



ACME LITHIUM INC.

Management Discussion and Analysis

As at and for the Years Ended September 30, 2023 and 2022

This report is dated January 25, 2024
(the "Report Date")

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

INTRODUCTION

This Management's Discussion and Analysis ("MD&A") is intended to assist in the understanding of the trends and significant changes in the financial condition and results of operations of ACME Lithium Inc. ("ACME" or the "Company") for the year ended September 30, 2023. This MD&A should be read in conjunction with the audited consolidated financial statements for the year ended September 30, 2023, and audited consolidated financial statements for the fiscal year ended September 30, 2022 (the "Financial Statements") and the notes related thereto which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). Certain notes to the Financial Statements are specifically referred to in this MD&A and such notes are incorporated by reference herein. The MD&A has been prepared effective January 25, 2024. All monies are expressed in Canadian dollars unless otherwise indicated. 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 SEDARPLUS website www.sedarplus.ca.

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 does 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 considering the risks as set forth below.**

CORPORATE OVERVIEW AND DESCRIPTION OF BUSINESS

The Company was incorporated under the provisions of the Business Corporations Act of British Columbia on January 31, 2017. 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 a 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", 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, and Manitoba and Saskatchewan, Canada. To date, no mineral development projects have been completed and no commercial development or production has commenced.

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.

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 SEDARPLUS at www.sedarplus.ca. 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 states 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 Manitoba and Saskatchewan mineral properties technical aspects for this MD&A report have been reviewed and approved by Dane Bridge, Certified Professional Geologist, a Qualified Person under NI 43-101.

As at September 30, 2023, the Company's exploration and evaluation expenditures as follows:

	Clayton Valley, Nevada	Fish Lake Valley, Nevada	Cat-Euclid, Manitoba	Shatford, Manitoba	Birse Lake, Manitoba	Bailey Lake, Saskatchewan	Total
Acquisition costs							
Balance, September 30, 2022	\$ 1,438,543	\$ 148,065	\$ 36,000	\$ 84,000	\$ 20,000	\$ -	\$ 1,726,608
Additions – cash	66,057	96,800	-	-	-	109,476	272,333
Additions - common shares	371,250	-	-	-	-	41,000	412,250
Foreign currency translation	(18,522)	(1,887)	-	-	-	-	(20,409)
Balance, September 30, 2023	\$ 1,857,328	\$ 242,978	\$ 36,000	\$ 84,000	\$ 20,000	\$ 150,476	\$ 2,390,782
Exploration and evaluation costs							
Balance, September 30, 2022	\$ 1,242,756	\$ 139,113	\$ 313,176	\$ 453,733	\$ 66,004	\$ -	\$ 2,214,782
Sale of GOR Royalty	-	-	(51,674)	(97,500)	-	-	(149,174)
Adjusted Balance, September 30, 2022	1,242,756	139,113	261,502	356,233	66,004	-	2,065,608
Consulting	4,300	33,345	67,965	62,338	-	-	167,948
Deficiency deposit	-	-	-	-	-	41,414	41,414
Drilling	2,715,827	-	41,367	2,682,406	2,084	-	5,441,684
Geological surveys	1,330,292	144,739	22,054	283,973	6,192	398,815	2,186,065
Maintenance fees	13,304	-	-	-	-	-	13,304
Testing and assaying	-	71,716	-	14,724	-	-	86,440
Travel	-	1,072	-	89,966	-	-	91,038
Foreign currency translation	(6,698)	(1,039)	-	-	-	-	(7,737)
Balance, September 30, 2023	\$ 5,299,781	\$ 388,946	\$ 392,888	\$ 3,489,640	\$ 74,280	\$ 440,229	\$ 10,085,764
Impairment	-	-	-	-	-	(590,705)	(590,705)
Recovery on mineral property	-	(27,040)	-	-	-	-	(27,040)
Total, September 30, 2023	\$ 7,157,109	\$ 604,884	\$ 428,888	\$ 3,573,640	\$ 94,280	\$ -	\$ 11,858,801

CURRENT AND ACTIVE MINERAL PROJECTS:**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: pay cash payments of US\$278,500 (\$241,564 – US\$178,500), issue 5,250,000 common shares (2,250,000 aggregate issued; 750,000 issued in current year with fair value of \$371,250), and incur a total of US\$2,750,000 in exploration and development expenditures (\$3,718,000 – US\$2,750,000 incurred). The Company also paid an initial deposit of \$6,416 (US\$5,000) to reimburse the arm’s length party. The property is subject to a 3.0% Gross Overriding Royalty (“GOR”). The Company has the right to buy back one-half of the royalty for US\$1,500,000 for a period of 3 years following the commencement of commercial production.

The following are the terms of the agreement

	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, issued, and incurred)	50,000	750,000	250,000
On or before March 2, 2023 (paid, issued, and incurred)	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

In connection with the above 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 each annual anniversary date thereafter, until the property is in production. The cash advances will be credited against future royalty payments due.

On June 9, 2021, the Company acquired by staking the 58 new claims (“JR claims”) encompassing approximately 1,160 acres contiguous to the Company’s Project Claims located in Clayton Valley, Esmeralda County, Nevada and are contiguous as well 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.

