

BATTERY X METALS

Management Discussion and Analysis

For the six months ended June 30, 2024

The purpose of this Management Discussion and Analysis (“MD&A”) is to explain management’s point of view of Battery X Metals Inc.’s (the “Company”) past performance and future outlook. This report also provides information to improve the reader’s understanding of the financial statements and related notes, and should therefore be read in conjunction with the unaudited condensed interim consolidated financial statements and notes thereto for the three and six months ended June 30, 2024 and 2023 (the “Financial Statements”) and the audited consolidated financial statements and notes thereto for the years ended December 31, 2023 and 2022 (the “Annual Financial Statements”). Additional information on the Company is available on SEDAR and on the Company’s website, www.batteryxmetals.com. All information contained in this MD&A is current as of August 29, 2024, unless otherwise stated.

All financial information in this MD&A has been prepared in accordance with IFRS Accounting Standards (“IFRS”) and all dollar amounts are expressed in Canadian dollars unless otherwise indicated.

FORWARD-LOOKING STATEMENTS

Certain sections of this MD&A contain forward-looking statements and forward-looking information. All statements, other than statements of historical fact, made by the Company that address activities, events or developments that the Company expects or anticipates will or may occur in the future are forward-looking statements or forward-looking information, including, but not limited to, statements preceded by, followed by or that include words such as “may”, “will”, “would”, “could”, “should”, “believes”, “estimates”, “projects”, “potential”, “expects”, “plans”, “intends”, “anticipates”, “targeted”, “continues”, “forecasts”, “designed”, “goal”, or the negative of those words or other similar or comparable words. Forward-looking statements and forward-looking information contained or incorporated by reference in this MD&A may relate to the Company’s future financial condition, results of operations, plans, objectives, performance or business developments including, among other things, potential property acquisitions, exploration and work programs, drilling plans and timing of drilling, the performance characteristics of the Company’s exploration and evaluation assets, exploration results of various projects of the Company, projections of market prices and costs, supply and demand for resource minerals, expectations regarding the ability to raise capital and to acquire resources and/or reserves through acquisitions and/or development, treatment under governmental regulatory regimes and tax laws, and capital expenditure programs and the timing and method of financing thereof. Forward-looking statements and forward looking-information are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company as of the date of such statements and information, are inherently subject to significant business, economic and competitive uncertainties and contingencies. The estimates and assumptions of the Company contained or incorporated by reference in this MD&A, which may prove to be incorrect, include, but are not limited to: (1) there being no significant disruptions affecting operations, whether due to labour disruptions, supply disruptions, power disruptions, damage to equipment, adverse weather conditions or otherwise; (2) permitting, access, exploration, expansion and acquisitions at our projects (including, without limitation, land acquisitions for and permitting of exploration plans) being consistent with the Company’s current expectations; (3) the viability, permitting, access, exploration and, if warranted, development of the Company’s projects being consistent with the Company’s current expectations; (4) political developments in Canada including, without limitation, the implementation of new mining laws and related regulations being consistent with the Company’s current expectations; (5) certain price assumptions for resource minerals; (6) prices for and availability of equipment, labor, natural gas, fuel oil, electricity, water and other key supplies remaining consistent with current levels; (7) the results of the Company’s exploration programs on the Company’s projects being consistent with the Company’s expectations; (8) labour and materials costs increasing on a basis consistent with the Company’s current expectations; and (9) the availability and timing of additional financing being consistent with the Company’s current expectations. Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking statements and forward-looking information. Such factors include, but are not limited to: the timing and availability of additional capital, fluctuations in the currency markets; fluctuations in the spot and forward price of resource minerals or other commodities (such as diesel fuel and electricity); changes in national and local government legislation, taxation, controls, regulations and political or economic developments in Canada or other countries in which the Company may carry on business in the future; business opportunities that may be presented to, or pursued by, us; our ability to successfully integrate acquisitions; operating or technical difficulties in connection with exploration activities; employee relations; the speculative nature of

resource mineral exploration and development, including the risks of obtaining necessary licenses and permits; competition for, among other things, capital, acquisitions of resources and/or reserves, undeveloped lands and skilled personnel, incorrect assessments of the value of acquisitions, geological, technical, drilling and processing problems, fluctuations in foreign exchange or interest rates and stock market volatility, changes in income tax laws or changes in tax laws and incentive programs relating to the mineral resource industry; and contests over title to properties, particularly title to undeveloped properties. In addition, there are risks and hazards associated with the business of mineral exploration, development and mining, including environmental hazards, industrial accidents, unusual or unexpected formations, pressures, cave-ins, flooding and resource mineral bullion losses (and the risk of inadequate insurance, or the inability to obtain insurance, to cover these risks). Many of these uncertainties and contingencies can affect the Company's actual results and could cause actual results to differ materially from those expressed or implied in any forward-looking statements or forward-looking information made by, or on behalf of, the Company. There can be no assurance that forward-looking statements and forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements and information. Forward-looking statements and forward-looking information are provided for the purpose of providing information about management's expectations and plans relating to the future. All of the forward-looking statements and forward-looking information made in this MD&A are qualified by these cautionary statements and those made in our other filings with applicable securities regulators in Canada including, but not limited to, the Annual Financial Statements. These factors are not intended to represent a complete list of the factors that could affect the Company and readers should not place undue reliance on forward-looking statements or forward-looking information in this MD&A. The Company disclaims any intention or obligation to update or revise any forward-looking statements and forward-looking information, whether as a result of new information, future events or otherwise, or to explain any material difference between subsequent actual events and such forward-looking statements and forward-looking information, except to the extent required by applicable law.

