



**Jourdan Resources Inc.**

**Management's Discussion and Analysis  
for the nine months ended  
September 30, 2022 and 2021**

Jourdan Resources Inc.  
Management's Discussion and Analysis  
For the nine months ended September 30, 2022 and 2021

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**DATED: November 10, 2022**

**GENERAL**

This Management's Discussion and Analysis ("MD&A") of Jourdan Resources Inc. ("Jourdan" or the "Company") provides a review of the financial position and results of operations of the Company for the nine months ended September 30, 2022 and should be read in conjunction with the annual financial statements of the Company, including the notes thereto, for the years ended December 31, 2021 and 2020. These financial statements have been prepared by management in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), and International Financial Reporting Interpretation Committee ("IFRIC") interpretations. This MD&A covers the most recently completed financial period and the subsequent period up to the date of this MD&A. All amounts are expressed in Canadian dollars, unless otherwise indicated.

Additional information relating to the Company has been filed electronically through and may be found under its profile on the System for Document Analysis and Retrieval ("SEDAR") and is available online under its profile at [www.sedar.com](http://www.sedar.com). Additional information can be found on the Company's website at [www.jourdaninc.com](http://www.jourdaninc.com).

The Company's financial statements have been presented on the basis that the Company will continue as a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Company's ability to continue as a going concern is dependent upon it being able to generate sufficient funds or obtain sufficient capital from investors to meet its current and future obligations. The Company is subject to risks and challenges similar to other exploration stage companies. As a result of these risks, a material uncertainty exists that casts significant doubt as to the appropriateness of the going concern assumption. There is no assurance that the Company's funding initiatives will continue to be successful, and the financial statements do not reflect the adjustments to the carrying values of assets and liabilities, the reported expenses and statements of financial position classifications that would be necessary if the going concern assumption was inappropriate. These adjustments could be material. The Company will have to raise additional funds to advance its exploration and development efforts and, while it has been successful in doing so in the past, there can be no assurance that it will be able to do so in the future. The reader should be aware that historical results are not necessarily indicative of future performance.

This MD&A and the financial statements for the nine months ended September 30, 2022 and 2021 have been reviewed by the Company's Audit Committee and approved by the Company's Board of Directors prior to release.

**QUALIFIED PERSON**

Alexandr Beloborodov, P. Geo, is the Qualified Person under National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("NI 43-101") for geology as defined in NI 43-101 and has reviewed and approved all technical information in this management discussion and analysis.

**OVERVIEW**

Jourdan is a publicly traded Canadian exploration company listed on the TSX Venture Exchange ("TSXV") under the symbol **JOR** and on the Stuttgart Stock Exchange under the symbol **2JR1**. As an exploration-stage company that is in the process of exploring its mineral properties located in Canada, Jourdan has not yet determined whether these properties contain reserves that are economically recoverable. The Company is incorporated under the *Canada Business Corporations Act* and its registered head office is located at 198 Davenport Road, Toronto, Ontario M5R 1J2.

The Company is currently focused on the acquisition, exploration and development of, and production from, lithium properties in Quebec, targeting the battery and technical grade spodumene market. The Company's properties are primarily in the spodumene-bearing pegmatites of the La Corne Batholith, around North American Lithium's producing Quebec Lithium Mine.

## **MINERAL PROPERTIES**

Lithium is found in low concentration in igneous rocks. The largest concentrations of lithium-containing minerals are found in granitic pegmatites. The most important of these minerals are spodumene ( $\text{LiAlSi}_2\text{O}_6$ ) and petalite ( $\text{LiAlSi}_4\text{O}_{10}$ ). Spodumene has a theoretical  $\text{Li}_2\text{O}$  content of 8.03%. Due to its high lithium content, spodumene is considered the most important lithium ore mineral. A typical run-of-mine ore can contain 1-2%  $\text{Li}_2\text{O}$ , while a typical spodumene concentrate suitable for lithium carbonate production contains 6-7%  $\text{Li}_2\text{O}$  (75% - 87% spodumene).

The Company currently has a land holding in the heart of the southern portion of the Abitibi Greenstone Belt in Quebec. It consists of approximately 10,300 hectares located in NTS 32D08 and 32C05 in a lithium-rich district approximately 50km from Val-d'Or, Quebec, Canada. Three properties are defined and consist of Vallée, Preissac - La Corne, and Baillargé projects, all adjacent to the North American Lithium property.

The North American Lithium property hosts a past operating mine (1955 – 1965). Following a round of mineral exploration that started in 2009 on this property, the North American Lithium mining project was defined. It hosts a NI 43-101-compliant mineral resource reported (effective date December 5, 2011) consisting of 33.24 MT at 1.19%  $\text{Li}_2\text{O}$  classified as measured and indicated resources, and 13.76 MT at 1.21%  $\text{Li}_2\text{O}$  classified as inferred resources. The NI 43-101 report was completed by AMC Mining Consultants for Canada Lithium Corporation. The foregoing mineral resource disclosure is information about properties adjacent to the Company's properties and does not imply that the Company will obtain similar information from its own properties.

The district boasts a well-developed local infrastructure, year-round access. Low cost and low carbon electricity is readily available.

## **EXPLORATION PROJECTS**

### **Vallée Lithium Project**

The Vallée lithium project is located in the La Corne and Fiedmont Townships, adjacent to the North American Lithium mining project. The mineralized spodumene pegmatite dykes that were mined on the Quebec Lithium property continue directly onto the claims of Jourdan. In July 2018, the Company announced that it had extracted a 50-tonne bulk sample of spodumene rich material on its claim, directly east from the past producing mine from a pegmatite dyke approximately 5 meters thick. Forty tonnes of the bulk sample material were stored in twenty, two-tonne bags and shipped to Process Research Ortech Inc. ("Ortech") in Mississauga.

