



Weekapaug Lithium Limited

Management Discussion and Analysis For the three months ended February 29, 2024

Introduction

This Management's Discussion and Analysis ("MD&A") is dated April 23, 2024, unless otherwise indicated and should be read in conjunction with the unaudited condensed interim consolidated financial statements for the three months ended February 29, 2024 and the audited consolidated financial statements for the year ended November 30, 2023, and the related notes thereto. This MD&A was written to comply with the requirements of National Instrument 51-102 – *Continuous Disclosure Obligations*. Results are reported in Canadian dollars, unless otherwise noted. In the opinion of management, all adjustments (which consist only of normal recurring adjustments) considered necessary for a fair presentation have been included. The results presented for the for the period are not necessarily indicative of the results that may be expected for any future period. For more information please visit the company profile on sedarplus.ca.

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and interpretations issued by the IFRS Interpretations Committee.

Cautionary Note Regarding Forward-Looking Information

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or state that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement.

Inherent in forward-looking statements are risks, uncertainties and other factors beyond the Company's ability to predict or control. Please also refer to those risk factors referenced in the "Risk Factors" section below. Readers are cautioned that such risk factors, uncertainties and other factors are not exhaustive. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. Specifically, this MD&A includes, but is not limited to, forward-looking statements regarding: the Company's ability to meet its working capital needs at the current level for the next twelve-month period; management's outlook regarding future trends; sensitivity analysis on financial instruments, which may vary from amounts disclosed; completion of the Transaction (defined below); and general business and economic conditions.

All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements, whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

The Company

Weekapaug Lithium Limited. (formerly, Eagle I Capital Corporation.) (the “Company”) was incorporated on October 23, 2007 under the Business Corporations Act of British Columbia. On February 1, 2023, the Company completed a transaction resulting in a reverse takeover (“RTO”) of the Company by Weekapaug Lithium Inc. (“WLI”). WLI was incorporated under the Business Corporations Act of British Columbia on November 25, 2021. The Reverse Takeover Transaction was completed by way of a three-cornered amalgamation (the “Amalgamation”) pursuant to which, among other things, (i) WLI amalgamated with a wholly-owned subsidiary of the Company, incorporated for the purposes of the Amalgamation, and (ii) all of the outstanding common shares in the capital of WLI were cancelled and, in consideration, the holders thereof received post-consolidation common shares in the capital of the Company on a 1:1 basis.

While the Company was the legal acquirer, WLI was the accounting acquirer since shareholders of WLI held and controlled the majority of the outstanding Common Shares upon completion of the RTO. As a result of the RTO, the consolidated financial statements and comparative information are presented with WLI as the continuing entity.

Prior to the completion of the RTO, the Company changed its name to “Weekapaug Lithium Limited.” and consolidated its common shares on a 6.876 to 1 basis, resulting in 20,000,173 common shares outstanding (the “Consolidation”). In connection with the RTO, WLI completed a private placement of subscription receipts (each, a “Subscription Receipt”) at a price of \$0.05 per Subscription Receipt, pursuant to which WLI issued an aggregate of 13,920,000 Subscription Receipts for aggregate gross proceeds of \$696,000 (the “Offering”). Concurrent with closing of the RTO, each Subscription Receipt was converted into one common share of the Company.

The Company is an exploration and development company focused on the acquisition, exploration and development of properties which are prospective for Lithium and other metals.

The address of the Company’s registered and head office is 1 Adelaide Street East, Suite 801, Toronto, Ontario, M5C 2V9. The common shares are listed for trading on February 15, 2023 on the Canadian Securities Exchange under the symbol “GRUV”. Concurrent with the RTO, the Company changed its year end from May 31, to November 30 the year of WLI.

Highlights to the date of this MD&A

- RTO completed February 1, 2023.
- Received approval from the CSE to list its shares and commenced trading on February 15, 2023 (GRUV:CSE).
- Successfully completed phase one exploration program on the Nakina Property.
- Received approval from the Ontario Junior Exploration Program. Total funding received was \$56,035. The OJEP funding was from the Ontario government to help early-stage exploration projects.

Mineral Project – Nakina Lithium Property

On November 25, 2021, the Company entered into an agreement to acquire mineral claims located in the province of Ontario (“the Nakina Lithium Property”), in exchange of 39,999,999 common shares (at \$0.02 per share) of the Company, and \$23,000. The shares were issued on November 26, 2021, and the cash has been accrued and included in accounts payable and accrued liabilities. The valuation was determined by arm’s length negotiations between the parties, including with the subscribers of subscription receipts as to the pre-money valuation for this property. During the 2022 the Company spent \$9,605 on the Nakina Lithium Property with respect to a valuation report.

