

## **D2 LITHIUM CORP.**

### **Management's Discussion & Analysis YEAR ENDED NOVEMBER 30, 2024**

**(Stated in Canadian Dollars)**

This Management's Discussion and Analysis ("MD&A") of D2 Lithium Corp. (the "Company") is dated March 28, 2025. This MD&A should be read in conjunction with the Audited Consolidated Financial Statements and accompanying notes for the fiscal year ended November 30, 2024.

Management is responsible for the preparation and integrity of the consolidated financial statements, including the maintenance of appropriate information systems, procedures, and internal controls and to ensure that information used internally or disclosed externally, including the consolidated financial statements and MD&A, is complete and reliable. The Company's board of directors follows recommended corporate governance guidelines for public companies to ensure transparency and accountability to shareholders. The board's audit committee reviews with management on a quarterly basis the consolidated financial statements including the MD&A as well as other financial, operating and internal control matters.

Statements in this report that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward-looking statements. See "Forward-Looking Statements" that are subject to risk factors set out in a cautionary note contained herein.

**The reader is encouraged to review Company filings on [www.sedar.com](http://www.sedar.com).**

## **CORPORATE OVERVIEW**

D2 Lithium Corp. (the "Company") is a junior mining company. The principal business of the Company is the identification, evaluation and acquisition of mineral properties, as well as exploration of mineral properties once acquired. The Company is an exploration stage company and is in the process of acquiring and exploring its mineral property interests.

Dajin Lithium Corp. ("Dajin") was incorporated under the British Columbia Company Act on August 5, 1987. On January 13, 2022, Dajin and HeliosX Technologies Corp. ("HX Tech") completed a plan of arrangement under Division 5 of Part 9 of the British Columbia Business Corporations Act ("BCBCA") involving Dajin, HX Tech, HX Tech subsidiary Fox Creek Lithium Corp., ESG Technologies Inc. ("ESG") and Helios Infrastructure Corp. ("Helios Infrastructure") (the "Arrangement"). Dajin received final approval of the Arrangement from the TSX Venture Exchange ("TSXV") and approval to list the common shares of the resulting issuer on the TSXV. Pursuant to the Arrangement, Dajin and HX Tech amalgamated to form an amalgamated company called HeliosX Lithium & Technologies Corp. and ESG and Helios Infrastructure were spun out as separate reporting issuers.

The Company is listed and trades on the TSXV under the symbol DTWO, on the OTCQB Markets in the United States under the symbol DTWOF and in Germany under the symbol C2U0. The Company is a Reporting Issuer in the provinces of British Columbia and Alberta.

The Company's registered office, records office and head office is located at Suite 202, 8661 – 201 Street, Langley, BC V2Y 0G9.

As of the date hereof, the authorized capital of the Company consists of an unlimited number of Common Shares without par value, of which 36,231,804 Common Shares are issued and outstanding as fully paid and non-assessable.

**D2 LITHIUM CORP.****Management's Discussion & Analysis YEAR ENDED NOVEMBER 30, 2024****(Stated in Canadian Dollars)****OUTLOOK**

In 2025, the Company will continue to develop our Teels Marsh Lithium Brine project in Nevada. The Company will continue to review strategic acquisitions or joint ventures on an ongoing basis.

**DAJIN RESOURCES S.A.**

On September 27, 2024, the Company sold its 49% interest in Dajin Resources S.A. for cash consideration of \$3,037,275 (US\$2,250,000).

**DAJIN RESOURCES (US) CORP.**

Dajin Resources (US) Corp. ("Dajin US") was incorporated in the State of Nevada on August 1, 2014, as "Any Legal Purpose Company" and a wholly owned subsidiary of Dajin. All the issued shares of Dajin US are registered in the name of the Company.

The office of Dajin US is located at 6121 Lakeside Drive, Suite 260, Reno, Nevada 89511.

