MEGAWATT LITHIUM AND BATTERY METALS CORP. (Formerly Walcott Resources Ltd.)

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three months ended December 31, 2020

The following Management's Discussion and Analysis ("**MD&A**") has been prepared by management, in accordance with the requirements of NI 51-102 as of March 1, 2021 and should be read in conjunction with the consolidated financial statements for the three months ended December 31, 2020 and December 31, 2019, and the related notes contained therein which have been prepared under International Financial Reporting Standards ("**IFRS**"). The information contained herein is not a substitute for detailed investigation or analysis on any particular issue. The information provided in this document is not intended to be a comprehensive review of all matters and developments concerning the Company. Except as otherwise disclosed, all dollar figures included therein and in the following MD&A are quoted in Canadian dollars.

Business Overview

The Company was incorporated in the province of British Columbia on December 11, 2017. Its principal business comprises the exploration for and development of mineral properties. The Company is in the exploration stage.

On July 20, 2019, the Company completed its initial public offering and listed on the Canadian Securities Exchange ("CSE") under the symbol "WAL". The Company amended its articles to change its name to MegaWatt Lithium and Battery Metals Corp., effectively January 27, 2021.

The head office and principal address of the Company is located at Suite 1570 - 505 Burrard St. Vancouver BC, V7X 1M5.

In March 2020, there was a global outbreak of COVID-19, which continues to rapidly evolve. The extent to which the COVID-19 coronavirus may impact the Company will depend on future developments, which are highly uncertain and cannot be predicted with confidence, such as the ultimate geographic spread of the disease, the duration of the outbreak, travel restrictions, social distancing, business closures or business disruptions, and the effectiveness of actions taken by countries to contain and treat the disease.

Subsequent to December 31, 2020, John Mirko and Mike Cowin resigned from their positions as directors. The Company appointed Robert Kang as a new independent director to the Company's board of directors.

Cobalt Hill Property

Pursuant to an option agreement (the "Agreement") dated February 5, 2018, amended on April 25, 2019 and July 3, 2020, the Company was granted an option to acquire a 100% undivided interest in certain Cobalt Hill mineral claims (the "Property") located in the Trail Creek Mining Division in British Columbia.

In accordance with the Agreement, the Company has the option to acquire a 100% undivided interest in the Property by making cash payments totaling $355,000, and issuing a total of 1,100,000 common shares of the Company as follows:

- Upon signing the Agreement – 200,000 common shares (measured at $10,000 using a share price

of $0.05 and issued on September 29, 2018) and $35,000 in cash (paid);
- On or before February 5, 2019 - 200,000 common shares (measured at $10,000 using a share price of $0.05 and issued on February 5, 2019) and $40,000 in cash (paid);
- On or before February 5, 2020 - 300,000 common shares (issued January 30, 2020);
- On or before August 5, 2020 - 15,000 in cash; (paid)
- On or before December 31, 2020 - 65,000 in cash; (paid)
- On or before February 5, 2021 - 400,000 common shares and $200,000 in cash. (paid subsequent to December 31, 2020)

The optionor will retain a 1.5% Net Smelter Returns royalty on the Property.

Australia Silver Properties

On October 15, 2020, pursuant to the terms of the Definitive Agreement dated August 13, 2020, the Company closed the acquisition for 60% of 1256714 B.C. Ltd. that owns a 100% interest (subject to a 2% NSR) in two prospective silver-zinc projects in Australia, being the Tyr Silver Project and the Century South Silver-Zinc Project.

The Tyr Silver Project in northern New South Wales has two historic silver mines – Burra and Torny – and covers an area of approximately 300 km2, the tenement was granted in March 2018 and is due for renewal in March 2024. The Century South Silver-Zinc Project in the Mt Isa Basin, north-west Queensland, lies approximately 8 km south east of the New Century Zinc Mine and is approximately 277 km2 in size, the tenement was granted in October 2018 and is due for renewal in October 2023.

