LITHIUM ENERGI EXPLORATION INC.

Management's Discussion and Analysis
For the Three and Six Months Ended August 31, 2024

This Management's Discussion and Analysis (the "MD&A") of Lithium Energi Exploration Inc. (the "Company" or "Lexi"), is dated October 30, 2024, and provides an analysis of the Company's financial position and results of operations for the three- and six-month periods ended August 31, 2024. The following information should be read in conjunction with the Company's condensed interim consolidated financial statements for the three and six months ended August 31, 2024 and February 28, 2023 and its audited consolidated financial statements ended February 29, 2024 and 2023 which have been prepared under International Financial Reporting Standards ("IFRS"), and which are available on SEDAR+ at www.sedarplus.ca.

The information contained herein is not a substitute for detailed investigation or analysis on any particular issue. The information provided in this document is not intended to be a comprehensive review of all matters and developments concerning the Company. The Company is presently a "Venture Issuer" as defined in NI 51-102.

All financial information in this MD&A has been prepared in accordance with IFRS and all dollar amounts are quoted in Canadian dollars, the reporting currency of the Company. The Company's functional currency is Canadian Dollar, and the Company's wholly-owned subsidiaries' functional currency is also Canadian Dollar.

Certain information included in this MD&A may constitute forward-looking statements. Forward-looking statements are based on current expectations and entail various risks and uncertainties. These risks and uncertainties could cause or contribute to actual results that are materially different than those expressed or implied. The Company disclaims any obligation or intention to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise, except as may be required by law.

DESCRIPTION OF BUSINESS

Lithium Energi Exploration Inc. (the "Company" or "Lexi") was incorporated on February 13, 1998, under the British Columbia Business Corporations Act. The Company is engaged in acquiring, exploring, and evaluating lithium properties. The Company's principal address and registered and records office are located at 161 Bay St. 27th Floor, Toronto, Ontario, M5J 2S1, Canada. The Company's common shares are listed on the TSX Venture Exchange ("TSXV") under the symbol LEXI. On October 31, 2023, the Company's shares began trading on the OTCQB under the symbol "LXENF".

The Company owns a combined portfolio of projects comprising approximately 54,518 hectares of brine assets in the Province of Catamarca, Argentina through its subsidiary Lithium Energi Argentina, S.A. ("LEA") and a non-dilutable 20% interest in 15,000 hectares through the joint venture with Triangle Lithium Argentina S.A.

Overall Performance and Discussion of Operations

During the period ended August 31, 2024, the Company incurred a net loss of $1,538,163 (2024 – $4,063,507) with a total accumulated deficit of $32,179,151 (2024 – $30,640,988) and working capital deficit of $6,680,949 (2024 – $609,272 surplus).

As at August 31, 2024, the Company had no revenues and operating expenses were primarily associated with exploration and evaluation activities including drilling campaigns, geological consulting fees, and public and community relations. Other expenditures included expenses related to office administration, consulting, management, and professional fees.

Discussions of Corporate Activities for the period ended August 31, 2024 and up to the filing of this MD&A

$7 million Credit Facility. On February 1, 2023, the Company signed a Credit Agreement ("Credit Facility") with Arena Investors, LP ("Arena") and Lithium Energi Argentina S.A. ("LEA") as guarantor. The Credit Facility, as amended on May 19, 2024, was in accordance with, and subject to, the terms and conditions of the Debt Settlement Agreement signed on February 1, 2023, with Arena. Pursuant to the Credit Facility, Arena agreed to extend credit to the Company in the form of a term loan not to exceed fifteen million Canadian Dollars to be drawn down in three tranches (each, a "Term Loan"). At Closing on March 20, 2023, the first tranche of $7 million was drawn. Subsequent Term Loans will be subjected to mutually agreed milestones as set out in the Credit Facility. Each Term Loan will have a maturity date that is 24 months from the drawdown date. Each Term Loan will be secured against all of the assets of the Company and bear interest at 12% per annum and, at Arena's option, up to 50% of such interest can be paid in common shares of the Company.

As consideration for the Term Loan, the Company issued to Arena share purchase warrants (the "Loan Warrants") to acquire up to 29,166,666 common shares of the Company at an exercise price of $0.24 per warrant share expiring on March 20, 2026. The Loan Warrants were valued at $472,712 using Black Scholes Options Pricing Model with the following assumptions: volatility of 85%; risk free rate of 4.17% and estimated time to liquidity of 2 years. On January 23, 2024, Arena had exercised 97,828 warrants at an exercise price of $0.24 for gross proceeds of $23,479.

On August 28, 2024, the Company signed a definitive agreement ("Definitive Agreement") with Arena that included an intention to sign an amendment to the Credit Facility that grants Arena the right, subject to the approval of the Company's shareholders and TSXV, to convert partially or wholly the outstanding principal and its accrued interest amounts into the Company's common shares. The conversion price shall be the market price of the Company's common share at the date of conversion and will be subject to the minimum pricing allowable by TSXV.

