MEGAWATT LITHIUM AND BATTERY METALS CORP.

Management's Discussion & Analysis

For the three and six months ended March 31, 2023 and 2022

Dated: May 25, 2023

REPORTING PERIOD AND EFFECTIVE DATE

The following Management's Discussion and Analysis ("MD&A") of financial condition and results of operations for the three and six months ended March 31, 2023 and 2022 should be read in conjunction with the audited consolidated financial statements for the years ended September 30, 2022 and 2021 and the related notes thereto (collectively referred to hereafter as the "Annual Financial Statements") and the unaudited condensed interim consolidated financial statements for the three and six months ended March 31, 2023 and 2022 and the related notes thereto (collectively referred to hereafter as the "Financial Statements") of MegaWatt Lithium and Battery Metals Corp. (the "Company" or "MegaWatt"). This MD&A supplements but does not form part of the financial statements of the Company. Additional information relating to the Company is available on SEDAR at www.sedar.com.

The financial statements have been prepared by management in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee. All monetary amounts in the MD&A are expressed in Canadian dollars, except number of shares, or as otherwise stated. Other information contained in this document has been prepared by management and is consistent with the data contained in the financial statements.

The first, second, third, and fourth quarters of the Company's fiscal years are referred to as "Q1", "Q2", "Q3" and "Q4", respectively.

The effective date of this MD&A is May 25, 2023.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or state that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance, or achievements to be materially different from any of its anticipated results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements.

The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

BUSINESS OVERVIEW

The Company was incorporated on December 11, 2017 under the laws of British Columbia. On July 20, 2019, the Company completed its initial public offering and listed on the Canadian Securities Exchange under the symbol "MEGA" (previously "WAL"). On April 20, 2022, the Company's common shares commenced trading on the OTCQB under the symbol "WALRF". The head office and principal address of the Company is located at Suite 1500 - 1055 West Georgia Street, Vancouver BC, V7X 1M5. The Company's principal business activities include the acquisition and exploration of mineral property assets in Canada and Australia.

As at March 31, 2023, the Company had not yet determined whether the Company's mineral property assets contain ore reserves that are economically recoverable. The recoverability of amounts shown for exploration and evaluation assets 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 the future profitable production from the property or realizing proceeds from its disposition.

As at March 31, 2023, the Company has not generated revenue to date and had an accumulated deficit of $26,913,018 (September 30, 2022 - $26,523,997). The Company's operations to date have been funded through the issuance of equity. These factors represent a material uncertainty which may cast significant doubt upon the Company's ability to continue as a going concern. The Company's ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs.

On April 18, 2023, the Company announced that it will be consolidating its outstanding common shares on a ten-for-one basis. The Company's post consolidation shares began trading on the Canadian Securities Exchange on May 9, 2023. The presentation of number of shares, warrants, stock options and loss per share in these financial statements have been retrospectively adjusted for this share consolidation.

EXPLORATION AND EVALUATION ASSETS

A summary of the Company's exploration and evaluation assets is as follows:

	Cobalt Hill	Tyr Silver Project	James Bay Lithium Project	Total
	$	$	$	$
Acquisition cost				
Balance, September 30, 2021	615,000	11,555,805	1,780,000	13,950,805
Impairment	-	(11,555,805)	(701,569)	(12,257,374)
Option and sale proceeds	-	-	(175,000)	(175,000)
Balance, March 31, 2023 and September 30, 2022	**615,000**	**-**	**903,431**	**1,518,431**
Exploration and evaluation expenditures				
Balance, September 30, 2021	281,813	105,007	59,290	446,110
Additions	2,545	108,642	397,698	508,885
Impairment	-	(213,649)	(456,988)	(670,637)
Balance, September 30, 2022	284,358	-	-	284,358
Additions	2,730	-	-	2,730
Balance, March 31, 2023	**287,088**	**-**	**-**	**287,088**
Balance, September 30, 2022	899,358	-	903,431	1,802,789
Balance, March 31, 2023	**902,088**	**-**	**903,431**	**1,805,519**

a) Cobalt Hill

Pursuant to an option 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 ("Cobalt Hill") located in the Trail Creek Mining Division in British Columbia.

