FRONTIER LITHIUM INC.
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2022

Table of Contents

INTRODUCTION

This management's discussion and analysis ("MD&A") has been prepared as of June 28, 2022, and should be read in conjunction with Frontier Lithium Inc.'s (the "Company") financial statements for the year ended March 31, 2022 and 2021. Those financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. The Company's presentation currency is Canadian dollars. Reference herein of $ is to Canadian dollars and US$ is to United States dollars.

CAUTIONARY STATEMENT ON FORWARD-LOOKING INFORMATION

All statements, other than statements of historical fact, contained in this MD&A including, but not limited to, any information as to the future plans and outlook for the Company, constitute "forward-looking information" or "forward-looking statements" within the meaning of Canadian securities laws, and are based on expectations, estimates and projections as of the time of this MD&A. The words "anticipates", "plans", "expects", "indicate", "intend", "scheduled", "estimates", "forecasts", "guidance", "initiative", "outlook", "potential", "projected", "pursue", "strategy", "study", "targets", or "believes", or variations of or similar such words and phrases or statements that certain actions, events or results "may", "could", "would", or "should", "might", or "way forward", "will be taken", "will occur" or "will be achieved" and similar expressions identify forward-looking statements. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company, acting in good faith, as of the time of such statements, are inherently subject to significant business, economic and competitive uncertainties and contingencies. These estimates and assumptions may prove to be incorrect. Many of these uncertainties and contingencies can directly or indirectly affect, and could cause, actual results to differ materially from those expressed or implied in any forward-looking statements. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Forward-looking statements are provided for the purpose of providing information about management's expectations and plans relating to the future. Readers are cautioned not to place undue reliance on these forward-looking statements as a number of important risk factors, include but not limited to the risk factors contained under the heading "Risk Factors" in this MD&A, and future events could cause the actual outcomes to differ materially from the beliefs, plans, objectives, expectations, anticipations, estimates, assumptions and intentions expressed in such forward-looking statements.

Readers are cautioned that the foregoing lists of risk factors included in this MD&A are not exhaustive. The forward-looking information contained in this MD&A is expressly qualified by these cautionary statements. All forward-looking information in this MD&A speaks as of the date of this MD&A. The Company does not undertake any obligation to update or revise any forward-looking information or to explain any material difference between subsequent actual events and such forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. All forward-looking information contained in this MD&A is expressly qualified in its entirety by this cautionary statement.

CAUTIONARY NOTE TO U.S. INVESTORS

This MD&A has been prepared in accordance with the requirements of the securities laws in effect in Canada, which differ materially from the requirements of United States securities laws applicable to U.S. companies. For U.S reporting purposes, the United States Securities and Exchange Commission (the "SEC") has adopted amendments to its disclosure rules in Regulation S-K (Subpart 1300) (the "SEC Modernization Rules") to modernize the mineral property disclosure requirements for issuers, referred to as "mining registrants," whose securities are registered with the SEC. These amendments became effective in February 2019 with compliance required for the first fiscal year beginning on or after January 1, 2021. While not applicable to the Company, the SEC Modernization Rules replace the historical property disclosure requirements for mining registrants that were included in SEC Industry Guide 7. Information concerning our mineral properties has been prepared in accordance with the requirements of Canadian securities laws, which differ in material respects from the requirements of the SEC set forth in Industry Guide 7. In accordance with NI 43-101, the terms "mineral reserve", "proven mineral reserve", "probable mineral reserve", "mineral resource", "measured mineral resource", "indicated mineral resource" and "inferred mineral resource" are defined in accordance with the standards of the Canadian Institute of Mining, Metallurgy and Petroleum ("CIM"). While the terms "mineral resource", "measured mineral resource", "indicated mineral resource" and "inferred mineral resource" are recognized and required by NI 43-101, and now recognized under the SEC Modernization Rules, SEC Industry Guide 7 does not recognize them. You are cautioned that, except for that portion of mineral resources classified as mineral reserves, mineral resources do not have demonstrated economic viability. Inferred mineral resources have a high degree of uncertainty as to their existence and as to whether they can be economically or legally mined. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category. Therefore, you are cautioned not to assume that all or any part of an inferred mineral resource exists, that it can be economically or legally mined, or that it will ever be upgraded to a higher category. Likewise, you are cautioned not to assume that all or any part of measured mineral resources or indicated mineral resources will ever be upgraded into mineral reserves.

I. OVERVIEW OF FRONTIER LITHIUM INC.

The Company is a Canadian junior mining company actively focused on the acquisition, exploration and development of mineral resource properties in North America. The Company is domiciled in Canada and incorporated under the *Alberta Business Corporations Act*. The Company' registered office is located at 2736 Belisle Drive, Greater Sudbury, Ontario (P3N 1B3). The Company's shares are publicly traded on the TSX Venture Exchange ("TSX-V") under the symbol "FL", the U.S. based OTCQX Venture Market under the symbol "LITOF" and the Frankfurt Stock Exchange under the symbol "HL2".

PROJECT OVERVIEW

The Company's flagship asset is the 100% owned PAK Lithium Property (the "PAK Lithium Project") located 175 km north of Red Lake, Ontario in the Red Lake Mining District and covers an area of 27,069 hectares comprising of two Mining Leases and 1,368 contiguous Mining Claims. The Company maintains the largest land position on the Electric Avenue, an emerging premium lithium-mineral district which is hosted in the Canadian Shield of northwestern Ontario. The Electric Avenue is a major structural corridor in northwestern Ontario that divides two geological domains for hundreds of kilometers and hosts multiple rare metal occurrences containing high levels of lithium in the mineral called spodumene. Chief among these known occurrences are the PAK and Spark pegmatite deposits, located at the southeastern end of the Electric Avenue on the Company's PAK Lithium Project (Figure 1).

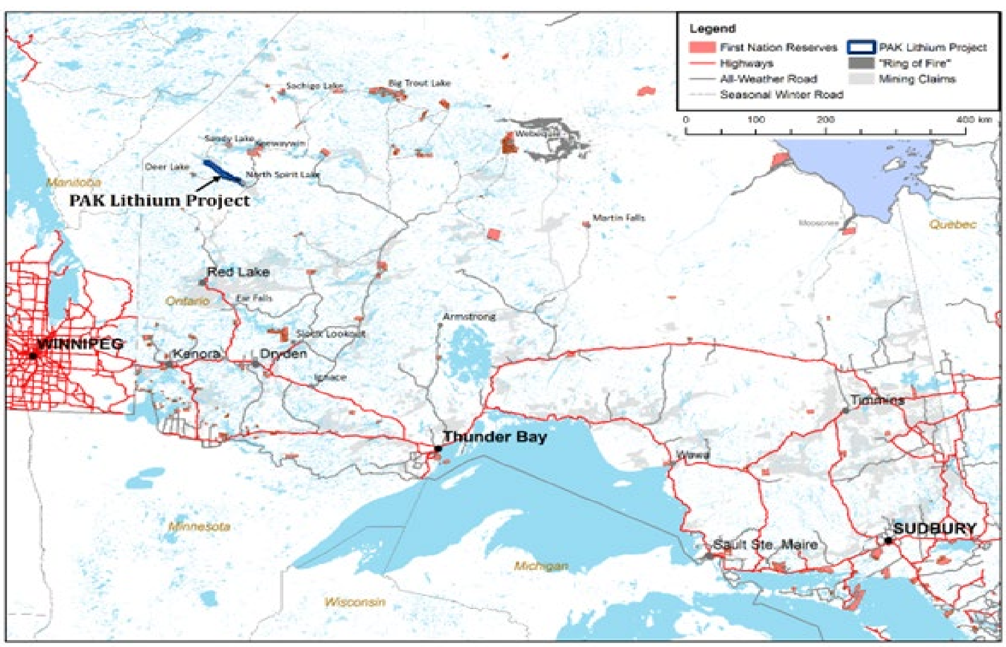


Figure 1: Project Location

The Company has been actively involved since February 2013 in the exploration and development of the PAK Lithium Project, which hosts at surface the highest quality spodumene lithium hard rock deposit in North America (Figure 2) at the PAK deposit. The PAK and Spark deposits combined are among the highest-grade resources with the lowest iron impurity levels in North America (e.g., iron levels less than 0.15% Fe_2O_3 in the lattice of the spodumene crystals).

