

SPOD LITHIUM CORP.
(Formerly EEE Exploration Corp.)
MANAGEMENT DISCUSSION & ANALYSIS
For Year Ended July 31, 2022 and 2021

This Management Discussion and Analysis (“MD&A”) of Spod Lithium Corp. (formerly EEE Exploration Corp. (“Spod” or the “Company”)) has been prepared by management as at November 23, 2022 and should be read together with the annual audited financial statements for the period ended July 31, 2022 and related notes for the year ended July 31, 2022 which are prepared in accordance with International Financial Reporting Standards (“IFRS”). Additional information regarding the Company can be found on SEDAR at www.sedar.com. The following amounts are expressed in Canadian dollars unless otherwise stated.

This MD&A may contain “forward-looking statements” which reflect the Company’s current expectations regarding the future results of operations, performance and achievements of the Company. The Company has tried, wherever possible, to identify these forward-looking statements by, among other things, using words such as “anticipate,” “believe,” “estimate,” “expect” and similar expressions. The statements reflect the current beliefs of the management of the Company, and are based on currently available information. Accordingly, these statements are subject to known and unknown risks, uncertainties and other factors, which could cause the actual results, performance, or achievements of the Company to differ materially from those expressed in, or implied by, these statements.

The Company undertakes no obligation to publicly update or review the forward-looking statements whether as a result of new information, future events or otherwise. Historical results of operations and trends that may be inferred from the following discussions and analysis may not necessarily indicate future results from operations.

Company Overview

Spod Lithium Corp. (formerly EEE Exploration Corp.) (the “Company”) was incorporated as a wholly-owned subsidiary of reporting issuer Pharmalogix Investments Corp. (Formerly UWO Consulting Ltd.) (“UWO”) on November 11, 2014 under the laws of British Columbia, Canada. Pursuant to a plan of arrangement between the Company and UWO, the Company’s shares were distributed to the shareholders of UWO during the year ended July 31, 2018. On April 14, 2021, the Company changed its name to EEE Exploration Corp. and on September 21, 2022, the Company changed its name to Spod Lithium Corp. On September 21, 2021, the Company commenced trading on the Canadian Securities Exchange (“CSE” or “Exchange”) and is currently trading under the symbol “SPOD”. The Company is engaged in the business of mineral exploration.

The Company’s exploration and evaluation assets are located in Canada in the provinces of Quebec and Ontario.

In August 2020, the Company entered into a property option agreement to acquire up to an 80% interest in and to the Golden Moon Property, comprised of 10 mineral claims located in Quebec. The Optionor holds an 80% interest in seven of the claims and a 100% interest in the remaining three claims.

In July 2021, the company issued 100,000 Class A common shares pursuant to the Company’s property option agreement dated February 22, 2021 under which the Company has the option to acquire a 100% interest in and to the NW Abitibi Project, comprised of 63 mineral claims totaling 1,323 hectares located in Ontario.

In January 2022, the Company acquired a 20% interest in the Golden Moon Property for a \$10,000 consideration. In addition, the Company granted a 1.0% net smelter returns royalty on the purchased Claims. The Company has the right to repurchase the NSR from the prospectors at any time for \$500,000.

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In March 2022, the Company acquired the remaining 80% interest in the Golden Moon Property for a consideration of 1,000,000 Class A Common Shares of the Company with a fair value of \$180,000.

The Company now owns a 100% interest in the **Golden Moon Property**, subject to: a 1% net smelter returns royalty on the property that the Company has granted to Noranda Royalties Inc. and a 1% net smelter returns royalty on seven mineral claims comprising the property that the Company previously granted to the prospectors of the property. The Company has the right to repurchase the Noranda Royalty at any time for \$500,000, and the Company also has the right to repurchase the Prospector Royalty at any time for \$500,000.

In March 2022, the Company announced that it provided notice to the optionor of the **NW Abitibi Property** that the Company will not be pursuing its option under the property option agreement respecting the property.

In June 2022, the Company announced that it entered into a purchase option agreement to acquire a 100% interest in 46 unpatented mining claims collectively known as the **Byron Pegmatite Property** located in the Province of Ontario by making aggregate cash payments of \$74,000 and issuing 300,000 common shares. \$12,000 was and 300,000 common to the Optionors on execution of the Option Agreement.

In June 2022, the Company announced it has hired Chibougamau Diamond Drilling Ltd. to drill an exploration hole on its 100% owned Golden Moon property located in the Chibougamau area in the Province of Quebec.

