FIRST LITHIUM MINERALS CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE PERIOD ENDED MARCH 31, 2023

DATED MARCH 25, 2023

Disclosure Regarding Forward-Looking Statements

This Management's Discussion and Analysis contains forward-looking statements that include risks and uncertainties that are disclosed under the section Risk Factors. Other factors that could affect actual results are uncertainties pertaining to government regulations, both domestic as well as foreign, and the changes within the capital markets. Other risks may be disclosed from time to time in First Lithium Minerals Corp.'s public disclosures.

First Lithium Minerals Corp.
Management's Discussion and Analysis
Table of Content

Unless otherwise indicated, in this Management's Discussion and Analysis ("**MD&A**") all references to "**dollar**" or the use of the symbol "**$**" are to the Canadian Dollar.

The preparation of the financial statements are in conformity with International Financial Reporting Standards ("**IFRS**") and requires management to make assumptions that affect the reported amounts of assets, liabilities and expenses in addition to the disclosure of contingent liabilities at the date of the financial statements. First Lithium Minerals Corp. (the "**Corporation**" or "**FLMC**" or "**PCG**") bases its estimates on historical experience, current trends and various other assumptions that are believed to be reasonable under the circumstances. Actual results could differ and will most likely differ from those estimates.

ITEM 1 - <u>Overview</u>

The Corporation was incorporated under the Alberta Business Corporations Act on March 25, 1993 and on June 30, 2022 filed articles of amendments to change its name from Petrocorp Group Inc. to First Lithium Minerals Corp. and continues under the Ontario Business Corporations Act. On June 29, 2022 the Canadian Stock Exchange conditionally approved the "Going Public Transaction" of First Lithium Minerals Inc. ("**FLMI**") described below.

In 2018, FLMI successfully started staking mineral claims in the Antofagasta Region of Chile, approximately 215 kilometers Northeast from the city of Calama. The mineral exploration concessions that form the OCA Prospect are located in the salars of Ollague, Carcote, Ascotán ("**OCA Prospect**" or "**Jenna**"), within the cordilleran sector, bordering Bolivia. The OCA Prospect has a total area of 8,900 hectares on the three salars.

In 2019, FLMI successfully identified a second potential prospect ("**Paige**"), which was subsequently impaired in 2022.

In 2022, the Corporation staked an additional 200 Ha, and the Lucia Property in Chile.

Going Public Transaction
On January 8, 2018 (amended July 18, 2018), Petrocorp Group Inc. ("**PCG**") signed a Letter of Intent with FLM, where PCG would acquire all of the issued and outstanding shares of FLM, by way of a three-cornered amalgamation or other similar transaction (the "**PCG Transaction**").

The close of the Transaction was further extended to March 15, 2021, October 31, 2021 and to June 30, 2022.

On April 7, 2022, the PCG Transaction was cancelled, and a new Letter of Intent was entered into between PCG, FLMI and QL Minerals Inc. ("**QLM**"), where PCG would acquire all of the issued and outstanding shares of FLMI and immediately prior to that FLMI and QLM would merge (the "**Transaction**"). Immediately prior to the Transaction, PCG would consolidate its common shares on a basis of 81.96721311 old common shares for 1 new common share and FLM would consolidate its shares on a basis of 2.5 old common shares for 1 new common share prior to merging with QLM. QLM owns rights to mineral claims in the province of Québec, Canada

PCG acquired FLM via the issuance of 1 new common share of PCG for each post consolidated common share of FLM. In addition, FLM settled $3,571,591 in liabilities via the issuance of its own common shares at a deemed price of $0.225 per post consolidated common share that would then each be exchanged for 1 post consolidated common share of PCG.

QLM shareholders received 1 new common share of the resulting issuer for each common share of QLM, for which there are 6,180,000 outstanding shares prior to the merger.

As part of this transaction, FLM raised $5,914,500 via the issuance of subscription receipts that will convert automatically into 23,658,000 post consolidated common shares of FLM immediately prior to the close of the transaction and then converted into post consolidation common shares of PCG. QLM raised $945,000 via the issuance 6,180,000 common shares of QLM prior to the close of the transaction and then exchanged them into post consolidation common shares of PCG.