On August 10, 2021, the Company commenced Phase 1 of a two-phase geophysical survey program at ACME's Clayton Valley project in Nevada which entailed a gravity survey. The results have been used to prioritize drill locations to test for lithium concentrations within brines. The lithium source material and transport mechanisms for the Project Claim area 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 up to 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 Company received a letter of approval under a “NOI 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 \$30,561 (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 1 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 1,400 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	110.0	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 have confirmed the stratification of denser fluids at depth. Natural gamma, fluid conductivity, and temperature logs have all indicated 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 was 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-initiated Phase 2 planning and procurement of an expanded drilling and pump test program.

On November 7, 2022, the Company received a notice of approval under an amended "NOI 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 also includes 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. was contracted to provide drilling services and related activities in addition to road and drill pad preparations by the Company, as well as expanding the 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 \$83,217 (US\$63,144) to cover additional reclamation of up to 2.2 acres of permitted disturbance.

In January to April 2023, DH-1A drilling was completed at its Clayton Valley lithium brine project. The DH-1A drilling successfully reached a total depth of 1940 feet or 591 meters as part of a Phase 2 drill program. Prospective basin sediments have been encountered deep in DH-1A and delineated with high probability to exhibit characteristics of the Lower Gravel Unit (LGU) in Clayton Valley. The LGU is a permeable, lithium brine enriched, gravel aquifer, overlying bedrock throughout most of Clayton Valley. The core is consistent with the known basin stratigraphy.

Completion of DH-1A increased the depth of the lower gravel unit from approximately 1250 to 1820 feet below ground surface (bgs). The underlying bedrock was drilled to a depth of 1940 feet bgs and a zone isolated brine sample was collected using a down-hole Ardvark™ packer system from approximately 1880 to 1840 feet bgs. The following presents some of the key highlights of DH-1A.

- a) DH-1A reached bedrock, extending the depth of the lower gravel unit to approximately 1820 feet bgs.
- b) Zone testing in bedrock indicated brines extend into the bedrock with lithium concentration up to 71 mg/L.
- c) Downhole geophysical logs were completed in DH-1A to include a nuclear magnetic resonance (NMR) log which provides indications of potential fluid volume, mobile, or capillary bound waters, and estimates of hydraulic conductivity throughout the entire borehole.
- d) DH-1A was completed with grouted-in Vibrating Wire Piezometers (VWP) to monitor long-term changes in water levels at the ACME project. The VWP will also be used to monitor response from the TW-1 pumping test.

In April to June 2023, the Company completed Dissolved Mineral Resource Exploration (DMRE) test well TW-1 as part of the Phase 2 drill program. The results indicate a total lithium concentration of 110 mg/L was present in fluids airlifted from approximately 496 feet of perforated casing crossing the Lower Gravel Unit (LGU). The adjacent operator's property, contiguous to ACME's project area, has a reported cutoff grade of 50 mg/l.

The LGU extends from approximately 1250 to 1820 feet below ground surface (bgs) at the test well location. The perforated casing of TW-1 captures just under 500 feet of the LGU which is a targeted high concentration lithium brine aquifer. The well was developed using airlifting to remove latent drilling fluids from the wellbore. Water quality parameters including total dissolved solids, electrical conductivity, temperature, and pH values were recorded in the field by direct measurement with a Myron L Company Ultrameter II 6PFC water meter. A water quality sample was collected near the end of the well development activity when field parameters had stabilized in accordance with accepted practices.

As announced in August 2022, the LGU presented some of the highest lithium values, up to 130 mg/L in brine samples collected in ACME's Phase 1 program which was completed in July 2022. The LGU presents a deep, laterally expansive aquifer, which overlies bedrock throughout a significant portion of Clayton Valley.

The sample result provides a preliminary indication of the composite concentration of lithium in the brines across the LGU at the TW-1 location. Brine samples collected from DH-1 and DH-1A show strong potential stratification of waters in multiple aquifers down to the contact with bedrock. The preliminary data provides further evidence that some of the highest concentrations of lithium are contained in the LGU at the TW-1 drill location. The laboratory analysis of the airlift development fluid further validates previous evidence of a lithium brine deposit contained in the LGU and as indicated by other operators to be a potential production aquifer within Clayton Valley. Lithium analysis from the sample collected was completed by Western Environmental Testing Laboratory in Sparks, Nevada using ICPMS-EPA approved methods.

On August 17, 2023, the Company completed a 10-day pumping test at test well TW-1 at its Clayton Valley Nevada lithium brine project. The well is the only permitted deep well known to currently exist in the northern portion of Clayton Valley. Data generated from the pumping test will be used to assess hydraulic properties, brine chemistry of the Lower Gravel Unit (LGU) aquifer and to examine the potential concentration and extractability of economic lithium brine in the LGU. Brine samples from the pumping test discharge have been submitted to multiple

laboratories for chemical analysis and potential bench-scale testing for Direct Lithium Extraction (DLE) and processing.

As at September 30, 2023, the Clayton Valley project has a carrying value of \$7,157,109 (2022 – \$2,681,299) which includes \$5,299,781 (2022 – \$1,242,756) in exploration expenditures.

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 (issued) 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).

On March 15, 2023, the Company staked 63 new claims (FLV-3) by paying \$38,820 (US\$28,713).

Together, the FLV property and the FLV new claims (collectively, the FLV claim group) encompass 207 lode mining claims totaling approximately 4,139 acres, in Esmeralda County, Nevada.

