Eureka Lithium Corp. (formerly Scout Minerals Corp.)

Management's Discussion and Analysis
For the year ended December 31, 2023

This Management's Discussion and Analysis ("MD&A") is dated as of April 4, 2024 and should be read in conjunction with the audited consolidated financial statements of Eureka Lithium Corp. (the "Company" or "Eureka") for the year ended December 31, 2023, and the related notes thereto, and the Company's prospectus, dated June 20, 2022 (the "Prospectus"), each of which is available under the Company's profile on SEDAR+ at www.sedarplus.ca. The consolidated financial statements have been prepared using accounting policies in compliance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board.

This MD&A contains forward-looking statements that involve numerous risks and uncertainties. The Company continually seeks to minimize its exposure to business risks, but by the nature of its business and exploration activities and size, will always have some risk. These risks are not always quantifiable due to their uncertain nature. Should one or more of these risks and uncertainties, or those described under the heading "*Risk Factors*" in the Prospectus, and those set forth in this MD&A under the heading, "*Industry and Economic Factors that May Affect our Business"* materialize, or should underlying assumptions prove incorrect, then actual results may vary materially from those described in forward-looking statements.

The Company's reporting currency is the Canadian dollar and all amounts in this MD&A are expressed in Canadian dollars unless otherwise stated.

Outlook

The Company is engaged in the acquisition, exploration and development of mineral properties in Canada. The Company is the largest lithium-focused landowner in the northern third of Quebec, known as the Nunavik region, with 100% ownership of three projects comprising 1,408 sq. km in the emerging Raglan West, Raglan South, and New Leaf Lithium Camps. These claims were acquired from legendary prospector Shawn Ryan and are located in a region that hosts two operating nickel mines with deep-sea port access.

The Company's current focus is to conduct the proposed exploration program for the Nunavik Lithium Projects and the North McKinney exploration property ("McKinney"), along with continuing to identify and potentially acquire additional property interests, assess their potential, and engage in exploration activities. McKinney is located in the Greenwood Mining Division, British Columbia (see "*Exploration and evaluation assets"* section in this MD&A), as more particularly set out in the "*Technical Summary Report North McKinney Property*", prepared for the Company by Ken MacDonald, P.Geo, dated effective June 16, 2022 (the "Technical Report").

The Company has begun exploration activities relating to the Nunavik Lithium Projects and McKinney and the Company expects to continue incurring expenditures in the coming months.

Overall performance and business to date

Eureka was incorporated in the Province of British Columbia, Canada on October 26, 2021, under the Business Corporations Act (British Columbia), as Scout Minerals Corp. The Company changed its name to Eureka Lithium Corp on June 1, 2023. The Company's sole business focus to date has been to acquire mineral property interests for the purposes of exploration and development. The Company's head office along with registered and records office is located at Suite 2700, 1133 Melville Street, Vancouver, British Columbia, V6E 4E5.

The Amalgamation

The Company entered into an amalgamation agreement dated January 10, 2022 (the "Amalgamation Agreement") with Chara Capital Corp. ("Chara"), and 1341715 B.C. Ltd. ("1341715"), a wholly owned subsidiary of the Company incorporated on January 7, 2022. Pursuant to the Amalgamation Agreement, Chara and 1341715 amalgamated (the "Amalgamation") to form 1342683 B.C. Ltd. ("Amalco").

The Company issued the following consideration with the following effect:

- One common share of the Company in exchange for each of the 187,500 Class B common shares of Chara issued and outstanding at the time of the Amalgamation; and
- One common share in exchange for each of the 12,500 Class A common shares of Chara issued and outstanding at the time of the Amalgamation.

The 200,000 common shares issued by the Company pursuant to the Amalgamation were valued at $4,000. The acquisition and amalgamation did not constitute a business combination under IFRS 3, *Business Combinations*. Because 1342683 BC Ltd. had no significant assets or liabilities; the $4,000 was accounted for as a non-cash "amalgamation expense" on the consolidated statements of loss and comprehensive loss.

<u>Financing the business</u>

Since incorporation on October 26, 2021, the Company has raised a total of $10,465,954 net of share issuance costs by issuances of the Company's common shares, flow-through and super flow-through shares, issuance of "Special Warrants", the exercise of warrants and the exercise of stock options (see "*Equity Issuances and Outstanding Share Data*" section in this MD&A) to finance the commencement of operations with a focus on the Nunavik Lithium Projects and McKinney. The Company completed the qualification, distribution and listing of common shares and common share purchase warrants ("warrants") (the "Go-Public Transaction") on the Canadian Securities Exchange (the "CSE") on July 14, 2022.

The Company is fully financed to support its near-term planned business objectives as a result of these initial financings.

<u>The Go-Public Transaction</u>

On June 20, 2022, the Company filed the Prospectus to qualify the distribution of 2,303,000 units ("Special Units") of Eureka, issuable for no additional consideration upon the exercise of certain previously issued Special Warrants of the Company. Each Special Unit comprised one common share and one warrant.

Pursuant to the receipt by the British Columbia Securities Commission of the Prospectus (the "Receipt"), and the contractual terms of the Special Warrants, the Company issued 2,303,000 common shares and 2,303,000 warrants for no additional consideration on June 28, 2022.

As of the date of the Prospectus, the Company had working capital of approximately $320,455 which was used as follows:

	A	*B*	*C*	*D = A+C*
Use of Funds Available	**Previous Disclosure Regarding Use of Proceeds in Prospectus ($)**	**Actual Use of Proceeds as at December 31, 2023 ($)**	**Additional Amounts Allocated as at December 31, 2023 ($)**	**Revised Use of Proceeds as at December 31, 2023 ($)**
To pay the estimated cost of the Phase 1 Work Program	110,000	105,720	(4,280)	105,720
Payments pursuant to the Option Agreement	95,000	100,000	5,000	100,000
Listing costs	20,000	24,955	4,955	24,955
Operating expenses for 12 months (1)	20,000	89,780	69,780	89,780
Total use of funds	**245,000**	**320,455**	**75,455**	**320,455**
Unallocated working capital	75,455			
Total	**320,455**			

(1) The Company incurred additional operating expenses in the 12 months following the date of the prospectus as the Company raised additional funds during the year ended December 31, 2023, to facilitate additional expenditures.

