



## **SPOD LITHIUM CORP.**

### **MANAGEMENT DISCUSSION & ANALYSIS For Three Months Ended October 31, 2023 and 2022**

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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 January 2, 2024 and should be read together with the condensed interim financial statement for the three months ended October 31, 2023 and the annual audited financial statements for the period ended July 31, 2023 and related notes for the year ended July 31, 2023 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 Pharmalogix 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 focusing on the acquisition and development of mineral properties containing battery, base and precious metals. 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.

The Company's most recent activities include the following:

In August 2023, the option agreement for the Megali property was amended to extend the requirement to incur \$350,000 to September 18, 2023. The Company fulfilled this commitment. The Company also paid \$50,000 and issued 700,000 Class A common shares pursuant to the Megali option agreement.

In August of 2023, the Company announced due to improving conditions surrounding the Company's properties in the James Bay region of Quebec, the company's long awaited 2023 exploration program scheduled on the Company's Megali and Lithium Grande 4 properties commenced.

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In October 2023, the Company provided the following exploration update on its MegaLi project.

- Several pegmatite outcrops have been identified and sampled. Observations show the potential to identify large pegmatites on Block C. Pegmatites are concentrated in 500 metres wide swarms recognized over a kilometric strike length.
- Mineralogical and textural characteristics observed allow to link Block C pegmatites to the LCT type (Lithium-Cesium-Tantalum).
- The MegaLi project shares its border with Patriot Battery Metals Inc's Corvette property and is located about 3 km south from CV5 pegmatite system. The CV5 pegmatite contains 109.2 Mt of inferred resources at 1.74% LiO2 contains in spodumene.
- 111 prioritised rock-chip samples are on their way to ALS Laboratories for alkaline fusion assaying.
- Fieldwork remains ongoing with only 18 of the forecasted 25 ground campaign days completed to date.

In October 2023, the Company announced the closing of a non-brokered private placement for gross proceeds of \$303,170 through the issuance of 4,330,999 units at a price of \$0.07 per unit, each unit consisting of one Class A common share and one-half of one transferable Class A common share purchase warrant. Each whole warrant is exercisable for an additional common share at \$0.12 for 24 months from the date of issuance.

In October 2023, the Company and GIA amended the option agreement for the Golden Moon Property to extend to extend each annual requirement by one year.

In December 2023, the Company advised shareholders that the first phase of its exploration program on its MegaLi ( 78 mineral claims covering a total area of 3,996.67 hectares - 40 square kilometres) and Lithium Grande 4 ( 41 mining claims covering 2,100 hectares - 21 square kilometres) projects located in James Bay, Quebec was completed.

In December 2023, the Company announced the closing of a non-brokered private placement for gross proceeds of \$1,443,750 through the issuance of 10,694,444 units at a price of \$0.135 per unit, each unit consisting of one Class A common share and one-half of one transferable Class A common share purchase warrant. Each whole warrant is exercisable for a non-flow-through common share at \$0.12 for 24 months from the date of issuance.

**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, 2023	Year Ended July 31, 2022	Year Ended July 31, 2021
	\$	\$	\$
Total revenue	Nil	Nil	Nil
General and administrative expenses	1,364,097	301,969	317,899
Loss and comprehensive loss for the year	1,252,919	302,594	282,097
Loss per share – basic and diluted	0.03	0.02	0.02
Total assets	3,138,483	710,582	639,335
Total liabilities	191,543	143,299	94,958

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**Summary of Quarterly Results**

	<b>October 31, 2023</b>	<b>July 31, 2023</b>	<b>April 30, 2023</b>	<b>January 31, 2023</b>
	\$	\$	\$	\$
Net Income (loss) for the Period	1,096	(841,981)	(158,981)	(136,642)
Loss per Share	0.00	0.02	0.01	0.00

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

**Results of Operations**

***Three months Ended October 31, 2023***

The Company had no revenue from operations for the three months ended October 31, 2023, and 2022.

During the three months ended October 31, 2023, the Company incurred a net and comprehensive income of \$1,096 (2022 – loss of \$115,315) consisting of administrative expenses of \$119,816 (2022 - \$147,405) and other income of \$120,912 (2022 – \$32,090).

