

SPOD LITHIUM CORP.

MANAGEMENT DISCUSSION & ANALYSIS

For the three and nine-month periods ended April 30, 2024 and 2023

This Management Discussion and Analysis (“MD&A”) of Spod Lithium Corp. (formerly EEE Exploration Corp. (“Spod” or the “Company”)) has been prepared by management as at June 28, 2024 and should be read together with the interim condensed financial statement for the three and nine-month periods ended April 30, 2024 and 2023 and the annual audited financial statements for the period ended July 31, 2023 and related notes for the year ended July 31, 2023 which are prepared in accordance with International Financial Reporting Standards (“IFRS”). Additional information regarding the Company can be found on SEDAR+ at www.sedarplus.com. The following amounts are expressed in Canadian dollars unless otherwise stated.

This MD&A may contain “forward-looking statements” which reflect the Company’s current expectations regarding the future results of operations, performance, and achievements of the Company. The Company has tried, wherever possible, to identify these forward-looking statements by, among other things, using words such as “anticipate,” “believe,” “estimate,” “expect” and similar expressions. The statements reflect the current beliefs of the management of the Company and are based on currently available information. Accordingly, these statements are subject to known and unknown risks, uncertainties and other factors, which could cause the actual results, performance, or achievements of the Company to differ materially from those expressed in, or implied by, these statements.

The Company undertakes no obligation to publicly update or review the forward-looking statements whether as a result of new information, future events or otherwise. Historical results of operations and trends that may be inferred from the following discussions and analysis may not necessarily indicate future results from operations.

Company Overview

Spod Lithium Corp. (the “Company”) was incorporated as a wholly owned subsidiary of reporting issuer Pharmalogix Investments Corp. (Formerly UWO Consulting Ltd.) (“UWO”) on November 11, 2014 under the laws of British Columbia, Canada. On April 15, 2021, the Company changed its name to EEE Exploration Corp. and on September 21, 2022, the Company name was changed to Spod Lithium Corp. On September 21, 2021, the Company commenced trading on the Canadian Securities Exchange (“CSE” or “Exchange”) and is currently trading under the symbol “SPOD”. The Company is engaged in the business of mineral exploration focusing on the acquisition and development of mineral properties containing battery, base and precious metals. Pursuant to a plan of arrangement between the Company and UWO, the Company’s shares were distributed to the shareholders of UWO during the year ended July 31, 2018.

The Company’s exploration and evaluation assets are located in Canada in the provinces of Quebec and Ontario.

The Company’s most recent activities include the following:

In August 2023, the option agreement for the Megali property was amended to extend the requirement to incur \$350,000 to September 18, 2023. The Company fulfilled this commitment. The Company also paid \$50,000 and issued 700,000 Class A common shares pursuant to the Megali option agreement.

In August of 2023, the Company announced due to improving conditions surrounding the Company’s properties in the James Bay region of Quebec, the company’s long awaited 2023 exploration program scheduled on the Company’s Megali and Lithium Grande 4 properties commenced.

In October 2023, the Company provided the following exploration update on its MegaLi project.

- Several pegmatite outcrops have been identified and sampled. Observations show the potential to identify large pegmatites on Block C. Pegmatites are concentrated in 500 metres wide swarms recognized over a kilometric strike length.

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- Mineralogical and textural characteristics observed allow to link Block C pegmatites to the LCT type (Lithium-Cesium-Tantalum).
- The MegaLi project shares its border with Patriot Battery Metals Inc's Corvette property and is located about 3 km south from CV5 pegmatite system. The CV5 pegmatite contains 109.2 Mt of inferred resources at 1.74% LiO₂ contains in spodumene.
- 111 prioritised rock-chip samples are on their way to ALS Laboratories for alkaline fusion assaying.
- Fieldwork remains ongoing with only 18 of the forecasted 25 ground campaign days completed to date.

In October 2023, the Company announced the closing of a non-brokered private placement for gross proceeds of \$303,170 through the issuance of 4,330,999 units at a price of \$0.07 per unit, each unit consisting of one Class A common share and one-half of one transferable Class A common share purchase warrant. Each whole warrant is exercisable for an additional common share at \$0.12 for 24 months from the date of issuance.

