ACME LITHIUM INC.

Management Discussion and Analysis

As at and for the Years Ended September 30, 2022 and 2021

This report is dated January 24, 2023
(the "Report Date")

318 – 1199 W Pender Street, Vancouver BC V6E 2R1
Canada

INTRODUCTION

This Management's Discussion and Analysis is intended to supplement and complement the audited financial statements of ACME Lithium Inc. ("ACME" or the "Company") for the years ended September 30, 2022 and 2021 and the notes thereto (the "Financial Statements"). Readers are encouraged to review these Financial Statements in conjunction with a review of this Management's Discussion and Analysis. Certain notes to the Financial Statements are specifically referred to in this Management's Discussion and Analysis and such notes are incorporated by reference herein. The following information should be read in conjunction with the Financial Statements with comparative figures for the fiscal year ended September 30, 2022 and 2021. The MD&A has been prepared effective January 24, 2023.

The following is a discussion and analysis of ACME Lithium Inc. The Company reports its financial results in Canadian dollars and in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

FORWARD-LOOKING STATEMENTS

Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those implied by the forward-looking statements. These forward-looking statements are based on, but not limited to, material assumptions including: the raising of additional capital, carrying out work programs on the Company's mineral properties; the ability of the Company to successfully make acquisitions of other mineral property interests; a sufficiently stable and healthy global economic environment; and other expectations, intentions and plans contained in this MD&A that are not historical fact. ACME's project location adjacent to or nearby lithium projects dost not guarantee exploration success or that mineral resources or reserves will be defined on ACME's properties. When used in this MD&A, the words "plan," "expect," "believe," and similar expressions generally identify forward looking statements. These statements reflect current expectations. They are subject to a number of risks and uncertainties, including, but not limited to, changes in general market conditions. In light of the many risks and uncertainties, readers should understand that the Company cannot offer assurance that the forward-looking statements contained in this analysis will be realized. **Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks as set forth below.**

CORPORATE OVERVIEW AND DESCRIPTION OF BUSINESS

ACME Lithium Inc. (the "Company") was incorporated under the provisions of the Business Corporations Act of British Columbia on January 31, 2017 as a wholly-owned subsidiary of Kona Bay Technologies ("Kona Bay") whose line of business was in technology specializing in digital customer acquisition. On November 23, 2020, the Company changed its name from Hapuna Ventures Inc. to ACME Lithium Inc. and changed its principal business from technology to mineral exploration company. The Company's corporate office is located at 318 – 1199 W Pender Street, Vancouver, British Columbia, V6E 2R1 Canada and its registered and records office address is at 2900-733 Seymour St. Vancouver, British Columbia V6B 0S6, Canada. The Company's common shares are traded on the Canadian Securities Exchange ("CSE") under the symbol "ACME" and effective August 13, 2021, on the OTCQB Venture Market ("OTCQB") under the symbol "ACLHF".

On August 24, 2022, the Company started trading on the OTCQX Best Market ("OTCQX") under the same ticker symbol "ACLHF". The Company upgraded to the OTCQX from the OTCQB. Graduating to the OTCQX from the OTCQB marks an important milestone for companies, enabling ACME to demonstrate our qualifications and build visibility among U.S. investors.

The Company is a mineral exploration company engaged in the acquisition, exploration and evaluation of natural resource properties located in the state of Nevada, USA, state of Oregon, USA and Manitoba, Canada. To date, no mineral development projects have been completed and no commercial development or production has commenced.

As of September 30, 2022, the Company has not yet determined whether the properties are economically viable. The recoverability is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development of and future profitable production from the properties or realizing proceeds from their disposition and permitting from government authorities.

The Company is a reporting issuer in the Province of British Columbia, Alberta and Ontario. All public filings for the Company can be found on the SEDAR website www.sedar.com.

Corporate Restructure and Amalgamation

On November 27, 2020, the Company closed a private placement of 10,300,000 units at a price of $0.03 per unit for proceeds of $309,000. Each unit consists of one common share and one-half share purchase warrant. Each full warrant entitles the holder to purchase one additional common share at $0.10 for a period of 24 months. Fundco was established by the Company solely for the purpose of raising funds from at least 150 investors and loaning the same to the Company pending closing of the Amalgamation.

On December 19, 2020, the Company disposed of all its digital business to an arms-length purchaser for $1 with the purchaser assuming all its outstanding obligations. On December 31, 2020, the Company terminated all remaining historic service agreements.

On December 30, 2020, the Company entered into an Amalgamation Agreement (the "Amalgamation Agreement") with 1281524 B.C. Ltd. ("Subco") and 1266291 B.C. Ltd. ("Fundco") which closed on December 30, 2020. Pursuant to the Amalgamation Agreement, the following occurred: (i) Subco and Fundco amalgamated. (ii) The unit holders of Fundco received an equivalent number of units of the Company; and (iii) The amalgamated Company, "Amalco" became a wholly-owned subsidiary of the Company.

On July 26, 2021, the Company incorporated its wholly owned subsidiary, ACME Lithium USA Inc. in the state of Nevada to undertake exploration activities in the USA.

Effective December 16, 2021, the Company amalgamated with its previously wholly owned subsidiary, 1266291 BC Ltd. and will continue to act as one company under the name ACME Lithium Inc.

MINERAL PROPERTY INTERESTS

Unless otherwise indicated, the Company has prepared the technical content in this MD&A based on information contained in the disclosure documents available under the Company's profile on SEDAR at www.sedar.com. These disclosure documents were prepared by or under the supervision of a "qualified persons" as defined in National Instrument ("NI") 43-101 - Standards of Disclosure for Mineral Projects of the Canadian Securities Administrators.

All state of Nevada and state of Oregon mineral properties technical aspects for this MD&A report have been reviewed and approved by William Feyerabend, Certified Professional Geologist, a Qualified Person under NI 43-101.

All other technical aspects for this MD&A report have been reviewed and approved by Dane Bridge, P. Geol., a Qualified Person under NI 43-101.

As at September 30, 2022, the Company's exploration and evaluation expenditures as follows:

	Fish Lake Valley, Nevada	Clayton Valley, Nevada	Cat Elucid and Shatford, Manitoba	Birse Lake, Manitoba	Oregon Property	Total
Acquisition costs						
Balance, September 30, 2021	$ 71,867	$ 433,947	$ 120,000	$ -	$ -	$ 625,814
Additions - cash	72,924	64,035	-	20,000	100,334	257,293
Additions - common shares	-	855,000	-	-	-	855,000
Foreign currency translation	3,274	85,561	-	-	-	88,835
Balance, September 30, 2022	**$ 148,065**	**$ 1,438,543**	**$ 120,000**	**$ 20,000**	**$100,334**	**$ 1,826,942**
Exploration and evaluation costs						
Balance, September 30, 2021	$ 35,093	$ 257,792	$ 27,000	$ -	$ -	$ 319,885
Consulting	71,418	157,832	162,509	31,004	-	422,763
Geological surveys	29,965	158,821	532,817	35,000	153,194	909,797
Drilling	-	415,612	44,583	-	-	460,195
Maintenance fees	-	30,809	-	-	-	30,809
Reports and administration	1,822	109,564	-	-	-	111,386
Travel	1,098	26,928	-	-	-	28,026
Foreign currency translation	(283)	85,398	-	-	-	85,115
Balance, September 30, 2022	**$ 139,113**	**$ 1,242,756**	**$ 766,909**	**$ 66,004**	**$ 153,194**	**$ 2,367,976**
Impairment	**-**	**-**	-	-	(253,528)	(253,528)
Sale of GOR royalty	**-**	**-**	(149,174)	-	**-**	(149,174)
Total, September 30, 2022	**$ 287,178**	**$ 2,681,299**	**$ 737,735**	**$ 86,004**	**$ -**	**$ 3,792,216**

FISH LAKE VALLEY (FLV) PROPERTY, NEVADA

On November 9, 2020, the Company entered into a mineral property purchase and sale agreement (the "FLV agreement") with an arm's length party whereby it acquired 81 lode mining claims located in Esmeralda County, Nevada, USA totaling approximately 1,620 acres. Under the terms of the FLV agreement, the vendor's right, title and interest in the FLV claims was purchased by paying consideration of $50,000 (paid) and by issuing 100,000 common shares. On January 14, 2021, the Company issued 100,000 common shares with a fair value of $3,000 to the arm's length party.

On October 9, 2021, the Company staked 63 new claims encompassing approximately 1,301 acres contiguous to the Company's FLV property located in Fish Lake Valley, Esmeralda County, Nevada (the "FLV new claims") by paying $34,982 (US$ 28,047).

