INTERNATIONAL BATTERY METALS LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three and twelve months ended January 31, 2023

Dated March 31, 2023

INTERNATIONAL BATTERY METALS LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Introduction

The preparation and presentation of the accompanying condensed consolidated interim financial statements, Management Discussion and Analysis ("MD&A") and all financial information in the Annual Report are the responsibility of management and have been approved by the Board of Directors.

The condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of interim financial statements, including International Accounting Standards ("IAS") 34, Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB"). Financial statements, by nature, are not precise since they include certain amounts based upon estimates and judgements. When alternative methods exist, management has chosen those it deems to be the most appropriate in the circumstances.

Management, under the supervision of and the participation of the Chief Executive Officer and Chief Financial Officer, have a process in place to evaluate disclosure controls and procedures and internal control over financial reporting as required by Canadian securities regulations. We, as Chief Executive Officer and Chief Financial Officer, will certify our annual filings with the CSA as required in Canada by National Instrument 52-109.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the condensed consolidated interim financial statements. The Board carries out this responsibility principally through its Audit Committee which is independent from management.

The Audit Committee is appointed by the Board of Directors and reviews the condensed consolidated interim financial statements and MD&A; considers the report of the external auditors; examines the fees and expense for audit services; and recommends to the Board the independent auditors for appointment by the shareholders. The independent auditors have full and free access to the Audit Committee and meet with the Audit Committee to discuss their audit work, the Company's internal control over financial reporting and financial reporting matters. The Audit Committee reports its findings to the Board for consideration when approving the condensed consolidated interim financial statements for issuance to the shareholders.

This Management's Discussion and Analysis ("**MD&A**") of the financial position and results of operations of International Battery Metals Ltd., (the "**Company**" or "**IBAT**") should be read in conjunction with the annual audited consolidated financial statements of the Company for the year ended January 31, 2022, the condensed consolidated interim financial statements for the three and twelve months ended January 31, 2023, and the related notes contained therein. All dollar figures included therein and in the following MD&A are quoted in Canadian dollars. Additional information relevant to the Company and its activities can be found on SEDAR at www.sedar.com.

This MD&A is current as of March 31, 2023.

Forward Looking Statements and Forward-Looking Information

The information provided in this MD&A may contain forward-looking statements and forward-looking information about IBAT within the meaning of applicable securities laws. In addition, IBAT may make or approve certain statements or information in future filings with Canadian securities regulatory authorities, in news releases, or in oral or written presentations by representatives of IBAT that are not statements of historical fact and may also constitute forward-looking statements or forward-looking information. All statements and information, other than statements of historical fact, made by IBAT that address activities, events, or developments that IBAT expect or anticipate will or may occur in the future are forward-looking statements and information, including, but not limited to, statements and information preceded by, followed by, or that include words such as “may”, “would”, “could”, “will”, “likely”, “expect”, “anticipate”, “believe”, “intends”, “plan”, “forecast”, “budget”, “schedule”, “project”, “estimate”, “outlook”, or the negative of those words or other similar or comparable words.

Forward-looking statements and information involve significant risks, assumptions, uncertainties and other factors that may cause actual future performance, achievement or other realities to differ materially from those expressed or implied in any forward-looking statements or information and, accordingly, should not be read as guarantees of future performance, achievement or realities.

Actual performance, achievement or other realities could differ materially from those expressed in, or implied by, any forward-looking statements or information in this MD&A and, accordingly, investors should not place undue reliance on any such forward-looking statements or information. Further, any forward-looking statement or information speaks only as of the date on which such statement is made, and IBAT does not undertake any obligation to update any forward-looking statements or information to reflect information, events, results, circumstances, realities or otherwise after the date on which such statement is made or to reflect the occurrence of unanticipated events, except as required by law, including securities laws. All forward-looking statements and information contained in this MD&A and other documents of IBAT are qualified by such cautionary statements. New factors emerge from time to time, and it is not possible for management to predict all of such factors and to assess in advance the impact of each such factor on IBAT’s business or the extent to which any factor, or combination of factors, may cause actual realities to differ materially from those contained in any forward-looking statements.

In addition, forward-looking statements and information herein, including financial information, is based on certain assumptions relating to the business and operations of IBAT. Although IBAT has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements and forward-looking information in this MD&A, and the documents incorporated by reference herein, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There is no assurance that such statements and information will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements or information. Accordingly, readers should not place undue reliance on forward-looking statements and forward-looking information contained in this MD&A.

The Company

International Battery Metals Ltd. is an advanced technology company that is developing technologies for the extraction and processing of lithium from various sources. The objective of management is to maximize shareholder value by developing lithium extraction technologies as well as lithium resource properties and attempting to produce lithium in a cost-effective and ecologically sound manner. The Company's head office and registered and records office is located at 543 Granville St Suite 800, Vancouver, BC V6C 1X8.

The Company was incorporated under the Business Corporations Act (British Columbia) on July 29, 2010.

On February 25, 2015, the Company voluntarily delisted its common shares from the TSX Venture Exchange and commenced trading on the Canadian Securities Exchange under the symbol "RGE".

On August 28, 2017, the Company changed its name from Rheingold Exploration Corp. to International Battery Metals Ltd. and commenced trading on the Canadian Securities Exchange under the symbol "IBAT".

On April 12, 2018, the Company closed an asset purchase agreement with North American Lithium Inc. ("NAL") and Selective Adsorption Lithium ("SAL") a company controlled by shareholders of NAL pursuant to which the Company acquired NAL's data, analysis and reports related to lithium extraction from oil field brines for petro-lithium extraction projects.

On June 11, 2018, the Company filed for patent protection at the U.S. Patent and Trademark Office (USPTO) for a novel process to produce high purity lithium products that do not rely on electrolysis. This patent application, along with previous applications will protect directly IBAT's extraction and production process in the United States as the Company also prepares to file the application internationally.

On August 20, 2018, the Company retained IMPACT Technology Development ("IMPACT") to help facilitate the engineering, design, and construction of its first proprietary mobile lithium extraction unit. By November 6, 2018, IMPACT had completed its Phase 2 of engineering study, design, and cost analysis, and on December 5, 2018, a successful live demonstration of the Company's lithium extraction technology was performed.

On November 8, 2018, the Company entered into a licensing agreement (the "Licensing Agreement") with Ensorcia Metals Corporation ("Ensorcia") and its wholly-owned subsidiary, Sorcia Minerals LLC ("Sorcia"), whereby the Company will license its novel lithium extraction technology to Sorcia for use in extracting Lithium Carbonate from lithium bearing brine sources in the country of Chile.

On November 20, 2018, the Company entered into a second licensing agreement with Ensorcia and its wholly-owned subsidiary, Ensorcia Argentina LLC ("EAL"), whereby the Company will license its lithium extraction technology to EAL for use in the extraction of lithium chloride from lithium bearing brine sources in the country of Argentina.

During the three and twelve months ended January 31, 2023, the Company completed the assembly of the initial mobile lithium extraction unit. The unit is being prepared for preliminary systems and safety testing in the United States and the Company is seeking a brine resource for deployment. The Company was issued a patent for its lithium extraction intellectual property towards the end of the twelve months ended January 31, 2022.

On January 11, 2023, the Company announced that it has appointed Crowe MacKay LLP, as independent auditor of the Company, effective as of November 30, 2022. The Successor Auditor is being appointed following the receipt by the Company on December 20, 2022 of a formal resignation of Davidson and Company LLP effective June 15, 2022.

On January 12, 2023, the Company's board of directors approved a change of year end from January 31 to March 31 at the request of the Company's auditor due to the auditor's resource constraints.

Overall Performance

The key factors pertaining to the Company's overall performance for the three and twelve months ended January 31, 2023 are as follows:

The Company had a working capital deficit of $19,398,476 as at January 31, 2023, as compared to a working capital deficit of $19,324,711 as at January 31, 2022. The reason for this decrease in working capital is due to an increase in trade payables and other liabilities from $19,678,262 to $22,003,624. This is partially offset by an increase in cash from $336,175 to $1,923,205, which is primarily due to a private placement financing of $12,766,859 (US $10,000,000) during the twelve months ended January 31, 2023.

The Company recorded a net comprehensive loss of $2,151,952 for the three months ended January 31, 2023, as compared to net comprehensive income of $1,659,366 for the three months ended January 31, 2022. The primary reason for the increase in net comprehensive loss was due to an increase in general and administrative expenses from $1,025,032 to $1,871,988 along with a decrease in the change in fair value and derecognition of derivative liability of $3,623,146 to $Nil. The change in fair value and derecognition of derivative liability was the result of the exercise of warrants with an exercise price in US Dollars ("USD"). This is partially offset by a decrease in amortization of intangible asset from $883,219 to $336,275 and an increase in the cumulative translation adjustment of negative $55,529 to $56,311.

