ARCTIC FOX LITHIUM CORP.
(formerly Arctic Fox Ventures Inc.)

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Nine Months Ended March 31, 2023

This Management's Discussion and Analysis ("MD&A") of Arctic Fox Lithium Corp. ("Arctic" or the "Company"), prepared as of May 18, 2023, should be read in conjunction with the interim financial statements and the notes thereto for the period ended March 31, 2023 which were prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts are expressed in Canadian dollars unless otherwise indicated.

This MD&A contains certain forward-looking statements and information relating to the Company that is based on the beliefs of its management as well as assumptions made by and information currently available to the Company. When used in this document, the words "may", "will", "anticipate", "plan", "intend", "estimate", "project", "continue", "believe", "estimate", "expect" and similar forward-looking terminology, as they relate to the Company or its management, are intended to identify forward-looking statements. This MD&A contains forward-looking statements relating to, among other things, regulatory compliance, the sufficiency of current working capital and the estimated cost and availability of funding for the continued operation of the Company. Such statements reflect the current views of the Company with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements.

Although management believes that the expectations reflected in such forward-looking statements are reasonable, all forward-looking statements address matters that involve known and unknown risks, uncertainties and other factors and should not be read as guarantees of future performance or results. Accordingly, there are or will be a number of significant factors which could cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Factors that could cause actual future results, performance or achievements to differ materially include, but are not limited to, our limited operating history, our reliance on key personnel, future capital needs, dependence on proprietary technology and limited protection thereof and general economic trends and international risk. The Company is subject to significant risks and any past performance is no guarantee of future performance. The Company cannot predict all of the risk factors, nor can it assess the impact, if any, of such risk factors on the Company's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those projected in any forward-looking statements. Accordingly, forward-looking statements should not be relied upon as a prediction of actual results. This MD&A offers a brief overview of some of the risk factors to be considered in relation to the Company's business. This list may not be exhaustive and new risk factors may emerge from time to time. We disclaim any intention or obligation to publicly update or revise any forward-looking statements after distribution of this MD&A, whether as a result of new information, future events or other circumstances, except as may be required pursuant to applicable securities laws.

DESCRIPTION OF BUSINESS

Arctic Fox Interactive Ltd. (the "Company") was incorporated pursuant to the provisions of the Business Corporations Act (British Columbia) on February 19, 2013. On November 23, 2020, the Company changed its name to Arctic Fox Ventures Inc. On February 10, 2023, to better align with its focus on lithium projects in North America, the Company changed its name to Arctic Fox Lithium Corp.

On June 4, 2021 the Company's common shares were listed for trading on the Canadian Securities Exchange. The Company started trading under the trading symbol "AFX". On February 7, 2023, the Company was approved to be listed on the Frankfurt Stock Exchange (the "**FSE**") under the symbol 7N4. The Company's shares are now cross listed on the Canadian Securities Exchange and FSE.

The Company is a junior mining exploration company. Its current focus is on mineral exploration of its properties; Spius, Kana Lake, and Pontax North as described below under "Spius", "Kana Lake", and "Pontax North", along with continuing to identify and potentially acquire additional property interests, assess their potential, and engage in exploration activities. The Company's head office is located at Suite 905, 1030 West Georgia Street, Vancouver, BC, V6E 2Y3.

The Company was a technology company that was engaged in the development and potential subsequent commercialization of apps in the mobile gaming industry, and has one game currently in operation. The Company intends to divest itself of this asset and concentrate its efforts on the mineral exploration of its properties.

Since inception on game development the Company has produced its initial gaming app, "After: The Lawless", a multiplayer online role-playing game that has been designed to be easily scaled to be played on Apple devices. After currently allows players to engage with each other and with the game itself. Players are able to interact and join other players in certain activities in the game. The Company will look at divesting itself of this app and put its resources to develop the mineral exploration of its properties.

SPIUS

	$
Acquisition costs:	
Balance, June 30, 2022	35,000
Additions	–
Balance, March 31, 2023	35,000
Exploration costs:	
Balance, June 30, 2022	127,976
Assays	–
Drilling	–
Geological	–
Balance, March 31, 2023	127,976
Net carrying value, June 30, 2022	162,976
Net carrying value, March 31, 2023	162,976

Spius Property

On October 20, 2020 (as amended on December 27, 2021, June 23, 2022, and September 29, 2022), the Company entered into a mineral property option agreement whereby the Company has the right to earn a 60% interest in certain mineral claims located in the Nicola and New Westminster Mining Districts in British Columbia, Canada.

To earn this interest, the Company is to make cash payments totalling $60,000, issue a total of 1,000,000 common shares, and incur exploration expenditures on the property aggregating $550,000 as follows:

Cash consideration to be paid:

- $15,000 to be paid within 5 business days of the Company being listed on the TSX Venture Exchange or the Canadian Securities Exchange ("Listing Date") (paid);
- a further $15,000 on or before December 31, 2023 and
- a further $30,000 on or before December 31, 2024.

