



**ULTRA LITHIUM INC.**  
(the “Company”)

**MANAGEMENT’S DISCUSSION AND ANALYSIS**

**FOR THE YEAR ENDED OCTOBER 31, 2023**

# ULTRA LITHIUM INC.

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

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Ultra Lithium Inc. (the "Company" or "Ultra Resources") was incorporated on November 27, 2004 under the *Business Corporations Act* (British Columbia) and is engaged in the acquisition, exploration and development of resource properties. On January 21, 2022, the Company changed its name to Ultra Lithium Inc. The Company's common shares are listed for trading on Tier 2 of the TSX Venture Exchange (the "Exchange") under the symbol "ULT".

This management's discussion and analysis ("MD&A") reports on the operating results and financial condition of the Company for the year ended October 31, 2023 and is prepared as of May 13, 2024. The MD&A should be read in conjunction with the Company's audited consolidated financial statements for the year ended October 31, 2023 and the notes thereto which were prepared in accordance with International Financial Reporting Standards ("IFRS").

All dollar amounts referred to in this MD&A are expressed in Canadian dollars except where indicated otherwise.

## **Cautionary Note Regarding Forward-Looking Information**

This document may contain "forward-looking information" within the meaning of Canadian securities legislation ("forward-looking statements"). These forward-looking statements are made as of the date of this document and the Company does not intend, and does not assume any obligation, to update these forward-looking statements, except as required under applicable securities legislation.

Forward-looking statements relate to future events or future performance and reflect management's expectations or beliefs regarding future events and include, but are not limited to, the Company and its operations, its planned exploration activities, the adequacy of its financial resources and statements with respect to the estimation of mineral reserves and mineral resources, the realization of mineral reserve estimates, the timing and amount of estimated future production, costs of production, capital expenditures, success of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved" or the negative of these terms or comparable terminology. In this document, certain forward-looking statements are identified by words including "may", "future", "expected", "intends" and "estimates". By their very nature forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, risks related to actual results of current exploration activities; changes in project parameters as plans continue to be refined; future prices of resources; possible variations in ore reserves, grade or recovery rates; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities; as well as those factors detailed from time to time in the Company's interim and annual consolidated financial statements and management's discussion and analysis of those statements, all of which are filed and available for review under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com). Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. The Company provides no assurance

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that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

## **Description of Business**

Ultra Lithium Inc. is an exploration stage company engaged in the acquisition, exploration and development of resource properties in Canada, Argentina, and USA.

- (a) The Company entered into a binding Term Sheet, subject to 21 days of technical and financial due diligence, whereby it has agreed to sell all the shares in its 100%-owned subsidiaries Ultra Argentina SRL and Ultra Minerals S.A. to Power Minerals Limited ("Power"), in consideration of:
1. 25,000,000 ordinary shares in Power constituting approx. 25% of Power's issued share capital; and
  2. 25,000,000 performance rights convertible to ordinary shares in Power for no additional consideration, subject to the definition of a JORC Mineral Resource of 2 million tonnes at greater than or equal to 350ppm lithium carbonate equivalent (LCE) at the Laguna Verde properties within six months and based on drilling results already conducted by Ultra Lithium in late 2022/early 2023.

In addition, Power has provided a secured demand loan of AUD\$1.13m to facilitate the transaction. The loan is secured by a general security agreement. The loan is payable in shares until June 30, 2024, and either in shares or cash after that date. The number of shares that are issuable upon conversion of the demand loan is calculated at a variable price based on the ratio of the Company's share price on the date of the loan and Company's share price on the date of notice of exercise, subject to TSXV policies. Shares issued to Power will be subject to a 1-year voluntary escrow. The loan bears interest at the rate of 10% per annum.

The Company has decided to not proceed with the Power Minerals transaction. The Company will be repaying the loan in due course.

## **Exploration and Evaluation Assets**

The Company has interests in the following lithium and gold exploration properties:

- (a) Georgia Lake Property, Ontario

The Company has certain claims staked in the Thunder Bay Mining Division, in Ontario, Canada. The property contains several lithium bearing pegmatites which were subjected to exploration work between 2016 and 2018. The 2016 exploration work included prospecting, sampling and geological mapping. The results of 21 surface grab samples not only confirmed the presence of up to 2.73 % lithium oxide (Li<sub>2</sub>O) but also have shown anomalous values of niobium, tantalum, beryllium and rubidium. Similarly, 2017 exploration work included channel sampling and short drill holes indicating 1.15 % lithium oxide (Li<sub>2</sub>O) over 3 metres. The 2018 work included trenching and channel sampling on Lucky Lake pegmatites. The Company carried out sampling work on these claims in 2019.

During the year ended October 31, 2023, the Company incurred exploration costs totalling \$48,155 on the Georgia Lake Property.

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### (b) Forgan Lake, Ontario

On September 4, 2018, the Company entered into a purchase agreement with International Lithium Corp. ("ILC") to acquire a 100% interest in the Forgan Lake Lithium property, located close to Georgia Lake property, for a consideration of \$200,000 (\$191,000 as per the amendment agreement dated October 17, 2019) in cash and shares over the period of two years: \$25,000 in cash (paid) and \$25,000 in shares on signing (issued), \$37,500 in cash and \$37,500 in shares on the first anniversary (\$66,000 in cash paid on the first anniversary as per the amendment agreement dated October 17, 2019), and \$37,500 in cash (paid) and \$37,500 in shares (493,968 shares issued) on the second anniversary of the agreement date. The property is located in the Thunder Bay Mining District in North-western Ontario, Canada, and is subject to 1.5% NSR with an option for the Company to purchase 1% NSR for \$1,000,000.