The Company recorded a net comprehensive loss of $15,343,445 for the twelve months ended January 31, 2023, as compared to net comprehensive income of $187,538 for the twelve months ended January 31, 2022. The primary reason for the increase in net comprehensive loss was due to an increase in general and administrative expenses from $2,668,677 to $13,956,976 along with a decrease in the change in fair value and derecognition of derivative liability of $4,239,699 to $Nil and a decrease in the cumulative translation adjustment of $325 to negative $134,935. The change in fair value and derecognition of derivative liability was the result of the exercise of warrants with an exercise price in US Dollars ("USD"). This is partially offset by a decrease in amortization of intangible asset from $1,383,809 to $1,345,101 and an increase in the gain on debt settlement of $Nil to $76,548 along with an increase in gain on write-off of accounts payable of $Nil to $17,019.

The Company has negative operating cash flow and its level of operations has been determined by the availability of capital resources. Cash used in operating activities for the twelve months ended January 31, 2023 was $9,796,195 compared to cash used in operating activities for the twelve months ended January 31, 2022 of $768,762. The increase in cash used in operating activities primarily relates to the increase in net loss during the period from net income of $187,213 to a net loss of $15,208,510 along with a decrease in trade payables and other liabilities relating to operating activities of $4,162,150 and an increase in prepaid expenses relating to operating activities of $890,511 which is partially offset by an increase in share-based payments of $6,179,620, an increase in change in fair value of derecognition of derivative liability of $4,239,699, and an increase in unrealized foreign exchange loss of $1,055,661.

Going Concern

As at January 31, 2023, the Company had net working capital deficit of $19,398,476. The accompanying financial statements do not reflect adjustments that would be necessary if the going concern assumption was not appropriate. If the going concern assumption was not appropriate for the accompanying financial statements, adjustments would be necessary to the statement of financial position classifications used. Such adjustments could be material. Additional funds will be required to enable the Company to pursue such an initiative, and the Company may be unable to obtain such financing on terms which are satisfactory to it. Furthermore, there is no assurance that the business will be profitable. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Should the Company be unable to complete these plans to obtain additional financing and be unable to continue as a going concern, the Company may be forced to cease operations.

Since March 2020, several measures have been implemented in Canada and the rest of the world in response to the increased impact from novel coronavirus ("COVID-19"). The Company continues to operate its business at this time. While the impact of COVID-19 is expected to be temporary, the current circumstances are dynamic and the impacts of COVID-19 on business operations, cannot be reasonably estimated at this time. The Company anticipates this could have an adverse impact on its operations.

Acquisition

On April 12, 2018, the Company closed an asset purchase agreement with North American Lithium Inc. ("NAL") and Selective Adsorption Lithium ("SAL"), a company controlled by shareholders of NAL, pursuant to which the Company acquired (i) NAL's data, analysis and reports related to lithium extraction from oilfield brines for petro-lithium extraction projects for consideration of US$875,000 cash and (ii) 100% of the outstanding shares of SAL, which holds intellectual property for consideration of up to 25,309,488 common shares of the Company (the "Acquisition").

At the closing of the asset purchase transaction the Company issued 4,700,000 common shares with a fair market value of $2,256,000 as of the date of closing the asset purchase transaction. As part of the transaction, the Company also granted a 5% production income royalty to NAL on future product income.

NAL is a California corporation that has developed unique technology that allows direct extraction of lithium from complex brines such as those found in oil fields and salars.

The technology involves processes that are highly selective for lithium and an extraction system that allows lithium extraction from complex brines with only minimal pretreatment. There is no need to pretreat the brine to remove divalent cations such as calcium or magnesium. The process also inherently rejects troublesome anions such as sulphate and borate. Rather, brine flows into the process. Lithium chloride is removed, and the brine is injected back into the ground through an environmentally permitted well.

The output of these patent pending processes is a clean lithium salt solution that is suitable for further processing to desired products. Additionally, the patent pending process and equipment are specifically designed to be compatible with the demands of remote oilfield operations.

NAL's technology provides significant advantages including significant cost savings due to minimal brine pre-treatment and exceedingly low chemical consumption. The unique equipment design also allows rapid implementation, minimizing traditional lag time for bringing resources on line.

NAL was led by Dr. John Burba who has 40 years' experience with Dow Chemical, FMC, and Simbol Minerals in the lithium extraction industry.

The additional 20,609,488 in share-based consideration for the acquisition is in the form of milestone shares ("Milestone Shares") and is issuable upon SAL achieving certain milestones (the "Milestones") as follows:

Milestone	**Number of Performance Milestone Shares to be issued**
i) Shares on SAL and the Company filing three US or foreign patent applications with respect to intellectual property (filings completed)	4,000,000
ii) Shares on SAL and the Company filling three additional patents with respect to intellectual property (filings completed)	5,536,496
iii) Shares on SAL and the Company filling three additional patents with respect to intellectual property (filings completed)	5,536,496
iv) Shares upon the Company completing either of the following: one or more private placement financing(s) resulting in the issuance of an aggregate of no less than 5,000,000 common shares in the Company; or completing a laboratory – scale pilot plant for the processing of lithium or lithium concentrates (Milestone Shares issued on November 7, 2018)	5,536,496

The Milestone Shares are contingently issuable, and their fair value was estimated using a probability-weighted analysis based on the probability of achieving the Milestones. The resulting valuation was recorded as obligation to issue Milestone Shares of $3,201,185. On November 7, 2018, the Company issued 5,536,496 Milestone Shares upon the satisfaction of Milestone (iv) above and transferred $2,657,734 from obligation to issue shares to share capital. During the twelve months ended January 31, 2022, the Company satisfied all Milestones related to the original acquisition of assets. As a result, the fair value of the obligation of the Milestone Shares was re-valued to $5,426,022. The increase in the fair value of the Milestone Shares of $4,882,571 has also been reflected as an addition to the Company's Intellectual Property. At January 31, 2023, the balance of 15,072,992 Milestone Shares had not yet been issued and are part of Obligation to issue shares. Subsequent to January 31, 2023, the 15,072,992 Milestone Shares were issued to the shareholders of NAL.

During the year ended January 31, 2019, the Company applied deferred acquisition costs of $703,277, inclusive of an initial cash payment of US$575,000, to the asset purchase and the balance of the US$875,000 consideration for the Acquisition being $459,025 (US $350,000) was paid. The Company issued 4,700,000 common shares with a fair value of $2,256,000 on the date of closing the acquisition.

The Company incurred an additional $50,000 in costs associated with the closing of the Acquisition and is required to issue a finder's fee of 100,000 common shares, valued at $48,000. During the year ended January 31, 2021, the Company issued these shares and transferred $48,000 from obligation to issue shares to share capital.

On April 12, 2018, upon completion of the Acquisition, the Company acquired certain intellectual property (the "Intellectual Property"), from the shareholders of SAL. The acquisition of SAL was considered an acquisition of assets for accounting purposes and the Intellectual Property acquired was recorded at $6,717,487. The total cost capitalized for the intellectual property asset acquisition is as follows:

		Total
Purchase price:		
Performance shares	$	2,256,000
Shares contingently issuable on achieving milestones		3,201,185
Finder's fee		98,000
Transaction costs		1,162,302
Total cost capitalized to intangible assets	$	6,717,487

During the twelve months ended January 31, 2022, the Company satisfied the remainder of the Milestones. As a result, the fair value of the obligation the remaining Milestone Shares was re-valued to be $5,426,022. During the three and twelve months ended January 31, 2023, the Company recorded amortization of $336,106 (2022 - $883,141) and $1,344,425 (2022 - $1,383,731) respectively. As of January 31, 2023, the Intellectual Property had a net book value of $6,985,423 (January 31, 2022 - $8,329,848).

During the twelve months ended January 31, 2022, the Company was granted a patent for the Intellectual Property and capitalized $13,519 of cost incurred to obtain the patent. During the three and twelve months ended January 31, 2023, the Company recorded amortization of $169 (2022 - $78) and $676 (2022 - $78) respectively, based on an estimated useful life of 20 years. As of January 31, 2023, the patent had a net book value of $12,765 (January 31, 2022 - $13,441).