Together the FLV property and the FLV new claims (collectively, the FLV claim group) encompass 144 lode mining claims totaling approximately 2,975 acres, in Esmeralda County, Nevada.

The FLV property had previously been mapped and sampled with more anomalous analyses of 200 to 260 ppm lithium towards the bottom of the washes along the range front of the claim area. It is believed that the current erosion surface could be exposing the top of a stratigraphic deposit with lithium mineralization, which is significant in the context of neighbouring Australia-based Ioneer Ltd's Rhyollite Ridge Lithium-Boron project four miles to the northeast where the lithium-boron mineralization is in one layer of the rocks filling the valley.

The Rhyolite Ridge Project has 2020 resources of 146.5 million metric tons at 1,600 ppm lithium and 14,200 ppm boron hosted in volcanic tuffs filling an elongate graben or rift valley. On July 31, 2022, Ioneer Ltd. announced a binding battery joint venture with Toyota Motor Corp and Panasonic Corp to buy lithium from Ioneer Ltd's Rhyolite Ridge mining project and use the metal to build electric vehicle batteries in the United States. Ioneer Ltd. aims to produce about 21,000 tonnes of lithium in Nevada annually starting in 2025. It signed a supply deal with Ford Motor Co in mid-July and last year with South Korea's Ecopro Co. ACME's project location adjacent to or nearby lithium projects does not guarantee exploration success or that mineral resources or reserves will be defined on ACME's properties. Exploration, development, and activities conducted by regional companies provide assistance and additional data for exploration work being completed by ACME.

From August to October 2021, the Company completed geological field work on the FLV property to further develop knowledge of lithium occurrences at the project site and better understand the geological model focused on a major drainage area where lithium values occurred. The geological field review and sampling program at FLV property has resulted in surface lithium values up to 410 ppm lithium to indicate a mineral process was active during deposition of the underlying sediments. In addition, barium analyses to 1,800 ppm support that the mineral process was active during deposition of the underlying sediments.

Having found that fine sediments the same age as the Clayton Valley occurrences are on the FLV property and that some beds are enriched in lithium, geological field work to further develop knowledge of lithium occurrences at the FLV claim group commenced in August 2022. Follow up sub sampling as well as mapping at FLV is intended to better understand the geological model and focuses on traverses along a major drainage area where higher lithium values occurred. Further analysis will assist with drill hole targeting and access routes for potential drill sites. Results from this field work were received in January 2023. These geological field review and sampling program at the FLV claim group has resulted in the highest surface lithium values to date with up to 1,325 ppm lithium. This most recent study confirms historical and new lithium occurrences on the FLV claim group and that certain beds are enriched in lithium. A number of the surface enriched beds appear to be clay altered tuffs and may form semi-continuous sedimentary horizons below relatively unmineralized cover units.

In October 2022, ACME commenced a Geophysical Survey at FLV. The FLV claim group geology and geomorphology are interpreted as a possible gravel covered graben while scattered outcrop samples assaying up to 600 ppm lithium and 1270 ppm boron which suggest there is a mineral system present.

ACME received geophysics report targeting lithium clay deposit at Fish Lake Valley after completing gravity and Hybrid-Source Audio-Magnetotellurics (HSAMT) surveys in November 2022. The gravity survey indicates the presence of a down-dropped basin with interpreted target clay sediments potentially targeting similar illite-smectite units identified in the nearby Rhyolite Ridge lithium deposit. Drilling has been recommended to determine the relationship between the different interpreted concentrations of clay sediments and the presence of lithium.

As at September 30, 2022, the FLV claim group has a carrying value of $287,178 (September 30, 2021 – $106,960) which includes $139,113 (September 30, 2021 – $35,093) in exploration expenditures.

CLAYTON VALLEY PROPERTY, NEVADA

On May 12, 2021, the Company entered into an option agreement with GeoXplor Corp ("Vendor" or "Operator") to acquire a 100% interest in 64 claims encompassing approximately 1,280 acres, comprising the CC, CCP and SX placer lithium claims (the "Project Claims"), located in Clayton Valley, Esmeralda County, Nevada. Under the terms of the agreement, the Company needs to undertake the following to exercise its option: Total cash payments of US$278,500 ($174,080 - USD$138,500 paid), issuance of 5,250,000 (1,500,000 issued) common shares, incurring a total of US$2,750,000 ($984,964 - USD$704,326 incurred) in exploration and development expenditures and delivery of royalties of (3%) Gross Overriding Royalty. The Company has the right to buyback one-half of the royalty for US$1,500,000 for a period of 3 years following commencement of the production.

The Company's commitments in relation to the option agreement are summarized below:

	Cash Payment	Common Shares*	Exploration expenditures
	$ (in USD)	#	$ (in USD)
On the Approval Date March 2, 2021 (paid and issued)	78,500	750,000	-
On or before March 2, 2022 (paid and issued)	50,000	750,000	250,000
On or before March 2, 2023	50,000	750,000	500,000
On or before March 2, 2024	50,000	1,000,000	1,000,000
On or before March 2, 2025	50,000	2,000,000	1,000,000
Total	**278,500**	**5,250,000**	**2,750,000**

On June 9, 2021, The Company had acquired by staking 58 new claims ("JR claims") encompassing approximately 1,160 acres contiguous to the Company's Project Claims located in Clayton Valley, Esmeralda County, Nevada. With the additional JR claims, ACME has nearly doubled its footprint in Clayton Valley, strategically protecting the north and northeastern portion of the basin. ACME's exploration focus will be on key prospective lithium brine targets.

The Project Claims are contiguous to the northwest with the only lithium brine production operation in North America, NYSE-listed Albemarle's Silver Peak Lithium mine, which has been in production since 1966. The Project Claims are located on the northwestern part of Clayton Valley about 20 miles northwest of the county seat of Goldfield, NV, and approximately 30 miles southwest of Tonopah, NV. With extensive infrastructure nearby, Nevada is one of the best mining jurisdictions in the world.

In connection with the option agreement, the Company is required to pay the Vendor an advance royalty payment of US$200,000 on the 5th anniversary of the effective date of the agreement, and continuing on each annual anniversary date thereafter, until the property is in production. The cash advances will be credited against future royalty payments due.

<u>*Lithium Brine Survey*</u>

On August 10, 2021, the Company, through Hasbrouck Geophysics, commenced Phase 1 of a two-phase geophysical survey program at ACME's Clayton Valley project in Nevada. Phase 1 entailed a gravity survey and Phase 2 is a Hybrid-Source Audio-Magnetotellurics (HSMAT) survey. The results are used to prioritize drill locations to test for lithium concentrations within brines. In addition, a gravity geophysical survey included a total of 120 gravity stations acquired over the claim area on a grid with a spacing of 250 meters.

Previously, reconnaissance gravity data had been acquired in Clayton Valley by Sierra Geothermal Power Corporation (under contract to the U.S. Department of Energy) ("Sierra") and the Vendor. Lithium source material and transport mechanisms for the CC, CCP, JR and SX claims are present and could be similar to those that have supplied Clayton Valley lithium-bearing brines and may be conducive to increased lithium-bearing brine concentrations.

On November 10, 2021, the Company completed Phase 2 of the Hasbrouck Geophysics survey program at Clayton Valley, Nevada.

On December 20, 2021, the Company filed Notice of Intent (NOI) with the Bureau of Land Management (BLM) to cover a three-hole drill program up to a depth of 500 meters focused on prospective lithium-brine targets as defined by the recent geophysical work. On February 7, 2022, the NOI was approved. On February 7, 2022, the Company received a letter of approval under a "Notice of intent to drill" from the BLM, Tonopah field office Nevada, for ACME's drill program at its Clayton Valley lithium brine project. The NOI covers a multi-hole drill program up to a depth of 500 meters and focuses on the most prospective lithium brine targets as defined by recent geophysical work, in addition to drill road access and site preparation. On January 24, 2022, a US$24,197 bond was accepted and implemented with the BLM to cover reclamation of up to 3.55 acres of permitted disturbance.

In June 2022, the Company commenced a Phase 1 drill program at its Clayton Valley lithium brine project. Phase 1A consists of the advancement of an HQ core hole up to 500 meters at location DH-1 to assess lithology, permeability features, clay, sand and gravel content, and lithium brine potential.