In 2021, the Company fulfilled the terms of the option agreement and acquired a 100% undivided interest in Cobalt Hill by making cumulative cash payments totaling $355,000 and issuing a cumulative total of 110,000 common shares of the Company. The optionor retained a 1.5% Net Smelter Returns Royalty ("NSR") on Cobalt Hill.

b) Tyr Silver Project and Century South Silver-Zinc Project

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. ("TargetCo") which owns a 100% interest (subject to a 2% NSR) in two prospective silver-zinc projects in Australia, being the Tyr Silver Zinc Project and the Century South Silver-Zinc Project. Both projects are located near established mining infrastructure and are accessible by port.

On April 5, 2022, the Company closed the acquisition of an additional 20% of the issued and outstanding shares of TargetCo pursuant to a share purchase agreement dated effective March 25, 2022 (the "Definitive Agreement") with certain shareholders of TargetCo. Pursuant to the terms of the Definitive Agreement, the Company acquired an additional 20% of the issued and outstanding securities of TargetCo in consideration for the issuance of 750,000 common shares of the Company pro rata to the shareholders of TargetCo at a fair value of $0.13 per share. The acquisition of the additional 20% of TargetCo is accounted for as an equity transaction and reduction of the non-controlling interest. As a result of this transaction, the Company owns 80% of the issued and outstanding shares of TargetCo.

The Tyr Silver Project in northern New South Wales has two historic silver mines - Burra and Torny - with potential for high-grade silver zinc-lead-tin mineralization. The project covers an area of approximately 300 km^2 comprised of minimal use, hilly pastoral land, mostly cleared and lightly forested. The tenement was granted in March 2018 and is due for renewal in March 2024.

During the year ended September 30, 2022, the Tyr Silver Project was fully impaired due to the application of IFRS to bring the Company's assets in line with its market capitalization. As a result, the Company recorded an amount of $11,769,454 on September 30, 2022 as an impairment of exploration and evaluation assets and with subsequent exploration and evaluation expenditure recognized in profit or loss. The Company intends to keep the permit of this resource property in good standing. During the three and six months ended March 31, 2023, the Company incurred $3,237 and $9,541, respectively (2022 - $nil and $nil, respectively) exploration and evaluation expenditures on the property recognized in profit or loss.

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 250 km^2 in size, comprised of hilly, open savannah country. The tenement was granted in October 2018 and is due for renewal in October 2023.

During the year ended September 30, 2021, the Century South Silver-Zinc Project was fully impaired due to the application of IFRS to bring the Company's assets in line with its market capitalization. As a result, the Company recorded an amount of $11,671,024 on September 30, 2021 as an impairment of exploration and evaluation assets and with subsequent exploration and evaluation expenditure recognized in profit or loss. During the three and six months ended March 31, 2023, the Company incurred $nil and $nil, respectively (2022 - $3,066 and $19,554, respectively) exploration and evaluation expenditures on the property recognized in profit or loss. Subsequent to March 31, 2023, the Company cancelled the permits on the Century South Silver-Zinc Project.

c) James Bay Lithium Project

In January 2021, the Company completed the acquisition of a 100% interest in and to the Route 381 Lithium, comprised of 40 mineral claims located in James Bay Territory in Quebec. In consideration for the acquisition, the Company paid the vendors an aggregate of $60,000 in cash and issued 400,000 common shares of the Company with a fair value of $1,720,000. In addition, the Company is subject to grant vendors a 2% NSR.

In December 2021, the Company acquired, by way of staking, 229 mineral exploration claims prospective for lithium in the James Bay region of Quebec, Canada ("Mitsumis").

During the year ended September 30, 2022, the James Bay Lithium Project was partially impaired due to the decrease in the fair value of mineral property option agreement. As a result, the Company recorded an amount of $1,158,557 on September 30, 2022 as an impairment of exploration and evaluation assets and with subsequent exploration and evaluation expenditure recognized in profit or loss. The Company intends to keep the permit of this resource property in good standing. During the three and six months ended March 31, 2023, the Company incurred $54,212 and $405,579, respectively (2022 - $nil and $nil, respectively) exploration and evaluation expenditures on the property recognized in profit or loss.

d) New Age Co Properties

On April 14, 2021, the Company announced that it had completed the acquisition of all issued and outstanding securities of 1260945 B.C. Ltd ("New Age Co") pursuant to the terms of a share exchange agreement dated March 30, 2021 (the "Agreement") among the Company, New Age Co and the New Age Co shareholders (the "New Age Transaction") and acquired a 100% interest (subject to a 1% NSR) in and to certain mining tenements in Northern Territory ("NT") and New South Wales ("NSW") Australia, described as follows:

Rare Earth Elements (NT) - Arctic Fox and Isbjorn

Located in Australia's NT, both properties have assayed surface sample readings that form the basis for further exploration and are located in a region with supportive mining infrastructure. Arctic Fox is contiguous with the Nolans Bore REE project, for which Project commissioning is slated for mid 2023. The Isbjorn asset is contiguous to the advanced Charley Creek REE project.