The following is a summary of exploration and evaluations asset expenditures to December 31, 2020:

	Cobalt Hill	Tyr Silver Project	Century South Silver-Zinc	Total
Acquisitions:	**$**			
Balance, September 30, 2019	95,000	-	-	95,000
Additions	75,000	-	-	75,000
Balance, September 30, 2020	170,000	-	-	170,000
Additions	65,000	11,756,250	11,756,250	23,577,500
Balance, December 31, 2020	235,000	11,756,250	11,756,250	23,747,500
Exploration and evaluation expenditures				
Balance, September 30, 2019	86,524	-	-	86,524
Additions	15,114	-	-	15,114
Balance, September 30, 2020	101,638	-	-	101,638
Additions	7,821	3,643	77,218	88,682
Balance, December 31, 2020	109,459	3,643	77,218	190,320
Balance, September 30, 2020	271,638	-	-	271,638
Balance, December 31, 2020	271,638	11,756,250	11,756,250	23,784,138

Overall Performance and Results of Operations

The following table summarizes selected information from the Company's consolidated financial statements for the three months ended December 31, 2020 and 2019.

Selected Financial Information

	For the three months ended December 31	
	2020	2019
	$	$
Net revenues	Nil	Nil
Regulatory and filing fees	5,940	5,305
Professional fees	59,402	7,932
Marketing and shareholder communication	779,608	3,485
Management and consulting	26,360	10,500
General and administrative	2,764	1,838
Share-based compensation	414,200	Nil
Net loss	1,288,274	29,060
Net loss per share	0.03	Nil
	December 31, 2020	**September 30, 2020**
	$	$
Deficit	2,108,150	819,876
Exploration and evaluation	23,937,820	271,638
Total assets	25,938,990	3,079,357
Total long-term liabilities	Nil	Nil

Overall Performance

Cobalt Hill Property

During the three months ended December 31,2020, the company completed certain exploration activities on the Cobalt Hill Property, spending $72,821 (year ended September 30, 2019 - $90,114) including acquisition costs which was capitalized to exploration and evaluation assets. The 2020 exploration program was designed to follow-up on zones of known high grade gold mineralization which occur at numerous locations on the property and are well described in historic assessment reports filed with the BC Ministry of Energy and Mines. It will also assess the potential for larger zones of lower grade gold mineralization on the property. Activities will include compiling historic geochemical, geological and geophysical data along with ground truthing, mapping and sampling to follow-up areas of interest.

Acquisition of Australian Silver Projects

On October 15, 2020, the Company closed the acquisition of 60% of the issued and outstanding shares of a company that owns a 100% interest (subject to a 2% NSR) in two prospective silver-zinc projects in Australia, being the Tyr Silver Project and the Century South Silver-Zinc Project. Pursuant to the terms of the Definitive Agreement, the Company issued 15,000,000 common shares (at a fair value of $0.90 per share) as consideration and 675,000 common shares to an arm's length third party (at a fair value of $0.90 per share).

Acquisition of Lithium Property in Quebec

Subsequent to December 31,2020, the Company acquired a 100% interest in and to the Route 381 Lithium Property, comprised of 40 mineral claims located in James Bay Territory, in consideration of 4,000,000 common shares of the Company and $60,000 in cash payment.

Results of Operations – For the three months ended December 31,2020 and 2019:

The Company incurred a loss of $1,288,274 during the three months ended December 31,2020 due to expense incurred by the Company as follows:

	December 31, 2020	December 31, 2019
	$	$
General and administrative	2,764	1,838
Management and consulting	26,360	10,500
Professional fees	59,402	7,932
Regulatory and filing fees	5,940	5,305
Marketing and shareholder communication	779,608	3,485
Share-based compensation	414,200	-
	1,288,274	29,060

Management and consulting increased to $26,360 for the three months ended December 31,2020 compared to $10,500 in the prior year, mainly due to strategic business advisory fees. Regulatory and filings fees of $5,940 (2019: $5,305) and professional fees of $59,402 (2019: $7,932) increased compared to the prior year mainly due to the Company's listing on the CSE in July 2019. Share-based compensation of $414,00 (2019: $Nil) mainly related to stock options issued to directors and officers in October 2020.