In October 2023, the Company and GIA amended the option agreement for the Golden Moon Property to extend to extend each annual requirement by one year.

In December 2023, the Company advised shareholders that the first phase of its exploration program on its MegaLi (78 mineral claims covering a total area of 3,996.67 hectares - 40 square kilometres) and Lithium Grande 4 (41 mining claims covering 2,100 hectares - 21 square kilometres) projects located in James Bay, Quebec was completed.

In December 2023, the Company announced the closing of a non-brokered private placement for gross proceeds of \$1,443,750 through the issuance of 10,694,444 units at a price of \$0.135 per unit, each unit consisting of one Class A common share and one-half of one transferable Class A common share purchase warrant. Each whole warrant is exercisable for a non-flow-through common share at \$0.12 for 24 months from the date of issuance.

In February 2024, the Company provided results from lithium grab samples and geometric survey from its prospecting program at MegaLi and La Grande 4 properties in James Bay, Quebec. The gravimetry survey executed last fall gave a clear signature for the block C pegmatites and the indication of a stacking of similar signatures away from the exposed pegmatite. This survey combined with the lithium values found in the rock sample assays have generated several prospective drill targets for the 2024 winter exploration program. Highlighted results were as follows:

- Drilling targets are identified through surface sampling and gravimetric survey on Spod's Block C Pegmatite as part of the 2024 winter program.
- Initial prospecting on MegaLi and La Grande 4 claim blocks A, D, E, F all returned Li anomalies. Highest result from La Grande 4 block A is 540 ppm Li.
- Grab samples from the lithium-bearing pegmatites on Spod's discovery Block C, located 5 km east south-east from the Patriot Battery Metals CV5 spodumene resources, assayed up to 440ppm Li, and rubidium enrichment reaching 2,920 ppm.

In March 2024, the Company announced that it entered into an option agreement with Gravel Ridge Resources Ltd. and 1544230 Ontario Inc. under which SPOD has the option to acquire a 100% interest in 80 unpatented mining claims known as the Barbara Li Project located in the Province of Ontario.

In March 2024, the Company announced the appointment of Ms. Veronique Laberge as the new Chief Financial Officer of the Company following the resignation of Hani Zabaneh.

In March 2024, the Company announced that it has been selected to receive a \$200,000 Ontario Junior Exploration Program ("OJEP") grant from the Government of Ontario to support its exploration efforts on its North Nipigon -Niemi Project in the Georgia Lake Pegmatite field.

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In April 2024, the Company announced the appointment of Mr. Mathieu Couillard as the new Chief Executive Officer of the Company and Director following the resignation of Chris Cooper as Chief Executive Officer and Director.

In May 2024, the Company provided updates on the Company's strategic plan for 2024 following the recent management change:

- The Company is focusing on its MegaLi and Lithium Grande 4 options, recognizing the immense potential these assets hold.
- The upcoming work will involve a comprehensive mapping and sampling program, focusing on prime zones in preparation for a stripping program later in 2024.

In May 2024, the Company amended its mineral option agreement with Visible Gold Mines Inc. on the MegaLi Property dated August 3, 2022, and subsequently amended in August 2023. The amended option agreement extends the date on which the Company was to spend at least \$500,000 in exploration expenditures on the MegaLi Property from August 3, 2024 to December 31, 2024. The company will also amend the second-year (2024) issuance and third-year (2025) Class A common shares issuance to Visible Gold Mines Inc. for 1,175,000 and 1,375,000 Class A common shares, respectively. The Company has fulfilled its second-year payment of \$100,000 and has issued on the same date the second-year issuance of 1,175,000 Class A common shares at a price of \$0.06. Moreover, per the amendments, the Company will issue on or before December 31, 2025, 1,375,000 Class A common shares, pay Visible Gold Mines Inc. an additional \$150,000 and incur at least an additional \$1,000,000 in exploration expenditures.