During the year ended November 30, 2023, the Company spent \$197,777 on the phase one exploration field program on the Nakina Lithium Property.

The Nakina Li Property is in the central part of northern Ontario within the Northern Thunder Bay Mining Division, 90 km north of the community of Geraldton and 300 km northeast of Thunder Bay. It covers approximately 7,390.69 hectares and comprises 360 contiguous claims in a rectangular shape with an east-west dimension of 11.53 km and a north-south dimension of 6.49 km. Very limited historical work had been done within the current boundaries of the Property.

In May 2023, the Company engaged Planet X Exploration Services Ltd. (“Planet X”) to undertake the lithium exploration program (“Phase One”). Phase One commenced on July 1st, 2023. Initial exploration and mapping investigated the mineralization potential of S-type granites and lithiumcesium-tantalum (LCT) pegmatites.

A systematic property-wide grassroots exploration program was conducted, including bedrock mapping and grab sampling in accessible areas, as well as hand auger sampling where bedrock was obscured by gravel or glacial till. This work reported the presence of fertile parental granitic rocks and lithium-rich pegmatites within the Maytham–Queenston lakes pluton.

A field team comprising four personnel, spent a total of 27 field days on the property collecting 183 bedrock samples and 73 till samples across the entire property. The sampling approach was meticulously planned to ensure thorough property-wide exploration coverage. The program not only confirmed but also expanded upon the results of earlier work. Pegmatitic granite zones, displaying LCT pegmatite deposit-style mineralization, have been identified and confirmed within the fertile peraluminous S-type granitic host rocks at the Nakina Property. Additionally, geochemical anomalies consistent with LCT pegmatite style mineralization have been observed in both rock and till samples.

The Phase One exploration program yielded promising results, successfully identifying lithium mineralization in bedrock, and areas displaying elevated content of LCT pathfinder minerals.

Summary of Quarterly Results (in accordance with IFRS)

	QTR 1 2024	QTR 4 2023	QTR 3 2023	QTR 2 2023
Revenue – interest income	--	--	--	9,533
Revenue – Grant funding	30,000	--	--	--
Net income (loss) and comprehensive loss	\$6,783	\$(157,151)	\$(120,102)	\$(61,887)
Loss per common share basic and fully diluted	0.00	(0.00)	(0.00)	(0.00)

	QTR 1 2023	QTR 4 2022	QTR 3 2022	QTR 2 2022
Revenue	--	--	--	--
Net loss and comprehensive loss	\$(1,509,312)	\$(75,811)	\$(129,294)	\$(10,500)
Loss per common share basic and fully diluted	(0.03)	(0.00)	(0.00)	(0.00)

The Company's level of activity and expenditures during a specific quarter are influenced by the availability of working capital, the availability of additional external financing, the time required to gather, analyze and report on geological data related to mineral properties, the results of the Company's prior exploration activities on its properties and the amount of expenditure required to advance its projects. The increase in loss in Q1 2023 was due to the closing of the RTO and related listing expense (see below).

Results of Operations

The Company recorded a net income of \$6,782 for the three months ended February 29, 2023 compared to a loss of \$1,509,312 for the three months ended February 28, 2023. The income (loss) is comprised of expenses for the periods as detailed below.

	2024	2023
Expenses		
Exploration and evaluation asset expenses (i)	\$ -	\$ 9,605
General and administrative (ii)	10,217	21,775
Legal, audit and management fees (iii)	13,000	147,624
Share based payments (iv)	-	94,637
Listing expense (v)	-	1,245,204
Net loss before other items	(23,217)	(1,518,845)
Other items		
Government funding (vi)	30,000	-
Interest income	-	9,533
Net Loss and Comprehensive Loss	\$ 6,783	\$ (1,509,312)

- (i) Prior period expense related to a technical report on the project.
- (ii) Represents transfer agent, regulatory costs, website design, travel and other administrative costs.

- (iii) Decrease due to legal and audit was required to complete the RTO, financing, restructuring as well as general corporate matters. For management fees, see related party transactions.
- (iv) Share based payments represent the value of stock options that vested during the period. 3,364,192 options were granted to officers, director and consultants of the Company on February 23, 2023, and 2,500,000 on October 5, 2023. No options were granted during the three months ended February 29, 2024. This is a non- cash expense.
- (v) In connection with the RTO, the Company recognized a listing expense. This amount represents the consideration paid less the net asset acquired under the RTO. This is a non-cash expense.
- (vi) The Company received funding from the Ontario Junior Exploration Program.

