US Critical Metals Corp.

(Formerly Holly Street Capital Ltd.)

Management's Discussion and Analysis

For the Three Months ended April 30, 2022

(Expressed in Canadian Dollars)

The following is the Management's Discussion and Analysis ("MD&A") of the financial condition and results of operations of US Critical Metals Corp. ("US Critical Metals", "we", or the "Company") as at and for the three months ended April 30, 2022. This MD&A was written to comply with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This MD&A should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements and related notes for the three months ended April 30, 2022 (the "April 2022 Financials"), and the audited consolidated financial statements and related notes for the period from incorporation on July 12, 2021 to January 31, 2022. The April 2022 Financials and all financial information contained in this MD&A are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee. In the opinion of management, all adjustments considered necessary for a fair presentation have been included. All figures are expressed in Canadian dollars unless stated otherwise.

This MD&A also covers the subsequent period up to June 29, 2022.

Company Overview

US Critical Metals is focused on mining projects in the United States (the "U.S.") that will further secure the U.S. supply of critical metals, which are essential to fueling the new age economy. Pursuant to option agreements with private Canadian and American companies, the Company's assets consist of two option agreements (refer to "Business Outlook and Strategy" for more details). US Critical Metals intends to explore and develop critical metals assets with near- and long-term strategic value to the advancement of U.S. interests and that contribute to the U.S. maintaining its leading global position in the green energy economy and technology.

The Company's mineral exploration properties are currently in the exploration stage and, as a result, the Company has no source of operating cash flow. The exploration and development of the Company's mineral exploration properties depend on the feasibility of the projects and its ability to obtain financing in the future. Although the Company has taken steps to verify title to the mineral exploration properties in which it has an interest, these procedures do not guarantee the Company's title. Property title may also be subject to government licensing requirements or regulations, unregistered prior agreements and claims, and non-compliance with regulatory and environmental requirements.

The Company's common shares are listed on the TSX Venture Exchange (the "TSXV") under the ticker symbol "USCM".

The Company's registered office address is 550 Burrard Street, Suite 2300, Vancouver, British Columbia, V6C 2B5, Canada.

US Critical Holdings Corp. ("USCH") was a private company which was incorporated on July 12, 2021 under the name "US Critical Metals Corp." and under the laws of the Province of British Columbia, Canada. On April 12, 2022, USCH and the Company completed a reverse takeover transaction (the "RTO Transaction"), providing for the acquisition by the Company of all of the issued and outstanding securities of USCH by way of a share exchange under the laws of the Province of British Columbia. The RTO Transaction constituted the Company's "Qualifying Transaction" under Policy 2.4 – *Capital Pool Companies* of the TSXV. Prior to completion of the RTO Transaction, the Company consolidated its share capital on the basis of one post-consolidation common share for every 1.5 pre-consolidation common shares held (the "Consolidation"). The RTO Transaction resulted in the former shareholders of USCH holding a majority of the outstanding share capital and assuming control of the Company, and the Company changed its name from "Holly Street Capital Ltd." ("Holly Street") to "US Critical Metals Corp." As a result, these unaudited condensed interim consolidated financial statements are presented as a continuance of the business of USCH, and all comparative figures presented in the consolidated financial statements are those of USCH. Further details are provided below under "Reverse Takeover Transaction".

On April 12, 2022, the Company also closed a private placement offering (the "Concurrent Financing") of 17,142,858 Units (each a "Unit") at a price of $0.35 per Unit, for gross proceeds of $6,000,000. Each Unit is comprised of one common share of the Company and common share purchase warrant exercisable at $0.50 for a period of 24 months from closing. In connection with the Concurrent Financing, the Company paid total issuance costs of $218,421, including cash commissions of $156,636, representing a fee of 7% of the gross proceeds of Units sourced by finders. The Company also issued 447,532 finders' warrants equal to 7% of the Units collectively sourced by finders. The Company intends to use the proceeds from the Concurrent Financing to carry out exploration on the Properties (defined hereafter), to evaluate potential acquisitions of additional mineral properties of merit, and for general corporate purposes.

Pursuant to the RTO Transaction, the Company has changed its fiscal year-end from January 31 to September 30, resulting in an 8-month transition year from February 1, 2022 to September 30, 2022.