Common shares to be issued:

- 200,000 shares within 10 days of the Listing Date (issued);
- a further 200,000 shares on or before December 31, 2023 and
- a further 600,000 shares on or before December 31, 2024.

Exploration expenditures to be incurred:

- $150,000 on or before December 31, 2023; and
- $550,000 in aggregate on or before December 31, 2024.

KANA LAKE

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Acquisition costs:	
Balance, June 30, 2022	–
Additions	–
Balance, March 31, 2023	–
Exploration costs:	
Balance, June 30, 2022	–
Data Compilation	1,587
Balance, March 31, 2023	1,587
Net carrying value, June 30, 2022	–
Net carrying value, March 31, 2023	1,587

Kana Lake Property

On January 30, 2023, the Company signed a Definitive Agreement (the "Agreement") with Pipeline Capital Corp. ("Pipeline") to acquire 37 active mineral claims located in the James Bay region of Quebec. The 37 mineral claims known as the Kana Lake Lithium project consists of 2,100 hectares of land. The closing date occurred on January 31, 2023. On closing the Company became the sole shareholder of Pipeline.

To earn this interest, the Company is to make cash payments totalling $150,000 and issue a total of 12,000,000 common shares as follows:

Cash consideration to be paid:
- $50,000 to be paid on the closing date ("Closing Date") (paid);
- a further $50,000 on or before April 30, 2023 and
- a further $50,000 on or before July 29, 2023.

Common shares to be issued:
- 12,000,000 shares on the Closing Date (issued);

PONTAX NORTH

Pontax North Property	$
Acquisition costs:	
Balance, June 30, 2022	–
Additions	–
Balance, March 31, 2023	–
Exploration costs:	
Balance, June 30, 2022	–
Data Compilation	1,587
Balance, March 31, 2023	1,587
Net carrying value, June 30, 2022	–
Net carrying value, March 31, 2023	1,587

Pontax North Property (continued)

On March 20, 2023, the Company signed a Definitive Agreement (the "Agreement") with 1000383374 Ontario Inc. ("3374") to acquire 34 active mineral claims located in the James Bay region of Quebec. The 34 mineral claims known as the Pontax North Lithium project consist of 1,803 hectares of land. On closing on March 20, 2023, the Company became the sole shareholder of 3374.

To earn this interest, the Company is to make a cash payment totalling $50,000 and issue a total of 6,000,000 common shares as follows:

Cash consideration to be paid:

- $50,000 to be paid on the closing date;

Common shares to be issued:

- 6,000,000 shares on the Closing Date (issued);

RESULTS OF OPERATIONS

For the period ended March 31, 2023, the Company had a net loss of $206,132 compared to $111,821 for the period ended March 31, 2022. The increase is mainly due to an increase in consulting fees, management fees, office expenses, professional fees, rent and administrative fees, transfer agent and regulatory fees, and travel and promotion.

LIQUIDITY AND CAPITAL RESOURCES

As at March 31, 2023, the Company had cash of $10,564 (June 30, 2022 - $10,701). As at March 31, 2023, the Company had a working capital deficit of $141,999 (working capital of $16,908 as at June 30, 2022).

The Company may have capital requirements in excess of its currently available resources. In the event the Company's plans change, its assumptions change or prove inaccurate, or its capital resources in addition to projected cash flow, if any, prove to be insufficient to fund operations, the Company may be required to seek additional financing. There can be no assurance that the Company will have sufficient financing to meet its future capital requirements or that additional financing will be available on terms acceptable to the Company in the future.

Nine months ended March 31, 2023:

Operating activities

For the nine months ended March 31, 2023, the Company's operating activities used cash of $116,562 compared to $132,789 for the nine months ended March 31, 2022.

Investing activities

For the nine months ended March 31, 2023, the Company used cash of $3,175 for exploration and evaluation of asset expenditures compared to $354 for the nine months ended March 31, 2022.

Financing activities

For the nine months ended March 31, 2023, the Company was provided cash of $119,600 from financing activities compared to $1,000 for the nine months ended March 31, 2022.

Capital Management

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of cash and equity comprised of issued capital.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issues or by undertaking other activities as deemed appropriate under the specific circumstances. The Company is not subject to externally imposed capital requirements.

OFF BALANCE SHEET ARRANGEMENTS

The Company does not utilize off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

During the period ended March 31, 2023, the Company was involved in the following related party transactions:

(a) As at March 31, 2023, the amount of $71,519 (June 30, 2022 - $4,475) included in accounts payable and accrued liabilities is owed to the President of the Company which is unsecured, non-interest bearing, and due on demand, and is included in accounts payable and accrued liabilities.