On April 6, 2022, the Company entered into an amended agreement with ILC for the purchase of Forgan Lake property. Pursuant to the terms of the amendment agreement, the Company earned 100% interest in the property by paying \$150,000 to ILC in lieu of the requirement of \$500,000 exploration expenditures on the property. The property is located in the Thunder Bay Mining District in Northwestern Ontario, Canada, and is subject to 1.5% NSR with an option for the Company to purchase 1% NSR for \$1,000,000.

During the year ended October 31, 2023, the Company incurred exploration costs totalling \$1,003,911 on the Forgan Lake Property.

On April 12, 2022, the Company entered into a Purchase and Sale and Joint Venture Agreement (the "Agreement") Ya Hua International Investment and Development Co., Limited, ("Yahua") to sell 60% interest in the Company's subsidiary, North Canada Lithium Corp. ("NCLC"), which holds title to the Company's Georgia Lake and Forgan Lake properties for proceeds of \$5,000,000. As per the terms of the Agreement, Yahua agreed to contribute \$3,000,000 towards exploration expenditures (\$200,000 received) and the Company assumed the responsibility managing the exploration and development activities.

In May 2022, the Company received the purchase consideration of \$5,000,000. In October 2022, the Company and Yahua mutually agreed to terminate the Agreement. As part of the terms of the termination, the Company is to repay the \$5,000,000 purchase price to Yahua, in exchange for reacquiring 100% ownership in NCLC. The \$200,000 of funds advanced to date for the ongoing exploration and evaluation of the properties is not required to be repaid by the Company. During the year ended October 31, 2023, the amounts totalling \$5,000,000 have been repaid to Yahua.

### (c) Laguna Verde, Antofagasta, Argentina

On June 28, 2019, the Company entered into a revised option agreement to acquire a 100% interest in one of the three lithium brine properties (Laguna Verde) located in the Antofagasta region, Province of Catamarca in Argentina. Under the terms of agreement the Company was to pay \$500,000 USD in five equal semi-annual payments to acquire a 100% rights to the property. Per an amending agreement entered into in September 2021 the fourth and fifth semi-annual payments were amended to four semi-annual payments of \$50,000. The property is subject to a 2.5 % royalty. As of the date of the MD&A, the Company has fully paid \$500,000 USD in instalments.

On September 8, 2022, the Company entered into a purchase agreement to acquire 100% interest in three mining concessions located in the Antofagasta region. Under the terms of the agreement, the Company may acquire a 100% interest in the concessions by paying \$100,000 USD upon signing of the agreement

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(paid), a second payment of \$450,000 USD on December 24, 2022 (paid), and the final payment of \$450,000 on June 24, 2023. The property is subject to a 2.5% royalty. During the year ended October 31, 2023, the Company relinquished the right to acquire the three mining concessions and recorded an impairment loss of \$741,881.

During 2017 and 2018, the Company carried out surface brine sampling, ground geophysical surveys and evaporation test work on these licenses, especially on Laguna Verde salar area. In 2019, the Company carried out brine evaporation tests on this property.

On June 16, 2022 the Company entered into an agreement with Zangge wherein Zangge will, in staged payments, pay US\$10 million to Ultra Lithium and invest US\$40 million in the Laguna Verde Project as work expenditures for a 65% stake in Ultra Argentina S.R.L. (Ultra Argentina) which is a subsidiary of Ultra Lithium and holds the title to Laguna Verde Property. In November 2022 Zangge received an order from Government of Canada to divest its interest in Ultra Lithium. Ultra Lithium and Zangge have also mutually agreed to terminate the definitive agreement with respect to the Laguna Verde property announced on June 20, 2022.

The Laguna Verde project also consists certain claims staked in Archivarca, Argentina.

During the year ended October 31, 2023, the Company incurred exploration costs totalling \$2,307,927 on the Laguna Verde Property and paid additional \$741,881 acquisition costs.

### (d) La Rioja, Argentina

The company has staked 7 exploration licenses (ULTRA I to VII) covering 62,132 hectares land in La Rioja Province, Argentina.

In June 2019, the Company signed an agreement with a local vendor to acquire thirteen gold mining licenses in Chepes Area, La Rioja Province, Argentina (the "Chepes licences"). The Chepes licences are located on past producing historical gold mines, which are considered favourable for exploration of gold and copper. Historically quartz veins were mined for gold and copper in this area from 1880 to 1914. Under the agreement, the thirteen gold mining licenses covering 508 hectares were acquired by making cash payments of US \$2,000 per license. The Company will pay the vendor 10% of the profit from any future production from the Chepes licences. The Company also agreed to pay the vendor 5% of the profit from any future production from its ULTRA claims which are in the vicinity of the newly acquired Chepes licences.

In 2020, the Company carried out metallurgical testwork on the bulk samples collected from the La Rioja properties. The results indicated up to 94.34% gold recoveries from head grade sample of 13.41 g/ton gold. The mineralogy testwork on samples indicated 79.38% free gold.

During the year ended October 31, 2023, the Company incurred exploration costs totalling \$111,649 on the La Rioja Property.