Following the completion of the Go-Public Transaction there were 14,982,997 common shares issued and outstanding.

On July 14, 2022, the common shares were listed for trading on the CSE under symbol “SCTM”, which is expected to provide greater opportunities to raise capital from a larger group of prospective investors. The Company subsequently updated its stock symbol to “ERKA” upon changing its name to Eureka Lithium Corp. on June 1, 2023. The Company is also listed on the OTCQB venture market under the stock symbol “UREKF” and the Frankfurt Stock Exchange under the stock symbol “S580”.

Private Placements

In June 2023, the Company completed two tranches of a brokered private placement for gross proceeds of \$6,772,182, consisting of 1,037,693 Quebec super flow-through (“SFT”) units at a price of \$0.65 per unit, 3,637,333 flow-through (“FT”) units at a price of \$0.60 per unit and 7,830,564 non-flow-through (“Non-FT”) units at a price of \$0.50 per unit. Each SFT unit and FT unit is comprised of one common share in the capital of the Company that qualifies as a “flow-through share”, as defined in the Income Tax Act (Canada), and one-half of one flow-through common share purchase warrant that qualifies as a “flow-through share” as defined in the Income Tax Act (Canada) with each SFT warrant and FT warrant entitling the holder to purchase one common share in the capital of the Company at a price of \$0.85 per SFT or FT warrant share for a period of two years after the date of issuance. Each Non-FT unit consists of one common share and one-half of one common share purchase warrant with each common share purchase warrant entitling the holder to purchase one common share at a price of \$0.75 per Non-FT warrant share for a period of two years after the date of issuance.

On October 25, 2023, the Company closed brokered private placement of 2,152,000 units at a price of \$0.50 per unit for gross proceeds of \$1,076,000. Each unit is comprised of one common share and one-half of one share purchase warrant with each share purchase warrant entitling the holder to purchase one common share of the Company for \$0.65 for a period of two years.

On November 29, 2023, the company closed a brokered private placement of 3,335,000 FT units at a price of \$0.54 per unit for gross proceeds of \$1,800,900. Each FT unit is comprised of one FT share and one-half of one flow-through share purchase warrant with each share purchase warrant entitling the holder to purchase one common share of the Company for \$0.75 for a period of two years.

Exploration and evaluation assets

Nunavik Lithium Projects

On April 6, 2023, the Company entered into an agreement to acquire 100% of a large-scale land package prospective for spodumene-bearing lithium pegmatites in Northern Quebec’s under-explored Nunavik region which hosts two operating nickel mines. The Company has commenced an extensive exploration program that includes drill testing of high priority targets over the coming months given abundant outcrop including many mapped pegmatites over 1,408 sq. km of Eureka’s leading Nunavik land position.

The agreement includes the acquisition of large strategic claim blocks in three areas of Nunavik never previously recognized for the potential of hosting high-grade lithium mineralization. Nunavik comprises more than one-third of Quebec, underscoring the scale potential of this geologically rich part of the province.

The Nunavik Lithium Projects include:

- **Raglan West District** – 443 sq. km claim block beginning 33 km southwest of the community of Salluit which has year-round airport access and a seasonal port for barge landing;
- **Raglan South District** – 229 sq. km claim block which contains 12.3% of the 99.96 percentile lithium samples in lake sediments in the Quebec government data base (7 widely spaced samples out of the top 57 samples in the province’s entire data base) that contain >60 ppm Li), approximately 80 km southwest of the Raglan Nickel Mine;
- **New Leaf District** – 736 sq. km covering multiple claim blocks in areas of overlapping geochemical and geophysical anomalies in favorable geology, 120 km southwest of the community of Tasiujaq and approximately 350 km south of Raglan South.

The agreement also includes the acquisition of 333 sq. km in the North Shore region of Quebec, also considered prospective for spodumene-bearing lithium pegmatites. In total, including the Nunavik properties, the agreement comprises 3,819 active claims and 21 pending claims covering approximately 172,681 hectares.

The Company purchased the above-mentioned claims from Shawn Ryan and Syndicate in exchange for $1,200,000 in cash, 8,000,000 common shares of the Company with a fair value of $4,640,000 (the "Consideration Shares"), and the grant of a 1% net smelter return ("NSR") royalty. The Consideration Shares will be subject to an escrow arrangement whereby one-third of the Consideration Shares will be released from escrow every six months after the closing of the Agreement ("Closing"), with the first such release date to occur on the date that is six months from Closing. Closing occurred on May 31, 2023.

The Company also paid $8,465 to the Government of Quebec as a registration fee to transfer mining rights. This has been capitalized in the acquisition cost of the property as a necessary cost to acquire the rights to explore.

McKinney

The Company secured an option to earn-in to an undivided 75% interest in the McKinney property pursuant to a property option agreement (the "Option Agreement"), dated January 27, 2022.

The Option Agreement was amended in an extension letter dated January 26, 2023, to extend the date of the 12-month anniversary of the listing date to June 30, 2023, thus extending the deadline of the payment of $50,000 and the issuance of 250,000 common shares to June 30, 2023. As consideration for the foregoing amendments, the Optionee agreed to pay the Optionor $5,000 within 30 days of acceptance of the extension letter. During the year ended December 31, 2023, the cash payments and issuance of common shares were made prior to the deadlines to maintain the Company's ability to acquire a 75% interest in the McKinney property.

