MEGAWATT LITHIUM AND BATTERY METALS CORP.

Management's Discussion & Analysis

For the three and nine months ended June 30, 2023 and 2022

Dated: August 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 nine months ended June 30, 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 nine months ended June 30, 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 August 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". 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 June 30, 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 June 30, 2023, the Company has not generated revenue to date and had an accumulated deficit of $27,009,256 (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, June 30, 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, June 30, 2023	**287,088**	**-**	**-**	**287,088**
Balance, September 30, 2022	899,358	-	903,431	1,802,789
Balance, June 30, 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 nine months ended June 30, 2023, the Company incurred $8,710 and $18,250, 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 nine months ended June 30, 2023, the Company incurred $nil and $nil, respectively (2022 - $nil and $19,554, respectively), exploration and evaluation expenditures on the property recognized in profit or loss.

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 nine months ended June 30, 2023, the Company incurred $8,563 and $414,143 less $375,000 reimbursement (see EXPLORATION AND EVALUATION ASSETS - e) for a net $39,143, 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:

<u>Rare Earth Elements (NT) - Arctic Fox and Isbjorn</u>

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.

<u>Nickel-cobalt-scandium-HPA (NSW) - Chinook, Kodiak & Caribou</u>

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.

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 nine months ended June 30, 2023, the Company had a recovery of $30,049 and incurred $52,917, respectively (2022 - $34,840 and $80,436, 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 December 31, 2022 (the reimbursement was received on December 20, 2022);
- Fund $2,000,000 in exploration expenditures less expense reimbursements on the James Bay Lithium Project by the third anniversary date of the Property Option Agreement as follows:
  - $500,000 to be incurred prior to September 27, 2023;
  - $500,000 to be incurred prior to September 27, 2024; and
  - $1,000,000 to be incurred prior to September 27, 2025.

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 results of operations is as follows:

	Three months ended	June 30,	Nine months ended	June 30,
	2023	2022	**2023**	2022
	$	$	**$**	$
Operating expenses (recovery)				
Exploration and evaluation expenses (recovery)	**(12,776)**	34,840	**110,310**	99,990
General and administrative expense (recovery)	**(702)**	4,952	**23,329**	18,030
Management and consulting	**63,000**	127,714	**223,158**	380,869
Marketing and shareholder communication	**3,397**	55,783	**5,841**	330,548
Professional fees	**30,117**	64,398	**126,572**	235,614
Regulatory and filing fees	**15,397**	28,219	**39,382**	97,812
Share-based compensation	**-**	-	**-**	282,295
	98,433	315,906	**528,592**	1,445,158
Other income (expense)				
Amortization of flow-through premium liability	**453**	2,008	**39,683**	6,195
Interest expense	**-**	-	**-**	(851)
Net loss and comprehensive loss	**(97,980)**	(313,898)	**(488,909)**	(1,439,814)
Net loss and comprehensive loss attributable to:				
Shareholders of the Company	**(96,238)**	(308,766)	**(485,259)**	(1,434,682)
Non-controlling interest	**(1,742)**	(5,132)	**(3,650)**	(5,132)
Net loss per share:				
Basic and diluted	**(0.01)**	(0.04)	**(0.06)**	(0.20)
Weighted average number of common shares:				
Basic and diluted	**8,758,732**	7,870,580	**8,758,732**	7,244,127

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

	June 30, 2023	September 30, 2022
	$	$
Deficit	**27,009,256**	26,523,997
Exploration and evaluation assets	**1,805,519**	1,802,789
Total assets	**2,007,624**	2,857,029
Total liabilities	**341,140**	701,636

RESULTS OF OPERATIONS

For the three months ended June 30, 2023 and 2022:

The Company incurred a net loss of $97,980 (2022 - $313,898) of which $96,238 (2022 - $308,766) was attributable to shareholders of the Company and $1,742 (2022 - $5,132) was attributable to non-controlling interest. Significant drivers of these changes were as follows:

- Exploration and evaluation expenses of $12,776 were recovered (2022 - incurred expense of $34,840) as a result of a refund of a deposit on exploration and evaluation expenses on the New Age Co Properties in the current period;
- General and administrative of $702 were recovered (2022 - incurred expense of $4,952) as a result of a refund of a filing payment from Revenu Québec for the RL11s tax forms with respect to the August 2022 flow-through units;
- Management and consulting decreased to $63,000 (2022 - $127,714) as a result of a one-time market stabilization and liquidity service incurred in the prior year comparative period;
- Marketing and shareholder communication decreased to $3,397 (2022 - $55,783) due to a reduction in market awareness campaigns;
- Professional fees decreased to $30,117 (2022 - $64,398) as a result of the legal fees incurred in the prior year comparative period relating to the acquisition of an additional 20% interest in TargetCo and issuance of flow-through units; and
- Regulatory and filings fees decreased to $15,397 (2022 - $28,219) due to regulatory fees and other corporate communication associated with the flow-through private placement that was undertaken in the prior year comparative period.