(b) As at March 31, 2023, the amount of $37,800 (June 30, 2022 - $nil) included in accounts payable and accrued liabilities is owed to a company controlled by the Chief Executive Officer of the Company which is unsecured, non-interest bearing, and due on demand, and is included in accounts payable and accrued liabilities.

(c) As at March 31, 2023, the amount of $22,050 (June 30, 2022 - $nil) included in accounts payable and accrued liabilities is owed to a company controlled by the Chief Financial Officer of the Company which is unsecured, non-interest bearing, and due on demand, and is included in accounts payable and accrued liabilities.

(d) During the period ended March 31, 2023, the amount of $36,000 (2022 – $27,000) was incurred to a company controlled by the Chief Executive Officer of the Company for management fees.

(e) During the period ended March 31, 2023, the amount of $33,000 (2022 - $27,000) was incurred to a company controlled by the Chief Executive Officer and the Chief Financial Officer of the Company for rent and administration fees.

(f) During the period ended March 31, 2023, the amount of $21,000 (2022 - $18,000) was incurred to a company controlled by the Chief Financial Officer of the Company for professional fees.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

(a) Fair Values

Fair value measurements are classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair values of financial instruments, which includes cash, and accounts payable and accrued liabilities, approximate their carrying values due to the relatively short-term maturity of these instruments.

(b) Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash. The Company limits its exposure to credit loss by placing its cash with a high credit quality financial institution. The carrying amount of financial assets represents the maximum credit exposure.

(c) Foreign Exchange Rate Risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the foreign exchange rates. The Company is not exposed to any significant foreign exchange rate risk.

(d) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk as it does not have any liabilities with variable rates.

(e) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs.

(f) Price Risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities is subject to risks associated with fluctuations in the market price of commodities.

RECENT ACCOUNTING STANDARDS

A number of new standards, and amendments to standards and interpretations, are not yet effective for the period ended March 31, 2023, and have not been early adopted in preparing these condensed financial statements. These new standards, and amendments to standards and interpretations are either not applicable or are not expected to have a significant impact on the Company's financial statements.

ADDITIONAL DISCLOSURE FOR COMPANIES WITHOUT SIGNIFICANT REVENUE

An analysis of material components of the Company's general and administrative expenses is disclosed in the interim financial statements for the period ended March 31, 2023 to which this MD&A relates.

DISCLOSURE OF OUTSTANDING SHARE DATA

Share Capital

As at May 18, 2023, the Company had 46,893,416 shares issued and outstanding.

Share Purchase Warrants

As at May 18, 2023, the Company had 385,000 share purchase warrants outstanding.

Stock Options

As at May 18, 2023, the Company had 2,000,000 incentive stock options outstanding.

SUBSEQUENT EVENTS

(a) On April 17, 2023 (the "Effective Date") the Company entered into a property option agreement (the "Agreement") with 1Minerals Corp. ("1Minerals") to acquire fifty-one (51) mining claims, covering approximately 2,700 hectares adjacent to its Kana Lake Lithium project in the James Bay region of Québec. Under the terms of the Agreement the Company must pay and issue the following:

- issue 600,000 fully paid common shares of the company within thirty (30) days of the Effective Date; (issued)
- pay $50,000 or issue $50,000 worth of fully paid common shares of the company within one hundred and eighty (180) days of the Effective Date;
- pay $250,000 or issue $250,000 worth of fully paid common shares of the company within one year following the Effective Date; and
- pay $250,000 or issue $250,000 worth of fully paid common shares of the company within two years following the Effective Date.

In addition, the project is subject to a 2% NSR (Net Smelter Returns) royalty in favor of 1Minerals of which the Company has an irrevocable right to purchase 1.5% at any time after the option has been exercised for $2,000,000.

SUBSEQUENT EVENTS (continued)

(b) On April 19, 2023 (the "Effective Date") the Company entered into a property option agreement (the "Agreement") with Noranda Royalties Inc. ("Noranda") to acquire twenty (20) mining claims, covering approximately 1,056 hectares known as the Delta Lake Lithium project (the "Property") in the James Bay region of Québec. Under the terms of the Agreement the Company must issue and incur the following in order to exercise the option:

- issue 400,000 fully paid common shares of the company within thirty (30) days of the Effective Date; (issued)
- issue 500,000 fully paid common shares of the company within one year following the Effective Date; and
- incur an aggregate of $200,000 in expenditures on the property within two years following the Effective Date.
- In addition, the Property is subject to a 2% NSR (Net Smelter Returns) royalty in favor of Noranda of which the Company has an irrevocable right to purchase 1.5% at any time after the option has been exercised for $1,000,000.

RISK FACTORS

Coronavirus Pandemic

On March 11, 2020, the World Health Organization declared coronavirus COVID 19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. The impact on the Company has not been significant, but management continues to monitor the situation.

OTHER

Additional disclosures pertaining to the Company's material change reports, press releases, and other information are available on the SEDAR website at www.sedar.com.