The OCA Prospect is located within the Lithium Triangle of South America, which includes parts of the Andean Region of Chile, Bolivia and Argentina, where closed evaporate basins have allowed the development of a series of lithium and potassium brine deposits in the forms of dry salt lakes or terminal ‘playas’.

The OCA Prospect is located in the Antofagasta Region, Chile, approximately 200 kilometers northeast of the city of Calama, in the border area with Bolivia, in the municipality of Ollague, and about 360 kilometers from Tocopilla, the closest commercial port on the Pacific Ocean.

The access to the Prospect from the city of Calama is expeditious, through paved roads and highways, with small extensions of dirt roads passable throughout the year, which allow direct access to the sectors of interest. The travel time to access each of the three Salars of interest is approximately 2.5 hours by car from Calama. Calama is an active commercial and mining center with developed industrial, mining and commercial infrastructure.

Power and transportation infrastructure are present and well developed in the area. The Ferrocarril de Antofagasta a Bolivia railway that runs through Ollague, Chile, forms a major transportation corridor between the seaport city of Antofagasta, Chile and the capital of Bolivia, La Paz. Cerro Pabellon Geothermal Power Plant is located approximately 70km south of the southern boarder of the OCA Prospect area.

From the geological point of view, the OCA Prospect belongs to the domain of the Andean Salars, which main economic interest are sodium, potassium, lithium, magnesium and borax salts. (Sernageomin, 2014).

The OCA Prospect is composed of 40 mineral exploration concessions, covering a total area of 8,900 hectares.

The climate in the study area is arid, with rainfall of 60 - 85 mm per year. The evaporation in the area of the salars ranges from a median monthly between of 235 mm/month (Ollagüe) and 229 mm/month (Cebollar). The total annual evaporation varies between 2,823.4 mm (Ollagüe) and 2,748.6 mm (Cebollar).

In November 2022, the Corporation initiated geophysical and geochemical surveying programs and conducted a project site visit to continue exploration activities, mapping and geologic surveying. The envisioned geophysical surveys considered the acquisition of a contiguous 200m coincident loop dB/dt Transient Electromagnetics (TEM) along 500 to 1,000m spaced lines over selected exploration concessions in the OCA Project areas. TEM data acquisition was expected to be executed with a 200m square coincident loops. A total of approximately 303 TEM contiguously spaced stations were planned along 30 profiles for a total of 60.6 line-km. The resistivity data collected by the surveys is expected to provide better understanding of the prospects’ lithology, sediments, potential brine signatures, and enhance future geological modeling.

In March 2023, the Corporation started the geophysical surveying program is expected to be completed in Q2 with data interpretation in Q3/23.

ITEM 2 - <u>Selected Annual Information</u>

The following is selected annual information for the preceding three fiscal years:

December 31	2022	2021	2020
Net revenues	$ nil	$ nil	$ nil
Net loss	3,991,669	707,677	709,258
Total assets	5,235,386	479,194	182,292
Long term liabilities	Nil	Nil	Nil
Loss per share	0.07	0.02	0.01
Cash dividends per share	0.00	0.00	0.00

For further financial information, please refer to the Corporation's audited financial statements.

ITEM 3 - <u>Results of Operations</u>

<u>For the year ended December 31, 2022 versus December 31, 2021</u>

The Corporation has no revenue at this stage, as it is currently enhancing shareholders' value by exploring its mineral assets.

For the year ended December 31, 2022, the Corporation had general and administrative expenditures of $158,787 versus $1,818 the year earlier, for a negative variance of $156,969. The significant increase is due to Corporation's going public transaction and now being fully funded to carry-out its business plan.

For the year ended December 31, 2022, the Corporation had mineral exploration expenditures of $260,481 versus $90,981 the year earlier, for a negative variance of $169,500 or 186.3%. As expected, these costs increased subsequent to going public as the Corporation successfully completed its financing in order to invest in its exploration and evaluation programs. Management expects to continue to significantly invest in its exploration properties and seek to expand its properties when such opportunities arise.

For the year ended December 31, 2022, the Corporation had operating expenditures of $242,968 versus $152,518 the year earlier, for a negative variance of $90,450 or 59.3%. The increase is linked to the transition from a private company to that of a public company properly funded and carrying-out its business plan to further its exploration and evaluation programs.

