2017

Lithium Energy Products Inc. (Formerly Northern Iron Corp.)

Report to Shareholders - Management Discussion and Analysis

THIS REPORT PROVIDES A MANAGEMENT DISCUSSION AND ANALYSIS OF THE FINANCIAL POSITION AND RESULTS OF OPERATIONS FOR THE YEAR ENDED 30 SEPTEMBER 2016

STATED IN CANADIAN FUNDS

1/25/2017

REPORT TO SHAREHOLDERS AND MANAGEMENT DISCUSSION AND ANALYSIS

TO OUR SHAREHOLDERS

This Management Discussion and Analysis ("MD&A") supplements - but does not form part of - the Consolidated Financial Statements for the year ended 30 September 2016. Consequently, the following discussion and analysis of the financial condition and results of operations for Lithium Energy Products Inc. (formerly Northern Iron Corp.) ("LEP" or the "Company"), should be read in conjunction with the Consolidated Financial Statements for the year ended 30 September 2016, and the Consolidated Financial Statements for the year ended 30 September 2015 and related notes therein, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"), consistently applied.

Discussion of the Company, its operations and associated risks are further described in the Company's filings, available for viewing at www.sedar.com. A copy of this MD&A will be provided to any applicant upon request.

FORWARD-LOOKING STATEMENTS

Certain statements contained in the following MD&A and elsewhere constitute forward-looking statements. Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks set forth in the Company's filings and herein. Additional information regarding the Company, including copies of the Company's continuous disclosure materials is available through the SEDAR website at www.sedar.com.

The table below sets forth the significant forward-looking information included in this MD&A:

Forward-Looking Information	Key Assumptions	Most Relevant Risk Factors
Future funding for ongoing Operations	The Company has the resources to fund their ongoing operations and the ability to raise funds for further operations exceeding current resources.	The Company has disclosed that this may be difficult and failure to raise these funds will materially impact the Company's ability to continue as a going concern.
Proving LEP deposits' economic viability.	Deposits are either economically viable or LEP can obtain new sources of lithium for exploitation, trading or offtake agreements.	Lack of information to assess corporate and mining strategy for the existing assets.
Proving LEP deposits' processability.	LEP deposit compositions are favourable towards economically recovering lithium.	Lack of information to assess asset grade.
LEP intends to acquire further properties to expand their mining and supply operations.	Properties demonstrating economic potential and have existing supportive infrastructure can be located and acquired.	Prospective acquisitions do not demonstrate sufficient potential and viability to justify acquisition.
LEP intends to enter into MOUs with several customers to ensure a customer base exists and able to acquire LEP produce.	Potential customers are willing to commit to mineral acquisition from LEP prior to exploration completion and exploitation.	Potential LEP customers may overstate the quantities they intend to purchase as they are currently predictive.

FUTURE OUTLOOK

LEP visited China in November and December 2016 to establish new business contacts and markets for its prospective Lithium deposits. After establishing some very promising connections LEP intends to return to China in March to cement and further these relationships, establish new business contacts and customers and to promote its products to the Chinese markets. LEP has already signed two MOUs with two large Chinese customers and plans to sign more business arrangements with customers.

LEP aims to have acquired more geological information on its Jackpot Lake property before returning to China and has scheduled sampling work on the property for January 2017 to achieve this ambition. LEP has arranged analysis work on the samples to determine the feasibility of separating or concentrating the Lithium to customer standards. Gravitational and seismic surveying work is currently scheduled for the Jackpot property - their timing is dependent on when the laboratory results are returned and their findings.

LEP's two Arizona properties have sampling work scheduled for February and laboratory analysis of these samples is arranged for immediately after this work is completed. LEP is planning to conduct gravitational and seismic surveying work on these properties, though their timing is dependent on when the laboratory results are returned and their findings.

The visit to China made LEP aware that a substantial market for spodumene (Lithium bearing ore) exists in China, and that shipping concentrated spodumene to China is a potentially profitable endeavour. LEP is currently investigating several potential spodumene producing sources with the intention of signing offtake agreements with these suppliers to export their produce to the Chinese markets. LEP are also compiling information on Lithium deposits owned by other companies with the intention of making offtake proposals to sell their Lithium to our Chinese contacts. LEP are also investigating prospective Lithium bearing properties in South America with the intention of acquisition, development and eventual exploitation.