The FLV property neighbors Australia-based Ioneer Ltd’s Rhyolite Ridge Lithium-Boron advanced development project to the east. The Rhyolite Ridge Project has 2023 resources of 360 million metric tons at 1,750 ppm lithium and 6,850 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 technical indications, assistance and additional data for the exploration work being completed by ACME.

From August to October 2021, the Company completed geological field work on the FLV property and 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 also support that the mineral process was active during deposition of the underlying sediments. With this regard, further geological field work was done in August 2022 and on January 2023, it was found out that it has surface lithium values with up to 1,325 ppm lithium and has historical and new lithium occurrences on the FLV claim group and that there are structures and certain beds 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. ACME received the 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 clay sediments potentially targeting similar to the illite-smectite units identified in the nearby Rhyolite Ridge lithium deposit.

In January 2023, the Company signed a teaming agreement with ASTERRA, an Israel-based technology company to utilize Synthetic Aperture Radar (SAR) data analytics, patented algorithms, and artificial intelligence (AI) to identify lithium specific targets. ACME is the first in the United States to use ASTERRA’s technology. ASTERRA’s complex AI and machine learning algorithms extract the signal of lithium concentration from satellite based PolSAR data and can potentially pinpoint locations containing various grades of lithium. This technology could give ACME a way to find targeted locations of lithium, while potentially reducing exploration time and costs. As a pilot project, identification of the recent geological field high grade lithium target results utilized ASTERRA’s satellite-based technology. The use of ASTERRA’s technology produced approximately double the likely locations of lithium above 100 parts per million (ppm) over traditional methods of geochemistry exploration. These values were located at

ACME Lithium Inc.

Management's Discussion and Analysis for the Years Ended September 30, 2023 and 2022

coordinates pinpointed by ASTERRA's satellite technology, with the results confirmed by an independent lab. On March 9, 2023, the Company granted a gross overriding revenue royalty to ASTERRA of 0.5% on all products mined, produced or otherwise recovered from the FLV property.

In February to March 2023, the Company completed phase 2 geochemistry sampling program to develop further knowledge of lithium occurrences at FLV claim group. The Company reported its phase 2 geological field review and sampling program has resulted in numerous new occurrences of lithium values exceeding 1200 ppm lithium with the highest surface value to date at 1418 ppm lithium. Boron anomalies up to 1964 ppm occur with and adjacent to surface lithium anomalies. Drilling has been recommended to determine the relationship between the different interpreted concentrations of clay sediments and the presence of lithium.

On January 12, 2024, the Company entered into a property option agreement with Eagle Battery Metals Corp. ("Optionee"). Pursuant to this, the Company granted the Optionee the sole, exclusive option to acquire all right, title and interest in and to the FLV Property subject to the net smelter returns royalty, a series of cash payments, issuance of the payment shares, and the incurring of expenditure toward mining operations in respect of the FLV Property. The Optionee's commitments in relation to the option agreement are summarized below:

Payment	Date of Completion	Cash Payment (USD)	Exploration Expenditures (USD)	*Shares (Value, USD)
		\$	\$	\$
First Payment	Within 5 days of the effective date, January 12, 2024 (received)	50,000	-	-
Second Payment	On or before May 12, 2024	100,000	-	-
Expenditures	On or before January 12, 2025	-	500,000	-
Third Payment	On the date the Optionee becomes listed	450,000	-	675,000
Fourth Payment	On or before 1 year from listing date	375,000	-	1,312,500
Fifth Payment	On or before 2 years from listing date	500,000	-	1,312,500
Sixth Payment	On or before the date the Optionee measures a mineral resource of no less than 6 million tons of lithium carbonate equivalent	500,000	-	3,000,000

Payment	Date of Completion	Cash Payment	Min. Exploration and Development Expenditures	*Shares (Value, USD)
		\$	\$	\$
First Payment	Within 5 days of the effective date, January 12, 2024 (received)	50,000	-	-
Second Payment	On or before May 12, 2024	100,000	-	-
Expenditures	On or before January 12, 2025	-	500,000	-
Third Payment	On the date the optionee completes an initial public offering or otherwise becomes listed on the exchange	450,000	-	675,000
Fourth Payment	On or before 1 year from listing date	375,000	-	1,312,500
Fifth Payment	On or before 2 years from listing date	500,000	-	1,312,500
Resource over 6Mt LCE	On or before the date the Optionee makes a public announcement of a measured and/or indicated mineral resource of not less than 6 million tons of lithium carbonate equivalent (LCE) on the Property	500,000	-	3,000,000

*Factors in determining the price per share are set forth in the agreement.

As at September 30, 2023, the FLV claim group has a carrying value of \$604,885 (2022 – \$287,178) which includes \$388,946 (2022 – \$139,113) in exploration expenditures.

SHATFORD LAKE, CAT-EUCLID 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 group 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 Lithium Royalty

Corporation. For the 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 a term sheet with Lithium 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 kilometers to the north of the Tanco Mine.

The Company's exploration strategy in the Bird River Greenstone Belt was 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 geophysical 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 was processed to generate six-directional tensor magnetic parameters, and various derived products from these parameters, which have been 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 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 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.

In January to March 2023, the Company completed drilling at its Shatford Lake project in the Winnipeg River pegmatite region in southeastern Manitoba, Canada. The drilling program highlights are as following:

- a) Eight holes were completed totaling 3280m of diamond drilling.
- b) Pegmatites were encountered in 6 of 8 holes.
- c) 235 samples have been cut for assay and delivered to SGS Laboratories in Burnaby, BC
- d) Assay results have been received and released.

