

# RockTech Lithium

Rock Tech Lithium Inc.

Management's Discussion and Analysis

For the three- and nine-month periods ended September 30, 2022

Dated November 25, 2022

# ROCK TECH LITHIUM INC.

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### General

This Management's Discussion and Analysis ("MD&A") of Rock Tech Lithium Inc. ("Rock Tech" or the "Company") is dated November 25, 2022 and provides analysis of the Company's financial and operating results for the three- and nine-month periods ended September 30, 2022. This MD&A should be read in conjunction with the unaudited condensed interim consolidated financial statements of the Company as at and for the periods ended September 30, 2022 and 2021 (the "Consolidated Financial Statements"), which have been prepared in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board, using the accounting policies described in Note 2 to the Consolidated Financial Statements.

The Consolidated Financial Statements and other information regarding the Company is available on the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com) and on the Company's website at [www.rocktechlithium.com](http://www.rocktechlithium.com). Unless stated otherwise, a reference in this MD&A to other documents or to information or documents available on a website does not constitute the incorporation by reference into this MD&A of such other document or such other information available on such website.

This MD&A contains certain statements that constitute "forward-looking statements" or "forward-looking information" within the meaning of applicable securities legislation (see the "Cautionary Note on Forward-Looking Statements" section of this MD&A). Unless otherwise indicated, all dollar amounts in this MD&A are expressed in Canadian dollars. In this MD&A, references to "\$" are to Canadian dollars, references to "U.S.\$" are to United States dollars and references to "€" are to euros.

### About Rock Tech

Rock Tech is a cleantech company with operations in Canada and Germany whose objective is to supply the lithium-ion battery market for the growing electric vehicle sector. The Company is strategically focused on developing and optimizing high-quality battery grade lithium hydroxide monohydrate through the construction and operation of multiple lithium hydroxide manufacturing plants (each, a "Converter") in Europe and North America, beginning with the Company's proposed lithium hydroxide merchant Converter and refinery facility in Guben, Germany (the "Guben Converter") and on developing its wholly-owned Georgia Lake spodumene project located in the Thunder Bay Mining District of Ontario, Canada (the "Georgia Lake Project").

The Company is a development stage company and does not currently produce, sell or convert any mineral products. Consequentially, the Company does not have any current sales revenues or cash flow from operations. The Company is actively pursuing various sources of potential financing to fund the construction and development of the proposed Guben Converter, the further development of the Georgia Lake Project and for other general corporate purposes.

Rock Tech Lithium Inc. has a number of direct and indirect subsidiaries which own and operate assets and conduct activities in different jurisdictions. The terms "Rock Tech" and the "Company" are used in this MD&A for simplicity of the discussion provided herein and may include references to subsidiaries of Rock Tech Lithium Inc. being the ultimate shareholder.

## Financial and Operational Highlights

The following highlights the Company's developments during the nine-month period ended September 30, 2022 and subsequent events up to the date of this MD&A.

### **Georgia Lake Project**

- The Company completed the 2021-2022 drill programme at the Georgia Lake Project. The final assay results were released October 7, 2022. The results were incorporated into the pre-feasibility study ("PFS") completed in Q4 2022.
- Continued engagement with local First Nations groups and other project stakeholders, and continued work in development of the Project Closure Plan.
- Results of the pre-feasibility study were published in November 2022.

### **Guben Converter**

- Continued to advance the Company's ongoing bankable project study ("BPS") and front-end engineering study ("FEED Study" or "FEL3 study") of the Guben Converter. The results of the BPS were published in the beginning of November 2022 while the FEL3 Study is still expected to be completed end of Q1 2023.
- Discussions continued with targeted lender groups in connection with the Company's evaluation of potential project financing arrangements in respect of the Guben Converter. On October 11, 2022, the Company announced that the European Investment Bank ("EIB") has published its intention to review a potential investment of up to EUR 150 million senior debt to back up the Guben Converter Project.
- During the course of the third quarter of 2022, the Company progressed its application in respect of the second partial permit for the Guben Converter (the "**Second Guben Permit**") which was filed on November 15, 2022.
- On October 20, 2022, both the company and Mercedes Benz announced that they have entered into a definitive supply agreement providing for the supply of an average of 10,000 tonnes of battery-grade lithium hydroxide per year. This would secure the sale of 40% of the nameplate capacity of the plant and could yield to an estimated sales volume of EUR 1.5b based on current market price forecasts.
- In October 2022 the company agreed with a consortium on internationally renowned insurance companies for the insurance potential risk during and stemming from the engineering and construction works of the converter project (e. g. Erection All Risk and transport insurance)

### **Corporate**

- As at September 30, 2022, the Company had working capital of approximately \$35.1 million (December 31, 2021: \$47.6 million), including approximately \$41.3 million in cash on hand (December 31, 2021: \$55.8 million).
- On August 19, 2022, the Company closed an offering (the "**Offering**") consisting of both an underwritten offering and non-brokered private placement. In connection with the closing of the Offering, the Company issued an aggregate of 11,449,743 Units at a price of \$3.50 per Unit for aggregate gross proceeds of \$40,074,100. Each Unit is comprised of one common share in the capital of Rock Tech (a "Common Share") and one-half of one Common Share purchase warrant (each whole Common Share purchase warrant, a "Warrant"). Each Warrant entitles the holder thereof to acquire one Common Share for a period of 36 months from August 19, 2022, at an exercise price of C\$4.50.
- On October 24<sup>th</sup> 2022 the Company announced that it has entered into a definitive agreement with Transamine Holdings and Investment Limited ("**Transamine**") to form a joint venture entity called RTT Lithium SA ("**RTT**").

## Overall Performance

### *Georgia Lake Project*

At its Georgia Lake Project, the Company is actively conducting exploration, development and basic engineering activities and published a pre-feasibility study in November 2022. As part of its vertical integration strategy for the Georgia Lake Project, the Company's objective is to bring the Georgia Lake Project into production to supply its future North American Converter with spodumene concentrate, an intermediate product, for conversion into the chemical lithium hydroxide for inclusion in the cathode of a lithium-ion battery.

#### *Exploration and Development Progress*

During the third quarter of 2022, field exploration and permitting works at the Georgia Lake Project progressed as planned and a pre-feasibility study was published in the fourth quarter of 2022.

**Exploration:** The Company received the final assays from the drill programme from holes drilled in the winter and spring of 2022. The company drilled 23,200 metres focused on five spodumene pegmatite deposits known as the Main Zone North, Conway, Main Zone Southwest, Hurricana and Line 60. The drill results were published in October 2022. The final drill results of the Company's drilling program have been incorporated into the PFS released in Q4 2022.

The Company executed a field exploration programme which concluded in September 2022. The results of the field exploration and the latest drill programme results are being evaluated to identify high priority exploration targets to grow the mineral resources across RCK's mining claims and leases.

**Permitting:** Rock Tech holds an aggregate of 277 exploration claims at the Georgia Lake Project, 12 of which were due for renewal in May 2022. The assessment work submitted to support the renewal of the mining claims due in May 2022 has been approved.

**Pre-feasibility study:** In November 2022, the Company announced the summary results of the PFS. The PFS incorporates the recent results from the Company's drilling program at the Georgia Lake Project, as well as recent metallurgical test work to determine key process criteria and operational recovery. Metallurgical testing programs were undertaken at commercial laboratories SGS Canada Inc. ("SGS") and Nagrom Mineral Processors ("Nagrom") simulating and improving the process flowsheet to maximize ore grade and recovery.

The highlights of the study are as follows:

#### KEY METRICS AND ASSUMPTIONS <sup>(1) (2)</sup>

Pre-Tax NPV <sup>(3)</sup>	USD 223m
After-Tax NPV <sup>(3)</sup>	USD 146m
Pre-Tax IRR	47.8%
After-Tax IRR	35.6%
Pre-Tax Payback Period	2.9 years
After-Tax Payback Period	3.3 years
Pre-Production Capital Costs	USD 192m
Life-of-Project Capital Costs <sup>(4)</sup>	USD 291m
Life-of-Project Revenue	USD 1,175m
Life-of-Project Total Operating Costs <sup>(5)</sup>	USD 536m
Life-of-Project Total Cash Costs <sup>(5)</sup>	USD 576m
AISC USD/t concentrate <sup>(5)</sup>	USD 1,082
Average LOM 6% Spodumene Concentrate price USD/t <sup>(6)</sup>	USD 1,500

*Notes:*

1. See "Key Assumptions and Sensitivity Analysis" section included in the news release further details.
2. Key metrics are calculated on nameplate annual production of 1,000,000 tpa of spodumene pegmatite feed over 9-year life of project.
3. Discount rate of 8%.
4. Includes pre-production, sustaining capital, and closure costs.
5. Refer to "Non-IFRS and other Financial Measures".
6. Source: derived using Benchmark Mineral Intelligence and Wood Mackenzie.

The PFS estimated a pre-tax NPV of the Georgia Lake Project of USD 223 million compared to the USD 289 million pre-tax NPV estimated in the Company's technical report titled, "Preliminary Economic Assessment for an Integrated Lithium Hydroxide Operation from the Georgia Lake Lithium Project, Northwest Ontario, Canada" (the "2021 PEA"), while the PFS estimates an after tax NPV of USD 146 million compared to the USD 230 million estimated in the 2021 PEA. Additionally, the PFS estimates an IRR of 48% and 36%, pre-tax and after-tax respectively, compared to 22% and 20% estimated in the 2021 PEA.

Differences in key metrics between the 2022 PFS and the 2021 PEA are primarily attributable to the exclusion of an integrated Converter in the PFS, an increased level of confidence in the engineering details, a change in the mineral resource categories and updated cost estimates based on 2022 market conditions. Additional differences include a more complex recovery flowsheet, which includes the process of DMS; the addition of an on-site camp and subsequent accommodation service; and a closure plan that is more closely aligned with similar operations.

For further details, the Company refers to the press release dated November 16, 2022 which is available on the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com).

## Exploration and Evaluation Expenditures

The following table sets out Rock Tech's net exploration expenditures and total exploration and evaluations assets related to the Georgia Lake Project as at and for the nine-month period ended September 30, 2022 and year ended December 31, 2021, respectively:

<b>Georgia Lake, Ontario</b>	<b>For the period ended:</b>		<b>For the year ended:</b>	
	<b>September 30, 2022</b>		<b>December 31, 2021</b>	
<b>Property acquisition costs</b>				
Balance, beginning of year	\$	1,420,375	\$	1,420,375
Acquisitions		-		-
<b>Balance, end of period</b>		<b>1,420,375</b>		<b>1,420,375</b>
<b>Exploration and evaluation expenditures</b>				
Balance, beginning of year		11,556,514		2,836,543
Costs incurred during period:				
Administration		191,373		84,841
Assaying		532,534		163,861
Camp and field costs		693,214		237,200
Drilling		2,603,088		1,442,593
Engineering consulting		1,300,436		732,359
Environmental baseline and permitting		1,014,164		591,902
Field exploration		89,586		123,690
Geological consulting		684,356		352,383
Labour		246,856		339,175
Permitting and land holding costs		3,380		3,822
Technical reports		-		87,369
Transportation		110,019		31,889
<b>Total exploration and evaluation expenditures</b>		<b>7,469,006</b>		<b>4,191,084</b>
Reversal of mineral property impairment		-		4,528,887
<b>Balance, end of period</b>	<b>\$</b>	<b>19,025,520</b>	<b>\$</b>	<b>11,556,514</b>
<b>Total Exploration and Evaluations Assets</b>	<b>\$</b>	<b>20,445,895</b>	<b>\$</b>	<b>12,976,889</b>

### *Significant Milestones*

The Company anticipates that the Georgia Lake Project will require achieving the following significant milestones prior to commencing construction:

<b>Milestone</b>	<b>Costs Incurred</b>	<b>Expected Costs Remaining<sup>(1)</sup></b>
Completion of Pre-Feasibility Study	\$2,200,000	N/A
Completion of Feasibility Study	N/A	\$3,000,000 – \$5,000,000
Finalize Permitting	\$1,600,000	\$2,000,000 – \$4,000,000

**Note:**

- (1) Such amounts represent estimates that are based on various assumptions and expectations. Although Rock Tech considers these assumptions and expectations to be reasonable based on information available as at the date hereof, the Company cannot give any assurance that such assumptions and expectations will prove to be correct. As a result, the actual costs Rock Tech will incur in respect of the milestones noted herein may differ materially from such estimates. See "Cautionary Note on Forward-Looking Statements".

## ***Guben Converter***

Concurrently with the development of the Georgia Lake Project, the Company continues to progress the development of the Guben Converter, which is being designed to process spodumene concentrate from multiple sources, with initial supply sourced via third-party off-take agreements, to process lithium hydroxide.