As a result of the RTO Transaction, the Company's board of directors (the "Board") has also been reconstituted and is now comprised of: Darren Collins, Marco Montecinos, Peter Simeon and Scott Benson. In addition, the Board has appointed Darren Collins as Chief Executive Officer ("CEO"), Keith Li as Chief Financial Officer ("CFO") and Corporate Secretary, and Marco Montecinos as VP, Exploration.

On April 19, 2022, the Company's common shares commenced trading on the TSXV.

Scientific and Technical Information

Certain information relating to the Properties (defined hereafter) contained in this MD&A is derived from, and in some instances is a direct extract from, and based on the assumptions, qualifications and procedures set out in, the Technical Report (as defined herein). Reference should be made to the full text of the Technical Report, which is available for review under the Company's profile on SEDAR at www.sedar.com.

Business Outlook and Strategy

The Company was formed to engage in the business of acquiring, exploring and evaluating mineral resource properties. Pursuant to option agreements with private Canadian and American companies, the Company's assets consist of two option agreements, each providing the Company with the right to acquire a 100% interest in two mineral exploration projects in the U.S. The exploration projects include (i) the Clayton Ridge Lithium Property, consisting of 90 unpatented mining claims, located in Nevada, and (ii) the Haynes Cobalt Property, consisting of 23 lode claims, located in Idaho, and (collectively the "Properties"). The Company's business objectives are to explore these properties and to eventually create a diversified portfolio of property holdings and achieve growth through the acquisition of mineral properties, coupled with the implementation of recommended programs with respect to the exploration of such properties. To date, the Company has concentrated on the identification and acquisition of properties prospective for critical metals including lithium and cobalt in the U.S.

Clayton Ridge Lithium Property

On October 11, 2021, the Company, through its subsidiary US Energy Metals Corp. ("USEM"), entered into a Mining Lease and Option to Purchase Agreement CR Claims (the "Mining Lease and Option Agreement") to lease the Clayton Ridge Lithium Property (the also referred to as the "Nevada Property" hereafter), situated in Esmeralda County, Nevada, exclusively for the purpose of exploration for and the development, mining and processing of minerals.

Pursuant to the Mining Lease and Option Agreement, the Company may acquire a 100% interest in the Nevada Property by paying a total of USD $225,000 and issuing 2.5 million USCM Shares to the vendor as follows:

- Payment of USD $25,000 in cash upon signing (the "Signing Date") of the Agreement (completed);
- Payment of USD $50,000 in cash (accrued as at April 30, 2022) and issuance of 500,000 USCM Shares upon listing of USCM on a recognized Canadian Exchange (completed);
- Payment of USD $75,000 in cash and issuance of 500,000 USCM Shares on the first anniversary of the Signing Date;
- Payment of USD $75,000 in cash and issuance of 500,000 USCM Shares on the second anniversary of the Signing Date; and
- Issuance of 1,000,000 USCM Shares upon completion of a Technical Report which confirms the presence on the Nevada Property of 2,000,000 tons of lithium carbonate equivalent.

The vendor will also maintain a 3% gross overriding return ("GOR") on production, subject to a buyback provision whereby USCM can purchase back 1% of the GOR from the underlying vendor in exchange for USD $1.0 million.

On May 18, 2022, the Company announced that it has staked and filed with the Esmeralda County and the Bureau of Land Management an additional 90 unpatented mining claims contiguous to the originally prospected Nevada Property claims block, and commenced exploration activities. The Nevada Property now spans 3,600 acres of highly prospective geology for lithium mineralization. The exploration program consisted of mapping new horizons across the project area as well as sampling previously and recently identified clay beds. As at the date of this MD&A, the Company is awaiting sample results from American Assay Laboratories in Sparks, Nevada and speaking with various contractors to secure a drill rig with the objective of commencing a second phase of exploration in 2022, which will include testing multiple targets across the Nevada Property.

The Nevada Property is located in Esmeralda County, southern Nevada about 50 kilometers ("km") southwest on Tonopah, NV and 15 km southeast of Albemarle's lithium brine processing facility at Silver Peak. Access to the property is good form both Goldfield (20 km east) and Silver Peak (15 km west). Seventy reconnaissance-type surface samples have been collected across the property with 45% exceeding 500 ppm Li from a shallow dipping, broad stratigraphic interval. Multiple claystone beds contain greater than 700 ppm Li with a maximum Li value to date of 950 ppm.