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### (e) La Borita, Argentina

In February 2022, the Company entered into a purchase agreement to obtain 100% of the La Borita mining concessions. The Company may acquire 100% interest in the concessions by paying purchase consideration totalling \$300,000 USD payable as follows:

March 25, 2022	\$50,000 (paid)
September 25, 2022	\$50,000 (paid)
March 25, 2023	\$50,000 (paid)
September 25, 2023	\$50,000 (paid)
March 25, 2024	\$50,000
September 25, 2024	\$50,000

The property is subject to 2% NSR. As of the date of the MD&A, the Company has paid \$200,000 USD in instalments as the purchase consideration. The Company has not made the option payment due on March 24, 2024, of \$50,000 USD on the La Borita property. The Company has negotiated an extension on the payments and as of the date of these consolidated financial statements the option agreement is in good standing.

During the year ended October 31, 2023, the Company incurred exploration costs totalling \$11,183 on the La Borita Property.

### (f) Antigua, Argentina

On November 2, 2022, the Company entered into a purchase agreement to acquire the Antigua property located in La Rioja, Argentina. As consideration for the mining rights, the Company agreed to make payments in the amount of \$20,000 USD on the date of signing of the agreement, and \$45,000 USD payable in three (3) equal instalments on December 1, 2022, January 1, 2023 and February 1, 2023. The property is subject to a 1% royalty. As of the date of the MD&A, amounts totalling \$50,000 USD have been advanced related to this purchase agreement.

During the year ended October 31, 2023, the Company incurred exploration costs totalling \$10,027 on the Antigua Property.

In 2023, the La Rioja government established a new critical minerals policy and suspended all lithium licences. Consequently, the company recorded an impairment loss of \$77,486 during the year ended October 31, 2023.

### (g) Cordoba, Argentina

During the year ended October 31, 2023, the Company staked certain claims in Cordoba, Argentina. The Company paid \$39,712 in staking fees for these claims.

### (h) Salta, Argentina

The Company holds certain claims in Salta, Argentina. During the year ended October 31, 2023, the Company incurred exploration costs totaling \$7,545 on the Salta Property.

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### (i) Big Smoky Valley, Nevada

During the year ended October 31, 2022, the Company incurred additional exploration expenses of \$36,829 and recognized a recovery on impairment of exploration and evaluation assets totalling \$29,222 in relation to certain claims staked in Big Smoky Valley, Nevada.

During the year ended October 31, 2023, the Company incurred exploration costs totalling \$23,885 on the Big Smoky Property.

### **Risk Factors**

The Company is in the business of acquiring, exploring and, if warranted, developing and exploiting natural resource properties. Due to the nature of the Company's business and the present stage of exploration of its resource properties (which are primarily early-stage exploration properties with no known resources or reserves that have not been explored by modern methods), the following risk factors, among others, will apply:

***Mining Industry is Intensely Competitive:*** The Company's business will be the acquisition, exploration and development of resource properties. The mining industry is intensely competitive, and the Company will compete with other companies that have far greater resources.

***Resource Exploration and Development is Generally a Speculative Business:*** Resource exploration and development is a speculative business and involves a high degree of risk, including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but from finding mineral deposits which, though present, are insufficient in size to return a profit from production. The marketability of natural resources that may be acquired or discovered by the Company will be affected by numerous factors beyond the control of the Company. These factors include market fluctuations, the proximity and capacity of natural resource markets, government regulations, including regulations relating to prices, taxes, royalties, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital. The great majority of exploration projects do not result in the discovery of commercially mineable deposits of ore.

***Fluctuation of Metal Prices:*** Even if commercial quantities of mineral deposits are discovered by the Company, there is no guarantee that a profitable market will exist for the sale of the metals produced. Factors beyond the control of the Company may affect the marketability of any substances discovered. The prices of various metals have experienced significant movement over short periods of time, and are affected by numerous factors beyond the control of the Company, including international economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates and global or regional consumption patterns, speculative activities and increased production due to improved mining and production methods. The supply of and demand for metals are affected by various factors, including political events, economic conditions and production costs in major producing regions. There can be no assurance that the price of any mineral deposit will be such that any of its resource properties could be mined at a profit.

***Permits and Licenses:*** The operations of the Company will require licenses and permits from various governmental authorities. There can be no assurance that the Company will be able to obtain all necessary licenses and permits that may be required to carry out exploration, development and mining operations at its projects.

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***No Assurance of Profitability:*** The Company has no history of earnings and, due to the nature of its proposed business, there can be no assurance that the Company will ever be profitable. The Company has not paid dividends on its shares since incorporation and does not anticipate doing so in the foreseeable future. The only present source of funds available to the Company is from the sale of its common shares or, possibly, the sale or optioning of a portion of its interest in its resource properties. Even if the results of exploration are encouraging, the Company may not have sufficient funds to conduct the further exploration that may be necessary to determine whether or not a commercially mineable deposit exists. While the Company may generate additional working capital through further equity offerings or through the sale or possible syndication of its properties, there can be no assurance that any such funds will be available on favourable terms, or at all. At present, it is impossible to determine what amounts of additional funds, if any, may be required. Failure to raise such additional capital could put the continued viability of the Company at risk.