The drilling program demonstrated:

- a) Magnetic signatures mapped both stratigraphy and structure related to the LCT pegmatite targets.
- b) Drilling has confirmed in three locations that lineaments mainly orientated at N45°E that are parallel to the lineament associated with the Tanco pegmatite are a control on pegmatite emplacement.

- c) Zones of structural extension and dilation are prime targets for possible pegmatite intrusion.
- d) Multiple albitic pegmatites have been drill intersected occurring within an approximately 500m wide deformation zone in quartzites bounded by thin iron formation horizons and extending from the east end of Shatford Lake for 5 km.
- e) Previously unknown relatively fine-grained intrusive rocks possibly indicating buried source plutons for pegmatites have been encountered in three areas associated with pegmatites and in one area with anomalous lithium values and indicate the occurrence of unexposed potential source plutons for lithium-bearing pegmatites.

In the northwest portion of the claim block, a single drill hole intersected intervals of feldspar porphyry adjacent to a 60m wide area with a high lithium geochemical background. This area is intersected by multiple late, apparently barren pegmatite dykes and may indicate an unexplored source pluton with potential for lithium-bearing pegmatites.

Winter drilling was confined to previously Ministry-approved drill sites and was limited by the availability of water under winter conditions. Ongoing geological and geophysical interpretation indicates untested structural settings, magnetic lows that may be due to pegmatite, and magnetic highs associated with gabbroic bodies.

Many regions within ACME's massive project area in Manitoba remain of interest and require further evaluation and exploration. Two broad areas in the Shatford Lake area stand out and merit further exploration.

1. The west Shatford area in the 31 claim Shatford-Birse Lakes claim block has pegmatites with anomalous Tantalum (Ta) with geochemical wall-rock halos of Lithium (Li), Cesium (Cs), Strontium (Sr) and Vanadium (V).
2. The east Shatford area has multiple pegmatites in a broad deformation zone, some of which are associated with structural controls, similar to the interpreted structural control on the Tanco pegmatite.
3. A third region with exploration potential is the 6 claim Cat-Euclid claim block that covers the unexplored southerly extension of a structural belt that includes the Donner, Eagle, Irgon and Catail LCT pegmatites. It has not been drilled by ACME.

Analyses have been received from SGS Laboratories for 235 samples from the January to April 2023 winter diamond drilling program conducted by ACME on their Shatford Lake Manitoba claim block. 194 samples were sawn NQ drill core with the remainder being duplicates, standards and blanks. Analysis was for a 56-element package by sodium peroxide fusion and an ICP-AES / ICP-MS finish. Analytical results indicate four areas with anomalous Lithium (Li), Tin (Sn) or Tantalum (Ta) in pegmatites and one area with a broad lithochemical anomaly for Li, Cesium (Cs), Strontium (Sr) and Vanadium (V) with thin pegmatites with anomalous Ta.

A total of 26 individual pegmatites were intersected in 6 of 8 drill holes, varying up to 11 m in core length. The pegmatites are classified as simple pegmatites, without visible lithium-bearing minerals, but locally with visible trace tantalite. Six pegmatites in four drill holes contain anomalous Li, one anomalous Cs and two, anomalous Ta. None have economic grades, but assay results confirm the occurrence of geochemically anomalous pegmatite bodies within strongly deformed metasedimentary rocks.

East of Shatford Lake, five pegmatite intersections in 3 holes returned geochemically anomalous Li averages of 138 to 268 ppm Li with 74 to 248 ppm Sn, 54 to 147 ppm Nb and 15 to 74 ppm Ta. This area is located about 3.5km south of the Tanco mine at Bernic Lake.

West of Shatford Lake, potassic Ta-bearing pegmatites in hole SL-08 are hosted within a broad geochemical halo of Li, Cs, Sr and V and associated with a feldspar porphyry, a potential fertile intrusion. The Li, Cs and Sr values are in the range associated with wall-rock alteration associated with economic LCT pegmatites and indicate an excellent exploration target. One of the three pegmatites has a thin Cs and Rb geochemical halo with up to 1513 ppm Cs and 1237 ppm Rubidium (Rb). This area is about 5.5 km southwest of the Tanco mine and within one km of the Tanco lease boundary. Hole SL-08 was drilled on a structural trend in an area with very poor outcrop where drilling was the only way to acquire geological information.

Three specific areas in the Shatford Lake area are recommended for follow-up and field work prior to a Phase 2 drill program.

1. The wall-rock lithochemical halo and Ta-bearing pegmatites intersected by hole SL-08. A nearby, unexplored magnetic low feature, possibly related to a pegmatite body, occurs near hole SL-08 and is adjacent to a strong linear structural feature defined by magnetics. Outcrop sampling and soil geochemical surveys are recommended.

2. A 15 to 20m thick albitic pegmatite with a favourable approximately 040° structural trend occurs within a broad E-W deformation zone near hole SL-06. This is the largest known pegmatite on the ACME claim block. Outcrop is scarce in the area and a program of rock and soil sampling is recommended.
3. Two holes in the winter drilling program were successful in intersecting pegmatites occurring along approximately 045° cross structures within the main Shatford Lake shear zone. Prospecting along trend and success contingent drilling is recommended.