LEP's association with the Chinese markets have emphasised the importance of Cobalt for battery manufacturers, and that ramping up cobalt production is near impossible because cobalt is predominantly obtained as a by-product of other mining operations, such as nickel and copper operations. The growing demand for cobalt has led LEP to search and investigate potential cobalt producing properties. It is the ambition of LEP to expand is base operations to include Cobalt production and supply.

The Company will retain its Griffith iron ore mine until the project can be commenced with profitable returns. The iron ore spot price is currently increasing and when suitable LEP will approach its prospective industry partners in North America to provide expertise and capital to advance the project.

GENERAL

LEP – formerly NFE (Northern Iron Corp) - is a publicly traded junior mining company whose principal business is identifying the most promising mineral deposits to purchase, progress and exploit. Currently the Company is focusing on progressing its Lithium projects towards exploitation, production and supplying lithium and cobalt to the markets. LEP (Lithium Energy Products) acquired 3 highly prospective lithium properties in Nevada and Arizona in August 2016. The decision to acquire these sites was based on grade, accessibility and serviceability. The company examined other sites in South America and the U.S. but decided against these because of inaccessibility, uncertain political climates and poor local infrastructure

LEP's lithium projects are in their exploration stages, and LEP has the financial resources available to undertake the geological work to further progress the Lithium projects. At LEP's disposal are geologists, geophysicists, mining engineers and market experts that are responsible for developing the project towards production. Once this work is underway - and a greater appreciation of the deposits has been obtained - the company intends to seek partnership and further investment to advance the deposit towards exploitation.

The business is managed by specialist staff and experts with diverse experience across the entire mineral resource industry. The company has a proven track record of identifying viable mineral deposits and progressing these discoveries to operation and sale. LEP is listed on the TSX Venture Exchange and commenced trading on 26 August 2011.

SIGNIFICANT EVENTS AND TRANSACTIONS DURING THE PERIOD

On 1 October 2015, the Company announced the appointment of Tom Klaimanee as corporate secretary.

On 26 July 2016, the Company entered into an agreement to acquire 140 mineral claims comprising 2,800 acres in Clark County, Nevada. The contiguous 'Jackpot Lake' claim group is located 39 miles NE of Las Vegas. The company also entered into an agreement to acquire two land packages in Arizona, consisting of 1,434 acres in the Wilcox Playa Basin; a large dry lakebed in south-eastern Arizona, and 289 acres in the Little Rock Target in Yavapai County, Arizona. The Company acquired the three lithium projects for the purchase price of 40,000,000 shares and $390,000 in cash. The company issued 2,650,000 common shares as finder's fees in connection with the transaction.

On 19 September 2016, Alberto Hassan relinquished the position of Chairman of the Board .The Company announced the appointment of James Walker as the Chief Executive Officer and Basil Botha as the Executive Chairman.

EVENTS SUBSEQUENT TO 30 SEPTEMBER 2016

On 12 October 2016, the Company amended the terms of options issued on 13 October 2011. The renewed terms extended the expiry date of options to 17 February 2019. The exercise price of options is the same at $0.30.

On 13 October 2016, the Company closed the first tranche of a non-brokered private placement. The tranche consisted of 3,100,000 units of the Company ("Units") at a price of $0.05 per Unit for aggregate gross proceeds of $155,000. Each unit consist of one common share in the capital of the Company ("Common Share") and one Common Share purchase warrant ("Warrant"). Each Warrant entitles the holder thereof to acquire one Common Share at a price of $0.10 for a period of three years from the date of issuance. All securities issued pursuant to the second tranche are subject to a four month and one day hold period. In addition, the Company issued a total of 64,000 compensation options and paid cash commissions of $3,200 to finders.

On 13 October 2016, the Company announced appointment of Michael Li to the board of directors.

On 2 November 2016, the Company closed the second tranche of a non-brokered private placement financing for aggregate gross proceeds of $1,345,000. A total of 26,900,000 Units were issued as part of the first tranche for aggregate gross proceeds of $1,345,000. Each Unit consists of one Common Share in the capital of the Company and one Common Share purchase warrant with each Warrant entitling the holder thereof to acquire one Common Share at a price of $0.10 per share for a period of three years from the date of issuance. The company paid $78,887 to compensate the finders.