In April 2021, the Company received 47 assays from samples taken from 8 bags from the material sent to Ortech. The samples, of average weight of 2.3 kgs, were crushed, pulverized, and assayed by a sodium peroxide fusion with ICP finish.

Lithium oxide ( $\text{Li}_2\text{O}$ ) values averaged 1.55% and ranged from 1.31% to 1.76%  $\text{Li}_2\text{O}$ .

Management believes that these results demonstrate the homogeneity of the lithium distribution in the pegmatite dyke situated on the Vallée lithium property, and management was encouraged to further investigate the strike and down dip extent of these pegmatites.

On August 19, 2021, the Company received permission from Quebec's mining authority to commence a 2,000-metre diamond drilling program on its Vallée property. The program was intended to follow up on the results of the 2018 bulk sample and aimed at completing two more fence lines across the lithium-bearing pegmatite swarm which has been mined in the immediate vicinity to the west. On October 15, 2021, the Company completed the drilling program, with 1,682 metres of drilling completed. The Company received the assay results in November 2021, in which every hole showed multiple intersections of spodumene-bearing pegmatite. For more information, refer to the Company's press release dated September 16, 2021.

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On February 8, 2022, the Company commenced a second diamond drilling program of approximately 2,000m to significantly enlarge the known deposits in the northerly and easterly direction. On March 24, 2022, the Company expanded the drilling campaign to approximately 3,200m after all of its first eight drillholes intersected the newly identified spodumene-bearing pegmatite swarm on its Vallée property. On May 24, 2022, the Company completed the second phase of its drilling program, with all drill holes of the campaign intersecting the new spodumene-bearing pegmatite swarm at a previously underexplored eastern extension, which had not been exposed by the North American Lithium mine to the west of Vallée. 18 holes were drilled with a total of 3,629 metres of core. For more information, refer to the Company's press releases dated July 7, 2022 and September 6, 2022.

On August 22, 2022, the Company commenced a third phase of drilling of approximately 2,200m aimed at drilling fence lines further east across the lithium-bearing pegmatite swarm, which has been mined in the immediate vicinity to the west. On September 15, 2022, the Company expanded the drilling campaign to 28 newly permitted drill holes and approximately 5,600m. For more information, refer to the Company's press release dated September 15, 2022.

The Company has significantly enlarged its database by adding more drill holes since the beginning of exploration work in 2011. When the Company has completed its summer 2022 drilling program, the Company expects to have more than 15,090m (75 drill holes) of core that the Company intends to use to establish an initial mineral resource estimate.

#### **Preissac-LaCorne Lithium Project**

The Preissac-La Corne lithium portfolio is situated within the La Motte, La Corne, Figuery and Landrienne townships, containing numerous lithium spodumene bearing granitic pegmatite occurrences, showings and prospects of historic significance.

On July 25, 2022, the Company commenced a soil sampling program on the majority of its claims in the Pressiac-LaCorne district. The program is aimed at finding new lithium anomalies and showings in areas of known lithium mineralization at Baillargé, Pressiac-LaCorne, Duval Lithium in La Motte, as well as Vallée Lithium and is being conducted as a pre-cursor to a potential future drilling program. For further information, refer to the Company's press releases on July 25, 2022 and September 15, 2022.

#### **Baillargé Lithium-Molybdenite Project**

In the first quarter of 2019, the Company acquired a group of claims surrounding the site of the past producing La Corne molybdenum mine.

The LaCorne mine was operated intermittently by Molybdia Corporation Limited from 1951 to 1972 as an underground mine. Historical production during this period was reported to be 3,838,844 tons of ore at a head grade of 0.33% MoS<sub>2</sub> (6.6 lbs/ton) and 0.040% bismuth (0.80 lbs/ton).

At the past producing mine, the mineralization occurs in a swarm of quartz-pegmatite veins hosted by a large sill or stock of biotite granite. The granite appears to be a northeast trending body about 1,000 metres (3,280 feet) long and contained within the Preissac-LaCorne batholith. In the upper levels of the mine, it is approximately 426 metres (1,397 feet) wide, narrowing to about 350 metres (1,148 feet) at the 228 metres level (750 feet). A biotite schist of sedimentary origin bounds the sill or stock to the north and the south portion also hosts sets of veins carrying molybdenum and bismuth.

The foregoing mineral resource disclosure is information about properties adjacent to the Company's properties and does not imply that the Company will obtain similar information from its own properties.

On July 25, 2022, the Company commenced a soil sampling program on the majority of its claims in the Pressiac-LaCorne district. The program is aimed at finding new lithium anomalies and showings in areas of known lithium mineralization at Baillargé, Pressiac-LaCorne, Duval Lithium in La Motte, as well as Vallée Lithium and is being conducted as a pre-cursor to a potential future drilling program. For further information, refer to the Company's press releases on July 25, 2022 and September 15, 2022.

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## Outlook

The Company's near-term goals include:

- Developing multi-million tonne resources at economical Li<sub>2</sub>O grade
- Acquiring or contracting a permitted mill suitable for spodumene flotation
- Consolidating additional high priority properties, further explore and develop the pegmatite occurrences on Baillargé and Pressiac-LaCorne
- Demonstrating metallurgical suitability to produce Li<sub>2</sub>O concentrate from multiple deposits
- Seeking financial and offtake partner(s)

The Company will need to raise additional capital to accomplish its goals.