In July 2022, entered into an option agreement to acquire up to a 100% interest in 41 mining claims collectively known as the **Lithium Grande 4 Property** in the province of Quebec by making aggregate cash payments of \$325,000 and issuing an aggregate of 3,000,000 common shares to optionor. \$25,000 was paid 500,000 common shares were issued to the Optionors on execution of the Option Agreement.

In July 2022, entered into an option agreement to acquire up to a 100% interest in 2 unpatented mining claims collectively known as the **Barbara Property** in the province of Ontario by making aggregate cash payments of \$120,000 and issuing 800,000 common shares to optionor. \$20,000 was paid and 800,000 shares were issued on execution of the Option Agreement.

In July 2022, entered into an option agreement to acquire up to a 100% interest in 2 unpatented mining claims collectively known as the **Ferdinand Property** in the province of Ontario by making aggregate cash payments of \$50,200 to optionor. \$5,200 was paid on execution of the Option Agreement.

In August 2022, the Company entered into a mineral option agreement for the **MegaLi Exploration Property** in the Province of Quebec to acquire a 50% interest in the property by: making aggregate cash payments of \$325,000, issuing an aggregate of 3,000,000 common shares to the optionor and at least \$1,850,000 in exploration expenditures on the property withing three years. \$25,000 was paid and 500,000 shares were issued on execution of the agreement.

In September 2022, the Company closed a non-brokered private placement financing for gross proceeds of \$2,700,000. Issuance of 15,000,000 Class A common shares at a price of \$0.10 per Share and 10,000,000 flow-through shares at a price of \$0.12 per share.

In October 2022, the Company entered into an option agreement with GIA Resources Inc. ("GIA"), a related party through officer in comment, pursuant to which the Company has granted GIA an option to earn a 100% interest in the Golden Moon Property. GIA is required to make aggregate exploration expenditures of \$450,000 on the property and issue 1,700,000 common shares to the Company before October 31, 2025.

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In November 2022, the Company entered into a property purchase agreement with Jadeite Capital Ltd. and Generic Geo Inc. to purchase the North Nipigon exploration property comprising 401 mineral claims located north of the town of Nipigon, Ontario. The Company will acquire 100% interest in the property by making an aggregate cash payment of \$65,000 and by issuing an aggregate 4,000,000 Class A common shares to the sellers on the closing of the agreement. The property is subject to a 2% net smelter return royalty in favour of Jadeite Capital Ltd.

Selected Annual Information

The following table provides a summary of the Company's financial operations in the past three years. For more detailed information, refer to the Financial Statements.

	Year Ended July 31, 2022	Year Ended July 31, 2021	Year Ended July 31, 2020
	\$	\$	\$
Total revenue	Nil	Nil	Nil
General and administrative expenses	(301,969)	(317,899)	(55,359)
Loss and comprehensive loss for the year	(302,594)	(282,097)	(55,359)
Loss per share – basic and diluted	(0.02)	(0.02)	(0.01)
Total assets	710,582	639,335	15,940
Total liabilities	143,299	94,958	58,963

Summary of Quarterly Results

	July 31, 2022	April 30, 2022	January 31, 2022	October 31, 2021
Net Loss for the Period	\$ (141,043)	\$ (16,814)	\$ (109,161)	\$ (35,576)
Loss per Share	\$ (0.01)	\$ (0.00)	\$ (0.01)	\$ (0.00)

	July 31, 2021	April 30, 2021	January 31, 2021	October 31, 2020
Net Loss for the Period	\$ (59,081)	\$ (150,262)	\$ (32,593)	\$ (40,161)
Loss per Share	\$ (0.01)	\$ (0.01)	\$ (0.00)	\$ (0.00)

Results of Operations

Year Ended July 31, 2022

The Company had no revenue from operations for the ended July 31, 2022, and 2021. During the year ended July 31, 2022, the Company incurred a net and comprehensive loss of \$302,594 (2021 - \$282,097) consisting of general and administrative expenses of \$90,049 (2021 - \$25,283), consulting fees of \$39,035 (2021 - \$81,692), share based compensation of \$nil (2021 - \$93,727), transfer agent and filing fees expenses of \$40,861 (2021 - \$34,562), management fees of \$59,000 (2021 - \$36,000), and legal and accounting expenses of \$73,024 (2021 - \$46,635).