On 7 December 2016, the Company announced a name change from Northern Iron Corporation (NFE) to Lithium Energy Products Inc. (LEP) due to a change in strategic direction.

On 13 January 2017 LEP signed a Memorandum of Understanding "MOU" for lithium off-take with Sichuan Zhiyuan Lithium Industries "SZLI", a subsidiary of Shehong Zhiyuan Industry Co. SZLI is a Sichuan based cathode manufacturer.

On 23 January 2017 LEP signed a Memorandum of Understanding "MOU" for lithium off-take with Shenzhen Optimum Nano Energy Ltd Co.

RESULTS OF OPERATIONS

The comprehensive loss reported during the year ended 30 September 2016 was $10,295,345 compared to $804,539 in the comparative period. The main fluctuations in costs are as follows:

Impairment of mineral properties (rounded to the nearest '000)	**12 months** **2016**	12 months 2015
	$ (9,919,000)	$ -
Variance increase	**$ 9,919,000**	

During the year ended 30 September 2016, the Company recognized $9,919,000 in impairment of iron properties as a result of the Company's strategic shift towards lithium properties.

Shareholder relations (rounded to the nearest '000)	**12 months** **2016**	12 months 2015
	$ 67,000	$ 31,000
Variance increase	**$ 36,000**	

The increase is due to more active shareholder relations in the efforts of increasing marketing awareness outside of North America on the international markets due to the Company's shift towards lithium properties.

Travel (rounded to the nearest '000)	**12 months** **2016**	12 months 2015
	$ 39,000	$ 124,000
Variance decrease	**$ (85,000)**	

The comparative period included international trips, which have not recurred this year. Management is committed to minimizing cash expenditures.

Share-based payments (rounded to the nearest '000)	**12 months** **2016**	12 months 2015
	$ -	$ 5,000
Variance decrease	**$ (5,000)**	

The recognition of share-based payments is the result of several market factors including share value, volatility, interest rates, and vesting terms. In addition to changes in the above factors, fewer options vested in the current period resulting in a lower share-based expense for the period ended 30 September 2016.

Gain on sale of assets (rounded to the nearest '000)	**12 months** **2016**	12 months 2015
	$ 250,000	$ -
Variance increase	**$ 250,000**	

During the year ended 30 September 2016, the Company sold its dewatering pumps for gross proceeds of $250,000, recognizing a gain on sale of asset totalling $250,000. This one-time event provided a substantial boost to income and cash flow.

SELECTED ANNUAL INFORMATION

The following table summarizes selected financial data for the Company for each of the four most recently completed financial years. The information set forth below should be read in conjunction with the consolidated audited financial statements, prepared in accordance with International Financial Reporting Standards and Canadian generally accepted accounting principles as applicable.

Fiscal Year Ended	Sep-16	Sep-15	Sep -14	Sep -13
Loss and Comprehensive Loss for the Year	10,295,345	804,539	823,735	932,760
Loss per Common Share (Basic and Diluted)	(0.09)	(0.01)	(0.01)	(0.01)
Total Assets	1,496,900	10,830,559	10,800,384	11,939,619
				-

SUMMARY OF QUARTERLY RESULTS

Three months ended	Sep-16	Jun-16	Mar-16	Dec-15	Sep-15	Jun-15	Mar-15	Dec-14
	$	$	$	$	$	$	$	$
Total revenue	-	-	-	-	-	-	-	-
Profit (loss) for the period	(10,073,103)	(126,885)	74,593	(169,950)	(199,107)	(227,270)	(200,461)	(177,701)
Loss per share	(0.09)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Total assets	1,496,900	10,588,789	10,713,249	10,671,024	10,830,559	11,023,937	11,258,587	11,460,900
Working capital surplus	98,613	369,265	507,430	432,210	601,294	846,476	1,114,840	1,329,365

During the quarter ended 30 September 2016, the company recognized impairment on the exploration properties in Canada. This resulted in a significant decrease in total assets and a simultaneous increase in loss for the period.