***Consolidated financial statements have been prepared assuming the Company will continue on a going concern basis:*** The Company's consolidated financial statements have been prepared on the basis that it will continue as a going concern. As at October 31, 2023, the Company had a working capital deficit of \$1,801,689 (October 31, 2022 – working capital of \$3,366,142) and an accumulated deficit of \$19,935,195 (2022 - \$17,316,427).

If the Company is unable to obtain adequate additional financing, it may be required to curtail operations and exploration activities. Furthermore, failure to continue as a going concern would require that the Company's assets and liabilities be restated on a liquidation basis which would likely differ significantly from their going concern assumption carrying values.

***Uninsured or Uninsurable Risks:*** The Company may become subject to liability for pollution or hazards against which it cannot insure or against which it may elect not to insure where premium costs are disproportionate to the Company's perception of the relevant risks. The payment of such insurance premiums and of such liabilities would reduce the funds available for exploration and production activities.

***Government Regulation:*** Any exploration, development or mining operations carried on by the Company will be subject to government legislation, policies and controls relating to prospecting, development, production, environmental protection, mining taxes and labour standards. In addition, the profitability of any mining prospect is affected by the market for precious and/or base metals which is influenced by many factors including changing production costs, the supply and demand for metals, the rate of inflation, the inventory of metal producing corporations, the political environment and changes in international investment patterns.

***Environmental Matters:*** Existing and possible future environmental legislation, regulations and actions could cause significant expense, capital expenditures, restrictions and delays in the activities of the Company, the extent of which cannot be predicted and which may well be beyond the capacity of the Company to fund. The Company's right to exploit any mining properties will be subject to various reporting requirements and to obtaining certain government approvals and there can be no assurance that such approvals, including environment approvals, will be obtained without inordinate delay or at all.

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**Financing Risks:** The Company has limited financial resources, has no source of operating cash flow and has no assurance that additional funding will be available to it for further exploration and development of its projects or to fulfil its obligations under any applicable agreements. Although the Company has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that it will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of its projects with the possible loss of such properties.

**Insufficient Financial Resources:** The Company does not presently have sufficient financial resources to undertake by itself the exploration and development of all of its planned exploration and development programs. The development of the Company's properties will therefore depend upon the Company's ability to obtain financing through the joint venturing of projects, private placement financing, public financing or other means. There can be no assurance that the Company will be successful in obtaining the required financing. Failure to raise the required funds could result in the Company losing, or being required to dispose of, its interest in its properties. In particular, failure by the Company to raise the funding necessary to maintain in good standing its various option agreements could result in the loss of its rights to such properties.

**Dependence Upon Others and Key Personnel:** The success of the Company's operations will depend upon numerous factors, many of which are beyond the Company's control, including (i) the ability to design and carry out appropriate exploration programs on its resource properties; (ii) the ability to produce minerals from any resource deposits that may be located; (iii) the ability to attract and retain additional key personnel in exploration, marketing, mine development and finance; and (iv) the ability and the operating resources to develop and maintain the properties held by the Company. These and other factors will require the use of outside suppliers as well as the talents and efforts of the Company and its consultants and employees. There can be no assurance of success with any or all of these factors on which the Company's operations will depend, or that the Company will be successful in finding and retaining the necessary employees, personnel and/or consultants in order to be able to successfully carry out such activities. This is especially true as the competition for qualified geological, technical and mining personnel and consultants is particularly intense in the current marketplace.

**Price Fluctuations and Share Price Volatility:** In recent years, the securities markets in the United States and Canada have experienced a high level of price and volume volatility, and the market price of securities of many companies, particularly those considered development stage companies, have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual and extreme fluctuations in price will not occur.

**Surface Rights and Access:** Although the Company acquires the rights to some or all of the minerals in the ground subject to the tenures that it acquires, or has a right to acquire, in most cases it does not thereby acquire any rights to, or ownership of, the surface to the areas covered by its mineral tenures. In such cases, applicable mining laws usually provide for rights of access to the surface for the purpose of carrying on mining activities, however, the enforcement of such rights can be costly and time consuming. In areas where there are no existing surface rights holders, this does not usually cause a problem, as there are no impediments to surface access. However, in areas where there are local populations or land owners, it is necessary, as a practical matter, to negotiate surface access. There can be no guarantee that, despite having the right at law to access the surface and carry on mining activities, the Company will be able to negotiate a satisfactory agreement with any such existing landowners/occupiers for such access, and therefore it may be unable to carry out mining activities.

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In addition, in circumstances where such access is denied, or no agreement can be reached, the Company may need to rely on the assistance of local officials or the courts in such jurisdictions.

**Title:** Although the Company has taken steps to verify the title to the resource properties in which it has or has a right to acquire an interest in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee title (whether of the Company or of any underlying vendor(s) from whom the Company may be acquiring its interest). Title to resource properties may be subject to unregistered prior agreements or transfers, and may also be affected by undetected defects or the rights of indigenous peoples.

**Acquisition of Mineral Concessions under Agreements:** The agreement pursuant to which the Company has the right to acquire a number of its properties provide that the Company must make a series of cash payments and/or share issuances over certain time periods, expend certain minimum amounts on the exploration of the properties or contribute its share of ongoing expenditures. The Company does not presently have the financial resources required to complete all expenditure obligations under its property acquisition agreement over their full term. Failure by the Company to make such payments, issue such shares or make such expenditures in a timely fashion may result in the Company losing its interest in such properties. There can be no assurance that the Company will have, or be able to obtain, the necessary financial resources to be able to maintain all of its property agreements in good standing, or to be able to comply with all of its obligations thereunder, with the result that the Company could forfeit its interest in one or more of its mineral properties.

