435 versus \$14,378 the year earlier, for a positive variance of \$5,943. Management anticipates that that this line item will average approximately \$10-12,000 annually as the Corporation

continues to invest in exploration and evaluation to determine the viability of its properties, therefore it is not anticipated to be a significant amount going forward.

For the nine months ended September 30, 2023, the Corporation had director fees of \$22,500 versus \$5,000 the year earlier, for a negative variance of \$17,500. Prior to going public in 2022, the Corporation only had the CEO as a director and the compensation to the directors in the comparative period was for two months versus 11 months in the current year. Management does not anticipate this amount to fluctuate significantly.

For the nine months ended September 30, 2023, the Corporation had management fees of \$180,000 versus \$40,000 the year earlier, for a negative variance of \$140,000. Prior to going public in 2022, the Corporation compensated its CEO via equity incentives and the compensation in the comparative period was for two months versus nine months in the current year. Management does not anticipate this amount to fluctuate significantly.

For the nine months ended September 30, 2023, the Corporation had mineral exploration expenditures of \$396,067 versus \$235,333 the year earlier, for a negative variance of \$160,734. Management anticipates that this line item will increase and fluctuate going forward as the Corporation invests in exploration and evaluation to determine the viability of its properties. In addition, the Corporation will acquire additional properties should the opportunity arise.

For the nine months ended September 30, 2023, the Corporation had professional expenditures of \$217,979 versus \$58,518 the year earlier, for a negative variance of \$159,461 or 58.9%. The reduction in professional fees this year was due to the fact that the Corporation was not public for most of 2022, and therefore did not require as much services to ensure it met with its continuous financial reporting requirements. Management anticipates this line item to be approximately \$250,000 annually on a going forward basis, unless a transaction outside the normal course of business occurs, which would be incremental.

For the nine months ended September 30, 2023, the Corporation had regulatory and shareholders expenses of \$344,912 versus \$244,201 the year earlier, for a negative variance of \$100,711. These expenses include all regulatory expenses, such as exchange fees, transfer agent fees, corporate governance/director fees, shareholder communications and investors relations. The Corporation went public in August 2022 and upon going public the Corporation initiated various communication programs to introduce the company to investors and management expects this line item to decrease over sequential quarters.

For the nine months ended September 30, 2023, the Corporation had operating losses of \$1,169,893 versus \$597,430 the year earlier, for a negative variance of \$572,463. The cause of this variances was discussed above.

For the nine months ended September 30, 2023, the Corporation had a foreign exchange loss of \$10,882 versus a loss of \$33,882 the year earlier, for a positive variance of \$28,000, which relates to the Chilean operations as a non-cash item.

For the nine months ended September 30, 2023, the Corporation had an interest expense of \$Nil versus \$128,139 the year earlier, for a positive variance of \$128,139 or 100.0%. The interest expense was related to a loan that was settled via the issuance of common shares of the Corporation in the third quarter of fiscal 2022.

For the nine months ended September 30, 2023, the Corporation had interest income of \$121,780 versus \$10,771 the year earlier, for a positive variance of \$111,009. The interest income was related to the Corporation investing its excess cash balance in short term guaranteed interest securities as it executes its exploration program. Management anticipates interest income to decrease as the reduction in the Corporation's cash balance decreases.

The net loss for the nine months ended September 30, 2023 was \$1,058,995 for a loss per share of \$0.01 based on 88,156,634 weighted average shares outstanding for the period versus \$3,384,600 for a loss per share of \$0.08 based on 43,320,573 weighted average shares outstanding for the previous period. The negative variance of the net income was \$2,325,605 or 68.7% and the cause of this variances was discussed above.

For the nine months ended September 30, 2023, cash flows used in operations was \$627,095 versus \$1,780,398 for a positive variance of \$1,153,301. The main cause of this variance was due to the use of cash in settling liabilities as well as investment in exploration and evaluation activities and the investor relation campaign initiated upon going public.