In August 2022, the Company received sample results, from DH-1 hole. DH-1 was drilled to a total depth of 1400 feet (427) meters below ground surface and intersected multiple productive horizons including the targeted basal gravel aquifer at an approximate depth of 1,250 feet (381 meters) below ground surface (bgs). Samples of brine were taken from DH-1 at various intervals and were sent to an independent lab and analyzed for lithium and other elements typical of lithium enriched brine systems. Target sampling zones and depths were based on the results of the geophysical surveys, interpretations of the drilled lithology, and field observations including fluid conductivity and salt precipitation on the exposed core. The following provides a summary and preliminary assessment of the laboratory analytical results and lithium assays from DH-1:

Lithium Concentrations Across Test Intervals

Hole Depth (Feet)	No. of Samples Collected	Average Lithium Concentration (mg/L)	Unit	Unit Description
195' to 479'	5	41.4	LCU	Lower Clastic Unit
479' to 1180'	15	62.5	LGU/LCU	Transition Between Lower Gravel Unit and Lower Clastic Unit
1180' to 1250'	2	110	CAU	Lacustrine Tuff
1250' to 1400'	3	126.6	LCU/LGU	Transition Between Lower Clastic Unit and Lower Gravel Unit

Prospective basin sediments have been encountered and delineated as highly probable for aquifer units based on permeability features, lithology and color. The core is consistent with the known basin stratigraphy. Most notably, an upper volcanic ash unit was encountered from 181 feet to 195 feet which is consistent with the depth and composition of the Main Ash Unit (MAU) in Clayton Valley. Multiple permeability features consisting of coarse sands and gravels, and sand and gravel with weak clay matrix were encountered from approximately 479 feet to 1400 feet TD. From the logged core, these permeability features increased in frequency and in depth below the silt and clay-dominated stratigraphy higher in the hole above 479 feet. A second ash layer or lacustrine tuff was encountered from 1,180 to 1,250 feet which also exhibits characteristics of a potential lithium-bearing aquifer deeper in the depositional sequence in Clayton Valley.

Cemented surface casing was set to a depth of 200 feet and perforated three-inch PVC casing was installed from 200 feet to TD. The perforations allow formation fluids to flow through the casing. Downhole logs and geophysical surveys were completed for hole deviation, natural gamma, fluid conductivity and temperature. The downhole geophysical surveys confirm the stratification of denser fluids at depth. Natural gamma, fluid conductivity, and temperature logs all indicate possible brine inflow zones starting around 850 feet with electrical conductivity and total dissolved solids increasing with depth to 1400 feet TD.

Fluids in the wellbore were developed out of the hole via airlift to remove potential drilling contaminants. The well will be allowed to recover and equilibrate after the airlift development. After completing well-development activities, individual passive composite zone samples were collected using HydraSleeve™ and Snap Sampler™ technology. Sample zones target stratigraphic features expected to contain brine.

These samples were sent to an independent lab to be analyzed for lithium, boron and other minerals typical of lithium-enriched brine systems.

The Company's significant new lithium discovery has initiated Phase 2 planning and procurement of an expanded drilling and pump test program. The Phase 2 exploration holes will be completed with grouted in vibrating wire piezometers which will be used to monitor aquifer response during future pumping test. Phase 2 is expected to commence during the fourth quarter of calendar year 2022 subject to further permitting and availability of drilling equipment and services.

On October 20, 2022, the Company has filed permitting documentation for an expanded Phase 2 drill program with the BLM for ACME's Clayton Valley lithium brine project in Esmeralda County, Nevada. In addition, ACME has secured Harris Exploration for drilling services.

On November 7, 2022, the Company received a Decision Letter of approval under an amended "Notice of Intent to Drill" from the BLM, Tonopah field office Nevada, for ACME's upcoming Phase 2 drill. The Phase 2 drill program and NOI covers a large diameter test well (TW-1) for completion of brine aquifer permeability testing and sampling, and will also include up to three (3) new exploration holes DH-1A, DH-2, and DH-3 with objectives to examine deeper horizons through zonal isolated testing, assess stratigraphy, and the potential for continuity between the stratigraphic units encountered in DH-1.

On November 24, 2022, the Company received notice from its Operator that it has received approval for three Dissolved Mineral Resource Exploration (DMRE) Borehole Permits submitted to the Nevada Division of Minerals (NDOM), in addition to the already approved NOI permit to drill with the BLM. Harris Drilling Exploration and Associates Inc. has been contracted to provide drilling services and related activities. Project geologists are at Silver Peak meeting with equipment operators and have commenced road and drill pad preparations, as well as the expansion of onsite facilities to accommodate core logging and brine storage in anticipation of the December Phase 2 drill program. The previous bond put in place with the BLM has been increased to US$63,144 to cover additional reclamation of up to 2.2 acres of permitted disturbance.

As at September 30, 2022, the Clayton Valley project has a carrying value of $2,681,299 (September 30, 2021 – $691,739) which includes $1,242,756 (September 30, 2021 – $257,792) in exploration expenditures.

CAT-EUCLID LAKE, SHATFORD LAKE AND BIRSE LAKE PROPERTY

On September 9, 2021, the Company entered into a staking agreement to acquire mineral rights in Cat-Euclid and Shatford Lake areas of Southeast Manitoba. The Cat-Euclid groups has 6 claim blocks and the Shatford group has 21 claim blocks. These claims are subject to a 2% Gross Overriding Royalty ("GOR") agreement with an investor. For year ended September 31, 2022, initial staking, claim fees, and geological surveys were incurred for two properties in Manitoba – the Euclid Lake and Shatford Lake properties.

On April 5, 2022, the Company entered into a term sheet with Lihtium Royalty Corp. for the purchase of royalties in the Manitoba Properties. The Company received $833,526 (US$650,000) in cash for the purchase of a 2% gross overriding revenue royalty. The proceeds from this transaction were recorded as a reduction to the E&E assets. As the proceeds exceeded the capitalized cost of the E&E assets of $149,174 as at April 5, 2022, the excess proceeds of $684,352 is recognized as a gain on sale of royalty in the statement of loss and comprehensive loss.

On July 7, 2022, the Company announced that it had commenced an extensive summer exploration program at the Company's 11,803-acre Shatford and Cat-Euclid Lake project areas in southeastern Manitoba. The Company's Shatford Lake claim area is located strategically and contiguous to the south of Sinomine's world-class Tanco Mine, a Lithium, Cesium and Tantalum producer (LCTs) since 1969, located in the pegmatite fields of the southern limb of the Bird River Greenstone Belt (BRGB). The Company's Cat-Euclid Lake project claims are approximately 20 kilometres to the north of the Tanco Mine.

The Company's exploration strategy in the Bird River Greenstone Belt is to employ remote sensing, structural geology, ground-based geological mapping, and geochemical sampling to localize targets for drilling. The exploration focus is on spodumene-bearing LCT pegmatites that can be a source for lithium carbonate deposits.

On July 18, 2022, work commenced on a helicopter-borne magnetic survey system to survey at Shatford and Cat-Euclid Lake, Manitoba. The survey for the Company was carried out by Dias Airborne with their state-of-the-art QMAGT system. The QMAGT system measures the magnetic field in a robust and detailed manner. The SQUID (superconducting quantum interference device) sensor measures the complete gradient tensor (second-order) of the earth's magnetic field (otherwise known as full tensor magnetic gradiometry – FTMG). This FTMG measurement provides directional information about the magnetic field, which is not available from total field sensors that have been the industry standard for many years. The survey is aimed at mapping subtle details of the late granites and LCT pegmatites of the region.

A total of 1,989 line-kilometers were flown at a 65 m line spacing and at a sensor height of 35 m or at the safest height above the tree canopy. High-grade IMU and DGPS systems onboard are used to de-rotate the 6 tensor components and compensate for any motion noise. The data will be processed to generate six-directional tensor magnetic parameters, and various derived products from these parameters, which can be used in combination or individually to interpret the geology in great detail and with high confidence.

On September 6, 2022 the company announced that it acquired 10 claims totaling 5,196 acres situated near Birse Lake, southeastern Manitoba, Canada. The Birse Lake claim block covers the Birse Lake pluton that has numerous pegmatite occurrences along its periphery. This brings ACME's land holdings in southeastern Manitoba to approximately 17,000 acres or 70 square kilometers.

On November 1, 2022, the Company has signed an Exploration Agreement with Sagkeeng First Nation to develop a positive relationship that promotes mutual respect, cooperation, and ongoing communication around mineral exploration activities conducted by the Company within Sagkeeng Traditional Territory.

On December 1, 2022, the Company completed an extensive summer exploration program employing remote sensing, structural geology, ground-based geological mapping, and geochemical sampling to localize targets for drilling. Our exploration focus is on spodumene-bearing LCT pegmatites that are a source for high quality lithium that can be converted to lithium carbonate. As of this date as well, the Company's winter drilling work program is in the late stages of permitting with the government of Manitoba. Procurement of equipment, subcontractors, and site planning is ongoing with the expectation that a Phase 1 drill program will commence in early 2023 subject to permitting.