As at August 31, 2024, the Company had issued a total of 5,245,056 shares valued at $529,324 and made cash payments totaling $530,493 as settlement of interest accrued on the Term Loan from the drawdown date on March 20, 2023. At August 31, 2024, accrued interest of $162,210 remained payable on the Term Loan. Subsequent to August 31, 2024, the Company issued an additional 2,352,511 common shares valued at $105,863 and paid in cash $105,863 to settle its interest payable on the Term Loan

Private Placement Financing. On August 28, 2024, the Company signed a definitive agreement with Arena Investors LP ("Arena Investors") for the subscription to 82,248,115 units at a price of $0.05 for gross proceeds of $4,112,405.76 (US$3 million based on an exchange rate of CAD$1.00: US$0.7295). Each unit consisted of one common share and one common share purchase warrant entitling the holder to acquire one additional common share at an exercise price of $0.055 expiring 60 months from the grant date.

The Private Placement is to be completed in two tranches. The first tranche ("Tranche 1"), which closed on August 28, 2024, consisted of the issuance of 15,000,000 units for a gross proceeds of $750,000. Completion of the second tranche ("Tranche 2") of 67,248,115 units for estimated gross proceeds of $3,362,406 is subject to approval by TSXV and the completion of certain funding covenants set forth in the definitive agreement. A total of $118,598 in legal fees were incurred relating to the First Tranche, which were recorded as share issuance costs.

2024 Drilling Campaign. The 2024 Drilling Campaign is being planned for LEA 26 in the southern Antofalla properties which will include the completion of a geophysics program in September and the start of its drilling activities.

EXPLORATION PROJECT – ARGENTINA LITHIUM BRINE ASSETS

Share Purchase Agreement with LEA, AN and AS

On February 10, 2017, the Company entered into a Share Purchase Agreement with Lithium Energi Argentina, S.A. ("LEA"), Antofalla North, S.A. ("AN"), and Antofalla South, S.A. ("AS") whereby the Company acquired all the issued and outstanding shares of LEA, AN, and AS, which together hold lithium brine assets in the Argentina Province of Catamarca. LEA held certain rights to eight (8) mining concessions ("Laguna Caro Project"); AN held certain mineral rights to thirteen (13) mineral concessions ("Antofalla North Project"); and AS held certain rights to eighteen (18) mineral concessions ("Antofalla South Project"). The Company completed the acquisition by issuing a total of 21,000,000 common shares, and paying US$3,044,201 cash to the vendors, and issuing an additional 1,150,000 common shares as finder's fee.

In consideration for the outstanding share capital of LEA, AN, and AS, the Company issued 1,000,000, 8,450,000, and 11,550,000 common shares of the Company, respectively, and issued an additional 1,150,000 common shares as finder's fees. In addition, the Company assumed the respective obligations of LEA, AN, and AS in respect of the three projects it acquired. In order to complete the acquisitions of the properties in the Laguna Caro, Antofalla North, and Antofalla South Projects, the Company was required to make cash payments of US$650,000, US$761,000, and US$1,267,000, respectively within a twelve-month period, and reimburse prior down payments and other expenses associated with the acquired projects totaling US$366,201.

During the fiscal year ended February 28, 2019, the Company determined that the vendors of the eight mineral concessions comprising the Laguna Caro Project and of the two mineral concessions included in the Antofalla North Project would be unable to transfer title of the purchased mineral concessions to the Company. The Company reduced the carrying amount of the exploration and evaluation assets by US$60,000 it paid to the vendors on closing, and US$620,000 owing to the vendors for these claims for a total reversal of $858,633.

Located in close proximity to each other, LEA's concessions currently represent approximately 56,000 hectares located in the lithium-prolific, northwestern quadrant of Catamarca Province. Located less than 10 km northeast of the northern Antofalla properties, Livent (fka FMC Corporation) operates its Fenix mine at Salar de Hombre Muerto, which is Argentina's largest lithium extraction operation and one of the largest such operations in the world.

LEA's concessions are located just west of the Hombre Muerto Salar in the northern and southern portions of the Salar de Antofalla. On September 12, 2016, Albemarle Corporation, the world's largest lithium producer, announced it had entered into an agreement with Bolland Minera, S.A. for the exclusive exploration and acquisition rights to a block of lithium resources in the central portion of the Antofalla salar. In Albemarle Corporation's news release, it stated their belief that the Salar de Antofalla will be certified as the largest lithium resource in Argentina.

Option and Joint Venture Agreement with GOMG

On October 19, 2021, the Company entered into an option and joint venture agreement ("JV Agreement") with Global Oil Management Group, LLC ("GOMG"). Pursuant to the JV Agreement, GOMG agreed to provide capital for certain lithium mining claims owned by the Company ("JV Concessions"). To facilitate the terms of the JV Agreement, a new Argentine company, Triangle Lithium Argentina, S.A. ("Trila") was established, effective April 6, 2022 ("Trila"). GOMG holds 80% of Trila and the Company holds 20% of Trila. At its discretion, the Company has an option to convert its equity holdings in Trila into a 6% gross royalty on future production from Trila.