### Selected Annual Information

The following selected financial data with respect to the Company's financial condition and results of operations has been derived from the audited financial statements of the Company for the years ended October 31, 2023, 2022 and 2021 prepared in accordance with IFRS. The selected financial data should be read in conjunction with those financial statements and the notes thereto.

	2023	2022	2021
	\$	\$	\$
Interest income	45,941	73,688	Nil
Net Loss	2,618,768	1,709,650	742,653
Loss per share	0.02	0.01	0.01
Total assets	13,725,780	18,413,334	3,170,509
Total long-term liabilities	245,077	247,726	Nil
Cash dividends declared per share for each class of share	Nil	Nil	Nil

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### **Results of Operations**

#### ***Three months ended October 31, 2023***

During the three months ended October 31, 2023, the Company had a net loss of \$1,776,462 compared to a net loss of \$1,086,705 during the period ended October 31, 2022. The significant components of the net loss were as follows:

- Consulting fees decreased to \$Nil (2022 - \$57,610) with decrease in consultant engagement.
- Shareholder communication expenses increased to \$46,177 (2022 - \$Nil).
- Share-based payment decreased to \$nil (2022 - \$714,900) with no options granted in the period.
- Travel and promotion expenses increased to \$40,445 (2022 - \$7,117) with the increase in operations.
- Interest income decreased to \$75 (2022 - \$73,688) due to a decrease in GIC balances.
- Interest expense increased to \$24,545 (2022 - \$7,528) due to additional financing received in 2023.
- Settlement of flow-through premium liability of \$nil (2022 - \$163,190) was recognized on the flow-through premium liability related to the private placements in the period.
- The Company recognized a tax recovery of \$2,649 (2022 - expense of \$247,726) in relation to deferred tax liability.

#### ***Year ended October 31, 2023***

During the year ended October 31, 2023, the Company had a net loss of \$2,618,768 compared to a net loss of \$1,709,650 during the year ended October 31, 2022.

The significant components of the net loss were as follows:

- Management fees were \$366,000 (2022 - \$181,500) as per Board resolutions.
- Professional fees increased to \$408,470 (2022 - \$305,156) with increase in professional engagement.
- Consulting fees decreased to \$10,000 (2022 - \$231,500) with decrease in consultant engagement.
- Shareholder communication expense increased to \$282,339 (2022 - \$Nil).
- Share-based payment decreased to \$nil (2022 - \$714,900) with no options granted in the period.
- Travel and promotion expenses increased to \$147,223 (2022 - \$47,845) with the increase in operations.
- Settlement of flow-through premium liability of \$5,187 (2022 - \$163,190) was recognized on the flow-through premium liability related to the private placements in the period.
- Interest income decreased to \$45,941 (2022 - \$73,688) due to a decrease in GIC balances.
- Interest expense increased to \$46,525 (2022 - \$Nil) due to a new loan received in the period.
- Foreign exchange gain amounted to \$59,011 (2022 - loss of \$14,400) due to change in foreign exchange rates.

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## Summary of Quarterly Results

Quarter Ended	Revenue	Operating loss	Diluted loss per Share	Total Assets
	\$	\$	\$	\$
October 31, 2023	Nil	(1,776,462)	(0.00)	13,725,780
July 31, 2023	Nil	(306,610)	(0.00)	13,141,485
April 30, 2023	Nil	(340,278)	(0.00)	12,231,696
January 31, 2023	Nil	(310,482)	(0.00)	12,411,814
October 31, 2022	Nil	(1,086,705)	(0.01)	18,413,334
July 31, 2022 (Restated)*	Nil	(287,804)	(0.00)	16,442,094
April 30, 2022	Nil	(185,190)	(0.00)	12,267,103
January 31, 2022	Nil	(149,951)	(0.00)	6,163,434

### **\*Restatement**

On April 12, 2022, the Company entered into a Purchase and Sale and Joint Venture Agreement (the "Agreement") with Yahua to sell 60% interest in the Company's subsidiary, NCLC, which holds title to the Company's Georgia Lake and Forgan Lake properties for proceeds of \$5,000,000. In May 2022, the Company received the purchase consideration of \$5,000,000.

On October 14, 2022, the Company and Yahua mutually agreed to terminate the Agreement. As part of the terms of the termination, the Company was to repay the \$5,000,000 purchase price to Yahua, in exchange for reacquiring 100% ownership in NCLC. The \$200,000 of funds advanced to date for the ongoing exploration and evaluation of the properties is not required to be repaid by the Company. As of the date of the MD&A, amounts totaling \$5,000,000 have been repaid to Yahua.

During the period from the closing date of the Agreement to the termination date, the Company concluded that control of NCLC was retained, recognizing Yahua's 60% interest in NCLC as a non-controlling interest that has been reacquired as of October 31, 2022.

As a result of termination, the Company restated the financial statements for the period ended July 31, 2022, reversing the \$4,280,322 gain on sale of NCLC recorded in the profit and loss. Refer to Note 3 of condensed consolidated financial statements for the three and nine months ended July 31, 2023.