The geologic setting is similar to Cypress Development's Clayton Valley Li-bearing claystone several kilometers to the northwest. The Li-bearing sediments are likely within the same stratigraphic package but are separated by a north-trending Basin and Range fault with Clayton Ridge on the elevated block. Detailed geologic mapping has not been conducted across the property nor have enough samples been collected to identify the Li-rich intervals in this Upper Miocene sequence. Aside from the clear similarities to the surrounding Li-claystone projects, the Clayton Ridge project hosts suspected hydrothermal activity (i.e. hot springs) which could mobilize and concentrate Li values.

The Company will also consider additional acquisitions of mineral property interests, or entities holding mineral property interests, on a going forward basis, with the objectives of: (i) creating additional value for shareholders through the acquisition of additional mineral exploration properties; and (ii) helping to minimize exploration risk by attempting to diversify the Company's property portfolio. The Company believes that although the current exploration prospects for the Idaho Property and Nevada Property are positive, mineral exploration in general is both uncertain and subject to fluctuating commodity prices resulting from changing trends in supply and demand. As a result, the Company believes that by acquiring additional mineral properties, some of which may be prospective in other commodities, it would be better able to minimize overall exploration risk and risks associated with fluctuating commodity prices.

USCM has contracted Robert Johansing, M.Sc., QP to prepare a National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("NI 43-101") technical report ("Technical Report"). Mr. Johansing is independent of the Company, within the design and definitions of NI 43-101. The Technical Report on the Nevada Property can be accessed under the Company's profile on SEDAR at www.sedar.com.

Haynes Cobalt Project

On September 24, 2021, the Company, through USEM, entered into an option agreement (the "Option Agreement") with certain arm's length parties (collectively the "Vendors"), for the exclusive right and option to acquire a 100% interest in the Haynes Cobalt Project (also referred to as the "Idaho Property" hereafter), which covers approximately 475.18 acres, located in Idaho, U.S.

Pursuant to the Option Agreement, the Company would acquire a 100% interest in the Idaho Property by paying a total of $100,000 and issue an aggregate of 2.5 million shares to the Vendors as follows:

- Issuance of 2,500,000 common shares ("USCM Shares") to the underlying Vendors upon closing of a go-public transaction which will result in the USCM Shares being listed on a recognized stock exchange in Canada (the "Canadian Exchange"), subject to the same escrow as principles of the Resulting Issuer or as otherwise determined by the TSXV (completed);
- Payment of $50,000 in cash to the underlying Vendors upon the listing of the USCM Shares on a recognized Canadian Exchange (completed); and
- Payment of $50,000 in cash to the underlying Vendors on the one-year anniversary of listing of the USCM Shares on a recognized Canadian Exchange.

In addition to the forgoing, the Company will keep the Idaho Property in good standing during the option period. The Company also funded the cost of an upcoming exploration program of approximately (not less than) $100,000; and funded the cost of a third-party authored a Technical Report.

The underlying Vendors will also maintain a 3% net smelter return royalty ("NSR") on production, subject to a buy-back provision whereby USCM can purchase back 1.5% of the NSR from the underlying vendor in exchange for $1.5 million.

The Company has optioned the Haynes Cobalt Property from its owners and is the current operator. Certain information described below has been derived or reproduced from the Technical Report prepared in respect of the Haynes Cobalt Property by Janine Brown, B.Sc., P.Geo. of Dahrouge Geological Consulting Ltd. and is included herein with the consent of the preparer. Janine Brown, B.Sc., P.Geo. is a qualified person, who is independent of the Company, within the meaning of NI 43-101.

The Idaho Property is located in the Idaho Cobalt Belt ("ICB") in Lemhi County, Idaho, and next to the historical Blackbird mining camp, where a cluster of cobalt-copper-gold deposits were developed and mined between 1902 and 1968. The Idaho Property benefits from being close to infrastructure and is accessible by forestry roads and is less than one km from powerlines. The ICB region is once again seeing significant exploration and development in the Blackbird mining camp.

The Idaho Property covers a portion of the historically developed Haynes Stellite Deposit within the historical Blackbird mining camp, where three adit entrances were developed by Haynes Stellite Co, between 1917 and 1920. The adits are located at the northwestern end of the Idaho Property, neighboring with Jervois Global Limited. The Idaho Property also contains a portion of the associated historical underground workings from historical development. Exploration by Noranda Exploration Inc. in 1979 to 1981 further developed the Idaho Property near the historical adits.