The JV Agreement requires GOMG to provide up to US$3,000,000 in funding to cover exploration costs on the JV Concessions and to develop a full NI 43-101 resource estimate within three years from the execution of the JV Agreement ("Exploration Period"). In addition to the exploration funding, subject to economic suitability, GOMG is responsible, at its discretion, to provide all funding to construct and operate a lithium extraction facility to exploit the lithium-bearing brine located under the JV Concessions.

If GOMG does not fulfill its commitment on the exploration funding or if the JV Agreement is terminated during the Exploration Period, certain clawback terms shall apply and the Company has the right to take back a portion of the shares of the JV Company ("Clawback"), including the rights to the same percentage of the assets and any work product performed in the JV Company. The % of the shares to be taken back by the Company under the Clawback term ranges from 10% to 31% and is based on the timing and the expenditure amount to date.

Pursuant to the JV Agreement, GOMG paid the Company a US$500,000 transfer fee in cash on executing the agreement. The transfer fee of $621,850 (USD$500,000) was received during the year ended February 28, 2022 and was recorded as a deposit. The Company and GOMG completed the selection of six mining claims comprising of approximately 15,000 hectares to be included in the JV Company. The six mining claims are all located in the northern portion of the Antofalla Salar and are part of the Company's Northern Antofalla Claims group. The JV Company Triangle Lithium Argentina, S.A. ("Trila") was established effective April 6, 2022. The Company's contribution for its 20% interest in TRILA was calculated at the value of the six mining claims sold to Trila net of the $621,850 cash payment received.

During the year ended February 28, 2023, the Company assessed the claims for impairment in relation to the sale of six mining claims as part of the joint venture agreement entered into with Global Oil Management Group, LLC and recorded an impairment loss of $1,476,270.

Summary
A continuity of the balance of the Company's exploration and evaluation assets as at August 31, 2024 and February 29, 2024, is as follows:

	Northern Properties	Southern Properties	Total
	$	$	$
Acquisition costs, February 28, 2023	822,131	3,978,831	4,800,962
Additions within the year	11,448	28,089	39,537
Balance at February 29, 2024	**833,579**	**4,006,920**	**4,840,499**
Additions during the period	5,672	13,731	19,403
Balance at August 31, 2024	**839,251**	**4,020,651**	**4,859,902**

Exploration and Development Activities

Antofalla North

In December 2023, the Company's drilling of the third well in LEA V has reached a final depth of 400 meters. As of the date of this MDA filing, Geo Resource has confirmed the completion of its 2023 drilling campaign for three target drill holes in LEA V and is planning a new drilling program for LEA 26. The plan included the completion of a geophysics program by September as well as the start of its 2024 Drilling Campaign.

On September 15, 2023, the Company announced that it had successfully drilled and completed the first two wells in the Antofalla North Project followed by drilling on the third well within the Antofalla North Project. Lexi's drilling crew began mobilizing towards the new site in LEA V expecting to begin work on the drilling platform before mobilizing south to the LEA 26 property where the geophysical survey is being conducted.

On May 10, 2023, the Company announced it had entered into contracts for the initial holes in its Antofalla North Project drilling campaign. The Campaign began during Q2 of fiscal 2024. The Campaign will initially undertake 1,600 meters of drilling in four diamond core wells to obtain physical core samples and characterize the subsurface in the properties. Average total depth per well is anticipated to be 400 meters; however, based on real-time field results, deeper horizons may also be explored. The core samples will reveal porosity, permeability, and can provide chemical analysis critical for resource estimation. Core samples are planned for analysis at Geosystems Analysis, Inc. in Tucson, Arizona, one of the foremost analytical laboratories in the world for analyzing lithium brine core samples. Brine sample analysis will be conducted at Alex Stewart Laboratories to yield full spectroscopic analysis of brine chemistry and lithium concentrations. Lithium hydrogeologist and qualified person, Murray Brooker, has planned the location of drill holes for the upcoming program, based on previous TEM electrical geophysics for the company and extensive knowledge acquired working on salt lake projects in Argentina for more than a decade. Based on data obtained from core samples and pump tests, the Campaign is expected to yield a NI 43-101 resource estimate.

Antofalla South

Interpretation of the surveys completed by Geo Resource confirm the presence of extensive brine targets with high conductivity (low resistivity) on the salar and the possibility that brine continues west of the salar.

Drilling of these targets is planned in the future when market conditions allow.

On September 15, 2023, the Company announced that under the auspices of Qualified Person, Murray Brooker, Geo Resource Ltda. ("GR") with a team of eight professionals, including geologists and geophysicists, the Company conducted the Phase 1 campaign utilizing Magnetotelluric (MT) and Transient Electromagnetic (TEM) geophysical measurements in Lexi's nearly 4,000 hectare LEA 26 property. Nine separate profiles, totaling over 7.5 kilometers, were surveyed during the initial ten days of fieldwork. Preliminary results show important and significant conductive anomalies within the explored areas of LEA 26. The Company and GR had spent several weeks compiling and analyzing the data into geological and hydrogeological representations.