Figure 2: Surficial Exposure of PAK deposit

The Company published a Preliminary Economic Assessment ("PEA") in April 2021 that indicated an after-tax Net Present Value ("NPV") at an 8% discount rate ("NPV8%") of US $974 million and a 21% after-tax Internal Rate of Return ("IRR") through a fully-integrated lithium operation utilizing spodumene concentrate generated from the PAK Lithium Project resource to achieve downstream conversion for production of battery-quality lithium chemicals. Please refer to the NI 43-101 Technical report by BBA Engineering Ltd. ("BBA") issued on April 9, 2021 and filed under the Company's profile on SEDAR (the "Technical Report"). The Company is currently conducting in-fill drilling on the Spark deposit and also currently performing works necessary to support the ensuing Pre-Feasibility Study ("PFS") assessing a fully-integrated lithium operation. The Company's proposed lithium operation includes the production of technical grade lithium concentrates required by premium glass-makers and chemical grade lithium concentrates required as feedstock for the planned productions of both lithium carbonate and lithium hydroxide at a downstream lithium conversion plant.

BUSINESS OBJECTIVES

The Company's objective is to become a strategic domestic supplier of spodumene concentrates for industrial users as well as battery-grade lithium hydroxide and other chemicals to the growing electric vehicle and energy storage markets in North America. The Company maintains the largest land position and resource in a new premium lithium mineral district located in Ontario's Great Lakes region.

LEADERSHIP TEAM

The Company's leadership team's successful mining ventures include a multi-decade track record in funding, partnering, constructing and operating mining and refining companies in North America.

II. HIGHLIGHTS FOR THE YEAR ENDED MARCH 31, 2022, AND RECENT DEVELOPMENT

EXPLORATION

During the fiscal year ended March 31, 2022, and up to the date of this report, exploration continued at the PAK Lithium Project with some minor delays due to the COVID-19 Pandemic. During the current year ended March 31, 2022, a total of $5.0 million (the year ended March 31, 2021 - $nil) in acquisition and $4.3 million (the year ended March 31, 2021 - $1.6 million) exploration expenditures have been incurred on the project.

The Company has had a successful year by advancing exploration and development work focused on the expansion of the Spark lithium deposit which is on trend with the PAK deposit. As of March 31, 2022, the Company has completed eleven drill programs on the PAK Lithium Project totaling 14,672.3 metres in 56 delineation and 10 geomechanical diamond drill holes since the inception of the exploration program (Phase I through Phase XI).

On May 2, 2022, the Company announced its planned exploration program for the fiscal year ended March 31, 2023 and targets for the PAK Lithium project which include infill and step out drilling on the Spark deposit, as well as, detailed and regional mapping and prospecting in areas both proximal to known spodumene-bearing pegmatite deposits and in under-explored areas within its approximately 27,000 hectare claim block. The Company plans to continue evaluating the SPARK pegmatite with a 15,000 metre drill program which began in May 2022 utilizing two diamond drills. It is anticipated that all resource categories of the deposit will be substantially increased. Concurrently, during the drilling program, the regional and detailed geological mapping and prospecting will be carried out.

PHASE IX – XI DRILLING AT SPARK

The Company completed Phase IX to XI drilling programs during the winter of 2021 to March 31, 2022, with a combined total of 4,611.7 metres in 16 holes. The drilling cost for the Phase IX program during the year ended March 31, 2021 was $0.4 million and for Phase X and XI during the year ended March 31, 2022 was $0.6 million. The objectives for the drill programs were to increase the measured and indicated resource category to a level required to complete the PFS currently expected by the end of calendar year 2022. Drilling included five geomechanical holes (“GDH”). The geomechanical holes were drilled to test stability of the proposed pit walls. Figure 3 is a location map showing the project area including a compilation of the Spark Deposit area with traces for all drilling holes. As of the date of this MD&A, all samples have been received and reported. The detailed results have been released by the Company and are available on www.sedar.com.

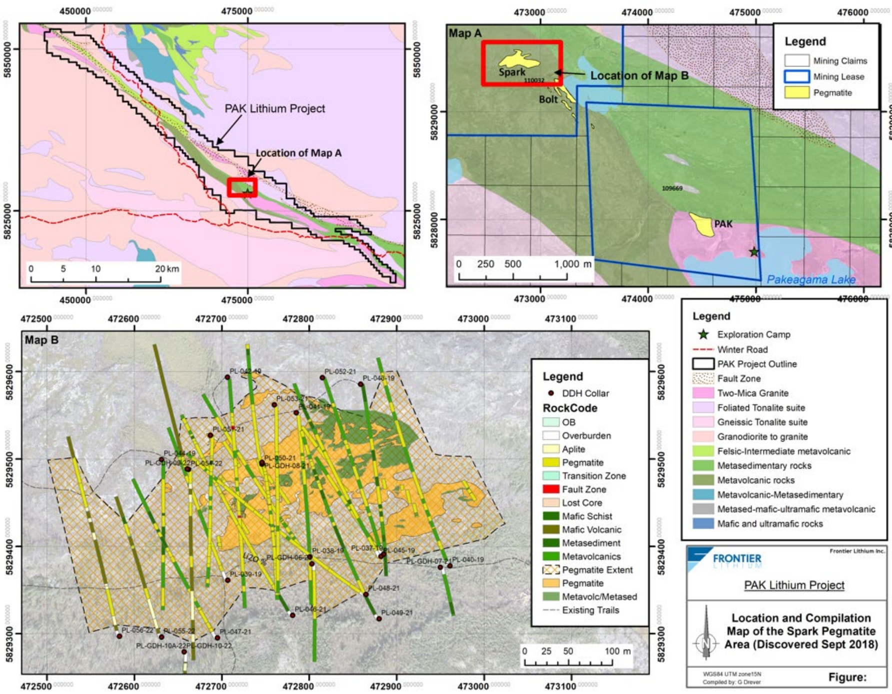


Figure 3: Compilation of the Spark Pegmatite showing traces of all Drill Holes

Below is a summary of the 16 drill holes from Phase IX – XI:

DDH No		Date Drilled		UTM Zone 15N (NAD83)			Collar Orient		Metres Drilled	
		Start	End	Easting	Northing	(mASL)	Azim	Dip	Start	End
Phase XI	PL-054-22	2022-02-25	2022-03-02	472,662	5,829,488	353.5	180.4	-58	0	360.0
	PL-055-22	2022-03-07	2022-03-10	472,631	5,829,296	326.0	343.5	-48.9	0	249.0
	PL-056-22	2022-03-10	2022-03-16	472,583	5,829,297	327.7	347.73	-48.9	0	351.0
	PL-GDH-09-22	2022-03-03	2022-03-06	472,661	5,829,489	353.5	345.7	-45	0	223.5
	PL-GDH-10A-22	2022-03-18	2022-03-19	472,657	5,829,279	326.8	183.5	-46.8	0	159.0
Phase X	PL-050-21	2021-09-26	2021-10-03	472,746	5,829,494	359.0	170	-70	0	431
	PL-051-21	2021-10-03	2021-10-23	472,687	5,829,527	358.0	180	-60	0	346.3
	PL-052-21	2021-10-23	2021-10-27	472,815	5,829,593	359.0	160	-50	0	291
	PL-053-21	2021-10-27	2021-11-01	472,766	5,829,566	360.0	177	-55	0	349.5
	PL-GDH-02-21	2021-09-19	2021-09-26	472,746	5,829,496	355.0	355	-60	0	220.5
Phase IX	PL-046-21	2021-02-11	2021-02-18	472,781	5,829,321	326.0	330	-47	0	376.2
	PL-047-21	2021-02-18	2021-02-24	472,695	5,829,295	326.0	330	-48	0	298.5
	PL-048-21	2021-02-26	2021-03-08	472,865	5,829,345	326.0	305	-50	0	393.0
	PL-049-21	2021-03-08	2021-03-19	472,880	5,829,317	326.0	330	-42	0	303.2
	PL-GDH-06-21	2021-02-07	2021-02-10	472,803	5,829,380	326.2	177	-50	0	177.0
	PL-GDH-07-21	2021-02-25	2021-02-26	472,950	5,829,376	325.5	165	-46	0	83.0

RESOURCE UPDATES

On March 1, 2022, the Company reported an updated mineral resource estimate for the Spark deposit prepared by BBA. Most of the Inferred from the previous Resource Estimate is now in the higher confidence levels of Indicated. The resource estimate update for Spark Pegmatite includes 14 million tonnes averaging 1.4% Li_2O in the Indicated category and another 18 million tonnes averaging 1.37% Li_2O in the Inferred category (see table below for details). The Spark lithium deposit remains open along strike and down dip.

Cut-Off	Resource Category	Tonnes (t)	Li_2O (%)	Nb_2O_5 (ppm)	Cs_2O (%)	Ta_2O_5 (ppm	Rb_2O (%)	SnO_2 (ppm)	Lithology
	Indicated	14,414,000	1.40	82	0.02	114	0.25	56	Aplite/LIZ
0.70% Li_2O	**Inferred**	18,118,000	1.37	80	0.02	105	0.23	61	Aplite/LIZ

Mineral Resource Estimate Notes

1. *Mineral Resources were prepared in accordance with NI 43-101 and the CIM Definition Standards (2014). Mineral resources that are not mineral reserves do not have demonstrated economic viability. This estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, sociopolitical, marketing, or other relevant issues.*
2. *Open pit Mineral Resources are reported at a cut-off grade of 0.70 % Li2O that is based on a spodumene concentrate prices of US$800 /tonne and an exchange rate of 1.29.*
3. *Appropriate mining costs, processing costs, metal recoveries, and inter ramp pit slope angles were used by BBA to generate the pit shell.*
4. *Rounding may result in apparent summation differences between tonnes, grade, and contained metal content.*
5. *Tonnage and grade measurements are in metric units.*
6. *A bulk density factor of 2.72 was applied to the pegmatite based on 437 measurements.*

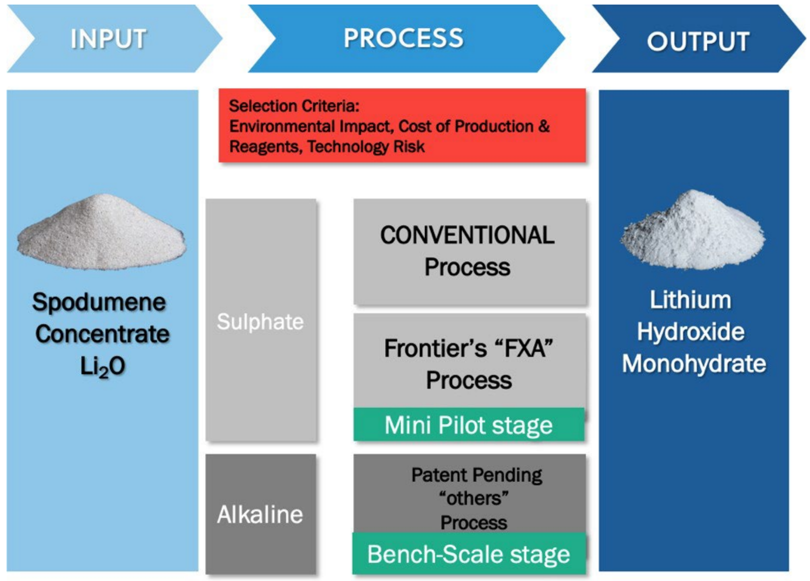
LITHIUM CHEMICAL TEST WORK DEVELOPMENT

In January 2021, the Company announced the commencement of a lithium hydroxide mini-pilot plant program assessing a variation of the “conventional” sulphate process. The goal of this mini-pilot plant program was to produce high quality lithium-bearing pregnant leach solutions (“PLS”) that were suitable for continuous crystallization.

On May 26, 2021, the Company and the Government of Ontario announced that the province will contribute $363 from Northern Ontario Heritage Fund Corporation to assist the Company with piloting test-work that seeks to overcome certain technical challenges that exist with conventional lithium chemical processing in China. This investment highlights the Company as a significant contributor to innovative mining and refining technologies that could become commercialized for the support of a viable, low carbon, local battery-material supply chain in Ontario.

On October 19, 2021, the Company announced that it has successfully produced battery grade lithium chemicals from its own high-quality spodumene resource from the PAK deposit, a part of the PAK Lithium Project.

The Company has identified other specific technologies of interest for lithium compounds produced from the transformation of spodumene concentrates. The Company has initiated bench scale testing to assess the most feasible options (Figure 4) to convert high-quality feedstock to subsequent lithium salts.



Ontario nohfc An Agency of the Government of Ontario

Figure 4: Lithium Chemicals process assessment

The COVID-19 pandemic has tested battery supply chain resiliency and has highlighted the sensitivity of China's dominant position in critical sectors like critical minerals and chemicals processing. The Company is studying the supply chain of suggested technologies and reagents to make a final process and technology decision for lithium chemicals which will be utilized in the PFS expected to be completed by the end of calendar 2022.

The Company believes that these test works will spearhead the production of high-quality battery grade lithium products in Northern Ontario and help establish this region as a significant Canadian contributor to clean energy technology. With close proximal location, the Company is targeting the vehicle manufacturing sectors of Ontario and Michigan as the greatest potential use of premium lithium salts.