Between October 8 to 26 of 2021, a ground magnetic survey and soil and rock sampling were completed on the project. In total, 118 soil samples were collected, and 76 rock samples were collected, and the magnetic survey covered the entire project. The analytical work is on-going at the laboratory, so not all of the costs have been incurred, but so far, the cost of the field work totals $99,903.

A 43-101 compliant survey is being prepared for the Haynes Cobalt Property, which will summarize all of the field work when the results are finalized.

Overall Performance

Selected financial information

The Company's selected financial information, prepared in accordance with IFRS, as at the current reporting period ended April 30, 2022 and the most recently completed financial period ended January 31, 2022 are summarized as follows:

	As at and for the Three Months ended April 30, 2022	As at and for the Period from Incorporation to January 31, 2022
	$	$
Operating expenses	**(1,327,334)**	(419,011)
Net loss	**(2,803,598)**	(419,011)
Net loss per share – basic	**(0.09)**	(0.02)
Cash	**5,748,830**	11,985
Total assets	**5,850,614**	32,117
Total non-current liabilities	**Nil**	Nil
Shareholders' equity (deficiency)	**5,139,672**	(173,022)

The cash balance as at April 30, 2022 was $5,748,830 (January 31, 2022 – $11,985), for an increase of $5,736,845. The increase in cash was primarily due to funds raised from the Concurrent Financing, where the Company issued 17.1 million Units to investors and raised total cash proceeds of $6.0 million.

Results of operations

As the Company is in the exploration stage of operations, it had not generated any revenues to date. During the three months ended April 30, 2022, the Company had incurred total operating expenses of $1,327,334 as follows:

	Three Months ended April 30, 2022	Period from Incorporation to January 31, 2022
	$	$
Property acquisition costs	**707,400**	31,533
Exploration and evaluation expenses	**176,560**	-
Professional fees	**351,770**	167,486
Management fees	**47,512**	-
Office and general	**30,889**	17,451
Regulatory filing	**8,903**	-
Advertising and promotion	**4,300**	4,831
	1,327,334	419,011

The Company recorded property acquisition costs of $707,400, as compared to an amount of $31,533 recorded in the period from incorporation to January 31, 2022. The property acquisition costs of $707,400 comprised of option payments paid through the issuance of 3,000,000 common shares on both the Idaho and Nevada Properties pursuant to the option agreements mentioned in the "Business Outlook and Strategy" section, and were valued based on the fair value of common shares issued through the Concurrent Financing. During the period from incorporation to January 31, 2022, property acquisition costs were made in cash on the Nevada Property.

Exploration and evaluation ("E&E") expenses comprised of (i) claims maintenance fees of $24,069 (period from incorporation to January 31, 2022 – $67,422), (ii) cost related to technical studies cost of $28,916 (period from incorporation to January 31, 2022 – $37,798), and (iii) cost incurred so far on exploration field work of $10,370 (period from incorporation to January 31, 2022 – $92,490).

Professional fees comprised primarily of cost of service received from third parties, including legal expenses of $307,929 (period from incorporation to January 31, 2022 – $121,889), audit and accounting fees of $24,322 (Comparative Period – $43,597) and business consulting fees of $19,519 (period from incorporation to January 31, 2022 – $2,000). Also included in legal expenses are fees related to the RTO Transaction and the Company's listing on the TSXV.

Management fees comprised the renumeration paid for the CEO's services. Further details are provided below under "Related Party Transactions".

Other expenses incurred include office and general expenses of $30,889 (period from incorporation to January 31, 2022 – $17,451), covering general expenses incurred over the normal course of operations, and regulatory filing fees of $8,903 (period from incorporation to January 31, 2022 – $nil) incurred from the listing of the Company. In addition, advertising and promotion expense of $4,300 (period from incorporation to January 31, 2022 – $4,831) had also been incurred for marketing the Company's brand.

In connection with the RTO Transaction, the Company also recorded acquisition costs of $1,476,264. Further details are provided below under "Reverse Takeover Transaction".

As a result of the above, the Company incurred a net loss of $2,803,598 ($0.09 per share – basic and diluted) during the three months ended April 30, 2022 (period from incorporation to January 31, 2022 – net loss of $419,011; $0.02 per share – basic and diluted).