On June 30, 2023, the company announced sample results from its 2023 winter drill program at its 100% owned Shatford Lake and Birse Lake lithium projects in southeastern Manitoba, Canada. Core drilling was based on geological prospecting/mapping with lithium determinations by LIBS and geophysical magnetic interpretation. Drilling and magnetic interpretation was successful in defining broad structural belts with multiple unexposed pegmatites and specific cross structural features in these broad belts that control pegmatite injection. Recent results from this maiden drilling program at Shatford Lake will help the Company vector in the fertile pegmatite zones. Twenty-six pegmatites were intersected in 6 of 8 drill holes.

As at September 30, 2023, the Cat Euclid, Shatford and Birse Lake projects have a carrying value of \$4,096,808 (2022 – \$823,739) which includes \$3,956,808 (2022 – \$832,913) in exploration expenditures and \$Nil (2022 - \$(149,174)) from the sale of GOR royalty.

BAILEY LAKE PROPERTY, SASKATCHEWAN

On December 5, 2022, the Company entered into a purchase agreement to acquire 100% interest in the five (5) mineral claims in north central region of Saskatchewan, Canada. To earn the interest, ACME was required to pay 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 an 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 was required to pay to the owner an aggregate of \$450,000 (\$100,000 paid), issue and deliver an aggregate of 450,000 shares (100,000 issued with a fair value of \$41,000) 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 buy back one-half of the royalty (1% NSR) for \$2,000,000 for a period of 24 months following the commencement of commercial production.

On August 21, 2023, the Company started to conduct a 3-in-1 Airborne Geophysical Survey on the Bailey Lake Property which will include helicopter-borne Tri-axial Gradiometer Magnetics, Radiometrics, and LiDAR (Light Detection and Ranging) to identify regional structural trends and localized controls of pegmatite bodies and other key information to aid in future drill targeting.

Immediately following the geophysical survey, a field program will be conducted to follow up on any anomalous signatures detected from the geophysical survey, as well as to conduct follow-up prospecting from the work completed on the property in 2017. This program will consist of prospecting, geochemical sampling (soils, boulder, outcrop, and channel samples), and structural measurements on the Bailey Lake property. This exploration program will focus on delineating and identifying potential sources for the 2017 boulder sampling completed by Paul Ramaekers and David Turner which returned samples with elevated values of lithium and critical mineral elements. The goal of these programs is to locate and analyze the pegmatites on the property and delineate which ones are

hosting spodumene and lepidolite for upcoming drill programs. ACME has acquired the services of Axiom Exploration Group LTD. (Axiom) to complete the upcoming Geophysical Surveys and Field Exploration programs.

Subsequent to the year ended September 30, 2023, the Company announced the sample results from the August surface sampling and prospecting that it has successfully identified numerous boulder and outcrop samples exhibiting anomalous lithium grades as well as other elevated LCT (lithium-cesium-tantalum) pegmatite indicator elements. The results are the highest ever sampled in the region and highlight the significant potential for the high-grade mineralization within the project area.

However, despite the above result, the Company decided not to renew the second-year option and divest out of its investment in Baily Lake due to limited cash and exploration resources and to concentrate its resources on its other projects. As at year ended September 30, 2023, The Company impaired this property and recognized a loss equal to the carrying value of the property amounted to \$590,705 (2022 - \$Nil).

PAST AND INACTIVE MINERAL PROJECTS

WARM SPRINGS PROJECT, OREGON

On March 23, 2022, the Company staked 340 placer mining claims (the "WS Project") encompassing approximately 6,727 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 company has received a refund of US\$69,700 for maintenance and location paid.

During the year ended September 30, 2022, expenditures incurred on the property totaled \$253,528. Based on the above, the Company decided to focus on other properties and recorded an impairment loss of \$253,528 relating to this property.

During the year ended September 30, 2023, the Company recognized \$93,997 (US\$69,700) as recovery of previous impairment from refund received for maintenance and location fee relating to this property.

SUMMARY OF QUARTERLY RESULTS

	Q4	Q3	Q2	Q1
	September 30,	June 30,	March 31,	December 31,
	2023	2023	2023	2022
	\$	\$	\$	\$
Expenses	(336,885)	(485,998)	(649,038)	(457,199)
Net loss	(919,920)	(367,168)	(69,135)	(348,506)
Comprehensive loss	(796,963)	(583,768)	(23,953)	(364,493)
Basic loss per share	(0.01)	(0.01)	(0.00)	(0.01)
Diluted loss per share	(0.01)	(0.01)	(0.00)	(0.01)
Total assets	13,047,213	14,629,107	14,687,071	14,588,079
Working capital (deficiency)	(122,736)	1,151,429	4,257,962	7,577,393

	Q4 September 30, 2022 \$	Q3 June 30, 2022 \$	Q2 March 31, 2022 \$	Q1 December 31, 2021 \$
Expenses	(965,340)	(2,354,142)	(526,417)	(324,229)
Net loss	(88,162)	(2,567,996)	(542,982)	(324,855)
Comprehensive loss	(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

The Company's net loss increased in the quarter ended in June 30, 2022 primarily due to increased operations and general and administration expenses due to significant increase in exploration and financial activities. The second and third quarter of Fiscal 2022, 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.

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 September 30, 2022, the company had increases in costs of marketing, 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.