For the year ended December 31, 2022, the Corporation had professional expenditures of $98,377 versus $250,572 the year earlier, for a positive variance of $152,195 or 60.7%. As expected this expense decrease upon completing its listing.

For the year ended December 31, 2022, the Corporation incurred regulatory fees of $62,033 versus $Nil the year earlier, for a negative variance of $62,033. There was none in prior years as the Corporation was private and management expects this amount to decrease.

For the year ended December 31, 2022, the Corporation incurred shareholders communication expenses of $410,583 versus $Nil the year earlier, for a negative variance of $410,583. The increase is due to the Corporation initiating various communication programs upon going public in order to introduce the company to investors and management expects this amount to decrease over sequential quarters.

For the year ended December 31, 2022, the Corporation had an operating loss of $1,233,229 versus $495,889 the year earlier, for a negative variance of $737,340 or 148.7%. Management anticipates that the operating loss will continue to increase as it carries out the proposed exploration and evaluation of mineral properties.

For the year ended December 31, 2022, the Corporation had a foreign exchange loss of $44,835 versus a gain of $24,615 the year earlier, for a negative variance of $69,450 or 282%.

For the year ended December 31, 2022, the Corporation had an interest expense of $128,139 versus $236,403 a year earlier. Management believes that this expense shall continue to decrease as it is now funded via equity.

For the year ended December 31, 2022, the Corporation had an interest income of $47,151 versus $Nil a year earlier. The interest income was related to the Corporation investing its cash balance in short term interest account.

For the year ended December 31, 2022, the Corporation had incurred listing expenses of $2,630,920 which mostly related to a deemed non-cash value of the shares of the resulting issuer held by the shareholders of the PCG prior the Transaction.

For the year ended December 31, 2022, the Corporation wrote off $1,697 in exploration and evaluation relating to the Paige Property versus none the year earlier.

The net loss for the year ended December 31, 2022, was $3,991,669 for a loss per share of $0.07 based on 54,329,118 weighted average common shares outstanding for the year versus $707,677 for a loss per share of $0.02 based 29,643,667 weighted average common shares outstanding for the previous year.

During the year ended December 31, 2022, the Corporation invested an additional $45,114 versus $37,389 the year earlier to continue to maintain its mineral claims in Chile, and this is over and above the amount expensed in exploration costs.

During the year ended December 31, 2022, the Corporation raised $5,634,937 via issuance of common shares, and $32,826 via the acquisition of QLM.

The Corporation’s cash and cash equivalents balance as at December 31, 2022 was $3,817,497 (2021 - $28,616), with a working capital of $4,158,581 (2021 deficit of $4,195,712). The increase is due to the financing that closed in June 2022.

ITEM 4 - <u>Summary of Quarterly Results</u>

The following table sets forth, for each quarter ended on the date indicated since incorporation, information relating to the Corporation’s revenue, net loss and loss per common share as prepared under IFRS.

	Revenues	Net income (loss)	Loss/share: basic and diluted
March 31, 2023	$ —	$ (526,239)	$ 0.01
December 31, 2022	—	(607,069)	0.01
September 30, 2022	—	(2,797,308)	0.04
June 30, 2022	—	(432,502)	0.01
March 31, 2022	—	(154,790)	0.01
December 31, 2021	—	(85,850)	0.00
September 30, 2021	—	(226,047)	0.01
June 30, 2021	—	(163,505)	0.01

<u>For the three months March 31, 2023 versus March 31, 2022</u>

The Corporation has no producing revenues assets at this stage, as it’s mineral properties are all at the exploration and valuation stage of development.

For the three months ended March 31, 2023, the Corporation had general and administrative expenditures of $60,694 versus $1,804 the year earlier, for a negative variance of $58,890. The Corporation got fully funded in July 2022 and initiated full scale activities with the goal of creating shareholder value.

For the three months ended March 31, 2023, the Corporation had Mineral exploration expenditures of $183,423 versus $35,188 the year earlier, for a negative variance of $148,235. Management anticipates that that this line item will increase going forward as it continues to invest in exploration and evaluation to determine the viability of its properties. In addition, the Corporation will acquire additional properties should the opportunity arise.