In May 2024, the Company amended its mineral option agreement with Noranda Royalties Inc. on the Lithium Grande 4 property dated July 4, 2022, and subsequently amended in July 2023. The amended option agreement extends the date on which the Company was to spend at least \$500,000 in exploration expenditures on the Lithium Grande 4 property from July 4, 2024 to December 31, 2024. The company will also amend the second-year (2024) issuance and third-year (2025) Class A common shares issuance to Noranda Royalties Inc. for 1,175,000 and 1,375,000 Class A common shares, respectively. The Company has fulfilled its second-year payment of \$100,000 and has issued on the same date the second-year issuance of 1,175,000 Class A common shares at a price of \$0.06. Moreover, per the amendments, the Company will issue on or before December 31, 2025, 1,375,000 Class A common shares, pay Noranda Royalties Inc. an additional \$150,000 and incur at least an additional \$1,000,000 in exploration expenditures.

In May 2024, the Company appointed Mr. Martin Dallaire as a new Director of the Company.

In June 2024, the Company granted 300,000 options to a consultant, exercisable at a price of \$0.05 per option for a period of 5 years from the date of the grant.

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Selected Annual Information

The following table provides a summary of the Company's financial operations in the past three years. For more detailed information, refer to the Financial Statements.

	Year Ended July 31, 2023	Year Ended July 31, 2022	Year Ended July 31, 2021
Total revenue	\$ Nil	\$ Nil	\$ Nil
General and administrative expenses	1,364,097	301,969	317,899
Loss and comprehensive loss for the year	1,252,919	302,594	282,097
Loss per share – basic and diluted	0.03	0.02	0.02
Total assets	3,138,483	710,582	639,335
Total liabilities	191,543	143,299	94,958

Summary of Quarterly Results

	April 30, 2024	January 31, 2024	October 31, 2023	July 31, 2023
Net Income (loss) for the Period	\$ 711,435	\$ (112,549)	\$ 1,096	\$ (841,981)
Loss per Share	0.01	0.00	0.00	0.02

	April 30, 2023	January 31, 2023	October 31, 2022	July 31, 2022
Net Loss for the Period	\$ (158,981)	\$ (136,642)	\$ 115,315	\$ 141,043
Loss per Share	0.01	0.00	0.00	0.01

Results of Operations

Nine months Ended April 30, 2024

The Company had no revenue from operations for the nine months ended April 30, 2024, and 2023.

During the nine months ended April 30, 2024, the Company incurred a net and comprehensive income of \$599,982 (2023 – loss of \$410,938) consisting of administrative expenses of (\$458,267) (2023 - \$443,028), other income of \$163,014 (2023 - \$32,090) and tax expense of \$21,299 (2023 - \$nil).

Administrative expenses of (\$458,267) (2023 - \$443,028) consisted of general and administrative expenses of \$35,999 (2023 - \$97,479), consulting fees of (\$40,450) (2023 - \$92,815), transfer agent and filing fees expenses of \$41,033 (2023 - \$62,281), management fees of \$119,500 (2023 – \$120,881), marketing fees of (\$661,500) (2023 - \$nil) and legal and accounting expenses of \$47,151 (2023 - \$69,572).

The consulting and marketing expenses were negative as, during the period of nine months ended April 30, 2024, the Company received reimbursements from two consultants due to services that had not been properly rendered, being \$112,400 of reimbursement for consulting fees and \$661,500 of reimbursement for marketing fees. These fees were initially incurred during the last Quarter ended July 31, 2023.

Other income was for the reversal of flow-through share liability of \$163,014 (2023 - \$32,090).

The current tax expense consisted of the Part XII.6 tax paid related to the 2023 exploration expenditures.

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Exploration and Evaluation Assets

At April 30, 2024, the Company incurred total costs of \$3,633,727 (July 31, 2023 - \$2,595,702).

For the period of nine months ended April 30, 2024, acquisition costs were \$198,879 (2023 - \$1,384,538) and exploration costs of \$951,030 (2023 - \$573,430) for geological and drilling. The Company also received a \$111,884 Ontario Junior Exploration Program ("OJEP") grant from the Government of Ontario to support its exploration efforts on its North Nipigon -Niemi Project in the Georgia Lake Pegmatite field.