McKinney is located on the southeast slope of Mt. Baldy in southern British Columbia, approximately 25 kilometres northeast of the town of Osoyoos, British Columbia, and directly north of the past-producing Caribou-Amelia mine at the Camp McKinney camp (the "McKinney camp").

McKinney covers a geological setting that is considered prospective for polymetallic vein mineralization similar to known gold-bearing mesothermal veins first discovered at the McKinney camp. Historical and more recent exploration campaigns have yet to fully evaluate the potential of the known mineralization discovered to date.

McKinney is accessible by a series of all-weather gravel logging roads that bring access both to the west and east sides. The property is composed of five mineral claims totalling approximately 1,289 hectares.

Pursuant to the Option Agreement, Eureka can acquire 75% of McKinney from 1218802 B.C. Ltd. (the "Optionor"), by making cash payments, issuing common shares and incurring exploration expenditures as follows:

	Cash **$**	**Common shares** **#**	**Exploration expenditures** **$**
Within five days of the effective date of January 27, 2022 – *paid*	17,500	-	-
On June 28, 2022, the date of the listing date – *paid*	45,000	-	-
Within thirty days of acceptance of extension letter dated January 26, 2023 – *paid*	5,000	-	-
On or before the 12-month anniversary of the listing date – *paid, issued and incurred*	50,000	250,000	100,000
On or before the 24-month anniversary of the listing date	75,000	350,000	-
On or before the 36-month anniversary of the listing date	100,000	500,000	400,000
Total	**292,500**	**1,100,000**	**500,000**

The Optionor was granted the first right of refusal to conduct the required exploration work on behalf of Eureka, provided that the Optionor (a) is qualified to do such work, (b) is able to conduct the exploration work in the timeframe required by the Company, and (c) charges reasonable standard rates comparable to other professionals who have similar experience and qualifications and experience with properties similar to McKinney. Cash payments in lieu of a shortfall in exploration expenditures for a given period may be made by Eureka to the Optionor.

Upon satisfaction of the Option Agreement, the Optionor will retain a 2% NSR royalty interest on the property, of which the Company will have the right at any time to repurchase half the NSR (or 1%) for $1,000,000.

The McKinney exploration property is an early-stage exploration property and does not contain any mineral resource estimates as defined by National Instrument 43-101 *Standards of Disclosure for Mineral Projects* ("NI 43-101"). There has been insufficient exploration to define a mineral resource estimate at McKinney. It is uncertain if further exploration will result in targets at McKinney being delineated as a mineral resource. On November 15, 2022, the Company announced the completion of field work in the phase 1 program at the North McKinney exploration property.

Additional information about McKinney is also summarized in the Prospectus, and the Technical Report and can be viewed under Eureka's issuer profile on SEDAR+ at www.sedarplus.ca.

Details of the Company's acquisition costs related to its mineral property projects are as follows:

Acquisition costs	**McKinney**	**Nunavik**	**Total**
Balance, December 31, 2021	$ -	$ -	$ -
Cash payments	17,500	-	17,500
Go-Public Transaction milestone payment	45,000	-	45,000
Balance, December 31, 2022	62,500	-	62,500
Cash payments	55,000	1,208,465	1,263,465
Issuance of common shares	230,000	4,640,000	4,870,000
Balance, December 31, 2023	$ 347,500	$ 5,848,465	$ 6,195,965

Lac la Motte Project

In December 2023, the Company entered into a letter of intent ("LOI") with respect to an option to acquire a 100% undivided interest in and to the mineral claims comprising the Lac la Motte project in the mining area of Abitibi, Quebec, subject to a 1% NSR royalty in favor of the underlying owner. Under the LOI, the Company had an exclusive period of 30 days to conduct due diligence (the "Exclusivity Period") with a view to negotiating and entering into a definitive agreement. As at December 31, 2023, due diligence work was ongoing. Subsequent to December 31, 2023, the Company decided not to pursue a definitive agreement on the Lac La Motte project.

A breakdown of the exploration and evaluation expenditures incurred during the year ended December 31, 2023 and 2022 is as follows:

	For the three months ended December 31, 2023 $	For the three months ended December 31, 2022 $	For the year ended December 31, 2023 $	For the year ended December 31, 2022 $
Nunavik Lithium Projects				
Travel, meals and accommodation	323,533	-	803,397	-
Fuel transportation	(65,821)	-	446,953	-
Prospecting and mapping	-	-	272,645	-
Administration fees	54,449	-	125,089	-
Drilling	124,178		124,178	
Equipment transportation	48,841	-	71,362	-
Field equipment and supplies	8,153	-	64,579	-
Consulting fees	10,328	-	30,328	-
Planning and permitting	-	-	14,500	-
Other expenses	5,365	-	13,035	-
Sampling	12,920		12,920	
	521,946	-	1,978,986	-
McKinney Property				
Geological services	-	30,789	-	55,414
Administration fees	-	17,811	-	32,039
Geophysics and geochemistry	-	5,761	-	18,267
BC mining exploration tax credit	-	-	(22,476)	-
	-	54,361	(22,476)	105,720
Total	**521,946**	**54,361**	**1,956,510**	**105,720**

Selected Annual Information

Management is responsible for the consolidated financial statements referred to in this MD&A and provides officers' disclosure certifications filed with the Canadian provincial securities commissions. The Board of Directors of the Company approved the consolidated financial statements and this MD&A.

Our material accounting policy information is presented in Note 3 of the consolidated financial statements for the year ended December 31, 2023. We followed these accounting policies consistently throughout the year. Details of new accounting standards issued but not yet effective are also found in Note 3 of the consolidated financial statements. Preliminary internal discussions have begun in order to evaluate the consequences of the new pronouncements, but the full impact has yet to be assessed. Newly adopted accounting policies are presented in Note 3 of the consolidated financial statements.