Phase 2 of the geophysics occurred in mid-November of 2023, included additional MT and TEM surveys in over 20 separate profiles, totaling over 16 kilometers of the central sections of LEA 26. The objective was to identify and characterize the best sectors for a drilling campaign by understanding the hydrogeological dynamics of the LEA 26 property. Additional activities included preparation of access to the proposed drilling sites.

On August 1, 2023, the Company announced the commencement of a new geophysical exploration campaign in its Antofalla South Project. Surface geophysics is an important part of defining brine drilling targets and resources. Electrical geophysics uses variations in physical properties to map out brine and changes in porosity. These techniques have proved highly successful in many brine projects in Argentina.

The campaign will begin in the almost 4,000-hectare LEA 26 property. The Company will carry out 2D magnetotelluric resistivity and 1D transient electromagnetic surveying of more than 200 points throughout the property. Using the data obtained, LEXI will prepare an exploration drilling campaign anticipated to commence in Q4 of fiscal 2024. The area covers salt crust, such as that hosting the adjacent Albemarle lithium project, covering the core of the salt lake. The geophysics will evaluate brine distribution and porosity within the salt and possible extensions off the salt lake below gravels and volcanic units, with resistivity data providing information on brine distribution, and zones with low resistivity anomalies representing aquifers with brines. Shallow salt deposits are known to have very high specific yield porosity and permeability in salt lakes such as Hombre Muerto and Rincon in Argentina, both the sites of major lithium projects. A Geological-Geophysical Report will be prepared with all the information obtained from the measurements.

Exploration and Development Budget and Costs

The Technical Report initially set forth a nominal budget of $1,889,400 ($400,800 for Exploration Stage One and $1,488,600 for Exploration Stage Two, inclusive of $450,000 for initial drilling), which represented certain minimum objectives, as projected at the time of the Technical Report, to be necessary to advance the project towards the next step of development.

The budget in the Technical Report allocated preliminary geotechnical exploration and limited drill testing (one to two wells) primarily targeting the northern cluster of claims in the Antofalla North Project. Appropriate for reports of this nature, the budget in the Technical Report did not address indirect development costs, an MRT proof of concept facility, or general corporate overhead. After the Technical Report was prepared, the Company engaged in further discussions with the authors of the Technical Report and thereafter deployed field personnel to undertake five months of field studies, including the Quantec geophysical surveys and field research for environmental impact reports that are prerequisite to obtaining drilling permits. Further, upon confirmation from the authors of the Technical Report, the Company deemed it more appropriate for shareholder value to adjust the goals of the Technical Report by expanding its evaluation goals and targeting a more expansive group of its properties in the Antofalla North Project.

Milestones accomplished by the Company between the date of the Technical Report and the date of this MD&A have been consistent with the minimum objectives projected at the time of the Technical Report (excluding the drilling of the initial one to two wells) and have successfully advanced the Antofalla North Project to its next step of development, as originally conceived in the Technical Report, specifically including (i) the completion of most all title and permitting issues, (ii), the engagement of geophysical subcontractors and the hiring of field crews sufficient to complete geophysical studies on approximately 36,500 hectares of Properties in the Company's northern cluster of claims, (iii) the hiring of an experienced project geologist and field assistants to prepare for a near-term drilling campaign, (iv) the research, preparation, submission, and approval by Catamarca mining authorities of a comprehensive, 500-page environmental impact study (the key prerequisite to obtaining drilling permits), and (v) other aspects of customary pre-drilling activities.

Generally, the Company's expenditures during this period were consistent with the Technical Report. Given the Company's augmented goals to complete resource evaluations over a larger portion of its Properties and given its actual field experience, including recent changes in local regulations and market conditions that heightened some of the costs associated with exploration work and field crew requirements, the Company's adjusted drilling program is presently estimated to have a budget of up to $4.0 million over the next 12-18 months.

Quality Assurance (QA/QC Protocol)

Initial fluid samples collected were submitted to Alex Stewart Laboratories, a worldwide provider of analysis sampling and inspection services, active in more than 40 countries, to yield a complete spectroscopic analysis of brine chemistry and lithium concentration.

Qualified Person

Murray Brooker, RP, Geoscientist 10, 086, from Hydrominex Geosciences Pty Ltd., a consultant of the Company, is a Qualified Person as defined by National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* and has reviewed and approved all technical information in this management's discussion and analysis.