The Company anticipates that the Guben Converter will be constructed with an annual nameplate production capacity of 24,000 tonnes of lithium hydroxide and that the industry-standard flowsheet for a typical sulphate processing route will be adopted. In late 2021, the Company completed based on a robust flowsheet a pilot test program that resulted in the successful production of high purity lithium hydroxide, supporting the proposed process plant design of the Guben Converter.

The Company was actively conducting laboratory and pilot-scale metallurgical testing to confirm the process design criteria over a variety of potential feed sources, permitting works, basic engineering, and front-end engineering design work for the Guben Converter. The Company is also continuing to advance the results of the BPS as a next step towards debt financing for the Guben Converter into a FEL 3 Study. Both BPS and the FEL 3 Study were contracted during the third quarter of 2022 to the Company's Finnish engineering partner.

### *Development Progress*

**Permitting:** In February 2022, the Company submitted an application to the Brandenburg State Office for the Environment (the "**Brandenburg Office for the Environment**") for the first partial permit in respect of the Guben Converter (the "**First Guben Permit**"), which would provide approval in respect of related buildings, roads and other non-process infrastructure. The application for the First Guben Permit remains under review. An approval for early works is expected for mid of November 2022. In addition to the First Guben Permit the Company applied for a second permit (the "Second Guben Permit") to the Brandenburg Office for the Environment on November 15, 2022 which mainly covers the process infrastructure and the process buildings and equipment of the Guben Converter. Final decisions in respect of the Second Permit is expected to be received from the Brandenburg Office for the Environment by July 2023.

**Bankable project study ("BPS") and FEL3 study:** In parallel with ongoing permitting works, the Company completed its BPS in November 2022 and is working to complete its FEL3 study by the second quarter of 2023. The BPS and the FEL3 study are, among others, conditions precedent to obtaining the final credit approval for the intended project financing.

The FEL3 study comprises of:

- continuation of metallurgical testwork;
- finalization of process flowsheet, plant layout, configuration and major equipment selection;
- progression of discipline engineering to support improved accuracy of cost estimates;
- major procurement activities including basic engineering design for major supply packages;
- selection of major contractors and negotiation of material contract terms;
- logistics plan;
- supply and offtake agreements; and
- progression of approvals.

In November 2022, the Company announced the summary results of the BPS. The BPS was a collaborative study with key contributions from Wave International Pty ("Wave") and the Company's Finnish engineering partner. The BPS demonstrated an improvement to the Guben Converter's economics compared to the previous engineering study published on November 29, 2021 (the "**Converter Engineering Study**") and will form the basis for the ongoing project financing discussions with potential lenders. The highlights of the study are as follows:

Key Metrics and Assumptions	
Pre-Tax Net Present Value ("NPV") <sup>(3)</sup>	USD 1,219m
After-Tax NPV <sup>(3)</sup>	USD 801m
Pre-Tax Internal Rate of Return ("IRR")	24%
After-Tax IRR	19%
Payback Period	4.2 years
Initial Capital Costs	USD 683m
Life-of-Project Capital Costs <sup>(4)</sup>	USD 836m
Life-of-Project Revenue	USD 14,872m
Life-of-Project C1 Operating Costs excluding spodumene costs	USD 4,752m
Average spodumene concentrate price paid USD/t <sup>(7)</sup>	USD 1,532
Average LHM price received USD/t	USD 25,038

Notes:

1. See "Key Assumptions and Sensitivity Analysis" included in the news release for further details.
2. Key metrics are calculated on nameplate annual production of 24,000 tonnes of LHM over 25-year life of project (as applicable).
3. Discount rate of 8%.
4. Includes sustaining capital.
5. Includes all cash costs.
6. Includes all cash costs and depreciation.
7. 5.75% Li2O.
8. Based on market forecasts projected over 25-year life of project.

Although the BPS uses more conservative costing assumptions than the prior study, the overall NPV and project IRR have increased. The study demonstrated that the engineering design of the Guben Converter supports cost certainty with AACE Class 3 estimates for both capital and operating costs with an overall accuracy of +/- 20% including higher levels of accuracy at +/- 10% for key packages including the kiln and the crystallizers.

Notably, recent inflationary pressures and global supply chain tightening have had a substantial impact on both capital expenditures and operating costs. However, these cost impacts are partially offset by lithium pricing assumptions based on a more positive current market outlook. For further details, the Company refers to the press release dated November 4, 2022 which is available on the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com).

### *Pricing Strategy*

Rock Tech generally aims to link product prices to suitable and representative material price indices. The Company aims to grant flexible volume discounts that reflect the economic reality of fluctuating product pricing. As such, when product prices are high (relative to material price indices), the Company may grant volume discounts. Conversely, when product prices are low (relative to material price indices), the Company may not be able to provide such volume discounts.

Additionally, certain offtake volumes may be subjected to a floor and ceiling price. This mechanism is intended to mitigate extraordinary and unlikely upside and downside risks, for both the Company and its business partners, resulting from fluctuating product pricing. For such volumes subject to a floor and ceiling price, the previously mentioned linkage to a material price index would only apply while the contract price (i.e. the material index price including any possible discounts) is higher than the agreed floor price and lower than the agreed ceiling price.

In terms of lithium raw materials, the Company intends to source spodumene at fixed or variable prices ensuring profitable business operations at all times.

### *Project Financing*

The Company continues to pursue potential financing arrangements in respect of the Guben Converter with targeted lender groups, including international investors, banks, investment funds and export credit agencies. Such discussions remain at the preliminary stage, with detailed due diligence activities anticipated to commence upon

completion of the BPS. Nevertheless, the preliminary request for proposal circulated to various financing institutions has yielded a strong response with at least ten institutions signalling to date an interest in providing debt financing. Among these institutions is the EIB who have formally published their ongoing review of the project.

Through its mandated debt advisor Blackbird Partners, the Company has retained a leading global mineral financing industry advisory firm to support its financing efforts. Furthermore, and in support of the financing activities, the company Behre Dolbear Australia, a leading independent engineering consultancy in the mining space has been mandated to complete the independent technical engineer's report (the "ITE") on the Guben Converter. The results of the ITE will assist potential lenders in their due diligence process, assessing the BPS, the FEL3 Study and the Converter Engineering Study conducted by Wave in respect of the construction and operation of the Guben Converter.

In May 2022, the Company submitted a subsidy application to the German state of Brandenburg, which the Company expects, based on discussions with governmental authorities, to result in a determination that the Guben Converter is eligible for up to €50 million of subsidies, however it should be noted that the application process is still in the preliminary stages.

### *Supply and Off-Take Arrangements*

During and subsequent to the third quarter of 2022, the Company entered into a number of agreements relating to supply and off-take arrangements, including:

- On October 24, 2022, the Company announced that it had entered into a definitive agreement (the "**Transamine Agreement**") with Transamine Holdings and Investments Limited ("**Transamine**"), wherein the Company and Transamine have agreed to form the RTT joint venture entity in relation to the procurement of spodumene concentrate in connection with the Guben Converter. The purpose of this joint venture is to identify, pursue and secure the supply of spodumene for the Company's Guben Converter. RTT will be a 50/50 joint venture based in Geneva, Switzerland which is expected to be formed during Q4 2022. Pursuant to the Transamine Agreement, RTT will manage the procurement of spodumene concentrate from global mining companies and spodumene producers and arrange related logistical and storage services while Transamine will provide related financing and the Company will primarily be responsible for ESG auditing and compliance. Meanwhile, the Company has paid its portion of the issued share capital into RTT's account, being CHF 500,000. Going forward, the Company will account for the joint venture investment using the equity method in accordance with IAS 28.
- In October 2022, the Company announced that it had entered into a volume commitment agreement with Mercedes-Benz (the "**Volume Commitment Agreement**") dated October 18, 2022, an amendment to the framework agreement dated June 20, 2022, which was previously disclosed as the supply agreement in the press release dated October 20, 2022. The Volume Commitment Agreement provides for the supply of an average of 10,000 tonnes of battery-grade lithium hydroxide per year to Mercedes-Benz for a term of five years commencing in 2026 after a product qualification period. The Volume Commitment Agreement will represent the sale of 40% of the nameplate capacity of the Guben Converter to an estimated sales volume of up to EUR 1.5 billion.

### Downstream Development Expenses

The following table sets out Rock Tech’s downstream development expenses related to the Guben Converter in the nine-month periods ended September 30, 2022 and 2021:

Lithium Hydroxide Converter	Nine months ended September 30, 2022	Nine months ended September 30, 2021
Costs incurred during the year:		
Site Due Diligence	\$ 27,279	\$ 52,687
Engineering	26,889,461	1,691,774
Metallurgy	121,607	1,000,443
Project Management	1,553,774	3,302,047
Permitting	1,011,905	-
Research & Development	570,008	-
<b>Total</b>	<b>\$ 30,174,034</b>	<b>\$ 6,046,951</b>

### Anticipated Timeline and Significant Milestones

The Company expects to make a final investment decision in respect of the Guben Converter in the second quarter of 2023 once the Company has received the results of the FEL3 Study. Initial construction works of the Guben Converter is expected to commence in the first half of 2023 following and subject to, among other things, a positive investment decision in respect of the project and the Company’s receipt of the permits described above under the heading “Overall Performance – Guben Converter – Development Progress”. Based on the results of the Converter Engineering Study (FEL3), the Company anticipates that commissioning of the Converter will begin in mid-2025, with ramp-up phase commencing thereafter.

The Company anticipates that bringing the Guben Converter in service will require, among other things, achieving the following significant milestones:

Milestone	Costs Incurred	Expected Costs Remaining <sup>(1)</sup>	Expected Completion Date
Independent Engineer Report	N/A	€150,000 – €200,000	Q4 2022/Q1 2023
Soil Replacement and Ground Work	N/A	€8,000,000 – €10,000,000	Q3 2023
Completion of the FEL3 Study	€1,234,000	€6,000,000 – €7,000,000	Q2 2023
Receipt of Guben Permits	€33,000	€1,000,000 – €1,500,000	Q2 2023/Q3 2023
Construction of Guben Converter	€25,200,000	€686,800,000 <sup>(2)</sup>	2025

**Notes:**

- (1) Such amounts represent estimates that are based on various assumptions and expectations. Although Rock Tech considers these assumptions and expectations to be reasonable based on information available as at the date hereof, the Company cannot give any assurance that such assumptions and expectations will prove to be correct. As a result, the actual costs Rock Tech will incur in respect of the milestones noted herein may differ materially from such estimates. See “Cautionary Note on Forward-Looking Statements”.
- (2) This estimate is based on the results of the BPS and is subject to revision.

### ESG and Sustainability

The Company aims to minimize the impact of its operations on both local communities and the environment. Accordingly, the Company is committed to developing the Georgia Lake Project and the Guben Converter in a responsible and sustainable manner, and holds itself accountable to strict environmental, social, and governance standards. The Company has set various environmental, social and governance (“ESG”) and sustainability targets and is in the process of developing initiative roadmaps to reach them in conjunction with a number of sustainability

partners, including Fraunhofer Institute for Environmental, Safety and Energy Technology UMSICHT and CSCS (Ireland) Limited. Such targets include:

- a 50% reduction in CO2 emissions (scope 1+2) by 2030 and net-zero (scope 1+2+3) by 2050;
- zero waste to landfill and >90% utilization of production residues by 2030;
- sourcing 50% of the feedstock for the Guben Converter from battery recycling by 2030;
- recognition of the Georgia Lake Project as a benchmark for sustainable spodumene mining in Canada by 2030;
- achieving carbon-neutrality in 100% of logistics in the Company's supply chain by 2030; and
- powering 100% of the Company's Converters with electricity from renewables and green gas by 2030.

### *Next Steps*

In accordance with the Company's supply agreement with Mercedes Benz, Georgia Lake Project intends working towards certification by sustainable mining standards, namely "Towards Sustainable Mining" (TSM) and "Initiative for Responsible Mining Assurances" (IRMA) to ensure sustainable spodumene supply.

Further, the Company has commissioned an accredited third party to independently verify the Company's Lifecycle Assessment results including its carbon footprint from mine-to-gate. The Company intends to publish its verified carbon footprint result by the end of the year.

In addition to the foregoing shorter term ESG and sustainability targets, the Company is in the process of evaluating a number of mid- to long-term initiatives. To further support its ESG and sustainability targets, the Company intends to conduct a materiality assessment to identify sustainability topics material to the Company's value creation proposition and its stakeholders. The Company aims to assess materiality in accordance with the reporting frameworks of the Global Reporting Initiative and forthcoming sustainability reporting regulation by European Financial Reporting Advisory Group (EFRAG).

In addition, the Company is developing plans relating to the appointment of an ESG committee of the board of directors of the Company, which shall have overall responsibility for the effective operation of the Company's ESG policy and has delegated responsibility for overseeing its implementation.

## Results of Operations

### Three-month period ended September 30, 2022 and September 30, 2021

The Company's comprehensive loss for the three-month period ended September 30, 2022, was \$23,954,579 (2021: \$7,526,985). The following table summarizes the most significant expenses incurred by the Company during the third quarter of 2022 and 2021, respectively.