The following discussion outlines the reasons for some of the variations in the quarterly numbers but, as with most junior mineral exploration companies, the results of operations (including interest income and net losses) are not the main factors in establishing the financial health of the Company. Of far greater significance are the resource properties in which the Company has, or may earn an interest, its working capital and how many shares it has outstanding. The variation seen over such quarters is primarily dependent upon the success of the Company's ongoing property evaluation program and the timing and results of the Company's exploration activities on its then current properties, none of which are possible to predict with any accuracy.

There are no general trends regarding the Company's quarterly results and the Company's business of resource exploration is not seasonal, as it can work on its properties on a year-round basis (funding permitting). Quarterly results may vary significantly depending mainly on whether the Company has abandoned any properties or granted any stock options and these factors which may account for material variations in the

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Company's quarterly net income (losses) are not predictable. The major factor which may cause a material variation in net loss on a quarterly basis is the grant of stock options due to the resulting stock-based compensation charges which may be significant when they arise. General and administrative costs tend to be quite similar from period to period, except in certain cases when there is an increase in corporate activities. The variation in income is related solely to the interest earned on funds held by the Company, which is dependent upon the success of the Company in raising the required financing for its activities which will vary with overall market conditions, and is therefore difficult to predict.

### **Liquidity and Capital Resources**

The Company has no revenue generating operations from which it can internally generate funds and therefore has been incurring losses since inception. The Company has financed its operations and met its capital requirements primarily through the sale of capital stock by way of private placements and the subsequent exercise of share purchase warrants issued in connection with such private placements and the exercise of stock options. The Company also has raised funds through the sale of interests in its mineral properties. When acquiring interests in resource properties through purchase or option, the Company issues common shares or a combination of cash and shares to the vendors of the property as consideration for the property in order to conserve its cash. The Company expects that it will continue to operate at a loss for the foreseeable future and will require additional financing to fund the exploration of its existing properties and the acquisition of potential resource properties.

The Company's cash and cash equivalents at October 31, 2023 were held for working capital purposes and were held with major Canadian chartered banks. The Company does not believe that the credit, liquidity or market risks with respect thereto have increased as a result of the current market conditions. However, in order to achieve greater security for the preservation of its capital, the Company has, of necessity, been required to accept lower rates of interest which has also lowered its potential interest income.

As at October 31, 2023, the Company had a working capital deficit of \$1,801,689 and cash and cash equivalents of \$466,742 compared to a working capital of \$3,366,142 and cash and cash equivalents of \$8,958,944 at October 31, 2022.

Net cash outflows from operations for the year ended October 31, 2023 were \$963,508 (2022 - \$1,280,263), net of changes in non-cash working capital.

For the year ended October 31, 2023, the Company had net cash inflows of \$2,047,297 from financing activities comprised of proceeds from loan of \$1,018,077 and from share issues of \$1,200,000 (2022 - \$9,774,479 comprised mostly of proceeds from private placements).

For the year ended October 31, 2023, the Company had net cash outflows of \$9,581,242 (2022 - \$43,767) from investing activities, involving exploration and evaluation assets expenditure of \$4,581,242 (2022 - \$5,043,767) and advance payable of \$5,000,000 (2022 - inflow of \$5,000,000).

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### *Share Capital*

In August 2023, the Company closed a non-brokered private placement comprised of 18,181,818 units at a price of \$0.055 per unit for gross proceeds of \$1,000,000. Each Unit is comprised of one common share of the Company and one half of one common share purchase warrant. Each whole Warrant entitles the holder thereof to purchase one common share of the Company at \$0.11 in the first twelve months following issuance and at \$0.25 in the second twelve months following issuance. In connection with a portion of the Private Placement the Company paid cash finder's fees of \$30,000, issued 545,455 finder's shares to a finder and incurred \$8,195 of the share issue costs.

In September 2023, the Company closed a non-brokered private placement comprised of 3,636,365 units at a price of \$0.055 per unit for gross proceeds of \$200,000. Each Unit is comprised of one common share of the Company and one half of one common share purchase warrant. Each whole Warrant entitles the holder thereof to purchase one common share of the Company at \$0.11 in the first twelve months following issuance and at \$0.25 in the second twelve months following issuance. In connection with this this private placement, the Company incurred share issue costs of \$2,565.

During the year ended October 31, 2022, the Company issued 1,929,586 common shares at \$0.20 per share pursuant to exercise of warrants for proceeds of \$389,034.

During the year ended October 31, 2022, the Company issued 12,500 common shares at \$0.205 per share pursuant to exercise of options for proceeds of \$2,563.

On October 7, 2022, the Company issued 2,156,278 non flow-through units at \$0.15 per unit pursuant to a private placement for total proceeds of \$323,442. Each unit consists of one common share of the Company and one half of one warrant. Each warrant will entitle the holder thereof to purchase one common share of the Company for a period of twenty four (24) months. Each warrant is exercisable at a price of \$0.25 per share for the first twelve (12) months and at \$0.35 thereafter. A value of \$118,595 was attributed to the warrants' component of the units on the residual value method. Finder's fees of \$11,216 were paid and 58,995 finders' warrants were issued in connection with the private placement, maturing twenty four (24) months from the date of issuance and exercisable at a price of \$0.25 in the first twelve (12) months, and at \$0.35 thereafter.