Liquidity and Capital Resources

At April 30, 2024, the Company reported a net working capital of \$1,226,473 (July 31, 2023 - \$351,238). At April 30, 2024 the Company had a cash balance of \$1,682,572 (July 31, 2023 - \$369,675), sales tax receivable of \$31,292 (July 31, 2023 - \$97,969), prepaid expenses of \$14,351 (July 31, 2023 - \$62,637) and short-term investments of \$12,500 (July 31, 2023 - \$12,500) to settle current liabilities of \$514,242 (July 31, 2023 - \$191,543). The Company expects to fund the liabilities with cash on hand and if necessary, through the issuance of capital stock over the coming year.

As at April 30, 2024, the Company's cash increased by \$1,312,897 to \$1,682,572 from \$369,675. For the nine months ended April 30, 2024, cash provided by operating activities of \$502,922 (2023 - used in \$1,049,521), cash provided by financing activities of \$1,774,750 (2023 - \$2,635,668), and cash used in investing activities of \$934,775 (2023 - \$487,251).

During the nine months ended April 30, 2024, cash provided by operating activities consists primarily of general and administrative expenditures of \$599,982 (2023- used in \$410,938) net of the reversal of flow-through share liability of \$163,014 (2023 - \$32,090) and net change in non-cash working capital items of \$65,954 (2023 - \$606,493).

During the nine months ended April 30, 2024, cash provided by financing activities of \$1,744,750 (2023 - \$2,635,668) from the proceeds from issuance of common shares net of legal costs.

During the nine months ended April 30, 2024, cash used in investing activities of \$934,775 (2023 - \$487,251) for exploration and evaluation assets.

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

Off-Balance Sheet Arrangements

The Company does not utilize off-balance sheet arrangements.

New standards, Amendments, and Interpretations

The Company has reviewed the impact of new and amended standards that are effective for annual periods beginning on or after August 1, 2023. It does not expect the impact on the financial statements to be material, although additional disclosure may be required.

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Related party Transactions

As at April 30, 2024, due to related parties includes \$9,775 (July 31, 2023 – \$3,588) to directors, officers or companies controlled by a director or an officer. The amounts are unsecured, non-interest bearing and has no fixed terms of repayment. At April 30, 2024 management fees of \$7,500 (July 31, 2023 - \$16,400) were included in prepaid expenses.

The Company considers officers and members of the Board of Directors as related parties. Key management costs for the period of nine months ended April 30, 2024, totalize \$119,500 (2023 - \$128,881). Remuneration was made to the following officers and directors, or to companies controlled by these officers and directors:

	April 30, 2024	April 30, 2023
	\$	\$
Management fees paid or accrued to a company controlled by the former CEO (Chris Cooper)	72,000	107,881
Management fees paid or accrued to a company controlled by the CEO (Mathieu Couillard)	5,000	-
Management fees paid or accrued to the former CFO and director (Hani Zabaneh)	17,000	13,000
Management fees paid or accrued to a company controlled by the CFO (Veronique Laberge)	7,500	-
Consulting fees paid or accrued to a director (J. Theberge)	9,000	4,000
Consulting fees paid or accrued to a company controlled by a director (Gerald Kelly)	9,000	4,000
	119,500	128,881

At April 30, 2024, the Company holds 250,000 common shares of GIA Resources Inc., a company related through officer in common, with a fair value of \$12,500 (July 31, 2023 - \$12,500).

Financial Instruments

	Ref.	April 30, 2024	July 31, 2023
		\$	\$
Other financial assets	a	1,682,572	398,575
Other financial liabilities	b	(21,621)	(8,120)

- a. Comprised of cash and short-term investments.
- b. Comprised of accounts payable and due to related parties.

The Company has determined the estimated fair values of its financial instruments based on appropriate valuation methodologies; however, considerable judgment is required to develop these estimates. The fair values of the Company's financial instruments are not materially different from their carrying values.

Management of Industry and Financial Risk

The Company is in the business of consulting on capital markets, deal structuring, venture capital and corporate advisory.

The Company's financial instruments are exposed to certain financial risks, which include the following:

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Credit risk

Credit risk is the risk of loss due to the counterparty's inability to meet its obligations. The Company's exposure to credit risk is on its cash and other receivables. Risk associated with cash is managed through the use of major banks which are high credit quality financial institutions as determined by rating agencies. Other receivables comprise sales tax refunds from the Canadian federal government. Credit risk has been assessed as low.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulties in meeting obligations when they become due. The Company ensures that there is sufficient capital in order to meet short-term operating requirements, after taking into account the Company's holdings of cash. The Company's cash are held in corporate bank accounts available on demand. Liquidity risk has been assessed as high.