**TEELS MARSH VALLEY LITHIUM BRINE PROJECT**

As at November 30, 2024, the Company through its wholly owned operating subsidiary Dajin Resources (US) Corp held a 100% interest in 240 placer mineral claims in the Teels Marsh Valley of Mineral County, Nevada. Subsequent to year end, the Company staked an additional 146 claims in the Teels Marsh Valley for a total of 386 claims, in which 125 of the claims were staked in the same location as to certain previously dropped claims. As a result, the Company recorded a write-down of resource property costs of \$110,445 on the consolidated statement of comprehensive income (loss) for 38 claims dropped.

A Gravity Survey has been conducted on the Teels Marsh which confirmed a 8,200-foot (2.5 kilometer) deep basin. The project is located 50 miles (80 kilometers) northwest of Albemarle's Silver Peak Lithium brine mine in Clayton Valley. Surface exploration has been completed; engineered access roads and construction of two large drill pads for drilling of four production diameter exploration wells has been completed. A seismic program has been completed, and drill locations have been determined. Near surface brine assay results indicated the presents of up to 79 mg/l of Lithium. Water rights have been granted and permits for drilling are in place.

On July 25, 2024 Dajin US was granted by the Nevada Division of Water Resources an extension to May 24, 2027, for water rights to the Teels Marsh Valley.

As at November 30, 2024, the Company had posted \$413,116 (US\$294,299) compared to 2023 \$281,905 (US\$209,801) in reclamation bonds with the Bureau of Land Management, Nevada State office, concerning its interest in the Teels Marsh Lithium Brine Project.

**D2 LITHIUM CORP.****Management's Discussion & Analysis YEAR ENDED NOVEMBER 30, 2024****(Stated in Canadian Dollars)****ALKALI SPRINGS VALLEY LITHIUM PROJECT**

The 139 placer claims held by the Company in the Alkali Springs Valley of Esmeralda County, Nevada were not renewed on September 1, 2024. As a result, the Company recorded a write-down of resource property costs of \$161,876 on the consolidated statement of comprehensive income (loss).

**FOX CREEK LITHIUM CORP.**

The Company, through its wholly owned subsidiary Fox Creek Lithium Corp., held 581,461 acres of lithium brine rights comprising the Fox Creek Property in west-central Alberta, Canada. The property consisted of five separate Government of Alberta-issued permit blocks.

On December 31, 2023, the Government of Alberta cancelled the permit blocks comprising the property. As a result, the Company wrote off the resource property costs on the consolidated statement of comprehensive loss during the year ended November 30, 2023.

**RESULTS OF OPERATIONS****Three months ended November 30, 2024**

For the three months ended November 30, 2024, the Company earned net income of \$2,696,982 (2023: \$1,000,225 net loss), an increase of \$3,697,207. The change is mainly due to the gain on the disposal of all of their shares in Dajin Resources S.A. of \$2,961,446 and an increase in foreign exchange gain of \$70,362 compared to 2023.

Total expenses for the three months ended November 30, 2024, were \$147,850 as compared to \$202,489 for the comparable period, a decrease of \$54,639. The change is mainly due to an increase in foreign exchange gain.

**Year ended November 30, 2024**

For the year ended November 30, 2024, the Company earned net income of \$2,791,124 (2023: \$1,469,264 net loss) an increase of \$4,260,388. The change is mainly due to the write off of accounts payable of \$550,000 and the gain on the disposal of all of their shares in Dajin Resources S.A. of \$2,961,446.

Total expenses for the year ended November 30, 2024, were \$441,585 as compared to \$678,274 for the comparable period, a decrease of \$236,689. The change is mainly due to an increase in foreign exchange gain of \$61,406, and a decrease in legal and professional fees of \$41,041, office administration and general of \$16,253 and rent of \$30,055 in 2024 compared to 2023.