For the three months ended March 31, 2023, the Corporation had professional expenditures of $37,405 versus $81,265 the year earlier, for a positive variance of $43,860 or 54.0%. Management anticipates this expense to be generally at this level on a going forward basis unless a strategic transaction such as a merger, acquisition or financing is undertaken.

For the three months ended March 31, 2023, the Corporation had regulatory & shareholders expenses of $193,416 versus $Nil the year earlier, for a negative variance of $12,316. This expense includes all regulatory expenses, such as exchange fees, transfer agents, corporate governance, shareholder communications and investors relations. The Corporation went public in August 2022 and prior to then did not have any such expenses. Upon going public the Corporation initiating various communication programs to introduce the company to investors and management expects this amount to decrease over sequential quarters.

For the three months ended March 31, 2023, the Corporation had operating loss of $474,938 versus $118,257 the year earlier, for a negative variance of $356,681. The operating loss increased is due to Corporation's investing in its exploration as well as the shareholders communication expense.

For the three months ended March 31, 2023, the Corporation had foreign exchange loss of $90,012 versus a gain of $26,241 the year earlier, for a negative variance of $116,253, which relates to the Chilian operations.

For the three months ended March 31, 2023, the Corporation had interest expense of $Nil versus $62,271 the year earlier, for a positive variance of $62,271 or 100.0%. The interest expense was related to a loan that was settled via the issuance of common shares of the Corporation.

For the three months ended March 31, 2023, the Corporation had interest income of $38,711 versus $Nil the year earlier, for a positive variance of $38,711. The interest income was related to the Corporation investing its cash balance in short term interest account as it executes its exploration.

The net loss for the three months ended March 31, 2023 was $526,239 for a loss per share of $0.01 based on 86,876,119 weighted average shares outstanding for the period versus $154,790 for loss per share of $0.01 based on 29,643,712 weighted average shares outstanding for the previous period.

For the three months ended March 31, 2023, cash flows used in operations was $363,004 versus $43,757 which was provided from operations for a negative variance of $406,761, due to funded expensed towards the exploration.

For the three months ended March 31, 2023, cash flows provided from financing activities was $12,060 versus $22,969 which was used in financing activities for a positive variance of $35,049.

For the three months ended March 31, 2023, cash flows used in investing activities was $1,726 versus $12,676 which was used in investing activities for a positive variance of $10,948. The Corporation expenses its exploration costs and only capitalizes its cost of acquiring new properties.

The net decrease in cash and cash equivalent during the three month period ended March 31, 2023 was $352,670 versus an increase of $8,094 the year earlier.

ITEM 5 - Liquidity

As at March 31, 2023, the Corporation had a cash balance of $3,464,827 (December 31, 2022 - $3,817,497) with working capital of $3,630,616 (December 31, 2022 – $4,158,581).

In July 2022, the Corporation raised a total of $5,634,937 via the issuance of 23,658,000 common shares in FLMI and QLM in addition to settling $3,571,591 in liabilities via the issuance of 15,873,737 common shares of the Corporation.

In addition to its cash on hand at the end of the quarter, the Corporation currently has the following warrants issued and outstanding:

Quantity	Type	Exercise Price	Expiry Dates
904,260	Share Purchase Warrants	$ 0.25	July 28, 2024

ITEM 6 - Capital Resources

To date the Corporation has invested in maintaining the OCA Property which includes the completion of a 43-101 that suggested that certain work should be completed on the property to better evaluate the economic prospect of the property. To finance this work, the Corporation closed the proposed transaction as discussed in Item 1 above, which permitted the Corporation to be listed on the Exchange and have the funds released from escrow to finance the initial exploration work on the OCA Property over two phases.

Phase I started in October 2022 recently completed at a total cost of approximately $455,000. The work is to include the following: electromagnetic survey, shallow brine sampling, logistics and site preparation and lab and technical analysis.

Phase II, is estimated to cost $2,500,000, and is expected to start in Q4 once the results of phase I has been reviewed and analyzed, government permits obtained and is to include the following: Shallow drilling, deep drilling and coring, lab analysis sediment, lab analysis brine, well completion, pumping testing and supervision and reporting.