A continuity of the Company's intangible asset is as follows:

Cost		Intellectual property – SAL		Patent		Total
Balance, January 31, 2021	$	6,717,487	$	-	$	6,717,487
Additions		4,882,571		13,519		4,896,090
Balance, January 31, 2022		11,600,058		13,519		11,613,577
Additions		-		-		-
Balance, January 31, 2023	**$**	**11,600,058**	**$**	**13,519**	**$**	**11,613,577**

Accumulated Amortization		Intellectual property – SAL		Patent		Total
Balance, January 31, 2021	$	1,886,479	$	-	$	1,886,479
Amortization		1,383,731		78		1,383,809
Balance, January 31, 2022		3,270,210		78		3,270,288
Amortization		1,344,425		676		1,345,101
Balance, January 31, 2023	**$**	**4,614,635**	**$**	**754**	**$**	**4,615,389**

Net Book Value		Intellectual property – SAL		Patent		Total
At January 31, 2022	$	8,329,848	$	13,441	$	8,343,289
At January 31, 2023	**$**	**6,985,423**	**$**	**12,765**	**$**	**6,998,188**

Lithium Extraction Technology Development

Licensing Agreements with Ensorcia Metals Corporation

On November 8, 2018, the Company entered into a licensing agreement with Ensorcia Metals Corporation ("Ensorcia") and its wholly-owned subsidiary, Sorcia Minerals LLC ("Sorcia"), whereby the Company will license its novel lithium extraction technology to Sorcia for use in extracting Lithium Carbonate from lithium bearing brine sources in the country of Chile (the "Territory").

In addition, the Licensing Agreement appoints the Company as the exclusive provider to Sorcia and its Affiliates of technology, systems and equipment for the extraction of lithium salts from brine within the Territory as well as all design, installation, operation and maintenance services within the Territory with respect to systems and equipment for the extraction of lithium salts from brine. The economic viability and technical feasibility regarding any of the Chilean projects has not been established at this time. The counterparties of the license agreement are not related parties.

As consideration for entering into the Licensing Agreement the Company will receive a six percent royalty (6%) on the netback sales price of all products produced and sold using the Licensed Technology and has been granted a ten percent (10%) common membership interest in Sorcia. The Company issued to Ensorcia 1,000,000 common share purchase warrants (the "Warrants") exercisable for two years from January 1, 2019 at an exercise price of $0.163 per Warrant share. On February 4, 2021, the Company exchanged its ten percent (10%) interest in Sorcia for a ten percent (10%) participation interest in Sorcia's future resource projects or lithium extraction facility where IBAT licensed rights are utilized.

On November 20, 2018, the Company entered into its second licensing agreement (the "Licensing Agreement") with Ensorcia Metals Corporation ("Ensorcia") and its wholly-owned subsidiary, Ensorcia Argentina LLC ("EAL"), whereby the Company will license its lithium extraction technology to EAL for use in the extraction of lithium chloride from lithium bearing brine sources in the country of Argentina (the "Territory"). The resulting lithium chloride will be converted to lithium carbonate and or lithium hydroxide. It may also be exported as a feed stock.

In addition, the Licensing Agreement appoints the Company as the exclusive provider to EAL and its Affiliates of technology, systems and equipment for the extraction of lithium salts from brine within the Territory as well as all design, installation, operation and maintenance services within the Territory with respect to systems and equipment for the extraction of lithium salts from brine.

The economic viability and technical feasibility regarding any of the Argentinian projects has not been established at this time. As consideration for entering into the Licensing Agreement the Company will receive a six percent royalty (6%) on the netback sales price of all products produced and sold using the Licensed technology and has also been granted a ten percent (10%) common membership interest in EAL. On February 4, 2021, the Company exchanged its ten percent (10%) interest in EAL for a ten percent (10%) participation interest in EAL's future resource projects or lithium extraction facility where IBAT licensed rights are utilized.

Chile has some of the world's richest lithium bearing salars, and this alliance with Sorcia in the heart of the "Lithium Triangle" is advantageous. One of the Company's goals is to produce commercially viable lithium with its technology with the smallest environmental footprint possible. That technology is designed to extract lithium without the use of traditional evaporation ponds and our process does not add anything to the source brine, so it can be returned to the salar aquifer after the extraction of the lithium. This feature is believed to be essential in order to sustain delicate salar environments, to have minimal impact on both salar ecology and local indigenous people.

The Company’s approach to lithium extraction will utilize portable extraction units designed to be deployed faster, cheaper and with far fewer environmental impacts than more traditional techniques for lithium production.

Due to regulatory issues in Chile and Argentina, the deployment of the initial mobile extraction unit on those territories has been delayed. The Company extended the Licensing agreements on February 21, 2023 to until December 31, 2028 due to the various issues, delays, and problems created by the coronavirus in deploying the mobile extraction unit in Chile and Argentina. The Company has completed the engineering and fabrication of the first field unit and is expecting to deploy the first mobile extraction unit in the United States.

Mobile Lithium Extraction Unit

On August 20, 2018, the Company retained IMPACT Technology Development ("IMPACT") to help facilitate the engineering, design, and construction of its first proprietary mobile lithium extraction unit.

IMPACT has a qualified team of chemical engineers and chemists who specialize in developing, scaling-up, and commercializing chemical process technologies. Their services range from research and lab pilot testing in their R&D facility in Devens, MA through to a full commercial scale engineering design package ready for engineering procurement and construction implementation. Their unique "one-stop-shop" of process development & engineering services has helped over 250 clients in the last 20 years launch their new process technologies worldwide.

On November 6, 2018 IMPACT had completed its Phase 2 Engineering Report covering engineering study, design, and cost analysis, and on December 5, 2018, a successful live demonstration of the Company’s lithium extraction technology was performed.

This system will provide enough capacity to produce commercial quantities of high purity 40% LiCl and provides significant environmental advantages:

1. Unlike evaporative processes that can damage sensitive salars, such as those found in South America, IBAT's process does not evaporate water from the brine. Instead, it extracts lithium from the brine and returns it back to the resource. This maintains the resource water balance and protects delicate ecosystems.

2. IBAT's process does not utilize any solvents or foreign chemicals that will alter the brine chemistry. This feature is important to the protection of resource ecology. Returning brine to the resource could be questionable if the return brine is contaminated with organic solvents or other chemicals that are not native to the ecosystem.

3. IBAT's process is designed to recycle approximately 95% of its process water. IBAT's water recovery system will be particularly important in desert areas such as South American Salars, and areas where potable ground water is in short supply.

Management is very pleased with the Engineering Report that IMPACT has provided. The work was timely and thorough, and the engineering refinements to the Company’s design will create additional value to the Company and the industry.

Live Demonstration of Lithium Extraction Technology

On December 5, 2018, in conjunction with its South American partner, Sorcia Metals Corp, the Company performed successful live demonstration of its lithium extraction technology to Chilean and Argentinean stake holders. The demonstration was conducted at the labs of Impact Technology Development in Devens, Massachusetts and livestreamed to South American partners.

The results of the test demonstrated greater than 90% extraction of lithium from a generic brine that is typical of commercial South American resources. The lithium chloride ("LiCl") produced during the demonstration showed greater than 90% rejection of all brine impurities, including sodium, magnesium, and potassium. The test also demonstrated that the post extraction composition of the source brine was essentially unchanged, except for the removal of the lithium.

During the Company's extraction process, trace impurities are removed from the intermediate solution and the lithium is concentrated to 40% LiCl. No chemicals are utilized in this process and greater than 95% of the process water is recycled. The water recovery system will be particularly useful in desert areas such as South American Salars, and areas where potable ground water is in short supply. Unlike conventional processes that are employed in Chile and Argentina, this process does not evaporate water from the brine. Instead, it extracts the lithium from the brine which is returned to the resource. This feature helps to maintain the resource water balance and help protects solar ecosystems.

Construction of Mobile Lithium Extraction Unit

During the year ended January 31, 2021, the Company, working in concert with Ensorcia Metals Corporation, began construction of its first commercially viable mobile lithium extraction unit (the "unit"). The unit will be used by the Company as a demonstration unit but is a commercial unit and will be easily scalable to generate higher outputs if needed. The final design and blueprints were developed for this unit by Practical Engineering Solutions LLC and all future units will be based off this design.

During the twelve months ended January 31, 2023, the Company successfully assembled the first commercial-scale Mobile Lithium Extraction Plant. The unique modular design of the Company's lithium extraction plant allows for rapid plant deployment and onsite assembly. The plant, currently being tested in Louisiana, was assembled in an astonishing ten-day period by a small, nine-man crew, demonstrating the versatility of the plant's design and the feasibility of moving the plant between multiple lithium-bearing brine resources.

The Company is anticipating that its patented design will allow access and a means to capitalize on diverse lithium-bearing brine resources. The current plant is capable of producing 5,000 metric tons of commercial-grade LiCl, on a lithium carbonate equivalent basis, each year.

During the summer of months of 2022, the IBAT plant was evaluated by a third-party engineering firm, SLR International Corporation ("SLR"). The purpose of the evaluation was to have an outside engineering firm confirm the IBAT LiCL plants capabilities. Below is a summary of SLR's conclusions and observations from the evaluation:

- The modules are robust and designed to oilfield standards of construction, comprising of process, piping, and electrical equipment associated with specific process packages, access platforms for operations and maintenance, and structural steel support frames to prevent the equipment from moving during transportation. The modules are designed to be lifted with a crane using installed pad eyes and loaded onto trucks for transport.