Management has determined that the Company has a Canadian dollar functional currency because the Company raises its financing and incurs head office expenses primarily in Canadian dollars. The Company's presentation currency for the consolidated financial statements is also Canadian dollars.

The Company currently operates in only one segment – the acquisition of mineral exploration properties. The following table sets forth selected financial information with respect to the Company as at each of the noted periods ended, which information has been derived from and should be read in conjunction with the consolidated financial statements.

	For the year ended December 31, 2023 $	For the year ended December 31, 2022 $	For the period from Incorporation on October 26, 2021 to December 31, 2021 $
Total revenue	-	-	-
Net loss and comprehensive loss	(6,060,496)	(189,610)	(5,016)
Basic and diluted loss per share	(0.19)	(0.01)	(0.00)
Total assets	10,078,931	236,047	197,091
Total non-current financial liabilities	-	-	-

The Company is in its early stages of operations and does not generate any revenue yet.

The composition of net loss and comprehensive loss for the years ended December 31, 2023 and 2022 is detailed below in "*Discussion of Operations*".

Total assets as at December 31, 2023, increased to $10,078,931 from $236,047 as at December 31, 2022. The increase in total assets of $9,842,884 is primarily due to an increase in the amount capitalized to mineral property interests due to the acquisition of the Nunavik Lithium Projects and the cash paid and shares issued pursuant to the McKinney option agreement during the year ended December 31, 2023. The increase is also due to an increase in cash and cash equivalents of $2,425,880, which is primarily attributable to the $9,649,082 of proceeds from private placements and is partially offset by $6,440,950 incurred on operating activities and $1,263,465 incurred on investing activities.

Discussion of Operations

<u>For the three months ended December 31, 2023, compared to the three months ended December 31, 2022</u>

	For the three months ended December 31, 2023 ($)	For the three months ended December 31, 2022 ($)	Change ($)	Change (%)
Operating Expenses				
Marketing fees	1,165,313	-	1,165,313	100
Exploration and evaluation expenditures	521,946	54,361	467,585	860
Investor relations	97,995	-	97,995	100
Professional fees	94,473	33,284	61,189	184
Consulting fees	82,650	-	82,650	100
Share-based compensation	71,835	3,435	68,400	1,991
Management fees	20,112	-	20,112	100
Listing and filing fees	11,573	(14,208)	25,781	(181)
Administrative expenses	7,509	290	7,219	2,489
Transfer agent fees	3,255	-	3,255	100
Total operating expenses	(2,076,661)	(77,162)	(1,999,499)	2,591
Interest income	13,448	257	13,191	5,133
Foreign exchange loss	(14,706)	-	(14,706)	(100)
Flow-through share premium recovery	(34,320)	-	(34,320)	(100)
Net loss and comprehensive loss	(2,112,239)	(76,905)	(2,035,334)	2,647

For the three months ended December 31, 2023, net loss and comprehensive loss increased by $2,035,334 from the three months ended December 31, 2022, which is primarily due to the following reasons:

Marketing fees increased by $1,165,313, which is due to marketing contracts the Company entered into prior to the three months ended December 31, 2023, in an effort to promote awareness for the Company and its exploration activities being performed on the Nunavik Lithium Projects. There were no marketing fees incurred during the three months ended December 31, 2022.

Exploration and evaluation expenditures increased by $467,585, which is due to the Company continuing exploration activities on the Nunavik Lithium Projects during the three months ended December 31, 2023. The $54,361 of exploration and evaluation expenditures incurred during the three months ended December 31, 2022, relates entirely to expenses incurred on the McKinney property.

Investor relations increased by $97,995, which is due to ongoing investor relations contracts that the Company had entered into prior to the three months ended December 31, 2023, in an effort to heighten market awareness and broaden the Company's reach throughout the investment community, as well as the dissemination of press releases. There were no investor relations services performed during the three months ended December 31, 2022.

Professional fees increased by $61,189, which is primarily due to legal fees, accounting fees, audit fees, and corporate tax services incurred during the three months ended December 31, 2023, as the Company's operations increased as a result of financing activities and the due diligence work being carried out on the Lac La Motte project. Professional fees of $33,284 incurred during the three months ended December 31, 2022, relate to accounting fees, audit fees, and legal fees.

Consulting fees increased by $82,650, which is due to the Company engaging the services of consultants to assist in ramping up the Company's operations and providing expertise in areas including financial and market knowledge, management consulting, corporate development, and corporate secretary services. There were no consulting fees incurred during the three months ended December 31, 2022.

Share-based compensation increased by $68,400 during the three months ended December 31, 2023, when compared to the three months ended December 31, 2022. The increase in share-based compensation is due to the vesting of stock options granted on June 21, 2023. Of these stock options, 375,000 vested immediately, with one third of the remaining 375,000 stock options vesting every six months thereafter. Each stock option entitles the holder to purchase one common share of the Company at a price of $0.78 per share for a period of five years. The Company recognized share-based compensation of $71,835 during the three months ended December 31, 2023, for these stock options. During the three months ended December 31, 2022, the Company recognized share-based compensation of $3,435 in relation to the partial vesting of 80,000 stock options granted to the former Chief Financial Officer ("CFO") of the Company on August 24, 2022.

Flow-through share premium recovery decreased by $34,320. This relates to $521,946 of exploration expenditures incurred by the Company during the three months ended December 31, 2023, following the issuance of flow-through shares in June and November 2023, offset by a Quebec Mining tax credit of $374,784. This is a negative balance due to the Company recognizing a surplus of income relating to the flow-through share premium recovery during the year before the tax credit was accounted for at year end. There was no flow-through share premium recovery incurred during the three months ended December 31, 2022.