EXPLORATION AND EVALUATION ASSETS

	Karas	Whitemud	Griffith	El Sol	Papagonga	Jackpot Lake	Willcox Playa	Little Rock	Total
ACQUISITION									
Balance as at 1 October 2014	$ 188,650	$ 138,600	$ 375,749	$ 1,060,000	$ 105,000	$ -	$ -	$ -	$ 1,867,999
Balance as at 30 September 2015	$ 188,650	$ 138,600	$ 375,749	$ 1,060,000	$ 105,000	$ -	$ -	$ -	$ 1,867,999
Additions	**-**	**-**	**-**	**-**	**-**	**547,934**	**379,803**	**80,635**	**1,008,372**
Impairment	**(188,649)**	**(138,599)**	**(375,748)**	**(1,059,999)**	**(104,999)**	**-**	**-**	**-**	**(1,867,994)**
Balance as at 30 September 2016	**$ 1**	**$ 1**	**$ 1**	**$ 1**	**$ 1**	**$ 547,934**	**$ 379,803**	**$ 80,635**	**$ 1,008,377**
EXPLORATION EXPENDITURES									
Balance as at 1 October 2014	4,464,394	371,060	2,798,931	3,120	105,006	-	-	-	7,742,511
Reports and mapping	-	-	123,302	-	-	-	-	-	123,302
Geological and consulting	32,062	-	41,880	-	-	-	-	-	73,942
Staking	2,430	4,060	13,597	-	6,840	-	-	-	26,927
Dewatering	-	-	14,144	-	-	-	-	-	14,144
Admin and camp	978	2,723	3,500	-	-	-	-	-	7,201
Transportation	5,501	-	-	-	-	-	-	-	5,501
Assaying	-	-	607	-	-	-	-	-	607
Balance as at 30 September 2015	$ 4,505,365	$ 377,843	$ 2,995,961	$ 3,120	$ 111,846	$ -	$ -	$ -	$ 7,994,135
Staking	**2,280**	**-**	**-**	**14,025**	**-**	**32,836**	**-**	**3,384**	**52,525**
Geological and consulting	**-**	**-**	**16,712**	**-**	**-**	**-**	**-**	**-**	**16,712**
Assaying	**-**	**-**	**12,303**	**-**	**-**	**-**	**-**	**-**	**12,303**
Admin and camp	**-**	**-**	**11,254**	**-**	**-**	**-**	**-**	**-**	**11,254**
Impairment	**(4,507,645)**	**(377,843)**	**(3,036,230)**	**(17,145)**	**(111,846)**	**-**	**-**	**-**	**(8,050,709)**
Balance as at 30 September 2016	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 32,836**	**$ -**	**$ 3,384**	**$ 36,220**
CARRYING AMOUNTS									
Balance at 30 September 2015	4,694,015	516,443	3,371,710	1,063,120	216,846	-	-	-	9,862,134
Balance at 30 September 2016	**$ 1**	**$ 1**	**$ 1**	**$ 1**	**$ 1**	**$ 580,770**	**$ 379,803**	**$ 84,019**	**$ 1,044,597**

OUTSTANDING SHARES

As at 30 September 2016, the Company had 138,377,875 common shares issued and outstanding. The fully diluted amount of 160,450,875 includes options of 3,025,000 and warrants of 19,048,000.

As of the date of this report, the Company had 168,377,875 common shares issued and outstanding. The fully diluted amount of 219,850,875 includes options of 2,425,000 and warrants of 49,048,000.

FINANCIAL POSITION AND LIQUIDITY

As at 30 September 2016, the Company's financial instruments consist of cash, amounts receivable, and accounts payable and accrued liabilities. The Company has no speculative financial instruments, derivatives, forward contracts or hedges.

The following discussion relates to the year to date period and compares that to the same period in fiscal 2015.

As at 30 September 2016 the Company had a working capital surplus of $98,613 compared to a working capital of $601,294 as at 30 September 2015.

Cash used in operating activities during the period ended 30 September 2016 totalled $594,719 (Comparative period: $637,498). This is consistent with expectations of management.

Cash used in investing activities during the period ended 30 September 2016 totalled $103 (Comparative period: $251,624). This is a result of a one-time sale of assets.

Cash raised in financing activities during the period ended 30 September 2016 totalled $90,000 (Comparative period: $913,219). In the comparative period there was an equity placement and there was no such placement in this period. In the current period, certain funds were received for a private placement that closed subsequent to the year-end.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

a) Financial instrument classification and measurement

Financial instruments of the Company carried on the consolidated statement of financial position are carried at amortized cost. There are no significant differences between the carrying value of financial instruments and their estimated fair values as at 30 September 2016 and 2015. There have been no changes in levels during the year.