Nickel-cobalt-scandium-HPA (NSW) - Chinook, Kodiak & Caribou

The three nickel-cobalt-scandium-HPA properties - Chinook, Kodiak and Caribou - are located in Australia's central NSW, which is considered by management to be a highly prospective region. The region is home to both Alpha HPA's (ASE:A4N) Collerina nickel-cobalt-scandium-HPA asset and Scandium International's (TSE: SCY) Nyngan deposit. Both Collerina and Nyngan support JORC Complaint Mineral Resources. Subsequent to March 31, 2023, the resource property titles to Chinook, Kodiak and Caribou were cancelled.

Pursuant to the terms of the Agreement, MegaWatt acquired 100% of the issued and outstanding securities of New Age Co in consideration for the issuance of 1,140,000 common shares of the Company (the "New Age Payment Shares") at a fair value of $3.90 per New Age Payment Share. The New Age Payment Shares are not subject to any hold periods under applicable securities laws. In addition, the Company issued 7,500 common shares (the "New Age Finders' Shares") to arm's length third party finders in connection with the New Age Transaction at a fair value of $3.90 per New Age Finders' Share, which are subject to a four month and one-day hold period under applicable securities laws which expired on August 10, 2021.

During the year ended September 30, 2021, the New Age Co Properties were fully impaired due to the application of IFRS to bring the Company's assets in line with its market capitalization. As a result, the Company recorded an amount of $4,662,377 as an impairment of exploration and evaluation assets any future expenditures will be expensed. The Company intends to keep the permit of the Arctic Fox and Isbjorn resource properties in good standing. During the three and six months ended March 31, 2023, the Company incurred $17,985 and $82,966, respectively (2022 - $nil and $45,596, respectively) exploration and evaluation expenditures on the property recognized in profit or loss.

e) Option on the James Bay Lithium Project

Effective September 27, 2022, the Company entered into a mineral property option agreement (the "Property Option Agreement") with Cygnus Gold Limited ("Cygnus"), whereby the Company granted Cygnus the option to acquire up to an 80% interest in the Company's Route 381 Lithium and Mitsumis properties located in Quebec, Canada (the "James Bay Lithium Project"). Option consideration from Cygnus is recorded as a reduction of the properties' capitalized exploration and evaluation assets reflecting a recovery of past costs incurred.

Under the terms of the Property Option Agreement, Cygnus has the option to acquire an initial 51% interest in the James Bay Lithium Project (the "First Option"). Following the exercise of the First Option, Cygnus has the option to acquire an additional 29% interest in the Projects (the "Second Option").

In order to exercise the First Option, Cygnus must commit to the following over three years:

- Payment of $175,000 due on September 30, 2022 (which includes $125,000 as an expense reimbursement to the Company) (the payment was received on October 12, 2022);
- Reimbursement of the Company's exploration expenditures of up to $375,000 from its 2022 exploration program by (the reimbursement was received on December 20, 2022);
- Fund $2,000,000 in exploration expenditures on the Projects by the third anniversary date of the Property Option Agreement as follows:
  - $500,000 to be incurred prior to the first anniversary of the effective date of the Property Option Agreement (less any reimbursements as described above);
  - $500,000 to be incurred prior to the second anniversary of the effective date of the Property Option Agreement; and
  - $1,000,000 to be incurred prior to the third anniversary of the effective date of the Property Option Agreement.

Cygnus will then have the option to exercise the Second Option by:

- Payment of $50,000 to the Company within 30 days of the satisfaction of the First Option;
- Filing a NI 43-101 or the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the "JORC Code") compliant mineral resource estimate which defines a lithium oxide resource on the Projects of at least 5 million tonnes with an average grade of not less than 0.8% lithium oxide in any resource category as defined in NI 43 -101 or the JORC Code, by the date which is no later than 5 years from the exercise of the First Option; and
- Cash consideration to the Company of $1,000,000 within 3 days of filing the above report.