Upon completing the above, should the analysis of the work suggest further investment which may include additional exploration and evaluation, the Corporation may seek to raise additional funds. The timing and ability of the Corporation to fulfill this objective will depend on the liquidity of the financial markets as well as the willingness of investors to finance such a business. Such future financing may be completed by the issuance of the Corporation's securities.

While inflation has spiked considerable in recent months, Management does not anticipate it to be an issue as the cost estimates have recently been obtained and inflation having already increasing was taken into consideration, furthermore, it is anticipated that the rise in interest rates will help to slow down the increase in prices. This said, should costs do rise, the Corporation is able and willing to expand the above-mentioned budgets for phase I & II as it anticipates having the liquidity on hand.

ITEM 7 - Off-Balance Sheet Arrangements

As of the date of this MD&A, the Corporation does not have any off-balance sheet arrangements that have, or are reasonably-likely to have, a current or future effect on the results of operations or financial condition of the Corporation including, without limitation, such considerations as liquidity and capital resources that have not previously been discussed.

ITEM 8 - **Transactions With Related Parties**

Related party transactions include transactions with parties related by common directors and transactions with other private entities owned or controlled by officers and directors. All transactions are provided in the normal course of business and are measured at exchange amounts agreed upon by the related parties. The following table summarizes the related party transactions occurring during the fiscal period.

Period ended March 31,	2023	2022
Expenses		
Management Fees	$ 60,000	$ —
Professional Fees	24,000	9,000
Directors Fees	7,500	—
Interest expense	—	62,774

Amounts due as at	March 31, 2023	December 31, 2022
Due to Related parties	$ 62,144	$ 50,084

During the year ended December 31, 2022 and March 31, 2023, no key management personnel were indebted to the Corporation.

The key management personnel of the Corporation include the Chief Executive Officer, Chief Financial Officer and the Board of Directors

In addition, as at December 31, 2022, the Corporation owes $5,284 (December 31, 2021 - $620,084) to companies controlled by the CEO as well as the CEO himself. The amount was due on demand and carried no interest. The total amount due to companies controlled by the CEO as well as the CEO himself of $793,030 (Note 6) was converted into 3,594,576 common shares during the year ended December 31, 2022 as part of the RTO transaction.

During the year ended December 31, 2022, 13,429,293 shares were issued with respect to converting debt obligations to share capital with a company controlled by the CEO and an amount due to related party as part of the RTO transaction.

During the year ended December 31, 2022, directors and officers acquired 4,624,543 common shares for $908,022.

ITEM 9 - **Proposed Transactions**

As of the date of this document, there is no proposed transaction that management of the Corporation believes would require the intervention or approval of the Board of Directors of the Corporation as well as the shareholders of the Corporation.

ITEM 10 - **Risk Factors**

Investment in the Corporation must be considered highly speculative due to the nature of the Corporation's business, its formative stage of development, its current financial position and its lack of an earnings record. An investment in any securities of the Corporation should only be considered by those individuals who can afford a total loss of their investment. The following is a summary of the risk factors to be considered:

Exploration and Development
Exploration for minerals is a speculative venture involving substantial risk. There is no certainty that the expenditures made by the Corporation will result in discoveries of commercial mineral reserves.

Mining and development risks always accompany anticipated rewards, and uncertainties always exist where mineral properties are concerned. Uncertainties include the size, grade and recovery of naturally occurring mineral deposits. Although exploration and development efforts can outline a mineral deposit with a degree of certainty, ultimate grade and tonnages are never fully known until mining has been completed. Mineral prices are also a significant factor in the development decision for a mineral property, as a mine may not be economically feasible in a period of depressed prices. Factors beyond the control of the Corporation may affect the marketability of any minerals discovered. Pricing is affected by numerous factors such as international economic and political trends, global or regional consumption and demand patterns, and increased production by current producers.

Title Risks
Title to exploration and evaluation assets involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral properties. The Corporation has investigated title to its mineral property and, to the best of its knowledge, title to its property is in good standing.