On December 14, 2022, the Government of Manitoba issued a work permit for the Company's upcoming drill program at its Shatford Lake project in the Winnipeg river pegmatite region in Southeastern Manitoba, Canada.

On January 11, 2023, the Company has commenced drilling at its Shatford Lake project in the Winnipeg River pegmatite region in southeastern Manitoba, Canada. The drilling program highlights are as following:

a) ACME plans to drill up to 5,000 meters and has mobilized equipment, supplies and crew to Lac du Bonnet, Manitoba.
b) Drill targets from multiple sites have been identified and include numerous pegmatites, some of which were undocumented prior to the 2022 summer exploration program.
c) A priority area, referred to as Shatford East, is part of the Shatford - Winnipeg River structure that is a 7 km curvilinear feature on the claim block with multiple observations of pegmatites containing anomalous lithium.

On January 11, 2023, the Company commenced drilling at its Shatford lake project in the Winnipeg river pegmatite region in Southeastern Manitoba, Canada.

WARM SPRINGS PROJECT, OREGON

On March 23, 2022, the Company staked 340 placer mining claims (the "WS Project") encompassing approximately 6727 acres near the Nevada border, in southeast Oregon.

During the year ended September 30, 2022, the Company completed 29.1-line miles of the previously announced IP Survey at its prospective Warm Springs project in southeast Oregon. The Company postponed its next phase of work on the Warm Springs project in Oregon pending clarification of claim status and permitting requirements with the BLM.

On December 21, 2022 the Company received a decision on the pending claim status from BLM, where the mining claims are declared as null, void, ab initio. As per records, the claims are located on land that was withdrawn from mineral entry by an Act of Congress for the Steens Mountain Wilderness Area and the Steens Mountain Cooperative Management and Protection Area. The regulation authorized a refund of US$69,700 to the Company for maintenance and location paid. As of the Report Date the refund has not been received.

During the year ended September 30, 2022, expenditures incurred on the property totaled $253,528. During the year, the Company decided to focus on other properties and recorded an impairment loss of $253,528 (2021 – $Nil) relating to this property.

BAILEY LAKE PROPERTY, SASKATCHEWAN

On December 5, 2022, the Company entered into a purchase agreement to acquire 100% interest in the 5 mineral claims in north central region of Saskatchewan, Canada. To exercise this option, ACME must pay a consideration of (i) $9,476 on closing (paid on December 7, 2022), and (ii) the grant of a 1% Net Smelter Return Royalty of the gross value of all products derived and shipped from the property.

On December 6, 2022, the Company entered into a option agreement to acquire 100% interest in the 13 mineral claims in Bailey Lake, located in the northeastern region of Saskatchewan, Canada. To exercise this option, ACME must pay to the owner an aggregate of $450,000, issue and deliver an aggregate of 450,000 shares and incur an aggregate of $1,554,000 of expenditures on the property in accordance with the following schedule:

	Cash Payment	Common Shares	Exploration expenditures
		#	
On or before December 7, 2022 (paid and issued)	$100,000	100,000	$ -
On or before December 5, 2023	150,000	150,000	388,500
On or before date December 5, 2024	200,000	200,000	518,000
On or before December 5, 2025	-	-	647,500
Total	**$450,000**	**450,000**	**$1,554,000**

The property is subject to a 2.0% Net Smelter Return Royalty of the gross value of all products derived and shipped from the property. The Company has the right to buyback one-half of the royalty (1% NSR) for $2,000,000 for a period of 24 months following the commencement of commercial production.

SUMMARY OF QUARTERLY RESULTS

	Q4 September 30, 2022 $	Q3 June 30, 2022 $	Q2 March 31, 2022 $	Q1 December 31, 2021 $
Sales	-	-	-	-
Expenses	(965,340)	(2,354,142)	(526,417)	(324,229)
Net loss	(88,162)	(2,567,996)	(542,982)	(324,855)
Comprehensive loss (profit)	(149,639)	(2,567,996)	(542,982)	(324,855)
Basic loss per share	(0.00)	(0.05)	(0.01)	(0.01)
Diluted loss per share	(0.00)	(0.05)	(0.01)	(0.01)
Total assets	14,169,664	14,308,631	9,489,509	4,982,294
Working capital	9,050,801	9,976,218	6,204,643	3,690,692

	Q4 Sept. 30, 2021 $	Q3 June, 2021 $	Q2 Mar. 31, 2021 $	Q1 Dec. 31, 2020 $
Sales	-	-	-	-
Expenses	(1,127,230)	(162,228)	(17,619)	(64,028)
Net income (loss)	(1,145,452)	(162,519)	(17,619)	708,133
Comprehensive income (loss)	(1,145,452)	(162,519)	(17,619)	708,133
Basic earnings (loss) per share	(0.03)	(0.01)	(0.00)	0.15
Diluted earnings (loss) per share	(0.03)	(0.01)	(0.00)	0.13
Total assets	3,942,780	3,907,368	451,123	469,366
Working capital	2,746,824	3,372,998	393,495	411,115

Net losses increased in the quarters ended in 2022 primarily due to increased operations and management increased compensation costs due to significant increase in exploration and financial activities. During the period ended December 31, 2020, the Company had a net income due to the gain on settlement of debt. Towards the second and third quarter of Fiscal 2021, the Company's expenses increased mostly due to the ramp up of exploration and financing activities as well as the slow re-opening of the economy which permitted the commencement of the said activities. In the quarters ended in 2021 net losses saw a general increase primarily due to increases in advertising, consulting, management, and regulatory fees as the Company changed its business focus from technology to mineral exploration and funded the Company via private placement funding and ramped up operations on its mineral exploration projects. Net loss during the quarter ended December 31, 2021, decreased mostly due to lower marketing fees and the absence of share-based compensation recorded in the preceding quarter. During the quarter ended March 31, 2022, the Company saw an increase in marketing and corporate development efforts to raise awareness for its projects and upcoming activities, hence the increase in expenses and losses from the preceding quarter. During the period June 30, 2022, the company had increases costs of advertising, management fees as well as share-based compensation paid out in the period. The loss has decreased during the quarter ended September 30, 2022 as compared to previous period due to gain on sale of GOR royalty, increase in flow through income and absence of share-based compensation.

SELECTED ANNUAL INFORMATION

	September 30, 2022 $	September 30, 2021 $	September 30, 2020 $
Sales	-	-	-
Loss from continuing operation	3,523,995	1,437,918	298,545
Total assets	14,169,664	3,942,780	50,601
Total non-current financial liabilities	(0.00)	(0.00)	(0.00)
Distribution or cash dividends declared	(0.00)	(0.00)	(0.00)

OVERALL PERFORMANCE AND OPERATIONAL ACTIVITIES

For the year ended September 30, 2022 and 2021

During the years ended September 30, 2022, the Company incurred a net loss from continuing operations of $3,523,995 (2021 – $1,437,918). Total operating expenses incurred during the year were $4,170,128 (2021 – $1,371,105).

The increase in net loss during the year ended September 30, 2022 was primarily due to the following significant changes:

- Accounting expenses of $90,024 (2021 – $39,015) increased due to increase in bookkeeping, and accounting fees related to being a reporting issuer and increased projects and project acquisition activities during the period. The Company also had increased private placement financing activities, additional year-end and interim audit fees and additional accounting fees related to the financing and operation of the Company.

- Conference and seminars expenses of $120,357 (2021 – $nil) increased compared to last year, as the Company increased industry conferences and roadshow, to create market awareness of the Company's projects and activities as well as to help raise funds for said projects.

- Corporate development expenses of $87,790 (2021 – $nil) increased compared to last year, as the Company increased corporate development to create market awareness of the Company's projects and activities as well as to help raise funds for said projects.

- Legal expenses of $53,695 (2021 – $92,236) decreased because the legal compliance cost was higher in fiscal 2021 mainly due to the amalgamation and incorporation of the US subsidiary.

- Interest expense of $927 (2021 – $6,824) decreased compared to the prior year due to the extinguishment of a majority of the Company's debt to related parties and consultants through a debt settlement agreement.