Other income (expenses) were the reversal of flow-through share liability of \$39,375 (2021 - \$35,802) and the impairment of exploration and valuation assets of \$40,000 (2021 - \$nil).

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Fourth Quarter Results

A summary of results for the fourth quarter is summarized below:

	Three Months Ended July 31, 2022	Three Months Ended July 31, 2021
	\$	\$
General and administrative	57,455	11,459
Consulting	11,899	14,499
Transfer agent and filing fees	23,781	14,691
Management fees	24,000	9,000
Legal and accounting	24,455	9,432
Reversal of flow-through share liability	(547)	-
	141,043	59,081

Exploration and Evaluation Assets

At July 31, 2022, the Company incurred total costs of \$650,234 (July 31, 2021 - \$177,040).

For the year ended July 31, 2022, acquisition and license renewal costs were \$397,700 (2021 - \$69,635) and exploration costs of \$115,494 (2021 - \$107,405) which includes geological costs of \$4,361 (2021 - \$31,053), consulting fees of \$27,572 (2021 - \$412) and drilling costs of \$83,561 (2021 - \$75,940).

For the year ended July 31, 2022, \$40,000 (2021 - \$nil) impairment cost was recognized on the NW Abitibi property.

Liquidity and Capital Resources

At July 31, 2022, the Company reported a working capital deficit of \$82,951 (July 31, 2021 - working capital of \$367,337). At July 31, 2022 the Company had a cash balance of \$36,629 (July 31, 2021 - \$444,667) to settle current liabilities of \$143,299 (July 31, 2021 - \$94,958). The Company expects to fund the liabilities and its operational activities through the issuance of capital stock over the coming year.

As at July 31, 2022, the Company's cash decreased by \$408,038 to \$36,629 from \$444,667. For the year ended July 31, 2022, cash used in operating activities of \$245,344 (2021 - \$274,461), cash provided by financing activities of \$nil (2021 - \$835,228), and cash used in investing activities of \$162,694 (2021 - \$132,040).

During the year ended July 31, 2022, cash used in operating activities of \$245,344 (2021 - \$274,461). Cash used during the year consists primarily of general and administrative expenditures of \$302,594 (2021- \$282,097) net of the reversal of flow-through share liability of \$39,375 (2021 - \$35,802), impairment of exploration and valuation assets of \$40,000 (2021 - \$nil) and non-cash working capital items of \$56,625 (2021 - \$50,289).

During the year ended July 31, 2022, cash provided by financing activities of \$nil (2021 - \$835,228). Cash was used to repay related party loans of \$nil (2021 - \$2,809) and \$nil (2021 - \$838,037) from the issuance of common shares.

During the year ended July 31, 2022, cash used in investing activities of \$162,694 (2021 - \$132,040) for exploration and evaluation assets.

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The Company may continue to have capital requirements in excess of its currently available resources. In the event the Company's plans change, its assumptions change or prove inaccurate, or its capital resources in addition to projected cash flow, if any, prove to be insufficient to fund operations, the Company may be required to seek additional financing. There can be no assurance that the Company will have sufficient financing to meet its future capital requirements or that additional financing will be available on terms acceptable to the Company in the future.

Related party Transactions

As at July 31, 2022, due to related party includes \$6,275 (July 31, 2021 – \$nil) due to a director and a company controlled by a director.

During the year ended July 31, 2022, the Company incurred management fees of \$59,000 (2021 - \$36,000), rent of \$6,700 (2021 - \$5,740) to directors and share-based compensation to officers and directors of \$nil (2021 - \$93,727).

Management fees of \$50,000 (2021 - \$36,000) and rent of \$6,700 (2021 - \$5,740) to the CEO and management fees of \$9,000 (2021 - \$nil) to the CFO.

Off-Balance Sheet Arrangements

The Company does not utilize off-balance sheet arrangements.

New standards, Amendments, and Interpretations

The Company has reviewed the impact of new and amended standards that are effective for annual periods beginning on or after August 1, 2022. It does not expect the impact on the financial statements to be material, although additional disclosure may be required.

Financial Instruments and Other Instruments

	<i>Ref.</i>	July 31, 2022	July 31, 2021
		\$	\$
Other financial assets	a	60,348	449,296
Other financial liabilities	b	(70,443)	(16,493)

a. Comprised of cash and receivable

b. Comprised of accounts payable, loans and due to related party.