No Earnings and History of Losses
The business of developing and exploring resource properties involves a high degree of risk and, therefore, there is no assurance that current exploration programs will result in profitable operations. The Corporation has not determined whether any of its properties contain economically recoverable reserves of minerals and currently has not earned any revenue from its mining properties; therefore, the Corporation does not generate cash flow from its operations. There can be no assurance that significant additional losses will not occur in the future. The Corporation's operating expenses and capital expenditures may increase in future years with advancing exploration, development and/or production from the Corporation's properties. The Corporation does not expect to receive revenues from operations in the foreseeable future and expects to incur losses until such time as one or more of its properties enters into commercial production and generates sufficient revenue to fund continuing operations. There is no assurance that any of the properties will eventually enter commercial operation. There is also no assurance that new capital will become available, and if it does not, the Corporation may be forced to substantially curtail or cease operations.

Environmental Regulations, Permits and Licenses
The Corporation's operations are subject to various laws and regulations governing the protection of the environment, exploration, development, production, taxes, labour standards, occupational health and safety, waste disposal, and other matters. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in impositions of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a direction of stricter standards, and enforcement, and higher fines and penalties for non-responsibility for companies including its directors, officers and employees. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability for the Corporation and its directors, officers and employees. The Corporation intends to fully comply with all environmental regulations.

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and, in particular, environmental laws.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Corporation and cause increases in capital expenditures or productions costs or reduction in levels of productions at producing properties, or requirements abandonment, or delays in development of new mining properties.

Lithium Market Prices
Lithium is not a traded commodity like base and precious metals. Sales agreements are negotiated on an individual and private basis with end-users or intermediaries. In addition, there are a limited number of producers of lithium compounds, and it is possible that these existing producers will try to prevent newcomers from entering the chain of supply by increasing their production capacity and lowering sales prices. Other factors, such as supply and demand of lithium-based end-products (such as lithium hydroxide), pricing characteristics of alternative sources of energy, industrial disruption and actual lithium market sale prices, could have an adverse impact on the market price of lithium and as such render the OCA Prospect uneconomic. There can be no assurance that such prices will remain at current levels or that such prices will improve.

Lithium Market Growth Uncertainty
Factors beyond the Corporation's control may affect the marketability of metals discovered, if any. The development of lithium operations at the OCA Prospect is highly dependent on projected demand for and uses of lithium-based end products. This includes lithium-ion batteries for electric vehicles and other large format batteries that 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 contemplated by the Corporation, then the long-term growth in the market for lithium products will be adversely affected, which would inhibit the potential for development of the projects, their potential commercial viability and would otherwise have a negative effect on the business and financial condition of the Corporation. In addition, as a commodity, lithium market demand is subject to the substitution effect in which end-users adopt an alternate commodity as a response to supply constraints or increases in market pricing. To the extent that these factors arise in the market for lithium, it could have a negative impact on overall prospects for growth of the lithium market and pricing, which in turn could have a negative effect on the Corporation and its projects.

Risks Relating to Changes in Technology
Lithium and its derivatives are preferred raw materials for certain industrial applications, such as rechargeable batteries and liquid crystal displays (LCDs). Many materials and technologies are being researched and developed with the goal of making batteries lighter, more efficient, faster charging and less expensive. Some of these technologies could be successful and could adversely affect demand for lithium batteries in personal electronics, electric and hybrid vehicles and other applications. The Corporation cannot predict which new technologies may ultimately prove to be commercially viable and on what time horizon. In addition, alternatives to such products may become more economically attractive as global commodity prices shift. Any of these events could adversely affect demand for and market prices of lithium, thereby resulting in a material adverse effect on the economic feasibility of extracting any mineralization the Corporation discovers and reducing or eliminating any reserves it identifies.

Credit risk
Credit risk is the risk of loss due to the counterparty's inability to meet its obligations. The Corporation's exposure to credit risk is on its cash. Risk associated with cash is managed through the use of major banks which are high credit quality financial institutions as determined by rating agencies.

Liquidity risk
Liquidity risk is the risk that the Corporation will encounter difficulties in meeting obligations when they become due. The Corporation endeavors to ensure that there is sufficient capital in order to meet short-term operating requirements, after taking into account the Corporation's holdings of cash. The Corporation's cash is held in corporate bank accounts available on demand. The Corporation's accounts payable and accrued expenses generally have contractual maturities of less than 30 days and are subject to normal trade terms.