SELECTED FINANCIAL INFORMATION
($000's except loss per share)

	February 29, 2024	February 28, 2023	February 28, 2022
	$	$	$
Operating Expenses	(9,845)	(1,045)	(1,172)
Other Gain (Loss)	281	(3,660)	(705)
Net and Comprehensive Loss	(9,564)	(4,705)	(1,877)
Basic and Diluted Loss Per Share	(0.07)	(0.07)	(0.03)
Total Assets	6,044	5,105	7,625
Total Liabilities	7,170	11,843	9,657
Shareholders' Deficiency	(1,126)	(6,737)	(2,032)

RESULTS OF OPERATIONS

Three-month periods ended August 31, 2024 and 2023

Net loss and comprehensive loss for the three-month periods ended August 31, 2024 and 2023 included the following:

	Three Months Ended August 31, 2024	Three Months Ended August 31, 2023
	$	$
Operating Expenses		
Consulting	111,041	52,844
Exploration and evaluation costs	23,754	2,254,697
Management fees	76,281	176,792
Investor communications	–	15,955
Office and administration	33,511	62,487
Professional fees	78,338	56,709
Regulatory expense	6,661	–
Transfer agent and filing fees	11,366	17,273
Travel and entertainment	–	6,771
	(340,952)	**(2,643,528)**
Other gain (loss)	(294,550)	772,218
Net loss and comprehensive loss	**(635,502)**	**(1,871,310)**

During the three months ended August 31, 2024, the Company recorded a net loss and comprehensive loss of $635,502 (2024 – $1,871,310). The Company's operating expenses for the three months ended August 31, 2024, were $340,952 as compared to $2,643,528 in the comparative period. The decrease was mainly due to decreased exploration and evaluation expenditures of $23,754 (2024 – $2,254,697), management fees of $76,281 (2024 – $176,792), office and administration expenses of $33,511 (2024 – $62,487), investors communications of $nil (2024 – $15,955), transfer agent and filing fees of $11,366 ($17,273)), and travel and entertainment of $nil (2024 – $6,771).

The change in exploration and evaluation expenditures was due to the decreased drilling activities within the three-month period, and decreases in office and administration, transfer agent and filing fees were due to decreased corporate activities within the period. These decreases were offset by increased consulting fees of $111,041 (2024 – $52,844), professional fees of $78,338 (2024 – $56,709), regulatory expenses of $6,661 (2024 – $nil).

Other items for the three-month periods ended August 31, 2024 and 2023 included the following:

	Three Months Ended August 31, 2024	Three Months Ended August 31, 2023
	$	$
Other gain (loss)		
Foreign exchange gain (loss)	34,993	(308,910)
Accretion	(98,155)	(139,601)
Interest income	3,154	65,427
Interest expense	(211,726)	(211,926)
Gain (loss) on sale of securities	(22,816)	1,367,228
	(294,550)	**772,218**

In addition to the regular operating expenses, during the three months ended August 31, 2024, the Company recorded other loss of $294,550 (2024 – $772,218 gain). The other loss was incurred as a result of $211,726 accrued interest on the Term Loan (2024 – $211,926), and $98,155 accretion expense associated with the Term Loan (2024 – $139,601). In addition, the Company recognized a $22,816 loss on the sale of securities (2024 – $1,367,228 gain). These losses were in part offset by interest income of $3,154 (2024 – $65,427) and by $34,993 gain on foreign exchange (2024 – $308,910).

Six-month periods ended August 31, 2024 and 2023

Net loss and comprehensive loss for the six-month periods ended August 31, 2024 and 2023 included the following:

	Six Months Ended August 31, 2024	Six Months Ended August 31, 2023
	$	$
Operating expenses		
Consulting	233,406	502,138
Exploration and evaluation costs	233,212	2,656,348
Management fees	182,447	341,221
Investor communications	5,042	26,636
Office and administration	77,051	70,536
Professional fees	229,226	176,071
Regulatory expense	11,803	–
Share-based compensation	–	1,556,916
Transfer agent and filing fees	14,506	138,532
Travel and entertainment	–	18,814
	(986,693)	(5,487,212)
Other gain (loss)	(551,470)	1,423,705
Net loss and comprehensive loss	**(1,538,163)**	**(4,063,507)**

During the six-month period ended August 31, 2024, the Company recorded a net loss and comprehensive loss of $1,538,163 (2024 – $4,063,507) including operating expenses of $986,693 (2024 – $5,487,212).

The decreased net loss was largely due to decreased exploration costs of $233,212 (2024 – $2,656,348), which were associated with exploration and drilling activities at the Antofalla North Project that began in June of 2023; absence of share-based compensation (2024 – $1,556,916) as the Company did not grant any new options to its directors, officers and consultants within the six-month period ended August 31, 2024, decreased consulting fees of $233,406 (2024 – $502,138), management fees of $182,447 (2024 - $341,221), transfer agent and filing fees of $14,506 (2024 - $138,532), investor communications of $5,042 (2024 - $26,636) and travel and entertainment of $nil (2024 - $18,814). The decreases in operating expenses were due to decreased corporate activities within the six-month period ended August 31, 2024. These decreases were in part offset by increases in professional fees of $229,226 (2024 - $176,071), regulatory expense of $11,803 (2024 - $nil) and office and administration of $77,051 (2024 - $70,536).