## RESULTS OF OPERATIONS

### Three months ended September 30, 2022 and 2021

The Company has no operating revenues and relies on external financing for working capital. Because of its exploration activities and administrative overheads, Jourdan incurs net losses. In the three months ended September 30, 2022, Jourdan incurred a loss of \$930,031 (\$0.005 per share), compared to a loss of \$530,570 (\$0.004 per share) in the three months ended September 30, 2021.

### Nine months ended September 30, 2022 and 2021

In the nine months ended September 30, 2022, Jourdan incurred a loss of \$2,607,703 (\$0.014 per share), compared to a loss of \$1,966,104 (\$0.016 per share) in the nine months ended September 30, 2021. The net loss for the nine months ended September 30, 2022 and 2021 included the following expenses of an administrative nature:

	9 months ended September 30 2022 (\$)	9 months ended September 30 2021 (\$)
Bank charges and interest	1,149	2,411
Professional fees	45,865	45,287
Shareholder communication & filing fees	55,220	102,274
General and administrative expenses	411,093	86,455
Consulting and management fees	266,626	240,247
	<b>779,953</b>	<b>476,674</b>

The increase in general and administrative expenses during the nine months ended September 30, 2022 was primarily a result of increased corporate development expenses, promotional consultant fees and new website development, increased travel expenses to the Company's properties, and increased office expenses.

During the nine months ended September 30, 2022, the Company incurred \$509,380 in share-based compensation expenses related to the grant of 8,050,000 stock options to certain directors, officers and consultants of the Company (nine months ended September 30, 2021: 7,844,811 stock options, \$569,533).

The primary operational activities for the Company during the nine months ended September 30, 2022 consisted of maintaining its mineral properties, investigating new opportunities and general corporate activities. During the nine months ended September 30, 2022, the Company incurred expenditures totaling \$1,420,458 (nine months ended September 30, 2021: \$919,897) on its mineral properties.

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## CASH FLOWS

### Three months ended September 30, 2022 and 2021

Cash used in operating activities for the three months ended September 30, 2022 was \$2,164,737, compared to \$339,174 cash used in the three months ended September 30, 2021, primarily due to increased exploration activity and the sale of a 2% net smelter royalty at the Company's Vallee property. In the three months ended September 30, 2022, changes in non-cash working capital used was \$1,357,465, compared to \$191,396 in non-cash working capital provided in the corresponding period of the prior year.

The Company had no investing activities in the three months ended September 30, 2022 and 2021.

Financing activities generated \$4,159,140 in cash for the Company in the three months ended September 30, 2022 from the completion of a private placement financing in July 2022, and proceeds received from the exercise of some of the Company's warrants. In the three months ended September 30, 2021, the Company generated \$659,183 in cash proceeds from a private placement financing and from the exercise of some of the Company's warrants.

### Nine months ended September 30, 2022 and 2021

Cash used in operating activities for the nine months ended September 30, 2022 was \$2,688,082, compared to \$1,055,887 cash used in the nine months ended September 30, 2021, primarily due to increased exploration activity and the sale of a 2% net smelter royalty at the Company's Vallee property. In the nine months ended September 30, 2022, changes in non-cash working capital used was \$503,628, compared to \$79,316 in non-cash working capital used in the corresponding period of the prior year.

The Company had no investing activities in the nine months ended September 30, 2022 and 2021.

Financing activities generated \$4,431,465 in cash for the Company in the nine months ended September 30, 2022 from proceeds received from a private placement financing in July 2022, and the exercise of some of the Company's warrants. Financing activities generated \$973,933 in cash for the Company in the nine months ended September 30, 2021, from proceeds received from a private placement financing in July 2021, and the exercise of some of the Company's warrants.

## SELECTED ANNUAL RESULTS

The financial results from the Company's three most recently completed fiscal years are as follows:

	December 31, 2021	December 31, 2020	December 31, 2019
	\$	\$	\$
Net loss attributable to shareholders of the Company	2,443,691	912,489	723,731
Basic and diluted loss per share	0.019	0.013	0.012
Total assets	1,794,820	485,006	200,406

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**SUMMARY OF QUARTERLY RESULTS**

The financial results from the Company's eight most recently completed quarters are as follows:

<b>QUARTER ENDED</b>	<b>30-Sep-22</b>	<b>30-Jun-22</b>	<b>31-Mar-22</b>	<b>31-Dec-21</b>
Total assets	<b>4,695,707</b>	569,474	1,159,606	1,794,820
Working capital surplus (deficiency)	<b>2,770,544</b>	(473,412)	(52,414)	631,445
Shareholder's (deficiency) / equity	<b>2,854,587</b>	(473,412)	(52,414)	631,445
Net loss and comprehensive loss	<b>930,031</b>	873,812	803,860	477,587
(Income) loss per share, basic and diluted	<b>0.005</b>	0.005	0.005	0.003
Cash flow from (used in) operating activities	<b>(2,164,737)</b>	(898,533)	375,188	(1,528,043)
Cash flow used in investing activities	-	-	-	-
Cash flow from financing activities	<b>4,159,140</b>	252,325	20,000	1,801,249

<b>QUARTER ENDED</b>	<b>30-Sep-21</b>	<b>30-Jun-21</b>	<b>31-Mar-21</b>	<b>31-Dec-20</b>
Total assets	536,200	164,229	523,873	485,006
Working capital surplus (deficiency)	(972,857)	(957,470)	(753,175)	(826,219)
Shareholder's (deficiency)/equity	(972,857)	(957,470)	(753,175)	(826,219)
Net and comprehensive loss	530,570	494,295	941,239	733,460
Loss per share, basic and diluted	0.004	0.004	0.008	0.008
Cash flow from (used in) operating activities	(339,174)	(412,696)	(304,017)	(225,242)
Cash flow used in investing activities	-	-	-	-
Cash flow from financing activities	659,183	20,000	294,750	-

\* Please see "Non-IFRS Measures" section below.