Market Risk
Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and price risk.

Currency Risk
The Corporation is subject to normal market risks including fluctuations in foreign exchange rates and interest rates. While the Corporation manages its operations in order to minimize exposure to these risks, the Corporation has not entered into any derivatives or contracts to hedge or otherwise mitigate this exposure. The Corporation is not exposed to significant currency risk.

Interest Rate Risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Corporation is not exposed to significant interest rate risk as it has no interest-bearing debt.

Price Risk
The Corporation is exposed to price risk with respect to equity prices. Price risk as it relates to the Corporation is defined as the potential adverse impact on the Corporation's ability to raise financing due to movements in individual equity prices or general movements in the level of the stock market. The Corporation closely monitors individual equity movements and the stock market to determine the appropriate course of action to be taken by the Corporation.

No Known Economic Deposits
The Corporation is an exploration stage company and cannot give assurance that a commercially viable deposit, or "reserve," exists on any properties for which the Corporation currently has or may have (through potential future joint venture agreements or acquisitions) an interest. Therefore, determination of the existence of a reserve depends on appropriate and sufficient exploration work and the evaluation of legal, economic, and environmental factors. If the Corporation fails to find a commercially viable deposit on any of its properties, its financial condition and results of operations will be materially adversely affected.

Operating Hazards and Risks
Mining operations involve many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. In the course of exploration, development and production of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions including rock bursts, cave-ins, fires, flooding and earthquakes may occur. Operations in which the Corporation has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production of metals, any of which could result in damage to or destruction of mines and other producing facilities, damage to life and property, environmental damage and possible legal liability for any or all damage.

Influence of Third-Party Stakeholders
The OCA Prospect, as well as other mineral properties of the Corporation, or the roads or other means of access which the Corporation intends to utilize in carrying out its work programs or general business mandates on the OCA Prospect or its other properties may be subject to interests or claims by third party individuals, groups or companies. In the event that such third parties assert any claims, the Corporation's work programs may be delayed even if such claims are not meritorious. Such delays may result in significant financial loss and loss of opportunity for the Corporation.

Uninsurable Risks
Exploration, development and production of mineral properties is subject to certain risks, and in particular, unexpected or unusual geological operating conditions including rock bursts, cave- ins, fires, flooding and earthquakes may occur. It is not always possible to insure fully against such risks and we may decide not to take out insurance against such risks as a result of high premiums or for other reasons. Should such liabilities arise, they could have an adverse impact on our operations and could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the securities of the Corporation.

Competition and Agreements with Other Parties
The mining industry is intensely competitive in all its phases. The Corporation competes with other companies that have greater financial resources and technical capacity. Competition could adversely affect the Corporation's ability to acquire suitable properties or prospects in the future.

The Corporation may, in the future, be unable to meet its share of costs incurred under agreements to which it is a party, and it may have its interest in the properties subject to such agreements reduced as a result. Also, if other parties to such agreements do not meet their share of such costs, the Corporation may not be able to finance the expenditures required to complete recommended programs.

Dependence on Management

The Corporation is very dependent upon the personal efforts and commitment of its existing management. To the extent that management's services would be unavailable for any reason, a disruption to the operations of the Corporation could result, and other persons would be required to manage and operate the Corporation.

Price Volatility of Public Stock

In recent years, securities markets have experienced extremes in price and volume volatility. The market price of securities of many early stage companies, among others, have experienced fluctuations in price which may not necessarily be related to the operating performance, underlying asset values or prospects of such companies. It may be anticipated that any market for the Corporation Shares will be subject to market trends generally and the value of the Corporation's shares on a stock exchange may be affected by such volatility.

The Corporation has an unlimited number of common shares that may be issued by the board of directors without further action or approval of the Corporation Shareholders. While the board is required to fulfil its fiduciary obligations in connection with the issuance of such shares, the shares may be issued in transactions with which not all shareholders agree, and the issuance of such shares will cause dilution to the ownership interests of the Corporation Shareholders.