On November 3, 2021, the Company announced that it commenced an advanced metallurgical program for its PAK Lithium Project, led by a reputable third-party lab based in Ontario, Canada. The lithium concentrate pilot will:

- Optimize the concentrator flowsheet,
- Generate data required for the PFS and the corresponding Definitive Feasibility Study ("DFS") engineering work, and
- Generate concentrate to be used for downstream chemical processing test work.

On March 30, 2022, the Company announced the successful completion of an advanced phase of lithium concentrate piloting. A representative sample of 7.8 tonnes was assembled which included a head grade of 1.57% Li_2O and 0.80% Fe_2O_3. The processing involved flotation with conventional preparatory steps of desliming, magnetic separation and gravity concentration. In total, 930 kg of concentrate was produced with an average grade of 6.07% Li_2O with 0.78% Fe_2O_3 and an overall lithium recovery of 76%. A 0.5 tonne portion of the concentrate was sent to the Company's technology development partner for hydrometallurgical conversion process piloting whereby results will be used for the bases of final lithium chemical process selection and basis of the ensuing PFS.

CORPORATE LEADERSHIP TEAM CHANGES

In July 2021, the Company appointed Mr. Marc Boissonneault to its Board of Directors. Mr. Boissonneault began his career with Falconbridge Ltd. and advanced through the organization where he was most recently the Head of Global Nickel Assets for Glencore. He retired in 2020 after a 31-year career. Mr. Boissonneault oversaw Glencore's global nickel industrial business, which included Raglan Mines (Quebec), Murrin (W.Australia), Nikkelverk Refinery (Norway), Sudbury INO (Ontario), Koniambo SAS (New Caledonia). The operations comprised six underground mines, two open pit mine complexes, two concentrators, an HPAL processing plant, two smelters, and two hydrometallurgical refineries. Marc has led the development of key business opportunities in the form of new geological discoveries, early-stage capital project developments, and collaborative mine development agreements with other mining companies. He has a proven track record of consistently delivering strong operating and capital project results while maintaining the highest standards of ESG performance. Businesses under his responsibility have been recognized for industry-leading safety performance (multiple John T. Ryan Awards in Canada). In addition, they have performed to the highest standards environmentally, having never incurred a major environmental incident. Along with fostering productive relationships with top government officials in multiple jurisdictions, he has ensured the cultivation of constructive relations with associated aboriginal communities internationally. Mr. Boissonneault was previously the Vice President Glencore Nickel, Sudbury Integrated Nickel Operations for seven years and Director Sudbury Smelter, Xstrata Nickel for two years. He holds a Bachelor of Engineering (Metallurgical/Ceramic) from McMaster University and a Master of Business Administration from Queen's University.

In September 2021, the Company appointed Mr. David Ewing as its Vice President of Sustainability and External Affairs, a newly created position in the Company. Mr. Ewing brings over 20 years of experience in environmental matters and has built effective working relationships with regulatory authorities, Indigenous peoples and local communities throughout his career. He successfully developed a sustainability program recently and led the Indigenous partnerships and regulatory affairs portfolios for Evolugen by Brookfield Renewable, a subsidiary of Brookfield. Before joining Brookfield, David held several senior positions in the natural resources sector. He resolved many complex environmental and social issues through collaboration with various parties, such as government regulators, Indigenous peoples, and environmental groups. Additionally, with 15 years of public service experience working for Environment Canada, Fisheries and Oceans Canada and Treasury Board, he has gained a strong knowledge of environmental regulations and the invaluable ability to navigate government. Mr. Ewing earned a Bachelor of Environmental Studies from the University of Waterloo, and a Master of Public Administration from Queen's University.

In February 2022, the Company appointed Ms. Tess Lofsky to its Board of Directors. Ms. Lofsky is a business focused, legal executive and Board member with considerable experience in the mining industry. Her understanding of Corporate and securities law, governance, and compliance were developed over 15 plus years of practising law. Prior to her role as Senior Legal Counsel and Corporate Secretary for Bird Construction (TSX:BDT), Ms. Lofsky served as Legal Counsel & Corporate Secretary for the Greater Toronto Airports Authority and Vice President, General Counsel & Corporate Secretary of North American Palladium Ltd. At North American Palladium, she provided advice and counsel on a broad range of public company matters including corporate finance and M&A, as well as with respect to environmental, labour and employment, health and safety and indigenous law matters related to their portfolio of assets including mine operations and exploration properties in Ontario and Quebec. Ms. Lofsky received a Bachelor of Social Sciences degree from the University of Ottawa and a Bachelor of Laws from Queens University.

In April 2022, the Company appointed Mr. Tony Zheng as its Chief Financial Officer. Mr. Zheng has held several positions with international mining companies, most recently as VP Finance & Controller at Tanzanian Gold Corporation. Prior to Tanzanian Gold Corporation, he was Director of Finance at Guyana Goldfields Inc. and facilitated the post-acquisition integration of Guyana Goldfields by Zijin Mining Group Co., Ltd. Between 2010 and 2016, he held progressive roles at Lundin Mining Corp., including Manager, Financial Planning and Analysis, and Manager, Financial Reporting. Mr. Zheng holds a Bachelor of Commerce (Honours) degree from York University in Toronto and received CPA, CA designation in 2014 and CGA designation in 2012.

FINANCING ACTIVITIES

For the year ended March 31, 2022, the Company completed the following financing activities.

In April 2021, the Company issued 1,822,708 units in a private placement financing for total gross proceeds of $2,369. Each unit consisted of one flow-through common share and one half of one share purchase warrant exercisable at $1.50 per share for 24 months. The fair value attributed to the 911,354 share purchase warrants was estimated to be $295. The Company paid financing fees consisting of cash of $121 and 93,232 broker warrants. Each broker warrant entitles the holder to acquire one common share of the Company for $1.50 per share for 24 months. The broker warrants were valued at $30.

In December 2021, the Company issued 6,453,000 flow-through common shares in a bought deal private placement financing for total proceeds of $12,003. The Company paid financing fees consisting of cash of $720 and 387,180 broker warrants. Each broker warrant entitles the holder to acquire one common share of the company for $1.52 per share for 24 months. The broker warrants were valued at $414.

III. RESULTS OF OPERATIONS

A summary of selected financial information of the Company for the three recently completed years are presented below. During the year ended March 31, 2022, the Company changed its accounting policy for exploration and evaluation expenditures to expense them as incurred. Management considered that this change in accounting policy will result in clearer, more relevant and reliable financial information by reducing financial reporting complexity. Under the previous accounting policy, exploration and evaluation expenditures were capitalized. Please see the Section “VIII. Changes in Accounting Policies” for details.