The forward-looking statements and forward-looking information contained herein are based on information available as of the date of this report.

BUSINESS OVERVIEW

The Company's principal business activities include the acquisition and exploration of mineral property assets to support the growing demand for sustainable and environmentally friendly energy solutions. Its head office is #1500 - 701 West Georgia Street., Vancouver, British Columbia, Canada, V7Y 1C6. The address of the Company's registered and records office is 3426 West 33rd Avenue, Vancouver, BC, V6N 2H2. On July 6, 2023, the Company changed its name from "Straightup Resources Inc." to "Battery X Metals Inc." The Company's common shares trade on the Canadian Securities Exchange under the symbol BATX (formerly "ST"). On October 25, 2021, the Company commenced trading on the OTCQB Exchange in the USA under the symbol "BATXF" (formerly "STUPF"). On January 25, 2024, the Company commenced trading on the Frankfurt Stock Exchange under the symbol "R0W".

The Company's wholly owned subsidiaries, 1318463 BC Ltd. ("1318463 BC"), 1379596 BC Ltd. ("137596 BC"), and Battery X Recycling Technologies Inc. ("Battery X"), YY Resources Inc. ("YY Resources"), and 1451917 BC Ltd. ("1451917 BC") are located in British Columbia, Canada and Golden Axe Metals Corp. ("Golden Axe"), is located in Nevada, USA.

The Company's objective is to locate and develop economic precious and base metal properties of merit and to conduct exploration programs on its mineral properties. The properties are at an early stage of exploration; there are no estimates of mineral resources or reserves for the properties.

As at the date of this report, the Company's exploration projects include:

- the Belanger Project,
- the Y Lithium Project,
- the Leaf River Project, and
- the Reservoir-Dozios Project

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On July 6, 2023, the Company consolidated its outstanding share capital on a three-for-one basis. The share consolidation has been applied retrospectively and as a result all shares, options, warrants, and per share amounts are stated on an adjusted basis.

Current Period Key Highlights

On May 21, 2024 Premier Silver Corp settled an outstanding debt totaling \$2,731,534 related to acquisition advances advanced by the Company between the second quarter of 2021 and the first quarter of 2022. In settlement of the debt, the Company will receive 10,926,136 common shares in the capital of Premier Silver at a deemed price of \$0.25 per common share.

On June 6, 2024, the Company acquired 100% of the outstanding shares of 1451917 BC, which owns two properties located in Quebec, Canada: the Leaf River Project and the Reservoir-Dozios Project, by issuing 3,000,000 common shares of the Company valued at \$300,000.

On June 6, 2024, the Company acquired a 49% interest in Li-ion Battery Renewable Technologies Inc. ("LIBRT"). LIBRT has developed a hardware and software device that performs rapid battery health diagnostics and cell rebalancing to extend lithium-ion battery lifespan by 2-3 years and which has been validated by the National Research Council of Canada.

On June 20, 2024, the Company issued 5,998,050 common shares in connection with the settlement of \$599,805 of accounts payable. Of the total shares issued, 2,690,000 common shares were issued to directors and officers of the Company to settle \$269,000 of accounts payable.

Completed Financings

In January 2024, the Company issued 4,271,500 units at a price of \$0.10 per unit for gross proceeds of \$427,150. Each unit consists of one common share and one common Share purchase warrant. Each Warrant is exercisable into one common share at an exercise price of \$0.20 for a period of two years. In connection with the private placement, the Company incurred \$6,732 in finders' fees and issued a total of 55,320 finders' units ("Finder Units"). Each Finder Unit comprises one common share in the capital of the Company and one transferable common share purchase warrant of the Company. Each warrant is exercisable to acquire an additional common share of the Company at a price of \$0.20 per warrant for a period of two years. The common shares issued in the Finders Units were valued at \$6,638 based on the trading price on date of closing of \$0.12 per share while the warrants issued in the Finders Units were valued at \$5,815 calculating using the Black-Scholes option pricing model.

In February 2024, the Company issued 1,172,000 units at a price of \$0.10 per unit for gross proceeds of \$117,200. Each unit consists of one common share and one common share purchase warrant ("warrant"). Each Warrant is exercisable into one common share at an exercise price of \$0.20 for a period of two years. In connection with the private placement, the Company incurred \$444 in finders' fees.

Business Acquisition

In June 2024, the Company completed the acquisition of 100% of the issued and outstanding common shares of 1451917 BC by issuing 3,000,000 common shares of the Company valued at \$300,000 based on the trading price on June 16, 2024 of \$0.10.

1451917 BC owns two properties located in Quebec, Canada: the Leaf River Project and the Reservoir-Dozios Project (Note 6). As a result, the Company acquired the exclusive rights to the two Quebec projects. The Company had acquired 1451917 BC for the sole purpose of acquiring the two Quebec projects.

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Based on the number of shares acquired and the Company's decision-making power, the Company was determined to be the acquirer. The acquisition was determined to be an asset acquisition as 1451917 BC did not meet the definition of a business pursuant to IFRS 3. The Company allocated the fair value of consideration paid to the acquired assets and liabilities based on their relative fair values as at June 6, 2024.