**LIQUIDITY AND CAPITAL RESOURCES**

The Company spends its available funds on its corporate, general and administrative obligations and to maintain its mineral projects with the objective of carrying out exploration activities to establish ore of commercial tonnage and grade. As the Company is in the exploration stage and generates no revenues, the necessary funds have to be raised through equity or debt financing, most commonly within the Canadian public markets. Factors such as equity market conditions and the results of exploration activities will affect future capital raising, which may substantially impact on future activities. There are no assurances that the Company will continue to be successful in raising additional funds or that other forms of equity capital or debt financing will be available to the Company in the future or on satisfactory terms. Any additional equity financing may be on terms that are dilutive, or potentially dilutive, to the Company's shareholders and debt financing, if available, may involve restrictive covenants with respect to the Company's ability to pay dividends, raise additional capital or execute various other financial and operational plans.

On March 24, 2021, the Company exercised an option to acquire a property known as the LaCorne lithium property ("Lacorne"), which is adjacent to the Company's other lithium mining properties located north of Val-d'Or, Quebec. Pursuant to an option agreement effective March 1, 2021, the Company issued 1,500,000 common shares of the Company to the vendors of LaCorne, at an estimated fair value of \$150,000 based on the market price of the common shares at the date of issuance. On February 18, 2022, the Company made the final payment required under the option agreement by issuing an additional 1,111,111 common shares at an estimated fair value of \$100,000 based on the market prices of the common shares at the date of issuance.

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On April 17, 2017, the Company entered into an option agreement with Infinite Ore Corp. (previously Alix Resources Corp.) ("Infinite") whereby Infinite granted the Company an option to acquire several lithium mining claims in Quebec. These claims lapsed in 2020, and Infinite made a claim for damages against the Company. On April 16, 2021, the Company and Infinite settled the outstanding amount by the issuance of 4,500,000 shares of Jourdan at a deemed price of \$0.06 per share for an aggregate amount of \$270,000.

On July 7, 2021, the Company completed a private placement flow-through financing for gross proceeds of \$720,000. Pursuant to the offering, the Company issued 14,400,000 units at a price of \$0.05 per unit. Each unit was issued on a flow-through basis and consists of one common share of the Company and one-half of one common share purchase warrant. Each whole warrant entitles the holder to acquire one additional common share of the Company at an exercise price of \$0.07 until July 7, 2023.

On November 25, 2021, the Company completed a private placement financing for gross proceeds of \$455,000. Pursuant to the offering, the Company issued 9,100,000 units at a price of \$0.05 per unit. Each unit consists of one common share of the Company and one-half of one common share purchase warrant. Each whole warrant entitles the holder to acquire one additional common share of the Company at an exercise price of \$0.07 until November 25, 2023.

On December 31, 2021, the Company completed a private placement flow-through financing for gross proceeds of \$1,350,000. Pursuant to the offering, the Company issued 27,000,000 units at a price of \$0.05 per unit. Each unit was issued on a flow-through basis and consists of one common share of the Company and one-half of one common share purchase warrant. Each whole warrant entitles the holder to acquire one additional common share of the Company at an exercise price of \$0.07 until December 31, 2023.

On July 29, 2022, the Company completed a private placement financing of (i) 9,512,500 units at a price of \$0.08 per unit, and (ii) 14,000,000 common shares of the Company issued on a flow-through basis at a price of \$0.10 per flow-through share for aggregate gross proceeds of \$2,161,000. Each unit consists of one common share of the Company and one common share purchase warrant, which will entitle the holder to acquire one additional common share of the Company at an exercise price of \$0.10 per share until July 29, 2024. In connection with the offering, the Company paid finder's fees of \$81,000 in cash and issued 810,000 non-transferable finder's warrants to Roche Securities Ltd. in accordance with TSXV policies. Each finder's warrant entitles the holder thereof to acquire one common share of the Company at a price of \$0.10 per share until July 29, 2024.

The Company intends to use the net proceeds of the financings for working capital and general corporate purposes and to fund exploration activities on its Vallee, Preissac-LaCorne and Baillargé lithium mining properties.

If, at any time, the Company's Board of Directors deems continued exploration at its properties to be unwarranted, based on the results of work done up to that time or for any other reason, the Company may suspend or discontinue exploration of such properties and apply the funds on hand towards the acquisition, exploration or development of new properties or, if required, the general working capital of the Company.

The Company does not have any commitments for material capital expenditure in the near or long term. At September 30, 2022, the Company had no long-term debt and no definitive agreements with respect to long-term borrowings had been entered into by the Company. No other capital requirements are imposed by a lending institution or regulatory body, other than of the TSXV which requires adequate working capital or financial resources of the greater of (i) \$50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months.

The Company's objective is to maintain a strong capital base in order to:

- ensure the Company's ability to continue as a going concern;
- maintain financial flexibility;
- maximize the funds invested into exploration and development activities;
- maintain creditor and investor confidence; and
- sustain the future development of the business.

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The Company manages its capital structure and adjusts it in light of changes in economic conditions and the risk characteristics of the underlying assets. The most significant alternatives available for the management of the capital structure include the issue of shares or raising of debt finance when management and the board of directors feel the timing is appropriate.