EXPLORATION HIGHLIGHTS

a) Cobalt Hill

The 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 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.

b) New Age Co Properties

On May 24, 2022, the Company completed a comprehensive desktop review of available data at its two properties - Artic Fox and Isbjorn - in central Northern Territory, Australia, targeting rare earth elements (REE) zones.

Notably, the findings are encouraging, as historical stream sediment sample results within the Artic Fox Project enabled Megawatt's technical team to delineate six anomalous target areas for REEs that materially enhance the property's exploration potential.

On June 7, 2022, the Company completed a field visit to the Artic Fox & Isbjorn Projects in central Northern Territory, Australia.

At Arctic Fox, the team identified ample outcrop prospective for REE covering a large portion of the property, while the six primary anomalies from the historic stream sediment survey will be subject to a comprehensive surface sampling and mapping campaign in the coming months.

During the visit, 12 rock-chip samples were taken which represent the veining and immediate country rock of some of the ridges observed in the tenure. Notably, the technical team believe mineralisation could occur in either the quartz veining and/or the altered country rock.

c) James Bay Lithium Project

Route 381 Lithium is located in a prolific hard-rock lithium jurisdiction with several actively advancing lithium projects including Critical Elements Lithium Corporation's Rose Project, the Whabouchi lithium project and Galaxy Lithium (Canada) Inc.'s James Bay Lithium Project.

On August 11, 2022, the Company begun fieldwork at the Route 381 and Mitsumis projects in the James Bay Territory. The program will consist of a high-resolution drone survey to capture spatial data and imagery combined with mapping and sampling of areas prospective for lithium bearing pegmatites. Orix Geoscience Inc. of Toronto will be using a long-range fixed wing, vertical takeoff and landing drone to complete the project producing a base map of a portion of MegaWatt's properties (~3,600 hectares), digital surface/terrain models, point cloud, contour lines, and imagery analysis to identify outcrops, features of interest, and future mapping and prospecting areas. Mapping, sampling and prosecting will be carried out simultaneously around a magnetic high and anomalous lithium sample earlier identified in the area. It is anticipated to take approximately five weeks from project start to delivery of results and analysis.

SELECTED FINANCIAL INFORMATION

A summary of the Company's selected financial information is as follows:

		Three months ended March 31,		Six months ended March 31,
	2023	2022	**2023**	2022
	$	$	**$**	$
Operating expenses				
Exploration and evaluation expenses	**75,434**	3,066	**123,086**	65,150
General and administrative	**16,741**	5,637	**24,031**	13,078
Management and consulting	**63,000**	149,175	**160,158**	253,155
Marketing and shareholder communication	**1,212**	246,040	**2,444**	274,765
Professional fees	**47,337**	103,662	**96,455**	171,216
Regulatory and filing fees	**14,818**	59,265	**23,985**	69,593
Share-based compensation	**-**	-	**-**	282,295
	218,542	566,845	**430,159**	1,129,252
Other income (expense)				
Amortization of flow-through premium liability	**5,275**	4,187	**39,230**	4,187
Interest expense	**-**	(851)	**-**	(851)
Net loss and comprehensive loss	**(213,267)**	(563,509)	**(390,929)**	(1,125,916)
Net loss and comprehensive loss attributable to:				
Shareholders of the Company	**(212,620)**	(563,509)	**(389,021)**	(1,125,916)
Non-controlling interest	**(647)**	-	**(1,908)**	-
Net loss per share:				
Basic and diluted	**(0.02)**	(0.08)	**(0.04)**	(0.16)
Weighted average number of common shares:				
Basic and diluted	**8,758,732**	7,128,732	**8,758,732**	6,926,825

	March 31, 2023	September 30, 2022
	$	$
Deficit	**26,913,018**	26,523,997
Exploration and evaluation assets	**1,805,519**	1,802,789
Total assets	**2,062,691**	2,857,029
Total liabilities	**298,227**	701,636

RESULTS OF OPERATIONS

For the three months ended March 31, 2023 and 2022:

