

**SPOD LITHIUM CORP.**  
MANAGEMENT DISCUSSION & ANALYSIS  
For Three Months Ended October 31, 2022 and 2021

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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 October 31, 2022 and should be read together with the condensed interim financial statement for the three months ended October 31, 2022 and 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](http://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. (the “Company”) was incorporated as a wholly owned subsidiary of reporting issuer Pharmslogix Investments Corp. (Formerly UWO Consulting Ltd.) (“UWO”) on November 11, 2014 under the laws of British Columbia, Canada. On April 15, 2021, the Company changed its name to EEE Exploration Corp. and on September 21, 2022, the Company name was changed 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. 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.

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

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 within 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 common, 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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On November 17, 2022, the Company closed 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**

	October 31, 2022	July 31, 2022	April 30, 2022	January 31, 2022
Net Loss for the Period	\$ (115,315)	\$ (141,043)	\$ (16,814)	\$ (109,161)
Loss per Share	\$ (0.00)	\$ (0.01)	\$ (0.00)	\$ (0.01)

	October 31, 2021	July 31, 2021	April 30, 2021	January 31, 2021
Net Loss for the Period	\$ (35,576)	\$ (59,081)	\$ (150,262)	\$ (32,593)
Loss per Share	\$ (0.00)	\$ (0.01)	\$ (0.01)	\$ (0.00)

**Results of Operations**

*Three Months Ended October 31, 2022*

The Company had no revenue from operations for the three months ended October 31, 2022, and 2021.

During the three months ended October 31, 2022, the Company incurred a net and comprehensive loss of \$115,315 (2021 - \$35,576) consisting of general and administrative expenses of \$34,994 (2021 - \$11,810), consulting fees of \$32,795 (2021 - \$9,000), transfer agent and filing fees expenses of \$7,731 (2021 - \$5,931), management fees of \$46,881 (2021 - \$9,000), and legal and accounting expenses of \$25,004 (2021 - \$8,222).

Other income (expenses) was the reversal of flow-through share liability of \$32,090 (2021 - \$8,387).

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**Exploration and Evaluation Assets**

At October 31, 2022, the Company incurred total costs of \$844,640 (July 31, 2022 - \$650,234).

For the three months ended October 31, 2022, acquisition costs were \$87,500 (2021 - \$nil) and exploration costs of \$106,906 (2021 - \$25,832) which includes geological costs of \$106,906 (2021 - \$nil), consulting fees of \$nil (2021 - \$25,160), claim renewal cost of \$nil (2021 - \$672).

**Liquidity and Capital Resources**

At October 31, 2022, the Company reported working capital of \$2,305,496 (July 31, 2022 – working capital deficit of \$82,951). At October 31, 2022 the Company had a cash balance of \$2,386,095 (July 31, 2022 - \$36,629) to settle current liabilities of \$122,413 (July 31, 2021 - \$143,299). The Company expects to fund the liabilities with cash on hand and if necessary, through the issuance of capital stock over the coming year.

As at October 31, 2022, the Company's cash increased by \$2,349,466 to \$2,386,095 from \$36,629. For the three months ended October 31, 2022, cash used in operating activities of \$201,282 (2021 - \$45,300), cash provided by financing activities of \$2,635,668 (2021 - \$nil), and cash used in investing activities of \$84,920 (2021 - \$25,832).

During the three months ended October 31, 2022, cash used in operating activities of \$201,282 (2021 - \$45,300). Cash used during the three month consists primarily of general and administrative expenditures of \$115,315 (2021- \$35,576) net of the reversal of flow-through share liability of \$32,090 (2021 - \$8,387), and non-cash working capital items of \$53,877 (2021 - \$1,337).

During the three months ended October 31, 2022, cash provided by financing activities of \$2,635,668 (2021 - \$nil.) from the issuance of common shares.

During the three months ended October 31, 2022, cash used in investing activities of \$84,920 (2021 - \$25,832) for exploration and evaluation assets.

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 October 31, 2022, due to related party includes \$20,096 (July 31, 2022 – \$6,275) due to a director and a company controlled by a director.

During the three months ended October 31, 2022, the Company incurred management fees of \$46,881 (2021 - \$9,000), rent of \$nil (2021 - \$2,100) to directors.

Management fees of \$43,881 (2021 - \$9,000) and rent of \$nil (2021 - \$2,100) to the CEO and management fees of \$3,000 (2021 - \$nil) to the CFO.

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**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>	<b>October 31, 2022</b>	<b>July 31, 2022</b>
		\$	\$
Other financial assets	a	2,419,060	60,348
Other financial liabilities	b	(98,913)	(70,443)

*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.

**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.

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***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 November 17, 2022, the Company closed 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.

**Critical Accounting Estimates**

Not applicable for Venture Issuers.

**Other Requirements**

***Summary of Outstanding Securities as at October 31, 2022***

Class A Common Shares

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

Issued and outstanding as at October 31, 2022 there were 46,468,715 shares and at December 30, 2022 (date of this report) 50,468,715 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 December 30, 2022 (date of this report), there were 2,396,250 shares in escrow.

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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 October 31, 2022 and December 30, 2022 (date of this report) are 1,000,000 options.

Warrants

As at October 31, 2022, and December 30, 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](http://www.sedar.com).*