Cash flows

During the three months ended April 30, 2022, net cash used in the Company's operating activities totaled $169,856 (period from incorporation to January 31, 2022 – $234,004). The net spending relates primarily to professional fees and E&E expenditures incurred, and payments made to suppliers from the excess of cash received upon closing of the Concurrent Financing.

During the three months ended April 30, 2022, net cash provided by financing activities totaled $5,772,579 (period from incorporation to January 31, 2022 – $246,586). During the current period, the Company received gross proceeds of $5,946,000 from the Concurrent Financing. In connection with the Concurrent Financing, the Company paid total issuance costs of $218,421, including cash commissions of $156,636. The Company also received proceeds of $45,000 through exercise of stock options. During the period from incorporation to January 31, 2022, the Company received gross proceeds of $250,000 from a non-brokered private placement (the "Private Placement") which closed in August 2021.

During the three months ended April 30, 2022, the Company acquired cash of $135,172 from the RTO Transaction as part of its investing cash flows. During the period from incorporation to January 31, 2022, the Company did not undertake any investing activities.

Working Capital and Liquidity Outlook

The Company manages its capital structure and adjusts it, based on the funds available to the Company, in order to support the development of its planned business activities. The Board of the Company does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. To carry out the planned business activities and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

Based on the Company's current operations, it has not generated any cash flows from operations. The primary source of funding has been through the issuance of common shares for cash proceeds. There is no guarantee that the Company will be able to successfully complete such financings, as market conditions and business performance may dictate availability and interest.

As at April 30, 2022, the Company had current assets of $5,850,614 (January 31, 2022 – $32,117) to settle current liabilities of $710,942 (January 31, 2022 – $205,139), for a working capital of $5,139,672 (January 31, 2022 – working capital deficiency of $173,022). As of the date of the MD&A, the Company believes that it will have sufficient liquidity to continue operations for the 12-month period ending April 30, 2022.

Reverse Takeover Transaction

On April 12, 2022, USCH and the Company completed the RTO Transaction, resulting in the former shareholders of USCH holding a majority of the outstanding share capital and assuming control of the Company. The RTO Transaction was a reverse acquisition and has been accounted for as a capital transaction, with USCH being identified as the accounting acquirer. These consolidated financial statements are presented as a continuation of the business of USCH providing for the acquisition by the Company of all of the issued and outstanding securities of USCH by way of a share exchange.

The following table summarizes the final purchase price allocation of the RTO Transaction:

Purchase Price Consideration Paid	
	$
Fair value of common shares issued (i)	**1,180,572**
Fair value of options issued (ii)	**57,670**
Total consideration paid	**1,238,242**
Net Identifiable Asset Acquired	
	$
Cash	**135,172**
Accounts payable and accrued liabilities	**(27,073)**
Total net identifiable assets acquired	**108,099**
Excess of consideration paid over net assets acquired, representing a cost of the RTO Transaction	**1,130,143**
Finders' shares issued on closing of RTO Transaction (iii)	**346,121**
Total RTO acquisition costs	**1,476,264**

The accounting acquisition of Holly Street did not constitute a business combination as the entity did not meet the definition of a business under IFRS 3 – Business Combination. As a result, the RTO Transaction was accounted for in accordance with IFRS 2 – Share-Based Payments, and share consideration paid was measured at the fair value of the identifiable and unidentifiable assets acquired.

Consideration paid consisted entirely of shares and options of the Company which were measured at the estimated fair value on the date of the acquisition, as follows:

(i) The fair value of the 5,006,666 common shares, issued to former Holly Street shareholders, was determined to be $1,180,572 based on the fair value of common shares issued through the Concurrent Financing on April 12, 2022. Immediately after completion of the RTO Transaction, the number of common shares of the resulting issuer held by Holly Street shareholders was approximately 9.73%.

(ii) The estimated fair value of the 300,000 post-Consolidation options issued as consideration was based on Black-Scholes with the following assumptions: fair value of common shares – $0.24 per share, expected dividend yield – 0%, expected volatility – 125%, risk-free interest rate – 0.96% to 2.52%, and an expected life of 0.28 to 7.69 years. In making the assumptions for expected volatility, the Company used the historical volatility of comparable companies.

(iii) On April 12, 2022, the Company issued 1,467,857 common shares to a finder on closing of the RTO Transaction pursuant to the Business Combination Agreement entered between the parties. The fair value of these common shares was estimated at $346,121 based on the fair value of common shares issued in the Concurrent Financing and was recorded as part of the reverse takeover acquisition costs.