For the year ended December 31, 2023 compared to the year ended December 31, 2022

	For the year ended December 31, 2023 ($)	For the year ended December 31, 2022 ($)	Change ($)	Change (%)
Operating Expenses				
Marketing fees	2,523,992	-	2,523,992	100
Exploration and evaluation expenditures	1,956,510	105,720	1,850,790	1,751
Share-based compensation	707,146	8,241	698,905	8,481
Professional fees	361,253	36,959	324,294	877
Investor relations	322,056	-	322,056	100
Consulting fees	266,569	-	266,569	100
Management fees	65,912	2,500	63,412	2,536
Listing and filing fees	35,368	31,745	3,623	11
Administrative expenses	26,554	702	25,852	3,683
Transfer agent fees	19,819	-	19,819	100
Amalgamation expense	-	4,000	(4,000)	(100)
Total operating expenses (1)	(6,285,179)	(189,867)	(6,095,312)	3,210
Flow-through share premium recovery	230,571	-	230,571	100
Interest income	20,693	257	20,436	7,952
Foreign exchange loss	(26,581)	-	(26,581)	(100)
Net loss and comprehensive loss	(6,060,496)	(189,610)	(5,870,886)	3,096

(1) Certain prior year amounts have been reclassified for consistency with the current period presentation. These reclassifications had no effect on the reported results of operations or cash flow.

For the year ended December 31, 2023, net loss and comprehensive loss increased by $5,870,886 from the year ended December 31, 2022, which is primarily due to the following reasons:

Marketing fees increased by $2,523,992, which is due to marketing contracts the Company entered into during the year ended December 31, 2023, in an effort to promote awareness for the Company and its exploration activities being performed on the Nunavik Lithium Projects. There were no marketing fees incurred during the year ended December 31, 2022.

Exploration and evaluation expenditures increased by $1,850,790, which is due to the Company performing exploration activities on the Nunavik Lithium Projects during the year ended December 31, 2023. The exploration and evaluation expenditures incurred during the year ended December 31, 2023, primarily relate to the Nunavik Lithium Projects. The exploration and evaluation expenditure incurred during the year ended December 31, 2023, is partially offset by a refund received for a BC mining exploration tax credit of $22,476 in relation to exploration activities performed on the McKinney property during the year ended December 31, 2022. The $105,720 of exploration and evaluation expenditures incurred during the year ended December 31, 2022, relates entirely to expenses incurred on the McKinney property.

Share-based compensation increased by $698,905 during the year ended December 31, 2023, when compared to the year ended December 31, 2022. This increase in share-based compensation is partially attributable to the Company granting during the year ended December 31, 2023, an aggregate of 750,000 stock options to consultants of the Company and a Company controlled by the President and Chief Executive Officer ("CEO"). Of these stock options, 375,000 vested immediately, with one third of the remaining 375,000 stock options vesting every six months thereafter. Each Option entitles the holder to purchase one common share of the Company at a price of $0.78 per share for a period of five years. The Company recognized share-based compensation of $404,222 during the year ended December 31, 2023, in relation to these stock options.

The increase in share-based compensation is also attributable to the Company granting 50,000 stock options to a consultant of the Company during the year ended December 31, 2023. All of these stock options vested immediately. Each stock option entitles the holder to purchase one common share of the Company at a price of $1.01 per share for a period of five years. The Company recognized share-based compensation of $40,744 during the year ended December 31, 2023, for these stock options. The Company also granted during the year ended December 31, 2023, an aggregate of 320,000 Restricted Share Rights ("RSRs") to a consultant of the Company and a Company controlled by the President and CEO, which vested immediately. The Company recognized share-based compensation of $262,400 in relation to these RSRs.

During the year ended December 31, 2023, share-based compensation of $378 was recognized in relation to the vesting of stock options granted to an officer of the Company on August 24, 2022. Pursuant to the resignation of that officer on February 23, 2023, 20,000 stock options were forfeited. During the year ended December 31, 2023, there was a reversal of share-based compensation of $598 in relation to the forfeiture of 20,000 stock options on February 23, 2023.

During the year ended December 31, 2022, the Company recognized share-based compensation of $8,241 in relation to the Company granting an aggregate of 155,000 stock options to two current directors, one former director and the former CFO of the Company during the year ended December 31, 2022.

Professional fees increased by $324,294, which is primarily due to legal fees, accounting fees and corporate tax services incurred during the year ended December 31, 2023, as the Company's operations increased as a result of financing activities and the acquisition of the Nunavik Lithium Projects during the period. During the year ended December 31, 2022, the Company incurred $36,959 of professional fees in relation to accounting and legal fees.

Investor relations increased by $322,056, which is due to investor relations contracts the Company entered into during the year ended December 31, 2023, in an effort to heighten market awareness and broaden the Company's reach throughout the investment community, as well as the dissemination of press releases. There were no investor relations services performed during the year ended December 31, 2022.

Consulting fees increased by $266,569, which is due to the Company engaging the services of consultants to assist in ramping up the Company's operations and providing expertise in areas including financial and market knowledge, management consulting, corporate development and corporate secretary services. There were no consulting fees incurred during the year ended December 31, 2022.

Flow-through share premium recovery increased by $230,571, which relates to $1,604,202 of eligible exploration expenditures incurred by the Company during the year ended December 31, 2023, following the issuance of flow-through shares during the period. There was no flow-through share premium recovery during the year ended December 31, 2022.

