

**AMERICAN BATTERY METALS CORP.  
(FORMERLY FIRST DIVISION VENTURES INC.)**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
OF THE COMPANY'S FINANCIAL CONDITION AND RESULTS OF  
OPERATIONS FOR THE THREE MONTHS ENDED MAY 31, 2019**

**FORM 51-102F1**

**DATE AND SUBJECT OF REPORT**

The following Management Discussion & 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 AMERICAN BATTERY METALS CORP. (hereinafter "ABC" or the "Company") for the three months ended May 31, 2019.

The MD&A has been prepared with an effective date of July 29, 2019 and should be read in conjunction with the Company's condensed interim financial statements for the three months ended May 31, 2019 and the audited financial statements for the year ended February 28, 2019 as filed on Sedar.

**SCOPE OF ANALYSIS**

The following is a discussion and analysis of ABC. The Company reports its financial results in Canadian dollars and in accordance with International Financial Reporting Standards ("IFRS"). All reported financial information includes the financial results of ABC.

**FORWARD LOOKING STATEMENTS**

*Certain information included in this MD&A may constitute forward-looking statements. Statements in this report that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements.*

*Forward-looking statements are statements about the future and are inherently uncertain, and actual achievements of the Company may differ materially from those reflected in forward-looking statements due to a variety of risks, uncertainties and other factors. The Company's forward-looking statements are based on the beliefs, expectations and opinions of management on the date the statements are made, and the Company does not assume any obligation to update forward-looking statements if circumstances or management's beliefs, expectations or opinions should change except as required by law. For the reasons set forth above, investors should not place undue reliance on forward-looking statements. Important factors that could cause actual results to differ materially from the Company's expectations include uncertainties involved in disputes and litigation, fluctuations in commodity prices and currency exchange rates; uncertainties relating to interpretation of drill results and the geology, continuity and grade of deposits; uncertainty of estimates of capital and operating costs, recovery rates, production estimates and economic return; the need*

*for cooperation of government agencies and native groups in the exploration and development of properties and the issuance of required permits; the need to obtain additional financing to develop properties and uncertainty as to the availability and terms of future financing; the possibility of delay in exploration or development programs or in construction projects and uncertainty in meeting anticipated program milestones; the assumption that the Company will become fully compliant with regulatory filing and continued listing requirements, in addition uncertainty as to timely availability of permits and other government approvals and other risks and uncertainties disclosed in other information released by the Company from time to time and filed with the appropriate regulatory agencies.*

*It is the Company's policies that all forward-looking statements are based on the Company's beliefs and assumptions which are based on information available at the time these assumptions are made. The forward-looking statements contained herein are as of July 29, 2019 and are subject to change after this date, and the Company assumes no obligation to publicly update or revise the statements to reflect new events or circumstances, except as may be required pursuant to applicable laws. Although management believes that the expectations represented by such forward-looking information or statements are reasonable, there is significant risk that the forward-looking information or statements may not be achieved, and the underlying assumptions thereto will not prove to be accurate.*

*Actual results or events could differ materially from the plans, intentions and expectations expressed or implied in any forward-looking information or statements, including the underlying assumptions thereto, as a result of numerous risks, uncertainties and other factors such as those described above and in "Risks and Uncertainties" below. The Company has no policy for updating forward looking information beyond the procedures required under applicable securities laws.*

*Additional information related to the Company is available for view on SEDAR at [www.sedar.com](http://www.sedar.com).*

## **GENERAL BUSINESS AND DEVELOPMENT**

American Battery Metals Corp. (the "Company"), was incorporated on March 2, 2017 under the laws of the province of British Columbia. The Company's principal business activity is the exploration for mineral resources in the USA. The Company's registered office and principal place of business is 41296 Tantalus Road, Squamish, British Columbia, Canada.

On November 27, 2018, the Company completed its Initial Public Offering ("IPO") and its common shares were approved for trading on the Canadian Securities Exchange (the "CSE") under the trading symbol FDIV.

On March 11, 2019 the Company changes its name from First Division Ventures Inc. to American Battery Metals Corp. and now trades under the symbol "ABC" on the Canadian Securities Exchange.

As at May 31, 2019 the Company is in the exploration stage and is in the process of exploring mining properties in addition to sourcing other business ventures and opportunities.