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. Market risk comprises three types of risk: currency risk, interest rate risk and price risk.

Currency Risk

The Company is subject to normal market risks including fluctuations in foreign exchange rates and interest rate. While the Company manages its operations in order to minimize exposure to these risks, the Company has not entered into any derivatives or contracts to hedge or otherwise mitigate this exposure. The Company does not have any assets or liabilities denominated in foreign currencies and engages in very few transactions denominated in a foreign currency; therefore, its exposure to currency risk is low.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk.

Proposed Transactions

None

Critical Accounting Estimates

Not applicable for Venture Issuers.

Other Requirements

Summary of Outstanding Securities

Class A Common Shares

Authorized: Unlimited number of Class A Common Shares without par value.

Issued and outstanding as at April 30, 2024 : 67,169,158 shares.

Issued and outstanding as at June 28, 2024 (date of this report) : 69,519,158 shares.

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Shares in Escrow

On June 21, 2021, the Company's common shares have been approved for listing on the Canadian Securities Exchange. In accordance with the policies of the Exchange, certain officers and directors have entered into an agreement with the Company and a Trustee, whereby they have agreed to deposit 5,325,000 Common Shares in escrow. 10% was released to the Escrow Shareholders on June 21, 2021 and an additional 15% will be released to the Escrow Shareholders on each of the dates that are 6, 12, 18, 24, 30 and 36 months after the First Release. At June 28, 2024 (date of this report) there were 798,750 shares in escrow.

Class B Preferred Shares

Authorized: Unlimited number of Class B Preferred Shares without par value. Issued and outstanding: None

Stock options

Issued and exercisable as at April 30, 2024 : 1,150,000 options.

Issued and exercisable as at June 28, 2024: 1,450,000 options.

Warrants

As at April 30, 2024, and June 28, 2024 (date of this report) there were 7,512,722 share purchase warrants.

Subsequent events

On May 29, 2024, the Company amended its mineral option agreement with Visible Gold Mines Inc. on the MegaLi Property dated August 3, 2022, and subsequently amended in August 2023. The amended option agreement extends the date on which the Company was to spend at least \$500,000 in exploration expenditures on the MegaLi Property from August 3, 2024 to December 31, 2024. The company will also amend the second-year (2024) issuance and third-year (2025) Class A common shares issuance to Visible Gold Mines Inc. for 1,175,000 and 1,375,000 Class A common shares, respectively. The Company has fulfilled its second-year payment of \$100,000 and has issued on the same date the second-year issuance of 1,175,000 Class A common shares at a price of \$0.06. Moreover, per the amendments, the Company will issue on or before December 31, 2025, 1,375,000 Class A common shares, pay Visible Gold Mines Inc. an additional \$150,000 and incur at least an additional \$1,000,000 in exploration expenditures.

Also on May 29, 2024, the Company amended its mineral option agreement with Noranda Royalties Inc. on the Lithium Grande 4 property dated July 4, 2022, and subsequently amended in July 2023. The amended option agreement extends the date on which the Company was to spend at least \$500,000 in exploration expenditures on the Lithium Grande 4 property from July 4, 2024 to December 31, 2024. The company will also amend the second-year (2024) issuance and third-year (2025) Class A common shares issuance to Noranda Royalties Inc. for 1,175,000 and 1,375,000 Class A common shares, respectively. The Company has fulfilled its second-year payment of \$100,000 and has issued on the same date the second-year issuance of 1,175,000 Class A common shares at a price of \$0.06. Moreover, per the amendments, the Company will issue on or before December 31, 2025, 1,375,000 Class A common shares, pay Noranda Royalties Inc. an additional \$150,000 and incur at least an additional \$1,000,000 in exploration expenditures.

On June 25, 2024, the Company granted 300,000 options to a consultant, exercisable at a price of \$0.05 per option for a period of 5 years from the date of grant.

Additional disclosures pertaining to the Company's technical report, management information circulars, material change reports, press releases and other information are available on the SEDAR+ website at www.sedarplus.com.