Summary of Quarterly Results

For the three months ended,	December 31, 2023 ($)	September 30, 2023 ($)	June 30, 2023 ($)	March 31, 2023 ($)
Total revenue	-	-	-	-
Net loss and comprehensive loss	(2,112,239)	(2,601,217)	(1,240,998)	(106,042)
Basic and diluted loss per share	(0.04)	(0.06)	(0.06)	(0.01)

For the three months ended,	December 31, 2022 ($)	September 30, 2022 ($)	June 30, 2022 ($)	March 31, 2022 ($)
Total revenue	-	-	-	-
Net loss and comprehensive loss	(76,905)	(58,056)	(37,954)	(16,695)
Basic and diluted loss per share	(0.01)	(0.00)	(0.00)	(0.00)

The Company’s net loss and comprehensive loss decreased by $488,978 during the three months ended December 31, 2023, as compared to the previous quarter. This decrease is primarily due to a $594,518 decrease in exploration and evaluation expenditures during the three months ended December 31, 2023, when compared to the three months ended September 30, 2023, due to seasonal fluctuations. This decrease in net loss and comprehensive loss is also due to a decrease in marketing fees and share-based compensation during the current quarter. This decrease in net loss and comprehensive loss is partially offset by a decrease in flow-through share premium recovery of $241,380 during the current quarter.

The Company’s net loss and comprehensive loss increased by $1,360,219 during the three months ended September 30, 2023, as compared to the previous quarter. The increase is primarily due to a $1,065,231 increase in marketing fees to promote awareness for the Company, as well as a $798,364 increase in exploration and evaluation expenditures in relation to the Nunavik Lithium Projects. This increase in net loss was partially offset by decrease in share-based compensation of $401,319 during the current period and an increase in flow-through premium recovery of $149,229.

The Company’s net loss and comprehensive loss increased by $1,134,956 during the three months ended June 30, 2023, as compared to the previous quarter. The increase is primarily due to a $518,645 increase in share-based compensation in relation to stock options and RSRs granted during the quarter, a $318,100 increase in exploration and evaluation expenditures in relation to the Nunavik Lithium Projects, a $146,724 increase in marketing fees to promote awareness for the Company, a $72,424 increase in investor relations fees to heighted market awareness, and a $63,085 increase in consulting fees to assist the Company in ramping up operations. This increase in net loss and comprehensive loss was partially offset by an increase in flow-through share premium recovery of $57,831.

The Company’s net loss and comprehensive loss increased by $29,137 during the three months ended March 31, 2023, as compared to the previous quarter. The increase is primarily due to a $42,694 increase in professional fees which mainly relates to legal fees incurred along with a $16,533 increase in listing and filing fees which is mainly due to the reclassification of legal fees from listing and filing fees to professional fees during the previous quarter, a $9,581 increase in consulting fees, a $8,732 increase in investor relations, and a $6,800 increase in management fees relating to salaries for the President and CEO and recently appointed CFO. The increase in net loss and comprehensive loss was partially offset by a $54,361 decrease in exploration and evaluation expenditures during the three months ended March 31, 2023.

The Company’s net loss and comprehensive loss increased by $18,849 during the three months ended December 31, 2022, as compared to the previous quarter. The increase is primarily due to a $33,284 increase in professional fees relating to the reclassification of legal fees which were previously classified to listing and filing fees along with audit fees incurred in relation to the December 31, 2022 year end audit which is partially offset by a $18,494 decrease in listing and filing fees due to the reclassification of legal fees from listing and filing fees to professional fees.

The Company’s net loss and comprehensive loss increased by $20,102 during the three months ended September 30, 2022, as compared to the previous quarter. The increase is primarily due to a $51,359 increase in exploration and evaluation expenditures as the Company commenced its exploration program on the McKinney property. This increase in net loss and comprehensive loss is partially offset by a $32,381 decrease in listing and filing fees as the Company listed on the CSE on July 4, 2022, which was at the beginning of the quarter ended September 30, 2022.

The Company’s net loss and comprehensive loss increased by $21,259 during the three months ended June 30, 2022, as compared to the previous quarter. The increase is primarily due to a $31,667 increase in listing and filing fees as the Company was focused on obtaining its listing on the CSE during the quarter. The increase in net loss and comprehensive loss is partially offset by a $4,000 decrease in amalgamation expense which was incurred during the previous quarter along with a $3,825 decrease in professional fees and a $2,640 decrease in share-based compensation as there were no stock options issued during the quarter.

The Company's net loss and comprehensive loss increased by $11,679 during the three months ended March 31, 2022, as compared to the period from incorporation on October 26, 2021 to December 31, 2021. The increase is primarily due to a $5,000 increase in listing and filing fees as the Company commenced its application process for its CSE listing, a $4,000 increase in amalgamation fees in relation to the issuance of 200,000 common shares during its amalgamation, and a $2,640 increase in share-based compensation as the Company issued 50,000 stock options during the quarter to certain directors of the Company.

Liquidity and Capital Resources

During the year ended December 31, 2023, net cash used in operating activities was $6,440,950, which primarily consists of net loss for the year ended December 31, 2023, of $6,060,496, an increase in prepaid expenses of $905,513, an increase in other receivables of $378,026 and a flow-through share premium recovery of $230,571. This is partially offset by share-based compensation of $707,146 and an increase in accounts payable and accrued liabilities relating to operating activities of $426,510. During the year ended December 31, 2022, net cash used in operating activities was $114,150, which consisted of net loss for the period of $189,610 partially offset by an increase in accounts payable and accrued liabilities of $63,219, share-based compensation of $8,241 and amalgamation expense of $4,000.

During the year ended December 31, 2023, net cash used in investing activities was $1,263,465, which consisted of $1,200,000 incurred for the acquisition of the Nunavik Lithium Projects, $8,465 for the acquisition of mining rights for the Nunavik Lithium Projects, and $55,000 of option payments for the McKinney property. The net cash used in investing activities for the year ended December 31, 2022, was $62,500, which relates to option payments for the McKinney property.

During the year ended December 31, 2023, net cash provided by financing activities was $10,130,295, which relates to $9,649,082 of proceeds from private placements, $1,062,808 of proceeds from the exercise of warrants and $8,500 of proceeds from the exercise of stock options. This cash provided by financing activities was partially offset by cash-based share issuance costs of $590,095. Net cash provided by financing activities during the year ended December 31, 2022, was $153,106, which relates to $156,301 provided by the issuance of special warrants, offset by share issuance costs of $3,195.