- The current Plant configuration is designed to produce 5,738 tons (t) LiCl in solution per year (5,000) to of lithium carbonate equivalent (Li2CO3eq) per year), from a brine with a lithium concentration of 1,800 g/t Li (1,800 ppm Li).

- Operational tests consisted of continuously processing the lithium bearing brine (containing 300 ppm Li) through the Plant and monitoring the solution chemistry by sampling at regular intervals to determine the performance of the process equipment and the absorption media through multiple loading and elution cycles.

- Operation of the plant during absorption and elution cycles 10, 11 and 12, was observed during the site visit. The Plant was operated according to the criteria presented in the Appendix of this letter report. Estimated lithium extraction for the three cycles ranged from 72.6% Li to 87.5% Li with an average extraction of 81%. Estimated lithium recovery to product from brine feed was an average of 68.8% Li with the high level result up to a 89% Li total recovery.

Current period updates

During the twelve months ended January 31, 2023, the Company incurred a total of $8,101,120 for the construction of the lithium extraction unit. The Company began construction of its first lithium extraction unit during the year ended January 31, 2021, and has incurred total costs of $32,229,195 as at January 31, 2023 (January 31, 2022 - $24,128,075). During the twelve months ended January 31, 2023, $523,085 (January 31, 2022 - $13,289,637) was paid or accrued by Sorcia Minerals LLC ("Sorcia") and $2,922,272 (January 31, 2022 - $3,282,533) was paid or accrued by EVL Holdings LLC ("EVL") to engineers, consultants, and fabricators on the Company's behalf. EVL and Sorcia are related parties to the Company by virtue of significant shareholdings. As the lithium extraction unit is not yet completed, no depreciation has been recorded. During the twelve months ended January 31, 2023 construction of the lithium extraction unit was substantially completed.

A continuity of the Company's equipment is as follows:

Cost	Lithium Extraction Unit	Computer	Office Equipment	Total
Balance, January 31, 2021	$ 4,158,827	$ 2,421	$ -	$ 4,161,248
Additions	19,969,248	-	-	19,969,248
Balance, January 31, 2022	24,128,075	2,421	-	24,130,496
Additions	8,101,120	2,282	1,996	8,105,398
Balance, January 31, 2023	**$ 32,229,195**	**$ 4,703**	**$ 1,996**	**$ 32,235,894**

Accumulated Depreciation	Lithium Extraction Unit	Computer	Office Equipment	Total
Balance, January 31, 2021	$ -	$ -	$ -	$ -
Depreciation	-	484	-	484
Balance, January 31, 2022	-	484	-	484
Depreciation	-	903	150	1,053
Balance, January 31, 2023	**$ -**	**$ 1,387**	**$ 150**	**$ 1,537**

Net Book Value	Lithium Extraction Unit	Computer	Office Equipment	Total
Balance, January 31, 2022	$ 24,128,075	$ 1,937	$ -	$ 24,130,012
Balance, January 31, 2023	**$ 32,229,195**	**$ 3,316**	**$ 1,846**	**$ 32,234,357**

Results of Operations for the three months ended January 31, 2023 and 2022

Expenses

Three months ended		January 31, 2023		January 31, 2022	Change $	Change %
General and administrative:						
Advertising and promotion	$	123,136	$	65,573	57,563	88%
Accretion		3,610		-	3,610	100%
Bank charges and interest		425		37,713	(37,288)	(99%)
Consulting fees		-		141,129	(141,129)	(100%)
Depreciation		31,852		121	31,731	26,224%
Filing fees		5,303		7,617	(2,314)	(30%)
Foreign exchange (gain) loss		(298,368)		42,836	(341,204)	(797%)
Management fees, salaries and benefits		383,707		128,719	254,988	198%
Meals and entertainment and travel		80,362		2,358	78,004	3,308%
Office and miscellaneous		243,772		135,290	108,482	80%
Professional fees		721,887		204,452	517,435	253%
Rent		24,603		6,000	18,603	310%
Share-based payments		551,699		253,224	298,475	118%
Total general and administrative expense		(1,871,988)		(1,025,032)	(846,956)	83%
Amortization of intangible asset		(336,275)		(883,219)	546,944	(62%)
Change in fair value and derecognition of derivative liability		-		3,623,146	(3,623,146)	(100%)
Gain on write-off of accounts payable		-		-	-	-
Net income (loss)	$	(2,208,263)	$	1,714,895	(3,923,158)	(229%)

The net loss for the three months ended January 31, 2023 was $2,208,263 as compared to net income of $1,714,895 for the three months ended January 31, 2022. The primary reasons for the increase in net loss was due to a decrease in the change in fair value and derecognition of derivative liability of $3,623,146, an increase in professional fees of $517,435, an increase in share-based payments of $298,475, an increase in management fees, salaries and benefits of $254,988, and a $108,482 increase in office and miscellaneous during the three months ended January 31, 2023. This was partially offset by a $546,944 decrease in amortization of intangible asset, a $341,204 increase in foreign exchange gain, and a $141,129 decrease in consulting fees.

Changes from period to period can be explained primarily by the following factors:

- Change in fair value and derecognition of derivative liability decreased by $3,623,146 during the three months ended January 31, 2023 due to the Company having outstanding warrants during the three months ended January 31, 2022 with an exercise price in USD which increased in value. These warrants were exercised prior to the three months ended January 31, 2023 and therefore no transactions relating to the derivative liability were recorded during the three months ended January 31, 2023.

- Professional fees increased by $517,435 during the three months ended January 31, 2023 due to an increase in legal fees incurred on obtaining patents for the Company along with general corporate matters, fees incurred on engineering services related to the final stages of production of the lithium extraction unit and accounting fees.

- Share-based payments increased by $298,475 during the three months ended January 31, 2023 due to the Company granting 600,000 stock options to the President of the Company in July 2022, which included 300,000 stock options vesting in July 2022 and 300,000 options vesting in July 2023. There were also $600,000 USD of restricted share units granted to the President of the Company in July 2022 with $300,000 USD vesting in July 2023 and $300,000 USD vesting in July 2024. In addition, there were 320,000 stock options granted to consultants in January 2022, which includes 80,000 stock options that have not vested yet. There were also 200,000 options granted to an employee in May 2022, which includes 150,000 stock options that have not vested yet. During the comparative period there were 320,000 stock options granted with 80,000 of these options vesting during the three months ended January 31, 2022 resulting in share-based payments of $253,224.

- Management fees, salaries and benefits increased by $254,988 during the three months ended January 31, 2023 due to the appointment of 3 new directors, a new CEO, a new interim CFO and additional new hires of staff as the Company's operations have increased.

- Office and miscellaneous increased by $108,482 during the three months ended January 31, 2023 due to an increase in costs incurred for project expenses related to the final stages of production of the lithium extraction unit and increased insurance coverage.

- Amortization of intangible asset decreased by $546,944 during the three months ended January 31, 2023 due to an increase in the cost base of the intangible asset during the three months ended January 31, 2022 leading to a higher amount being amortized during the three months ended January 31, 2022.

- Foreign exchange gain increased by $341,204 during the three months ended January 31, 2023 due to an decrease in the US dollar relative to the Canadian dollar as a significant portion of the Company's trade payables and other liabilities are denominated in US dollars.

- Consulting fees decreased by $141,129 during the three months ended January 31, 2023 due to the reclassification of consulting fees to different operating expense items on the consolidated statement of loss and comprehensive loss per the direction of the CFO.