### **WORKING CAPITAL**

As at September 30, 2022, the Company had working capital of \$2,770,544, compared with working capital of \$631,445 as at December 31, 2021, including cash of \$2,412,164 (December 31, 2021: \$668,781). The Company's primary capital needs are funds for the exploration of its mineral properties, administrative expenses and working capital. Exploration beyond basic maintenance on any of its mineral properties would require that the Company raise funds by additional equity financing, participation by joint venture partners or by selling property interests in whole or in part. The Company will maintain its excess working capital in Canadian dollars, at a large reputable Canadian commercial bank, in high quality short-term deposits or cash.

### **Non-IFRS Measures**

The Company has included certain non-IFRS performance measures, namely working capital, throughout this document. In the mining industry, this is a common non-IFRS performance measure but does not have a standardized meaning. The Company believes that, in addition to conventional measures prepared in accordance with IFRS, we and certain investors use this information to evaluate the Company's performance and ability to generate cash, profits, and meet financial commitments. Non-IFRS measures are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. The following table provides a reconciliation of working capital to the financial statements for the previous eight fiscal quarters:

	2022			2021				2020
	Q3-2022	Q2-2022	Q1-2022	Q4-2021	Q3-2021	Q2-2021	Q1-2021	Q4-2020
Cash	2,412,164	417,761	1,063,969	668,781	395,575	75,566	468,262	477,529
Receivables	2,172,781	131,275	81,732	1,104,356	122,034	68,425	26,128	-
Prepaid Expenses	26,719	20,438	13,905	21,683	18,591	20,238	29,483	7,477
Accounts Payable and Accrued Liabilities	1,299,863	609,541	778,675	730,030	931,712	688,354	843,703	877,880
Flow-through Premium Liability	107,912	-	-	-	-	-	-	-
Flow-through Liabilities	433,345	433,345	433,345	433,345	433,345	433,345	433,345	433,345
<b>Working Capital</b>	<b>2,770,544</b>	<b>(473,412)</b>	<b>(52,414)</b>	<b>631,445</b>	<b>(828,857)</b>	<b>(957,470)</b>	<b>(753,175)</b>	<b>(826,219)</b>

### **OPERATING SEGMENTS**

The Company has concluded that it has only one material operating segment (the exploration of its Canadian mineral licenses) for financial reporting purposes.

### **OFF-BALANCE SHEET ARRANGEMENTS**

To the best of management's knowledge, the Company has no off-balance sheet arrangements that have or will have a current or future effect on the results of operations or the financial condition of the Company.

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**FINANCIAL INSTRUMENTS**

All financial instruments are recognized when the Company becomes a party to the contractual provisions of the financial instrument and are initially measured at fair value plus transaction costs, except for financial assets and financial liabilities carried at fair value through profit or loss, which are measured initially at fair value. Financial assets are derecognized when the contractual right to the cash flows from the financial assets expire, or when the financial asset and all substantial risks and rewards are transferred.

The Company's financial instruments are comprised of cash, accounts receivable, and accounts payable and accrued liabilities. The carrying value of these financial instruments approximates their fair value due to the short-term nature of these instruments. The Company has no financial instruments recorded at fair value. Financial instruments to be measured at fair value on the consolidated statements of financial position 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;
- Level 3: Inputs that are not based on observable market data.

Financial assets and financial liabilities at September 30, 2022 and December 31, 2021 were as follows:

<b>September 30, 2022</b>	<b>Amortized cost</b>	<b>TOTAL</b>
	<b>\$</b>	<b>\$</b>
<b>Financial assets:</b>		
Cash	2,412,164	2,412,164
<b>Financial liabilities:</b>		
Accounts payable and accrued liabilities	1,299,863	1,299,863
<hr/>		
<b>December 31, 2021</b>	<b>Amortized cost</b>	<b>TOTAL</b>
	<b>\$</b>	<b>\$</b>
<b>Financial assets:</b>		
Cash	668,781	668,781
<b>Financial liabilities:</b>		
Accounts payable and accrued liabilities	730,030	730,030

**FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES**

In the normal course of operations, the Company is exposed to various financial risks. The Company does not enter into financial instrument agreements, including derivative financial instruments, for speculative purposes. The main risks that could adversely affect the Company's financial assets, liabilities or future cash flows are liquidity risk, credit risk and market risk. The Company has minimal interest rate risk as there are no outstanding variable-rate borrowings, and the Company finances its operations primarily through share offerings. Management mandates and agrees on policies for managing each of these risks.

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***Liquidity Risk***

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial commitments and working capital obligations as they come due. The Company's ability to continue as a going concern is dependent on the board of directors' and management's ability to raise the required capital through future equity or debt issuances. As the Company is in the exploration stage, it has no production upon which it could rely to fund its operations or the exploration of its properties. Financial liabilities consist of accounts payable which are current and will be settled within one year.

As at September 30, 2022, the Company had a cash balance of \$2,412,164 (December 31, 2021: \$668,781) available to fund financial liabilities that consisted of accounts payable and accrued liabilities and flow-through financing liabilities of \$1,841,120 (December 31, 2021: \$1,163,375), based on contractual undiscounted payments.

***Credit Risk***

Credit risk is risk of financial loss to the Company if a counterparty to a financial instrument fails to pay amounts owing or perform its contractual obligations causing a financial loss. Not having a producing asset generating sales and accounts receivable, the Company's credit risk is considered limited. With respect to credit risk arising from financial assets of the Company, which comprise cash and receivables, the Company's exposure to credit risk arises from default of counterparties with a maximum exposure equal to the carrying amount of these instruments.

Cash balances are held with high credit quality financial institutions and may be redeemed on demand. The Company has no trade accounts and as such has limited exposure to credit risk. The Company continuously monitors defaults of counterparties as applicable. No impairment loss has been recognized in the periods presented.