**D2 LITHIUM CORP.****Management's Discussion & Analysis YEAR ENDED NOVEMBER 30, 2024****(Stated in Canadian Dollars)****Summary of Quarterly Results****FOR THE THREE MONTHS ENDED**

	<b>November 30, 2024</b>	<b>August 31, 2024</b>	<b>May 31, 2024</b>	<b>February 28, 2024</b>
Total revenues	\$ -	\$ -	\$ -	\$ -
Net income (loss)	\$ 2,696,982	\$ 218,181	\$ (77,121)	\$ (46,918)
Basic and diluted earnings (loss) per share	\$ 0.08	\$ 0.00	\$ (0.00)	\$ (0.00)
	<b>November 30, 2023</b>	<b>August 31, 2023</b>	<b>May 31, 2023</b>	<b>February 28, 2023</b>
Total revenues	\$ -	\$ -	\$ -	\$ -
Net income (loss)	\$ (1,000,225)	\$ (118,065)	\$ (188,418)	\$ (162,556)
Basic and diluted earnings (loss) per share	\$ (0.03)	\$ (0.00)	\$ (0.00)	\$ (0.00)

**LIQUIDITY AND CAPITAL RESOURCES**

At November 30, 2024, the Company had cash and cash equivalents of \$1,594,772 (November 30, 2023 - \$20,116) and current liabilities of \$438,361 (November 30, 2023 - \$1,655,822). All of the Company's accounts payable (\$287,350) have contractual maturity of less than 30 days and are subject to normal trade terms.

To date, the Company has been able to fund operations and property exploration and evaluation primarily through equity financings and short-term loans. The continued volatility in the financial equity markets has made it difficult to raise capital. The junior mining industry is considered speculative in nature which could make it even more difficult to fund. While the Company is using its best efforts to achieve its business plans by examining various financing alternatives, there is no assurance that the Company will be successful with its financing ventures.

**RELATED PARTY TRANSACTIONS**

The Company incurred the following charges with directors and officers of the Company and private companies controlled by the directors:

	2024 \$	2023 \$
Key management compensation:		
Wages and benefits	62,491	66,080
Consulting and management fees – operating expenses	29,000	80,450
Rent reimbursements	20,416	19,771
	111,907	166,301

These charges were measured by the exchange amount that is the amount agreed upon by the transacting parties.

**D2 LITHIUM CORP.****Management's Discussion & Analysis YEAR ENDED NOVEMBER 30, 2024****(Stated in Canadian Dollars)**

Included in November 30, 2024 accounts payable and accrued liabilities is \$Nil (November 30, 2023: \$615,440) owing to related party individuals consisting of current and former directors and officers of the Company and companies with common officers and directors for unpaid fees and expense reimbursements of which \$550,000 was under dispute as detailed in the Statement of Claim filed in the Alberta Courts on March 30, 2023. During the year ended November 30, 2024, the former directors acknowledged that they did not comply with the reporting of these contracts with the regulatory authorities as required for validity, and as a result, the Company takes the position that those contracts are not valid. As at November 30, 2024, these amounts have been written off.

Included in November 30, 2024 loans payable is \$99,500 (November 30, 2023: \$109,397) owing to an officer of the Company.

Amounts due to related parties are non-interest bearing, unsecured and are due on demand.

Upon review of the amalgamation between Dajin Lithium Corp. and HeliosX Technologies Corp., former directors and officers of the Company caused 6,930,000 shares to be issued to themselves. As acknowledged by the former directors during the year ended November 30, 2024, the Company takes the view that no money, property, or past service of fair equivalent value was provided in exchange for the shares, as is required by provincial legislation for the issuance of the 6,930,000 shares to be valid. Accordingly, the Company filed Statements of Claim in the Court of King's Bench of Alberta on March 30, 2023, and May 3, 2024, seeking return of these shares to the Company's Treasury or alternatively monetary compensation/restitution.

**OFF-BALANCE SHEET ARRANGEMENTS**

During the reporting period there were no off-balance sheet arrangements.