Subsequent Events

- a) In July 2024, the Company issued 4,938,000 units at a price of \$0.10 per unit for gross proceeds of \$493,800. Each unit consists of one common share and one common share purchase warrant with each warrant being exercisable into one share at an exercise price of \$0.10 until July 29, 2026.
- b) In August 2024, the Company announced the commencement of a non-brokered private placement of up to 2,000,000 units of the Company at a price of \$0.10 per unit for aggregate gross proceeds of up to \$200,000. Each unit consists of one common share and one common share purchase warrant with each warrant being exercisable into one share at an exercise price of \$0.10 for a period of 24 months from the date of closing.
- c) In August 2024, the Company appointed Dallas Pretty, CPA, CA, as the new CFO and Corporate Secretary, succeeding Matthew Markin. Mr. Markin will remain a director of the Company. Upon appointment as the new CFO, Mr. Pretty entered an Independent Consulting Agreement for Management Services with the Company whereby he will be paid \$150,000 (paid subsequently) for a one-year term. Additionally, Mr. Pretty is entitled to 700,000 share options which have yet to be granted.
- d) In August 2024, the Company appointed Massimo Bellini as Chief Executive Officer and director of the Company succeeding Mark Brezer, who has resigned as the Company's CEO and President. Mr. Brezer will remain a director of the Company.
- e) In August 2024, the Company announced the resignation of Barry Wattenberg as a director of the Company, effective August 6, 2024.
- f) In August 2024, the Company entered into an agreement with Sidis Holdings Limited ("Sidis") whereby Sidis will provide the Company certain corporate marketing services in an effort to increase public awareness of the Company and its services and securities.
- g) In August 2024, the Company entered into an agreement with Venture Liquidity Providers Inc. ("VLP") whereby VLP has agreed to initiate its market-making service to provide assistance in maintaining an orderly trading market for the common shares of the Company.

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SELECTED QUARTERLY FINANCIAL INFORMATION

As at June 30, 2024, the Company was listed on the Canadian Securities Exchange, the OTCQB Exchange, and the Frankfurt Stock Exchange. The Company has not recorded any revenues and depends upon share issuances to fund its administrative and exploration expenses. See the summary of first quarter results, below:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
	\$	\$	\$	\$
Revenues	-	-	-	-
Operating expenses	(624,438)	(191,917)	(624,438)	(279,451)
Other items	-	(212)	-	(632)
Net and comprehensive loss for the period	(624,438)	(192,129)	(624,438)	(280,083)
Basic and diluted net loss per common share	(0.01)	(0.01)	(0.02)	(0.01)
Exploration and evaluation assets	2,255,330	1,841,116	2,255,330	1,841,116
Total assets	3,126,636	1,990,725	3,126,636	1,990,725
Total long-term liabilities	97,219	-	97,219	-
Working capital (deficiency)	(1,298,828)	(819,295)	(1,298,828)	(819,295)
Dividends per share	-	-	-	-

The Company's current projects are at the exploration and development stages and have not generated any revenues.

At June 30, 2024, the Company had not yet achieved profitable operations and had accumulated losses of \$12,779,416 (December 31, 2023 – \$11,957,290) since inception. The net losses for the three months ended June 30, 2024 and 2023 resulted in a net loss per share of \$0.01, while the net losses for the six months ended June 30, 2024 and 2023 resulted in a net loss per share of \$0.02 and \$0.01, respectively.

At June 30, 2024, the Company has no continuing source of operating revenues. The Company has not paid any dividends on its common shares nor does it have any present intention of paying dividends on its common shares, as it anticipates that all available funds for the foreseeable planning horizon will be invested to finance its business activities, primarily the development of its exploration projects.

RESULTS OF OPERATIONS

The table below details the significant changes in administrative expenditures for the quarter ended June 30, 2024 compared to the quarter ended June 30, 2023:

Expenses	Increase / Decrease in Expenses	Explanation for Change
Consulting	Increase of \$289,621	Increased due to engaging more consultants to support initiatives, including exploration projects, battery recycling technology development, and mergers and acquisitions.
Professional fees	Increase of \$61,812	Increased due to higher legal fees related to agreements with 1451917 BC and LIBRT, as well as general corporate activities during the period.

The table below details the significant changes in administrative expenditures for the six months ended June 30, 2024 as compared to the six months ended June 30, 2023.

Expenses	Increase / Decrease in Expenses	Explanation for Change
Consulting	Increase of \$316,051	Increased due to engaging more consultants to support initiatives, including exploration projects, battery recycling technology development, and mergers and acquisitions.
Management fees and salaries	Increase of \$66,884	Increased due to contractual obligations payable to the Company's management.
Professional fees	Increase of \$82,601	Increased due to higher legal fees related to agreements with 1451917 BC and LIBRT, as well as general corporate activities during the period.

SUMMARY OF QUARTERLY RESULTS

Below is a summary of the Company's last eight quarterly results:

	2024 Q2	2024 Q1	2023 Q4	2023 Q3
	June 30, 2024	December 31, 2023	December 31, 2023	September 30, 2023
	\$	\$	\$	\$
Net and comprehensive loss	(624,438)	(199,738)	(2,613,591)	(1,689,144)
Loss per share-basic and diluted	(0.01)	(0.00)	(0.9)	(0.06)
	2023 Q2	2023 Q1	2022 Q4	2022 Q3
	June 30, 2023	March 31, 2023	December 31, 2022	September 30, 2022
	\$	\$	\$	\$
Net and comprehensive loss	(192,129)	(87,954)	(1,327,577)	(202,529)
Loss per share-basic and diluted	(0.01)	(0.00)	(0.08)	(0.01)

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The variations in net loss from quarter to quarter are a result of the extent of the amount of administrative expenses needed and the write-off of exploration and evaluation assets.