## *RESULTS OF OPERATIONS*

The Company incurred a net loss of \$741,132 for the three months ended May 31, 2019, compared to a net loss of \$14,238 during the three months ended May 31, 2018. In the comparative period, the company was filing the preliminary prospectus and had little operating activity.

The total operating expenses of \$734,783 for the three months ended May 31, 2019 (2018 – \$13,942) increased by \$720,841 from the prior year due to the following significant changes:

Advertising and promotions of \$515,630 (2018 - \$nil) due to spending on shareholder awareness and social media consulting. On May 17, 2019, the Company announced a month-to-month agreement with Khaos Media Group for consideration of US\$125,000 per month. In the three months ended May 31, 2019, advertising and promotions included \$213,420 paid to Khaos Media Group.

Consulting expenses of \$90,000 (2018 - \$nil) representing costs associated with the executive team and external consultants to oversee the operations of the Company.

Exploration expenditures of \$80,698 (2018 – \$4,495) due to an increase in costs associated with the Fish Lake Property in Nevada, USA.

On March 4, 2019 the Company issued 6,017,000 units for gross proceeds of \$1,504,250. Each unit is comprised of one common share and one share purchase warrant, entitling the holder to purchase one additional common share at a price of \$0.50 per warrant share until September 4, 2020. In connection with the financing, the Company paid aggregate finder's fee of \$72,675 and issued 322,620 brokers' warrants to certain finders. The brokers' warrants were valued at \$62,540 using the Black Scholes option pricing model using an expected life of 18 months, volatility of 140%, risk-free interest rate of 1.75% and expected dividends of \$nil. The Company issued 250,000 common shares for finders' fees at \$0.30 per share. The Company incurred legal fees associated with the private placement of \$50,879 that have been recorded as share issuance costs.

During the year ended February 28, 2019, the Company closed its initial public offering ("IPO") for gross proceeds of \$400,000 and issued 2,000,000 common shares at a price of \$0.20 per share. In connection with the IPO, the Company paid cash commissions of \$40,000, finance fees of \$15,750 and issued 200,000 brokers' warrants.

### *SUMMARY OF QUARTERLY RESULTS*

The following is a summary of the Company's financial results for the eight most recent quarters:

Quarter Ended	Revenue (\$)	Total expenses (\$)	Loss for the period (\$)	Basic and Diluted Loss per share (\$)
May 31, 2019	-	734,783	741,132	(0.03)
February 28, 2019	-	326,027	327,334	(0.00)
November 30, 2018	-	125,044	124,235	(0.00)
August 31, 2018	-	57,780	58,633	(0.01)
May 31, 2018	-	13,942	14,238	(0.00)
February 28, 2018	-	193,893	195,648	(0.09)
November 30, 2017	-	-	-	-
August 31, 2017	-	-	-	-

During the three months ended May 31, 2019, the Company had a net loss of \$741,132, which is an increase from the previous quarter of \$413,798 due to increased operational activity and an increase in advertising and promotions expenses, consulting expenses and exploration expenditures.

The Company incurred a net loss of \$327,334 for the three months ended February 28, 2019 compared to \$195,648 for the comparable period ended February 28, 2018. The loss in the quarter ended February 28, 2019 relates primarily to legal fees in connection with the IPO, and increased consulting fees as the Company completed a contract with the CEO. The Company also recognized a non-cash expenditure of \$170,012 relating to the grant of options to certain directors and officers of the Company.

## *CHANGE IN FINANCIAL CONDITION*

On November 27, 2018, the Company closed its Initial Public Offering and issued a total of 2,000,000 units at a price of \$0.20 per unit. Each share unit is comprised of one common share. Total proceeds for the Offering was \$400,000 with net proceeds of \$333,284. The Company paid commissions of \$40,000, corporate finance fees of \$15,000, and due diligence expenses and holdbacks for expenses of \$20,966 in association with the IPO. The Company issued 200,000 brokers' warrants as part of its' Initial Public Offering. Each warrant is exercisable into one common share of the Company at an exercise price of \$0.20 until November 28, 2020. The Company recorded share issuance costs of \$35,986 for the Black-Scholes fair market value of warrants issued under the Initial Public Offering.