Results of Operations for the twelve months ended January 31, 2023 and 2022

Expenses

Nine months ended	January 31, 2023	January 31, 2022	Change $	Change %
General and administrative:				
Advertising and promotion	$ 204,927	$ 196,798	8,129	4%
Accretion	8,941	-	8,941	100%
Bank charges and interest	42,546	49,183	(6,637)	(13%)
Consulting fees	-	514,742	(514,742)	(100%)
Depreciation	73,607	484	73,123	15,108%
Filing fees	46,040	34,337	11,703	34%
Foreign exchange (gain) loss	929,418	72,216	857,202	1,187%
Management fees, salaries and benefits	1,247,472	514,894	732,578	142%
Meals and entertainment and travel	232,127	2,358	229,769	9,744%
Office and miscellaneous	933,876	180,630	753,246	417%
Professional fees	3,044,262	625,416	2,418,846	387%
Rent	557,521	21,000	536,521	2,555%
Share-based payments	6,636,239	456,619	6,179,620	1,353%
Total general and administrative expense	(13,956,976)	(2,668,677)	(11,288,299)	423%
Amortization of intangible asset	(1,345,101)	(1,383,809)	38,708	(3%)
Change in fair value and derecognition of derivative liability	-	4,239,699	(4,239,699)	(100%)
Gain on debt settlement	76,548	-	76,548	100%
Gain on write-off of accounts payable	17,019	-	17,019	100%
Net income (loss)	$ (15,208,510)	$ 187,213	(15,395,723)	(8,224%)

The net loss for the twelve months ended January 31, 2023 was $15,208,510 as compared to net income of $187,213 for the twelve months ended January 31, 2022. The primary reasons for the increase in net loss was due to an increase in share-based payments of $6,179,620, a decrease in change in fair value and derecognition of derivative liability of $4,239,699, an increase in professional fees of $2,418,846, an increase in foreign exchange loss of $857,202, an increase in office and miscellaneous of $753,246, and increase in management fees, salaries and benefits of $732,578, an increase in rent of $536,521, and an increase in meals and entertainment and travel of $229,769 during the twelve months ended January 31, 2023. This was partially offset by a decrease in consulting fees of $514,742.

Changes from period to period can be explained primarily by the following factors:

- Share-based payments increased by $6,179,620 during the twelve months ended January 31, 2023 due to the Company granting 1,800,000 stock options during the twelve months ended January 31, 2023 to management, directors and employees of the Company along with the vesting of stock options granted to consultants of the Company in January 2022. There were also $600,000 USD of restricted share units granted to the President of the Company during the twelve months ended

January 31, 2023. During the comparative period there were 720,000 stock options granted to directors and consultants of the Company with 480,000 of these stock options vesting during the comparative period.

- Change in fair value and derecognition of derivative liability decreased by $4,239,699 during the twelve months ended January 31, 2023 due to the Company having outstanding warrants during the twelve months ended January 31, 2022 with an exercise price in USD which increased in value. These warrants were exercised prior to the twelve months ended January 31, 2023 and therefore no transactions relating to the derivative liability were recorded during the twelve months ended January 31, 2023.

- Professional fees increased by $2,418,846 during the twelve months ended January 31, 2023 due to an increase in legal fees incurred on obtaining patents for the Company along with general corporate matters, fees incurred on engineering services related to the final stages of production of the lithium extraction unit and accounting fees.

- Foreign exchange loss increased by $857,202 during the twelve months ended January 31, 2023 due to an increase in the US dollar relative to the Canadian dollar as a significant portion of the Company's trade payables and other liabilities are denominated in US dollars.

- Office and miscellaneous increased by $753,246 during the twelve months ended January 31, 2023 due to an increase in costs incurred for project expenses related to the final stages of production of the lithium extraction unit and increased insurance coverage.

- Management fees, salaries and benefits increased by $732,578 during the twelve months ended January 31, 2023 due to the appointment of 3 new directors, a new CEO, a new interim CFO and additional new hires of staff as the Company's operations have increased.

- Rent increased by $536,521 during the twelve months ended January 31, 2023, which is primarily due to the Company renting an aircraft for more efficient travel to the site of the Company's lithium extraction unit.

- Meals and entertainment and travel increased by $229,769 during the twelve months ended January 31, 2023, which is primarily due to the Company's management travelling more frequently to and from the site of the Company's lithium extraction unit.

- Consulting fees decreased by $514,742 during the twelve months ended January 31, 2023 due to the reclassification of consulting fees to different operating expense items on the consolidated statement of loss and comprehensive loss per the direction of the CFO.

Summary of Quarterly Results

The following financial data was derived from the Company's condensed consolidated interim financial statements for each of the eight most recently completed financial quarters:

	April 30, 2022	July 31, 2022	October 31, 2022	January 31, 2023
Revenue	-	-	-	-
Income (loss) for the period	($5,424,561)	($2,344,572)	($5,231,114)	($2,208,263)
Income (loss) per share - basic and diluted	($0.04)	($0.02)	($0.04)	($0.02)
Weighted average number of shares outstanding - basic	135,124,777	136,273,092	137,392,657	139,695,509
Weighted average number of shares outstanding – diluted	135,124,777	136,273,092	137,392,657	139,695,509

	April 30, 2021	July 31, 2021	October 31, 2021	January 31, 2022
Revenue	-	-	-	-
Income (loss) for the period	$90,322	($1,519,919)	($98,085)	$1,714,895
Income (loss) per share - basic and diluted	$0.00	($0.01)	($0.00)	$0.01
Weighted average number of shares outstanding - basic	121,784,201	125,850,399	126,401,332	130,026,125
Weighted average number of shares outstanding – diluted	132,095,222	125,850,399	126,401,332	132,058,238

The Company earned no revenue due to the nature of current operations.

The factors that have caused variations in results over the quarters are:

- The Company incurred a net loss of $2,208,263 for the quarter ended January 31, 2023 as compared to a net loss of $5,231,114 for the previous quarter. The decrease in net loss is primarily due to a $1,291,592 increase in foreign exchange gain due to the decrease in the US dollar relative to the Canadian dollar as a significant portion of the Company's trade payables and other liabilities are denominated in US dollars, a $1,050,537 decrease in share-based payments due to the vesting of 300,000 stock options in the previous quarter that were granted to the CEO and former President of the Company, a $836,628 decrease in professional fees due to a decrease in legal fees incurred on obtaining patents for the Company and a decrease in general corporate matters and engineering services related to the final stages of production of the lithium extraction unit. This is partially offset by a $390,676 increase in consulting fees due to the reclassification of consulting fees to different operating expense items on the consolidated statement loss and comprehensive loss during the prior quarter per the direction of the CFO.

- The Company incurred a net loss of $5,231,114 for the quarter ended October 31, 2022 as compared to a net loss of $2,344,572 for the previous quarter. The increase in net loss is primarily due to a $1,153,512 increase in share-based payments due to 600,000 stock options being granted to the President of the Company late in the previous quarter along with $600,000 USD of restricted share units being granted to the President of the Company late in the previous quarter, a $1,058,786 increase in foreign exchange loss due to the increase in the US dollar relative to the Canadian dollar as a significant portion of the Company's trade payables and other liabilities are denominated in

US dollars, and a $1,057,830 increase in professional fees due to an increase in legal fees incurred on obtaining patents for the Company along with general corporate matters, fees incurred on engineering services related to the final stages of production of the lithium extraction unit and accounting fees. This is partially offset by a $660,991 decrease in consulting fees due to the reclassification of consulting fees to different operating expense items on the consolidated statement of loss and comprehensive loss per the direction of the CFO.

- The Company incurred a net loss of $2,344,572 for the quarter ended July 31, 2022 as compared to a net loss of $5,424,561 for the previous quarter. The decrease in net loss is primarily due to a $3,584,856 decrease in share-based payments due to 1,000,000 stock options being granted during the previous quarter compared to 200,000 stock options being granted during the current quarter and a $365,686 increase in foreign exchange gain. This is partially offset by a $276,457 increase in management fees, salaries and benefits as the Company appointed 3 new directors late in the prior quarter and also appointed a new President and a new interim CFO during the current quarter, a $237,510 increase in professional fees due to an increase in legal fees incurred on obtaining patents for the Company along with general corporate matters.

- The Company incurred a net loss of $5,424,561 for the quarter ended April 30, 2022 as compared to net income of $1,714,895 for the previous quarter. The increase in net loss is primarily due to a $3,780,356 increase in share-based payments due to 1,000,000 stock options being granted during the quarter, a $3,623,146 decrease in the change in fair value and derecognition of derivative liability arising from warrants with an exercise price in USD and a $257,288 increase in foreign exchange loss. This is partially offset by a $546,944 decrease in the amortization of intangible asset.

- The Company recognized net income of $1,714,895 for the quarter ended January 31, 2022, as compared to a net loss of $98,085 for the previous quarter. The increase in net income is primarily due to a $2,861,119 increase in the change in fair value and derecognition of derivative liability arising from warrants with an exercise price in USD. This is partially offset by a $713,902 increase in amortization of intangible asset and a $253,224 increase in share-based payments due to 320,000 stock options being granted with 80,000 of the stock options vesting during the quarter.

- The Company incurred a net loss of $98,085 for the quarter ended October 31, 2021, as compared to a net loss of $1,519,919 for the previous quarter. The decrease in net loss is primarily due to a $1,581,915 increase in the change in fair value and derecognition of derivative liability arising from warrants with an exercise price in USD and a decrease in share-based payments of $203,395 due to 400,000 stock options being granted in the prior quarter to directors and advisory board members. This is partially offset by a $167,910 increase in professional fees as more patent work was completed during the quarter and a $80,368 increase in consulting fees due to the Company's increased efforts for engineering work done on lithium extraction.

