

Free Battery Metal Limited (formerly, Titus Energy Corp.)
Management Discussion and Analysis
For the years ended May 31, 2023 and 2022

Introduction

This Management's Discussion and Analysis ("MD&A") is dated September 28, 2023, unless otherwise indicated and should be read in conjunction with the annual audited financial statements for the years ended May 31, 2023 and 2022, 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 are not necessarily indicative of the results that may be expected for any future period.

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 make reference 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

Free battery Metal Limited (formerly, Titus Energy Corp) (the “Company”) was incorporated under the Business Corporations Act of Ontario on February 17, 2010. The Company completed a transaction resulting in a reverse takeover (“RTO”) of the Company by Rift Lithium Inc. (“RLI”). RLI was incorporated under the Business Corporations Act of British Columbia on November 23, 2021. The Reverse Takeover Transaction was completed by way of a three-cornered amalgamation (the “Amalgamation”) pursuant to which, among other things, (i) RLI 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 RLI were cancelled and, in consideration, the holders thereof received common shares in the capital of the Company on a 1:1 basis.

Prior to the completion of the RTO, the Company changed its name to “Free Battery Metal Limited”. In connection with the RTO, RLI completed a private placement of subscription receipts (each, a “Subscription Receipt”) at a price of \$0.05 per Subscription Receipt, pursuant to which RLI issued an aggregate of 20,000,000 Subscription Receipts for aggregate gross proceeds of \$1,000,000 (the “Offering”). Concurrent with closing of the RTO, each Subscription Receipt was converted into one common share of the Company.

The Company is currently 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 of the Resulting Issuer were approved for trading on June 9, 2023 on the Canadian Securities Exchange, and commenced trading on June 13, 2023 under the symbol “FREE”. Concurrent with the RTO, the Company changed its year-end from May 31, to December 31, the year-end of RLI.

The discussion for the years ended May 31, 2023 and 2022, and the related financial statements, are for the periods prior to completion of the RTO.

Subsequent events

- RTO completed June 7, 2023.
- Received approval from the CSE to list its shares and commenced trading on June 13, 2023 (FREE:CSE).
- The Company now focuses on the business of RLI, which is the acquisition, exploration and development of properties which are prospective for lithium and other metals, in particular, the development of the Mound Lake lithium property located in Thunder Bay District, Ontario.
- Following the Business Combination, the leadership team of the Company is as follows:
 - Pam Sangster – Chief Executive Officer
 - Kyle Appleby – Chief Financial Officer
 - Ryan Versloot – Vice President of Exploration
 - Binyomin Posen – Director
 - David Shisel – Director
 - Hiranish Shah – Director
 - Yazeed Esnan – Director

Selected Annual Financial Information

The table below summarizes key operating data for the last three fiscal years.

	Year Ended May 31, 2023	Year Ended May 31, 2022	Year Ended May 31, 2021
	\$	\$	\$
Total assets	-	58,246	96,510
Total liabilities	27,311	58,934	25,333
Revenue	Nil	Nil	Nil
Net loss and comprehensive loss	(147,068)	(71,865)	(40,323)
Net loss and comprehensive loss per share	(0.02)	(0.02)	(0.03)
Weighted average shares outstanding	8,561,458	4,090,139	1,202,662

Summary of Quarterly Results

Three Months Ended	Assets	Liabilities	Net Loss and Comprehensive Loss	Net Loss and Comprehensive Loss Per Share	Weighted Average Shares Outstanding
May 31, 2023	\$ -	\$ 27,311	\$ (8,559)	\$ (0.00)	10,112,395
February 28, 2023	-	18,752	(4,708)	(0.00)	10,112,395
November 30, 2022	38,699	52,743	(121,941)	(0.01)	9,980,038
August 31, 2022	56,551	69,099	(11,860)	(0.00)	4,090,139
May 31, 2022	58,246	31,014	(51,107)	(0.00)	4,090,139
February 28, 2022	59,799	9,380	(7,385)	(0.00)	4,090,139
November 30, 2021	87,264	25,760	(2,892)	(0.00)	4,090,139
August 31, 2021	84,406	23,618	(10,481)	(0.00)	4,090,139

The Company was dormant from 2017 to 2020. In October 2020, the new management of the Company was tasked with rehabilitating the Company's listing, to assist the Company to find a business transaction which would be beneficial for shareholders. All fees relate either to professional fees to rehabilitate the listing, or provide audit or financial reporting services, or fees paid to regulators and securities exchanges. The Q4 2022 expenses reflect a significant expenditure for legal services related to organization of the Company and general corporate purposes.

Results of Operations for the years ended May 31, 2023 and 2022

	2023 \$	2022 \$
Expenses		
General and administrative	-	10,515
Public company fees	4,661	3,113
Professional fees	142,407	58,237
Net loss and comprehensive loss	147,068	71,865

The Company reported a loss of \$147,068 in 2023 compared to \$71,865 in 2022. During 2023, a significant amount of professional fees expense related to consulting to assist with a corporate transaction, while other professional fees for general corporate legal matters and preparing and auditing the Company's results were also significant expense

items. Public company fees related to various securities exchanges and professional fee expense accruals related to legals and to preparing and auditing the Company's results comprised most of the expense.

On September 2, 2022, the Company issued 785,184 units for proceeds of \$15,704.

On September 2, 2022, the Company issued 5,237,072 units for debt settlement in the amount of \$104,741.

Liquidity and Capital Resources

As at May 31, 2023 the Company had current assets of \$nil and current liabilities of \$27,311 (resulting in a working capital deficit of \$27,311).

The decrease in cash during the year of \$58,246 was the result of all cash used in operating activities of the company.

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 May 31, 2023, the Company will need to raise additional capital for exploration programs and to funds general operations in 2023 and beyond.

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 70,112,395 common shares, 4,000,000 stock options and 5,118,917 warrants.

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

The Company did not report any related party transactions for the years ended May 31, 2023 and 2022

There were no amounts due to related parties at May 31, 2023 or May 31, 2022.

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.

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

The Company's risk exposures and the impact on the Company's financial instruments are summarized below. There have been no changes in the risks, objectives, policies and procedures from previous periods.

(a) Credit Risk

The Company's credit risk is primarily attributable to cash. The Company has no significant concentration of credit risk arising from operations. Management believes that the credit risk concentration with respect to cash, and financial instruments included in amounts receivable is remote.

(b) Liquidity Risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet its obligations when due. At May 31, 2023, the Company had cash of \$nil (May 31, 2022 - \$58,246) available to settle current liabilities of \$27,311 (May 31, 2022 - \$58,934). The Company's accounts payable are subject to normal trade terms.

(c) Market Risk

The Company is exposed to the following market risks:

(d) Interest Rate Risk

The Company has no cash balances and no variable interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. As at May 31, 2022, the cash balance was in a trust account administered by the Company's lawyers and no interest was being earned on this account.

(e) Foreign Exchange Risk

While the Company's functional currency is the Canadian dollar, major purchases could be transacted in Canadian dollars or United States dollars. As at May 31, 2023, the Company does not hold foreign currency balances.

Critical Accounting Estimates

The Company's significant accounting policies are summarized in Note 2 of the audited financial statements for the year ended May 31, 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 June 8, 2023.

Additional Information

Additional information relating to the Company can be found on SEDAR at www.sedar.com.