Related Party Transactions

Key management personnel compensation

Key management includes the Company's directors and officers with authority and responsibility for planning, directing and controlling the activities of an entity, directly or indirectly.

The remuneration of directors and other members of key management personnel during the three months ended April 30, 2022 were as follows:

	Three Months ended April 30, 2022
	$
Management fees	**47,512**
Professional fees	**310,905**
	358,417

Effective February 1, 2022, the Company, through USEM, and the CEO and also a director of the Company, entered into a contractor agreement, for a monthly renumeration of USD$12,500 in consideration of the CEO's services to be provided to the Company. During the three months ended April 30, 2022, the CEO charged fees of $47,512 (USD$37,500) for consulting services provided to the Company, which are included in management fees. As at April 30, 2022, $59,891 (January 31, 2022 – $1,089) owing to the CEO, including an amount of $11,921 for reimbursement of expenses paid on behalf of the Company (January 31, 2022 – $1,089), was included in accounts payable and accrued liabilities. The amount outstanding is unsecured, non-interest bearing and due on demand.

During the three months ended April 30, 2022, Gowling WLG (Canada) LLP ("Gowling"), a law firm in which Peter Simeon is a partner, charged fees of $297,405 for legal services provided to the Company, which are included in professional fees. As at April 30, 2022, $469,287 (January 31, 2022 – $96,645) owing to Gowling was included in accounts payable and accrued liabilities. The amount outstanding is unsecured, non-interest bearing and due on demand.

During the three months ended April 30, 2022, Branson Corporate Services Ltd. ("Branson"), where the CFO is employed, charged fees of $13,500 for CFO services provided to the Company, as well as other accounting and administrative services, which are included in professional fees. As at April 30, 2022, $4,725 (January 31, 2022 – $14,196) owing to Branson was included in accounts payable and accrued liabilities. The amount outstanding is unsecured, non-interest bearing and due on demand.

As at April 30, 2022, an amount of $2,286 (January 31, 2022 – $nil) owing to the CFO, for the reimbursement of expenses paid on behalf of the Company, was also included in accounts payables and accrued liabilities. The amount outstanding is unsecured, non-interest bearing and due on demand.

Other related party transactions

During the period from incorporation on July 12, 2021 to January 31, 2022, the CEO participated in the Private Placement, and subscribed for 5,000,000 Units, for total gross proceeds to the Company of $50,000.

During the three months ended April 30, 2022, Tigren Inc. ("Tigren"), an entity controlled by the VP, Exploration and also a director of the Company, charged fees of $43,660 for geological consulting services provided to the Company, which are included in E&E expenses. As at April 30, 2022, no balance was owed to Tigren (January 31, 2022 – $35,530 included in accounts payable and accrued liabilities).

Exploration and Evaluation Expenses

During the three months ended April 30, 2022, the Company's E&E expenses are comprised of the following:

	Idaho Property	Nevada Property	Total
	$	$	$
Property acquisition costs	639,355	181,250	820,605
Claims maintenance fees	585	23,484	24,069
Technical studies	8,740	20,176	28,916
Field work testing	10,370	-	10,370
	659,050	**224,910**	**883,960**

Financial Instruments

The Company is exposed to various risks as it relates to financial instruments. Management, in conjunction with the Board, mitigates these risks by assessing, monitoring and approving the Company's risk management process. There have not been any changes in the nature of these risks or the process of managing these risks from the previous reporting periods.

Credit risk

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash, and receivables (excluding sales tax receivable), which expose the Company to credit risk should the borrower default on maturity of the instruments. Cash is held with reputable Canadian chartered banks and in trust with the Company's legal counsel which is closely monitored by management. Management believes that the credit risk concentration with respect to financial instruments included in cash and receivables is minimal.

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to the Company. The Company generates cash flow primarily from its financing activities. The Company endeavors to have sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot be reasonably predicted. As at April 30, 2022, the Company had a cash balance of $5,748,830 (January 31, 2022 – $11,985), to settle current liabilities of $710,942 (January 31, 2022 – $205,139).