- The Company incurred a net loss of $1,519,919 for the quarter ended July 31, 2021, as compared to net income of $90,322 for the previous quarter. The increase in net loss is primarily due to a $1,494,302 decrease in change in fair value and derecognition of derivative liability arising from warrants with an exercise price in USD and an increase in share-based payments of $203,395 due to 400,000 stock options being granted to directors and advisory board members. This is partially offset by a $99,301 decrease in consulting fees.

- The Company incurred net income of $90,322 for the quarter ended April 30, 2021, as compared to a net loss of $12,962,171 for the previous quarter. The increase in net income is primarily due to a $4,232,595 increase in the change in fair value and derecognition of derivative liability upon the exercise of 6,666,666 warrants in USD along with an increase in the fair value of the derivative liability, $4,526,778 of share-based payments recorded during the prior quarter due to the grant of 8,148,500 stock options to directors and consultants of the Company, a loss on settlement of debt of $4,188,708 being recorded in the prior quarter.

Transactions between Related Parties

The Company has identified its directors and certain officers as its key management personnel. Current directors and officers of the Company are as follows:

John Burba, Director of Global Technology (appointed on December 2, 2022, Director and former Chief Executive Officer (until transition to Director of Global Technology on December 2, 2022)
Logan Anderson, former Chief Financial Officer and Director (resigned as Director on March 2, 2022, resigned as Chief Financial Officer on June 21, 2022)
David Ryan, former Director (resigned on March 2, 2022)
Rodger Cree, former Director (resigned on March 2, 2022)
Tony Colletti, former Interim President (appointed on March 2, 2022, resigned on June 21, 2022) and Director (appointed on May 12, 2021)
Maria Echaveste, Director (appointed on March 2, 2022)
Foy Wyman Morgan, Director (appointed on March 2, 2022)
William M. Webster, Director (appointed on March 2, 2022)
Garry Flowers, Chief Executive Officer (appointed on December 2, 2022) and former President (appointed on June 21, 2022 until transition to Chief Executive Officer on December 2, 2022)
Yick Cheung Chan, Interim Chief Financial Officer (appointed on June 21, 2022)

The remuneration of directors and other members of key management for the three and twelve months ended January 31, 2023 and 2022 are as follows:

	Three months ended January 31,		Twelve months ended January 31,	
	2023	2022	2023	2022
Management fees, salaries and benefits [1]	$ 295,166	$ 108,343	$ 1,104,046	$ 430,556
Directors' fees [1]	93,765	15,000	326,251	56,500
Share-based payments [1]	232,100	-	5,287,631	101,697
	$ 621,031	$ 123,343	$ 6,717,928	$ 588,753

[1] Management fees, salaries and benefits, directors fees and share-based payments are included under general and administrative expense.

The Company entered into the following related party transactions during the three and twelve months ended January 31, 2023 and 2022:

a) The Company paid or accrued management fees of $120,024 and $396,826 (2022 - $Nil and $Nil), respectively, to Business Talent Group for the services performed by Yick Cheung Chan as interim Chief Financial Officer ("CFO");
b) The Company paid or accrued management fees of $Nil and $75,000 (2022 - $45,000 and $180,000), respectively, to Amteck Financial Corp., a company controlled by Logan Anderson, the former Chief Financial Officer ("CFO") and former director of the Company and directors' fees of $Nil and $1,000 (2022 - $3,000 and $12,000), respectively, to Logan Anderson. Upon appointment as Corporate Secretary, the Company incurred management fees of $Nil and $6,000 (2022 - $Nil and $Nil), respectively, to Logan Anderson;

c) The Company paid or accrued salaries of $67,407 and $261,652 (2022 - $63,343 and $250,556), respectively, directors' fees of $Nil and $1,000 (2022 - $3,000 and $12,000), respectively, to John Burba, the Director of Global Technology, director and former Chief Executive Officer ("CEO") of the Company;
d) The Company paid or accrued directors' fee of $Nil and $1,000 (2022 - $3,000 and $12,000), respectively, to David Ryan, a former director of the Company;
e) The Company paid or accrued directors' fee of $Nil and $1,000 (2022 - $3,000 and $12,000), respectively to Rodger Cree, a former director of the Company;
f) The Company paid or accrued salaries and severance pay of $Nil and $116,546 (2022 - $Nil and $Nil), respectively and directors' fees of $23,442 and $57,876 (2022 - $3,000 and $8,500), respectively, and granted share-based payments valued at $Nil and $382,690 (2022 - $Nil and $101,697) to Tony Colletti, former interim president and a director of the Company;
g) The Company paid or accrued directors fees of $23,441 and $88,125 (2022 - $Nil and $Nil), respectively, and granted share-based payments valued at $Nil and $1,148,074 (2022 - $Nil and $Nil), respectively, to Maria Echaveste, a director of the Company;
h) The Company paid or accrued directors fees of $23,441 and $88,125 (2022 - $Nil and $Nil), respectively, and granted share-based payments valued at $Nil and $1,148,074 (2022 - $Nil and $Nil), respectively, to Foy Wyman Morgan, a director of the Company;
i) The Company paid or accrued directors fees of $23,441 and $88,125 (2022 - $Nil and $Nil), respectively, and granted share-based payments valued at $Nil and $1,148,074 (2022 - $Nil and $Nil), respectively, to William M. Webster, a director of the Company;
j) The Company paid or accrued salaries of $107,735 and $248,022 (2022 - $Nil and $Nil), respectively, and granted share-based payments valued at $232,100 and $1,460,719 (2022 - $Nil and $Nil), respectively, to Garry Flowers, CEO and former President of the Company.

During the three and twelve months ended January 31, 2023 and 2022, other related party transactions consisted of the following:

a) A retainer of $45,711 (2021 - $Nil) was paid to Business Talent Group for the services performed by Yick Cheung Chan as interim CFO, of which $7,619 and $45,711 (2022 - $Nil and $Nil), respectively, has been expensed for management fees included in the amount of management fees disclosed above;
b) Included in general and administrative expenses is $Nil and $27,000 (2022 - $9,000 and $36,000), respectively, in office administrative fees paid or accrued to a Company, Wynten Management Corp., controlled by the spouse of the Company's former CFO and former Director, Logan Anderson;
c) Included in general and administrative expenses is $Nil and $16,800 (2022 - $6,000 and $24,000), respectively, in rent paid or accrued to a Company, Westbrook Management Inc., a Company with Logan Anderson and Dave Ryan as common directors;
d) Included in general and administrative expenses is $Nil and $11,545 (2022 - $Nil and $Nil), respectively, in advertising and promotion fees paid or accrued to the son of the Director of Global Technology, director and former CEO of the Company;
e) During the three and twelve months ended January 31, 2023, the Company issued 3,331,162 common shares to Ensorcia at $0.305 per share for gross proceeds of $1,016,004 following the exercise of the pre-emptive rights under the private placement closed in August 2019;
f) During the twelve months ended January 31, 2022, the Company issued 2,332,153 common shares to Ensorcia at a value of $711,306 for payments made by Sorcia on behalf of the Company.

Related Party Balances

At January 31, 2023, $250 (January 31, 2022 - $47,543) was due to Logan Anderson, former CFO and former Director and $Nil (January 31, 2022 - $78,750) was due to Amteck Financial Corp. and is included in trade payables and other liabilities for unpaid directors' and management fees and expense reimbursements. The amounts were unsecured, non-interest bearing and due on demand.

At January 31, 2023, $31,066 (January 31, 2022 - $205,534) was due to John Burba, Director of Global Technology, Director and former CEO and is included in trade payables and other liabilities for unpaid directors' fees and expense reimbursements. The amounts were unsecured, non-interest bearing and due on demand.

At January 31, 2023, $Nil (January 31, 2022 - $18,000) was due to David Ryan, former Director, and is included in trade payables and other liabilities for unpaid directors' fees. The amounts were unsecured, non-interest bearing and due on demand.

At January 31, 2023, $Nil (January 31, 2022 - $32,000) was due to Rodger Cree, former Director, and is included in trade payables and other liabilities for unpaid directors' fees. The amounts were unsecured, non-interest bearing and due on demand.

At January 31, 2023, $16,801 (January 31, 2022 - $8,500) was due to Tony Colletti, former interim President and Director, and is included in trade payables and other liabilities for unpaid directors' fees. The amounts were unsecured, non-interest bearing and due on demand.

At January 31, 2023, $16,801 (January 31, 2022 - $Nil) was due to Maria Echaveste, Director and is included in trade payables and other liabilities for unpaid directors' fees and expense reimbursements. The amounts were unsecured, non-interest bearing and due on demand.