The following one-time events also occurred:

- the quarter ended December 31, 2023 included an expense of \$555,337 and \$1,604,052 related to the write-off of the Belanger Project and Opatoca Lithium Project, respectively.
- the quarter ended September 30, 2023 included an expense of \$1,317,395 relating to the write-off of the Opatoca Lithium Project.
- the quarter ended December 31, 2022 included an expense of \$1,181,743 relating to the write-off of the Ferdinand Gold Project, Ranger/Otter Project, and West Cat Mine Project;
- the quarter ended September 30, 2022 included an expense of \$89,762 relating to the write-off of the Bear Head Gold Project;

SUMMARY OF EXPLORATION ACTIVITIES

The total cumulative acquisition and exploration and evaluation expenditures for the Company's current projects at June 30, 2024 are summarized as follows:

	Belanger Project	Y Lithium Project	Leaf River Project	Reservoir-Dozios Project	Total
	\$	\$	\$	\$	\$
Property acquisition	413,500	1,784,186	150,000	150,000	2,197,686
Exploration costs					
Assay	170,907	-	-	-	170,907
Data and reporting	2,000	-	-	-	2,000
Equipment rental	16,204	-	-	-	4,000
Geological consulting	17,185	-	-	-	17,185
Labour	75,414	-	-	-	75,414
Staking	200	-	-	-	200
Claims fee	15,071	-	-	-	15,071
Supplies and other	16,000	-	-	-	16,000
	726,481	1,784,186	-	-	2,510,667
Write-off of exploration and evaluation asset	(555,337)	-	-	-	(555,337)
Balance, June 30, 2024	171,144	1,784,186	150,000	150,000	2,255,330

For the six months ended June 30, 2024, the Company incurred \$349,260 in acquisition and exploration expenditures compared to incurring \$1,187,231 exploration expenditures during the six months ended June 30, 2023.

Change during the six months ended June 30, 2024

	Belanger Project	Y Lithium Project	Leaf River Project	Reservoir-Dozios Project	Total
	\$	\$	\$	\$	\$
Property acquisition	4,000	-	150,000	150,000	304,000
Exploration costs					
Equipment rental	12,204	-	-	-	12,204
Labour	33,056	-	-	-	33,056
Balance, June 30, 2024	49,260	-	150,000	150,000	349,260

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Change during the six months ended June 30, 2023

	Belanger Project	Bear Head Gold Project	Opatica Lithium Project	Total
	\$	\$	\$	\$
Property acquisition	-	-	1,167,395	1,167,395
Exploration costs				
Assay	280	-	-	280
Geological consulting	231	132	-	363
Labour	742	500	-	1,242
Claims fee	14,571	-	-	14,571
Supplies and other	3,380	-	-	3,380
	19,204	632	1,167,395	1,187,231
Write-off of exploration and evaluation asset	-	(632)	-	(632)
	19,204	-	1,167,395	1,186,599

Belanger Project

Pursuant to an option agreement dated June 1, 2020 with Bounty Gold Corp. (“Belanger Project Optionor”), the Company was granted an option to acquire a 100% undivided interest in certain unpatented mining claims comprising the RLX North, RLX South, and Belanger properties (collectively, the “Belanger Project”) located in the District of Red Lake, Ontario, Canada.

The RLX North and RLX South properties (the “RLX Properties”) formed a large (approximately 10,000 hectare) land package contiguous to, and almost entirely surrounding, the Great Bear Resources Ltd.’s Sobel property. The RLX Properties are also situated along the same geological trend as the Red Lake Gold Mines, now operated by Evolution Mining Limited, with gold endowment of 29.63 M oz Au at an average grade of 21 g/t Au.

The Belanger property is an approximately 2,100 hectare property located 2.2 km north of Infinite Ore Corp.’s Garnet/Arrow deposit in the District of Red Lake, Ontario. The Belanger property is interpreted to be primarily underlain by the 2.74 Ga Confederation Assemblage. Historic exploration on the Belanger property has identified three significant gold-copper occurrences over an interpreted strike length of 600 meters.

During the six-months period ended June 30, 2024, exploration activities on the Belanger Property included fieldwork comprising three lake sediment assays and 51 rock grab samples. A Work Assessment Report, detailing these efforts and valuing them at \$55,851, was submitted to the Ministry of Ontario on July 9, 2024. Management is currently analyzing these new findings alongside historical data to guide potential future exploration and identify potential drill targets.

In accordance with the option agreement, the Company can acquire the 100% interest in the project by: (i) making cash payments in the aggregate amount of \$150,000; and (ii) issuing common shares in the capital of the Company (the “Consideration Shares”) having an aggregate cash value of \$300,000 to the Belanger Project Optionor as follows:

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	Consideration Shares		Cash
	#	\$	\$
Upon execution of the option agreement on June 1, 2020 (issued and paid respectively)	100,000	30,000	25,000
On or before the 1 st anniversary on June 1, 2021 (issued 115,385 and paid respectively)	-	30,000	25,000
On or before the 2 nd anniversary on June 1, 2022 (issued 333,333 shares and paid respectively)	-	100,000	50,000
On or before the 3 rd anniversary on June 1, 2023*	-	140,000	50,000
	100,000	300,000	150,000

In November 2023, the Company and the Belanger Project Optionor agreed to a final payment of \$25,000 in cash and 300,000 shares ("November 2023 Agreement"). See below for terms of the final payment.