**CRITICAL ACCOUNTING POLICIES AND ESTIMATES**

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the condensed interim consolidated financial statements is included in the following notes:

*Resource property expenditures*

The application of the Company's accounting policy for resource property expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after an expenditure is capitalized, information becomes available suggesting that the recovery of the expenditure is unlikely, the amount capitalized is written off in the statement of comprehensive income (loss) in the period the new information becomes available.

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#### *Impairment*

At each reporting period, assets, specifically resource property costs and investment in Dajin S.A. are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amounts exceed their recoverable amounts. The assessment of the carrying amount often requires estimates and assumptions such as discount rates, exchange rates, commodity prices, future capital requirements and future operating performance.

#### *Going concern*

The Company uses judgment in determining its ability to continue as a going concern in order to discharge its current liabilities via raising additional financing.

#### *Investment in Dajin Resources S.A.*

The accounting for investments in other companies can vary depending on the degree of control and influence over those other companies. Management is required to assess at each reporting date the Company's control and influence over these other companies. Management has used its judgment to determine which companies are controlled and require consolidation and those which are significantly influenced and require equity accounting. The Company diluted its interest in its previously wholly-owned subsidiary Dajin Resources S.A. ("Dajin S.A.") to less than 50%, therefore it does not have the current ability to control the key operating activities of the company. Pursuant to the Shareholders and Operating Agreements entered into by the companies, Lithium S Holding Corporation ("Lithium H"), a wholly owned subsidiary of LSC Lithium Corporation ("LSC"), was appointed operator for the earn-in period and the board of directors of Dajin S.A. was comprised of two directors appointed by Lithium H and one director appointed by the Company. Prior to its sale during the year ended November 30, 2024, management has determined that the Company did have significant influence over Dajin S.A. Accordingly, the investment in Dajin S.A. was accounted for as an investment in associate.

## **CHANGES IN ACCOUNTING POLICIES**

The following new standards and interpretations are applicable as at December 1, 2023.

#### *Presentation of financial statements*

An amendment to IAS 1 was issued in January 2020 and applies to annual reporting periods beginning on or after January 1, 2023. The amendment clarifies the criterion for classifying a liability as non-current relating to the right to defer settlement of a liability for at least 12 months after the reporting period. The amendment had no impact on the Company's consolidated financial statements.

## **FINANCIAL AND OTHER INSTRUMENTS**

Financial instruments issued by the Company are treated as equity only to the extent that they do not meet the definition of a financial liability. The Company's common shares are classified as equity instruments.

Subsequent measurement and changes in fair value will depend on their initial classification, as follows: held-for-trading financial assets are measured at fair value and changes in fair value are recognized in net earnings; available-for-sale financial instruments are measured at fair value with changes in fair value recorded in other comprehensive income until the investment is derecognized or impaired at which time the amounts would be recorded in net earnings.

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The Company classifies and measures its financial instruments as follows:

- Cash and cash equivalents, loan receivable and reclamation bonds are classified as subsequently measured at amortized cost.
- Marketable securities are classified as FVTPL.
- Accounts payable and accrued liabilities, loans payable and CEBA loan payable are classified as subsequently measured at amortized cost.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

#### ***Credit risk***

Credit risk is the risk of an unexpected loss if a party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to cash. The Company has no significant concentration of credit risk arising from operations. The Company reduces its credit risk on cash by placing these instruments with institutions of high credit worthiness. As at November 30, 2024, the Company is not exposed to any significant credit risk.

#### ***Liquidity risk***

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. At November 30, 2024, the Company had cash and cash equivalents of \$1,594,772 (2023: \$20,116) and current liabilities of \$438,361 (2023: \$1,655,822). All of the Company's accounts payable (\$287,350) have contractual maturities of less than 30 days and are subject to normal trade terms.

#### ***Interest rate risk***

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to short term interest rates through the interest earned on cash balances. The Company has significant cash balances and no interest-bearing debt.

The Company's current policy is to invest excess cash in short-term deposits with its banking institutions. The Company monitors the investments it makes and is satisfied with the credit ratings of the banks with which they are held.