For the nine months ended June 30, 2023 and 2022:

The Company incurred a net loss of $488,909 (2022 - $1,439,814) of which $485,259 (2022 - $1,434,682) was attributable to shareholders of the Company and $3,650 (2022 - $5,132) was attributable to non-controlling interest. Significant drivers of these changes were as follows:

- Exploration and evaluation expenses increased to $110,310 (2022 - $99,990) as a result of increased geological expenditures related to the James Bay Lithium Project partially offset by Cygnus' option reimbursement compared to the prior year comparative period;
- General and administrative increased to $23,329 (2022 - $18,030) as a result of a refund of a filing payment from Revenu Québec for the RL11s tax forms with respect to the August 2022 flow-through units;
- Management and consulting decreased to $223,158 (2022 - $380,869) as a result of a one-time market stabilization and liquidity service incurred in the prior year comparative period;
- Marketing and shareholder communication decreased to $5,841 (2022 - $330,548) due to a reduction in market awareness campaigns;
- Professional fees decreased to $126,572 (2022 - $235,614) as a result of 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 $39,382 (2022 - $97,812) as a result of 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 that vested in the current period compared to 250,000 stock options that vested 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:

	Q3 2023	Q2 2023	Q1 2023	Q4 2022
	$	$	$	$
Net loss and comprehensive loss	**97,980**	213,267	177,662	13,213,156
Total assets	**2,007,624**	2,062,691	2,555,352	2,857,029
Working capital (deficit) surplus	**(139,035)**	(41,055)	174,942	352,604
Total liabilities	**341,140**	298,227	577,621	701,636
Net loss per share - basic and diluted (1)	**0.01**	0.02	0.02	1.36

	Q3 2022	Q2 2022	Q1 2022	Q4 2021
	$	$	$	$
Net loss and comprehensive loss	313,898	563,509	562,407	14,857,731
Total assets	15,036,432	15,256,176	15,951,457	14,967,986
Working capital surplus	275,912	677,632	1,317,215	422,463
Total liabilities	197,882	103,728	167,850	148,608
Net loss per share - basic and diluted (1)	0.04	0.08	0.08	1.72

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

All of 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. The net loss and comprehensive loss for Q4 2022 and Q4 2021 are substantially greater due to impairment of exploration and evaluation assets being recorded only during Q4. The decrease in net loss and comprehensive loss in Q3 2023 compared to Q3 2022 is mainly due a $60,000 and $50,000 decrease in consulting fees and marketing and shareholder communication expenses, respectively.

LIQUIDITY AND CAPITAL RESOURCES

As at June 30, 2023, the Company had a working capital deficit of $139,035 (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 nine months ended June 30, 2023, the Company used $716,963 in operating activities (2022 - $1,333,719). The decrease in cash compared to the comparative period is due to lower operating expenses incurred in the period.

During the nine months ended June 30, 2023, the Company used $2,730 in investing activities (2022 - $95,799). The decrease in cash invested compared to the comparative period is due to the acquisition of Mitsumis as well as a higher investment in exploration and evaluation assets in the prior year comparable period.

During the nine months ended June 30, 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 placements, net of share issuance costs.

During the nine months ended June 30, 2023, the Company had no share transactions.

RECONCILIATION OF USE OF PROCEEDS FROM NOVEMBER 2021 PRIVATE PLACEMENTS

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.

A summary of the Company's private placement budget is as follows:

	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 June 30, 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 June 30, 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 nine months ended June 30, 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 June 30,		Nine months ended June 30,	
	2023	2022	**2023**	2022
	$	$	**$**	$
Management and consulting	**33,000**	33,000	**99,000**	122,613
Share-based compensation	**-**	-	**-**	234,305
	33,000	33,000	**99,000**	356,918

As at June 30, 2023, the Company had $7,350 (September 30, 2022 - $nil) due to a related party included in accounts payable and accrued liabilities balance. Interest is not charged on outstanding balances and payable upon demand.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements as at June 30, 2023 or the date of this MD&A.

FINANCIAL INSTRUMENTS

The financial instruments expose the Company 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 is exposed to credit risk through its cash. 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. The Company is not exposed to foreign currency risk.

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.

SUBSEQUENT EVENT

On July 13, 2023, the Company closed the acquisition of the remaining 20% of TargetCo pursuant to a share purchase agreement effective July 4, 2023. Pursuant to the terms of the agreement, the Company acquired the remaining 20% of the issued and outstanding securities of TargetCo in consideration for the issuance of 500,000 common shares of the Company (the "Consideration Shares") at a deemed fair value of $0.235 per share. The Consideration Shares are subject to a statutory hold period of four months and one day in accordance with applicable securities legislation ending on November 14, 2023.

This transaction is an arms-length transaction and no change in management, or the Board of Directors of the Company occurred in connection with this transaction.

RISKS AND UNCERTAINTIES

For a detailed listing of the risk factors faced by the Company, please refer to the Company's MD&A for the years ended September 30, 2022 and 2021.

OUTSTANDING SHARE DATA

	August 25, 2023	**June 30, 2023**
	#	#
Common shares issued and outstanding	9,258,732	8,758,732
Share purchase warrants	888,463	888,463
Stock options	420,000	420,000

ADDITIONAL INFORMATION

Additional information relating to the Company is available at www.sedar.com.