In accordance with the November 2023 Agreement, claims related to RLX South and RLX North were excluded. As a result, as at December 31, 2023, the Company wrote off \$545,337 related to the RLX South and North claims. Pursuant to November 2023 Agreement, the Company can exercise the option and acquire the 100% interest in the project by (i) making the final cash payment of \$25,000; and (ii) issuing 300,000 common shares of the Company to the Belanger Project Optionor as follows:

- \$1,000 (paid) and 100,000 common shares on or before November 30, 2023
- \$2,000 on or before the first calendar day of each month from December 1, 2023 to November 1, 2024 inclusive
- 100,000 common shares on or before March 15, 2024
- 100,000 common shares on or before July 15, 2024

The Belanger Project Optionor retained a 3% net smelter returns royalty which the Company has the right to purchase the first 1% of the royalty for \$750,000 and the remaining 2% for \$2,000,000 at any time prior to the commencement of commercial production.

During the Option period, the Company will be responsible for maintaining the Belanger Project in good standing, paying all exploration licenses fees and taking such other steps as may be required to carry out the foregoing. There will be no other work commitments, and any work carried out on the Belanger Project will be at the sole discretion of the Company.

On October 22, 2020, the Company entered into an agreement to acquire a digital database of compilation and field exploration data for the Belanger Project (the "Digital Database Agreement") for consideration of \$100,000 cash and 66,667 warrants of which \$50,000 and 33,333 warrants were paid and issued in 2020 and \$50,000 and 33,334 warrants were paid and issued in 2021.

Under the Digital Database Agreement, each warrant was exercisable to purchase one common share of the Company for a period of three years from the date of issuance at an exercise price of \$0.26 per share. The Company capitalized the cash payments and the fair value of the warrants as acquisition costs in prior years. The Company recorded a write-off of \$10,000 related to value of the warrants which expired unexercised in November 2023.

Y Lithium Project

In October 2023, the Company acquired a 100% ownership of the Y Lithium Project located in Northern Saskatchewan's Bailey Lake region through the acquisition of YY Resources.

The Y Lithium Property is located near the Saskatchewan-Northwest Territories border approximately 160 kilometers northeast of Stony Rapids, SK. The Y Lithium Property consists of four staked claims spanning a total of 5,856 hectares. The staked claims entitle the holder to the mining rights while the claims are in good standing, there are no underlying royalties or property payments due.

Based on the results of regional surveys, the geological setting, the underexplored nature of the property, and two identified spodumene hosted pegmatites on the adjacent property, the Y Lithium property is considered to have the potential to host lithium bearing pegmatites.

Further work is needed on the Y Lithium property to define the potential of the property. The work would consist of the following:

- Compilation of all available regional information including till and sediment sampling, geophysics and geological mapping of outcrop and ice movement.
- Obtaining LIDAR and Orthophotos covering the property for identification of outcrop, granites and prominent bare earth features.
- Conducting an initial prospecting campaign with targets developed from the information obtained and synthesized above, taking particular note of the provincially mapped granites, a prospective setting for pegmatites. This should include revisiting the locations of regional sampling points, the shorelines of water bodies and any outcrop or structures identified.
- Initiating a prospecting program which would include till sampling, along with conventional grab sampling. The use of a Niton XRF, or similar detection device, in the field will aid in the mapping of pegmatite pathfinder minerals, allowing the formation of vectors towards lithium based on mineral identification.

Management is currently considering the feasibility of exploration activities on the Y Lithium Property. This evaluation is based on several factors, including but not limited to, market dynamics, and the availability of financing. The decision to proceed with exploration on the Y Lithium Property is contingent upon a thorough analysis of these and other relevant considerations. There is no guarantee that exploration activities will be initiated, or if initiated, that they will result in commercially viable outcomes.

Leaf River Project

On June 6, 2023, the Company acquired 100% of the outstanding shares of 1451917 BC which holds 100% ownership of the Nunavik, Quebec Leaf River Project, encompassing 83 claims over approximately 3,500 hectares. On acquisition, the Company allocated \$150,000 of the purchase price to this project.

The project is in close to proximity to a key mining project and within an area of successful lithium exploration. The Leaf River Project is contiguous to the Eureka Lithium's New Leaf Project, which has reported large, mineralized structures and pegmatite formations within the regions.

Management is currently considering the feasibility of exploration activities on the Leaf River Project. This evaluation is based on several factors, including but not limited to, market dynamics, and the availability of financing. The decision to proceed with exploration on the Leaf River Project is contingent upon a thorough analysis of these and other relevant considerations. There is no guarantee that exploration activities will be initiated, or if initiated, that they will result in commercially viable outcomes.

Reservoir-Dozois Project

On June 6, 2023, the Company acquired 100% of the outstanding shares of 1451917 BC which holds 100% ownership of the Abitibi, Quebec Reservoir-Dozois Project, encompassing 52 claims over approximately 3,500 hectares. On acquisition, the Company allocated \$150,000 of the purchase price to this project.

The project is in close to proximity to a key mining project and within an area of successful lithium exploration. The Abitibi Project is located near Sayona Mining Limited's Abitibi Lithium Hub, which has reported large, mineralized structures and pegmatite formations within the regions.

Management is currently considering the feasibility of exploration activities on the Reservoir-Dozios Project. This evaluation is based on several factors, including but not limited to, market dynamics, and the availability of financing. The decision to proceed with exploration on the Reservoir-Dozios Project is contingent upon a thorough analysis of these and other relevant considerations. There is no guarantee that exploration activities will be initiated, or if initiated, that they will result in commercially viable outcomes.

Previous Projects

Opatica Lithium Project

In March 2023 the Company acquired an option agreement which has the exclusive right to acquire a 100% interest in the Opatica Lithium Project located in the James Bay region of Quebec, Canada. This option agreement was acquired through the acquisition of 1379596 BC. (see Financial Statement Note 4).