#### ***Price risk***

The ability of the Company to finance the exploration and development of its properties and the future profitability of the Company is directly related to the commodity prices of industrial minerals (Lithium, Boron and Potassium), and precious and base metals. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities.

Sensitivity to price risk relative to earnings is remote since the Company has not established any reserves or production. The Company is also exposed to the risk of equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company monitors commodity prices of industrial minerals, precious and base metals, individual equity movements, and the stock market in general to determine the appropriate course of action to be taken.

**D2 LITHIUM CORP.****Management's Discussion & Analysis YEAR ENDED NOVEMBER 30, 2024****(Stated in Canadian Dollars)*****Sensitivity Analysis***

Based on management's knowledge and experience of the financial markets, the Company believes the following is "reasonably possible" during the upcoming financial year:

Commodity price risk could adversely affect the Company. In particular, the Company's future profitability and viability of development depends upon the world market price of precious metals. Precious metal prices have fluctuated significantly in recent years. There is no assurance that, even as commercial quantities of precious metals may be produced in the future, a profitable market will exist for them. As of November 30, 2024, the Company was not a precious metal producer. As a result, commodity price risk largely affects the completion of future equity transactions such as equity offerings and the exercise of stock options and warrants. This may also affect the Company's liquidity and its ability to meet its ongoing obligations.

***Foreign Currency Risk***

The foreign currency exchange rate risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in foreign exchange rates. The Company's operations are carried out in the Canada, United States and Argentina. As at November 30, 2024, the Company had accounts payable of \$68,503 (2023: \$62,970) denominated in US dollars. These factors expose the Company to foreign currency exchange rate risk, which could have an adverse effect on the profitability of the Company. The Company currently does not plan to enter into foreign currency future contracts to mitigate this risk.

**RISKS AND UNCERTAINTIES**

In addition to the risks and uncertainties detailed earlier in this MD&A, the Company is also subject to other risks and uncertainties including the following:

***General Risk Associated with the Mining Industry***

The business of mineral deposit exploration and extraction involves a high degree of risk. Few properties that are explored ultimately become producing mines. At present, none of the Company's properties has a known commercial ore deposit. The main operating risks include securing adequate funding to maintain and advance exploration properties; ensuring ownership of and access to mineral properties by confirmation that claims and leases are in good standing and obtaining permits for drilling and other exploration activities. The market prices for gold and other metals can be volatile and there is no assurance that a profitable market will exist for a production decision to be made or for the ultimate sale of the metals even if commercial quantities of precious and other metals are discovered.

Exploration and development activities involve risks which careful evaluation, experience and knowledge may not, in some cases eliminate. The commercial viability of any mineral deposit depends on many factors not all of which are within the control of management. Some of the factors that affect the financial viability of a given mineral deposit include its size, grade and proximity to infrastructure, government regulation, taxes, royalties, land tenure, land use, environmental protection and reclamation and closure obligations, have an impact on the economic viability of a mineral deposit. Management attempts to mitigate its exploration risk by maintaining a diversified portfolio of properties and a strategy of possible joint ventures with other companies which balances risk while at the same time allowing properties to be advanced.

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*Dependence on Key Personnel*

Loss of certain members of the executive team or key operational leaders of the Company could have a disruptive effect on the implementation of the Company's business strategy and the efficient running of day-to-day operations until their replacement is found. Recruiting personnel is time consuming and expensive and competition for qualified personnel may be intense. The Company may be unable to retain its key employees or attract, assimilate, retain or train other necessary qualified employees, which may restrict its growth potential.

**OUTSTANDING SHARE DATA**

As at March 28, 2025

Common Shares issued	36,231,804
Incentive stock options	1,045,000

**OTHER**

Additional information and other publicly filed documents relating to the Company, including its news releases and quarterly and annual reports, are available on SEDAR and can be accessed at [www.sedar.com](http://www.sedar.com).