During the quarter ended December 31, 2022, the loss has increased even if expenses were reduced from previous quarter, due to the of absence of other income like GOR royalty in current period. During the quarter ended March 31, 2023, the loss has decreased significantly because of higher flow through premium amortization due to Winter Drill Program completion at Shatford Lake, Manitoba.

SUMMARY OF ANNUAL RESULTS

The following table sets forth selected financial information with respect to the Company, which information has been derived from the financial statements of the Company for the years ended September 30, 2023, 2022 and 2021. The following should be read in conjunction with said financial statements and related notes.

	Year ended September 30, 2023	Year ended September 30, 2022	Year ended September 30, 2021
Total Expenses from Continuing Operations	\$(1,929,120)	\$(4,170,128)	\$(1,371,105)
Interest Income	\$130,739	\$61,874	\$1,995
Loss from Continuing Operations	\$(1,704,729)	\$(3,523,995)	\$(1,437,918)
Income from Discontinued Operations	\$Nil	\$Nil	\$820,461
Loss and Comprehensive Loss	\$(1,769,177)	\$(3,286,194)	\$(617,457)
Current Assets	\$431,154	\$9,985,379	\$2,997,081
Mineral Property Interest	\$11,858,801	\$3,792,216	\$945,699
Total Assets	\$13,047,213	\$14,169,664	\$3,942,780
Current Liabilities	\$553,890	\$934,578	\$250,257
Working Capital (Deficiency)	\$(122,736)	\$9,050,801	\$2,746,824
Shareholders' Equity	\$12,355,659	\$13,235,086	\$3,692,523
Weighted Average Shares Outstanding - Basic	58,232,163	45,985,574	22,646,320
Weighted Average Shares Outstanding - Diluted	58,232,163	45,985,574	36,024,305
Loss Per Share from Continuing Operations – Basic and Diluted	\$(0.03)	\$(0.07)	\$(0.06)

	Year ended September 30, 2023	Year ended September 30, 2022	Year ended September 30, 2021
Earnings Per Share from Discontinued Operations - Basic	N/A	N/A	\$0.04
Earnings Per Share from Discontinued Operations - Diluted	N/A	N/A	\$0.02

OVERALL PERFORMANCE AND OPERATIONAL ACTIVITIES

Years ended September 30, 2023 and 2022

For the year ended September 30, 2023, the Company incurred a net loss of \$1,704,729 (2022 – \$3,523,995). Total expenses incurred during the period were \$1,929,120 (2022 – \$4,170,128). The difference between net loss for the year ended September 30, 2023, compared to prior year was primarily due to the following significant changes:

- Corporate development expenses of \$215,170 (2022 – \$87,790) increased compared to last year due to the influx of corporate development activities done to help raise funds for the Company's various projects.
- Interest expense of \$30,203 (2022 – \$927) higher compared to the prior year due to lease interest.
- Legal expenses of \$42,151 (2022 – \$53,695) due to the amalgamation and incorporation of the US subsidiary the reason why legal expenses was higher in 2022.
- Investor relations of \$133,912 (2022 - \$96,076) 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 \$302,000 (2022 - \$287,750) were paid or accrued to CEO and CFO (see **Transactions with Related Parties**). During the current period, the management decided to raise the level of exploration activities. Hence, the management has been actively involved in investigating potential procurement of new mineral properties and engaging new consultants for the exploration activities which has led to a significant increase in the consulting and management fees.
- Rent of \$39,499 (2022 – \$36,000) increased due to the new office agreement entered into by the Company from December 1, 2022, which has a higher rate compared to the previous year.
- Depreciation of \$103,461 (2022 - \$17,495) refers to amortization of various equipment acquired by the Company mostly in fiscal year 2022 of which the rule of half of one (50%) of annual depreciation during the year of acquisition was applied and its ROU asset. For the year ended September 30, 2023, full amount of depreciation was recognized and hence increased from prior year.
- Property investigation expenses of \$55,123 (2022 - \$42,812) includes all the expenditures incurred on new property before the legal rights to explore a property have been acquired. The increase in expenses mainly consists of sampling and survey on a new project in the USA.
- Marketing expenses of \$514,143 (2022 - \$1,060,693) decreased as the Company's advertising to create market awareness of the Company's projects and activities were lower during the current year.
- Office and general expenses of \$80,439 (2022 - \$44,758) higher due to increased business activities in the current year and moving expenses to the new office from December 1, 2022.
- Accounting expenses of \$96,876 (2022 – \$90,024) have increased because of increased day-to-day transactions and annual audit fees recognition in this period.
- Conference and seminars expenses of \$52,406 (2022 – \$120,357) were lower in the current period due to a slowdown in marketing awareness-related activities.
- Regulatory and filing fees of \$91,694 (2022 – \$78,584) relate to various filings and listing requirements. The increase was due to the fees related to OTCQX listing which started on August 24, 2022.
- Travel expenses of \$92,956 (2022 – \$37,476) increased during the current period due to travel for site visits, conferences, and corporate development as well as meetings with investors.
- Share-based compensation were \$Nil (2022 – \$2,108,191) this year (see also **Share Capital and**

Outstanding Share Data and Transactions with Related Parties).**FOURTH QUARTER**

For the quarter ended September 30, 2023, the Company incurred a net loss of \$919,920 (2022 – \$88,162). Total expenses incurred during the quarter were \$336,885 (2022 – \$965,340).