The Company incurred a net loss of $213,267 (2022 - $563,509) of which $212,620 (2022 - $563,509) was attributable to shareholders of the Company and $647 (2022 - $nil) was attributable to non-controlling interest. Significant drivers of these changes were as follows:

- Exploration and evaluation expenses increased to $75,434 (2022 - $3,066) due to increased expenditures incurred on impaired exploration and evaluation assets compared to the prior year comparative period;
- General and administrative increased to $16,741 (2022 - $5,637) mainly due to tax penalties on exploration expenses which were renounced under the lookback rule but not spent until calendar year 2022 (related to October 21, 2021 flow-through shares) and penalties incurred on late filings;
- Management and consulting decreased to $63,000 (2022 - $149,175) due to a one-time market stabilization and liquidity services incurred in the prior year comparative period;
- Marketing and shareholder communication decreased to $1,212 (2022 - $246,040) due to a reduction in marketing awareness campaigns as the Company is utilizing in-house marketing services;
- Professional fees decreased to $47,337 (2022 - $103,662) mainly due to the additional legal fees incurred in the prior year comparative period relating to the acquisition of an additional 20% interest in TargetCo; and
- Regulatory and filings fees decreased to $14,818 (2022 - $59,265) due to regulatory fees and other corporate communication associated with the private placement that was undertaken in the prior year comparative period.

For the six months ended March 31, 2023 and 2022:

The Company incurred a net loss of $390,929 (2022 - $1,125,916) of which $389,021 (2022 - $1,125,916) was attributable to shareholders of the Company and $1,908 (2022 - $nil) was attributable to non-controlling interest. Significant drivers of these changes were as follows:

- Exploration and evaluation expenses increased to $123,086 (2022 - $65,150) due to increased expenditures incurred on impaired exploration and evaluation assets compared to the prior year comparative period;
- General and administrative increased to $24,031 (2022 - $13,078) mainly due to tax penalties on exploration expenses which were renounced under the lookback rule but not spent until calendar year 2022 (related to October 21, 2021 flow-through shares) and penalties incurred on late filings;
- Management and consulting decreased to $160,158 (2022 - $253,155) due to a one-time market stabilization and liquidity services incurred in the prior year comparative period;
- Marketing and shareholder communication decreased to $2,444 (2022 - $274,765) due to a reduction in marketing awareness campaigns as the Company is utilizing in-house marketing services;
- Professional fees decreased to $96,455 (2022 - $171,216) mainly due to the additional legal fees incurred in the prior year comparative period relating to the additional 20% interest in TargetCo;
- Regulatory and filings fees decreased to $23,985 (2022 - $69,593) due to regulatory fees and other corporate communication associated with the private placement that was undertaken in the prior year comparative period; and
- Share-based compensation was $nil (2022 - $282,295) due to nil stock options vested in the current period compared to 250,000 in the prior year comparative period.

SUMMARY OF QUARTERLY RESULTS

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

	Q2 2023	Q1 2023	Q4 2022	Q3 2022
	$	$	$	$
Net loss and comprehensive loss	**213,267**	177,662	13,213,156	313,898
Total assets	**2,062,691**	2,555,352	2,857,029	15,036,432
Working capital (deficit) surplus	**(41,055)**	174,942	352,604	275,912
Total liabilities	**298,227**	577,621	701,636	197,882
Net loss per share - basic and diluted (1)	**0.02**	0.02	1.36	0.04

	Q2 2022	Q1 2022	Q4 2021	Q3 2021
	$	$	$	$
Net loss and comprehensive loss	563,509	562,407	14,857,731	2,358,991
Total assets	15,256,176	15,951,457	14,967,986	31,853,263
Working capital surplus	677,632	1,317,215	422,463	775,346
Total liabilities	103,728	167,850	148,608	2,191,440
Net loss per share - basic and diluted (1)	0.08	0.08	1.72	0.27

(1) Loss per share attributable to shareholders of the Company.

All the Company's resource properties are in the exploration stage. The Company has not had revenue from inception and does not expect to have revenue in the near future. The Company's operating results are not seasonal in nature and have been mainly related to the amount of exploration activities in each quarter.

LIQUIDITY AND CAPITAL RESOURCES

As at March 31, 2023, the Company had a working capital deficit of $41,055 (September 30, 2022 – working capital surplus of $352,604)

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 need to raise additional funds to continue its operations.