Income Statement Category	Significant Components	Three-month periods ending September 30,		
		2022	2021	Change
General Administration Expenses	Office rent and general office expenses; Commercial liability and directors' and officers' insurance policies; and Other overhead	\$562,647	\$389,081	\$173,566
Management Fees	Fees charged by the Executive Chairman and Chief Financial Officer	\$163,370	\$179,308	(\$15,938)
Salaries and Wages	Officers and employees in Canada and Germany	\$2,222,421	\$498,255	\$1,724,166
Professional Fees	Tax advisory, Assurance and general legal expenses, as well as legal fees related to the development of the Guben Converter	\$858,234	\$13,737	\$844,497
Stock-Based Payments	Value of stock options & warrants granted to directors, officers, employees and consultants	\$1,201,718	\$1,597,389	(\$395,671)
Consulting Fees	Director fees and the engagement of strategy and technical consultants	\$868,622	\$1,305,671	(\$437,049)
Downstream Lithium Converter Development Expenses	Site due diligence, engineering, metallurgical testing, permitting and project management	\$18,078,373	\$3,136,217	\$14,942,156
Travel and Promotion Expenses	Corporate development, marketing and investor relations	\$427,695	\$375,907	\$51,788
Transfer Agent and Filing Fees	Personal information forms and other regulatory filings with the exchange and transfer agent	\$93,526	\$15,716	\$77,810
Amortization	Expense charge for the amortization of property, plant & equipment and right-of-use (ROU) assets	\$79,656	\$3,382	\$76,274

Higher net losses during the three-month period ended September 30, 2022 compared to the prior year period were primarily attributable to an increase in expenses incurred by the Company during the quarter compared to the three-month period ended September 30, 2021, including increases of approximately:

- \$14.9 million increase in Converter development expenses related to increased development activities in respect of the Guben Converter, including higher costs relating to project management services, engineering work and permitting (also see "Overall Performance – Guben Converter" section above);
- \$1.7 million increase in salaries and wages due to an increase in the number of employees in Canada and Germany during both 2021 (with run-rate effects in 2022) and during the year 2022, increasing from 10 headcount at year end 2021 to reach 43 headcount at the end of Q3 2022, to support the increased activities and deliverables, particularly relating to the Guben converter project;
- \$0.8 million increase in professional fees as a result of an increase in legal fees related to the development of the Guben Converter, an increase in legal fees related to AIF and prospectus preparation, and an overall increase in operational activities in Canada and Germany;
- \$173,566 increase in general and administration expenses due to an increase in employee headcount and corporate activities and the expansion of operations in Canada and Germany;
- \$437,049 decrease in consulting expenses, related to a decrease in the number of individuals engaged as consultants and corresponding increase in salaried employees; and

- \$395,671 decrease in stock-based payments is a result of less stock option and warrant grants in the current year compared to prior year (see “Share Capitalization – Stock Options” section below).

The Company expects to continue to incur losses until either the Georgia Lake Project or the Guben Converter come into production, which may or may not occur. The Company further expects that its losses will be greater in future financial periods, as expenses are anticipated to continue to rise in conjunction with the expected continued acceleration of development activities in respect of the Company’s projects and development opportunities (including the Georgia Lake Project and the Guben Converter) and staffing levels needed to support such development activities. See “Risk Factors” section below.

### ***Nine-month period ended September 30, 2022 and September 30, 2021***

The Company’s comprehensive loss for the nine-month period ended September 30, 2022 was \$49,778,997 (2021: \$16,781,317). The following table summarizes the most significant expenses incurred by the Company during the nine-month periods ended September 30, 2022 and 2021, respectively.

Income Statement Category	Significant Components	Nine-month periods ending September 30,		
		2022	2021	Change
General Administration Expenses	Office rent and general office expenses; Commercial liability and directors’ and officers’ insurance policies; and Other overhead	\$1,071,043	\$474,253	\$596,790
Management Fees	Fees charged by the Executive Chairman and Chief Financial Officer	\$498,614	\$383,245	\$115,369
Salaries and Wages	Officers and employees in Canada and Germany	\$5,978,260	\$866,193	\$5,112,067
Professional Fees	Tax advisory, Assurance and general legal expenses, as well as legal fees related to the development of the Guben Converter	\$2,748,669	\$56,058	\$2,692,611
Stock-Based Payments	Value of stock options & warrants granted to directors, officers, employees and consultants	\$5,602,899	\$6,005,337	(\$402,438)
Consulting Fees	Director fees and the engagement of strategy and technical consultants	\$3,010,717	\$1,988,293	\$1,022,424
Downstream Lithium Converter Development Expenses	Site due diligence, engineering, metallurgical testing, permitting and project management	\$30,174,034	\$6,046,951	\$24,127,083
Travel and Promotion Expenses	Corporate development, marketing and investor relations	\$1,104,407	\$796,951	\$307,456
Transfer Agent and Filing Fees	Personal information forms and other regulatory filings with the exchange and transfer agent	\$218,832	\$144,953	\$73,879
Amortization	Expense charge for the amortization of property, plant & equipment and right-of-use (ROU) assets	\$178,242	\$5,448	\$172,794

Higher net losses during the nine-month period ended September 30, 2022 compared to the prior year period were primarily attributable to an increase in expenses incurred by the Company, including increases of approximately:

- \$24.1 million increase in Converter development expenses related to increased development activities in respect of the Guben Converter, including higher costs relating to project management services, engineering work and permitting (also see “Overall Performance – Guben Converter” section above);
- \$1.0 million increase in consulting fees due to the increased corporate activities of Rock Tech during 2022 to support the Company’s development activities and the corresponding increase in the Company’s use of strategy, technical, and financial consultants;
- \$5.1 million increase in salaries and wages due to an increase in the number of employees in Canada and Germany during both 2021 (with run-rate effects in 2022) and during the year 2022, increasing from 10 headcount at year end 2021 to reach 43 headcount at the end of Q3 2022, to support the increased activities and deliverables, particularly relating to the Guben converter project;

- \$2.7 million increase in professional fees as a result of an increase in legal fees related to the development of the Guben Converter, an increase in legal fees related to AIF and base shelf prospectus preparation, and an overall increase in operational activities in Canada and Germany;
- \$596,790 increase in general and administration expenses due to an increase in employee headcount and corporate activities and the expansion of operations in Canada and Germany; and
- \$307,456 increase in travel and promotion expenses related to increased corporate development, marketing, and investor relation activities during the year.

## Summary of Quarterly Results

	2022			2021				2020
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Net Sales	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil
Net Income/(Loss)	(24,555,708)	(12,990,484)	(11,344,022)	(5,394,609)	(7,514,663)	(3,979,126)	(5,273,889)	(942,036)
Basic and Diluted Earnings/(Loss) per share	(0.31)	(0.18)	(0.16)	(0.09)	(0.14)	(0.08)	(0.10)	(0.03)
Comprehensive Income/(Loss)	(23,954,579)	(14,406,385)	(11,418,033)	(5,339,771)	(7,526,985)	(3,980,439)	(5,273,889)	(942,036)
Basic and diluted earnings/(loss) per share	(0.31)	(0.18)	(0.16)	(0.09)	(0.14)	(0.08)	(0.10)	(0.02)

In addition to the factors discussed above under the heading “*Results of Operations*”, fluctuations in the Company’s financial performance during the most recently completed eight quarters were impacted by financing and investing activities and share-based payments related to the granting of stock options to directors, officer, employees and consultants. Periods in which financings are completed tend to be accompanied by higher-than-average filing fees and legal expenses while periods in which investing activities are undertaken (i.e., exploration programs) tend to be accompanied by higher than average general and administrative costs and other overhead costs necessary to support such investing activities. Fluctuations in the Company’s quarter-over-quarter financial performance during the indicated periods were also impacted by fluctuations in the business cycle.

## Liquidity and Capital Resources

The Company had working capital (being current assets less current liabilities) of approximately \$35.1 million as at September 30, 2022 (December 31, 2021: \$47.6 million), including approximately \$41.3 million of cash (December 31, 2021: \$55.8 million). The Company is a development stage company with no current revenue or cash flows from operations. During the nine-month period ended September 30, 2022, the Company had negative cash flows from operating activities and no revenue is anticipated until either the Georgia Lake Project or the Guben Converter come into production. Furthermore, significant additional funding will be required to bring the Georgia Lake Project and/or the Guben Converter into commercial production.

Accordingly, the Company’s ability to fund ongoing exploration and development activities are dependent upon its ability to continue to successfully access financing in the capital markets. Management expects that the Company will continue to fund the development of the Georgia Lake Project and the Guben Converter through equity financing and available cash, and/or through debt financing.

The Company is able to manage and control the timing and amount of expenditures in respect of the Georgia Lake Project and the Guben Converter as sole owner of both projects, subject to risks inherent in the development and construction of mining development projects and downstream processing facilities (as discussed in the “*Risk Factors – Operational Risks*” section of this MD&A). Additionally, preliminary discussions with certain targeted lender groups continue in connection with the Company’s evaluation of potential project financing arrangements in respect of the Guben Converter, as discussed above. Nevertheless, there can be no assurance that such sources of financing

will be available or sufficient to meet the funding requirements in respect of the Georgia Lake Project or the Guben Converter (see “*Risk Factors – Project Financing Risks*”).

Rock Tech’s capital structure is comprised of working capital and share capital. Management continues to monitor the Company’s liquidity and financial requirements and may adjust Rock Tech’s capital structure as needed to reflect corporate objectives and/or in response to real or expected changes in economic and industry conditions. To maintain or adjust the Company’s capital structure, it may issue additional equity securities, obtain debt financing through project finance facilities or private senior debt and/or adjust capital spending.

Rock Tech believes it has sufficient cash resources to cover working capital requirements and fixed costs for at least the next 12 months.

#### *Cash Used in Operating Activities*

Cash used in operating activities during the nine-month period ended September 30, 2022 was \$42.6 million, compared to \$8.6 million during the nine-month period ended September 30, 2021. See “*Results of Operations for the nine-month periods ended September 30, 2022 and 2021*” for additional information regarding the significant components of operating activities.

#### *Cash Used in Investing Activities*

Cash used in investing activities during the nine-month period ended September 30, 2022 was \$10.1 million, compared to \$1.3 million during the nine-month period ended September 30, 2021. The period-over-period increase was primarily impacted by increased activity at the Georgia Lake Project and cash used to complete the land purchase for the Guben Converter site.

#### *Cash Provided by Financing Activities*

For the nine-month period ended September 30, 2022 cash provided by financing activities of \$39.1 million consisted of \$388,036 proceeds from the exercise of stock options and warrants, \$1.8 million from the proceeds of the closing of the Company’s second and final tranche of its previously announced brokered offering of units in January 2022 (“the **Brokered Offering**”), and \$40.1 million from the proceeds of the closing of the Company’s underwritten offering and non-brokered private placement that occurred in August 2022 (“the **Prospectus Offering**”). The cash provided was partially offset by \$3.1 million in share issuance costs and \$103,994 in lease payments made. For the nine-month period ended September 30, 2021, cash provided by financing activities of \$12.5 million consisted of \$4.6 million proceeds from the exercise of stock options and warrants and \$8.0 million from the proceeds of the closings of the Company’s private placements of 2,580,645 units for \$1.55 per unit and 2,500,000 units for \$1.60 per unit in January 2021.

#### *Use of Proceeds Reconciliation*

**Brokered Offering:** On January 5, 2022, the Company completed the second and final tranche of the Brokered Offering, issuing an aggregate of 9,761,905 units pursuant to the Brokered Offering for aggregate gross proceeds of approximately U.S.\$41.0 million (or approximately C\$52.5 million as of the applicable closing dates). The following chart includes a reconciliation of the manner in which the proceeds from the Brokered Offering were used by the

Company as of November 25, 2022 against the Company's intended use of proceeds as disclosed in the material change report filed by the Company in respect of the Brokered Offering:

Disclosure in Brokered Offering MCR	Use of Proceeds (as of November 25, 2022)	
	Category	Amount
Rock Tech intends to use the net proceeds of the Offering to finance the construction of the Company's proposed high grade lithium hydroxide converter and refinery facility in Guben, Germany (the " <b>Converter Project</b> "), to fund the continued exploration and development of the Company's Georgia Lake lithium project in Ontario, Canada (the " <b>Georgia Lake Project</b> ") and for general corporate purposes	Converter Project	\$30,400,000 <sup>(1)</sup>
	Georgia Lake Project	\$9,000,000 <sup>(2)</sup>
	Corporate	\$11,000,000
	Transaction Costs (Brokers and Legal)	\$2,100,000
	Total Use of Proceeds	\$52,500,000
	Remaining Proceeds	-

**Notes:**

- (1) Such amounts were expended principally on feasibility assessments, the FEL3 Study and permitting activities.
- (2) Such amounts were expended principally on the Company's drilling program, assaying and conducting a pre-feasibility study.