On March 4, 2019 the Company closed a non-brokered private placement resulting in the issuance of 6,017,000 units for gross proceeds of \$1,504,250. Each unit is comprised of one common share of the Company and one transferable share purchase warrant of the Company, entitling the holder to purchase one additional common share at a price of \$0.50 per Warrant Share until September 4, 2020. The Company paid aggregate finder's fee of \$72,675 and issued 322,620 compensation warrants to certain finders under financing. The brokers' warrants were valued at \$62,540 using the Black Scholes option pricing model. The Company issued 250,000 common shares for finders' fees at \$0.30 per share. The Company incurred legal fees associated with the private placement of \$50,879 that have been recorded as share issuance costs.

On May 14, 2019, the Company issued 350,000 common shares for exercise of warrants, for proceeds of \$35,000.

On May 14, 2019, the Company entered into a loan agreement with E.U. Energy Corp., whereby the Company advanced of \$250,000 to E.U. Energy. The loan is non-interest bearing and is repayable in full upon the earlier of:

- May 14, 2020, subject to extension upon mutual agreement of the Lender and Borrower; and
- An event of default occurring as per the executed loan agreement.

On June 14, 2019 the Company announced that it closed a non-brokered private placement with the issuance of 4,286,471 units for gross proceeds of \$1,500,265. Each Unit is comprised of one common share of the Company and one transferable common share purchase warrant of the Company which entitles the holder to purchase one additional common share at a price of \$0.50 per Warrant Share until June 14, 2020. The Company paid aggregate finder's fee of \$32,520 and issued 92,914 compensation warrants to certain finders under the Financing. The Compensation Warrants have the same terms as the Warrants but are not transferable.

## *LIQUIDITY AND CAPITAL RESOURCES*

As at May 31, 2019, the Company had working capital of \$473,973 (February 28, 2018 - \$328,029).

During the three months ended May 31, 2019, the Company incurred primarily expenditures associated with maintaining the operations of the Company, with the exception of costs associated advertising and promotions noted above.

The Company has no operations that generate cash flows and its long-term financial success is dependent on discovering properties that contain mineral reserves that are economically recoverable or engaging in other profitable business ventures and opportunities.

The Company is dependent on the sale of treasury shares to finance its exploration activities, property acquisition payments and general and administrative costs. The Company will have to raise additional funds in the future to continue its operations. There can be no assurance, however, that the Company will be successful in its efforts. If such funds are not available or other sources of financing cannot be obtained, then the Company will be forced to curtail its activities.

## *PROJECT SUMMARIES AND ACTIVITIES*

The Company's exploration properties consist of two geographical locations, the Temple Mountain Property, located in Utah, USA and the Fish Lake Property, located in Nevada, USA.

### *Temple Mountain Property, Utah, USA*

On February 6, 2019, the Company entered into an option agreement with Geoxplor Corp. ("Geoxplor") to acquire 100% of Geoxplor's interest in the Temple Mountain Property ("Temple Mountain Property") located in Emery County, Utah.

Under the agreement, the Company is required to pay an aggregate of USD\$635,000 to Geoxplor as follows:

- USD\$60,000 due within 5 days of filing of this agreement (paid);
- USD\$50,000 on or before the first anniversary of the date of this agreement;
- USD\$75,000 on or before the second anniversary of the date of this agreement;
- USD\$75,000 on or before the third anniversary of the date of this agreement;
- USD\$75,000 on or before the fourth anniversary of the date of this agreement;
- and
- US\$300,000 is payable to the third-party property owner over a period until December 2022.

In addition, the Company must satisfy the following terms:

(1) Issue an aggregate of 3,250,000 common shares as follows:

- 500,000 common shares within 5 days of filing of this agreement (issued);
- 500,000 common shares on or before the first anniversary of the date of this agreement;
- 500,000 common shares on or before the second anniversary of the date of this agreement;

- 750,000 common shares on or before the third anniversary of the date of this agreement; and
- 1,000,000 common shares on or before the fourth anniversary of the date of this agreement.

(2) Incur aggregate exploration expenditures of US\$1,300,000 by the fourth anniversary of the agreement.