The Company has determined the estimated fair values of its financial instruments based on appropriate valuation methodologies; however, considerable judgment is required to develop these estimates. The fair values of the Company's financial instruments are not materially different from their carrying values.

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Management of Industry and Financial Risk

The Company is in the business of consulting on capital markets, deal structuring, venture capital and corporate advisory.

The Company's financial instruments are exposed to certain financial risks, which include the following:

Credit risk

Credit risk is the risk of loss due to the counterparty's inability to meet its obligations. The Company's exposure to credit risk is on its cash and other receivables. Risk associated with cash is managed through the use of major banks which are high credit quality financial institutions as determined by rating agencies. Other receivables comprise sales tax refunds from the Canadian federal government. Credit risk has been assessed as low.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulties in meeting obligations when they become due. The Company ensures that there is sufficient capital in order to meet short-term operating requirements, after taking into account the Company's holdings of cash. The Company's cash are held in corporate bank accounts available on demand. Liquidity risk has been assessed as high.

Market Risk

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

Currency Risk

The Company is subject to normal market risks including fluctuations in foreign exchange rates and interest rate. While the Company manages its operations in order to minimize exposure to these risks, the Company has not entered into any derivatives or contracts to hedge or otherwise mitigate this exposure. The Company does not have any assets or liabilities denominated in foreign currencies and engages in very few transactions denominated in a foreign currency; therefore, its exposure to currency risk is low.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk.

Proposed Transactions

On August 3, 2022, the Company entered into a mineral option agreement for the MegaLi Exploration Property in the Province of Quebec to acquire a 50% interest in the property by: making aggregate cash payments of \$325,000 to the optionor (\$25,000 on execution of the agreement, \$50,000 on the first anniversary of the agreement, \$100,000 on the second anniversary of the agreement, and \$150,000 on the third anniversary of the agreement); issuing an aggregate of 3,000,000 common shares (500,000 shares on execution of the agreement, 700,000 shares on the first anniversary of the agreement, 800,000 shares on the second anniversary of the agreement, and 1,000,000 shares on the third anniversary of the agreement); and incurring at least \$1,850,000 in exploration expenditures on the property (at least \$350,000 on or before the first anniversary of the agreement, at least an additional \$500,000 on or before the second anniversary of the agreement, and at least an additional \$1,000,000 on or before the third anniversary of the agreement).

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anniversary of the agreement).

On September 1, 2022, the Company closed a non-brokered private placement for gross proceeds of \$2,700,000 through the issuance of 15,000,000 Class A common shares at a price of \$0.10 per share and 10,000,000 flow-through shares at a price of \$0.12 per share. The Company intends to use the proceeds from the financing for exploration on its mineral properties and for general working capital. In connection with the financing, the Company paid aggregate finder's fees of \$65,232 and issued an aggregate of 571,800 finder's warrants, each exercisable for one share at an exercise price of \$0.12 for one year.

Critical Accounting Estimates

Not applicable for Venture Issuers.

Other Requirements

Summary of Outstanding Securities as at July 31, 2022

Class A Common Shares

Authorized: Unlimited number of Class A Common Shares without par value.

Issued and outstanding as at July 31, 2022 there were 20,961,215 shares and at November 23, 2022 (date of this report) 46,468,715 shares.

Shares in Escrow

On June 21, 2021, the Company's common shares have been approved for listing on the Canadian Securities Exchange. In accordance with the policies of the Exchange, certain officers and directors have entered into an agreement with the Company and a Trustee, whereby they have agreed to deposit 5,325,000 Common Shares in escrow. 10% was released to the Escrow Shareholders on June 21, 2021 and an additional 15% will be released to the Escrow Shareholders on each of the dates that are 6, 12, 18, 24, 30 and 36 months after the First Release. At November 23, 2022 (date of this report), there were 3,195,000 shares in escrow.

Class B Preferred Shares

Authorized: Unlimited number of Class B Preferred Shares without par value. Issued and outstanding: None

Stock options

Issued and exercisable as at July 31, 2022 and November 23, 2022 (date of this report) are 1,000,000 options.

Warrants

As at July 31, 2022, there were 2,590,000 share purchase warrants and as at November 23, 2022 (date of this report), there were 3,154,300 share purchase warrants.

Additional disclosures pertaining to the Company's technical report, management information circulars, material change reports, press releases and other information are available on the SEDAR website at www.sedar.com.