SELECTED ANNUAL INFORMATION

(in thousands of Canadian dollars, except for shares and per share figures)

Year ended (audited)	March 31, 2022	March 31, 2021 Restated	March 31, 2020 Restated
Revenue	$Nil	$Nil	$Nil
Income from operations	$Nil	$Nil	$Nil
Exploration and evaluation expenditures	$(4,261)	$(1,576)	$(1,657)
General and administrative expenses	$(7,117)	$(6,738)	$(1,813)
Loss before tax	$(11,336)	$(8,394)	$(3,475)
Deferred income tax recovery	$486	$161	$173
Net loss and comprehensive loss	$(10,850)	$(8,233)	$(3,302)
Weighted average number of shares outstanding	198,020,410	171,603,277	158,649,613
Net loss per share, basic and diluted	$(0.06)	$(0.05)	$(0.02)
As at	**March 31, 2022**	**March 31, 2021 Restated**	**March 31, 2020 Restated**
Cash and cash equivalents	$17,683	$10,345	$762
Working capital	$17,559	$9,621	$313
Exploration and evaluation assets	$5,426	$426	$426
Total assets	$24,628	$11,577	$1,569
Total liabilities	$1,310	$1,381	$665
Equity	$23,318	$10,196	$904

Exploration and evaluation expenditures on the PAK Lithium Property
(in thousands of Canadian dollars)

Years ended March 31 (audited)	2022 ($)	2021 ($) Restated	2020 ($) Restated
Management fees	850	428	382
Professional fees	1,012	353	638
Drilling	589	414	49
Assay and sampling	88	44	96
Research and development	678	129	271
Camp and equipment expenses	712	164	74
Travel	332	44	149
Total	**4,261**	**1,576**	**1,657**

The Company reported a net loss and comprehensive loss of $10.9 million ($0.06 per share) for the year ended March 31, 2022, compared to a loss of $8.2 million ($0.05 per share) for the year ended March 31, 2021 for an increase of $2.6 million. The increase was mainly due to an increase in the exploration and evaluation expenditures of $2.7 million as the Company ramped up its exploration activities and metallurgical test work for the PEA completed in April 2021 and advancement of the PFS expected to be completed by the end of calendar 2022. The general and administrative expenses consist of salaries, benefits, consulting fees, stock option compensation expense, public company expenses, investor relations expense, and other office and administrative expenses. The general and administrative expenses increased by $0.4 million mainly due to increased headcount in the corporate office during the year ended March 31, 2022, when compared to the prior fiscal year. To date the company has not seen a material impact from inflation or supply chain issues, however, these items will be monitored by the Company and are expected to have an impact going forward.

At the end of the current fiscal year-end, the weighted average number of shares outstanding, cash and cash equivalents and working capital were increased when compared to last fiscal year-end, mainly due to successful financings completed by the Company in April and December 2021 in order to continue advancing the PAK Lithium Project. Refer to Note 8(a) of the Company's March 31, 2022 Financial Statements for detailed financing activities.

At March 31, 2022, the exploration and evaluation assets increased by $5.0 million. On April 21, 2021, the Company announced that it had closed the acquisition of 2.5% NSR on the Pakeagama Lake Property for a total purchase price of $5.0 million which includes a total cash proceed of $4.0 million and 1,000,000 common shares at a price of $1.00 per share.

SELECTED QUARTERLY INFORMATION

(in thousands of Canadian dollars, except for shares and per share figures)

For the quarter ended	March 31, 2022	December 31, 2021	September 30, 2021	June 30, 2021
Revenue	$Nil	$Nil	$Nil	$Nil
Income from operations	$Nil	$Nil	$Nil	$Nil
Exploration and evaluation expenditures	$(1,794)	$(1,038)	$(203)	$(1,226)
General and administrative expenses	$(2,150)	$(1,140)	$(1,605)	$(2,222)
Loss before tax	$(4,099)	$(2,127)	$(1,630)	$(3,480)
Deferred income tax recovery	$394	-	-	$92
Net loss and comprehensive loss	$(3,705)	$(2,127)	$(1,630)	$(3,388)
Weighted average number of shares outstanding	204,807,969	194,078,171	193,485,995	191,193,214
Net loss per share, basic and diluted	$(0.02)	$(0.01)	$(0.01)	$(0.02)

As at	March 31, 2022 Restated	December 31, 2021 Restated	September 30, 2021 Restated	June 30, 2021 Restated
Cash and cash equivalents	$17,683	$18,195	$7,952	$8,365
Working capital	$17,559	$17,650	$7,205	$7,613
Exploration and evaluation assets	$5,426	$5,426	$5,426	$5,426
Total assets	$24,628	$24,109	$13,866	$14,220
Total liabilities	$1,310	$901	$1,092	$1,036
Equity	$23,318	$23,208	$12,774	$13,184

For the quarter ended	March 31, 2021 Restated	December 31, 2020 Restated	September 30, 2020 Restated	June 30, 2020 Restated
Revenue	$Nil	$Nil	$Nil	$Nil
Income from operations	$Nil	$Nil	$Nil	$Nil
Exploration and evaluation expenditures	$(526)	$(480)	$(317)	$(253)
General and administrative expenses	$(5,172)	$(181)	$(1,175)	$(211)
Loss before tax	$(5,787)	$(753)	$(1,432)	$(423)
Deferred income tax recovery	$40	$21	$100	-
Net loss and comprehensive loss	$(5,747)	$(732)	$(1,332)	$(423)
Weighted average number of shares outstanding	176,947,977	174,109,557	171,187,694	162,152,123
Net loss per share, basic and diluted	$(0.03)	$(0.01)	$(0.01)	$(0.00)

As at	March 31, 2021 Restated	December 31, 2020 Restated	September 30, 2020 Restated	June 30, 2020 Restated
Cash and cash equivalents	$10,345	$2,022	$1,530	$685
Working capital	$9,621	$1,610	$1,403	$222
Exploration and evaluation assets	$426	$426	$426	$426
Total assets	$11,577	$2,686	$2,197	$1,344
Total liabilities	$1,381	$563	$268	$584
Equity	$10,196	$2,123	$1,929	$760

Exploration and evaluation expenditures on the PAK Lithium Property

(in thousands of Canadian dollars)

Quarters ended March 31	2022 ($)	2021 ($) Restated
Management fees	283	123
Professional fees	401	112
Drilling	184	414
Assay and sampling	32	11
Research and development	396	101
Government assistance	-	(380)
Camp and equipment expenses	466	120
Travel	32	25
Total	**1,794**	**526**

The Company reported a net loss and comprehensive loss of $3.7 million ($0.02 per share) for the quarter ended March 31, 2022, compared to a loss of $5.7 million ($0.03 per share) for the prior comparable quarter last fiscal year for a decrease of $2.0 million. The decrease was mainly due to a decrease of $3.0 million in the general and administrative expenses more than offset by an increase of $1.3 million in the exploration and evaluation expenditures. The increase in the exploration and evaluation expenditures was mainly due to the Company's continued ramp up of its exploration activities and metallurgical test work for the PFS expected to be completed by the end of calendar 2022. The $3.0 million decrease in the general and administrative expenses was mainly due to a lower number of stock options over the prior year. A total of 1,000,000 stock options (valued at $1.7 million) were issued during the last quarter of the fiscal year ended March 31, 2022, while 7,313,334 stock options (valued at $4.5 million) were issued in the same comparable quarter in the prior year.

Over the last eight quarters, the Company raised funds several times including completing two significant financings: (i) a private placement of 7,636,371 units at $1.00 per unit for total gross proceeds of $7.7 million in March 2021, with each unit consisting of one flow-through common share and one half of one share purchase warrant, with each whole warrant entitling the holder to purchase one additional common share at a price of $1.25 per share for a period of 24 months; and (ii) a bought deal private placement of 6,453,000 flow-through common shares at a price of $1.86 per share for total gross proceeds of $12.0 million in December 2021. These successful financings strengthened the Company's cash and working capital positions which enabled the Company to ramp up its exploration activities and metallurgical test work for the PEA completed in April 2021 and advancement of the PFS expected to be completed by the end of calendar 2022. The Company has spent all the proceeds from the March 2021 financing as disclosed and intends to spend the remaining proceeds from the December 2021 financing as disclosed.