- Investor relations of $96,076 (2021 - $15,885) increased compared to last year, as the Company increased investor relations activities to create market awareness of the Company's projects and activities as well as to help raise funds for said projects.
- Management fees of $287,750 (2021- $94,500) were paid or accrued to CEO and CFO (see **Transactions with Related Parties**). The increase was mostly due to the full twelve-month period payments for the officers as they were only appointed part way through the period in the prior year. Also, there was a year end incentive bonus paid to the CEO as a result of exceptional work during the year.
- Regulatory and filing fees of $78,584 (2021 – $121,732) decreased in the current period since last year's fees were up due to listing, corporate restructuring and amalgamation costs.
- Rent of $36,000 (2021 – $23,500) increased mostly due to the office lease, which began in August 2021.
- Amalgamation expense of $Nil (2021 – $63,300) was incurred in relation to the amalgamation activity incurred in the same period in the prior year.
- Share-based compensation with a value of $2,108,191 (2021 – $822,744) increased due to the issuance of options to directors and consultants (see also **Share Capital and Outstanding Share Data** and **Transactions with Related Parties**).
- Property investigation expenses of $42,812 (2021 - $Nil) includes all the expenditures incurred on new property before the legal rights to explore a property has been acquired.
- Marketing expenses of $1,060,693 (2021 - $122,278) increased compared to last year, as the Company increased digital and print advertising to create market awareness of the Company's projects and activities as well as to help raise funds for said projects.
- Other income increased mainly due to the gain on sale of royalty during the year ended September 30, 2022, amounting to $684,352 (2021 - $nil) (see **Mineral Property Interests**).

Three months ended September 30, 2022 and 2021

For the three months ended September 30, 2022, the Company incurred a net loss of $88,162 (2021 – $1,145,452). Total expenses incurred during the quarter was $965,340 (2021 – $1,127,230).

The difference between net loss for the quarter ended September 30, 2022, compared to prior year same period was primarily due to the following significant changes:

- Accounting and legal expenses of $44,473 (2021 – $108,674) the expenses were higher in previous period because of increased legal fees due to amalgamation, listing, corporate restructuring, private placement closing and related compliance.
- Conference and seminars expenses of $15,343 (2021 – $nil) increased compared to last year, as the Company increased industry conferences and roadshow, to create market awareness of the Company's projects and activities as well as to help raise funds for said projects.
- Corporate development expenses of $43,154 (2021 – $nil) increased compared to last year, as the Company increased corporate development to create market awareness of the Company's projects and activities as well as to help raise funds for said projects.
- Management fees of $143,500 (2021- $79,500) were paid or accrued to CEO and CFO (see **Transactions with Related Parties**). The increase resulted from increased rates and year-end bonus for their exceptional work in the current period compared to last year's.
- Regulatory and filing fees of $12,725 (2021 – $98,592) decreased in the current period since last year's fees were up due to listing, corporate restructuring, and amalgamation costs.
- Rent of $5,754 (2021 – $22,411) decreased as the prior period had associated rental costs, rather than a flat rate in the current period.
- Share-based compensation with a value of $386,285 (2021 – $822,744) decreased as the issuance of options to directors and consultants was higher in the same period in the prior year. (see also **Share Capital and Outstanding Share Data** and **Transactions with Related Parties**).

- Property investigation expenses of $32,692 (2021 - $Nil) includes all the expenditures incurred on new property before the legal rights to explore a property has been acquired.
- Marketing expenses of $242,380 (2021 - $nil) increased compared to last year, as the Company increased digital and print advertising to create market awareness of the Company's projects and activities as well as to help raise funds for said projects.

Cash flows

Sources and Uses of Cash	September 30, 2022	September 30, 2021
Cash used in operating activities	**$ (1,955,955)**	$ (590,911)
Cash used in investing activities	**(1,710,427)**	(299,198)
Cash sourced from financing activities	**10,617,235**	3,689,454
Effect of exchange rate on cash	**63,851**	-
Total change in cash	**$ 6,950,853**	$ 2,799,345

Operating Activities

For the period ended September 30, 2022, cash used by operating activities was $1,955,955 compared to the use of $590,911 from the same period in the previous year. The increase in cash used is due primarily to variances under the *Overall Performance and Operating Activities section.*

Investing Activities

For the period September 30, 2022, cash used in investing activities of $1,710,427 (2021 - $299,198) was primarily used for the acquisition of property and equipment, mineral properties and for expenditures on exploration and evaluation assets.

Financing Activities

For the period ended September 30, 2022, cash inflows consisted of funds provided by financing activities totaling $10,617,235 (2021 – $3,689,454).

The cash inflow is primarily attributed to proceeds from three flow-through financing through private placement closed dated December 16, 2021, May 13, 2022, May 19, 2022 and two non-brokered private placement on March 9, 2022 and May 13, 2022 respectively(see **Share Capital and Outstanding Share Data**).

In the previous year, the cash inflows came from a private placement financing and the amalgamation transaction.

LIQUIDITY AND CAPITAL RESOURCES

The Company's aggregate operating, investing and financing activities for the year ended September 30, 2022, resulted in a net cash increase of $6,950,853 (2021 – $2,799,345). As at September 30, 2022, the Company's cash balance was $9,816,956 (2021 – $2,802,252) and the Company had working capital of $9,050,801 (2021 – $2,746,824) which the Company anticipates will meet its requirements to cover working capital and mineral property obligations for the coming fiscal year.

As at September 30, 2022, the Company had not advanced its exploration and evaluation properties to commercial production. The Company's continuation as a going concern is dependent upon successful results from exploration activities on its mineral properties and its ability to attain profitable operations and generate cash from its operations in the foreseeable future. As at September 30, 2022, the Company has an accumulated deficit of $5,416,267 (2021 – $1,892,272) since inception and is expected to incur further losses in the development of its business. The Company will have to rely on the issuance of shares or the exercise of options and warrants to fund ongoing operations and investment. The ability of the Company to raise capital will depend on market conditions and it may not be possible for the Company to issue shares on acceptable terms or at all.

The continuation of the Company as a going concern is dependent on its ability to raise additional capital either through equity or debt financing in order to meet business objectives of achieving profitable business operations.

SHARE CAPITAL AND OUTSTANDING SHARE DATA

Authorized
The Company has authorized share capital of an unlimited number of common shares and preferred shares without par value. Common and/or preferred shares are entitled to receive dividends if and when they are declared by the Board of Directors.

Issued and Outstanding Common Shares
As of September 30, 2022, the Company has a total issued and outstanding common shares: 53,496,067 (September 30, 2021 – 36,327,814).

Outstanding share data

As at September 30, 2022, and the Report Date, the following table summarizes the outstanding share capital of the Company:

	September 30, 2022	Report Date
Common Shares	53,496,067	58,371,067
Warrants	13,329,704	8,404,704
Options	3,550,000	3,550,000
Total, Fully Diluted	**70,375,771**	**70,325,771**

Share Issuances

Transaction subsequent to September 30, 2022:

Subsequent to September 30, 2022, 4,775,000 shares were issued for warrants exercise at $0.10 for gross proceed of $477,500.

Transactions during the Period Ended September 30, 2022:

During the period ended September 30, 2022, 7,645,625 warrants were exercised into common shares at an average price of $0.15 per share for total gross proceeds of $1,137,375.

On May 19, 2022, the Company completed the second and final tranche of its non-brokered private placement financing through the issuance of 231,482 units (the "Units") at a price of $1.08 per Unit for aggregate gross proceeds of $250,000. The Units consist of one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share at a price of $1.40 per share for three years.

Also, on May 19, 2022, the Company completed a non-brokered flow-through financing with another arm's length party. The Flow-Through Private Placement ("FT Private Placement") consisted of 666,668 units (the "FT Units") at a price of $1.50 per Unit for aggregate gross proceeds of $1,000,002. The FT Units consist of one flow-through common share and one-half of one non-flow through common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share at a price of $1.80 per share for two years. The Company paid an aggregate finder's fee of $95,900 cash, 46,667 compensation warrants exercisable for two years at $1.50 and 16,204 compensation warrants exercisable for three years at $1.08.

On May 13, 2022, the Company completed a non-brokered private placement (the "Private Placement") through the issuance of 3,194,976 units (the "Units") at a price of $1.08 per Unit for aggregate gross proceeds of $3,450,574. The Units consist of one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share at a price of $1.40 per share for three years. A residual value of $143,774 was assigned to the warrants.

Also on May 13, 2022, the Company completed a non-brokered flow-through financing with another arm's length party. The Flow-Through Private Placement ("FT Private Placement") consisted of 666,668 units (the "FT Units") at a price of $1.50 per Unit for aggregate gross proceeds of $1,000,002. The FT Units consist of one flow-through common share and one-half of one non-flow through common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share at a price of $1.80 per share for two years. The Company paid aggregate finder's fee of $91,550 cash, 46,667 compensation warrants exercisable for two years at $1.50 and 16,204 compensation warrants exercisable for two years at $1.08. A residual value of $30,000 was assigned to the warrants.

On March 9, 2022, the Company issued 3,179,500 units (the "Units") in a non-brokered private placement at a price of $0.94 per Unit for gross proceeds of $2,988,730. Each Unit consists of one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share for two years at a price of $1.22 per share.