Liquidity and Capital Resources

As at February 29, 2024 the Company had current assets of \$8,298 and current liabilities of \$84,616 (resulting in a working capital deficit of \$76,318).

There was an increase in cash for the period of \$199 as a result of cash used in operating activities of \$29,801, offset by the cash received from the Ontario Junior Exploration Program of \$30,000 (also part of operation activities).

At its current operating level, the Company does not have sufficient funds to cover short-term operational needs.

The primary need for liquidity is to fund exploration programs and to maintain general corporate operations. The primary source of liquidity has primarily been private financings.

The Company has no debt and no financial commitments.

Overall, given working capital at February 29, 2024, the Company will need to raise additional capital for exploration programs and to funds general operations in 2024.

The Corporation's principal source of financing is equity financing, the success of which depends on venture capital markets, the attractiveness of exploration companies to investors, and metal prices. To continue its exploration activities and be able to support its ongoing operations, the Company will need to continued its relations with the financial community to obtain further equity financing in the future. Outstanding options, if exercised, represent potential financing.

Outstanding Share Data

As at the date of this MD&A, the Company had 73,920,173 common shares, and 4,500,000 stock options outstanding.

Off-Balance Sheet Arrangements

The Company has not had any off-balance sheet arrangements from the date of its incorporation to the date of this MD&A.

Related Party Transactions

During the three months ended February 29, 2024, the Company was charged \$9,000 (2023 - \$9,000 for consulting services by CFO Advantage Inc., a Company owned by the Chief Financial Officer of the Company. As at February 29, 2023 \$23,220 (November 30, 2023 - \$16,950) is included in accounts payable and accrued liabilities.

During the three months ended February 29, 2024, the Company was charged \$4,000 (2022 - \$nil) for consulting services by Capwest Investments., a Company owned by the Chief Executive Officer of the Company.

Capital Management

The Company's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

The Company includes equity, comprised of issued common shares and reserves, in the definition of capital, which as at February 29, 2024 was \$252,558 in deficit (November 30, 2023 - \$259,341 in deficit).

The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund the identification and evaluation of potential acquisitions. To secure the additional capital necessary to pursue these plans, the Company may attempt to raise additional funds through the issuance of equity. The Company is not subject to any external capital restrictions.

Risks and Uncertainties

The following describes certain risks, events and uncertainties that could affect the Company and that each reader should carefully consider.

External financing may be required to fund the Company's activities primarily through the issuance of common shares. There can be no assurance that the Company will be able to obtain adequate financing. The securities of the Company should be considered a highly speculative investment.

The Company has not generated any revenues and does not expect to generate revenues in the near future. In the event that the Company generates revenues in the future, the Company intends to retain its earnings in order to finance further growth. Furthermore, the Company has not paid any dividends in the past and does not expect to pay any dividends in the foreseeable future.

Risk Disclosures and Fair Values

Fair Values

At February 29, 2024, the Company's financial instruments consist of cash, sales tax receivable, accounts payable and accrued liabilities. The fair value of these financial instruments approximates its carrying value due to the relatively short-term maturity of the instrument.

Credit Risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash. To minimize the credit risk the Company places these instruments with a high credit

quality financial institution.

Foreign Exchange Risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is not exposed to foreign exchange risk.

Interest Rate Risk

The Company is not exposed to any significant interest rate risk.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs and to meet the Company's liabilities. The \$84,616 (November 30, 2023 - \$89,376) of accounts payable and accrued liabilities are due within one year.

Fair value of financial instruments

The Company has a three-tier hierarchy as a framework for disclosing fair value based on inputs used to value the Company's financial instruments. The hierarchy of inputs is summarized below:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities. An active market is one in which transactions for the assets occur with sufficient frequency and volume to provide pricing information on an ongoing basis;
- Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices); and
- Level 3 - inputs for the asset or liability that are not based on observable market data.

The classification of a financial instrument in the fair value hierarchy is based upon the lowest level of input that is significant to the measurement of fair value.

The Company measures its cash, deferred transaction costs and accounts payable and accrued liabilities, at amortized cost. As at February 29, 2024, the fair values of Company's financial instruments approximate their carrying values, given their short-term nature.

Critical Accounting Estimates

The Company's significant accounting policies are summarized in Note 3 of the audited financial statements for the year ended November 30, 2023.

Risks and Uncertainties

The Company's business is subject to a number of risk factors which are described in detail in the Filing Statement filed on SEDAR+ February 15, 2023.



Additional Information

Additional information relating to the Company can be found on SEDAR+ at www.sedarplus.ca.