The Company classifies the fair value of these transactions according to the following hierarchy:

- Level 1 – quoted prices in active markets for identical financial instruments.
- Level 2 – quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets.
- Level 3 – valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

b) Fair values of financial assets and liabilities

The Company's financial instruments include cash, amounts receivable, and accounts payable and accrued liabilities. As at 30 September 2016 and 30 September 2015, the carrying value of cash is at fair value. Amounts receivable and accounts payable and accrued liabilities approximate their fair value due to their short-term nature.

c) Market risk

Market risk is the risk that changes in market prices will affect the Company's earnings or the value of its financial instruments. Market risk is comprised of commodity price risk and interest rate risk. The objective of market risk management is to manage and control exposures within acceptable limits, while maximizing returns. The Company is not exposed to significant market risk.

d) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its bank accounts. The Company's bank accounts are held with major banks in Canada, accordingly the Company believes it not exposed to significant credit risk.

e) Interest rate risk

Interest rate risk is the risk of losses that arise as a result of changes in contracted interest rates. The Company is not exposed to significant interest rate risk.

f) Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. As at 30 September 2016 and 2015, the Company holds no cash denominated in foreign currency and therefore is not exposed to significant foreign currency risk.

g) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company controls liquidity risk by ensuring that it has sufficient cash resources to pay for its financial obligations. As at 30 September 2016, the Company had a cash balance of $118,423 to settle current liabilities of $65,630 which are due within one year. The Company is not exposed to significant liquidity risk.

CAPITAL RESOURCES

LEP has no recent history of profitable operations. Therefore, it is subject to many risks common to comparable companies, including under-capitalization, cash shortages and limitations with respect to personnel, financial and other resources as well as a lack of adequate revenues.

It will be necessary for LEP to arrange for additional financing to meet its on-going exploration and overhead requirements.

Management believes it will be able to raise equity capital as required in the long term, but recognizes the risks attached thereto. Although LEP successfully completed a financing subsequent to the year ended 30 September 2016, there can be no assurance that it will be able to obtain adequate financing in the future or that the terms of such financing may be favourable.

CAPITAL MANAGEMENT

The Company's capital consists of shareholders' equity. The Company's objective when managing capital is to maintain adequate levels of funding to support the development of its businesses and maintain the necessary corporate and administrative functions to facilitate these activities. This is done primarily through equity financing, selling assets, and incurring debt. Future financings are dependent on market conditions and there can be no assurance the Company will be able to raise funds in the future. The Company invests all capital that is surplus to its immediate operational needs in short-term, highly liquid, high-grade financial instruments. There were no changes to the Company's approach to capital management during the period. The Company is not subject to externally imposed capital requirements. The Company does not currently have adequate sources of capital to complete its exploration plan, current obligations and ultimately the development of its business, and will need to raise adequate capital by obtaining equity financing, selling assets and incurring debt. The Company may raise additional debt or equity financing in the near future to meet its current obligations.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements as at 30 September 2016 and as at the date hereof.

RELATED PARTY TRANSACTIONS

Transactions and balances with related parties not disclosed elsewhere in the Financial Statements are as follows:

RELATED PARTY DISCLOSURE

Name and Principal Position	Period(i)		Remuneration or fees(ii)	Share-based awards	Amounts Payable
Basil Botha – President, CEO and Director, consulting fees	**2016**	**$**	**144,000**	**-**	**12,600**
	2015	$	144,000	-	-
Clearline – a company of which the CFO is a director, professional fees	**2016**	**$**	**50,267**	**-**	**11,042**
	2015	$	51,567	-	-
Michael Hepworth, VP Corporate Development	**2016**	**$**	**96,000**	**-**	**9,040**
	2015	$	63,000	-	2,000
Director, director fees	**2016**	**$**	**671**	**-**	**-**
	2015	$	541	-	-
Director, director and consulting fees	**2016**	**$**	**3,331**	**-**	**525**
	2015	$	7,900	-	525
Director, director fees	**2016**	**$**	**2,000**	**-**	**-**
	2015	$	2,025	-	525
Directors, director fees	**2016**	**$**	**500**	**-**	**-**
	2015	$	1,250	5,000	250

(i) For the fiscal years ended 30 September 2016 and 30 September 2015.
(ii) Amounts disclosed were paid or accrued to the related party.