The following table summarizes the carrying amount and the contractual maturities of both the interest and principal portion of significant financial liabilities as at April 30, 2022:

	Carrying amount	Year 1	Year 2 to 3	Year 4 to 5
	$	**$**	**$**	**$**
Accounts payable and accrued liabilities	710,942	710,942	-	-

The Company manages liquidity risk by maintaining adequate cash reserves and by continuously monitoring forecast and actual cash flows for a rolling period of 12 months to identify financial requirements. Where insufficient liquidity may exist, the Company may pursue various debt and equity instruments for short or long-term financing of its operations.

Management believes there will be sufficient capital to meet short-term business obligations, after taking into account cash flow requirements from operations and the Company's cash position as at April 30, 2022. Nevertheless, management understands that it will have to raise more funds in order to support its operations going forward.

Market risk

Market risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will significantly fluctuate due to changes in market prices. The value of the financial instruments can be affected by changes in interest rates, foreign exchange rates, and equity and commodity prices.

Foreign exchange risk

Foreign exchange risk is the risk that the Company will be subject to foreign currency fluctuations in satisfying obligations related to its foreign activities. The Company's operations are based in the U.S., and may have, from time to time, transactions denominated in foreign currencies. The Company's primary exposure to foreign exchange risk is that transactions denominated in foreign currency may expose the Company to the risk of exchange rate fluctuations. Based on its current operations, management believes that the foreign exchange risk is minimal.

Fair value

Fair value estimates of financial instruments are made at a specific point in time based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

The Company's financial instruments consist of cash, receivables (excluding sales tax recoverable), and accounts payable and accrued liabilities. The fair value of cash, receivables (excluding sales tax recoverable), and accounts payables and accrued liabilities are approximately equal to their carrying value due to their short-term nature.

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

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

As at April 30, 2022 and January 31, 2022, the Company did not have any financial instruments which were carried at fair value.

COVID-19

In December 2019, the novel coronavirus ("COVID-19") surfaced in Wuhan, China. The World Health Organization declared a global emergency on January 30, 2020 with respect to the outbreak then characterized it as a pandemic on March 11, 2020. The outbreak has spread globally, and it has continued to cause companies and various international jurisdictions to impose restrictions, such as quarantines, closures, cancellations and travel restrictions. The duration of the business disruptions internationally and related financial impact to the global economy remains highly uncertain at this time, as COVID-19 continues to evolve.

The Company's operations had not been significantly impacted to date, but management expects possible delays in projects to surface from time to time. Ultimately, the extent to which the COVID-19 pandemic impacts the Company's financial results will depend on future developments, which remain highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of COVID-19 and related variants and actions taken to contain it or its impact, among others. These uncertainties arise from the inability to predict the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put in place by Canada, the U.S. and other countries to fight the virus.

While the extent of the impact remains unknown, the Company anticipates this outbreak may cause supply chain disruptions, and increased government regulations, all of which may negatively impact the Company's business and financial condition.

Significant Accounting Judgments and Estimates

The preparation of the Company's unaudited condensed interim consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, revenue and expenses. These are described in greater detail in Note 2(f) to the April 2022 Financials.

Summary of Significant Accounting Policies

The significant accounting policies used by the Company are described in greater detail in Note 3 to the January 2022 Financials.

Contingencies

The Company's E&E activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. As at April 30, 2022, the Company believes its operations are materially in compliance with all applicable laws and regulations. The Company expects to make future expenditures to comply with such laws and regulations.

Subsequent Events

On May 12, 2022, the Company granted 3,000,000 options to various officers, directors, and consultants. The options are exercisable at a price of $0.35 per common share for a period of five years. The options vested immediately on grant.

On May 12, 2022, the Company also granted 1,400,000 restricted share units ("RSUs") to certain consultants and directors in accordance with the terms of the Company's RSU plan. The RSUs vest on the first anniversary of the award date.

On May 26, 2022, the Company received in full a remaining subscription funds receivable balance from the Concurrent Financing.

Off Balance Sheet Arrangements

As at April 30, 2022 and the date of this MD&A, the Company does not have any off-balance sheet arrangements.

Disclosure of Outstanding Share Data as of June 29, 2022

As at the date of this MD&A, the number of common shares of the Company outstanding and the number of common shares issuable pursuant to other outstanding securities are as follows:

	Authorized	**Outstanding**
Voting or equity securities issued and outstanding	Unlimited number of common shares	51,917,481 common shares
Securities convertible or exercisable into voting or equity		1,400,000 RSUs convertible into common shares of the Company; 3,000,000 options outstanding, of which all are vested and exercisable to acquire common shares of the Company, and; 42,590,390 warrants exercisable to acquire common shares of the Company.