The difference between net loss for the period ended September 30, 2023, compared to prior year same period was primarily due to the following significant changes:

- Corporate development expenses of \$65,715 (2022 – \$43,154) slightly higher compared to the corresponding last year. It consists of payments to consultants for corporate promotion, due diligence, negotiations and reduction of business risks in relation to the company's project and activities.
- Interest expense of \$7,629 (2022 – \$189) higher compared to the prior year due lease interest on new office lease effective December 1, 2022.
- Management fees of \$76,500 (2022- \$143,500) were paid or accrued to the CEO and CFO (see **Transactions with Related Parties**). During the current period, the management agreed to lower their fees in favor of the Company's treasury to keep the projects going while the Company is raising new capital for the continuation of its projects.
- Regulatory and filing fees of \$21,809 (2021 – \$12,725) increased was due to the fees paid related to the trading in the OTCQX which was started on August 24, 2022.
- Rent of \$9,827 (2022 – \$5,754) increased due to the new office agreement enter into by the Company from December 1, 2022, which charges higher than the old office.
- Depreciation of \$39,842 (2022 - \$17,495) refers to amortization of various equipment acquired by the Company mostly in 2022 of which the rule of half of one (50%) of annual depreciation was applied. Hence, depreciation for the period ended September 30, 2023 is higher than in the same period of prior year.
- Property investigation expenses of \$1,836 (2022 - \$32,692) includes all the expenditures incurred on new property before the legal rights to explore a property have been acquired. Most of the property investigation was done in Q2 of the current year. Hence, the related expenses for the last quarter ended September 30, 2023 was lower compared to the same period in prior year.
- Marketing expenses of \$39,018 (2022 - \$242,380) lower as the Company's advertising to create market awareness of the Company's projects and activities were less during the current year.
- Conference and seminars expenses were \$Nil (2022 – \$15,343) due to a halt in activities relating to creating awareness of the company's business in the market.
- Share-based compensation was \$Nil (2022 – \$386,285) due to the lack of issuance of options to directors and consultants during the current period (see also **Share Capital and Outstanding Share Data and Transactions with Related Parties**).

Cash flows

Sources and Uses of Cash	September 30, 2023	September 30, 2022
Cash used in operating activities	\$ (1,722,307)	\$ (1,955,955)
Cash used in investing activities	(8,197,838)	(1,710,427)
Cash sourced from financing activities	432,029	10,617,235
Effect of exchange rate on cash	(36,302)	63,851
Total change in cash	\$ (9,488,116)	\$ 6,950,853

Operating Activities

For the year ended September 30, 2023, cash used by operating activities was \$1,722,307 compared to the use of \$1,955,955 from the same period in the previous year. The variances are explained under the *Overall Performance*

and Operating Activities section.

Investing Activities

For the year September 30, 2023, cash used in investing activities of \$8,197,838 (2022 - \$1,710,427) was primarily used for the exploration and drilling expenses at Canadian and USA mineral projects.

Financing Activities

For the year ended September 30, 2023, gross cash inflows consisted of funds received from exercise of warrants totaling \$477,500 (2022 - \$1,137,375).

The cash inflow during the current period is due to proceeds received from warrant exercise and previous year due money raised through various private placements (see **Share Capital and Outstanding Share Data**).

LIQUIDITY AND CAPITAL RESOURCES

The Company's aggregate operating, investing and financing activities for the year ended September 30, 2023, resulted in a net cash decrease of \$9,488,116 (2022 - increase of \$6,950,853). As at September 30, 2023, the Company's cash balance was \$292,538 (2022 - \$9,816,956) and the Company had working capital deficit of \$122,736 (2022 - working capital \$9,050,801) and hence, the Company anticipates that it will require significant funds from equity financing to cover working capital and mineral property obligations for the coming fiscal year.

The Company has 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, 2023, the Company has an accumulated deficit of \$7,120,996 (2022 - \$5,416,267) 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 they are declared by the Board of Directors.

Issued and Outstanding Common Shares

As of September 30, 2023, the Company has a total issued and outstanding common shares: 59,121,067 (2022 - 53,496,067).

Outstanding share data

As at September 30, 2023, and the Report Date, the following table summarizes the outstanding share capital of the Company:

	September 30, 2023	Report Date
Common Shares	59,121,067	60,972,727
Warrants	8,256,847	8,548,343
Options	3,550,000	3,550,000
Total, Fully Diluted	70,927,914	73,071,070

Share Issuances

Transaction subsequent to the Year Ended September 30, 2023:

On October 31, 2023, the Company closed a first tranche of the non-brokered private placement financing that was previously announced on September 6, 2023, and issued 1,851,660 units at \$0.15 per unit for aggregate gross proceeds of up to \$277,749. Each Unit will be comprised of one (1) common share and one-half of one (1/2) transferable common share purchase warrant, with each whole warrant entitling the holder to purchase one additional common share at a price of \$0.30 CAD for two (2) years from closing of the Offering. Finders' fee of \$9,100 and 60,666 finders' warrants exercisable for two years at an exercise price of \$0.15, were paid to arm's lengths parties in connection with the Offering.

Transactions during the Year Ended September 30, 2023:

During the year ended September 30, 2023, 4,775,000 shares were issued for warrants exercise at \$0.10 for gross proceed of \$477,500.

On December 7, 2022, 100,000 common shares valued at \$0.41 were issued as per the mineral property acquisition agreement of Bailey Lake, Saskatchewan.