For the nine months ended September 30, 2023, cash flows provided from financing activities was \$55,647 versus \$6,292,434 for a negative variance of \$6,236,787. The cause for the variance was that in the prior year the Corporation was being funded through related party advances.

For the nine months ended September 30, 2023, cash flows used in investing activities was \$83,091 versus \$126,378 for a positive variance of \$43,287. The Corporation expenses its exploration costs while capitalizing its cost of acquiring new properties and maintaining its rights to such properties.

The net decrease in cash and cash equivalent during the nine months period ended September 30, 2023 was \$654,539 versus an increase of \$4,385,660 the year earlier for a negative variance of \$5,040,199. The cause of this variance was discussed above.

ITEM 5 - Liquidity

As at September 30, 2023, the Corporation had a cash balance of \$3,162,958 (December 31, 2022 - \$3,817,497) with working capital of \$3,016,495 (December 31, 2022 - \$4,158,581).

In July 2022, the Corporation raised a total of \$5,634,937 via the issuance of 23,658,000 common shares in FLMI and QLM in addition to settling \$3,571,591 in liabilities via the issuance of 15,873,737 common shares of the Corporation.

In addition to its cash on hand at the end of the quarter, the Corporation currently has the following warrants issued and outstanding:

Quantity	Type	Exercise Price	Expiry Dates
904,260	Share Purchase Warrants	\$ 0.25	July 28, 2024

ITEM 6 - Capital Resources

To date, the Corporation has invested in advancing the OCA Prospect which includes the completion of a 43-101 that suggested that certain work should be completed on the property to better evaluate its mineralization potential and then drill test the deposit. To finance this work, the Corporation closed the Transaction as discussed in Item 1, which also permitted the Corporation to be listed on the Exchange.

Phase I started in October 2022 at a total cost of approximately \$455,000. The work included the following: Transient Electromagnetic and Magneto-Telluric geophysical surveys, shallow brine sampling, logistics and site preparation. This work was completed and delineated drill targets for planned exploration activities in Phase II.

Phase II, which management has estimated to cost \$2,500,000, is expected to start in the Q4 2023/ Q1/2024 once the required permits, licences and agreements have been obtained. The drilling program is designed up to five boreholes to depths of up to 500 meters. Depending on lithology and hydrogeological conditions encountered, it is envisaged that the holes will be drilled with a combination of PQ and HQ core sizes using plastic liners to facilitate core recovery for geological assessment and drainable porosity analysis. Brine sampling is planned at 12m intervals using bailer, packer, or other suitable methodology depending on lithology and hydrogeological conditions.

Prior to, during, or upon completing Phase II, should the analysis of the work suggest further investment, which may include additional exploration and evaluation, the Corporation may seek to raise additional funds. The timing and ability of the Corporation to fulfill this objective will depend on the liquidity of the financial markets as well as the willingness of investors to finance such a business. Such future financing may be completed by the issuance of the Corporation's securities.

In addition to the OCA Project, the Corporation has the Senneville and LSL projects, in Quebec and Ontario respectively. The Corporation is currently evaluating further prospectivity and exploration potential on the LSL claims with a field work program.

ITEM 7 - Off-Balance Sheet Arrangements

As of the date of this MD&A, the Corporation does not have any off-balance sheet arrangements that have, or are reasonably-likely to have, a current or future effect on the results of operations or financial condition of the Corporation including, without limitation, such considerations as liquidity and capital resources that have not previously been discussed.

ITEM 8 - Transactions With Related Parties

Related party transactions include all transactions with directors and officers as well as entities owned and controlled by directors and officers. All transactions are preformed in the normal course of business and are measured at exchange amounts agreed upon by the related parties. The following table summarizes the related party transactions occurring during the fiscal period.