**Prospectus Offering:** On August 19, 2022, the Company closed the Prospectus Offering, issuing an aggregate of 11,449,743 units of the Company pursuant to the Prospectus Offering for aggregate gross proceeds of approximately \$40.1 million (net proceeds of approximately \$37.1 million).

The following chart includes a reconciliation of the manner in which the proceeds from the Prospectus Offering were used by the Company as of November 25, 2022:

Category	As Disclosed in Prospectus Supplement	Use of Proceeds (as of November 25, 2022)
Permitting and Completion of the BPS and the FEED Study for the Guben Converter	\$3,738,977	\$1,100,000
Down Payments for Rotary Kiln, Crystallizer and Other Long Lead Items for the Guben Converter	\$11,216,931	\$Nil
Soil Replacement and Ground Work for the Guben Converter	\$3,738,977	\$Nil
Engineering and Initial EPCM for the Guben Converter	\$7,477,954	\$3,200,000
General Project Management and Services for the Guben Converter	\$3,738,977	\$1,440,000
Permitting and Development Costs for the Georgia Lake Project	\$3,738,977	\$500,000
General Corporate Purposes	\$3,738,977	\$1,420,000
Total Use of Net Proceeds	\$37,389,770	\$7,660,000
Remaining Net Proceeds		\$29,400,000

## Off-Balance Sheet Arrangements

As at September 30, 2022, the Company did not have any off-balance sheet transactions.

## Related Party Transactions

All transactions with related parties have occurred in the normal course of business, on an arms length basis. Unless indicated otherwise, all amounts paid to related parties are unsecured, non-interest bearing and have no fixed terms of repayment.

Included in accounts payable and accrued liabilities for the nine-month period ended September 30, 2022 are amounts due to related parties of \$123,835 (December 31, 2021 – \$180,840). These amounts have arisen during the normal course of operations and are unsecured and non-interest bearing.

For the nine-month period ended September 30, 2022, the Company recorded share-based compensation of \$2,301,738 (September 30, 2021 – \$6,005,337) for options granted to directors and officers of the Company.

The Company's key management consists of its officers and directors. Key management compensation for the periods ended September 30, 2022 and 2021 was as follows:

	Nine months ended September 30,	
	2022	2021
Management fees	\$ 498,614	\$ 383,245
Salaries and wages	766,618	391,667
Consulting fees	227,515	83,500
Share-based payments	2,301,738	6,005,337
Downstream development	189,071	-
	<b>\$ 3,983,556</b>	<b>\$ 6,863,749</b>

During the nine-month period ended September 30, 2022, the Company incurred management fees of \$315,000 (2021: \$97,037) payable to the Chairman of the Company.

During the nine-month period ended September 30, 2022, the Company incurred salaries and wages of \$266,024 (2021: management fees of \$220,000) payable to the Chief Executive Officer of the Company.

During the nine-month period ended September 30, 2022, the Company incurred management fees of \$183,614 (2021: salary expenses and management fees of \$171,208) payable to the Chief Financial Officer of the Company.

Intercompany balances and transactions between the Company and its subsidiaries have been eliminated on consolidation and are not disclosed in this note. Related party fees and expenses were incurred in the normal course of operations in connection with the companies owned by key management and directors. The amounts allocated to exploration consulting were capitalized to exploration and evaluation assets during the period. Expenses have been measured at the exchange amount.

## Critical Accounting Estimates

Material accounting estimates usually disclosed by resource issuers such as assumptions regarding depletion, resource and production values and capital write downs are not applicable to the Company as it is at the exploration and development stage. The Company utilises certain estimates as more fully described in Note 2 to the financial statements. There were no changes to the Company's existing estimates during the nine-month period ended September 30, 2022.

## Changes in Accounting Policies including Initial Adoption

The accounting policies followed by the Company are set out in Note 2 to the September 30, 2022 Consolidated Financial Statements of the Company. There were no changes to the Company's accounting policies during the nine-month period ended September 30, 2022.

## Financial Instruments and Risk Management

The Company's financial instruments consist of cash, amounts receivable, accounts payable and accrued liabilities, and amounts due to related parties. The fair value of the Company's arms-length financial assets and liabilities are estimated by Management to approximate their carrying values due to the immediate or short-term maturity of these financial instruments.

The fair value of amounts due to related parties is assumed to equal its stated value. Comparable arms-length risk profiles, terms and interest rates are not available for Management to determine if any fair value adjustments are required.

The Company's functional currency is the Canadian dollar. Currently, the Company does not use any hedging or derivative instruments to reduce its exposure to foreign currency risk.

The Company's financial instruments are exposed to the following risks:

### ***Foreign currency risk***

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

The Company is exposed to foreign currency risk on fluctuations related to cash and accounts payable and accrued liabilities that are denominated in Euros. At September 30, 2022, the Company holds cash of \$9,762,555 (December 31, 2021 – \$285,650) in Euro denominated bank accounts and \$1,012,213 (December 31, 2021 – \$50,214,796) in U.S. dollar bank accounts. A 1% change in foreign exchange rates would have an effect of \$143,078 (December 31, 2021 – \$634,364) on foreign currency.

### ***Credit risk***

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. The majority of cash is deposited in a bank account held with a major bank in Canada. As most of the Company's cash is held by one bank there is a concentration of credit risk. This risk is managed by using a major bank that is a high credit quality financial institution as determined by rating agencies. The Company's secondary exposure to risk is on its other receivables. This risk is minimal as receivables consist primarily of refundable government goods and services taxes.

### ***Liquidity risk***

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash.

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of

continued access to significant equity funding. The Company believes it has adequate cash at September 30, 2022 to reduce its risk.

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

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk on its cash equivalents as these instruments have original maturities of three-month periods or less and are therefore exposed to interest rate fluctuations on renewal. A 1% change in market interest rates would not have a material impact on the Company's net loss.

### ***Capital management***

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of working and share capital. There were no changes in the Company's approach to capital management during the year. The Company is not subject to any externally imposed capital requirements.

## **Risk Factors**

### ***Financial Risks***

#### ***Project Financing Risks***

The Company anticipates that significant capital expenditures will be required in connection with the development of the Georgia Lake Project (see "*Overall Performance – Georgia Lake Project*") and the Guben Converter (see "*Overall Performance – Guben Converter*"), with additional financing required to advance the projects into construction as planned. As the Company is a development stage company with no current revenue or cash flows from operations, the Company expects to fund such development and construction costs through equity and/or debt financing. As of the date of this MD&A, financial markets remain volatile as a result of the impacts of the COVID-19 pandemic and hostilities involving Russia and Ukraine on the global economy. There can be no assurance that equity or debt financing will be available or sufficient to meet the funding requirements in respect of the Georgia Lake Project or the Guben Converter or, if equity or debt financing is available, that it will be available on terms acceptable to the Company. Any such financing may result in substantial dilution to existing shareholders of the Company and could adversely impact the market price of the common shares and the Company's ability to access capital markets in the future.

Alternatively, or in addition to equity or debt, such financing may take the form of a partnership, joint venture or a royalty (in the case of the Georgia Lake Project), any of which would mean that existing shareholders of the Company would own a smaller percentage of the applicable project.

An inability for the Company to access sufficient capital for its projects or operations could have a material adverse impact on its financial condition, results of operations and/or future prospects. In particular, failing to obtain requisite financing, in a timely manner and on acceptable terms, could cause the Company to miss certain acquisition or investment opportunities or to postpone, abandon, reduce or terminate its operations.

#### ***Share Price Fluctuations***

Global securities markets often experience elevated price and volume volatility leading to wide fluctuations in the market value of companies regardless of operating performance, underlying asset values or growth prospects. There can be no assurance that fluctuations in the price and volume of the Company's securities will not occur in the future.

In particular, the market price of the common shares and the Company's financial results may be significantly adversely affected by the Company's actual or anticipated results of operations, as well as global economic and political trends and developments, including adverse changes to or volatility in: global product prices; interest rates;

inflation; global supply of mineral products, global and regional consumption patterns, speculative trading activities and foreign exchange rates. The price of mineral products has fluctuated significantly in recent years and significant future price declines could cause potential commercial production to be uneconomic. A severe decline in the price of minerals would have a material adverse effect on the Company. In addition, the financial markets are currently experiencing significant volatility in prices and value as a result of the continuing impacts of the COVID-19 pandemic, which has particularly affected the market prices of equity securities of many resource issuers and that sometimes has been unrelated to the operating performance of these companies. Broad market fluctuations, as well as economic conditions generally and in the mining industry specifically, may adversely affect the market price of the common shares.

### *Inflation Risk*

The general rate of inflation impacts the general economic and business environment, which in turn impacts the Company as described elsewhere in this section. Inflationary pressures relating to global financial support measures undertaken in response to the COVID-19 pandemic, as well as any economic conditions resulting from governmental attempts to reduce inflation, such as the imposition of higher interest rates or wage and price controls, may negatively impact levels of demand for lithium products and input costs, and could, accordingly, have a material adverse effect on Rock Tech's business, financial condition and results of operations. Higher interest rates as a result of inflation could negatively impact future borrowing costs or make debt financing less attractive to the Company, which could, in turn, have a material adverse effect on Rock Tech's cash flow and ability to service obligations under future debt securities and other debt obligations (if any).

### *No Operating Revenues and History of Losses*

The Company has had no operating revenues and a history of losses, and no operating revenues are anticipated until either the Georgia Lake Project or the Guben Converter come into production, which may or may not occur. The Company will continue to experience losses unless and until it can successfully develop and begin profitable commercial production and there can be no assurance that the Company will be able to do so. Also see "Risk Factors – Operational Risks – No Production Experience".

### *Royalties on the Georgia Lake Project Risks*

The Georgia Lake Project is subject to a 1.5% NSR Royalty. Certain leases in the southern spodumene pegmatite area of the Georgia Lake Project, namely the Newkirk-Vegan, Parole Lake, McVittie, MNW and Foster-Lew leases, may be subject to a claimed 0.5% gross royalty. The claimed 0.5% gross royalty was not considered in the Georgia Lake Technical Report (as defined below) as it relates to leases not included in the mine plan. Increases in royalty rates would reduce profit margins and, if such increases were significant, would adversely affect future operating results at the Georgia Lake Project.

### *No Dividends*

The Company has not declared or paid any dividends on its common shares and has not generated revenues or cash flow from operations since its incorporation. Furthermore, the Company does not expect to declare or pay any dividends for the foreseeable future, as the Company currently intends to retain any future earnings to fund the ongoing development and growth of its business and projects.

### *Foreign Subsidiary Risks*

The Company conducts certain business through its German-based subsidiaries Rock Tech Consulting GmbH and Rock Tech Guben GmbH, as well as its Luxemburg-based subsidiary Rock Tech Europe Holding S.à r.l. Any limitation on the transfer of cash or other assets between the Company and Rock Tech Consulting GmbH, Rock Tech Guben GmbH or Rock Tech Europe Holding S.à r.l., or the perception that such limitation may exist now or in the future, could have an adverse impact on the Company's valuation.

## **Operational Risks**

### *Exploration and Development Risks*

The Company is concurrently completing development activities to optimize the Georgia Lake Project and the Guben Converter and to update its assessment of the financial viability of such projects. These considerations depend on multiple factors, including: the attributes of the applicable property, such as the underlying mineral properties (in respect of the Georgia Lake Project) and proximity and access to infrastructure; the general economic environment and market conditions for lithium hydroxide; processing methods and costs; and necessary approvals and permits.

The Company is currently conducting a FEL3 Study for the Guben Converter. Consistent with the Converter Engineering Study, the FEL3 Study contemplates an annual production capacity of 24,000 tonnes of lithium hydroxide. The process of optimizing the development plan for the Guben Converter based upon the FEL3 Study could impact the Company's assessment of the financial viability of the Guben Converter. In addition, the timing and scope of the development plan for the Guben Converter may also be impacted by the results of discussions with stakeholders, potential lenders and prospective customers. Changes to the scope and design of the development plan resulting from such discussions could also have a substantive effect on the Company's assessment of the financial viability of the Guben Converter. Even if the FEL3 Study continues to support the commercial viability of the Guben Converter, there are many additional factors that can impact the development of the project, including: permitting decisions; the terms and availability of financing; cost overruns; and delays in development. The Guben Converter is also subject to the development, construction and operational risks described elsewhere in this MD&A. Accordingly, there can be no assurance that the Company will ever develop the Guben Converter. If the Company is unable to develop the Guben Converter in a commercially viable manner, its business and financial condition could be materially adversely affected.