***Market Risk***

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, such as commodity prices, foreign currency exchange rates, interest rates and liquidity. The objective of market risk management is to manage and control market risk exposures within acceptable limits while maximizing returns. The Company recognizes that external factors, which it cannot control such as financial market instability and commodity prices can adversely affect its ability to raise the necessary capital to maintain ongoing operations. A discussion of the Company's primary market risk exposures, and how those exposures are currently managed, follows:

***Commodity Price Risk***

The ability of the Company to explore, evaluate and develop its exploration properties and the future profitability of the Company are directly related to the price of lithium and other commodities. Commodity prices fluctuate and are affected by factors outside of the Company's control. Current and expected future prices have a significant impact on the market sentiment for investment in mineral exploration companies and may impact the Company's ability to raise equity financing for its ongoing working capital requirements. The Company monitors commodity prices to determine the appropriate course of action to be taken.

***Currency Risk***

Foreign currency risk is created by fluctuations in the fair value or cash flows of financial instruments due to changes in foreign exchange rates. The Company's financial assets and liabilities and operating costs are principally denominated in Canadian dollars. The Company has historically had insignificant operations in United States dollars. The Company has no hedging program due to its minimal exposure to financial gain or loss as a result of foreign exchange movements against the Canadian dollar.

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*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 risk that the Company will realize a loss as a result of a decline in the fair value of cash is limited because of their short-term investment nature. A variable rate of interest is earned on cash; changes in market interest rates at the year-end would not have a material impact on the Company's financial statements. The Company's interest rate risk is minimal as there are no outstanding loans or interest-bearing debts. The Company has not entered into any interest rate swaps or other active interest rate management programs at this time.

**TRANSACTIONS WITH RELATED PARTIES**

The Company paid or accrued the following amounts to related parties during the nine months ended September 30, 2022 and 2021:

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
	\$	\$	\$	\$
Consulting fees	120,500	70,000	303,418	171,091
Share-based compensation	224,825	-	391,085	496,933
	<b>345,325</b>	<b>70,000</b>	<b>694,503</b>	<b>668,024</b>

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including directors (executive and non-executive) of the Company.

Included in accounts payable and accrued liabilities as at September 30, 2022 is \$nil (December 31, 2021 – \$577) due to directors and officers of the Company. The amounts are unsecured, non-interest bearing and due on demand.

**CONTINGENCIES AND COMMITMENTS**

**FLOW THROUGH FINANCING**

The Company has been partially financed through the issuance of flow-through shares and, according to tax rules regarding this type of financing, the Company is engaged in realizing mining exploration work. These tax rules also set deadlines for carrying out the exploration work, which must be performed no later than the earlier of the following dates:

- end of the calendar year following the flow-through placements; and
- one year after the Company has renounced the tax deductions relating to the exploration work.

There is no guarantee that the Company's exploration expenses will qualify as Canadian Exploration Expenditures, even if the Company is committed to taking all the necessary measures in this regard. Refusal of certain expenses by the tax authorities would have a negative tax impact for investors and the Company.

Pursuant to the terms of flow-through agreements entered into on July 7 and December 31, 2021, the Company is committed to incur Canadian Exploration Expenditures of \$2,070,000 by December 31, 2022. Through September 30, 2022, the Company believes it has satisfied this commitment.

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Pursuant to the terms of flow-through agreements entered into on July 29, 2022, the Company is committed to incur Canadian Exploration Expenditures of \$1,400,000 by December 31, 2023. Through September 30, 2022, the Company has incurred \$680,586 in eligible exploration expenditures. The Company has indemnified the subscribers of current flow-through share offerings against any tax-related amounts that become payable by the shareholder as a result of the Company not meeting its expenditure commitments.

As at December 31, 2015, the amount of required flow-through proceeds from prior years to be expended was not met by the Company. This may result in a liability to its shareholders. Management has recorded a provision for estimated penalties and potential indemnities for the amount the shareholders could be reassessed by tax agencies due to the fact that Jourdan did not spend the required amount per the flow-through share agreement.

#### **MANAGEMENT CONTRACTS**

The Company is party to certain management contracts and severance obligations. These contracts contain clauses requiring additional payments of up to \$1,020,000 (December 31, 2021: \$387,000) to be made to the officers of the Company upon the occurrence of certain events such as a change of control. As the triggering event has not taken place, the contingent payments have not been reflected in the financial statements. Minimum management contractual commitments remaining under the agreements are approximately \$641,700 (December 31, 2021: \$516,000), all due within one year.

#### **PROPERTY OBLIGATIONS**

The unpatented mining claims held by Jourdan in Quebec require an annual application of assessment work credits. The Company has "banked" assessment work credits totaling \$577,309, which can be allocated to its mining claims as necessary.

#### **ENVIRONMENTAL**

The Company's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and are generally becoming more restrictive. The Company believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

#### **LEGAL MATTERS**

Investing in the Company involves risks that should be carefully considered. The operations of the Company are speculative due to the high-risk nature of its business, which is the acquisition, financing, exploration and development of mineral properties. These risk factors could materially affect the Company's future operating results and could cause actual results to differ materially from those described in forward-looking information.

#### **BOARD AND MANAGEMENT CHANGES**

On January 18, 2022, Mr. Ryan Ptolemy was named Chief Financial Officer of the Company, replacing Ms. Deborah Battiston, who retired.

## **RISKS AND UNCERTAINTIES**

### ***Novel Coronavirus ("COVID-19")***

The Company's operations could be significantly adversely affected by the effects of a widespread global outbreak of a contagious disease, including the recent outbreak of respiratory illness caused by COVID-19. The Company cannot accurately predict the impact COVID-19 will have on its operations and the ability of others to meet their obligations with the Company, including uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries. In addition, a significant outbreak of contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could further affect the Company's operations and ability to finance its operations.