Summary of Quarterly Results

Selected information derived from the Company's unaudited interim financial statements for the past eight quarters is as follows:

	Three Months Ended Dec. 31, 2020	**Three Months Ended Sept. 30, 2020**	**Three Months Ended June 30, 2020**	**Three Months Ended March 31, 2020**	**Three Months Ended Dec. 31, 2019**	**Three Months Ended Sept. 30, 2019**	**Three Months Ended June 30, 2019**	**Three Months Ended March 31, 2019**
Total Revenues	-	-	-	-	-	-	-	-
Loss and comprehensive loss	(1,288,274)	(599,392)	(19,919)	(21,974)	(29,060)	(73,235)	(9,862)	(17,241)
Total assets	25,938,990	3,079,357	393,857	152,073	162,927	383,373	192,388	186,697
Working Capital (Deficit)	1,914,999	2,698,590	115,318	137,373	158,306	194,273	(36,979)	(31,330)
Long-term liabilities	-	-	-	-	-	-	-	-

Loss per share – basic and diluted	(0.03)	(0.05)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)

During the quarter ended December 31, 2020, the Company had net loss of $1,288,274 compared to net loss of $29,060 during the quarter ended December 31, 2019. The increase in the net loss of $1,259,214 is mainly due to an increase in marketing and administration as the Company evaluated strategic transactions, and an increase in share-based compensation for stock options granted to directors and officers.

Liquidity and Capital Resources

The net working capital of the Company at December 31, 2020 amounted to $1,914,999 (September 30, 2020: $2,698,590).

The Company does not have any cash flow from operations due to the fact that it is an exploration stage company and therefore financings have been the sole source of funds.

The Company's current assets are not sufficient to support the company's general administrative and corporate operating requirements on an ongoing basis for the foreseeable future. Accordingly, further financing will be required and the Company will have to raise additional funds to continue its operations. Please see Overall Performance section with respect to the Company's financing plans.

During the three months ended December 31, 2020, the Company completed the following transactions:

- On October 15, 2020, the Company issued 15,675,000 common shares at a fair value of $0.90 for a 60% interest in the Australian silver projects.
- October 22, 2020, the Company granted 500,000 stock options to an officer and consultant of the Company with an exercise price of $0.90.
- The Company issued 1,595,873 common shares from the exercise of warrants for gross proceeds of $239,381.

Subsequent to December 31, 2020, the Company completed the following transactions:

- The Company issued 1,284,638 common shares from the exercise of warrants for gross proceeds of $192,696.
- The Company issued 4,000,000 common shares at a fair value of $0.32 for a 100% interest in and to the Route 381 Lithium Property announced January 27, 2021.
- Pursuant to the Cobble Hill option payment, the Company issued 400,000 common shares
- The Company issued 150,000 common shares for proceeds of $45,750 for stock options exercised.
- The Company granted 200,000 stock options to an officer and consultant of the Company with an exercise price of $0.285.

Liquidity Outlook

The Company's cash position is highly dependent on its ability to raise cash through financings.

Based on the Company's financial position as at December 31, 2020, the Company will need to complete additional external financing either through equity, debt, or other forms of financing. As other opportunities become available to the Company and subject to exploration work on the Company's project and results from such exploration program is determined, management may be required to complete additional financing.

This outlook is based on the Company's current financial position and is subject to change if opportunities become available based on exploration program results and/or external opportunities. At present, the Company's operations do not generate cash inflows and its financial success is dependent on management's ability to discover economically viable mineral deposits. The mineral exploration process can take many years and is subject to factors that are beyond the Company's control.

In order to finance the Company's future exploration programs and to cover administrative and overhead expenses, the Company will need to raise funds through equity sales, from the exercise of convertible securities, debt, deferral of payments to related parties, or other forms of raising capital. Many factors influence the Company's ability to raise funds, including the health of the resource market, the climate for mineral exploration investment, the Company's track record, and the experience and calibre of its management. Actual funding requirements may vary from those planned due to a number of factors, including the progress of exploration activities. Management believes it will be able to raise equity capital as required in the short and long term, but recognizes that there will be risks involved which may be beyond its control.