The option agreement relating to the Opatica Lithium Project, entered into on October 7, 2022 by 1379596 BC, requires the Company to complete the following remaining considerations to acquire the 100% interest to the property:

- issue \$100,000 in common shares on or before April 7, 2023 (issued);
- pay \$50,000 on or before October 7, 2023;
- issue \$250,000 in common shares on or before April 7, 2024;
- incur a further \$500,000 in exploration expenditures on the property before October 7, 2023; and
- incur a further \$500,000 in exploration expenditures on the property before October 7, 2024.

The Opatica Lithium Project Optionor retained a 2.0% net smelter return royalty of which the Company has the right to repurchase 1.0% at any time by way of a one-time payment of \$1,000,000.

In November 2023, Management decided not to proceed with the Opatica Lithium Project and wrote off the carrying amount of \$2,921,447 during the year ended December 31, 2023.

Bear Head Gold Project

Pursuant to an option agreement dated July 12, 2021 with 1544230 Ontario Inc. and Gravel Ridge Resources Ltd. which was subsequently assigned to Solstice Gold Corp. (the "Bear Head Gold Project Optionor"), the Company was granted an option to acquire a 100% undivided interest in 31 unpatented mining claims comprising 97 cells and encompassing 4,850 hectares, which are situated in the Meen Lake area of the Patricia Mining area of Ontario, Canada (the "Bear Head Gold Property").

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In accordance with the agreement, the Company could acquire the 100% interest in the Bear Head Gold Project in consideration of the following cash payments and share issuances:

	Common Shares	Cash
	#	\$
Upon execution of the option agreement on July 12, 2021 (issued and paid respectively)	350,000	16,000
On or before the 1 st anniversary on July 12, 2022	-	20,000
On or before the 2 nd anniversary on July 12, 2023	-	25,000
On or before the 3 rd anniversary on July 12, 2024	-	35,000
	350,000	96,000

The Bear Head Gold Project Optionor retained a 1.5% net smelter return royalty of which the Company had the right to repurchase 0.5% at any time by way of a one-time payment of \$350,000.

The Bear Head Project comprises 31 mining claims totaling 1,944 hectares in the Meen-Dempster Greenstone Belt of the Uchi Subprovince. The Bear Head Property is located 80 kilometers west of the Pickle Lake Gold Camp and is contiguous to Arden's (ASX: ADV) massive Pickle Lake Gold Project which covers 870 km². The Meen-Dempster Greenstone Belt is host to the Golden Patricia former gold mine which produced 620,000 ounces of gold at an average grade of 15.2 g/t Au from 1988-1997. The Bear Head Property lies 14 kilometers northeast of the Golden Patricia Mine.

Management decided not to proceed with the Bear Head Gold Project; as such, the option agreement was terminated and the carrying value of the project of \$89,762 was written off during the year ended December 31, 2022 and a further \$420 was written off during the year ended December 31, 2023.

LIQUIDITY, FINANCIAL POSITION, AND CAPITAL RESOURCES

The Company is not in commercial production on any of its properties. Accordingly, the Company does not generate cash from operations. The Company finances development and exploration activities by raising capital from equity markets from time to time.

As at June 30, 2024, the Company had current assets of \$281,879 (December 31, 2023 - \$70,034), including cash of \$85 (December 31, 2023 - \$51,577), and current liabilities of \$1,580,707 (December 31, 2023 - \$1,532,294) resulting in a working capital deficit of \$1,298,828 (December 31, 2023- \$1,462,260).

The Company's operations consist of acquisition, maintenance, and exploration of mineral properties and the development of battery recycling technology. The Company's financial success will be dependent on the extent to which it can discover new resources.

In order for the Company to continue exploration of these assets, the Company will need to raise additional financing through or a combination of equity offerings and debt.

During the six months ended June 30, 2024, the Company's cash flows used in operating activities increased by \$209,879 compared to the comparative period due to funding the Company's administrative and operating expenses. Cash flows used in investing activities decreased by \$3,217 due to the Company incurring less cash exploration asset expenditures. Cash flows provided by financing activities increased by \$166,123 due to the Company receiving more funds from the closing of private placements.

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The Company does not generate cash flows from operations and accordingly, the Company will need to raise additional funds through the issuance of shares. Although, the Company has been successful in raising funds in the past there can be no assurance that the Company will be able to raise sufficient funds in the future, in which case the Company may be unable to meet obligations in the normal course of business. These factors may cast significant doubt regarding the Company's ability to continue as a going concern. Should the Company be unable to discharge liabilities in the normal course of business, the net realizable value of the Company's assets may be materially less than amounts on the statement of financial position.

COMMITMENTS AND CONTINGENCIES

The Company has no material or significant commitments or contingencies, not disclosed elsewhere, as at June 30, 2024 or the date of this report.

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.

On March 1, 2023, the Company entered into a new employment agreement with the Mark Brezer, former CEO and President, and a director of the Company, whereby Mr. Brezer will be paid an annual salary of \$120,000. Additionally, Mr. Brezer will receive an annual bonus of \$120,000, payable in cash or shares, on the first and second anniversaries of the agreement. Included in the new agreement is a provision for a three-month payout in the event of a termination without notice.

On March 1, 2023, the Company entered into a consulting agreement with the Matthew Markin, former CFO and a director of the Company, whereby Mr. Markin will be paid \$10,000 per month until March 1, 2025, unless extended by mutual agreement. Additionally, Mr. Markin will receive an annual bonus of \$120,000, payable in cash or shares, on the first and second anniversaries of the agreement.

Key management includes directors and key officers of the Company, including the President, Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO").