For the Period from to September 30,	July 1,		January 1	
	2023	2022	2023	2022
Expenses				
Management Fees	\$ 60,000	\$ 40,000	\$ 180,000	\$ 40,000
Professional Fees	24,000	18,000	72,000	46,000
Directors Fees	7,500	5,000	22,500	5,000
Interest expense	—	—	—	128,139
	<u>\$ 91,500</u>	<u>\$ 63,000</u>	<u>\$ 274,500</u>	<u>\$ 219,139</u>

The key management personnel of the Corporation include the Chief Executive Officer, Chief Financial Officer, and the Board of Directors.

Due to Related Parties are principally comprised of amounts outstanding relating to management fees and reimbursement of expenses.

Amounts due as at	Sept. 30, 2023	December 31, 2022
Due to Related Parties	<u>\$ 111,015</u>	<u>\$ 55,368</u>

During the year ended December 31, 2022, a total amount due to the CEO and companies controlled by the CEO of \$793,030 was converted into 3,594,576 common shares during the year ended December 31, 2022 as part of the RTO transaction.

During the year ended December 31, 2022, 13,429,293 shares were issued with respect to converting debt obligations in to share capital with a private company for which the CEO was an officer of and an amount due to a related party as part of the RTO transaction.

During the year ended December 31, 2022, directors and officers acquired 4,624,543 common shares for \$908,022.

During the period ended September 30, 2023 and December 31, 2022, no key management personnel were indebted to the Corporation.

ITEM 9 - Proposed Transactions

As of the date of this document, there is no proposed transaction that management of the Corporation believes would require the intervention or approval of the Board of Directors of the Corporation as well as the shareholders of the Corporation.

ITEM 10 - Risk Factors

Investment in the Corporation must be considered highly speculative due to the nature of the Corporation's business, its formative stage of development, its current financial position and its lack of an earnings record. An investment in any securities of the Corporation should only be considered by those individuals who can afford a total loss of their investment. The following is a summary of the risk factors to be considered:

Exploration and Development

Exploration for minerals is a speculative venture involving substantial risk. There is no certainty that the expenditures made by the Corporation will result in discoveries of commercial mineral reserves.

Mining and development risks always accompany anticipated rewards, and uncertainties always exist where mineral properties are concerned. Uncertainties include the size, grade and recovery of naturally occurring mineral deposits. Although exploration and development efforts can outline a mineral deposit with a degree of certainty, ultimate grade and tonnages are never fully known until mining has been completed. Mineral prices are also a significant factor in the development decision for a mineral property, as a mine may not be economically feasible in a period of depressed prices. Factors beyond the control of the Corporation may affect the marketability of any minerals discovered. Pricing is affected by numerous factors such as international economic and political trends, global or regional consumption and demand patterns, and increased production by current producers.

Title Risks

Title to exploration and evaluation assets involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral properties. The Corporation has investigated title to its mineral property and, to the best of its knowledge, title to its property is in good standing.

No Earnings and History of Losses

The business of developing and exploring resource properties involves a high degree of risk and, therefore, there is no assurance that current exploration programs will result in profitable operations. The Corporation has not determined whether any of its properties contain economically recoverable reserves of minerals and currently has not earned any revenue from its mining properties; therefore, the Corporation does not generate cash flow from its operations. There can be no assurance that significant additional losses will not occur in the future. The Corporation's operating expenses and capital expenditures may increase in future years with advancing exploration, development and/or production from the Corporation's properties. The Corporation does not expect to receive revenues from operations in the foreseeable future and expects to incur losses until such time as one or more of its properties enters into commercial production and generates sufficient revenue to fund continuing operations. There is no assurance that any of the properties will eventually enter commercial operation. There is also no assurance that new capital will become available, and if it does not, the Corporation may be forced to substantially curtail or cease operations.

Environmental Regulations, Permits and Licenses

The Corporation's operations are subject to various laws and regulations governing the protection of the environment, exploration, development, production, taxes, labour standards, occupational health and safety, waste disposal, and other matters. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain

mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in impositions of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a direction of stricter standards, and enforcement, and higher fines and penalties for non-responsibility for companies including its directors, officers and employees. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability for the Corporation and its directors, officers and employees. The Corporation intends to fully comply with all environmental regulations.