IV. OUTLOOK

The Company's objective is to become a strategic domestic supplier of spodumene concentrates for industrial users such as premium glass makers, as well as battery-grade lithium hydroxide and other chemicals for the growing electric vehicle and energy storage markets in North America.

The PAK Lithium Project is the highest quality known lithium mineral resource in North America due to its high-grade and low impurity properties in the pegmatite ore material and the spodumene mineral. The monetary value of low-iron (Fe) spodumene is greater than the more common, higher iron spodumene. Furthermore, a low Fe spodumene is also well suited to potentially produce a high-yielding chemical-grade lithium concentrates which is used to produce battery quality lithium chemicals. Spodumene has a cost advantage over the alternative brine sources requiring extra chemical processing conversion steps when used to produce lithium hydroxide.

The Company is primarily in the exploration phase and the conducting work to assess the feasibility of a fully-integrated lithium operation. As noted above, the Company is studying the supply chain of suggested technologies and reagents and intends to make a decision by the end of calendar 2022 regarding the process and technology it intends to use for the continued development of the PAK Lithium Project and to a fully-integrated lithium operation. Depending upon the results of the PFS, the Company may commission a DFS in advance of future capital raising activity. See "*Liquidity and Capital Resources*".

V. LIQUIDITY AND CAPITAL RESOURCES

The primary objectives of the Company's capital management policy are to ensure that the Company raises sufficient funds in order to execute its business plan which is designed to maximize shareholder value. Since inception, the Company has relied primarily on private equity financings to fund its operations. The Company has had recurring operating losses since inception. See "*Risk Factor*s" section.

The Company expects it will have sufficient capital to complete the PFS as well as its planned 15,000 metre drill program for the fiscal year ended March 31, 2023. The Company will need to raise additional capital in order to complete a DFS, should it choose to do one, as well as to execute its business plan.

The Company considers the following items as capital: Cash and cash equivalents, share capital and contributed surplus in the amount of $97.7 million (March 31, 2021 - $66.3 million).

When managing capital, which is a broader concept than the "equity" in the statement of financial position, the objectives of the Company are:

- To safeguard the Company's ability to continue as a going concern so that they can continue to provide returns for shareholders and benefits for other stakeholders; and
- To maintain a strong capital base to support the exploration for and development of its mineral deposits.

There have been no changes in the Company's capital management when compared to the prior year.

Liquidity risk is the risk that the Company will not be able to meet its payment obligations when they fall due under normal and stress circumstances. The Company monitors its liquidity risk by considering the maturity of its financial liabilities. The Company's ability to access debt and equity markets when required will depend upon factors beyond its control, such as economic and political conditions that may affect the capital markets generally.

Although the Company has been successful in raising funds to date, there can be no assurance that adequate funding will be available in the future. Should management be unable to raise sufficient capital to fund its operations and growth there would be a material adverse effect on the Company's business, financial condition, results of operations and its ability to continue as a going concern.

VI. CONTRACTUAL OBLIGATIONS, COMMITMENTS AND CONTINGENCIES

CONTRACTUAL OBLIGATIONS

Our future undiscounted obligations as at March 31, 2022 are as follows:

At March 31, 2022	Due within 1 year ($000)	Due between 1 and 5 years ($000)	Total ($000)
Accounts payable and accrued liabilities	1,202	-	**1,202**
Lease obligations	80	28	**108**
Total	**1,282**	**28**	**1,310**

COMMITMENTS AND CONTINGENCIES

From 2016 to 2019, the Company entered into four exploration agreements with First Nation communities that are situated nearby the PAK Lithium Project properties for the purpose of ongoing exploration. The agreements contain obligations to pay a percentage of exploration expenses incurred. The Company currently has no capital expenditure commitments as at March 31, 2022.

OFF-BALANCE SHEET ARRANGEMENTS

There are no off-balance sheet arrangements at the date of this MD&A.

VII. FINANCIAL INSTRUMENTS

The Company does not currently utilize complex financial instruments in hedging lithium price, foreign exchange or interest rate exposure. The Company will not hold or issue derivative instruments for speculation or trading purposes.

Where the fair value of financial assets and financial liabilities recorded in the financial statements cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

When measuring the fair value of an asset or liability, the Company uses observable market data to the greatest extent possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

The following table sets forth our financial assets and liabilities that are measured at fair value on a recurring basis by level within the fair value hierarchy.

		March 31, 2022		March 31, 2021	
Financial asset fair valued through profit and loss	Level	**Carrying value ($000)**	**Fair value ($000)**	Carrying value ($000)	Fair value ($000)
Marketable securities	2	**9**	**9**	10	10

During current fiscal year, there were no transfers between Level 1 and Level 2 fair value measurements. We do not have any financial assets or liabilities that are fair valued based on unobservable inputs (Level 3).

Key management personnel include members of the Board of Directors and certain senior officers. Remuneration of our key management personnel was as follows:

		2022 ($000)		2021 ($000)
Compensation – salaries, benefits and consulting	**$**	**558**	$	250
Share-based compensation		**3,543**		3,097
Total	**$**	**4,101**	$	3,347

Included in accounts payable is $57,000 (March 31, 2021 - $26,000) owing to corporations controlled by a director of the Company.

During the year ended March 31, 2021, the Company entered into an office space lease agreement with a company controlled by a director of the Company. The annual lease fee is $9,000 and the lease agreement expires on October 14, 2022; however, it is subject to an automatic three-year extension at that time.

During the year ended March 31, 2021, the Company purchased two pieces of exploration equipment including transportation costs from a corporation controlled by a director of the Company at the exchange amount of $0.1 million agreed by both parties in the normal course of operation.

The transactions above are in the normal course of operation and are measured at the exchange amount which is the amount of consideration established and agreed to by the related parties.

VIII. CHANGES IN ACCOUNTING POLICIES

AMENDED ACCOUNTING POLICIES

During the year ended March 31, 2022, the Company changed its accounting policy for exploration and evaluation expenditures to expense them as incurred. Management considered that this change in accounting policy will result in clearer, more relevant and reliable financial information by reducing financial reporting complexity. Under the previous accounting policy, exploration and evaluation expenditures were capitalized.

The impact on the comparative financial statements resulting from the change in accounting policy changes are as follows:

Statements of Financial Position
(in thousands of Canadian dollars)

As at April 1, 2020		**As previously reported**		**Change in policy**		**As restated**
Exploration and evaluation assets	$	12,409	$	(11,983)	$	426
Accumulated deficit	$	(25,557)	$	(11,983)	$	(37,540)

As at March 31, 2021		**As previously reported**		**Change in policy**		**As restated**
Exploration and evaluation assets	$	13,985	$	(13,559)	$	426
Accumulated deficit	$	(32,214)	$	(13,559)	$	(45,773)

Statements of Loss and Comprehensive Loss
(in thousands of Canadian dollars)

Year ended March 31, 2021		As previously reported		Change in policy		As restated
Exploration and evaluation expenditures	$	-	$	1,576	$	1,576
Net loss and comprehensive loss		6,657		1,576		8,233
Basic and diluted net loss per share	$	(0.04)	$	(0.01)	$	(0.05)

Statements of Cash Flows
(in thousands of Canadian dollars)

Year ended March 31, 2021		As previously reported		Change in policy		As restated
Net loss for the year	$	(6,657)	$	(1,576)	$	(8,233)
Additions to exploration and evaluation assets	$	(1,576)	$	1,576	$	-

Statements of Changes in Equity
(in thousands of Canadian dollars)

		As previously reported		Change in policy		As restated
Deficit, April 1, 2020	$	(25,557)	$	(11,983)	$	(37,540)
Net loss for the year ended March 31, 2021		(6,657)		(1,576)		(8,233)
Deficit, March 31, 2021	$	(32,214)	$	(13,559)	$	(45,773)

NEW ACCOUNTING POLICIES

There was no new accounting standards effective April 1, 2021, that were applicable to the Company for the year ended March 31, 2022.