Related party balances

The following amounts due to related parties are included in accounts payables and accrued liabilities:

	June 30, 2024	December 31, 2023
Mark Brezer	104,561	175,553
Matthew Markin	130,036	180,000
Barry Wattenberg, director of the Company	-	2,500
	234,597	358,053

These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

As at June 30, 2024, \$83,980 (December 31, 2023 - \$87,337) was drawn from a convertible debenture letter of credit granted by Imarkin Investments PTY Limited, a Company controlled by Mr. Markin. The convertible debenture accrued interest of \$9,505 (December 31, 2023 - \$5,129).

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Key management personnel compensation (consisting of management and certain directors)

Six months ended June 30:	2024	2023
	\$	\$
Salaries paid to Mark Brezer.	80,000	53,333
Management fees paid to Matthew Markin	80,000	40,000
Management fees paid to Barry Wattenberg	9,500	4,500
	160,000	93,333

OFF BALANCE SHEET TRANSACTIONS

The Company has no off-balance-sheet transactions as at June 30, 2024 or the date of this report.

RISKS AND UNCERTAINTIES

The business and operations of the Company are subject to numerous risks, many of which are beyond the Company's control. The Company considers the risks set out below to be some of the most significant to potential investors in the Company, but not all of the risks are associated with an investment in securities of the Company. If any of these risks materialize into actual events or circumstances or other possible additional risks and uncertainties of which the Company is currently unaware or which it considers to be material in relation to the Company's business actually occur, the Company's assets, liabilities, financial condition, results of operations (including future results of operations), business and business prospects, are likely to be materially and adversely affected. In such circumstances, the price of the Company's securities could decline and investors may lose all or part of their investment.

The Company is engaged in the acquisition, exploration and development of mineral properties. Given the nature of the resource business, the limited extent of the Company's assets, and the present stage of exploration, the following risks factors, among others, should be considered.

Exploration, Development and Operating Risks

The Company is in the process of exploration and development of its projects and has not yet generated any revenues from production. The recovery of expenditures on mineral properties and the related exploration and evaluation expenditures are dependent on the existence of economically recoverable mineralization, the ability of the Company to obtain financing necessary to complete the exploration and development of its projects, and upon future profitable production, or alternatively, on the sufficiency of proceeds from disposition. Resource exploration is highly speculative in nature, involves many risks and frequently is non-productive. There is no assurance that the Company's efforts will be successful and will result in commercial production or profitability.

Fluctuating Resource Prices

The economics of resource exploration and development are affected by many factors beyond the Company's control, including commodity prices, the cost of operations, variations in the quantity and quality of resources and fluctuations in the market price of those resources. Depending on the price of resources, the Company may determine that it is impractical to continue a resource exploration operation or to develop one. Resource prices are prone to fluctuations and the marketability of resources are affected by government regulation relating to price, royalties, allowable production and the importing and exporting of resources, the effect of which cannot be accurately predicted.

Financing Risks and Dilution to Shareholders

The Company has limited financial resources and no revenues. The Company will require additional funds to continue with its current business. Additionally, if the Company's programs on its projects are successful, additional funds will be required for the purposes of further exploration and development. There can be no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be available on favourable terms or at all. It is likely such additional capital will be raised through the issuance of additional equity, which will result in dilution to the Company's shareholders.

Title to Properties

Acquisition of title to mineral properties can be a very detailed and time-consuming process. Title to, and the area of, properties could be disputed. The Company cannot give a certain assurance that title to its properties will not be challenged or impugned. A successful claim that the Company does not have title to its properties could cause the Company to lose any rights to explore, develop and mine any resources or minerals on its properties without compensation for its prior expenditures relating to its projects.

Regulatory, Permit and License Requirements

The current or future operations of the Company require permits from various governmental authorities, and such operations are and will be governed by laws and regulations concerning exploration, development, production, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, site safety and other matters. Companies engaged in the exploration and development of mineral properties generally experience increased costs and delays in development and other schedules as a result of the need to comply with applicable laws, regulations and permits. There can be no assurance that all permits which the Company may require for facilities and the conduct of exploration and development operations on the properties will be obtainable on reasonable terms, or that such laws and regulations will not have an adverse effect on any exploration or development project which the Company might undertake.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in exploration and development operations may be required to compensate those suffering loss or damage by reason of the exploration and development activities and may have civil or criminal fines or penalties imposed upon them for violation of applicable laws or regulations. Amendments to current laws, regulations and permits governing operations and activities of resource companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or exploration and development costs, or require abandonment or delays in the development of new or existing properties.

Competition

The resource exploration and development industry is highly competitive. The Company will have to compete with other companies, many of which have greater financial, technical and other resources than the Company, for, among other things, the acquisition of minerals claims and other mineral interests as well as for the recruitment and retention of qualified employees and other personnel. Failure to compete successfully against other mining companies could have a material adverse effect on the Company and its prospects.

Reliance on Management and Dependence on Key Personnel

The success of the Company will be largely dependent upon the performance of its directors and officers and the ability to attract and retain key personnel. The loss of the services of these persons may have a material adverse effect on the Company's business and prospects. The Company will compete with numerous other companies for the recruitment and retention of qualified employees and contractors.

There is no assurance that the Company can maintain the service of its directors and officers or other qualified personnel required to operate its business. Failure to do so could have a material adverse effect on the Company and its prospects.

Environmental Risks

The Company's exploration and development programs will, in general, be subject to approval by regulatory bodies. Additionally, all phases of the resource business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of international conventions and state and municipal laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with mining operations. The legislation also requires that wells and facility sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs.