In connection with its Georgia Lake Project operations, the Company is exposed to considerable risks inherent in the exploration and development of mineral projects, which even a combination of careful evaluation, experience and knowledge may not eliminate. Such risks include:

- the capital-intensive nature of the exploration and development of mineral properties;
- relatively few mineral projects achieve production due to, among other factors, the impact of geological and metallurgical risks on planned production profiles, recovery rates or economic viability of the project;
- there can be no guarantee that the estimates of quantities and qualities of minerals disclosed will be economically recoverable;
- as with all mining operations, there is uncertainty and, therefore, risk associated with operating parameters and costs resulting from the scaling up of extraction methods tested in pilot conditions; and
- mineral exploration is speculative in nature and there can be no assurance that any minerals discovered will result in an increase in Rock Tech's resource base.

Unsuccessful exploration or development efforts at the Georgia Lake Project could have a material adverse impact on the Company's results of operations and financial condition.

### *Construction Risks, Delays and Cost Overruns*

Should the Company elect to proceed with the Georgia Lake Project and/or the Guben Converter, delays or cost overruns may occur in the construction of either project, both of which are considerably capital intensive and susceptible to potentially significant cost overruns and delays. Construction costs and project timelines depend on the accuracy of prior estimates and are prone to cost overruns and delays. Actual construction timelines and costs may vary from prior estimates, potentially significantly, due to a number of factors, including: the availability and performance of suppliers, contractors, materials and equipment; the granting of necessary approvals and permits in a timely manner; construction pricing escalation; changing engineering and design requirements; labour disruptions; adverse weather conditions; and the availability of financing on acceptable terms. Many of the risks related to development and constructions costs and schedule risks are described elsewhere in this MD&A.

Any delays to project timelines or cost overruns represent direct costs to the Company and may delay the generation of revenue and free cash flow. As a result, adverse changes in the construction timelines or costs of the Georgia Lake Project or the Guben Converter could have a significant effect on the financial prospects of such project, which may have a significant impact on the financial condition of the Company and its operating results. Even if commercial operations are achieved, equipment and facilities may not operate as planned due to design or manufacturing flaws, which may not all be covered by warranty. Mechanical breakdown(s) could occur in equipment after the applicable warrant period has expired, resulting in loss of production as well as the cost of repairs.

#### *Lack of Experience*

The development of the Georgia Lake Project and the Guben Converter will require the construction and operation of mines, processing plants and related infrastructure and, although certain of its officers, directors and/or consultants may have such experience, the Company itself has never completed a mining development project or a downstream processing plant. As a result, it is more difficult to evaluate the Company's prospects, and the Company's future success is more uncertain than if it had a more proven history. In addition, the Company is and will continue to be subject to all the risks associated with establishing new commercial operations, including but not limited to:

- the timing and cost, which can be considerable, of the construction of mining and processing facilities;
- the availability and cost of skilled labour, materials and equipment;
- the need to obtain necessary environmental and other governmental approvals and permits and the timing of the receipt of such approvals and permits;
- the availability of funds to finance construction and development activities; and
- potential increases in construction and operating costs due to changes in the costs of fuel, power, materials and supplies.

It is common in new mining and commercial processing operations to experience unexpected costs, problems and delays during construction, development and start-up. In addition, delays in the early stages of production often occur. Accordingly, even if the Company completes planned development and construction activities, it cannot provide assurance that such activities will result in profitable operations at either the Georgia Lake Project or the Guben Converter.

#### *No Mineral Reserves*

Currently, there are no mineral reserves for the Georgia Lake Project and the Company cannot give any assurance that any mineral reserves will be identified. If the Company fails to identify any mineral reserves for the Georgia Lake Project, its financial condition and results of operations will be materially adversely affected.

#### *Mineral Resource Estimates*

The Company's mineral resource estimates have been determined and valued based on assumed future prices, cut-off grades and operating costs at the time of calculation, as set out in the Georgia Lake Technical Report. However, until mineral deposits are actually mined and processed, mineral resources must be considered as estimates only. By their nature, mineral resource estimates are imprecise and depend, to a certain extent, on analyses of drilling results and statistical inferences that may ultimately prove to be inaccurate. These estimated mineral resources should not be interpreted as assurances of certain commercial viability or of the profitability of any future operations. Investors are cautioned not to place undue reliance on these estimates.

No assurance can be given that any particular level of recovery of minerals will in fact be realized or that identified mineral resources will ever qualify as a commercially mineable (or viable) deposit which can be legally and economically exploited. Future production at the Georgia Lake Project, if any, could differ significantly from resource and reserve estimates for a variety of reasons, including:

- mineralization or formations could be different from those predicted by drilling, sampling and similar examinations;
- calculation errors could be made in estimating mineral resources;
- increases in operating mining costs and processing costs could adversely affect mineral resources; and
- declines in the price of intermediate or final lithium products may render the mining of some or all mineral reserves (if any) uneconomic.

In addition, production may be impacted by a variety of factors, including but not limited to: permitting regulations and requirements; weather conditions and environmental factors; unforeseen technical difficulties; unusual or unexpected geological formations; work interruptions; and a number of other factors described elsewhere in this section.

As there is currently no production at the Georgia Lake Project, mineralization estimates for the project may require adjustments or downward revisions based upon further exploration or development work or actual future production experience. In addition, the grade of mineralized material ultimately mined, if any, may differ from that indicated by drilling results. There can be no assurance that minerals recovered in small-scale tests will be duplicated in large-scale tests under on-site conditions or in production scale. Any reduction in estimated mineral resources as a result could require material write downs in investment in the Georgia Lake Project and increased amortization, reclamation and closure charges, which could have a material and adverse effect on future cash flows for the project and the Company's earnings, results of operations and financial condition.

In addition, any inferred mineral resource included in this MD&A is an estimate only. Inferred mineral resources have an even greater amount of uncertainty as to their existence and economic and legal feasibility. Accordingly, the Company makes no assurance that inferred mineral resources will ever be upgraded to a higher category. Investors are cautioned not to assume that inferred mineral resources exist or are economically or legally mineable.

#### *Risks Associated With Future Operations*

**Future Commercial Operations Risks:** Future commercial operations at the Georgia Lake Project and/or the Guben Converter, if any, are expected to involve significant risks and hazards, many of which could result in damages to persons, property or the environment and may result in stoppages and/or potential legal liabilities. In respect of both projects, the Company expects that future operations will be subject to all of the hazards and risks normally incidental to commercial industrial activities, including: equipment breakdowns and failures; unexpected maintenance and replacement costs; human error; labour disputes; industrial accidents; and other catastrophic events, including those related to climate change and extreme weather events (see "*Risk Factors – Regulatory and Environmental Risks – Climate Change*"). Many of these risks are beyond Rock Tech's control and any of which could result in a disruption to operations, asset damage, environmental issues and delays in construction, labour and materials.

To the extent the Company develops the Georgia Lake Project to production, the Company's operations will also be subject to all of the hazards and risks associated with the production of minerals, including:

- unusual or unexpected geological formations;
- seismic activities;
- periodic disruptions due to inclement or hazardous weather conditions;
- releases or other environmental pollution and the consequential liability; and
- mechanical equipment and facility performance issues.

Although the Company has liability insurance and will augment coverage in anticipation of development and construction programs, some risks and hazards may be uninsurable or involve considerable premiums. See "*Risk Factors – General Risks – Insurance Risks*".

**Future Costs and Returns Risks:** Despite budget forecasting and planning activities undertaken by the Company, actual future capital costs, operating costs, production and economic returns with respect to the Company's projects may differ significantly from those anticipated and there are no assurances that any future development activities will result in profitable operations. The capital costs required to advance the Georgia Lake Project to commercial production or the Guben Converter to its expected nameplate processing capacity may be significantly higher than anticipated. To the extent that such risks impact upon either project, there may be a material adverse effect on the results of operations of such project, which may in turn have a material adverse effect the financial condition and operations of the Company.

The Company may lack sufficient operating history (see "*Risk Factors – Operational Risks – No Production Experience*") upon which it can base estimates of future operating costs. Decisions about the development of the Georgia Lake Project, the Guben Converter and other Converter(s) will ultimately be based upon feasibility and engineering studies. Such studies derive estimates of cash operating costs based upon a number of factors, including:

- anticipated tonnage, grades and metallurgical characteristics of the mineralized material to be mined and/or processed;
- anticipated recovery rates of the metals from the mineralized material;
- cash operating costs of comparable facilities and equipment; and
- anticipated climatic conditions.

Cash operating costs, production and economic returns, and other estimates contained in studies or estimates prepared by or for the Company, including the Georgia Lake Technical Report and the Converter Engineering Study, may differ significantly from those ultimately realized due to a variety of factors, including the ongoing impact of the COVID-19 pandemic, the hostilities involving Russia and Ukraine and other factors described elsewhere in this section. Adverse variances in actual operating costs, production or economic returns from those currently anticipated may have a significant adverse impact on the financial prospects of the applicable project, as well as the business and operating results of the Company.

#### *Novel Project/Deposit Risks*

**Guben Converter – Novel Project Risks:** Lithium processing is an emerging field and, despite careful planning and preventative actions taken by the Company, it will not be able to eliminate the various risks inherent to the development, construction and operation of novel commercial-scale lithium conversion projects such as the proposed Guben Converter. China currently accounts for the significant majority of lithium processing activity globally and, to the Company's knowledge, the processing of spodumene concentrate into lithium hydroxide has not been previously undertaken on a commercial scale in Europe. Commercial scale lithium processing operations in China are inherently different from those in other regions due to a number of economic, social, political and other differences, and therefore may not be indicative of lithium processing development, construction and operations elsewhere.

The Converter Engineering Study included a risk management report based on the risk assessment conducted by Wave in connection with the study. The risk management report identified various risks associated with the construction of the Guben Converter, as well as suggested preventative actions and risk management activities in relation to identified risks. For example, the Company plans to adopt the industry-standard flowsheet for a typical sulphate processing route for the Guben Converter, which flowsheet has been developed and demonstrated in a pilot test program. Nevertheless, the process of assembling a commercial scale process flowsheet has not been deployed on a commercial basis and, therefore, remains subject to known and unknown risks inherent with any commercialization.

In addition, it is difficult to predict the complex interplay of different components of the proposed process plant design and operation of the Guben Converter, which may be adversely impacted by unexpected development, construction and/or operating conditions, planned and unplanned maintenance and ramp up times, each of which may delay or reduce expected future production and/or increase costs.

Accordingly, despite careful planning and risk mitigation and management activities by the Company, there can be no assurance that risks associated with novel commercial-scale projects will not materialize during the development, construction and/or operation of the Guben Converter. If any of these risks were to materialize, it may have an adverse effect on the Company's business, financial condition and results of operation.

**Georgia Lake Project – Novel Deposit Risks:** While the mine plan and costs for the Georgia Lake Project are based on metallurgical tests and other known industry processes and equipment, the processes contemplated by the Company for production of spodumene concentrate at the Georgia Lake Project have not yet been demonstrated at commercial scale. There is a risk that when production is increased to a commercial scale, efficiencies of recovery and throughput capacity may not be met, that the Company may be unable to demonstrate production to scale, or that scaled production may not be cost effective. If any of these risks were to materialize, it may have a material adverse effect on the development of the Georgia Lake Project, which could in turn have a material adverse impact on the Company's business, operations and prospects.

### *Component Risks*

As with other mineral exploration companies, certain raw materials, supplies and other critical resources used in connection with the Company's operations are obtained from a sole or limited group of suppliers. Due to an increase in activity in the global mining sector, there has been an increase in global demand for such resources. In addition, the COVID-19 pandemic has, and may continue to cause disruptions in global supply chains, which may reduce or eliminate the availability of certain supplies, particularly those sourced from outside of Canada (in respect of Georgia Lake Project operations) or Germany (in respect of Converter operations). Any decrease in the supplier's inventory could cause unanticipated cost increases, an inability to obtain adequate supplies and delays in delivery times, thereby impacting the timing and extent of exploration and development activities and future operating costs.

Completing the development of the Georgia Lake Project and the Guben Converter requires access to reliable sources of electricity, power and water on acceptable terms. Prices for such materials can be affected by numerous factors beyond the Company's control, including global and regional supply and demand, weather patterns, political and economic conditions and applicable regulatory regimes. The Company can provide no assurance that it will secure the materials required to support development or future operating activities or that such materials can be obtained on reasonable terms. Without access to such items in a timely manner and on acceptable terms, the Company's development of the Georgia Lake Project or the Guben Converter, as applicable, may be hindered and there can be no assurance that: the development of such project(s) will be completed on a timely basis, if at all; any resulting operations will achieve the anticipated results; or the ongoing operating costs associated with such project(s) will be in-line with the Company's expectations.

In addition, key operating supplies such as fuel, materials, reagents, tires and spare parts are necessary to support anticipated operating activities at the Georgia Lake Project and the Guben Converter, respectively. If these supplies become unavailable or their costs increase significantly, the profitability of the Company's operations would be negatively impacted.