- USD\$100,000 on or before the first anniversary of the date of this agreement;
- USD\$200,000 on or before the second anniversary of the date of this agreement;
- USD\$500,000 on or before the third anniversary of the date of this agreement; and
- USD\$500,000 on or before the fourth anniversary of the date of this agreement.

(3) Incur an additional payment of US\$1,000,000, either in cash or common shares, at the Company's election, to Geoxplor on or before the date of commencement of any commercial production.

#### *Fish Lake Property, Nevada, USA*

On September 25, 2017, and as amended on May 2, 2018 and further amended on September 21, 2018, the Company entered into an option agreement with Bearing Lithium Corp. ("Bearing"), whereby the Company has the option to acquire 50% of Bearing's interest in 81 lode mineral claims located in Esmeralda County in the State of Nevada, known as the "Fish Lake Property", subject to the following items:

- (1) A cash payment of \$20,000 (paid) and issuance of 20,000 shares (issued);
- (2) Issuance of 3,000,000 common shares of the Company on or before September 25, 2020;
- (3) Incurring an aggregate of \$1,500,000 in exploration expenditures as follows:
  - \$60,000 on or before September 25, 2018 (incurred);
  - \$440,000 on or before March 25, 2020; and
  - \$1,000,000 on or before September 25, 2020

If the Company does not make timely payments, or the shares are not issued as specified, or the expenditures are not incurred as specified and within the time frame provided, then the option agreement shall automatically terminate without notice. Notwithstanding the foregoing, the Company shall have the right to accelerate exercise of the option by making all of the cash payments and the expenditures and arranging for the issuance of all of the shares.

On July 19, 2018, Bearing and Lions Bay Mining Corp. ("Lions Bay") executed an asset purchase agreement pursuant to which Lions Bay acquired Bearing's interest in the Fish Lake Project located in Nevada, USA.

During the three months ended May 31, 2019, the Company incurred \$80,698 (2018 - \$4,495) relating to exploration expenditures in Nevada, USA.

#### *OFF BALANCE SHEET ARRANGEMENTS*

The Company does not have any off-balance sheet arrangements.

#### *RELATED PARTY TRANSACTIONS*

During the three months ended May 31, 2019, the following related party transactions occurred:

	May 31, 2019	May 31, 2018
Professional fees	\$ -	\$ 4,650
Consulting	48,000	-
Total	48,000	\$ 4,650

- (a) The Company paid consulting fees \$18,000 (2018 - \$4,650) to JCL Partners Chartered Professional Accountants, a Company controlled by an officer of the Company. As at May 31, 2019, the Company included \$1,575 (2018 - \$nil) in accounts payable related to consulting fees.
- (b) The Company paid consulting fees of \$30,000 (2018 - \$nil) to Michael Mulberry, an officer and director of the Company. As at May 31, 2019, the Company included \$22 (2018 - \$nil) in accounts payable related to reimbursable expenses.

All related party transactions are in the normal course of operations and have been measured at the agreed to amounts, which is the amount of consideration established and agreed to by the related parties.

#### *CONTINUING AND CONTRACTUAL OBLIGATIONS*

The Company does not have any continuing and contractual obligations beyond the property option agreements outlined above.

#### *RISKS AND UNCERTAINTIES*

The Company's principal activity is mineral exploration and development. Companies in this industry are subject to many and varied kinds of risk, including but not limited to, environmental, metal prices, political and economical.

The mineral exploration business is risky, and most exploration projects will not become mines. The Company may offer an opportunity to a mining company to acquire an interest in a property in return for funding all or part of the exploration and development of the property. For the funding of property acquisitions and exploration that the Company conducts, the Company depends on the issue of shares from the treasury to investors. These stock issues depend on numerous factors including a positive mineral exploration environment, positive stock market conditions, a company's track record and the experience of management.

The Company has no significant source of operating cash flow and no revenues from operations. The Company has not yet determined whether its mineral properties contain mineral reserves that are economically recoverable. The Company has limited financial resources. Substantial expenditures are required to be made by the Company to establish reserves.



There is no guarantee that the Company will be able to contribute or obtain all necessary resources and funds for the exploration and exploitation of its permits and may fail to meet its exploration commitments.

Both properties that the Company has an interest in are in the exploration stages only, are without known bodies of commercial mineralization and have no ongoing mining operations. Mineral exploration involves a high degree of risk and few properties, that are explored, are ultimately developed into producing mines.