Dividends

The Corporation has not declared or paid any dividends on its common shares and does not currently have a policy on the payment of dividends. For the foreseeable future, the Corporation anticipates that it will retain future earnings and other cash resources for the operation and developments of its business. The payment of any future dividends will depend upon earnings and the Corporation's financial condition, current and anticipated cash needs and such other factors as the directors of the Corporation consider appropriate.

Estimates and Assumptions

Preparation of its financial statements requires the Corporation to use estimates and assumptions. Accounting for estimates requires the Corporation to use its judgment to determine the amount to be recorded on its financial statements in connection with these estimates. If the estimates and assumptions are inaccurate, the Corporation could be required to write down its recorded values. On an ongoing basis, the Corporation re-evaluates its estimates and assumptions. However, the actual amounts could differ from those based on estimates and assumptions.

Conflicts of Interest

The Corporation's directors and officers may serve as directors and officers or may be associated with other reporting companies or have significant shareholdings in other public companies. To the extent that such other companies may participate in business or asset acquisitions, dispositions, or ventures in which the Corporation may participate, the directors and officers of the Corporation may have a conflict of interest in negotiating and concluding terms respecting the transaction. If a conflict of interest arises, the Corporation will follow the provisions of the OBCA in dealing with conflicts of interest. These provisions state, where a director/officer has such a conflict, that the director/officer must at a meeting of the board, disclose his interest and refrain from voting on the matter unless otherwise permitted by the OBCA. In accordance with the laws of the Province of Ontario the directors and officers of the Corporation are required to act honestly, in good faith and in the best interests of the Corporation.

Costs and Compliance Risks

Legal, accounting and other expenses associated with public company reporting requirements are significant. The Corporation anticipates that costs may increase with corporate governance related requirements, including, without limitation, requirements under National Instrument 52- 109 – *Certification of Disclosure in Issuers' Annual and Interim Filings*, National Instrument 52- 110 – *Audit Committees* and National Instrument 58-101 – *Disclosure of Corporate Governance Practices*.

The Corporation also expects these rules and regulations may make it more difficult and more expensive for it to obtain director and officer liability insurance, and it may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. As a result, it may be more difficult for the Corporation to attract and retain qualified individuals to serve on its board of directors or as executive officers.

COVID-19 Pandemic
The precise impacts of the global emergence of COVID-19 on the Corporation are currently unknown. The Corporation intends to conduct business as normal with modifications to personnel travel and work locations and is currently evaluating what exploration work can be done on its properties. Rules in all jurisdictions are changing rapidly and the Corporation will need to evaluate and evolve with measures as they are announced. Government restrictions on the movement of people and goods may cause exploration work and analysis being done by the Corporation and its contractors to slow or cease. Such disruptions in work may cause the Corporation to miss actual or self-imposed deadlines, push out earlier forecasts, and increase fiscal losses. In addition, the outbreak of COVID-19 has caused considerable disruption to the world economy and financial markets which could have a materially adverse impact on the ability of the Corporation to raise additional funding in the future and could negatively impact, among other factors, the Corporation's share price.

ITEM 11 - Critical Accounting Estimates

The Corporation's financial statements are impacted by the accounting policies used, as well as the estimates and assumptions made by management during their preparation. The Corporation's accounting policies are described within the financial statements. The accounting estimates considered to be significant to the Corporation include the computations of convertible debentures, and recovery of deferred income tax assets.

ITEM 12 - Changes in Accounting Policies

The Corporation would like to direct readers to its audited financial statements for the year ending December 31, 2022, and unaudited condensed interim consolidated financial statements for the period ending March 31, 2023, which is incorporated by reference and can be found on the regulator's web site at www.sedar.com, which is incorporated by reference.

ITEM 13 - Financial Instruments and Other Instruments

The Corporation would like to direct readers to its audited financial statements for the year ending December 31, 2022, and unaudited condensed interim financial statements for the period ending March 31, 2023, which are incorporated by reference and can be found on the regulator's web site at www.sedar.com.,which is incorporated by reference

ITEM 14 - Capital Structure

The Corporation is authorized to issue an unlimited number of common shares, where each common share provides the holder with one vote. As of the date of this MD&A, there were 86,876,119 common shares issued and outstanding and 904,260 share purchase warrants expiring July 28, 2024 which each gives the holder the right to purchase one additional common share at a price of $0.25.