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and, in particular, environmental laws.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Corporation and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties, or requirements abandonment, or delays in development of new mining properties.

Chilean Government Controls over Lithium

In 2023, the Chilean government created two entities to oversee the government's plan to increase state control over the lithium industry. The specifics are unknown as to how the government plans to execute this new policy. Therefore, it is not certain that should the Corporation be successful in identifying economically feasible reserves, that it would be able to obtain all necessary licenses and permits to extract such reserves until such time as a potential partnership with one of these entities has been entered into.

Lithium Market Prices

Lithium is not a traded commodity like base and precious metals. Sales agreements are negotiated on an individual and private basis with end-users or intermediaries. In addition, there are a limited number of producers of lithium compounds, and it is possible that these existing producers will try to prevent newcomers from entering the chain of supply by increasing their production capacity and lowering sales prices. Other factors, such as supply and demand of lithium-based end-products (such as lithium carbonate and lithium hydroxide), pricing characteristics of alternative sources of energy, industrial disruption and actual lithium market sale prices, could have an adverse impact on the market price of lithium and as such render the Corporation properties uneconomic. There can be no assurance that such prices will remain at current levels or that such prices will improve.

Lithium Market Growth Uncertainty

Factors beyond the Corporation's control may affect the marketability of metals discovered, if any. The development of lithium operations at the Corporation properties is highly dependent on projected demand for and uses of lithium-based end products. This includes lithium-ion batteries for electric vehicles and other large format batteries that currently have limited market share and whose projected adoption rates are not assured. To the extent that such markets do not develop in the manner contemplated by the Corporation, then the long-term growth in the market for lithium products will be adversely affected, which would inhibit the potential for development of the projects, their potential commercial viability and would otherwise have a negative effect on the business and financial condition of the Corporation. In addition, as a commodity, lithium market demand is subject to the substitution effect in which end-users adopt an alternate commodity as a response to supply constraints or increases in market pricing. To the extent that these factors arise in the market for lithium, it could have a negative impact on overall prospects for growth of the lithium market and pricing, which in turn could have a negative effect on the Corporation and its projects.

Risks Relating to Changes in Technology

Lithium and its derivatives are preferred raw materials for certain industrial applications, such as rechargeable batteries and liquid crystal displays (LCDs). Many materials and technologies are being researched and developed with the goal of making batteries lighter, more efficient, faster charging and less expensive. Some of these technologies could be successful and could adversely affect demand for lithium batteries in personal electronics, electric and hybrid vehicles and other applications. The Corporation cannot predict which new technologies may ultimately prove to be commercially viable and on what time horizon. In addition, alternatives to such products may become more economically attractive as global commodity prices shift. Any of these events could adversely affect demand for and market prices of lithium, thereby resulting in a material adverse effect on the economic feasibility of extracting any mineralization the Corporation discovers and reducing or eliminating any reserves it identifies.

Credit risk

Credit risk is the risk of loss due to the counterparty's inability to meet its obligations. The Corporation's exposure to credit risk is on its cash. Risk associated with cash is managed through the use of major banks which are high credit quality financial institutions as determined by rating agencies.

Liquidity risk

Liquidity risk is the risk that the Corporation will encounter difficulties in meeting obligations when they become due. The Corporation endeavors to ensure that there is sufficient capital in order to meet short-term operating requirements, after taking into account the Corporation's holdings of cash. The Corporation's cash is held in corporate bank accounts available on demand. The Corporation's accounts payable and accrued expenses generally have contractual maturities of less than 30 days and are subject to normal trade terms.

Market Risk

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

Currency Risk

The Corporation is subject to normal market risks including fluctuations in foreign exchange rates and interest rates. While the Corporation manages its operations in order to minimize exposure to these risks, the Corporation has not entered into any derivatives or contracts to hedge or otherwise mitigate this exposure. The Corporation is not exposed to significant currency risk.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Corporation is not exposed to significant interest rate risk as it has no interest-bearing debt.