These transactions were in the normal course of operations, which is the amount of consideration established and agreed to by the related parties.

DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

Consistent with other companies in the mineral exploration industry, LEP has no source of operating revenue. The Consolidated Financial Statements for the year ended 30 September 2016 provide a breakdown of the general and administrative expenses for the year under review and an analysis of the capitalized and expensed exploration and development costs incurred on its mineral properties.

INVESTOR RELATIONS ACTIVITIES

With respect to public relations, the Company's policy is to provide information from its corporate offices to investors and brokers directly.

MANAGEMENT

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

DISCLOSURE CONTROLS AND PROCEDURES

The Chief Executive Officer and Chief Financial Officer of LEP are responsible for designing internal controls over financial reporting in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Company's financial statements for external purposes in accordance with IFRS. The design of the Company's internal control over financial reporting was assessed as of the date of this MD&A.

Based on this assessment, it was determined that certain weaknesses existed in internal controls over financial reporting. As indicative of many small companies, the lack of segregation of duties and effective risk assessment were identified as areas where weaknesses existed. The existence of these weaknesses is to be compensated for by senior management monitoring. The officers will continue to monitor very closely all financial activities of LEP and increase the level of supervision in key areas. It is important to note that this issue would also require LEP to hire additional staff in order to provide greater segregation of duties. Since the increased costs of such hiring could threaten LEP's financial viability, management has chosen to disclose the potential risk in its filings and proceed with increased staffing only when the budgets and work load will enable the action. LEP has attempted to mitigate these weaknesses, through a combination of extensive and detailed review by the CFO of the financial reports, the integrity and reputation of senior accounting personnel, and candid discussion of those risks with the audit committee.

RISK FACTORS

Companies operating in the mining industry face many and varied kinds of risks. While risk management cannot eliminate the impact of all potential risks, the Company strives to manage such risks to the extent possible and practical. Following are the risk factors most applicable to the Company:

Exploring and developing mineral resource projects bears a high potential for all manner of risks. Additionally, few exploration projects successfully achieve development due to factors that cannot be predicted or foreseen. Moreover, even one such factor may result in the economic viability of a project being detrimentally impacted such that it is neither feasible nor practical to proceed. The Company closely monitors its activities and those factors that could impact them, and employs experienced consulting, engineering, insurance and legal advisors to assist in its risk management reviews.

Although the Company has taken steps to verify the title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

At present the principal activity of the Company is the exploration and development of lithium resource properties. The feasible development of such properties is highly dependent upon the price of lithium commodities. A sustained and substantial decline in these commodity prices could result in the write-down, termination of exploration and development work or loss of its interests in identified resource properties. Although such prices cannot be forecasted with certainty, the Company carefully monitors factors that could affect these commodity prices in order to assess the feasibility of its resource projects.

APPROVAL

The Board of Directors of the Company has approved the disclosure contained in the Annual Management Discussion and Analysis.

A CAUTIONARY TALE

This document contains "forward-looking information" which may include, but is not limited to, statements with respect to the future financial or operating performance of the Corporation, its subsidiaries and its projects, the future supply, demand, inventory, production and price of minerals, the estimation of reserves and resources, the realization of reserve estimates, the timing and amount of estimated future production, costs of production, capital, operating and exploration expenditures, costs and timing of the development of new deposits, costs and timing of future exploration, requirements for additional capital, government regulation operations, environmental risks, reclamation expenses, title disputes or claims, limitations of insurance coverage and the timing and possible outcome of pending litigation and regulatory matters.

Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes" or variations (including negative variations) of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Corporation and/or its subsidiaries to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, general business, economic, competitive, political and social uncertainties; the actual results of current exploration activities; actual results of reclamation activities; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; future prices of resources; possible variations of ore grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the resource industry; political instability, insurrection or war; delays in obtaining governmental approvals or financing or in the completion of development or construction activities. Although the Corporation has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

Respectfully submitted on behalf of the Board of Directors,

"James Walker"

James Walker

CEO