Conflicts of Interest

Certain of the directors and officers of the Company will be engaged in, and will continue to engage in, other business activities on their own behalf and on behalf of other companies (including mineral resource companies) and, as a result of these and other activities, such directors and officers may become subject to conflicts of interest. The BCBCA provides that in the event that a director has a material interest in a contract or proposed contract or agreement that is material to an issuer, the director shall disclose his interest in such contract or agreement and shall refrain from voting on any matter in respect of such contract or agreement, subject to and in accordance with the BCBCA.

To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the BCBCA and applicable internal corporate governance or board policies where and when applicable.

Political Risks

The Company's operations may be adversely affected by changes in governmental policies or other economic developments which are not within the control of the Company including a change in taxation policies, economic sanctions, and currency control. The Company is subject to various laws governing exploration, development, production, export of products, taxes, labour standards and occupational health, toxic substances, land use, water use, land claims of local people and other matters. No assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner, which could increase the cost of operations.

Uninsurable Risks

Exploration, development and production operations on resource properties involve numerous risks, including unexpected or unusual geological and/or operating conditions, fires, floods, earthquakes and other environmental occurrences, any of which could result in damage to, or destruction of, producing facilities, damage to life or property, environmental damage and possible legal liability. Although precautions to minimize risk will be taken, operations are subject to hazards that may result in environmental pollution and consequent liability that could have a material adverse impact on the business, operations and financial performance of the Company. It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks as a result of high premiums or other reasons. Should such liabilities arise, they could have an adverse impact on the Company's results of operations and financial condition and could cause a decline in the value of the Company's shares.

Litigation

The Company and/or its directors may be subject to a variety of civil or other legal proceedings, with or without merit.

CRITICAL ACCOUNTING ESTIMATES

The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Significant accounting estimates

- a) the inputs used in accounting for share-based payments; and
- b) the estimated discount rate to determine the liability component of convertible debentures issued

Significant accounting judgments

- a) the determination of categories of financial assets and financial liabilities;
- b) the measurement of deferred income tax assets and liabilities;
- c) the evaluation of the Company's ability to continue as a going concern; and
- d) the assessment of indications of impairment of the exploration and evaluation assets

ACCOUNTING PRONOUNCEMENTS NOT YET ADOPTED

The Company has performed an assessment of new standards issued by the IASB that are not yet effective and has determined that any standards that have been issued would have no or very minimal impact on the Company's consolidated financial statements.

FINANCIAL INSTRUMENTS AND FINANCIAL RISK

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The Company's financial instruments consist of cash, sales taxes receivable, accounts payable, and convertible debentures. The fair value of sales taxes receivable and accounts payables approximates their carrying values. Cash is measured at fair value using level 1 inputs. Convertible debentures are measured at fair value using level 3 inputs.

The Company is exposed to risks of varying degrees of significance from its use of financial instruments which could affect its ability to achieve its strategic objectives for growth and stakeholder returns. The principal risks to which the Company is exposed, and the actions taken to manage them, are described below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner

The risks associated with the Company's financial instruments and the policies on how to mitigate these risks are set out below.

a) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company's corporate office is based in Canada and all of the Company's assets and expenses are denominated in Canadian dollars. The Company does not have any significant foreign currency denominated monetary liabilities.

b) 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.

c) Credit risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. The Company's cash is held in a large Canadian financial institution. The Company maintains certain cash deposits, which from time to time may exceed federally insured limits. The Company has not experienced any significant credit losses on its cash deposits and believes it is not exposed to any significant credit risk on these deposits. The Company's sales tax receivable is due from the Government of Canada; therefore, the credit risk exposure is low.

d) 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. As at June 30, 2024, the Company had a cash balance of \$85 to settle current liabilities of \$1,580,707.

DISCLOSURE OF DATA FOR OUTSTANDING COMMON SHARES, OPTIONS AND WARRANTS

Common Shares

The Company has one class of common shares. Below is a summary of the common shares, share options, and warrants issued and outstanding as at June 30, 2024 and the date of this report.

	As at June 30, 2024	As at the date of this report
Common shares	61,432,153	66,370,153
Share options	2,186,665	2,186,665
Warrants	18,752,154	23,690,154

Share Options

The Company has issued incentive options to certain directors, officers, and consultants of the Company. As of the date of this report, the following share options were outstanding.

Number of Share Options	Exercise Price	Expiry date
	\$	
99,999	0.735	August 4, 2025
1,650,000	0.15	August 8, 2025
33,333	0.60	November 16, 2025
166,666	0.60	May 13, 2026
116,667	0.84	June 7, 2026
120,000	0.42	January 27, 2027
2,186,665		

Warrants

As of the date of this report, the following warrants were outstanding.

Number of Warrants	Exercise Price	Expiry date
	\$	
3,253,334	0.15	January 27, 2025
10,000,000	0.15	October 16, 2025
4,271,500	0.15	January 24, 2026
55,320	0.20	January 24, 2026
1,172,000	0.20	February 9, 2026
4,938,000	0.10	July 29, 2026
23,690,154		

OTHER DISCLOSURES

Internal Controls Over Financial Reporting

There were no changes in the Company's internal control over financial reporting during the six months ended June 30, 2024 that have materially affected, or are reasonably likely to affect, the Company's internal control over financial reporting.

Additional Information

Additional information relating to the Company may be found on or in:

- SEDAR+ at www.sedarplus.ca;
- the Company's unaudited condensed interim consolidated financial statements for the six months ended June 30, 2024 and 2023; and
- the Company's audited consolidated financial statements for the years ended December 31, 2023 and 2022.

This MD&A was approved by the Board of Directors of Battery X Metals Inc. effective August 29, 2024.