On June 15, 2022, the Company issued 4,220,000 flow-through units at \$0.25 per unit pursuant to a private placement for total proceeds of \$1,055,000 and 83,829 non-flow-through units at a price of \$0.235 per unit (each, a "NFT Unit") for gross proceeds of \$19,700. Each FT Unit consists of one (1) common share of the Company issued as a "flow-through share" (each, a "FT Share"), and one half of one common share purchase warrant (each whole warrant, a "Warrant"). Each NFT Unit consists of one common share of the Company (each, a "NFT Share") and one half of one Warrant. Each Warrant will entitle the holder thereof to purchase one common share of the Company at a price of \$0.30 per share for a period of twelve (12) months from their date of issue. A value of \$129,115 was attributed to the warrants' component of the units on the residual value method. There was a flow-through premium of \$0.015 per share or \$63,300 which was recorded as a flow-through share premium liability which was recognized in other income as flow-through expenditures were incurred. In connection with the private placement closed on June 15, 2022, the Company paid finder's fees of \$78,888 and issued 298,468 finder's warrants, each exercisable into a common share of the Company at a price of \$0.30 for a period of twelve (12) months from their date of issue.

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On May 24, 2022, the Company issued 24,610,000 units (each, a "Unit") at \$0.18 per share pursuant to a private placement for the total proceeds of \$4,429,800. Each Unit is comprised of one common share of the Company and one half of one common share purchase warrant (each whole warrant, a "Warrant"), each Warrant will entitle the holder thereof to purchase one common share of the Company at a price of \$0.25 for a period of 12 months. No value was attributed to the warrant component of the unit. The Company paid finder fees of \$68,593, issued 102,100 finder's warrants, and issued 1,610,000 finders' fee units. Each finder fee unit is comprised of one common share of the Company and one half of one common share purchase warrant, each Finder's warrant and each whole warrant comprised in the finders' fee unit will entitle the holder to purchase one common share of the Company at a price of \$0.25 per a period of twelve (12) months from their date of issue.

On April 28, 2022, the Company closed a tranche of a non-brokered private placement comprising of 3,167,778 units of the Company (each, a "Unit") at a price of \$0.18 per Unit for gross proceeds of \$570,200 from the sale of Units. Each Unit consists of one (1) common share of the Company, and one half of one common share purchase warrant (each whole warrant, a "Warrant"). Each Warrant will entitle the holder thereof to purchase one common share of the Company at a price of \$0.25 per share for a period of twelve (12) months from their date of issue. No value was attributed to the warrant component of the unit. The Company paid finder's fees of \$35,891 and issued 190,478 finder's warrants in connection with the private placement, each exercisable into a common share of the Company at a price of \$0.25 for a period of twelve (12) months from their date of issue.

On December 7, 2021, the Company closed a tranche of a non-brokered private placement comprising of 7,005,147 flow-through units of the Company (each, a "FT Unit") at a price of \$0.165 per FT Unit for gross proceeds of \$1,155,849 from the sale of FT Units, and 16,473,667 non-flow-through units of the Company (each, an "NFT Unit") at a price of \$0.15 per NFT Unit for gross proceeds of \$2,471,050 from the sale of NFT Units. Each FT Unit consists of one (1) common share of the Company issued as a "flow-through share" (each, a "FT Share"), and one half of one common share purchase warrant (each whole warrant, a "Warrant"). Each NFT Unit consists of one common share of the Company (each, a "NFT Share") and one half of one Warrant. Each Warrant will entitle the holder thereof to purchase one common share of the Company at a price of \$0.25 per share for a period of twelve (12) months from their date of issue. The Company paid finder's fees of \$242,889 and issued 660,227 finder's warrants in connection with the Private Placement. Each finder's warrant will entitle the holder thereof to purchase one common share of the Company at an exercise price of \$0.25 for a period of twelve (12) months from the date of issuance. During the year ended October 31, 2021 the Company received \$247,300 in subscription funds with respect to this private placement.

### *Loan Payable*

On May 12, 2023, the Company received a secured demand loan of AUD \$1,130,000 (\$1,018,077) that bears interest at 10% per annum. The lender has a right to demand settlement of the loan in shares until June 30, 2024, and either in shares or cash thereafter. The loan is secured by a general security agreement.

The number of shares that are issuable upon conversion of the demand loan is calculated at a variable price based on the ratio of the Company's share price on the date of the loan and Company's share price on the date of notice of conversion, subject to TSXV policies. If the lender demands repayment, the loan principal is a variable amount based on the ratio of the Company's share price on the date of the loan and Company's share price on the date of the notice of repayment.

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In November 2023, the Company was notified by the lender that they are assessing if whether the Company is in default in accordance with the loan agreement.

As of the date of this MD&A, financing for the Company's operations is also potentially available through the exercise of vested stock options and outstanding share purchase warrants (See "*Outstanding Share Data – Options and Warrants outstanding*"). However, there can be no assurance that any of these outstanding convertible securities will be exercised, particularly if the trading price of the common shares on the TSX Venture Exchange does not exceed, by a material amount and for a reasonable period, the exercise price of such convertible securities at some time prior to their expiry dates.

The Company will require additional financing in order to fund working capital requirements. While the Company has been successful in securing financings in the past, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be available on acceptable terms.

The Company currently has interests in several resource properties and is not currently subject to expenditure commitments on its resource properties. As at October 31, 2023, the Company incurred and capitalized aggregate expenditures of \$12,778,607 on the properties which consisted predominantly of exploration costs.