On March 2, 2022, the Company issued 750,000 shares at a fair value of $1.14 per to the Vendor for a total value of $855,000 in relation to an option agreement for the acquisition of 100% interest of several mineral claims located in Clayton Valley, Nevada.

On December 16, 2021, the Company closed its flow through financing - non-brokered private placement - through the issuance of 833,334 units at a price of $1.20 per unit for aggregate proceeds of $1,000,001. Part of the proceeds were recognized as Flow-through premium liability amounting to $183,333 and shall be recognized as income over a period of 12 months from closing date. Each unit consists of one flow-through common shares and one-half non-flow through common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share at a price of $1.50 per share for two years. Finder's fees totaling $70,000 in cash and 58,333 compensation warrants exercisable for two years at $1.20 were paid to Qwest Investment Fund Management Ltd.

<u>Transactions during the Year Ended September 30, 2021:</u>

On September 2, 2021, the Company issued 80,000 common shares for gross proceeds of $48,000 through the exercise of share purchase warrants.

On July 2, 2021, the Company issued 2,388,650 units at a price of $0.40 per unit for gross proceeds of $955,460 from the second tranche of a non-brokered private placement financing. Each unit is comprised of one common share and one-half common share purchase warrant. Each warrant is exercisable into one common share at a price of $0.60 per share and expires on July 2, 2023. Finder's fees and other share issuance costs totaling $30,028 in cash were paid to third parties.

On June 21, 2021, the Company closed a private placement of 6,645,517 units at a price of $0.40 per unit for gross proceeds of $2,658,207. Each unit consisted of one common share and one half-warrant. Each full warrant is exercisable at $0.60 for one common share until June 21, 2023. In connection with the private placement, the Company paid $140,385 in finders' fees.

On May 13, 2021, the company issued 750,000 common shares at a price of $0.40 per share to GeoXplor Corp. for a total value of $300,000 in relation to an option agreement for the acquisition of 100% interest of several mineral claims located in Clayton Valley, Nevada.

On January 25, 2021, the Company issued 13,350,001 units in relation to its Amalgamation agreement in exchange for all the outstanding common shares of Fundco at a price of $0.03 per share. In connection with the Amalgamation, the Company also issued 1,610,000 common shares priced at $0.03 per share for a total value of $48,300 as a finder's fee. A more detailed description of the Amalgamation transaction is found in the Amalgamation section below.

On January 14, 2021, the Company issued 100,000 at a price of $0.03 per share for a total value of $3,000 to an arm's length party in connection with the FLV Mineral Property.

On November 27, 2020, the Company closed a private placement of 10,300,000 units at a price of $0.03 per unit for proceeds of $309,000. Each unit consisted of one common share and one half-warrant. Each full warrant is exercisable at $0.10 for one common share until November 27, 2022. In addition to the private placement, the Company issued 490,000 common shares with a total value of $14,700 as finders' fee. The Company also paid $12,000 in legal fees.

On November 23, 2020, the Company completed a 7:1 share consolidation of its common shares. All common share and per share amount in these financial statements are retroactively presented on a post-share consolidation basis, including the number and exercise price of all share warrants.

Amalgamation

On December 30, 2020, the Company entered into an Amalgamation Agreement. The asset purchase agreement did not meet the definition of a business and therefore, was accounted for as an asset acquisition in accordance with IFRS 2.

Under the terms of the agreement, the Company issued 13,350,001 units in exchange for the issued and outstanding common shares of Fundco at a price of $0.03 per unit. Each unit consists of one common share and one-half share purchase warrant. Each full warrant entitles the holder to purchase one additional common share at $0.10, of which 6,525,001 warrants had an expiry date of November 27, 2022, and remaining 150,000 warrants had an expiry date of October 9, 2022. The warrants were assigned a residual value of $nil on the transaction. In connection with the transaction, the Company also issued, 1,610,000 common shares as finder's fees with a total value of $48,300 ($0.03 per share) and paid $15,000 in legal fees. A breakdown of the transaction is as follows:

		September 30, 2021
Consideration		
Common shares (13,350,001 units – issued on January 25, 2021)	$	400,500
Finders' fees (1,610,000 common shares)		48,300
Legal fees		15,000
		463,800
Assets acquired		
Cash		358,500
Loan receivable		42,000
		400,500
Amalgamation expense	**$**	**63,300**

During the year ended September 30, 2021, the Company received a working capital advance of $42,000 from Fundco in advance of closing the Amalgamation Agreement. On the closing of the transaction, the loan payable balance on the Company's books was offset with the loan receivable acquired.

Shares held in Escrow

Pursuant to an escrow agreement dated March 25, 2021, (the "Escrow Agreement"), a total of 3,242,244 common shares held by principals of the Company were placed under escrow. Of that number, as of September 30, 2022, a total of 1,945,346 remained in escrow. Of the remaining shares held in escrow, 486,337 will be released every six months with the final shares being released on April 28, 2024. As of the Report Date 1,459,009 shares held in escrow.

Stock Options

The Company has a stock option plan for directors, officers, employees, and consultants. The aggregate number of shares issuable pursuant to options granted under the plan is limited to 10% of the Company's issued and outstanding common shares at the time the options are granted. The number of shares reserved for issuance to any individual director, officer or consultant shall not exceed 5% of the issued and outstanding common shares. The number of incentive stock options granted to any one consultant, or a person employed to provide investor relations activities in any 12-month period must not exceed 2% of the total issued shares of the Company. The exercise price of each option is determined by the Board.

On April 14, 2022, the Company granted an aggregate of 2,000,000 incentive stock options to directors, consultants, and employees as per the Company's Stock Option Plan, with an exercise price of $1.28 per share for a period of five years from the date of grant. 1,500,000 options were fully vested on grant date and the remaining 500,000 options vested on August 14, 2022. The estimated fair value of the options was $1,910,992. The Company expensed the entire amount as share-based compensation during the year ended September 30, 2022. The options were fair valued using Black-Scholes Option Pricing Model with the following assumptions: average risk-free rate - 2.58%; expected life – 5 years; expected volatility – 100%; forfeiture rate – Nil and expected dividends – Nil.

On April 28, 2022, the Company granted an aggregate of 225,000 incentive stock options to a consultant as per the Company's Stock Option Plan, with an exercise price of $1.30 per share for a period of three years from the date of grant. The options vested on August 28, 2022. The estimated fair value of the options was $174,658. The Company expensed the entire amount as share-based compensation during the year ended September 30, 2022. The options were fair valued using Black-Scholes Option Pricing Model with the following assumptions: average risk-free rate – 2.58%; expected life – 3 years; expected volatility – 100%; forfeiture rate – Nil and expected dividends – Nil.

On July 9, 2021, the Company granted $1,325,000 incentive stock options to directors and a consultant with an exercise price of $0.80 per share for a period of five years from the date of grant. A total of 1,250,000 options were vested immediately. The remaining 75,000 options were fully vested by November 9, 2021. The estimated fair value of the options was $845,285, of which $822,744 has been recorded during the year ended September 30, 2021, in connection with the issuance of these options. The options were fair valued using Black-Scholes Option Pricing Model with the following assumptions: average risk-free rate - 0.94%; expected life – 5 years; expected volatility – 100%; forfeiture rate – Nil and expected dividends – Nil.

As at September 30, 2022, the Company has 3,550,000 incentive stock options outstanding (September 30, 2021 – 1,325,000). A summary of the movements of the stock options is presented below:

Period ended	**September 30, 2022**		September 30, 2021	
	Number of options	**Weighted average exercise price**	Number of options	Weighted average exercise price
Outstanding, beginning	**1,325,000**	**$ 0.80**	-	$ -
Granted	**2,225,000**	**1.28**	1,325,000	0.80
Outstanding, end of period	**3,550,000**	**1.10**	1,325,000	0.80
Exercisable	**3,550,000**	**$ 1.10**	1,325,000	$ 0.80

The following table summarizes information regarding stock options outstanding as of September 30, 2022:

Date issued	**Number of options outstanding**	**Exercise price**	**Expiration date**
July 9, 2021	1,325,000	$ 0.80	July 9, 2026
April 14, 2022	2,000,000	1.28	April 14, 2027
April 28, 2022	225,000	1.30	April 28, 2025
Total options outstanding	**3,550,000**		
Total options exercisable	**3,550,000**		

Warrants

Finders' warrants

On May 19, 2022, the Company granted 16,204 warrants to finders with an exercise price of $1.08 per share and 46,667 warrants exercisable at $1.50 for a period of two years from date of grant. The estimated fair value of the warrants was $33,533, recorded during the year ended September 30, 2022, in connection with the issuance of these warrants. The warrants were fair valued using Black-Scholes Option Pricing Model with the following assumptions: average risk-free rate – 2.71%; expected life – 2 years; expected volatility – 100%; forfeiture rate – Nil and expected dividends – Nil.

