

AMERICAN SALARS LITHIUM INC. (FORMERLY BLANTON RESOURCES CORP.)

Management Discussion and Analysis For the year ended September 30, 2023

The Management Discussion and Analysis (“MD&A”), prepared January 24, 2024 should be read in conjunction with the audited consolidated financial statements and notes thereto for the years ended September 30, 2023 and 2022 of American Salars Lithium Inc. (formerly Blanton Resources Corp.) (“American Salars” or the “Company”) which were prepared in accordance with International Financial Reporting Standards.

This MD&A may contain forward-looking information (as such term is defined under applicable securities laws) in respect of various matters including upcoming events. The results or events predicted in this forward-looking information may differ materially from the actual results or events. The Company disclaims any obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise.

DESCRIPTION OF BUSINESS

American Salars was formed on December 17, 2019 under the laws of British Columbia. The address of the Company’s corporate office and its principal place of business is 200 - 551 Howe Street, Vancouver, British Columbia, Canada.

The Company’s principal business activities include the acquisition and exploration of mineral property assets. As at September 30, 2023, the Company holds an interest in an early stage mineral exploration property and the Company had not yet determined whether the Company’s mineral property asset contains a deposit of minerals that is economically recoverable. The recoverability of amounts shown for exploration and evaluation asset is dependent upon the discovery of economically recoverable reserves, confirmation of the Company’s interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development of and the future profitable production from the property or realizing proceeds from its disposition. The outcome of these matters cannot be predicted at this time and the uncertainties cast significant doubt upon the Company’s ability to continue as a going concern.

The Company had a deficit of \$614,652 as at September 30, 2023, which has been funded by the issuance of equity. The Company’s ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs. The consolidated financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the consolidated financial statements.

EXPLORATION PROJECT

Isla property option

On November 8, 2020, and amended on February 9, 2021 and August 29, 2023, the Company entered into a Purchase Agreement (the "Isla Agreement") with an arms-length party. Pursuant to the Isla Agreement, the Company has an option to acquire 100% interest in six mineral claims known as the Isla claims located in British Columbia, Canada from the arms-length party.

In addition, the Isla claims are subject to a Net Smelter Return Royalty of 1.5% which can be purchased at any time for \$1,500,000 from the arms-length party.

Under the Agreement, the Optionee will make cash payments totaling \$40,000 as follows:

- a. make a cash payment of \$5,000 upon execution and delivery of this agreement (paid);
- b. make a further cash payment of \$5,000 on the date upon which the common shares are listed on a stock exchange in Canada (paid); and
- c. make a further cash payment of \$5,000 within 24 months (paid) and \$25,000 within 30 months of listing on a stock exchange in Canada.

		Isla Property
Balance, September 30, 2021	\$	91,807
Acquisition costs:		5,000
Reports, maps, and data processing		8,251
Labour and surveys sampling		29,950
Project preparation, meals, accommodations, and fuel		57,364
Administration		4,875
Balance, September 30, 2022		197,247
Recovery		(10,000)
Loss on disposal of exploration and evaluation assets		(19,500)
Balance, September 30, 2023	\$	167,747

The Company allowed the expiry of one of the six claims during the year. Consequently, the Company recorded a loss on disposal related to the Isla property of \$19,500 to reflect the forfeiture of the one claim.

Aesir Lithium Claims

On May 31, 2023, the Company entered into a Purchase Agreement (the "Aesir Agreement") with an arms-length party to acquire a 100% interest in Aesir Lithium Corp. Pursuant to the Aesir Agreement, the Company acquired a 100% interest in twenty seven mineral claims known as the Aesir lithium claims located in Quebec, Canada.

As consideration the Company issued 3,100,000 shares at a fair value of \$0.12 per share.

		Aesir Lithium Claims
Balance, September 30, 2022	\$	–
Acquisition costs		372,000
Balance, September 30, 2023	\$	372,000

The Company accounted for this transaction as an asset acquisition. The assets acquired consisted entirely of the Aesir lithium claims, and there were no liabilities assumed. The \$372,000 purchase consideration was applied entirely to the exploration and evaluation asset and there were no transaction costs.

SELECTED ANNUAL INFORMATION

(\$000's except loss per share)

	September 30, <u>2023</u>	September 30, <u>2022</u>	September 30, <u>2021</u>
Revenue	\$ 0	\$ 0	\$ 0
Net Loss	\$ (175)	\$ (264)	\$ (110)
Basic and Diluted Loss Per Share	\$ (0.02)	\$ (0.04)	\$ (0.01)
Total Assets	\$ 582	\$ 209	\$ 161
Long-Term Debt	\$ 0	\$ 0	\$ 0
Dividends	\$ 0	\$ 0	\$ 0

OPERATIONS

The three month period ended September 30, 2023

During the three month period ended September 30, 2023 the Company reported a net loss of \$80,144 (2022 - \$101,835). Included in the determination of operating loss were the following expense items: \$Nil (2022 - \$10,500) on management fees, \$735 (2022 - \$2,416) on office, \$29,896 (2022 - \$73,272) on professional fees, \$2,509 (2022 - \$11,916) on occupancy costs, \$Nil (2022 - \$846) on travel and promotion, \$7,261 (2022 - \$2,885) on transfer agent and filing fees and \$19,500 (2022 - \$Nil) on loss on disposal of exploration and evaluation assets.