Further, feedstock is expected to comprise a significant portion of the operating costs of the Guben Converter. There is no guarantee that the Company will secure the required feedstock for the Guben Converter, as there is no assurance that the Company will be able to source feedstock from existing third-party commercial operations on acceptable terms, or to invest in research and development for the recycling of lithium-ion batteries and reuse of lithium. Further, the Company makes no guarantee that it will achieve its goal of securing 50% of its required raw material feedstock from recycling by 2030. An inability to secure such feedstock on reasonable terms may have an adverse impact on the profitability and economic viability of the Guben Converter.

The Company has set a number of ESG goals, including certain goals related to lowering the emissions intensity and environmental impact of its supply chain and operations (see "*Overall Performance – ESG and Sustainability*"). Rock Tech's ability to achieve its ESG goals is subject to a number of risks and uncertainties and no assurance can be provided that the Company will be able to achieve any or all such goals. The Company's ability to achieve its ESG goals depends upon, among other things, the Company's ability to develop and implement new technologies and to

secure lower-carbon power and feedstock. In the event that the Company is unable to implement these strategies and technologies as planned in an economically feasible manner or without negatively impacting future operations or business plans, or in the event that such strategies or technologies do not perform as expected, the Company may be unable to meet its ESG goals on current timelines, or at all.

### *Seasonality*

Exploration and development activities at the Georgia Lake Project are influenced by seasonal weather patterns, as may also be the case in respect of any future mining activities at the property. Inclement weather and spring thaw may make the ground unstable. Consequently, municipalities and provincial transportation departments occasionally enact road bans that restrict the movement of heavy equipment, thereby potentially reducing activity levels. Also, certain areas of the Georgia Lake Project may be difficult or impossible to access during certain seasons due to the impact of weather and precipitation on ground conditions. There can be no assurance that these seasonal factors will not adversely affect the timing and scope of the Company's exploration, development and future mining activities at the Georgia Lake Project, which could in turn have a material adverse impact on the Company's business, operations and prospects.

### *Foreign Operations Risks*

The Company plans to build the Guben Converter in Germany and has already established engineering and finance offices in the country. Planning to operate in Germany exposes the Company to German laws, regulations, policies and other directives. Changes to any applicable laws, regulations, policies or other directives, or shifts in political or social attitudes in any of the jurisdictions in which the Company operates may adversely affect the Company's operations and prospects for development, and may affect the Company's ability to fund its ongoing expenditures at its projects. Regardless of the economic viability of the Guben Converter, and despite being beyond the Company's control, such legal, political or social changes could have a substantial negative impact on the business and financial condition of the Company.

## **Regulatory and Environmental Risks**

### *Environmental Laws and Regulations*

All phases of the mining business present environmental risks and are subject to environmental legislation and regulations promulgated by governmental authorities at the federal, provincial, state and municipal level. Such legislation and regulations provide for, among other things, restrictions, conditions and prohibitions on: emissions; the handling, transportation and disposal of waste and other substances; the reclamation of operational sites; the protection of species at risk; and spills, releases or emissions of various substances produced in association with mineral production and processing. In addition, such legislation and regulations require that mining and processing sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities and may require the deposit of adequate security to cover reclamation and remediation obligations. Compliance with environmental legislation and regulations can require significant expenditures and the failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions thereunder, including orders issued by applicable authorities, the curtailment of production or other activities or a significant increase in capital and/or operating expenses. In addition, environmental assessments of proposed projects carry a heightened degree of responsibility for the project proponent and its directors, officers and employees. Companies engaged in the development of commercial projects may be exposed to the risk of increased costs and delays in development and/or operational activities as a result of the need to comply with applicable laws, regulations and permits.

Management believes that the Company is in substantial compliance with all material laws and regulations which currently apply to its activities. However, no assurance can be given that, notwithstanding precautions taken by the Company and its limited operational history, breaches of environmental laws (whether inadvertent or not) or environmental pollution will not result in additional costs or curtailment of planned activities and investments, which could have a material and adverse effect on the Company's future results of operations and financial condition.

Furthermore, environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs. Changes to current laws, regulations and permits could require increases in capital expenditures or future operating costs, or require the Company to delay the development of future projects, each of which may have a material adverse impact on the Company.

### *Government Approvals*

The Company's activities are subject to government approvals governing: development; land resumptions; taxes; labour standards and occupational health and safety matters; the handling, transportation and disposal of waste and other substances and other matters, including issues affecting First Nations communities neighbouring the Georgia Lake Project. The costs associated with compliance with these approvals can be substantial. Although management believes that the Company's activities are carried out in accordance with all existing governmental authorizations and approvals, no assurance can be given that new rules and regulations will not be enacted that impose additional approval requirements or that existing rules and regulations related to current approval requirements will not be applied in a manner which could limit or curtail development or future operations, or cause additional expenses, capital expenditures, restrictions or delays in the development of the Company's projects. Further, the licenses and permits issued in respect of the Company's projects, including the Georgia Lake Project and the Guben Converter, may be subject to conditions which, if not satisfied, may lead to the revocation of such licenses and permits. In the event of revocation, the value of Rock Tech's investments in such projects may decline or the Company's related activities may be postponed, abandoned, reduced or terminated.

### *First Nations and Duty to Consult*

The Company operates and conducts exploration in areas which are subject to the traditional rights and treaties of First Nations communities. Many of these rights and treaties impose additional obligations on governments and private parties as they relate to the rights of First Nations communities concerning resource development. Additionally, some mandate that government consult with, and if required, accommodate First Nations members in connection with government actions which may affect members, including actions to approve or grant mining rights or exploration, development or production permits. The Company is committed to engaging with the appropriate First Nations communities in relation to the potential impact of its activities on such rights, which may result in delays or suspensions of exploration or mining activities.

### *Permitting Risks*

Rock Tech's mineral claims, licenses and permits are subject to periodic renewal. While it is expected that renewals will be given as and when sought, there is no assurance that such renewals will be given as a matter of course and there is no assurance that new conditions will not be imposed in connection therewith. The Company's business objectives may also be impeded by the costs of holding and/or renewing the Company's mineral claims, licenses and permits. In addition, the duration and success of Rock Tech's efforts to obtain and renew mineral claims, licenses and permits are contingent upon many variables not within its control.

The Company's current and expected future operations, including exploration, development and production activities at the Georgia Lake Project and development, construction and processing activities in respect of the Guben Converter, require licenses and permits from various governmental authorities, each of which can be time-consuming and costly to obtain, maintain and renew. Permitting for these projects remains in progress, and the Company's the development of such projects, as currently contemplated, will require many environmental, construction and, in the case of the Georgia Lake Project, mining permits, each of which can be time-consuming and costly to obtain, maintain and renew. In connection with its development plans, the Company must obtain and maintain a number of permits that impose strict conditions, requirements and obligations on the Company, including those relating to various environmental and health and safety matters. To obtain, maintain and renew certain permits, Rock Tech is required to conduct environmental assessments pertaining to the potential impact of its operations on the environment and to take steps to avoid or mitigate those impacts. The Company cannot be certain that all licenses and permits that it may require for its operations will be obtainable on reasonable terms or at all.

Delays or a failure to obtain such licenses and permits, or a failure to comply with the terms of any such licenses and permits that the Company has obtained, could have a material adverse impact on Rock Tech.

### *Climate Change*

There is significant evidence of the negative effects of climate change on the planet and public support for climate change action has grown in recent years, as has the impetus to pursue new technologies to mitigate the effects of climate change. Governments in Canada, Germany and around the world have responded by adopting ambitious emissions reduction targets and supporting legislation, including measures relating to carbon pricing, emissions reduction initiatives and alternative energy incentives and mandates.

Rock Tech has grouped its risks related to climate change into two main categories: (i) physical risks; and (ii) transition risks. Physical risks have been further sub-divided into: (a) acute physical risks (those that are event-driven, including increased severity of extreme weather events); and (b) chronic physical risks (those that relate to longer-term shifts in climate patterns). Transition risks have been further sub-divided into: (1) regulatory and policy risks; (2) reputational risks; and (3) technology risks.

**Physical Risks – Acute Risks:** Climate change has been linked to rising sea levels and increased extreme events, such as more intense hurricanes, increasing ocean acidification, extreme hot and cold weather, heavy snowfall and rainfall and increased risk of wildfires, each of which may adversely impact the Company's operations, increasing their cost and negatively impacting future production. Moreover, extreme weather conditions may lead to disruptions in Rock Tech's ability to transport future production, as well as goods and services in its supply chains. The Georgia Lake Project and the proposed site of the Guben Converter are located in close proximity to forests and/or rivers, and a wildfire or flood, may result in significant restrictions on development and construction activities, shutdowns and downtime and reductions in future production. At this time, Rock Tech is unable to determine the extent to which climate change may lead to increased hazards affecting its operations.

**Physical Risks – Chronic Risks:** Anthropogenic climate change is estimated to have brought about a warming of 1.0° Celsius above pre-industrial levels. As the level of activity in the mining industry is influenced by seasonal weather patterns, long-term shifts in climate patterns increase the risk of exacerbating development and/or operational delays at the Georgia Lake Project, as well as the other risks posed by seasonal weather patterns. See also "*Risk Factors – Operational Risks – Seasonality*".

In addition, long-term shifts in weather patterns, such as water scarcity, increased frequency and severity of storms and fires and prolonged heat waves may require the Company to incur greater expenditures (time and capital) to deal with the challenges posed by such changes to its development activities, future operations, supply chain, transport needs, and employee safety, which may in turn have a material adverse effect on the Company's business, operations and financial condition.

**Transition Risks – Regulatory and Policy Risks:** Climate change policy is evolving at regional, national and international levels and political and economic events may significantly affect the scope and timing of climate change measures that are ultimately put in place to prevent climate change or mitigate its effects. Existing and future laws and regulations may impose significant liabilities for a failure to comply with requirements thereunder. Concerns over climate change, fossil fuels, emissions and water and land-use could lead to the enactment of more stringent laws and regulations applicable to the Company. Any new laws and regulations (or additional requirements to existing laws and regulations) could have a material impact on the Company's business, financial condition, results of operations and prospects.

Adverse impacts to the Company's business as a result of climate change-related legislation may include, but are not limited to, increased compliance costs, permitting delays, increased operating costs and capital expenditures. Given the evolving nature of climate change policy, emission controls and resulting requirements, it is expected that current and future climate change regulations will have the effect of increasing Rock Tech's compliance costs and operating expenses.

The Company's exploration and development activities and other operations and activities emit greenhouse gasses, which requires Rock Tech to comply with applicable emissions legislation. In addition, mining and processing operations are energy intensive and result in greenhouse gas emissions either directly or through the purchase of fossil fuel-based electricity. As a result, future operations (if any) at the Georgia Lake Project and the Guben Converter will also emit greenhouse gasses and such projects will also be required to comply with then applicable emissions legislation.

**Transition Risks – Reputational Risks:** Concerns regarding climate change may increase public scrutiny of industries that are thought to have more significant environmental impacts.

The price of common shares and/or the Company's business, financial condition or operations may be negatively impacted as a result of any negative public opinion towards the mining and mineral processing industry or as a result of any negative sentiment in respect of Rock Tech's reputation with stakeholders, special interest groups, political leadership, the media or other entities. Public opinion may be influenced by certain media and special interest groups' negative portrayal of the mining industry, as well as their opposition to certain related projects. Concerns about climate change, and environmental harm more generally, have resulted in a number of environmental activists and members of the public opposing mining exploration, development and production activities, which may influence investors' willingness to invest in the mining industry. See also "*Risk Factors – Regulatory and Environmental Matters – Opposition to Projects*".

**Transition Risks – Technology Risks:** The Company is committed to operating responsibly and reducing the negative effects of its current and future operations on the environment. However, the Company's ability to reduce emissions, energy and water use and adopt new innovations is constrained by technological advancement, operational realities and economics. The adoption of new technologies by the Company to address climate change could require a significant capital investment.

#### *Title Matters*

Although the Company has exercised due diligence with respect to determining title to its mineral project, there can be no assurance of title to any of the Company's property interests, or that such title will ultimately be secured. No assurance can be given that applicable governments will not revoke or significantly alter the conditions of the applicable exploration and mining authorizations nor that such exploration and mining authorizations will not be challenged or impugned by third parties. The Company's property interests may also be subject to prior unregistered agreements or transfers or other land claims, and title may be affected by undetected defects and adverse laws and regulations.

The Company cannot guarantee that title to its properties will not be challenged. There may be valid challenges to the title of the Company's mineral property which, if successful, could adversely impact exploration and development activities. Such claims, regardless of validity, could impose significant costs to defend adversely impacting the financial position of the Company and causing delays to the development schedule.

#### *Surface Rights and Access*

Although the Company has acquired the right to some or all of the minerals in the ground subject to the tenures that it has acquired, 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 landowners, 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. 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.