Going Concern

The Company's consolidated financial statements have been prepared on the basis that the Company will continue as a going concern, which assumes that the Company will be able to meet its commitments, continue operations, and realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company has incurred losses since inception, has no recurring source of revenue and, as at December 31, 2020, had an accumulated deficit of $2,108,150. These material uncertainties cast significant doubt upon the Company's ability to continue as a going concern.

The Company will need to raise sufficient funds as the Company's current assets are not sufficient to finance its operations and administrative expenses. The Company is evaluating financing options including, but not limited to, the issuance of additional equity and debt. The Company has no assurance that such financing will be available or be available on favourable terms. Factors that could affect the availability of financing include the Company's performance (as measured by numerous factors including the progress and results of its projects), the state of international debt and equity markets, investor perceptions and expectations and the global financial and metals markets.

The Company spent $7,821 during the three months ended December 31, 2020 on exploration activities on Cobalt Hill claims (year ended September 30, 2020: $15,114), and $80,861 on exploration activities at the Australian properties, all of which were capitalized. The funds spent on exploration activities were raised through share issuances.

The Company is required to make the scheduled payments of cash and shares detailed under the Cobalt Property Section in order to keep the property option in good standing.

Contractual Obligations

The Company is subject to certain contractual obligations associated with the Cobalt Hill Option Agreement as discussed above. The Company has no other material and long-term contractual obligations.

Significant Accounting Policies and Estimates

The preparation of financial statements requires management to establish accounting policies, estimates and assumptions that affect the timing and reported amounts of assets, liabilities, revenues and expenses. These estimates are based on historical experience and on various other assumptions that management believes to be reasonable under the circumstances and require judgment on matters which are inherently uncertain. Details of the Company's significant accounting policies can be found in Note 2 of the consolidated financial statements for the three months ended December 31, 2020.

Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Key management includes directors and key officers of the Company, including the President, Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"). During the three months ended December 31, 2020 and 2019, the Company had the following transactions with related parties:

	Three months ended December 31,	
	2020	2019
	$	$
Management fees	**21,750**	10,500
Share-based compensation	**289,957**	-
	311,707	10,500

Off Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Financial Instruments

International Financial Reporting Standards 7, *Financial Instruments: Disclosures*, establishes a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair Value of Financial Instruments

The Company's financial assets include cash and are classified as Level 1. The carrying value of these instruments approximates their fair values due to the relatively short periods of maturity of these instruments.

Fair value

The fair value of the Company's financial instruments approximates their carrying value as at December 31, 2020 because of the demand nature or short-term maturity of these instruments.

Financial risk management objectives and policies

The Company's financial instruments include cash and accounts payable. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Currency Risk

The Company's expenses are denominated in Canadian dollars. The Company's corporate office is based in Canada and current exposure to exchange rate fluctuations is minimal.

The Company does not have any significant foreign currency denominated monetary liabilities. The principal business of the Company is the identification and evaluation of assets or a business and once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder approval and acceptance by regulatory authorities.

Interest Rate Risk

The Company is exposed to interest rate risk on the variable rate of interest earned on bank deposits. The fair value interest rate risk on bank deposits is insignificant as the deposits are short term.

The Company has not entered into any derivative instruments to manage interest rate fluctuations.

Credit Risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash. To minimize the risk, the Company places these instruments with a high-quality financial institution.

Liquidity Risk

In the management of liquidity risk of the Company, the Company maintains a balance between continuity of funding and the flexibility through the use of borrowings. Management closely monitors the liquidity position and expects to have adequate sources of funding to finance the Company's projects and operations.

Outstanding Common Shares

As at the date of this MD&A:

- 49,789,017 Common Shares issued and outstanding including 2,941,980 held in escrow;
- 1,982,899 Share Purchase Warrants; and
- 1,250,000 stock options