Also on May 13, 2022, the Company granted 16,204 warrants to finders with an exercise price of $1.08 per share and 46,667 warrants exercisable at $1.50 for a period of two years from date of grant. The estimated fair value of the warrants was $29,081, recorded during the year ended September 30, 2022, in connection with the issuance of these warrants. The warrants were fair valued using Black-Scholes Option Pricing Model with the following assumptions: average risk-free rate - 2.68%; expected life – 2 years; expected volatility – 100%; forfeiture rate – Nil and expected dividends – Nil.

On December 16, 2021, the Company granted 58,333 warrants to finders with an exercise price of $1.20 per share for a period of two years from date of grant. The estimated fair value of the warrants was $26,793, recorded during the year ended September 30, 2022, in connection with the issuance of these warrants. The warrants were fair valued using Black-Scholes Option Pricing Model with the following assumptions: average risk-free rate - 0.90%; expected life – 2 years; expected volatility – 100%; forfeiture rate – Nil and expected dividends – Nil.

The following table summarizes information regarding share purchase warrants outstanding as of September 30, 2022:

Date issued	Number of warrants	Exercise price	Expiry date
February 21, 2018	142,857	$ 0.70	February 21, 2023
November 27, 2020	4,775,000	0.10	November 27, 2022
December 30, 2020	150,000	0.10	October 9, 2022
June 21, 2021	2,635,883	0.60	June 21, 2023
July 2, 2021	1,055,575	0.60	July 2, 2023
December 16, 2021	416,667	1.50	December 16, 2023
December 16, 2021	58,333	1.20	December 16, 2023
March 9, 2022	1,589,750	1.22	March 9, 2024
May 13, 2022	16,204	1.08	May 13, 2024
May 13, 2022	46,667	1.50	May 13, 2024
May 13, 2022	333,334	1.80	May 13, 2024
May 13, 2022	1,597,488	1.40	May 13, 2025
May 19, 2022	16,204	1.08	May 19, 2024
May 19, 2022	46,667	1.50	May 19, 2024
May 19, 2022	115,741	1.40	May 19, 2025
May 19, 2022	333,334	1.80	May 19, 2024
	13,329,704		

A summary of changes in the Company's share purchase warrants outstanding for the years ended September 30, 2022, and September 30, 2021, is as follows:

	September 30, 2022		September 30,2021	
	Number of warrants	**Weighted Average Exercise Price**	Number of warrants	Weighted Average Exercise Price
Outstanding, beginning	**16,404,940**	**$ 0.24**	142,857	$ 0.70
Granted	**4,570,389**	**1.40**	16,342,083	0.24
Exercised	**(7,645,625)**	**0.15**	(80,000)	0.60
Outstanding, end	**13,329,704**	**$ 0.69**	16,404,940	$ 0.24

TRANSACTIONS WITH RELATED PARTIES

The Company has identified its directors and certain senior officers as its key personnel and the compensation costs for key personnel and companies related to them were recorded at their exchange amounts as agreed upon by transacting parties.

As at September 30, 2022, the Company has $93,705 (2021 – $47,923) due to related parties broken down as follows:

As at	September 30, 2022	September 30, 2021
CEO	$ 79,000	$ 36,767
CFO and Corporate Secretary	14,705	11,103
Director	-	53
Total	**$ 93,705**	$ 47,923

During the periods ended September 30, 2022 and 2021, the Company entered into the following transactions with related parties:

Year ended	September 30, 2022	September 30, 2021
Management fees	$ 287,750	$ 94,500
Accounting fees	43,157	21,442
Director fees	7,500	-
Share-based compensation	1,433,244	797,439
Total	**$ 1,771,651**	$ 913,381

(a) Management fees were paid or accrued to the following:

	September 30, 2022	September 30, 2021
Company controlled by the CEO	$ 211,000	$ 45,000
Company controlled by the CFO	76,750	45,000
Company controlled by the former CFO	-	4,500
Total	**$ 287,750**	$ 94,500

(b) Accounting fees of $43,157 were paid to a company controlled by the Company's CFO and Corporate Secretary (2021 – $21,442).

(c) Director fees of $7,500 were paid to Ioannis Tsitos, Director (2021 - $Nil).

(d) Share-based compensation was paid or accrued to the following:

	September 30, 2022		September 30, 2021	
	Number of options	Share-based payments	Number of options	Share-based payments
CEO	750,000	$ 716,622	500,000	$ 318,975
CFO and Corporate			250,000	-
Secretary	250,000	238,874	-	159,489
Directors	500,000	477,748	575,000	318,975
Total	**1,500,000**	**$ 1,433,244**	1,325,000	$ 797,439

SETTLEMENT OF DEBT

On October 15, 2020, the Company entered into a series of debt settlement agreements to extinguish most of the Company's accounts payable and accrued liabilities and loan balances with related parties.

The Company paid a total of $166,350 to settle $418,950 in accounts payables and accrued liabilities, $225,385 due to Kona Bay, $12,800 in shareholder loan and the $383,650 promissory note payable, resulting in a gain on settlement of $874,435. The total debt and settlement for each party is as follows:

	Total Debt	Settlement Amount	Gain on Settlement
Former CEO	$ 217,550	$ 43,510	$ 174,040
Former Consultant	214,200	42,840	171,360
Kona Bay	609,035	80,000	529,035
Total Debt	**$ 1,040,785**	**$ 166,350**	**$ 874,435**

Concurrent with the debt settlement, the Company offset the balance due from ACT360 Media Inc. of $45,658 against the remaining amounts owed to Kona Bay. The Company wrote-off $8,316 of GST receivable related to certain accrued expenditures from related parties. These were all reported as part of income from discontinued operations during the period ended September 30, 2021.

COMMITMENTS

On April 27, 2022, the Company entered into an agreement with an arm's length party for marketing of the Company to targeted investors and advisors. The Company shall pay a monthly fee of $10,000 for an initial term of 12 months with a minimum total transaction fee of $75,000 before termination. In addition, the Company has granted this third party a total of 225,000 incentive stock options exercisable at $1.30 per share for a period of three years, vesting four months from the date of grant.

The Company has certain commitments in connection with its mineral properties (see **Mineral Property Interests**).

The Company also entered into three flow-through share subscription agreements. These agreements indicate that the value received must be spent on mineral explorations within the province of Manitoba

On December 1, 2022, the Company entered into a 5-year lease agreement for its office premises with annual fees of $54,567 beginning in December 2022, with a 1.8% increase each year during the five-year term.

CHANGES IN ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES

For a detailed summary of the Company's significant accounting policies, the readers are directed to Note 3 of the audited consolidated financial statements for the year ended September 30, 2022 and 2021 that are available on SEDAR at www.sedar.com.

OFF BALANCE SHEET ARRANGEMENTS

To the best of management's knowledge, there are no other off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the company.

PROPOSED TRANSACTIONS

As at the report date, there are no proposed transactions which have not been publicly disclosed.

CAPITAL DISCLOSURE

The Company's capital currently consists of common shares of $15,219,436. The Company's objective when managing capital is to safeguard the entity's ability to continue as a going concern, meet financial obligations, have sufficient capital to achieve and maintain profitable operations and to provide returns for shareholders and benefits for other stakeholders. As of September 30, 2022, the Company had a working capital of $9,050,801 (September 30, 2021 – $2,746,824). Management expects to raise additional capital from the capital markets or from private placements of securities.

FINANCIAL INSTRUMENTS

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.
- Level 2 Quoted prices in markets that are not active, or inputs that are not observable, either directly or indirectly, for substantially the full term of the asset or liability.
- Level 3 Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

The fair value of the Company's financial instruments approximates their carrying values due to their short term to maturity. The fair value of cash is based on level 1 inputs of the fair value hierarchy.

The Company is exposed through its operations to the following financial risks:

- Market Risk
- Credit Risk
- Liquidity Risk

In common with all other businesses, the company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies, and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

General Objectives, Policies, and Processes

The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies and, while retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's finance function.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility. Further details regarding these policies are set out below.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices are comprised of four types of risk: foreign currency risk, interest rate risk, commodity price risk and equity price risk.

Foreign Currency Risk

Foreign currency risk is the risk that a variation in exchange rates between the Canadian dollar and United States dollar or other foreign currencies will affect the Company's operations and financial results. The Company is exposed to currency risk to the extent that monetary assets and liabilities held by the Company are not denominated in Canadian dollars. The Company has not entered into any foreign currency contracts to mitigate this risk.