NEW ACCOUNTING POLICIES ISSUED BUT NOT EFFECTIVE

The following standards and interpretations have been issued but are not mandatory for annual reporting periods beginning on April 1, 2021:

- Covid-19 related Rent Concessions Amendments – extension – Effective period beginning on or after April 1, 2021;
- Property, Plant and Equipment: Proceeds before intended use Amendments to IAS 16 – Effective period beginning on or after January 1, 2022;
- Annual Improvements to IFRS Standards 2018-2020 – Effective period beginning on or after January 1, 2022;
- Deferred taxes related to assets and liabilities arising from a single transaction – Effective for period beginning on or after January 1, 2023; and
- Classification of Liabilities as Current or Non-current Amendments to IAS 1 – Effective period beginning on or after January 1, 2023.

Based on the assessment performed by management, none-of the above noted amendments to the standards and interpretations are expected to have a material impact on the Company in the current or future reporting periods.

IX. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of expenses and other income for the reporting period.

Judgments, estimates and assumptions are periodically evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates. Areas of judgment, estimate and assumptions that have the most significant effect on the amounts recognized in the financial statements are as follows:

Mineral reserves and resources

The estimation of mineral reserves and resources is a complex process involving numerous variables and is based on a professional evaluation using accepted international standards for the assessment of mineral reserves. Estimation is a subjective process, and the accuracy of such estimates is a function of the quantity and quality of available data, the assumptions made, and judgments used in engineering and geological interpretation at the time of estimation.

These assumptions may change significantly over time when new information becomes available and may cause the mineral resources and reserves estimates to change. Changes in the forecasted price of commodities, exchange rates, production costs or recovery rates may have a significant impact on the economic assessment of the mineral resources and reserves and may result in their restatement.

Assessment of impairment indicators of exploration and evaluation assets

At each reporting period, management assesses whether there is an indication that an asset or a group of assets, including mineral exploration and evaluation assets, may be impaired and that the carrying amount may not be recoverable. When impairment indicators exist, management estimates the recoverable amount of the mineral exploration and evaluation assets and compares it against their carrying amount. Determining whether facts and circumstances indicate that the Company's mineral exploration and evaluation assets may be impaired and require the recognition of an impairment loss is a subjective process involving significant judgment and a number of interpretations.

Indicators of impairment considered by management include: (i) the period during which the Company has the right to explore in the area has expired during the year or will expire in the near future, (ii) substantive expenditure on further exploration for an evaluation of mineral reserves and resources in the area is neither budgeted nor planned, (iii) based on the technical reports prepared by management's experts, whereby sufficient data exists to support that extracting the mineral reserves and resources will not be technically feasible or commercially viable and (iv) other facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Title to mineral property interests

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

Income taxes

The Company's management makes significant estimates and judgments in determining the Company's tax expense for the period and the deferred tax assets and liabilities. Management interprets tax legislation and makes estimates of the expected timing of the reversal of deferred tax assets and liabilities. In addition, management makes estimates related to expectations of future taxable income based on cash flows from operations and the application of existing tax law. Assumptions used in the forecast of taxable profit are based on management's estimates of future production and sales volume, commodity prices, operating costs, capital expenditures, and decommissioning and reclamation expenditures. These estimates are subject to risk and uncertainty and could result in an adjustment to the deferred tax asset and a corresponding credit or charge to the statements of loss and comprehensive loss.

A deferred tax asset is recognized to the extent that it is probable that taxable earnings will be available against which deductible temporary differences can be utilized.

Share-based compensation and warrants

The compensation cost associated with stock options and warrants granted under the terms of the instrument is measured at the grant date by using the Black-Scholes option pricing model to determine fair value. The Black-Scholes model requires the use of subjective estimates, in particular for the estimated life of options and warrants and the expected rate of volatility in the Company's share price over the life of the instrument, which can materially affect the fair value estimate. The key assumptions used to derive the fair value of options granted in 2022 and 2021, are detailed in Note 8 to the financial statements for the years ended March 31, 2022 and 2021.

X. RISK FACTORS

The Company's business activities are subject to a variety and wide range of inherent risks and uncertainties. Any of these risks could have an adverse effect on the Company, its business and prospects, and could cause actual outcomes and results to differ materially from those described in forward-looking statements relating to the Company.

Conditions Of The Industry In General

The exploration and development of mineral resources, including construction, start-up and operation of a mine and the construction, start-up and operation of a mill (concentrator plant), involves significant risks. Although the discovery of a deposit can prove to be extremely lucrative, few properties where exploration and development work are carried out become producing mines thereafter. Significant expenditures are necessary to establish ore reserves, to work out the representative metallurgical processes and to build the mining plant on a particular site. It is impossible to provide assurance to the effect that the current state of the project contemplated by the Company will generate a profit. The mineral industry is intensely competitive in all its phases. The Company competes with many other mineral exploration companies who have greater financial resources and technical capacity.

Forward-Looking Statements may Prove Inaccurate

Readers are cautioned not to place undue reliance on forward-looking information included herein or in the continuous disclosure of the Company. By its nature, forward-looking information involves numerous assumptions, known and unknown risks and uncertainties, of both a general and specific nature, that could cause actual results to differ materially from those suggested by the forward-looking information or contribute to the possibility that predictions, forecasts or projections will prove to be materially inaccurate. See "Forward-Looking Statements" section for details.

RISKS RELATING TO THE COMPANY

Exploration, Development and Operating Risks

The Company is in the process of exploration and development of its properties and has not yet generated any revenues from production. The recovery of expenditures on mineral properties and the related exploration and evaluation expenditures are dependent on the existence of economically recoverable mineralization, the ability of the Company to obtain financing necessary to complete the exploration and development of its projects, and upon future profitable production, or alternatively, on the sufficiency of proceeds from disposition. Resource exploration is highly speculative in nature, includes risks and frequently is non-productive. The Company's proposed lithium operation includes the production of technical grade lithium concentrates required by premium glass-makers and chemical grade lithium concentrates required as feedstock for the planned productions of both lithium carbonate and lithium hydroxide at a downstream lithium conversion plant. These final products sold to the battery market must meet stringent chemical requirements with tight controls over impurities. There is no assurance that the Company's efforts will be successful and will result in commercial production or profitability.

Uncertainty of Mineral Resources

The figures for mineral resources and reserves estimates disclosed in any continuous disclosure documents of the Company, are estimates and no assurance can be given that the anticipated tonnages and grades will be achieved or that the indicated level of recovery will be realized. Market fluctuations and metal prices may render resources uneconomic.