Price Risk

The Corporation is exposed to price risk with respect to equity prices. Price risk as it relates to the Corporation is defined as the potential adverse impact on the Corporation's ability to raise financing due to movements in individual equity prices or general movements in the level of the stock market. The Corporation closely monitors individual equity movements and the stock market to determine the appropriate course of action to be taken by the Corporation.

No Known Economic Deposits

The Corporation is an exploration stage company and cannot give assurance that a commercially viable deposit, or "reserve," exists on any properties for which the Corporation currently has or may have (through potential future joint venture agreements or acquisitions) an interest. Therefore, determination of the existence of a reserve depends on appropriate and sufficient exploration work and the evaluation of legal, economic, and environmental factors. If the Corporation fails to find a commercially viable deposit on any of its properties, its financial condition and results of operations will be materially adversely affected.

Operating Hazards and Risks

Mining operations involve many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. In the course of exploration, development and production of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions including rock bursts, cave-ins, fires, flooding and earthquakes may occur. Operations in which the Corporation has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production of metals, any of which could result in 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.

Influence of Third-Party Stakeholders

The OCA Prospect, as well as other mineral properties of the Corporation, or the roads or other means of access which the Corporation intends to utilize in carrying out its work programs or general business mandates on the OCA Prospect or its other properties may be subject to interests or claims by third party individuals, groups or companies. In the event that such third parties assert any claims, the Corporation's work programs may be delayed even if such claims are not meritorious. Such delays may result in significant financial loss and loss of opportunity for the Corporation.

Uninsurable Risks

Exploration, development and production of mineral properties is subject to certain risks, and in particular, unexpected or unusual geological operating conditions including rock bursts, cave-ins, fires, flooding and earthquakes may occur. It is not always possible to insure fully against such risks and we may decide not to take out insurance against such risks as a result of high premiums or for other reasons. Should such liabilities arise, they could have an adverse impact on our operations and could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the securities of the Corporation.

Competition and Agreements with Other Parties

The mining industry is intensely competitive in all its phases. The Corporation competes with other companies that have greater financial resources and technical capacity. Competition could adversely affect the Corporation's ability to acquire suitable properties or prospects in the future.

The Corporation may, in the future, be unable to meet its share of costs incurred under agreements to which it is a party, and it may have its interest in the properties subject to such agreements reduced as a result. Also, if other parties to such agreements do not meet their share of such costs, the Corporation may not be able to finance the expenditures required to complete recommended programs.

Dependence on Management

The Corporation is very dependent upon the personal efforts and commitment of its existing management. To the extent that management's services would be unavailable for any reason, a disruption to the operations of the Corporation could result, and other persons would be required to manage and operate the Corporation.

Price Volatility of Public Stock

In recent years, securities markets have experienced extremes in price and volume volatility. The market price of securities of many early stage companies, among others, have experienced fluctuations in price which may not necessarily be related to the operating performance, underlying asset values or prospects of such companies. It may be anticipated that any market for the Corporation Shares will be subject to market trends generally and the value of the Corporation's shares on a stock exchange may be affected by such volatility.

The Corporation has an unlimited number of common shares that may be issued by the board of directors without further action or approval of the Corporation Shareholders. While the board is required to fulfil its fiduciary obligations in connection with the issuance of such shares, the shares may be issued in transactions with which not all shareholders agree, and the issuance of such shares will cause dilution to the ownership interests of the Corporation Shareholders.

Dividends

The Corporation has not declared or paid any dividends on its common shares and does not currently have a policy on the payment of dividends. For the foreseeable future, the Corporation anticipates that it will retain future earnings and other cash resources for the operation and developments of its business. The payment of any future dividends will depend upon earnings and the Corporation's financial condition, current and anticipated cash needs and such other factors as the directors of the Corporation consider appropriate.