	Six Months Ended August 31, 2024	Six Months Ended August 31, 2023
	$	$
Other gain (loss)		
Gain on debt settlements	–	723,942
Foreign exchange gain (loss)	61,641	(127,540)
Accretion	(191,952)	(248,854)
Interest income	13,121	88,855
Interest expense	(423,452)	(379,926)
Gain (loss) on sale of securities	(10,828)	1,367,228
	(551,470)	1,423,705

In addition, to the regular operating expenses, during the six months ended August 31, 2024, the Company recorded additional loss of $551,470 (2024 - $1,423,705) mostly from the $423,452 in interest accrued on the Term Loan (2024 - $379,926) and $191,952 in accretion of the fair value associated with the Term Loan (2024 – $248,854), which has been described in the section entitled *"Discussions of Corporate Activities during the six-month period ended August 31, 2024 and up to the filing of this MD&A."*). In addition, the Company recognized the loss from sale of securities of $10,828 (2024 - $1,367,228 gain). These losses were offset by gains from foreign exchange of $61,641 (2024 - $127,540 loss) and by $13,121 in interest income accrued on proceeds held in high-interest bank account (2024 - $88,855).

During the comparative six-month period ended August 31, 2023, the Company recorded an additional $723,942 gain on settlement of debt. The Company did not have similar transactions during the current six-month period ended August 31, 2024.

SUMMARY OF QUARTERLY RESULTS

(In $000's except earnings per share)

Year Ended	Quarter	Revenue	Comprehensive Loss	Net Loss per Share
2023	Q3	$ Nil	$ (595)	$ (0.00)
2023	Q4	$ Nil	$ (3,476)	$ (0.05)
2024	Q1	$ Nil	$ (2,192)	$ (0.02)
2024	Q2	$ Nil	$ (1,871)	$ (0.01)
2024	Q3	$ Nil	$ (2,458)	$ (0.02)
2024	Q4	$ Nil	$ (3,042)	$ (0.02)
2025	Q1	$ Nil	$ (903)	$ (0.01)
2025	Q2	$ Nil	$ (635)	$ (0.00)

2023 – Q3 Net loss for the quarter increased from the prior quarter primarily due to foreign exchange losses recorded during the current period and increased professional fees.

2023 – Q4 Net loss for the quarter increased from the prior quarter primarily due to the loss recorded on debt settlement with Arena Investors LP, the impairment recorded on exploration and evaluation asset and increased professional fees.

2024 – Q1 Net loss for the quarter increased primarily as a result of share-based compensation recognized for the quarter.

2024 – Q2 Net loss for the quarter decreased from the prior quarter primarily due to the gain the Company recorded on Blue Chip Swaps, which was in part offset by increased exploration costs as a result of exploration program on the Antofalla North Project, and increased professional and management fees, as well as accretion expense recorded during the quarter.

2024 – Q3 Net loss for the quarter increased due to increased exploration costs as a result of exploration program on the Antofalla North Project, which also increased the Company's expenditures on consulting, management and professional services during the quarter. In addition, the grant of options to acquire up to 400,000 shares to the Company's CFO increased its share-based compensation expense.

2024 – Q4 Net loss for the quarter increased mainly due to additional loss from the loss on debt settlement associated with IBAT technology.

2025 – Q1 Net loss for the quarter decreased due to decreased exploration and evaluation expenditures with lesser drilling activities and the absence of share-based compensation as no options were granted during the quarter.

2025 – Q2 Net loss for the quarter decreased due to decreased exploration and evaluation expenditures as a result of reduced drilling and corporate activities.

LIQUIDITY AND CAPITAL RESOURCES

As at August 31, 2024, the Company had a cash balance of $765,246 (2024 – $1,038,771), an accumulated deficit of $32,179,151 (2024 – $30,640,988), and working capital deficit of $6,680,949 (2024 – $609,272 surplus). The decrease in working capital as at August 31, 2024, resulted from decrease in cash balance and an increased liabilities. The main increase in current liabilities resulted from the reclassification of the Term Loan from long-term liabilities to current, as the Term Loan is payable on March 20, 2025.

The Company continues to seek additional financing through capital markets by debt or equity offerings.

There are, however, no assurance that the Company will be able to obtain adequate financing in the future or that the terms of the financing will be favorable. There is also no assurance that such financing will be available on terms acceptable to the Company. These offerings may result in dilution to the ownership interest of the Company's shareholders or decrease in shareholder's value. If adequate financing is not available when required, the Company may be unable to continue its operations as planned.

Cash Flows for the Periods Ended August 31, 2024 and 2023

	Six Months Ended August 31, 2024	Six Months Ended August 31, 2023
	$	$
Net cash used in operating activities	(872,899)	(4,086,065)
Net cash provided by financing activities	631,401	7,051,681
Net cash used in investing activities	(30,231)	949,956
Cash increase (decrease) during the period	**(271,729)**	**3,915,572**

Cash Flows Used in Operating Activities

Net cash used in operating activities during the six-month period ended August 31, 2024, was $872,899 as compared to $4,086,065 net cash used by operating activities during the period ended August 31, 2023. The Company used the cash to cover its cash operating expenses of $971,776 (2024 - $3,515,476) calculated at a net loss of $1,538,163 (2024 - $4,063,507), adjusted for non-cash items of $566,387 (2024 - $548,031), to increase accounts payable and accrued liabilities by $167,478 (2024 –$220,533 decrease), to increase due to related parties by $114,729 (2024 –$nil) and interest paid in cash by $211,735 (2024 – $107,014). The increases were in part offset by decrease in amounts receivable by $21,396 (2024 - $40,186 increase) and prepaids by $7,009 (2024 – $202,856 increase),