The Company has not had a history of operations or earnings and its overall success will be affected by its current or future business activities. The continued operations of the Company and the recoverability of expenditures incurred to earn an interest in resource properties are dependent upon the existence of economically recoverable reserves, securing and maintaining title and beneficial interest in the properties, obtaining necessary financing to explore and develop the properties, and upon future profitable production or proceeds from disposition of the resource properties.

### **Related Party Transactions**

During the year ended October 31, 2023 and 2022, the Company incurred the following transactions with a company controlled by the VP exploration, Afzaal Pirzada:

Compensation of key management personnel:

	Year ended October 31	
	2023	2022
	\$	\$
Geological fees (ii)	144,000	108,195
	144,000	108,195

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The remuneration of directors and other members of key management personnel were as follows:

	Year ended October 31	
	2023	2022
	\$	\$
Short-term benefits <sup>(1)</sup>	570,000	347,080
Share-based payments <sup>(1)</sup>	-	403,618
	570,000	750,698

<sup>(1)</sup> Short-term benefits include management fees paid directly to key management, Weiguo Lang and Andrew Lee Smith, and accounting fees paid to a company controlled by the CFO, Kiki Smith.

Included in prepaid expenses and deposits are \$nil paid to the CFO (October 31, 2022 - \$363) for expenses.

Included in the trade payables and accrued liabilities is \$261,205 (October 31, 2022 - \$36,523) due to the related parties.

### **Subsequent events**

- In January 2024, the Company issued a promissory note in the principal amount of \$10,000 to a director and officer of the Company. The note is unsecured, payable on demand, and bears interest at a rate of 12% per annum.
- In March 2024, the Company issued a promissory note in the principal amount of \$50,000 USD to a director and officer of the Company. The note is unsecured, payable one year from the date of issuance, and bears interest at a rate of 12% per annum.
- As of the date of the MD&A, the Company has not made the option payment due on March 24, 2024, of \$50,000 USD on the La Borita property. The Company has negotiated an extension on the payments and as of the date of these consolidated financial statements the option agreement is in good standing.

### **Critical Accounting Estimates**

In the application of the Company's accounting policies, which are described in note 2 of the audited consolidated financial statements for the year ended October 31, 2023, management is required to make judgments, apart from those requiring estimates, in applying accounting policies. The most significant judgments applying to the Company's financial statements include:

- the determination of the element of costs recorded as exploration and evaluation assets and determination of reclamation obligations;
- the classification of financial instruments; and
- the determination of the functional currency of the parent company and its subsidiaries.
- assessment of the Company's ability to continue as a going concern
- assessment of the Company's control of an investee

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The preparation of financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the recoverability of the carrying value of exploration and evaluation assets, fair value measurements for financial instruments, the recoverability and measurement of deferred tax assets, provisions for restoration and environmental obligations and contingent liabilities.

### **Capital Management**

The Company's objectives when managing capital are to ensure that there are adequate capital resources to safeguard the Company's ability to continue as a going concern and maintain adequate levels of funds to support the acquisition, exploration and development of exploration and evaluation assets such that it can continue to provide returns to shareholders and benefits for other stakeholders.

The Company considers the items included in shareholders' equity as capital. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the Company's underlying assets. In order to maintain or adjust its capital structure, the Company may issue new shares or sell assets to settle liabilities. The Company has no long-term debt and is not subject to externally imposed capital requirements.

The properties in which the Company currently has an interest in are in the exploration stage, as such, the Company does not recognize revenue from its exploration properties. The Company's historical sources of capital have consisted of the sale of equity securities, loans, advances from related parties and interest income. In order for the Company to carry out planned exploration and development and pay for administrative costs, the Company will spend its working capital and expects to raise additional amounts externally as needed. The Company is not subject to any externally imposed capital requirements.

There were no changes in the Company's management of capital during the year ended October 31, 2023.

### **Off-Balance Sheet Arrangements**

The Company does not have any off-balance sheet arrangements as at the date of this report.

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### Outstanding Share Data

Outstanding share data as of the date of the MD&A:

- (1) Authorized and Issued Capital Stock
  - a) Authorized - Unlimited common shares without par value.
  - b) Issued and outstanding – 191,095,351 common shares.
  
- (2) Options and Warrants Outstanding
  - a) Warrants outstanding are as follows:

Warrants	Exercise Price	Expiry Date
#	\$	
1,137,135	0.35*	October 7, 2024
9,090,910	0.11**	August 10, 2025
1,818,182	0.11***	September 6, 2025
12,046,227		

\* the exercise prices is \$0.25 until October 7, 2023, and \$0.35 thereafter

\* the exercise prices is \$0.11 until August 10, 2023, and \$0.25 thereafter

\* the exercise prices is \$0.11 until October 7, 2023, and \$0.25 thereafter

- b) Stock options outstanding are as follows:

Shares	Exercise Price	Expiry Date	Exercisable
#	Per Share		#
	\$		
810,000	0.19	June 4, 2024	810,000
2,190,000	0.13	March 8, 2026	2,190,000
6,262,500	0.10	October 11, 2027	6,262,500
9,262,500			9,262,500

### Additional Information

Additional information about the Company is available under the Company's profile on SEDAR at and on the Company's website at [www.ultralithium.com](http://www.ultralithium.com).