### ***Liquidity Concerns and Financing Risks***

The Company has limited financial resources, no source of operating cash flow and has no assurance that additional funding will be available for further exploration of its projects or to fulfill its obligations under any applicable agreements. There can be no assurance that adequate financing will be obtained in the future or that the terms of such financing, if secured, will be favorable. Failure to obtain such additional financing could result in the delay or indefinite postponement of further exploration of its projects with the possible loss of such properties. While the Company's financial statements have been prepared on the basis of a going concern, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business, failure to secure additional funding may cast doubt about the validity of that assumption.

### ***Exploration and Mining Risks***

The business of exploring for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. At present, there are no known bodies of commercial ore on the mineral properties of the Company and the proposed exploration program is an exploratory search for ore.

Mineral exploration involves many risks, which even a combination of experience, knowledge and careful evaluation may not overcome. Operations in which the Company has a direct or indirect interest will be subject to all the hazards and risks normally incidental to the exploration and development of, and production from, mineral resources, any of which could result in work stoppages; damage to or destruction of property or production facilities; personal injury; environmental damage; monetary losses and legal liability. Unusual or unexpected formations, formation pressures, fires, power outages, labour disruptions, flooding, cave-ins, landslides, inclement or hazardous weather conditions, and the inability to obtain suitable or adequate machinery, equipment or labour are other risks involved in the conduct of exploration programs.

The Company from time to time augments its internal exploration and operating expertise with due advice from consultants and others as required. The economics of developing mineral properties is affected by many factors including the cost of operations, variation of the grade of ore mined and fluctuations in the price of any minerals produced. There are presently no underground or surface plants or equipment on the Company's mineral properties, or any known body of commercial ore.

### ***Stage of Development***

The Company's properties are in the exploration stage and to date none of them have a proven ore body. The Company does not have a history of earnings or the provision of return on investment, and in future there is no assurance that it will produce revenue, operate profitably or provide a return on investment.

### ***Mineral Resource and Mineral Reserve Estimates***

There are numerous uncertainties inherent in estimating mineral resources and mineral reserves, including many factors beyond the control of the Company. Such estimates are a subjective process and the accuracy of any mineral resource or mineral reserve estimate is a function of the quantity and quality of available data and of the assumptions made and judgments used in engineering and geological interpretation. These amounts are estimates only and the actual level of mineral recovery from such deposits may be different. Differences between management's assumptions, including economic assumptions such as commodity prices and market conditions, could have a material adverse effect on the Company's financial position and results of operations.

### ***Titles to Property***

While the Company has diligently investigated title to the various properties in which it has interest, and to the best of its knowledge, titles to those properties are in good standing, this should not be construed as a guarantee of title. The properties may be subject to prior unregistered agreements or transfer, or native or government land claims, and title may be affected by undetected defects.

### ***Permits and Licenses***

The Company's operations may 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 future exploration, development and mining operations at its projects.

### ***Environmental Regulations***

The Company's operations are subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions of spills and the release or emission of various substances produced in association with certain mining industry operations, such as seepage from tailing disposal areas, which could result in environmental pollution.

A breach of such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require submissions and approval of environmental impact assessments. Environmental legislation is evolving in a manner, which means stricter standards, and enforcement, fines and penalties for non-compliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations. Any failure to comply fully with all applicable laws and regulations could have significant adverse effects on the Company, including the suspension or cessation of operations, and there is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. The Company intends to fully comply with all environmental regulations.

### ***Markets for Securities***

There can be no assurance that an active trading market in the Company's securities will be established and sustained. The market prices for securities of many companies, particularly exploration stage companies, are subject to wide fluctuations that are not necessarily reflective of their operating performance, underlying asset values or the prospects of such companies. Factors such as commodity prices, government regulation, interest rates, share price movements of peer companies and competitors, as well as overall market movements, may have a significant impact on the market price of the securities of the Company. There can be no assurance that significant fluctuations in the Company's share price will not occur.

### ***Commodity Prices***

Even if the Company's exploration programs are successful, factors beyond the control of the Company may affect marketability of any minerals discovered. Commodity prices have historically fluctuated widely and are affected by numerous factors beyond the Company's control, including international, economic and political trends, expectations for inflation, currency exchange fluctuations, interest rates, global or regional consumption patterns, speculative activities and worldwide production levels. The effect of these factors cannot accurately be predicted.

### ***Uninsured Hazards***

Hazards such as unusual geological conditions are involved in exploring for and developing mineral deposits. The Company maintains insurance to cover normal business risks, however, it may become subject to liability for pollution or other hazards against which it cannot be insured or against which the Company may elect not to insure because of high premium costs or other reasons. The payment of any such liability could result in the loss of Company assets or the insolvency of the Company.

### ***Reliance on Key Individuals and Outside Parties***

The Company's success depends upon the personal efforts and commitment of key members of its management. It is expected that the contribution of these individuals will be a significant factor in the Company's growth and success. The loss of the services of these members of management and certain key employees could have a material adverse effect on the Company. The Company will also rely upon consultants, engineers and others for exploration, development, construction and operating expertise. Substantial expenditures are required to establish mineral reserves through drilling, to carry out environmental and social impact assessments, and to develop metallurgical processes to extract the commodity from the ore. If such parties' work is deficient or negligent or is not completed in a timely manner, it could have a material adverse effect on the Company.

### ***Competition***

The mining industry is intensely competitive in all its phases. The Company competes with many companies possessing greater financial resources and technical facilities than itself for the acquisition of mineral interests as well as for recruitment and retention of qualified employees. Such competition may result in the Company being unable to acquire desired properties, recruit or retain qualified employees, or acquire the capital necessary to fund its operations and develop its properties. The Company's inability to compete with other mineral companies for these resources would have a material adverse effect on the Company's results of operation and business.