The Company is exposed to currency risk through the following monetary assets and liabilities denominated in foreign currencies:

		September 30, 2022	September 30, 2021
Cash and cash equivalents	USD$	843,975	13,099
Reclamation bond	USD$	24,197	-
Accounts payable and accrued liabilities	USD$	6,579	47,103

Based on the above net exposures and assuming that all other variables remain constant, a 10% change in the value of the foreign currency against the Canadian dollar would result in an increase or decrease of $86,159 (September 30, 2021 – $4,332) in income/loss from operations.

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments which are potentially subject to credit risk for the Company consist primarily of cash and cash equivalents and trade accounts receivable. Cash and cash equivalents are maintained with financial institutions of reputable credit and may be redeemed upon demand. The Company considers this risk to be minimal as of September 30, 2022.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meets its financial obligations as they become due. The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The key to success in managing liquidity is the degree of certainty in the cash flow projections. If future cash flows are fairly uncertain, the liquidity risk increases.

The Company's objective is to ensure that it has sufficient cash on demand to meet expected operational expenses. To achieve this objective, the Company will prepare annual capital expenditure budgets which will be regularly monitored and updated as necessary. The Company monitors its risk of shortage of funds by monitoring the maturity dates of existing trade and other accounts payable.

RISKS AND UNCERTAINTIES

An investment in the Company' shares should be considered highly speculative due to the nature of the Company's business and the present stage of its development. In evaluating the company and its business, the Reader should carefully consider the following risk factors in addition to the other information contained in this management discussion and analysis. These risk factors are not a definitive list of all risk factors associated with the Company. It is believed that these are the factors that could cause actual results to be different from expected and historical results. Investors should not rely upon forward-looking statements as a prediction of future results.

Limited Operating History

The Company has no history of business or mining operations or production. The Company is subject to all of the business risks and uncertainties associated with any new business enterprise, including the risk that it will not achieve its growth objective. The Company anticipates that it may take several years to achieve positive cash flow from operations.

Exploration Risk

The exploration for and development of minerals involves significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. There can be no guarantee that the estimates of quantities and qualities of minerals disclosed will be economically recoverable. With all mining operations there is uncertainty and, therefore, risk associated with operating parameters and costs resulting from the scaling up of extraction methods tested in pilot conditions. Mineral exploration is speculative in nature and there can be no assurance that any minerals discovered would result in an increase in the Company's resource base.

The Company's operations are subject to all of the hazards and risks normally encountered in the exploration, development and production of minerals. These include unusual and unexpected geological formations, rock falls, seismic activity; flooding and other conditions involved in the extraction of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Although precautions to minimize risk will be taken, operations are subject to hazards that may result in environmental pollution and consequent liability that could have a material adverse impact on the business, operations and financial performance of the Company.

Metal Price Risk

Even if the Company's exploration programs are successful in locating economic deposits of minerals or precious metals, factors beyond the Company's control may affect the value and marketability of such deposits. Natural resource prices have wide historic fluctuations due to many factors, including inflation, currency fluctuations, interest rates, consumption trends and local and worldwide financial market conditions. The prices of such natural resources greatly affect the value of the Company and the potential value of its properties. This, in turn, greatly affects its ability to form joint ventures and the structure of any joint ventures formed.

Public Health Crisis

As at the date of this report, the Company has not been significantly impacted by the spread of COVID-19 as the Company's operations are identification of exploration and evaluation assets, and this sector was not impacted by COVID-19 significantly. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Company for future periods. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions.

As a mineral company operating in both the United States and Canada, ACME expects that government agencies as well as third party contractors may be delayed in providing services due to COVID protocols and/or staffing issues.

These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put in place. While the extent of the impact is unknown, the Company anticipates this outbreak may adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could further affect the Company's operations and ability to finance its operations.

Environmental Risk

The Company's exploration and appraisal programs will, in general, be subject to approval by regulatory bodies. Additionally, all phases of the mining business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of international conventions and federal, provincial, and municipal laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with mining operations. The legislation also requires that wells and facility sites be operated, maintained, abandoned, and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs.

Global Economic Conditions

Global economic conditions could have a negative effect on the Company's business and results of operations. Economic activity throughout much of the world has been volatile. Market disruptions have included extreme volatility in securities prices, as well as severely diminished liquidity and credit availability. The economic crisis may adversely affect the Company in a variety of ways. Access to lines of credit or the capital markets may be severely restricted, which may preclude the Company from raising funds required for operations and to fund continued expansion. It may be more difficult for the Company to complete strategic transaction with third parties. Such developments could decrease the Company's ability to obtain financing and could expose it to risk that one of its customers or banks will be unable to meet their obligations under agreements with them.

Additional Requirements for Capital

Substantial additional funds for the establishment of the Company's current and planned mining operations will be required. No assurances can be given that the Company will be able to raise the additional funding that may be required for such activities, should such funding not be fully generated from operations. Mineral prices, environmental rehabilitation or restitution, revenues, taxes, transportation costs, capital expenditures, operating expenses and geological results are all factors which will have an impact on the amount of additional capital that may be required. To meet such funding requirements, the Company may be required to undertake additional equity financing, which would be dilutive to shareholders. Debt financing, if available, may also involve restrictions on financing and operating activities. There is no assurance that additional financing will be available on terms acceptable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated expansion and pursue only those development plans that can be funded through cash flows generated from its existing operations.

Management of Growth

The Company may be subject to growth-related risks including pressure on its internal systems and controls. The Company's ability to manage its growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of the Company to deal with this growth could have a material adverse impact on its business, operations and prospects. While management believes that it will have made the necessary investments in infrastructure to process anticipated volume increases in the short term, the Company may experience growth in the number of its employees and the scope of its operating and financial systems, resulting in increased responsibilities for the Company's personnel, the hiring of additional personnel and, in general, higher levels of operating expenses. In order to manage its current operations and any future growth effectively, the Company will also need to continue to implement and improve its operational, financial and management information systems and to hire, train, motivate, manage and retain its employees. There can be no assurance that the Company will be able to manage such growth effectively, that its management, personnel or systems will be adequate to support the Company's operations or that the Company will be able to achieve the increased levels of revenue commensurate with the levels of operating expenses associated with this growth.

Dependence on Management Team

The Company will depend on certain key senior managers to oversee the core marketing, business development, operational and fund-raising activities and who have developed key relationships in the industry. Their loss or departure in the short-term would have an adverse effect on the Company's future performance.

Exchange Rate

The reporting currency of the Company is the Canadian Dollar. Exploration and evaluation expenditures are mostly in United States dollar ("US dollar"). Future fluctuations in the value of the Canadian Dollar relative to these currencies will likely have a material impact on the Company's overall financial results. A further depreciation on the value of the Canadian dollar against US dollar will likely cause explorations costs denominated in US dollar to increase which will have a material effect on the Company's loss and comprehensive loss results.

Smaller Companies

Market perception of junior companies may change, potentially affecting the value of investors' holdings and the ability of the Company to raise further funds through the issue of further Common Shares or otherwise. The share price of publicly traded smaller companies can be highly volatile. The value of the Common Shares may be subject to sudden and large falls in value given the restricted marketability of the Common Shares.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

Detailed listing of exploration expenditures and a breakdown of general and administrative expenses are provided in the audited financial statements for the year ended September 30, 2022, and the audited financial statements for the year ended September 30, 2021, which are available on SEDAR at www.sedar.com.

DIRECTORS

Certain directors of the Company are also directors, officers and/or shareholders of other companies that are similarly engaged in the business of acquiring, developing and exploring natural resource properties. Such associations may give rise to conflicts of interest from time to time. The directors of the Company are required to act in good faith with a view to the best interests of the Company and to disclose any interest which they may have in any project opportunity of the Company. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his/her interest and abstain from voting in the matter(s). In determining whether or not the Company will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at the time.

Current Directors and Officers of the Company are as follows:

Stephen Hanson, President, CEO and Director, Audit Committee Member
Vivian Katsuris, Director, Audit Committee Member
Ioannis Tsitos, Director, Audit Committee Member
Zara Kanji, CFO and Corporate Secretary

OUTLOOK

The Company's primary focus for the foreseeable future will be on reviewing its financial position, raising funds to support exploration and operational activities, continuing exploration activities on its mineral properties and financing business ventures in the mineral resource industry.

The Company is focused on advancing the projects in the United States and Canada with the intent to build shareholder value.

ADDITIONAL INFORMATION

Additional information related to the Company can be found on SEDAR at www.sedar.com.