As at December 31, 2023, the Company had an accumulated deficit of $6,255,122 (December 31, 2022 - $194,626), working capital of $2,934,792 (December 31, 2022 - $105,321) and cash and cash equivalents of $2,599,427 (December 31, 2022 - $173,547). The Company does not have any commitments for capital expenditures.

The Company has no source of revenue, income, or cash flow. It has been, through to the date of this MD&A, dependent upon equity financings through private placements and the exercise of warrants and stock options to finance its business. The completion of the Go-Public Transaction and the recent closing of the private placement financings provide the Company with sufficient cash to satisfy working capital requirements and undertake planned exploration activities on the Nunavik Lithium Projects and McKinney property.

Going Concern

The consolidated financial statements have been prepared on a going concern basis that contemplates the realization of assets and discharge of liabilities at their carrying values in the normal course of business for the foreseeable future. These consolidated financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

At December 31, 2023, the Company had an accumulated deficit of $6,255,122 (December 31, 2022 - $194,626) and working capital of $2,934,792 (December 31, 2022 - $105,321). The Company has not generated any revenues or cash flows from operations since inception and does not expect to do so for the foreseeable future.

The Company's continuation as a going concern depends on its ability to successfully raise capital. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms acceptable to the Company; therefore giving rise to a material uncertainty which may cast significant doubt as to whether the Company's cash resources and working capital will be sufficient to enable the Company to continue as a going concern for the 12-month period after the date of these consolidated financial statements. Consequently, management is pursuing various financing alternatives to fund operations and advance its business plan. To facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The Company may determine to reduce the level of activity and expenditures to preserve working capital and alleviate any going concern risk.

The assumption that the Company will be able to continue as a going concern is subject to critical judgments by management with respect to assumptions surrounding the short and long-term operating budget, expected profitability, investing and financing activities and management's strategic planning. Should those judgments prove to be inaccurate, management's continued use of the going concern assumption could be inappropriate.

Off Balance Sheet Arrangements

The Company entered into an Option Agreement on January 27, 2022, providing the Company the ability to acquire a 75% interest in the McKinney property pursuant. Refer to "*McKinney"* section in this MD&A for further details.

Transactions with Related Parties

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and Board of Director members.

All related party transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. All amounts either due from or due to related parties other than specifically disclosed are non-interest bearing, unsecured and have no fixed terms of repayments.

Related party transactions with management personnel and former management personnel and companies controlled by management personnel include the following:

	For the year ended December 31, 2023 $	For the year ended December 31, 2022 $
Management fees		
Company controlled by CEO	50,000	-
CFO	15,912	-
Former CFO	-	2,500
Share-based compensation		
Company controlled by CEO	354,815	-
Former CFO (1)	(220)	4,018
Total	420,507	6,518

(1) Share-based compensation issued to the former CFO consists of $378 and a reversal of share-based compensation of $598 in relation to 20,000 stock options forfeited during the year ended December 31, 2023.

Related party transactions with directors and former directors include the following:

	For the year ended December 31, 2023 $	For the year ended December 31, 2022 $
Consulting fees (1)	30,581	-
Share-based compensation (2)	-	4,223
Total	30,581	4,223

(1) Consulting fees were paid to a director of the Company.

(2) Share-based compensation was issued to a director and a former director of the Company.

Other related party transactions and balances owing to related parties during the years ended December 31, 2023, and 2022 include the following:

On December 4, 2023, 200,000 RSRs held by a company controlled by an officer of the Company were converted into 200,000 common shares of the Company.

On June 28, 2022, directors and officers of the Company purchased an aggregate of 60,000 special warrants of the Company for gross proceeds of $3,000, which were converted to 60,000 common shares and 60,000 warrants during the year ended December 31, 2022.

As at December 31, 2023, $3,150 (December 31, 2022 - $Nil) was due to a director of the Company and included in accounts payable and accrued liabilities.

Proposed Transactions

As is typical of the mineral exploration and development industry, we continually review potential merger, acquisition, investment, and joint venture transactions, and opportunities that could enhance shareholder value. There is no guarantee that any contemplated transaction will be concluded.

While we remain focused on the Nunavik Lithium Projects and satisfying the earn-in on McKinney, should we enter into agreements in the future on new properties, we may be required to make cash payments and complete work expenditure commitments under those agreements which would change our planned expenditures.

Critical Accounting Estimates

The preparation of consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and expenses at the date of the consolidated financial statements and the reported amounts of expenses during the reporting period. The Company bases its estimates and assumptions on current facts, limited historical experience and various other factors that it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the other sources. The actual results experienced by the Company may differ materially and adversely from the Company's estimates. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Share-based compensation

The Company uses the Black-Scholes Option Pricing Model for valuation of share-based compensation. The valuation technique requires the input of subjective assumption including expected price volatility, interest rate, forfeiture rate, dividend yield and expected life. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and reserves.

Going concern

The assumption that the Company will be able to continue as a going concern is subject to critical judgments by management with respect to assumptions surrounding the short and long-term operating budget, expected profitability, investing and financing activities and management's strategic planning. Should those judgments prove to be inaccurate, management's continued use of the going concern assumption could be inappropriate.

Impairment of mineral property interest

Critical judgment is involved in determining whether there are any indications of impairment for the mineral property interest and may require significant measurement uncertainty.

Changes in Accounting Policies and New Accounting Pronouncements

For information on the Company's accounting policies and a summary of new accounting pronouncements, please refer to our disclosures in Note 3 of the consolidated financial statements.

Accounting standards issued but not yet effective

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company has not early adopted any new standards and determined that there are no standards that are relevant to the Company.

Financial Instruments and Other Instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

Financial assets and liabilities are offset, and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

The Company classifies its financial instruments in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

At initial recognition, the Company has classified its financial instruments in the following categories depending on the purpose for which the instruments were acquired:

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statement of loss in the period in which they arise.