### ***Conflicts of Interest***

Certain directors and officers 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 to the best interests of the Company and to disclose any interest, which they may have in any project or opportunity of the Company. If a conflict of interest 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. In determining whether or not the Company will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

### ***Litigation***

Legal proceedings, with and without merit, may arise from time to time in the course of the Company's business. Defense and settlement costs of legal claims can be substantial, even with respect to claims that have no merit. The process of defending such claims could take away from management time and effort. Due to the inherent uncertainty of the litigation process, the resolution of any legal proceeding to which the Company may become subject, could have a material effect on the Company's financial position, results of operations, or exploration and project development activities.

### ***Corruption and Bribery Laws***

The Company's operations are governed by, and involve interactions with, many levels of government. The Company is required to comply with anti-corruption and anti-bribery laws, including the *Criminal Code* (Canada), and the *Canadian Corruption of Foreign Public Officials Act*, as well as similar laws in the countries in which the Company may conduct business.

In recent years, there has been a general increase in both the frequency of enforcement and the severity of penalties under such laws, resulting in greater scrutiny and punishment for companies convicted of violating anti-corruption and anti-bribery laws. Furthermore, a company may be found liable for violations by not only its employees, but also by its contractors and third-party agents. Although the Company has adopted steps to mitigate such risks, such measures may not always be effective in ensuring that the Company, its employees, contractors or third-party agents will comply strictly with such laws. If the Company finds itself subject to an enforcement action or is found to be in violation of such laws, this may result in significant penalties, fines and/or sanctions being imposed, resulting in a material adverse effect on the Company's reputation and results of its operations.

### ***Industry Conditions***

Mining and milling operations are subject to government regulations. Operations may be affected in varying degrees by government regulations such as restrictions on production, price controls, tax increases, expropriation of property, pollution controls or changes in conditions under which minerals may be mined, milled or marketed. The marketability of minerals may be affected by numerous factors beyond the control of the Company, including government regulations.

### ***Canada Revenue Agency and provincial agencies***

No assurance can be made that Canada Revenue Agency or provincial agencies will agree with the Company's characterization of expenditures as Canadian exploration expenses or Canadian development expense or the eligibility of such expenses as Canadian exploration expense under the *Income Tax Act* (Canada) or any provincial equivalent.

## **OUTSTANDING SHARE DATA**

Issued and outstanding common shares: September 30, 2022 – 243,363,723

Issued and outstanding common shares: November 10, 2022 – 243,363,723

Warrants outstanding: September 30, 2022 – 36,324,500

Warrants outstanding: November 10, 2022 – 36,324,500

Expiry dates of the outstanding warrants range between July 7, 2023 and July 29, 2024. If all the warrants were exercised, 36,324,500 shares would be issued for gross proceeds of \$2,987,390.

Options outstanding: September 30, 2022 – 20,374,811

Options outstanding: November 10, 2022 – 20,374,811

Expiry dates of the outstanding stock options range between June 12, 2023 and August 10, 2027. If all the options were exercised, 20,374,811 shares would be issued for gross proceeds of \$1,396,361.

**CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS**

This MD&A may contain forward-looking statements that are based on the Company's expectations, estimates and projections regarding its business and the economic environment in which it operates. These statements speak only as of the date on which they are made, are not guarantees of future performance and involve risks and uncertainties that are difficult to control or predict. Actual outcomes and results may differ materially from those expressed in these forward-looking statements and readers should not place undue reliance on such statements.

The information herein contains forward-looking statements and assumptions. Except for statements of historical fact, certain information contained herein constitutes forward-looking statements under Canadian securities legislation. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "budget", "forecast", "schedule", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "target", "intend", "believe" or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "should", "might" or "will be taken", "occur" or "be achieved". Such statements and assumptions also include those relating to guidance; proposed acquisitions and strategy; development potential and timetable for the Company's properties; the Company's ability to raise additional financing; results of operations and financial condition; commodity prices; mineralization projections; the timing and amount of estimated future exploration and development; the success of exploration activities; mining or processing issues; currency exchange rates; government regulation and permitting of mining operations; reliance on qualified personnel; competition; dependence on outside parties; and environmental risks. Forward-looking statements are based on the opinions and estimates of management and certain qualified persons as of the date such statements are made. By their nature, forward-looking statements are subject to numerous known and unknown risks and uncertainties that could significantly affect anticipated results or the level of activity, performance or achievements in the future and, accordingly, actual results may differ materially from those expressed or implied by such forward-looking statements. The Company is exposed to numerous operational, technical, financial and regulatory risks and uncertainties, many of which are beyond its control and may significantly affect anticipated future results, including but not limited to risks related to: uncertainties inherent in estimating mineral resources and mineral reserves; lack of revenues; revocation of government approvals; corruption and uncertainty with court systems and the rule of law; availability of external financing on acceptable terms; actual results of current exploration activities; changes in project parameters as plans continue to be refined; future mineral prices; failure of equipment or processes to operate as anticipated; accidents, labour or community disputes; other risks of the mining industry; and other risk factors, including without limitation the risk factors described herein. Estimates regarding the anticipated timing, amount and cost of exploration activities are based on previous industry experience and regional political and economic stability. Capital and operating cost estimates are based on research of the Company or its consultants. Although management has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended.

There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements. The Company does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.

Additional information related to the Company is available for view on the Company's website located at [www.jourdaninc.com](http://www.jourdaninc.com).

November 10, 2022.