At January 31, 2023, $16,801 (January 31, 2022 - $Nil) was due to Foy Wyman Morgan, Director and is included in trade payables and other liabilities for unpaid directors' fees and expense reimbursements. The amounts were unsecured, non-interest bearing and due on demand.

At January 31, 2023, $16,801 (January 31, 2022 - $Nil) was due to William M. Webster, Director and is included in trade payables and other liabilities for unpaid directors' fees and expense reimbursements. The amounts were unsecured, non-interest bearing and due on demand.

At January 31, 2023, $7,402 (January 31, 2022 - $Nil) was due to Garry Flowers, CEO and former President and is included in trade payables and other liabilities for expense reimbursements. The amounts were unsecured, non-interest bearing and due on demand.

At January 31, 2023, $45,767 (January 31, 2022 - $Nil) was due to Business Talent Group and is included in trade payables and other liabilities for interim CFO services provided by Yick Cheung Chan. The amounts were unsecured, non-interest bearing and due on demand.

At January 31, 2023, $Nil (January 31, 2022 - $12,600) was due to Wynten Management Corp., a company controlled by the spouse of the Company's former CFO and former Director, Logan Anderson.

At January 31, 2023, $Nil (January 31, 2022 - $2,100) was due to Westbrook Management Inc., a company with Logan Anderson and David Ryan as common directors.

At January 31, 2023, $9,506,308 (January 31, 2022 - $12,578,331) was due to Sorcia, a significant shareholder of the Company.

At January 31, 2023, $10,695,033 (January 31, 2022 - $3,282,533) was due to EVL, a significant shareholder of the Company.

Liquidity and Capital Resources

At January 31, 2023, the Company had cash of $1,923,205 (January 31, 2022 - $336,175) and net working capital deficiency of $19,398,476 (January 31, 2022 - $19,324,711). The Company has not pledged any of its assets as security for loans, or otherwise is not subject to any debt covenants. Management has evaluated the Company's alternatives to enable it to pay its liabilities as they become due and payable in the next twelve-month period. The Company believes it will raise additional equity to provide liquidity for it to continue as a going concern during fiscal 2023 in addition to the placement financing that occurred on February 24, 2022, for gross proceeds of US$10,000,000.

The Company's cash is highly liquid and held at major financial institutions.

Increase (decrease) in cash for the twelve months ended,				
		January 31, 2023		**January 31, 2022**
Operating activities	$	(9,796,195)	$	(768,762)
Investing activities		(3,936,849)		(1,304,545)
Financing activities		15,446,299		2,193,014
Total change in cash		1,713,255		119,707
Effect of foreign exchange rate changes on cash		(126,225)		4,255
Cash, beginning of the period		336,175		212,213
Cash, end of the period	$	1,923,205	$	336,175

Operating Activities

Cash used in operating activities for the twelve months ended January 31, 2023 was $9,796,195. The increase in cash used in operating activities primarily relates to the increase in net loss during the period from net income of $187,213 to a net loss of $15,208,510 along with a decrease in trade payables and other liabilities relating to operating activities of $4,162,150 and an increase in prepaid expenses relating to operating activities of $890,511, which is partially offset by an increase in share-based payments of $6,179,620, a decrease in the change in fair value and derecognition of derivative liability of $4,239,699, and an increase in unrealized foreign exchange loss of $1,055,661.

Investing Activities

Cash used in investing activities for the twelve months ended January 31, 2023 consisted of $3,936,849 for costs incurred to build the lithium extraction unit and develop the final blueprints for the lithium extraction unit. During the twelve months ended January 31, 2022, the Company spent $1,297,905 to build the lithium extraction unit and develop the final blueprints for the lithium extraction unit and $6,640 on patent costs.

Financing Activities

Cash provided by financing activities for the twelve months ended January 31, 2023 was $15,446,299 which consisted of $12,766,859 proceeds from a private placement, $2,032,009 of proceeds from shares issued under pre-emptive rights, $1,497,000 of proceeds from the exercise of 3,950,000 stock options which is partially offset by share issuance costs of $780,718 and principal lease payments of $68,851. During the twelve months ended January 31, 2022, the Company raised proceeds of $1,363,832 from the exercise of warrants, $711,307 from private placements, and $117,875 from the exercise of stock options.

Use of Judgments, Estimates and Assumptions

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

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods are outlined below.

- Areas requiring a significant degree of estimation relate to the fair value measurements for financial instruments and share-based payments, the valuation of all liability and equity instruments including stock options, the recoverability and value of intangible assets, equipment and measurement of deferred tax assets and liabilities. Actual results may differ from those estimates.

Judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements are outlined below.

- The Company made critical judgements to determine the accounting treatment of the acquisition of SAL as an asset acquisition. The benefit of the Company acquiring SAL was the acquisition of its intellectual property. Management concluded that because SAL did not possess the necessary inputs and processes capable of producing outputs it did not meet the definition of a business as defined by IFRS. Accordingly, the transaction was accounted for as an acquisition of assets and the fair value of the consideration aid was allocated to the fair value of the assets acquired.

- Critical judgment is involved in determining whether there are any indications of impairment for the intangible assets and may require significant measurement uncertainty.

- The functional currency for the Company and its subsidiaries is the currency of the primary economic environment in which the entity operates. Determination of the functional currency involves certain judgments to determine the primary economic environment and the Company reconsiders the functional currency of its entities if there is a change in events and conditions which determined the primary economic environment. The Company has determined that the functional currency of the parent company is the Canadian dollar. The functional currency of its subsidiary, IBAT USA, Inc., has been determined to be the United States dollar.

- Significant judgment is involved in evaluating whether milestone performance share payments in the acquisition of SAL were probable of being achieved at the time of acquisition and how to account for them in an asset acquisition. The Company recognizes the fair value of contingently issuable shares and has classified it as equity. Contingently issuable shares are measured at fair value based on management's best estimate of the probability of the attainment of specified milestones. Changes in management's estimate of the probability of achieving the specified milestones could have a material impact on the valuation of the contingently issuable shares.

- Management has accounted for the warrants issued in relation to its royalty agreement as a signing incentive and has recorded their value as a share-based payments expense due to uncertainty of future royalty revenues.

- These consolidated financial statements have been prepared on a basis which assumes the Company will continue to operate for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. In assessing whether this assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, 12 months from the end of the reporting period. This assessment is based upon planned actions that may or may not occur for a number of reasons including the Company's own resources and external market conditions.

Critical accounting policies are disclosed in the Company's annual audited consolidated financial statements for the year ended January 31, 2022.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements and does not contemplate having them in the foreseeable future.

Financial Instruments and Other Instruments

The carrying values of cash, amounts receivable, trade payables and other liabilities approximate their fair values because of the short-term maturity of these financial instruments. The Company has no exposure to asset backed commercial paper.

Credit risk

Financial instruments that potentially subject the Company to credit risk consist of cash and amounts receivable. The Company manages its credit risk relating to cash by dealing only with high-rated financial institutions as determined by rating agencies. As at January 31, 2023, amounts receivable of $13,615 (January 31, 2022 - $12,284) are due from a government agency. As a result, credit risk is considered insignificant. The Company does not consider any of its financial assets to be impaired.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company manages liquidity risk by maintaining sufficient cash balances to enable settlement of transactions on the due date. The Company addresses its liquidity by raising capital through the issuance of equity. While the Company has been successful in securing financings in the past, there is no assurance that it will be able to do so in the future. The Company is exposed to liquidity risk.

As at January 31, 2023 the Company had working capital deficiency of $19,398,476 (January 31, 2022 – $19,324,711).

Foreign currency risk

Foreign currency risk is the risk that a variation in exchange rates between the Canadian dollar and the U.S. dollar will affect the Company's operations and financial results. The operating results and financial position of the Company are reported in Canadian dollars.

As at January 31, 2023, if the value of the Canadian dollar had strengthened or weakened by 5% against the U.S. dollar, with all other variables held constant, comprehensive income would have been approximately $988,000 lower or higher respectively.

Other risks

Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest rate risk and commodity price risk arising from financial instruments.

Risks

The material risk factors involved with the Company include, but are not limited to, the following:

Dependence on Key Personnel and Consultants

The success of the Company will be largely dependent upon the performance of its management and key employees. Failure by the Company to retain or to attract and retain additional key employees with necessary skills could have a materially adverse impact upon the Company's growth and profitability. These individuals, and the contributions they will make, are important to the future operations and success of the Company. The unexpected loss or departure of any of the key officers, employees or consultants of the Company could be detrimental to the Company's future operations. The Company's success will depend in part on its ability to attract and retain qualified personnel, as they are needed. The competition for highly skilled technical, management, sales and other employees is high in the Company's industry and the cost of hiring and retaining such personnel has been increasing. There can be no assurance that the Company will be able to engage the services of such personnel or retain the Company's current personnel.