Financial assets and liabilities at FVOCI

Financial assets carried at FVOCI are initially recorded at fair value. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains and losses, interest revenue, and foreign exchange gains and losses which are recognized in the statement of loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains (losses). Interest income from these financial assets is included as finance income using the effective interest rate method.

At each reporting date, management assesses whether there is objective evidence that a financial asset is impaired. If such evidence exists, the Company recognizes an impairment loss.

The Company classifies its financial instruments as follows:

Financial assets/liabilities	
Cash and cash equivalents	Amortized cost
Accounts payable and accrued liabilities	Amortized cost

Risks Associated with Financial Instruments

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Company's financial instruments consist of cash and accounts payable and accrued liabilities. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from its financial instruments. The fair values of these financial instruments approximate their carrying values unless otherwise noted.

The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

The financial instrument which potentially subjects the Company to concentration of credit risk is cash and cash equivalents. As at December 31, 2023, the balance of cash and cash equivalents was $2,599,427, comprised of $1,599,427 held on deposit and $1,000,000 held in a guaranteed investment certificate ("GIC"). The Company has not experienced any losses in such amounts and believes it is not exposed to any significant risks on its cash and cash equivalents.

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. The Company manages its capital in order to meet short term business requirements, after taking into account cash flows from operations, expected capital expenditures and the Company's holdings of cash and cash equivalents. In the long term, the Company may have to issue additional shares to ensure there is sufficient capital to meet long term objectives.

The Company's financial liabilities of accounts payable and accrued liabilities are payable without repayment terms and are to be funded from cash provided by private placement financings.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

a) Interest rate risk

Interest rate risk is the risk that future cash flows will fluctuate because of changes in market interest rates. The Company does not hold any variable rate debt or investments in publicly traded securities as at December 31, 2023. The interest earned on cash and cash equivalents is insignificant and the Company does not rely on interest to fund its operations. As a result, the Company is not exposed to significant interest rate risk.

b) Foreign currency risk

Foreign currency risk is the risk that changes in foreign exchange rates may have an effect on future cash flows associated with financial instruments. As at December 31, 2023, the Company is not exposed to significant foreign currency risk.

c) 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. The Company closely monitors those prices to determine the appropriate course of action.

Equity Issuances and Outstanding Share Data

As of December 31, 2023, the Company has one class of outstanding common shares, without par value.

As at December 31, 2023, there were 51,754,586 common shares, 10,009,884 warrants, 825,000 stock options, and 120,000 RSRs issued and outstanding. As at December 31, 2023, 5,514,982 common shares were held in escrow.

At the date of this MD&A, there were 51,754,586 common shares, 10,009,884 warrants, 800,000 stock options, and 120,000 RSRs issued and outstanding. As at the date of this MD&A, 5,469,569 common shares were held in escrow.

Contractual Obligations

Completion of the McKinney Option includes making certain cash and share payments over time. Although these payments are optional, and at the election of the Company, they are required in order to keep the Option Agreement in good standing.

The Company may also enter into normal course agreements with various service providers and vendors relating to the Company's business. Certain of these agreements may also provide for ongoing services which extend beyond a particular financial statement reporting period. As of the date of this MD&A, the Company has one such agreement, pertaining to the planned and budgeted exploration program at McKinney.

Industry and Economic Factors that May Affect our Business

Economic and industry risk factors that may affect our business, in particular those that could affect our liquidity and capital resources, are outlined under the heading "*Risk Factors*" in the Prospectus dated June 20, 2022, filed on SEDAR+. In particular, there are ongoing significant uncertainties in capital markets impacting the availability of equity financing for the purposes of mineral exploration and development. There are also significant uncertainties relating to the global economy, risks and uncertainty relating to the impact of coronavirus; increased volatility in the prices of gold, copper, other precious and base metals and other minerals, which impact our business, our ability to satisfy the various conditions precedent to satisfying and completing the Option Agreement, and potentially our ability to remain a going concern. Difficulty in accessing capital on favourable terms may also limit the Company's ability to acquire and subsequently explore other mineral property interests.

Tax Treatment of Flow-Through Shares

The Company issued flow-through shares on June 6, June 23, and November 29, 2023, pursuant to flow-through subscription agreements with subscribers. While the Company intends to incur expenditures as contemplated by those flow-through subscription agreements, there is a risk that expenditures incurred by the Company may not qualify as "Canadian exploration expenditures" ("CEE") or "Canadian development expense" ("CDE"), as such terms are defined in the *Income Tax Act* (Canada) ("Tax Act"), or that any such resource expenses incurred will be reduced by other events including failure to comply with the provisions of the flow-through subscription agreements or of applicable income tax legislation. If the Company does not renounce to such subscribers CEE or CDE within the prescribed time period, or if there is a reduction in such amount renounced pursuant to the provisions of the Tax Act, the Company may need to indemnify such subscribers, on the terms included in the flow-through subscription agreements, for an amount equal to the amount of any tax payable or that may become payable under the Tax Act.

Events after the Reporting Period

On January 12, 2024, the Company entered into an amending agreement to update the Exclusivity Period for the Lac La Motte project to end on February 15, 2024. Subsequent to December 31 ,2023, the Company decided to not pursue a definitive agreement for the Lac La Motte project.

Scientific and Technical Disclosure

The scientific and technical information contained in this MD&A related to the North McKinney exploration property only has been reviewed and approved by Ken MacDonald P.Geo, author of the Technical Report. Mr. MacDonald is a "qualified person" within the meaning of NI 43-101. The scientific and technical information contained in this MD&A related to the Nunavik Lithium Projects only has been reviewed and approved by Afzaal Pirzada P. Geo., who is a "qualified person" within the meaning of NI 43-101.