Risk Factors

The business and performance of the Company is highly speculative and there are numerous and varied risks, known and unknown, that may prevent the Company from achieving its goals. The trends and risks which are likely to impact US Critical Metals' business and operations are referenced below under "Cautionary Note Regarding Forward-Looking Statements" and are also detailed in the Company's Filing Statement dated March 31, 2022, under the heading "Risk Factors".

Disclosure of Internal Controls over Financial Reporting

Management has established processes to provide them sufficient knowledge to support representations that they have exercised reasonable diligence that (i) the consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the consolidated financial statements; and (ii) the consolidated financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented.

In contrast to non-venture issuers, this MD&A does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"). In particular, management is not making any representations relating to the establishment and maintenance of: controls and procedures designed to provide reasonable assurance that information required to be disclosed by the Company in its filings or other reports or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Investors should be aware that inherent limitations on the ability of management of the Company to design and implement on a cost-effective basis DC&P and ICFR may result in additional risks to the quality, reliability, transparency and timeliness of filings and other reports provided under securities legislation.

Cautionary Note Regarding Forward-Looking Statements

This MD&A contains "forward-looking information" and "forward-looking statements" within the meaning of applicable Canadian securities laws ("forward-looking statements"). 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. Forward-looking statements are often identified by words such as "may", "would", "could", "should", "will", "intend", "plan", "seek", anticipate", "believe", "estimate", "expect" or similar words and expressions. Examples of forward-looking statements include, among others, statements relating to information set out in this MD&A under the headings "Business Outlook and Strategy", "Working Capital and Liquidity Outlook", and statements and information regarding: the effects of COVID-19 on the Company's operations and financial condition; future financial position and results of operations, strategies, plans, objectives, goals and targets; future developments in the markets where the Company participates or is seeking to participate; and, expectations for other economic, business, regulatory and/or competitive factors related to the Company or the mining exploration industry generally and other events or conditions that may occur in the future. Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based on management's current beliefs, expectations or assumptions regarding the future of the business, future plans and strategies, operational results and other future conditions of the Company. Although the Company believes that the expectations, estimates, and projections reflected in such forward-looking statements are reasonable, such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance, or achievements to differ materially from those suggested by the forward-looking statements. Accordingly, actual results could differ materially from those expressed or implied in the forward-looking statements. On this basis, readers are cautioned not to place undue reliance on such forward-looking statements.

Factors which could cause actual results to differ materially from those indicated in forward-looking statements include, but are not limited to: the expectations and assumptions that the Company's strategies are based on; the impact of COVID-19 will have to the Company's strategies and operations; the Company's ability to manage the disruptions and volatility in the global capital markets due to COVID-19; and the Company's ability to meet its working capital needs, including the cost and potential impact of complying with existing and proposed laws and regulations.

Readers are cautioned that the foregoing lists of risks, uncertainties and other factors are not exhaustive. The forward-looking statements contained in this MD&A are made as of the date hereof and are presented for the purpose of assisting investors and others in understanding the Company's financial position and results of operations, as well as its objectives and strategic priorities, and may not be appropriate for other purposes. The Company undertakes no obligation to publicly update or revise any forward-looking statements or any other documents filed with Canadian securities regulatory authorities, whether as a result of new information, future events or otherwise, except in accordance with applicable securities laws. The forward-looking statements are expressly qualified by this cautionary statement.

The Company is a mineral exploration company, and its mineral resource properties are in the exploration stage only. The degree of risk increases substantially where an issuer's mineral resource properties are in the mineral exploration stage as opposed to the development or operational stage. An investment in common shares of mineral exploration companies is speculative and involves a high degree of risk and should only be made by investors who can afford the total loss of their investment.

Management's Responsibility for Financial Information

Management is responsible for all information contained in this report. The April 2022 Financials have been prepared in accordance with IFRS and include amounts based on management's informed judgments and estimates. The financial and operating information included in this MD&A is consistent with that contained in the Company's consolidated financial statements in all material aspects.

The Audit Committee has reviewed the April 2022 Financials and this MD&A with management. The Board of the Company has approved the April 2022 Financials and this MD&A on the recommendation of the Audit Committee.

June 29, 2022

Darren Collins
Chief Executive Officer