Although the Company holds surface rights or legal access to all areas of the Georgia Lake Project, there is a risk that such rights may be deficient or subject to dispute. The procurement or enforcement of such rights can be costly and time consuming. In areas where there are local populations or landowners, it may be necessary, as a practical matter, to negotiate surface access. Despite having the legal right to access the surface and to carry on exploration and mining activities, Rock Tech may not be able to negotiate satisfactory agreements with existing landowners/occupiers for such access, and therefore it may be unable to carry out mining activities. In addition, in circumstances where such access is denied, or no agreement can be reached, the Company may need to rely on local officials or court assistance.

In addition, there is a risk that developing laws and movements respecting the acquisition of lands and other rights of First Nations communities may alter the arrangements made by prior owners of the lands where the Georgia Lake Project is located. Future laws and actions could have a material adverse effect on Rock Tech's operations at the Georgia Lake Project or on its financial position and results of operations.

### *Opposition to Projects*

The Company may face opposition to the development of the Georgia Lake Project and/or the Guben Converter. There has been increasing public concern relating to the effects of mining on natural landscapes, communities and on the environment and opponents of other mining projects have, in some cases, been successful in bringing public and political pressure against mining projects. In the event of opposition to either the Georgia Lake Project or the Guben Converter, the Company's development of such project may be delayed or prevented, even if such development is found to be economically viable and legally permissible.

## **Industry Risks**

### *Volatile Product Prices*

The Company's ability to undertake profitable operations at the Georgia Lake Project and the Guben Converter, if and to the extent such projects are developed and enter commercial operations, will be significantly impacted by changes in the price of intermediate and final lithium-based products. The prices of these products have fluctuated significantly in recent years and such fluctuations may materially impact the ability of the Company to raise necessary funding and the economics of both upstream and downstream projects. These fluctuations are beyond the Company's control and are often the result of proposed and enacted policies designed to increase electrification and/or curtail or expedite the development of critical mineral projects. New discoveries, technological breakthroughs, global supply and demand, inflation, interest rates and foreign exchange rates, in addition to other factors, may also contribute to price volatility.

Lithium is not a traded commodity like base and precious metals and its price is significantly affected by the purity and performance. Sales agreements are negotiated on an individual and private basis with each different end-user, whose specifications will also impact the price they are willing to pay. If the products produced from the Company's projects do not meet lithium hydroxide quality and/or do not meet customer specifications, there will be a negative effect on pricing and availability of customers. The Company may not be able to effectively mitigate against pricing risks for its products. A prolonged decrease in the price which the Company is able to obtain for its products may affect the value of the Company, the price of common shares and the potential value of the Georgia Lake Project and the Guben Converter.

In addition, there are a limited number of producers of lithium compounds and it is possible that these existing producers will attempt to prevent new producers from entering the chain of supply. In each case, the economics of the Company's current and future projects could be materially adversely affected, including being rendered uneconomic.

## *Competition*

The mineral exploration and production industry is intensely competitive. The Company competes and will continue to compete with entities which are better financed and have better access to capital than the Company; there is no assurance that the Company will be able to successfully compete against such other corporations and entities for capital or for properties. Furthermore, there is competition for experienced management and directors in the junior mineral exploration and development sector. There can be no assurance that the Company will be successful in attracting and retaining qualified personnel as competition for persons with relevant experience and skill sets increases.

A high level of competition exists with respect to securing a reliable, predictable supply of lithium raw materials. This competition could lead to materially higher prices and existing and emerging raw material producers may pursue vertical integration, retaining their raw materials and producing lithium hydroxide or other final products for the market. Any resultant unavailability of raw material feedstock could adversely impact the Company's Guben Converter operations, potentially leading to higher costs, idle capacity or the curtailment of activities.

The Company may also encounter competition from other lithium producers for the supply of raw materials (see *"Risk Factors – Operational Risks – Component Risks"*) and for customers (see *"Risk Factors – Industry Risks – Reliance on Off-Take Agreements"*).

Increased competition for raw material, spodumene concentrate or lithium hydroxide production could adversely impact the Company's ability to attract the required capital funding, engage desired engineering, construction and procurement contractors, procure the required equipment at a desired time or cost and retain key personnel.

### *Reliance on Off-Take Agreements*

Currently, there is no developed spot market for lithium products. Accordingly, the Company expects to enter into off-take agreements:

- with existing third-party commercial producers to acquire spodumene concentrate feedstock for the Guben Converter;
- with existing third-party processors to sell spodumene concentrate produced at the Georgia Lake Project (until the Company successfully implements its vertical integration strategy for the Georgia Lake Project by developing and constructing a North American Converter); and
- with end-users to sell lithium hydroxide processed at the Guben Converter.

However, competition in both the upstream and downstream segments of the business is high and the Company anticipates that the level of such competition will continue to increase. Furthermore, emerging and existing lithium mining companies are exhibiting a trend towards greater vertical integration, which may result in additional competition faced by: (i) the Company's Georgia Lake operations for the sale of intermediate lithium products to third-party processors; and (ii) the Company's Guben Converter operations in the acquisition of spodumene concentrate feedstock.

Price is just one of several factors which may be considered by potential customers. For example, lithium hydroxide produced at the Guben Converter in the future will be subject to product quality tests from prospective customers. In addition, potential customers may also consider emissions generated in the Company's entire value chain, the origin of its raw material feedstock and any reagents used. There is no assurance the Company's product will satisfy customer specifications or other considerations or that it will be able to negotiate acceptable terms and conditions for the sale of its products. Accordingly, the Company may not be successful in finding customers. Further, any default or early termination by counterparties under future off-take agreements which are material to Rock Tech's business and operations may have an adverse effect on the Company's financial condition and results from operations.

### *Growth of Lithium Markets*

The development of lithium operations and the need for intermediate and final lithium products produced and/or processed by the Company is largely dependent on the adoption of lithium-ion batteries for electrical vehicles and other large format batteries, which currently have limited market share and whose projected adoption rates are not assured. To the extent that such markets do not develop in the manner or according to the timelines contemplated by the Company, the long-term growth in the market for lithium projects could be adversely affected. In such case, the potential for the development and/or commercial viability of the Georgia Lake Project and the Guben Converter would be inhibited which would have a negative effect on the business and financial condition of the Company.

### **General Risks**

#### *COVID-19 Risks*

The ongoing COVID-19 pandemic, including continued uncertainty as to its extent and duration, local and international developments and the effect of the pandemic on the broader global economy and capital markets may have a negative effect on the Company. The COVID-19 pandemic and actions that have been, and may be, taken by governmental authorities in response thereto has resulted, and may continue to result in, among other things: an overall slowdown in the global economy; a decrease in global demand for commodities; increased volatility in financial and commodity markets; disruptions to global supply chains; inflationary pressures; labour shortages; significant impacts to the workforce; reductions in trade volumes; temporary operational restrictions on gatherings of individuals, as well as shelter-in-place declarations and quarantine orders; business closures and travel bans; political and economic instability; and civil unrest. While the effects of COVID-19 on the Company to date have not been significant, the continuing risks of the pandemic to the Company include: risks to the health and safety of Rock Tech's employees; the availability of labour for projects; continued volatility and weakness in the financial and commodity markets and supply chain disruptions, all or any of which could materially adversely impact the Company's business operations and financial results.

In addition, a resurgence of the COVID-19 virus or the occurrence of new variants or mutations thereof may occur in jurisdictions in which the Company operates, may result in further restrictions or the re-imposition of one or more of the foregoing restrictions impacting the Company's operations and potential delays in the development of its projects, including the Georgia Lake Project and the Guben Converter. This further increases the risk and uncertainty as to the extent and duration of the COVID-19 pandemic and its ultimate impact of the global economy and other items noted above.

The Company will continue to actively monitor the situation with respect to the COVID-19 pandemic and may take further actions as may be required or recommended by applicable governmental authorities, or which Rock Tech determines are in the best interests of its employees, customers, and other stakeholders. The Company cannot be certain of potential effects that any such actions may have on the Company's business or operating and financial results in future fiscal periods.

#### *Economic & Geopolitical Risks*

Global financial conditions have, at various times in the past, and may, in the future, experience extreme volatility. Many industries, including the mining industry, are impacted by volatile market conditions. Global financial conditions may be subject to sudden and rapid destabilizations in response to economic shocks or other events, such as the continued impacts of the COVID-19 pandemic and the hostilities involving Russia and Ukraine. A slowdown in the financial markets or other economic conditions, including adverse changes in consumer spending, employment rates, business conditions, inflation, fluctuations in fuel and energy costs, consumer debt levels, lack of available credit, the state of the financial markets, interest rates and tax rates, may adversely affect the Company's financial condition and prospects. Future economic shocks may be precipitated by a number of causes, including government debt levels, fluctuations in the price of oil and other commodities, the volatility of commodity prices, geopolitical instability, changes in laws or governments, war, terrorism, the volatility of currency exchanges, inflation or deflation, the devaluation and volatility of global stock markets, pandemics and natural disasters. Any sudden or rapid destabilization of global economic conditions could impact the Company's ability to obtain equity or debt

financing in the future on terms favourable to Rock Tech or at all. In such an event, the Company's operations and financial condition could be adversely impacted.

#### *Reliance on Key Personnel*

The Company's success is highly dependent upon the performance of its key officers, directors and employees, and its ability to attract and retain key personnel. Owing to the relatively small size of the current lithium market, personnel with the skills and experience required to develop and implement the Company's business and development strategies are scarce and competition for them is high. Failure to attract and retain key individuals with necessary skills, including but not limited to key engineering, metallurgical, chemical, processing or project management personnel could cause adverse consequences and interrupt and/or delay the Company's development plans.

#### *Project Management Risks*

The Company is concurrently overseeing the advancement of two major projects, each of which requires the dedication of considerable time and resources by the Company and its management team. At the Georgia Lake Project, a major lithium mining project, the Company is actively involved in exploration and development activities. In parallel, progress continues to be made on the development of the Guben Converter, a merchant lithium hydroxide Converter, including permitting and the preparation of a FEED Study. The advancement of two major resource projects concurrently brings with it the associated risk of strains arising on managerial, human and other resources. The Company's ability to successfully manage each of these processes will depend on a number of factors, including its ability to manage competing demands on time and other resources, financial or otherwise, and successfully retain personnel and recruit new personnel to support its growth and the advancement of its projects.

#### *Health and Safety Risks*

The Company's business in relation to both the Georgia Lake Project and the Guben Converter carries an inherent risk of liability related to worker health and safety, including the risk of government-imposed orders to remedy unsafe conditions, potential penalties for contravention of health and safety laws, licenses, permits and other approvals, and potential civil liability. Compliance with health and safety laws and the requirements of licenses, permits and other approvals is, and will remain, material to the Company's business. The Company may become subject to government orders, investigations, inquiries or other proceedings (including civil claims) relating to health and safety matters. The occurrence of any of these events or any changes, additions to or more rigorous enforcement of health and safety laws, licenses, permits or other approvals could have a significant impact on operations and/or result in additional material expenditures. As a consequence, no assurances can be given that additional workers' health and safety issues relating to presently known or unknown matters will not require unanticipated expenditures, or result in fines, penalties or other consequences (including changes to operations) material to its business and operations.

#### *North American Converter*

In furtherance of Rock Tech's vertical integration strategy for the Georgia Lake Project, the Company is conducting preliminary investigation and planning activities in respect of a potential lithium hydroxide Converter in North America (see "*Overall Performance – Georgia Lake Project*"). Accordingly, should the Company elect to proceed with the construction and development of a North American Converter, such Converter will face and be subject to many of the same risks as the Guben Converter described elsewhere in this MD&A.

#### *Conflicts of Interest Risks*

Certain directors and officers of the Company are, or may become, engaged in other business activities which may potentially compete with or become customers or suppliers of Rock Tech. As such, there is a potential that situations may arise where the other interests of these directors and officers may conflict with the interests of the Company. To mitigate this risk, directors and officers of the Company are required to disclose the existence of potential

conflicts of interest in accordance with the Business Corporations Act (British Columbia) and are subject to the related procedures set out therein.

#### *Intangible Properties Risks*

The Company has made a patent application for its lithium hydroxide manufacturing process (the “**Nitrate Process**”) with the European Patent Office. A worldwide Patent Cooperation Treaty application in respect of the Nitrate Process claiming priority to the Company’s European patent was filed by the Company on October 29, 2021 with the Canadian Intellectual Property Office. There is no guarantee that the patent will be granted nor does a grant of a patent guarantee that the patent concerned is valid or that the technology (patented or otherwise) does not infringe on the rights of others. The Company cannot guarantee that the patent will be approved for final acceptance and granted. Further, patent registration, although an indicator of valid intellectual property ownership, is not indefeasible as any errors in the registration process may lead to registration being challenged or revoked. The Company cannot be certain that the validity, ownership or authorized use of intellectual property relevant to its business will not be successfully challenged by third parties. In addition, there can be no guarantee that unauthorized use or copying of the Company’s intellectual property can or will be prevented.