During the six months ended March 31, 2023, the Company used $648,765 in operating activities (2022 - $1,096,379). The decrease in cash compared to the comparative period is due to lower operating expenses incurred in the period and reimbursements received from the Property Option Agreement.

During the six months ended March 31, 2023, the Company used $2,730 in investing activities (2022 - $77,901). The decrease in cash invested compared to the comparative period is due to the prior year having acquisitions of new mineral properties, which were not incurred during the current period.

During the six months ended March 31, 2023, the Company received $nil from financing activities (2022 - $1,244,341). During the prior year comparable period, the Company received $1,244,341 from the closing of a private placement, net of share issuance costs.

During the six months ended March 31, 2023, the Company had no share transactions.

RECONCILIATION OF USE OF PROCEEDS FROM AUGUST/SEPTEMBER 2020 PRIVATE PLACEMENTS

In August and September 2020, the Company undertook private placements to raise approximately $3.3 million. The following table sets out a comparison of how the Company used the proceeds following the closing dates in August and September 2021, an explanation of variances and the impact of variances on the ability of the Company to achieve its business objectives and milestones.

	Intended Use of Proceeds of August/September 2020 Private Placements	Actual Use of Proceeds from August/ September 2020 Private Placements	(Over)/under expenditure	Explanation of Variance and impact on business objectives
	$	$	$	
Exploration activities on the Cobalt Hill	200,000	180,175	19,825	Reduced spending on exploration than anticipated due timing and delays in permitting.
Acquisition of TargetCo	20,000	18,631	1,369	Minimal variance.
Exploration of Tyr Silver Project and Century South Silver-Zinc Project	250,000	220,226	29,774	Reduced spending on exploration than anticipated due to timing - the Company aims to use the funds for further exploration activities on the property.
General working capital	2,795,750	2,275,301	520,449	Expenditures included external consultants for marketing and shareholder communication, management and consulting, professional fees, regulatory and filing fees and general administration.
Acquisition on the Cobalt Hill	-	265,000	(265,000)	
Other acquisition and exploration activities	-	306,417	(306,417)	Change in strategy for the acquisition of Cobalt Hill and Route 381 Lithium
	3,265,750	**3,265,750**	**-**	

RECONCILIATION OF USE OF PROCEEDS FROM NOVEMBER 2021 PRIVATE PLACEMENT

In November 2021, the Company undertook a private placement to raise approximately $1.3 million. The following table sets out a comparison of how the Company used the proceeds following the closing date in November 2021, an explanation of variances and the impact of variances on the ability of the Company to achieve its business objectives and milestones.

	Intended Use of Proceeds of August/September 2020 Private Placements	Actual Use of Proceeds from August/ September 2020 Private Placements	(Over)/under expenditure	Explanation of Variance and impact on business objectives
	$	$	$	
Exploration activities	436,220	137,210	299,010	Includes exploration expenditures to September 30, 2022 and the remaining expenditures were incurred in the following quarter of 2022.
General working capital	874,375	1,173,385	(299,010)	Expenditures included external consultants for marketing and shareholder communication, management and consulting, professional fees, regulatory and filing fees and general administration.
	1,310,595	**1,310,595**	**-**	

Considering the current uncertainty as to the general market and competitive conditions, the Company continues to maintain its fiscally responsible approach to its mineral exploration activities. In particular, the Company continues to evaluate market conditions on an ongoing basis, with the goal of, among other things: (i) identifying the appropriate time to initiate certain business objectives, and (ii) exploring potential alternative, viable opportunities to further develop and expand the Company's business.

As such, the Company notes that there may be circumstances where, for sound business reasons, the Company may be required to reallocate funds, including due to demands for shifting focus or investment in mining exploration and/or development activities, requirements for accelerating, increasing, reducing, or eliminating initiatives in response to changes in market, regulations and/or developments in the mining sector generally and in the price of ores, unexpected setbacks, and strategic opportunities, such as partnerships, strategic partners, joint ventures, mergers, acquisitions, and other opportunities.

LIQUIDITY OUTLOOK

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

As at March 31, 2023, based on the Company's financial position, 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.

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.

CONTRACTUAL OBLIGATIONS

The Company has no material and long-term contractual obligations as at March 31, 2023 or the date of this MD&A.

SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

The accounting policies and estimates applied in preparation of the Financial Statements are disclosed in Annual Financial Statements. There have been no changes to accounting policies during the three and six months ended March 31, 2023.

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 and former Chief Financial Officer.

A summary of the Company's key management compensation is as follows:

	Three months ended March 31,		Six months ended March 31,	
	2023	2022	**2023**	2022
	$	$	**$**	$
Management fees	**33,000**	33,000	**66,000**	89,613
Share-based compensation	**-**	-	**-**	234,305
	33,000	33,000	**66,000**	323,918

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements as at March 31, 2023 or the date of this MD&A.

FINANCIAL INSTRUMENTS

The Company's financial instruments are exposed to certain financial risks. The risk exposures and the impact on the Company's financial instruments are summarized below.

a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the Company by failing to discharge an obligation. The Company's cash is exposed to credit risk. The Company reduces its credit risk on cash by placing these instruments with financial institutions of high credit worthiness.

b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company's accounts payable are all current and due within 90 days of the balance sheet date.

c) Market risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of the changes in the foreign exchange rates. Assuming all other variables constant, an increase or a decrease of 10% of the Australian dollar against the Canadian dollar, the net loss of the Company and the equity for the six months ended March 31, 2023 would have varied by a negligible amount.

d) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's cash is not exposed to interest rate risk.

OUTSTANDING SHARE DATA

	May 25, 2023	**March 31, 2023**
	#	#
Common shares issued and outstanding	8,758,732	8,758,732
Share purchase warrants	888,463	888,463
Stock options	420,000	420,000

RISKS AND UNCERTAINTIES

The principal activity of the Company is the acquisition and exploration of mineral property assets which is inherently risky. There is intensive government legislation from state, provincial, federal, municipal and aboriginal governments, surrounding the exploration for and production of minerals from our and any mining operations. Exploration and development is capital intensive and the Company currently has no source of income. Only the skills of its management and staff in mineral exploration and exploration financing serve to mitigate these risks, and therefore constitute one of the main assets of the Company.

a) Title

Title to mineral properties, as well as the location of boundaries on the grounds may be disputed. Moreover, additional amounts may be required to be paid to surface right owners in connection with any mining development. At all of such properties where there are current or planned exploration activities, the Company believes that it has either contractual, statutory, or common law rights to make such use of the surface as is reasonably necessary relating to those activities. Although the Company believes it has taken reasonable measures to ensure proper title to its properties, there is no guarantee that title to its properties will not be challenged or impaired.

Successful challenges to the title of the Company's properties could impair the development of operations on those properties.

b) Permits and licenses

Although the Company either currently holds or has applied for or is about to apply for all consents which it requires to carry out its current drilling programs, the Company cannot be certain that it will receive the necessary permits and licenses on acceptable terms or at all, to conduct further exploration and to develop its properties. The failure to obtain such permits, or delays in obtaining such permits could adversely affect the operations of the Company. Government approvals and permits are currently and may in the future be required in connection with the operations of the Company. To the extent such approvals are required and not obtained; the Company may be curtailed or prohibited from continuing its mining operations or from proceeding with planned exploration or development of mineral properties.

c) Exploration and development efforts may be unsuccessful

There is no certainty that the expenditures to be made by the Company in the exploration and development of its properties as described herein will result in discoveries of mineralized material in commercial quantities. Most exploration and development projects do not result in the discovery of commercially mineable ore deposits and no assurance can be given that any level of recovery of ore reserves will in fact be realized or that any identified mineral deposit will ever qualify as a commercially mineable (or viable) ore body which can be legally and economically exploited. Estimates of reserves, mineable deposits and production costs can be affected by such factors as environmental permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions. In addition, the grade of ore ultimately mined may differ from that indicated by drilling results. Short term factors relating to ore reserves, such as the need for orderly development of ore bodies or the processing of new or different grades, may have an adverse effect on mining operations and on the results of operations. There can be no assurance that minerals recovered in small scale tests will be duplicated in large scale tests under on-site conditions or in production scale. Material changes in ore reserves, grades, stripping ratios or recovery rates may affect the economic viability of any project.

d) No mineral resources or reserves in production

The properties in which the Company has an interest or right to earn an interest are in the exploration or pre-development stages only and are without a known body of ore in commercial production.

e) Uncertainty of obtaining additional funding requirements

Programs planned by the Company may necessitate funding, which could cause a dilution of the value of the investment of the shareholders of the Company. The recuperation value of mining properties indicated in the balance sheet depends on the discovery of mineralization that can be profitably exploited and on the Company's capacity to obtain additional funds to realize these programs.