On March 2, 2023, 750,000 common shares valued at \$0.495 issued as per the mineral property acquisition agreement of Clayton Valley, Nevada

Transactions during the Year Ended September 30, 2022:

During the year 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.

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 which 2,269,571 common shares were released and 972,673 (2022 – 1,945,346) common shares are still in escrow. Out of the remaining shares held in escrow, 486,337 were released on October 28, 2023, and the remaining will be released on April 28, 2024.

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 fairly 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 fairly 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.

As at September 30, 2023, the Company has 3,550,000 (2022 - 3,550,000) incentive stock options outstanding. A summary of the movements of the stock options is presented below:

Year ended	September 30, 2023		September 30, 2022	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding, opening	3,550,000	\$ 1.10	1,325,000	\$ 0.80
Granted	-	-	2,225,000	1.28
Outstanding, closing	3,550,000	1.10	3,550,000	1.10
Exercisable	3,550,000	\$ 1.10	3,550,000	\$ 1.10

The following table summarizes information regarding stock options outstanding as of September 30, 2023:

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 and 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 fairly 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.

ACME Lithium Inc.**Management's Discussion and Analysis for the Years Ended September 30, 2023 and 2022**

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 fairly 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 fairly 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, 2023:

Date issued	Number of warrants	Exercise price	Expiry date
June 21, 2021	2,635,883	0.60	June 21, 2025*
July 2, 2021	1,050,575	0.60	June 21, 2025*
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
	8,256,847		

*On June 9, 2023, the share purchase warrants issued by the Company on June 21, 2021 and July 2, 2021 that set to expire last June 21, 2023 and July 2, 2023 have been extended for another two (2) years to June 21, 2025 and July 2, 2025, respectively.

**Subsequent to year end, 475,000 warrants with exercise prices between \$1.20 and \$1.50 expired unexercised.

A summary of changes in the Company's share purchase warrants outstanding for the years ended September 30, 2023, and September 30, 2022, is as follows:

	September 30, 2023		September 30, 2022	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
Outstanding, opening	13,329,704	\$ 0.69	16,404,940	\$ 0.24
Granted	-	-	4,570,389	1.40
Exercised	(4,775,000)	0.10	(7,645,625)	0.15
Expired	(297,857)	0.40	-	-
Outstanding, closing	8,256,847	\$ 1.04	13,329,704	\$ 0.69

Warrants held in escrow

Pursuant to an escrow agreement dated March 25, 2021, (the "Escrow Agreement"), a total of 1,575,000 warrants held by principals of the Company were placed under escrow. Of that number, As of September 30, 2023, a total of 472,500 (2022 – 945,000) remained in escrow.

On October 28, 2022 and April 28, 2023, a total of 472,500 warrants were released from escrow.

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 the transacting parties.

As at September 30, 2023, the Company has \$Nil (2022 – \$93,705) due to related parties broken down as follows:

As at	September 30, 2023	September 30, 2022
CEO - Stephen Hanson	\$ -	\$ 79,000
CFO and Corporate Secretary - Zara Kanji	-	14,705
Total	\$ -	\$ 93,705

During the periods ended September 30, 2023 and 2022, the Company entered the following transactions with related parties:

	September 30, 2023	September 30, 2022
Management fees	\$ 302,000	\$ 287,750
Directors' fees	60,000	7,500
Accounting fees	59,492	43,157
Share-based compensation	-	1,433,244
Total	\$ 421,492	\$ 1,771,651

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

	September 30, 2023	September 30, 2022
Company controlled by the CEO - Stephen Hanson	\$ 212,000	\$ 211,000
Company controlled by the CFO - Zara Kanji	90,000	76,750
Total	\$ 302,000	\$ 287,750

(b) Accounting fees of \$59,492 were paid to a company controlled by the Company's CFO and Corporate Secretary (2022 – \$43,157).

(c) Director fees were paid or accrued to the following:

	September 30, 2023	September 30, 2022
Company controlled by the Director - Vivian Katsuris	\$ 30,000	\$ -
Director - Ioannis Tsitos	30,000	7,500
Total	\$ 60,000	\$ 7,500

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, 2023 and 2022, that are available on SEDARPLUS at www.sedarplus.ca.

OFF BALANCE SHEET ARRANGEMENTS

To the best of the 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 the 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 \$16,109,186. 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, 2023, the Company had a working capital deficit of \$122,736 (2022 – working capital \$9,050,801). 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 Company's cash and cash equivalents is recorded as a level 1 financial asset. The fair value of the Company's financial instruments carried at amortized cost approximates their carrying values due to their short term to nature of maturity.

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 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, 2023	September 30, 2022
Cash and cash equivalents	USDS\$	21,042	843,975
Prepaid expenses and deposits	USDS\$	17,400	-
Reclamation bond	USDS\$	63,144	24,197
Accounts payable and accrued liabilities	USDS\$	259,872	6,579

Based on the above net exposures and if 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 \$36,146 (2022 – \$86,159) in loss and comprehensive loss.

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. 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, 2023.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet 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 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's 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 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 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.

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 the funds required for operations and to fund continued expansion. It may be more difficult for the Company to complete strategic transactions with third parties. Such developments could decrease the Company's ability to obtain financing and could expose it to the risk that one of its customers or banks will be unable to meet their obligations under the 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

The 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.

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 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 and Chair

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.