Changes in Industry Standards or Technology

The industry in which the Company will operate is subject to constant changes in industry standards and technology, frequent new product introductions, and evolving technical standards. Technological developments, or a substantial change in industry standards, may reduce the competitiveness of the Company's technology and require unbudgeted expenditures that could be expensive. The Company may be unable to develop and introduce new technology that satisfies requirements and achieves market acceptance in a timely manner or at all, the technologies where it has focused its research and development expenditures may not become commercially successful, and it may be unable to anticipate new industry standards and technological changes. The Company also may not be able to respond successfully to new product and service announcements and introductions by competitors. If it fails to adapt successfully to technological changes or fails to obtain access to important new technologies, the Company may be unable to retain customers, attract new customers or sell new products to its existing customers.

Limited Operating History

The Company has had a limited history of operations and is in the early stage of development and must be considered a start-up. As such, the Company will be subject to many risks common to such enterprises, including start-up losses, lack and uncertainty of revenues, markets and profitability, under-capitalization, cash shortages, and limitations with respect to personnel, financial and other resources. The Company has a limited history of earnings and its limited operating history makes it difficult to predict how its business will develop and its future operating results. There is no assurance that any future products will generate earnings, operate profitably or provide a return on investment in the future and the likelihood of success and any potential return on a shareholder's investment must be considered in light of the Company's early stage of operations. The Company has no intention of paying any dividends in the foreseeable future.

Disruption of Services

The Company's engineering is done at third party facilities. It does not control the operations at the third-party facilities. All of these facilities are vulnerable to damage or interruption from earthquakes, hurricanes, floods, fires, terrorist attacks, power losses, telecommunications failures and similar events. They also could be subject to break-ins, computer viruses, denial of service attacks, sabotage, intentional acts of vandalism and other misconduct. The occurrence of a natural disaster or an act of terrorism, a decision to close the third-party facilities without adequate notice or other unanticipated problems could result in lengthy interruptions in the Company's services. Interruptions in the Company's ability to build the mobile Extraction System might harm its reputation, cause it to incur financial penalties, and subject it to potential liability.

Protection of Intellectual Property Rights

The industry in which the Company operates is characterized by vigorous protection and pursuit of intellectual property rights and positions, which may result in protracted and expensive litigation for many companies. The Company's commercial success depends, in part, upon the Company not infringing intellectual property rights owned by others. Some of the Company's competitors and other third parties may have been issued patents or filed patent applications or may obtain additional patents and proprietary rights for technologies similar to those used by the Company in its products. Some of these patents may grant very broad protection to the owners of such patents. The Company cannot determine with certainty whether any existing third-party patents, or the issuance of any third party patents, would require the Company to alter its technology, obtain licenses or cease certain activities.

Regardless of their merit, any lawsuits resulting from such allegations could subject the Company to significant liability for damages and invalidate the Company's proprietary rights; and any potential intellectual property litigation also could force it to do one or more of the following:

- stop selling products or using technologies that contain the allegedly infringing intellectual property;
- lose the opportunity to license the Company's technology to others or to collect royalty payments based upon successful protection and assertion of its intellectual property against others;
- incur significant legal expenses and spend time evaluating and defending any claims;
- divert management's attention and focus away from the business;
- pay substantial damages to the party whose intellectual property rights the Company may be found to be infringing;
- expend significant resources to modify and redesign those products that contain the allegedly infringing intellectual property;
- cross-license the Company's technology to a competitor to resolve an infringement claim, which could weaken the Company's ability to compete with that competitor; or

Any significant impairment of the Company's intellectual property rights from any litigation the Company faces could harm the Company's business and its ability to compete. The Company may be prohibited from developing or commercializing certain technologies and products unless it obtains a license from a third party or pays costly royalties. There can be no assurance that the Company will be able to obtain any such license on commercially favourable terms, or at all. If the Company does not obtain such a license, its business, results of operations and financial condition could be materially adversely affected and the

Company could be required to cease related business operations in some markets and to restructure its business to focus on operations in other markets.

Disclosure of Outstanding Securities Data

As at January 31, 2023, the Company had 146,285,416 common shares, 8,218,500 options and 3,333,333 warrants outstanding.

As at the date of this MD&A, the Company had 195,435,910 common shares, 8,218,500 options and 3,755,831 warrants outstanding.

Events After the Reporting Period

On February 7, 2023, the Company issued 15,072,992 Milestone Shares to the shareholders of NAL in relation to SAL achieving certain milestones subsequent to the acquisition by the Company. Included in the 15,072,992 Milestone Shares issued to the shareholders of NAL is 5,024,331 Milestone Shares that were issued to Dr. John Burba, Director of Global Technology, Director and former CEO. Christina Borgese and Marc Privitera through respective counsel, have agreed that the remaining 10,048,661 Milestone shares issued pursuant to the terms of the Share Exchange Agreement will not be subject to the voluntary pooling conditions agreed to and accepted by Dr. Burba. The Company issued the remaining 10,048,661 Milestone shares to be equally distributed amongst each of Ms. Borgese and Mr. Privitera (the "Issuance").

On February 21, 2023, the Company executed an amendment to the Chile and Argentina license agreements with Sorcia and EAL, respectively. Sorcia and EAL agree to relinquish its rights to lease the Extraction System in Chile and Argentina, respectively. Sorcia and EAL shall have the Preferential Right entitling Sorcia and EAL the right for construction of the next IBAT Extraction System on IBAT's construction schedule. The amendment to the agreements changed termination date that the Company can terminate the agreement if the first extraction system is not installed or operational to December 31, 2028 with Sorcia and EAL.

On March 21, 2023, the Company closed a private placement of 17,250,000 units of the Company at a price per unit of $0.58 to Sorcia and EVL. Each unit consists of one common share and one common share purchase warrant entitling the holder thereof to acquire one common share of the Company at a price per common share of $0.58. Upon closing of the private placement, Sorcia exercised 8,202,502 of its common share purchase warrants at $0.58 per common share for 8,202,502 common shares. Also, upon closing of the private placement, EVL exercised all 8,625,000 of its common share purchase warrants at $0.58 per common share for 8,625,000 common shares. In lieu of receiving cash proceeds for the issuance of 34,077,502 common shares, the Company settled the entire $9,759,952 balance owing to Sorcia and $10,005,000 of its balance owing to EVL.

On March 30, 2023, the Company entered into a non-exclusive license agreement with Entec LLC. ("Entec") whereby the Company will provide Entec a non-exclusive limited license to all of the patents, trade secrets and other proprietary rights for use in an extraction system of lithium salts from lithium bearing raw brine, outside the territories of Chile or Argentina. With respect to the first resource project or lithium extraction facility where the Company's licensed rights are utilized, Entec agrees to pay the Company an earned royalty of 6% of the Netback Sales Price. Additionally, with respect to Entec's interest in the project, Entec agrees to grant the Company an interest in each project equal to 10% of Entec's interest in the project. With respect to the second project and each additional project, Entec agrees to pay the Company an earned royalty and grant a participation interest equal to the last lithium production agreement entered into by the Company in the country where the project resides. If no previous lithium production agreement has been executed by the Company in the country where the project resides, Entec will grant a royalty of 6% of the Netback Sales Price and a 10% participation interest. Entec will offer the Company the right to invest together with Entec up to 50% of the equity to be invested by Entec and receive an equity interest in the project commensurate with the invested capital.

The interim CFO of the Company, Yick Cheung Chan, opted not to renew his contract and departed the Company on March 31, 2023. Mr. Daniel Christie will be appointed interim CFO starting April 1, 2023.

Effective April 1, 2023, the Company's address will be Royal Centre, Suite 1750 – 1055 W. Georgia Street, Vancouver, B.C. V6E 3P3.

Proposed Transactions

Other than normal course review of monthly submittals, there are no other new acquisitions or proposed transactions contemplated as at the date of this report.

Outlook

For the coming year, the Company's priorities are to raise the capital necessary to meet its short-term operating requirements, and to continue to develop its newly acquired intellectual property, and to generate revenue through licensing agreements for its intellectual property.

There are significant risks that might affect the Company's further development. These include but are not limited to negative cash flow from operations; the Company's ability to raise financing in the future for ongoing operations; market fluctuations in metal prices; government regulations; and other conditions that may be out of the Company's control.

Accounting Policies

A detailed summary of all of the Company's significant accounting policies is included in Note 3 to the audited consolidated financial statements for the year ended January 31, 2022, and have been consistently followed in the preparation of the condensed consolidated interim financial statements for the three and twelve months ended January 31, 2023.

Accounting Standards and Amendments Issued but Not Yet Effective

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company has not early adopted any new standards and determined that there are no standards that are relevant to the Company.