Estimates and Assumptions

Preparation of its financial statements requires the Corporation to use estimates and assumptions. Accounting for estimates requires the Corporation to use its judgment to determine the amount to be recorded on its financial statements in connection with these estimates. If the estimates and assumptions are inaccurate, the Corporation could be required to write down its recorded values. On an ongoing basis, the Corporation re-evaluates its estimates and assumptions. However, the actual amounts could differ from those based on estimates and assumptions.

Conflicts of Interest

The Corporation's directors and officers may serve as directors and officers or may be associated with other reporting companies or have significant shareholdings in other public companies. To the extent that such other companies may participate in business or asset acquisitions, dispositions, or ventures in which the Corporation may participate, the directors and officers of the Corporation may have a conflict of interest in negotiating and concluding terms respecting the transaction. If a conflict of interest arises, the Corporation will follow the provisions of the OBCA in dealing with conflicts of interest. These provisions state, where a director/officer has such a conflict, that the director/officer must at a meeting of the board, disclose his interest and refrain from voting on the matter unless otherwise permitted by the OBCA. In accordance with the laws of the Province of Ontario the directors and officers of the Corporation are required to act honestly, in good faith and in the best interests of the Corporation.

Costs and Compliance Risks

Legal, accounting and other expenses associated with public company reporting requirements are significant. The Corporation anticipates that costs may increase with corporate governance related requirements, including, without limitation, requirements under National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings*, National Instrument 52-110 – *Audit Committees* and National Instrument 58-101 – *Disclosure of Corporate Governance Practices*.

The Corporation also expects these rules and regulations may make it more difficult and more expensive for it to obtain director and officer liability insurance, and it may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. As a result, it may be more difficult for the Corporation to attract and retain qualified individuals to serve on its board of directors or as executive officers.

COVID-19 Pandemic

The precise impacts of the global emergence of COVID-19 on the Corporation are currently unknown. The Corporation intends to conduct business as normal with modifications to personnel travel and work locations and is currently evaluating what exploration work can be done on its properties. Rules in all jurisdictions are changing rapidly and the Corporation will need to evaluate and evolve with measures as they are announced. Government restrictions on the movement of people and goods may cause exploration work and analysis being done by the Corporation and its contractors to slow or cease. Such disruptions in work may cause the Corporation to miss actual or self-imposed deadlines, push out earlier forecasts, and increase fiscal losses. In addition, the outbreak of COVID-19 has caused considerable disruption to the world economy and financial markets which could have a materially adverse impact on the ability of the Corporation to raise additional funding in the future and could negatively impact, among other factors, the Corporation's share price.

ITEM 11 - Critical Accounting Estimates

The Corporation's financial statements are impacted by the accounting policies used, as well as the estimates and assumptions made by management during their preparation. The Corporation's accounting policies are described within the financial statements. The accounting estimates considered to be significant to the Corporation include the computations of convertible debentures, and recovery of deferred income tax assets.

ITEM 12 - Changes in Accounting Policies

The Corporation would like to direct readers to its audited financial statements for the year ending December 31, 2022, and unaudited condensed interim consolidated financial statements for the period ending September 30, 2023, which is incorporated by reference and can be found on the regulator's web site at www.sedar.com, which is incorporated by reference.

ITEM 13 - Financial Instruments and Other Instruments

The Corporation would like to direct readers to its audited financial statements for the year ending December 31, 2022, and unaudited condensed interim financial statements for the period ending September 30, 2023, which are incorporated by reference and can be found on the regulator's web site at www.sedar.com, which is incorporated by reference.

ITEM 14 - Capital Structure

The Corporation is authorized to issue an unlimited number of common shares, where each common share provides the holder with one vote. As of the date of this MD&A, there were 91,176,119 common shares issued and outstanding and 904,260 share purchase warrants expiring July 28, 2024 which each gives the holder the right to purchase one additional common share at a price of \$0.25.