Cash Flows Provided by Financing Activities

During the period ended August 31, 2024, the net cash provided by financing activities was $631,401 which was generated from the drawdown of gross receipts of $750,000 (2024 – $500,000) associated with a private placement financing closed on August 28, 2024 net of share issuance costs of $118,600 mostly legal fees related to the private placement. During the comparative period of previous year, the Company generated a total of $7,051,681 from financing activities, of this amount, $6,551,681 was associated with the drawdown of the Term Loan, $500,000 was associated with the gross proceeds from private placement financing the Company closed on March 21, 2023.

Cash Flows Used in Investing Activities

During the period ended August 31, 2024, net cash used in investing activities was $30,231 (2024 – $949,956 provided) of which $19,403 (2024 – $18,848) was incurred for exploration-related expenditures and $10,828 (2024 – $1,367,228) resulted from purchase and sale of blue chip securities to fund the Company's working capital and exploration activities. During the comparative period ended August 31, 2023, $949,956 was provided by investing activities mainly by the gain of $1,367,228 from the sale of blue chip securities. Other investing activities included $335,817 used for the acquisition of the IBAT technology and for exploration-related expenditures.

MANAGEMENT OF CAPITAL

The Company considers capital to include all components of shareholders' equity. The Company's main objective in managing its capital is to safeguard the Company's ability to continue as a going concern, ensure adequate funds are available to meet its operational needs and corporate goals, and to be able to service the Company's financial obligations and support its future growth. The Company manages its capital structure with maximum efficiency and flexibility to meet changes in economic or regulatory environments as well as to mitigate risk characteristics of its underlying assets.

As at August 31, 2024, the Company's shareholders' deficiency was $1,821,047 (2024 – $1,126,010) and its current liabilities were $7,581,478 (2024 – $593,797) of which $6,767,733 were attributed to the Term Loan, which, at February 29, 2024, was included in long-term liabilities based on its repayment date of March 20, 2025. The Company is not subjected to any externally imposed capital requirements by any regulators or venture capitalists. The Company, however, has pledged all of its assets as collateral for the Term Loan.

OFF-BALANCE SHEET ARRANGEMENTS

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

TRANSACTIONS WITH RELATED PARTIES

The Company has identified its directors, certain senior officers as its key management personnel and certain significant shareholders as related parties. The remuneration of the Company's directors and other key management is as follows:

For the period ended	August 31, 2024	August 31, 2023
	$	$
Management fees	182,447	341,221
Consulting fees	60,000	449,294
Interest expense	423,461	379,726
Share-based compensation	–	1,325,261
	665,908	**2,495,502**

During the six-month period ended August 31, 2024, the Company accrued $423,452 in interest on the term loan of $7 million from a company with significant influence controlled by common shareholders (2024 - $379,926) of which $211,735 were paid in cash (2024 - $107,014) and further $211,726 were settled through issuance of 3,040,167 common shares (2024 – 2,204,890 shares issued to settle $317,598). As at August 31, 2024, $162,210 in accrued interest remain unpaid (2024 – $162,219).

During the six-month period ended August 31, 2024, the Company incurred management fees of $89,965 (2024 – $nil) with its CEO. As at August 31, 2024, the Company owed the CEO $44,970 (2024 – $nil) which was recorded as part of accounts payable and accrued liabilities (Note 5).

During the six-month period ended August 31, 2024, the Company incurred management fees of $92,483 (2024 – $ 102,220) with its director and President of LEA. As at August 31, 2024, the Company owed $69,759 (2024 – $nil) which was recorded as part of accounts payable and accrued liabilities (Note 5) of which $26,587 (2024 –$nil) were non-interest bearing advances made to the Company payable on demand.

During the six-month period ended August 31, 2024, the Company incurred $60,000 (2024 – $nil) in consulting fees with its CFO. As at August 31, 2024, the Company owed its CFO $nil (2024 – $nil) in consulting fees.

As at August 31, 2024, the Company had a total of $73,475 (US$54,563) recoverable from Triangle (2024 – $82,252 (US$60,613)) which was recorded as part of receivables (Note 4).

COMMITMENTS AND CONTINGENCIES

As at August 31, 2024, there are no outstanding commitments.

MATERIAL ACCOUNTING POLICIES AND ESTIMATES

The Company's material accounting policies are described in Note 3 to the Company's consolidated statements for the years ended February 29, 2024 and February 28, 2023, and its significant accounting judgements, estimates and assumptions are described in Note 4 to the Company's consolidated statements for the same periods.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

Standards Issued but Not Yet Effective

The Company has reviewed the accounting standards or amendments to existing accounting standards that have been issued but have future effective dates and determined that these are either not applicable or are not expected to have a significant impact on the Company's financial statements.