The Company's exploration activities can therefore be interrupted at any moment if the Company is incapable of obtaining the necessary funds in order to continue any additional activities that are necessary and that are not described in the exploration programs outlined in the Company's geological report for its properties.

f) Mineral prices may not support future profit

The mining industry in general is intensely competitive and there is no assurance that, even if commercial quantities of mineral resources are developed, a profitable market will exist for the sale of same. Factors beyond the control of the Company may affect the marketability of any substances discovered. The price of minerals can be volatile, and is affected by numerous factors beyond the control of the Company, including international, economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates and global or regional consumption patterns, speculative activities and increased production due to improved mining techniques.

g) Competition

The mining industry is intensively competitive in all its phases. The Company competes with companies possessing greater financial resources and technical facilities than itself for the acquisition of mineral interests as well as for the recruitment and retention of qualified personnel.

h) Liquidity and financing risk

The Company has no source of operating cash flow and may need to raise additional funding in the future through the sale of equity or debt securities or by optioning or selling its properties. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. No assurance can be given that additional funding will be available for further exploration and development of the Company's properties when required, upon terms acceptable to the Company or at all. Failure to obtain such additional financing could result in the delay or indefinite postponement of further exploration and development of its properties, or even a loss of property interest, which would have a material adverse impact upon the Company.

i) Exploration costs

The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realized in practice, which may materially and adversely affect the Company's viability.

j) Uninsurable risks

In the course of exploration, development and production of mineral properties, risks, including, but not limited to, unexpected or unusual geological or operating conditions, natural disasters, inclement weather conditions, pollution, rock bursts, cave-ins, fires, flooding, earthquakes, civil unrest, terrorism and political violence may occur. It is not always possible to fully insure against all risks associated with the Company's operations and the Company may decide not to take out insurance against certain risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the securities of the Company.

k) Market conditions

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Market prices for shares of early-stage companies are often volatile. Share market conditions are affected by many factors such as: announcement of mineral discoveries; financial results; general economic outlook; introduction of tax reform or other new legislation; interest rates and inflation rates; changes in investor sentiment toward particular market sectors; the demand for, and supply of, capital; and terrorism or other hostilities. The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular.

l) Stress in the global economy

Reduction in credit, combined with reduced economic activity and the fluctuations in the U.S. dollar may adversely affect businesses and industries that purchase commodities, affecting commodity prices in more significant and unpredictable ways than the normal risks associated with commodity prices.

The availability of services such as drilling contractors and geological service companies and/or the terms on which these services are provided may be adversely affected by the economic impact on the service providers. The adverse effects on the capital markets generally make the raising of capital by equity or debt financing much more difficult and the Company is dependent upon the capital markets to raise financing. Any of these events, or any other events causing turmoil in world financial markets, may have a material adverse effect on the Company's business, operating results and financial condition.

m) Current global financial condition

Current global financial conditions have been subject to increased volatility. As such, the Company is subject to counterparty risk and liquidity. The Company is exposed to various counterparty risks including, but not limited to financial institutions that hold the Company's cash, and through companies that have payables to the Company. The Company is exposed to liquidity risks in meeting its operating expenditure requirements in instances where cash positions are unable to be maintained or appropriate financing is unavailable. These factors may impact the ability of the Company to obtain loans and other credit facilities in the future and, if obtained, on terms favorable to the Company. If these increased levels of volatility and market turmoil continue, the Company's operations could be adversely impacted and the trading price of the common shares could be adversely affected.

n) Operating hazards and risks associated with the mining industry

Mining operations generally involve a high degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Hazards such as unusual or unexpected formations and other conditions are involved.

Operations in which the Company has direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production of precious and base metals, any of which could result in work stoppages, damage to or destruction of mines and other producing facilities, damage to life and property, environmental damage and possible legal liability for any or all damage. The Company may become subject to liability for cave-ins and other hazards for which it cannot insure or against which it may elect not to insure where premium costs are disproportionate to the Company's perception of the relevant risks. The payment of such insurance premiums and of such liabilities would reduce the funds available for exploration activities.