The twelve month period ended September 30, 2023

During the twelve month period ended September 30, 2023 the Company reported a net loss of \$175,096 (2022 - \$264,398). Included in the determination of operating loss were the following expense items: \$28,000 (2022 - \$39,000) on management fees, \$7,244 (2022 - \$5,426) on office, \$79,126 (2022 - \$119,751) on professional fees, \$20,869 (2022 - \$33,174) on occupancy costs, \$693 (2022 - \$2,975) on travel and promotion and \$19,664 (2022 - \$24,040) on transfer agent and filing fees. The Company also had other income and expenditure recovery of \$Nil (2022 - \$42,716), a stock based compensation charge of \$Nil (2022 - \$82,748) and \$19,500 (2022 - \$Nil) on loss on disposal of exploration and evaluation assets.

SUMMARY OF QUARTERLY RESULTS

(\$000's except earnings per share)

	September 30, <u>2023</u>	June 30, <u>2023</u>	March 31, <u>2023</u>	December 31, <u>2022</u>
Revenue	\$ 0	\$ 0	\$ 0	\$ 0
Net income (loss)	\$ (80)	\$ (27)	\$ (41)	\$ (27)
Basic and diluted				
Income (loss) per share	\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (0.01)

	September 30, <u>2022</u>	June 30, <u>2022</u>	March 31, <u>2021</u>	December 31, <u>2021</u>
Revenue	\$ 0	\$ 0	\$ 0	\$ 0
Net income (loss)	\$ (102)	\$ (22)	\$ (86)	\$ (54)
Basic and diluted				
Income (loss) per share	\$ (0.01)	\$ (0.00)	\$ (0.01)	\$ (0.00)

LIQUIDITY AND CAPITAL RESOURCES

The Company's cash balance at September 30, 2023 was \$40,809 (2022 - \$10,510).

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not entered into any off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

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

The Company incurred the following key management personnel costs from related parties:

	2023		2022	
Management fees	\$	28,000	\$	39,000
Share-based payments		–		82,748
	\$	28,000	\$	121,748

As at September 30, 2023 included in accounts payable and accrued liabilities is \$Nil (2022 - \$33,075) owed to a company controlled by a director and \$Nil (2022 - \$986) owed to a director.

COMMITMENTS

The Company does not have any significant commitments.

EVENTS SUBSEQUENT TO SEPTEMBER 30, 2023

Subsequent to September 30, 2023, the Company acquired 100% of American Brines Lithium Inc., which owns American Brines LLC, that holds the Black Rock South Lithium project located in Washoe County, Nevada. Under the terms of the agreement the Company issued 3,495,009 shares on closing on November 9, 2023, fair valued at a market price of \$0.15 per share, and will issue an additional 3,495,009 shares on the first anniversary and 3,494,997 shares on the second anniversary dates of closing.

The Company is in the process of arranging an unsecured convertible debenture private placement of up to \$500,000 at a price of \$0.15 per convertible debenture unit. The Debentures will mature 36 months from the issuance date and will accrue interest at a rate of 10% per annum payable at the maturity date. Each debenture unit will include one transferrable share purchase unit, entitling the holder to purchase one additional common share at an exercise price of \$0.25 per share for a period of 3 years after issuance of the debentures and warrants.

CRITICAL ACCOUNTING ESTIMATES

Refer to the audited consolidated financial statements for the years ended September 30, 2023 for critical accounting estimates.

FINANCIAL INSTRUMENTS

Fair Value of Financial Instruments

IFRS 13, Fair value measurement, establishes a fair value hierarchy that reflects the reliability 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).

The fair value of the Company's cash is classified as Level 1.

The carrying value of accounts payable and accrued liabilities approximates their fair values due to the relatively short periods of maturity of these instruments.

Financial risk management objectives and policies

The Company's financial instruments include cash and accounts payable and accrued liabilities. The risks associated with these financial instruments and the policies on mitigating these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

i) Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash and the Company's maximum exposure to credit risk is the carrying amount of cash. To minimize credit risk the Company places these instruments with a high quality financial institution.

ii) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. In the management of liquidity risk, the Company maintains a balance between continuity of funding and the flexibility through the use of debt. Management closely monitors the liquidity position and expects to have adequate sources of funding to finance the Company's projects and operations. The Company's accounts payable have contractual maturities of less than 30 days and are subject to normal trade terms. As at September 30, 2023, the Company had cash of \$40,809 (2022 - \$10,510) to settle accounts payable and accrued liabilities of \$27,806 (2022 - \$118,016). The Company's management of liquidity risk has not changed materially from that of the prior year.

iii) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. These risks are generally outside the control of the Company. The objective of the Company is to mitigate market risk exposures within acceptable limits. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. It is management's opinion that the Company is not exposed to material currency risk, interest rate risk or other price risk. The Company's exposure to and management of market risk has not changed materially from that of the prior year.

SHARE CAPITAL

Issued

The Company has 12,425,000 common shares issued and outstanding as at September 30, 2023 and 15,920,005 as at January 24, 2024.

Share Purchase Options

The Company has 325,000 stock options outstanding at September 30, 2023 and January 24, 2024.

Warrants

The Company had 1,225,000 share purchase warrants outstanding at September 30, 2023 and January 24, 2024.

Escrow Shares

The Company has 855,001 common shares held in escrow as at September 30, 2023 and 406,406 as at January 24, 2024.