FINANCIAL INSTRUMENT RISK EXPOSURE AND RISK MANAGEMENT

Financial risk management

The Company is exposed to varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit Risk

Credit risk is the risk of potential loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash and advances receivable. The Company limits the exposure to credit risk by only investing its cash with high-credit quality financial institutions and advancing funds to parties that management believes will make the necessary repayments.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure and financial leverage as described in Note 15 to the audited consolidated financial statements for the years ended February 29, 2024 and February 28, 2023.

The Company monitors its ability to meet its short-term exploration and administrative expenditures by raising additional funds through share issuance when required. Most of the Company's financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms. The Term Loan is due on March 20, 2025, being 24 months from the draw down date. The Company does not have investments in any asset backed deposits.

In the normal course of business, the Company enters into contracts that give rise to commitments for future minimum payments. The following table summarizes the Company's significant commitments and corresponding maturities:

	<1 year	1 - 3 Years	Total
Accounts payable and accrued liabilities (Note 5)	$ 651,534	$ –	$ 651,534
Interest payable (Note 12)	162,219	–	162,219
Contractual interest payment (Note 12)	451,069	–	451,069
Term loan (Note 12)	7,000,000	–	7,000,000
	$ 8,264,822	$ –	$ 8,264,822

Foreign Exchange Risk

Foreign exchange risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency.

As at August 31, 2024, the Company was exposed to foreign currency risk through the following financial assets and liabilities denominated in foreign source currencies, converted to Canadian Dollars at the prevailing rate at the end of the reporting period.

As at August 31, 2024	**CAD Equivalent**	**Currency**	**+/- 10% Fluctuation Increase/(Decrease)**	
Cash	$ 1,326	ARS	$ 133	$ (133)
Cash	274,427	USD	27,443	(27,443)
Receivables	2,339	ARS	234	(234)
Receivables	74,653	USD	7,465	(7,465)
Accounts payable and accrued liabilities	(35,671)	ARS	(3,567)	3,567
Accounts payable and accrued liabilities	(243,463)	USD	(24,346)	24,316
Due to related parties	(7,700)	ARS	(770)	770
Due to related parties	(62,059)	USD	(6,206)	6,206
Total	$ 3,853		$ 385	$ (385)

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's accounts payable and accrued liabilities do not bear any interest and the Term Loan is subject to a fixed interest rate, therefore the Company is not exposed to significant interest rate risk.

Fair Value Measurements

The Company's financial instruments consist of cash, receivables, and accounts payable. The fair values of these financial instruments approximate their carrying values because of their current nature or they have been measured using market based assumptions.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, and
- Level 3 – Inputs that are not based on observable market date.

OUTSTANDING SHARE DATA

Type of Securities	Quantity
Common shares	169,922,187
Options	9,900,000
Warrants	76,659,859
Total common shares (fully diluted)	**256,482,046**

RISKS AND UNCERTAINTIES

Risks inherent in the nature of mineral exploration and development

Exploration and development involve several risks which experience, knowledge and careful evaluation may not be sufficient to overcome. Large capital expenditures are required in advance of anticipated revenues from operations. Many exploration programs do not result in the discovery of mineralization; moreover, mineralization discovered may not be of sufficient quantity or quality to be profitably mined. Unusual or unexpected formations, formation pressures, fires, power outages, labor disruptions, flooding, explosions, tailings impoundment failures, cave-ins, landslides and the inability to obtain adequate machinery, equipment or labor are some of the risks involved in the conduct of exploration programs and the operation of mines. The commercial viability of exploiting any precious metal deposit is dependent on a number of factors including infrastructure and governmental regulations, in particular those respecting the environment, price, taxes, and royalties. No assurance can be given that minerals of sufficient quantity, quality, size and grade will be discovered on any of the Company's properties to justify commercial operation. Numerous external factors influence and may have significant impacts on the operations of the Company and its financing needs.

Financial risks

The Company is an exploration company. The Company will periodically have to raise additional funds to continue operations, and while it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future.

Claims and title risks

Although the Company has taken steps to verify title to mining properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

Tax

No assurance can be made that Canada Revenue Agency will agree with the Company's characterization of expenditures as Canadian exploration expenses or Canadian development expenses.

Dependence on key personnel

The development of the Company's business is and will continue to be dependent on its ability to attract and retain highly qualified management and mining personnel. The Company faces competition for personnel from other employers.

Conflicts of interest

Certain directors of the Company are also directors, officers or shareholders of other companies that are similarly engaged in the business of acquiring, developing and exploiting natural resource properties. Such associations may give rise to conflicts of interest from time to time. The directors of the Company are required by law to act honestly and in good faith with a view towards upholding the best interests of the Company and to disclose any interest, which they may have in any project or opportunity of the Company or any project or opportunity that could be competitive with the Company. If a conflict arises at a meeting of the Board of Directors, any Director in a conflict will disclose his interest and abstain from voting on such matter.

Environmental risks

The Company is subject to various environmental incidents that can occur during exploration work. The Company maintains an environmental management system including operational plans and practices.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR+ at www.sedarplus.ca.