Administrative expenses of \$119,816 (2022 - \$147,405) consisted of general and administrative expenses of \$15,301 (2022 - \$34,994), consulting fees of \$36,000 (2022 - \$32,795), transfer agent and filing fees expenses of \$6,842 (2022 - \$7,731), management fees of \$42,000 (2022 – \$46,881) and legal and accounting expenses of \$19,673 (2022 - \$25,004).

Other income (expenses) was for the reversal of flow-through share liability of \$120,912 (2022 - \$32,090).

**Exploration and Evaluation Assets**

At October 31, 2023, the Company incurred total costs of \$3,459,627 (July 31, 2023 - \$2,595,702).

For the three months ended October 31, 2023, acquisition costs were \$134,134 (2022 - \$87,500) and exploration costs of \$729,790 (2022 - \$106,906) for geology.

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**Liquidity and Capital Resources**

At October 31, 2023, the Company reported working capital deficit of \$125,091 (July 31, 2023 - \$351,238). At October 31, 2023 the Company had a cash balance of \$16,332 (July 31, 2023 - \$369,675) to settle current liabilities of \$284,122 (July 31, 2023 - \$191,543). 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, 2023, the Company's cash decreased by \$353,343 to \$16,332 from \$369,675. For the three months ended October 31, 2023, cash used in operating activities of \$120,368 (2022 - \$201,282), cash provided by financing activities of \$302,500 (2022 - \$2,635,668), and cash used in investing activities of \$535,475 (2022 - \$84,290).

During the three months ended October 31, 2023, cash used in operating activities of \$120,368 (2022 - \$201,282). Cash used during the three months consists primarily of general and administrative expenditures of \$1,096 (2022- \$115,315) net of the reversal of flow-through share liability of \$120,912 (2022 - \$32,090 and non-cash working capital items of \$552 (2022 - \$53,877).

During the three months ended October 31, 2023, cash provided by financing activities of \$302,500 (2022 - \$2,635,668) from the proceeds from issuance of common shares net of legal costs).

During the three months ended October 31, 2023, cash used in investing activities of \$535,475 (2022 - \$84,920) 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.

**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, 2023. It does not expect the impact on the financial statements to be material, although additional disclosure may be required.

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**Related party Transactions**

As at October 31, 2023, due to related party includes \$3,350 (July 31, 2023 – \$3,588) to directors or a company controlled by a director. The amounts are unsecured, non-interest bearing and has no fixed terms of repayment. At October 31, 2023 management fees of \$nil (July 31, 2023 - \$16,400) were prepaid.

The Company considers officers and members of the Board of Directors as related parties. Key management costs for the period ended October 31, 2023, is \$48,000 (2022 - \$46,881). Remuneration was made to the following officers and directors, or to companies controlled by these officers and directors:

	October 31, 2023	October 31, 2022
	\$	\$
Fees paid or accrued to a company controlled by the CEO	36,000	43,881
Fees paid or accrued to the CFO	6,000	3,000
Fees paid or accrued to a director	3,000	-
Fees paid or accrued to a company controlled by a	3,000	-
	48,000	46,881

At October 31, 2023, the Company holds 250,000 common shares of GIA, a company related through officer in common, with a fair value of \$12,500 (July 31, 2023 - \$12,500).

**Financial Instruments**

	<i>Ref.</i>	<b>October 31, 2023</b>	<b>July 31, 2023</b>
		\$	\$
Other financial assets	a	134,944	398,575
Other financial liabilities	b	(281,622)	(8,120)

- a. Comprised of cash and short term investments.
- b. Comprised of accounts payable and due to related parties.

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.

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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**

None

**Critical Accounting Estimates**

Not applicable for Venture Issuers.

**Other Requirements**

***Summary of Outstanding Securities***

Class A Common Shares

Authorized: Unlimited number of Class A Common Shares without par value.  
Issued and outstanding as at October 31, 2023, there were 56,199,714 shares issued and outstanding and as at January 4, 2024 (date of this report) there were 66,894,158 shares issued and outstanding.

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

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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 January 4, 2024 (date of this report) there were 798,750 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 October 31, 2023 and January 4, 2024 (date of this report) there were 1,150,000 options issued and outstanding.

Warrants

As at October 31, 2023, there were 2,165,500 share purchase warrants. As at January 4, 2024 (date of this report) there were 7,512,722 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).*