The Company makes no assurance that the Nitrate Process is novel, that it will be proven commercially, that it will result in a reduced consumption of energy, that the production of by-products will generate additional revenue streams rather than waste, or that the Nitrate Process will replace the industry-standard sulphate route in most or any operating lithium Converters worldwide.

#### *Insurance Risks*

In the course of the development of the Georgia Lake Project or the Guben Converter, as well as the future operation of such projects, the Company is and will remain subject to a significant number of development, construction and operational risks, as described elsewhere in this MD&A. It is not always possible to fully insure against such risks and, even where such insurance is available, the Company may decide to not obtain insurance against such risks. Should such liabilities arise without adequate insurance coverage, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the Company. Furthermore, while the Company maintains liability insurance in accordance with industry standards, the nature of these types of risks is such that liabilities could exceed policy limits and the Company could incur significant costs that could have a material adverse effect on its business, results of operations and financial condition.

#### *Enforcement of Judgments*

The Company is incorporated under the Business Corporations Act (*British Columbia*) and is headquartered in British Columbia, Canada, but certain directors and officers are not citizens or residents of Canada. In addition, the Company intends on constructing, developing and operating certain material assets, such as the Guben Converter, outside of Canada. As a result, it may be difficult or impossible for an investor to: (i) enforce in courts outside Canada judgments against the Company and its directors and officers obtained in Canadian courts and predicated upon the civil liability provisions of Canadian securities laws; or (ii) bring in courts outside Canada an original action against the Company and directors and officers to enforce liabilities based upon such securities laws.

#### *Cyber-Security Risks*

Threats to information technology systems associated with cyber-security risks and cyber incidents or attacks continue to grow. It is possible that the business, financial and other systems of the Company or other companies with which it does business could be compromised, which might not be noticed for some period of time. Risks associated with these threats include, among other things, loss of intellectual property, disruption of business operations and safety procedures, loss or damage to worksite data delivery systems, and increased costs to prevent, respond to or mitigate cyber-security events.

### Internal Controls

The Chief Executive Officer and Chief Financial Officer of the Company filed a Venture Issuer Basic Certificate on Form 52-109FV1, with respect to the financial information contained in the audited annual financial statements of the Company and the respective MD&A, and on Form 52-109FV2, with respect to the financial information contained in the unaudited interim financial statements of the Company and the respective MD&A. Such Venture Issuer Basic Certificates, as compared to Form 52-109F1 and Form 52-109F2, respectively, do not include representations relating to the establishment and maintenance by the Company of disclosure controls and procedures and internal control over financial reporting (each as defined in National Instrument 52-109—*Certification of Disclosure in Issuers' Annual and Interim Filings*).

### Share Capitalization

Total Outstanding as of:	September 30, 2022	Date of this report	Exercise price range:
Shares outstanding	84,829,517	84,829,517	
Stock options	5,407,000	5,937,000	\$0.53 - \$6.08
Warrants	28,170,921	28,170,921	\$0.70 - \$6.77

### Basic and diluted loss per share

The calculation of basic and diluted loss per share for the three and nine-month periods ended September 30, 2022, were based on the loss attributable to common shareholders and the weighted average number of common shares outstanding. Diluted loss per share did not include the effect of stock options and warrants as the effect would be anti-dilutive.

### Technical Information and Qualified Person

Detailed scientific and technical information in respect of the Georgia Lake Project can be found in the “*Preliminary Economic Assessment for an Integrated Lithium Hydroxide Operation from the Georgia Lake Lithium Project, Northwest Ontario, Canada*” (5200-20-RPT-GE-00004) report dated April 21, 2021 (the “**Georgia Lake Technical Report**”). The Georgia Lake Technical Report is available on the Company’s SEDAR profile at [www.sedar.com](http://www.sedar.com). The Georgia Lake Technical Report was prepared by the following individuals, each of whom is a “qualified person” for the purposes of National Instrument 43-101—*Standards of Disclosure for Mineral Projects* (“**NI 43-101**”): Ryan James Hanrahan, B.Eng. (Hons) Mech, GAICD, MIEAust, CPEng, NPER, IntPE (Hon), of Wave; Chris Larder, FAusIMM, of Wave; Karl Stephan Peters, EurGeol 787, of DMT GmbH & Co. KG; Florian Lowicki, MSACNASP, of DMT GmbH & Co. KG; Eugene Puritch, P.Eng., FEC, CET, of P&E Mining Consultants Inc.; D. Grant Feasby, P.Eng., of P&E Mining Consultants Inc.; and Ken Kuchling, P.Eng., of P&E Mining Consultants Inc.

Robert MacDonald, P.Eng., the Company’s General Manager of the Georgia Lake Project, has reviewed and approved the scientific and technical information in this MD&A with respect to the Georgia Lake Project. Mr. MacDonald is a “qualified person” for the purposes of NI 43-101.

See the Georgia Lake Technical Report for further information about the Georgia Lake Project, including a description of key assumptions, parameters and methods relating to resources estimates in respect of the mineral property.

### Non-IFRS and Other Financial Measures

In this MD&A, the Company has disclosed certain non-IFRS financial measures and ratios that are not defined in accordance with IFRS and which are not disclosed in the Company’s financial statements, including total operating costs, total operating costs per tonne, total cash costs, total cash costs per tonne, all-in sustaining costs, and all-in

sustaining costs per tonne. Non-IFRS financial measures either exclude an amount that is included in, or include an amount that is excluded from, the composition of the most directly comparable financial measure specified, defined and determined in accordance with IFRS. Such financial measures do not have any standardized meaning under IFRS and may not be comparable to similar financial measures disclosed by other issuers. Accordingly, non-IFRS financial measures should not be considered in isolation or as a substitute for, or superior to, measures and ratios of the Company's financial performance or prospects specified, defined or determined in accordance with IFRS. Management expects to use such measures to set objectives and as a key performance indicator and believes that such information may be useful to investors and analysts in understanding and assessing the estimated financial performance of the Company's projects.

Certain Non-IFRS financial measures used in this MD&A and common to the mining industry are defined below:

**Total operating costs and operating costs per tonne:** Total operating costs are reflective of the cost of production. Total operating costs reported in the PFS include mining costs, processing costs, tailings storage facility costs, water & waste management costs, and on-site general & administrative costs. Operating costs per tonne is calculated as total LOM operating costs divided by total LOM mill feed tonnes.

**Total cash costs and cash costs per tonne:** Total cash costs are reflective of the cost of production. Total cash costs reported in the PFS include mining costs, processing costs, tailings storage facility costs, water & waste management costs, on-site general & administrative costs, transportation costs and royalties. Cash costs per tonne is calculated as total LOM cash costs divided by total LOM mill feed tonnes.

**All-in Sustaining Costs ("AISC") and AISC per tonne:** AISC is reflective of all of the expenditures that are required to produce spodumene concentrate from operations. AISC reported in the PFS includes total cash costs, pre-production capital, sustaining capital (including closure costs). AISC per tonne is calculated as AISC divided by total LOM mill feed tonnes.

## Management and Board of Directors

The current directors and officers are:

Dirk Harbecke – Director, Chairman and Chief Executive Officer  
Stefan Krause – Director and Vice Chairman  
Klaus Schmitz – Director and Chief Operating Officer  
Dr. Peter Kausch – Director  
Esther Bahne – Director  
Jutta A. Donges – Director  
Michelle Gahagan – Director  
Sonja Rossteuscher – Chief Financial Officer  
Don Stevens – Chief Technology Officer  
Kerstin Wedemann – Chief Compliance Officer  
Robert MacDonald – General Manager, Georgia Lake Lithium Project  
Monique Hutchins – Corporate Secretary

## Cautionary Note Regarding Forward-Looking Statements

Certain statements and information in this MD&A constitute "forward-looking statements" or "forward-looking information" within the meaning of applicable securities legislation (collectively, "**forward-looking statements**"), which are based on Rock Tech's current expectations, estimates and assumptions in light of its experience and perception of historical trends. All statements other than statements of historical fact may constitute forward-looking statements. Often, forward-looking statements are identified by words such as "believe", "may", "plan", "will", "estimate", "continue", "anticipate", "intend", "expect", "project", "potential", "ongoing", "could", "would", "target" or the negative of these terms or similar expressions, although not all forward-looking statements contain these terms or similar expressions.

In particular, forward-looking statements in this MD&A include, but are not limited to, statements relating to: the Company's vision, strategy and objectives; the Company's plans and expectations with respect to its planned and prospective projects, including the Georgia Lake Project and the Guben Converter, including the expected costs, capital expenditures, milestones, timing and outcomes thereof; plans and expectations for the Company's development and exploration opportunities, projects and future operations, including production and processing estimates and processes employed, anticipated capital expenditures, operating costs and economic returns, as well as future development and operating activities, schedules, regulatory and environmental applications and approvals, and the results thereof, as well as the impact of such opportunities, projects and operations on its future financial performance; the expected timing, costs and outcomes of studies, surveys, tests, models and reports conducted by or on behalf of the Company, including the pre-feasibility study in respect of the Georgia Lake Project, the BPS, the FEED Study and the IER; expected regulatory processes and outcomes, including in relation to the Guben Permits and Rock Tech's application for government subsidies in respect of its operations; expectations regarding the source and strategy in relation to securing feedstock in relation to future operations and the sale of the Company's future production, including future contracts in respect of feedstock and intermediate and final lithium products; expectations regarding the relationship between, and future actions to be taken by, Rock Tech and contractual counterparties and other stakeholders, including statements regarding the expected benefits thereof; the feasibility, potential applications and benefits of investments and process development activities undertaken by the Company; mineral resources and reserves estimates contained in Georgia Lake Technical Report; the requirements of any environmental assessment process or for environmental protection necessary for securing permission to advance the Company's development projects to an operating phase; the Company's ESG and sustainability related targets, including the benefits and achievement thereof and future actions taken by the Company in relation thereto; and the availability and ability of the Company to secure additional financing and the favourability of any terms received.

Forward-looking statements used in this MD&A are based on various assumptions, estimates, expectations and opinions of the Company and, in certain cases, third party experts, that are believed by management of Rock Tech to be reasonable at the time. Such factors and assumptions include, among other things: the supply and demand for, deliveries of, and the level and volatility of prices of, feedstock and intermediate and final lithium products; expected growth, performance and business operations; the availability of financing on acceptable terms; future commodity prices, interest rates, tax rates and exchange rates; prospects and growth opportunities available to the Company; general business and economic conditions; the costs and results of exploration, development and operating activities; Rock Tech's ability to procure supplies and other equipment necessary for its business; the accuracy and reliability of technical data, forecasts, estimates and studies. While Rock Tech considers these factors and assumptions to be reasonable based on information available as at the date hereof, the Company cannot give any assurance that such factors or assumptions will prove to be correct.

In addition, forward-looking statements involve known and unknown risks, uncertainties and other factors, many of which are beyond Rock Tech's control, that may cause actual events, results, performance and/or achievements to be materially different from that which is expressed or implied by such forward-looking statements. Such risks and uncertainties include, but are not limited to: the Company's ability to access funding required to invest in available opportunities and projects (including the Georgia Lake Project and the proposed Guben Converter) and on satisfactory terms; the current and potential adverse impacts of the COVID-19 pandemic and the hostilities involving Russia and Ukraine; risks inherent in the exploration and development of mineral projects and establishing new commercial operations, including unanticipated events and other difficulties related to construction, development and operation of the Georgia Lake Project and/or the Guben Converter; hazards associated with mineral production and commercial operations; the risk that Rock Tech will not be able to meet its financial obligations as they fall due; adverse general economic and market conditions, including adverse changes, volatility or prolonged weaknesses, as applicable, in interest rates, exchange rates, commodity prices, supply/demand trends and overall economic activity and growth levels; the Company's mineral resource estimates may prove inaccurate or the Company may encounter unusual or unexpected geological formations; an inability to retain and attract skilled staff and to enter into off-take agreements to secure feedstock from third party suppliers and to sell intermediate and final lithium products; actions by governmental authorities, including adverse changes in tax laws and treatment, regulatory processes or increased environmental regulation; the cost of compliance with current and future environmental and other laws and regulations; title defects, competition from existing and new competitors, adverse changes in market prices of Rock

Tech's securities, Rock Tech's history of losses and lack of experience; impacts of climate change; and other risks and uncertainties described under the heading "*Risk Factors*" in this MD&A.

Readers are cautioned that such factors, assumptions, risks and uncertainties are not exhaustive. Forward-looking statements should not be read as a guarantee of future performance or results. The forward-looking statements contained in this MD&A are included for the purpose of providing investors with information to assist them in understanding management's current views of the Company's financial and operational prospects and may not be appropriate for other purposes. The Company does not undertake to update any forward-looking statements that are included in this MD&A, except in accordance with applicable securities laws.