Exploration of the Company's mineral properties may not result in any discoveries of commercial bodies of mineralization. If the Company's efforts do not result in any discovery of commercial mineralization, the Company will be forced to look for other exploration projects or cease operations.

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters.

### ***ACCOUNTING POLICIES, ESTIMATES AND JUDGMENTS***

Refer to the Company's financial statements for the year ended February 28, 2019 for description of accounting policies and other disclosures.

### ***OUTSTANDING SHARE DATA***

As of May 31, 2019, the Company had 23,537,001 issued and outstanding common shares. As of the date of this MD&A, the Company has 27,823,471 issued and outstanding shares.

On March 4, 2019 the Company issued 6,017,000 units for gross proceeds of \$1,504,250. Each unit is comprised of one common share and one share purchase warrant, entitling the holder to purchase one additional common share at a price of \$0.50 per warrant share until September 4, 2020. In connection with the financing, the Company paid aggregate finder's fee of \$72,675 and issued 322,620 brokers' warrants to certain finders. The brokers' warrants were valued at \$62,540 using the Black Scholes option pricing model using an expected life of 18 months, volatility of 140%, risk-free interest rate of 1.75% and expected dividends of \$nil. The Company issued an additional 250,000 common shares for finders' fees at \$0.30 per share. The Company incurred legal fees associated with the private placement of \$50,879 that have been recorded as share issuance costs.

On May 14, 2019, the Company issued 350,000 common shares for exercise of warrants, for proceeds of \$35,000. The warrants exercised had an original fair value of \$nil recorded in the reserve.

#### Options:

A summary of the Company's stock option activity for the three months ended May 31, 2019 and as of the date of this MD&A are as follows:

	Number of Options	Weighted Average Exercise Price
Balance, February 28, 2018	-	\$ -
Granted	700,000	0.20
Balance, February 28, 2019, May 31, 2019, and as of the date of this MD&A	700,000	\$ 0.20

#### Share Purchase Warrants:

A summary of the Company's share purchase warrant activity for the three months ended May 31, 2019 and as of the date of this MD&A are as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, February 28, 2018 and 2019	12,200,000	\$ 0.10
Issued	6,017,000	0.50
Exercised	(350,000)	(0.10)
Balance, May 31, 2019	17,867,000	0.23
Issued	4,286,471	0.50
As of the date of this MD&A	22,153,471	\$ 0.29

#### Brokers' Warrants:

A summary of the Company's brokers' warrant activity for the three months ended May 31, 2019 and as of the date of this MD&A are as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, February 28, 2018	-	\$ -
Issued	200,000	0.20
Balance, February 28, 2019	200,000	0.20
Issued	322,620	0.50
Balance, May 31, 2019	522,620	0.39
Issued	92,914	0.50
As of the date of this MD&A	615,534	\$ 0.40

#### **APPOINTMENTS AND RESIGNATION OF DIRECTORS AND EXECUTIVE OFFICERS**

On July 18, 2019, the Company announced the appointment of Xavier Wenzel as Chief Financial Officer to replace Joel Leonard, who left the company to pursue new opportunities.

## ***FINANCIAL AND DISCLOSURE CONTROLS AND PROCEDURES***

During the three months ended May 31, 2019, there has been no significant change in the Company's internal control over financial reporting since last year.

The Chief Executive Officer and Chief Financial Officer of the Company are responsible for establishing and maintaining appropriate information systems, procedures and controls to ensure that information used internally and disclosed externally is complete, reliable and timely. They are also responsible for establishing adequate internal controls over financial reporting to provide sufficient knowledge to support the representations made in this MD&A and the Company's audited annual financial statements for the period ended February 28, 2019 (together the "Year-End Filings").

The Chief Executive Officer and Chief Financial Officer of the Company have filed the Venture Issuer Basic Certificate with the Year-End Filings on SEDAR at [www.sedar.com](http://www.sedar.com).

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the venture issuer basic certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency, and timeliness of interim and annual filings and other reports provided under securities legislation.

## ***APPROVAL***

The Board of Directors of the Company has approved the disclosure contained in this MD&A and the Company will be provide copies upon request.