The Company's mineral projects are in the exploration stage. Until mineral resources on these exploration properties are categorized as "mineral reserves" under NI 43-101, the known mineralization at these projects is not determined to be economic. The Company's ability to put these properties into production will be dependent upon the results of further drilling and evaluation. There is no certainty that expenditures made in the exploration of the Company's mineral properties will result in identification of commercially recoverable quantities of ore or that mineral reserves will be mined or processed profitably. Such assurance will require completion of final comprehensive feasibility studies and, possibly, further associated exploration and other work that concludes a potential mine at each of these projects is likely to be economic.

Going Concern and Insolvency Risk

The Company's financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business as they come due into the foreseeable future.

The Company is an early-stage mine developer currently focused on exploration with no cash flow. It is subject to elevated risks common in such enterprises, including under-capitalization, cash shortages and limitations with respect to personnel, and financial and other resources. Given this, there is no assurance that the Company will be successful in achieving a return on shareholders' investments.

The Company has no assurance that additional funding will be available to it for further exploration and development of its PAK Lithium Project when it is required. Although the Company has been successful in obtaining financing through the sale of equity securities, there is no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing would be favorable. Failure to obtain such additional financing could result in the delay or indefinite postponement of further exploration and development of its assets.

However, the Company believes that there is sufficient cash and other short-term assets readily convertible into cash in order to meets its liabilities when they come due. The Company's cash is held in business accounts with a Canadian bank. Management believes that liquidity risk is moderate. The Company manages liquidity risk through the management of its capital structure and continuously monitors actual and projected cash flows.

Mineral Titles

The Company is satisfied that evidence of title to the PAK Lithium Property is adequate and acceptable by prevailing industry standards with respect to the current stage of exploration on the PAK Lithium Property. The Company may face challenges to the title the PAK Lithium Property or subsequent properties it may acquire, which may prove to be costly to defend or could impair the advancement of the Company's business plan.

Operating Risks

The Company's operations are subject to all of the hazards and risks normally incidental to the exploration for, and the development and operation of, mineral properties. The Company has implemented comprehensive health and safety measures designed to comply with government regulations and protect the health and safety of the Company's workforce in all areas of its business. Nonetheless, mineral exploration, development and exploitation involves a high degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Unusual or unexpected formations, formation pressures, fires, power outages, shutdowns due to equipment breakdown or failure, aging of equipment or facilities, unexpected maintenance and replacement expenditures, human error, labour disruptions or disputes, inclement weather, higher than forecast precipitation, flooding, shortages of water, explosions, releases of hazardous materials, deleterious elements materializing in mined resources, tailings impoundment failures, cave-ins, slope and embankment failures, landslides, earthquakes, industrial accidents and explosions, protests and other security issues, and the inability to obtain adequate machinery, equipment or labour due to shortages, strikes or public health issues such as pandemics, are some of the risks involved in mineral exploration and exploitation activities, which may, if as either a significant occurrence or a sustained occurrence over a significant period of time, result in a material adverse effect. The Company expects to rely on third-party owned infrastructure in order to successfully develop and operate its projects, such as power, utility and transportation infrastructure. Any failure of this infrastructure without adequate replacement or alternatives may have a material impact on the Company.

Infrastructure Risks

The PAK Lithium Project is located 175 km north of Red Lake, Ontario, on Crown land, in a relatively isolated region, with basic infrastructure. Access to the PAK Lithium Project occurs from approximately May 15 (after break-up) to October 15 (5 months) via float plane, and from February 1 to March 15 (1.5 months) via the winter roads. A future source of power, the Watay Power Project, which traverses over the Company's PAK Lithium Project, is expected to be completed and could provide power to the PAK Lithium Project via Ontario's electrical power grid, but there is no assurance of this completion or of the Company utilizing this power source. The Company has also initiated a scoping study to assess the construction of all-season roads which would follow the corridor used by the Watay Power Project. However, currently consistent and reliable access via airplane or winter roads to the PAK Lithium Project is not assured or guaranteed nor is the completion of the Watay Power Project. Delays in the completion or the non-development of these said infrastructure projects could have a material adverse effect on the Company's business, financial position and results of operations.

Permits, Licences and Authorizations

The activities of the Company require obtaining on a timely manner and maintaining permits and licenses from various governmental authorities. The Company considers that it holds all the permits and licenses required for the activities it currently explores on, in accordance with the relevant laws and by-laws. Changes brought to the laws and regulations could affect these permits and licenses. Nothing guarantees that the Company can obtain all the permits and all the necessary licenses in order to continue its exploration activities, to build mines or mining plants and to begin mining operations on its property.

Loss of Interest in Properties

The Company's ability to maintain an interest in the properties optioned or owned by the Company will be dependent on its ability to complete all required works and to make all necessary payments to hold these interests. Failure to make necessary payments and/or obtain additional financing may result in the Company being unable to complete the required work required to keep the property interests in good standing and could result in the delay or postponement of further exploration and or the partial or total loss of the Company's interest in the PAK Lithium Property.

Aboriginal Title Land Claims

Aboriginal rights may be claimed on Crown properties or other types of tenure with respect to which mining rights have been conferred. The Supreme Court of Canada's 2014 decision in Tsilhqot'in Nation v. British Columbia marked the first time in Canadian history that a court has declared Aboriginal title to lands outside of reserve land. The Company's property interests may now or in the future be the subject of aboriginal or indigenous land claims. The legal nature of Aboriginal title claims is a matter of considerable complexity. The impact of any such claim on the ownership interest in properties cannot be predicted with any degree of certainty and no assurance can be given that a broad recognition of aboriginal rights in the area in which the Company's property interests are located, by way of a negotiated settlement or judicial pronouncement, would not have an adverse effect on the Company's activities. Even in the absence of such recognition, the Company may at some point be required to negotiate with and seek the approval of holders of aboriginal interests in order to facilitate exploration and development work on its property interests, and there is no assurance that the Company will be able to establish a practical working relationship with any Indigenous organization in the area which would allow it to ultimately develop its property interests.

Local Resident Concerns

The exploration and development of the Company's projects could be subject to resistance from local residents that could prevent or delay exploration and development of its properties.

Insurance Risks

Exploration, development, and production operations on resource properties involve numerous risks, including unexpected or unusual geological and/or operating conditions, fires, floods, earthquakes and other environmental occurrences, any of which could result in damage to, or destruction of, producing facilities, damage to life or property, environmental damage and possible legal liability. Although precautions to minimize risk will be taken, operations are subject to hazards that may result in environmental pollution and consequent liability that could have a material adverse impact on the business, operations and financial performance of the Company. It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks as a result of high premiums or other reasons. Should such liabilities arise, they could have an adverse impact on the Company's results of operations and financial condition and could cause a decline in the value of the Company's shares.

Key Person Insurance

The Company does not maintain key person insurance on any of its directors or officers, and as result the Company would bear the full loss and expense of hiring and replacing any director or officer in the event the loss of any such persons by their resignation, retirement, incapacity, or death, as well as any loss of business opportunity or other costs suffered by the Company from such loss of any director or officer.

Litigation Risks

The Company and/or its directors may be subject to a variety of civil or other legal proceedings, with or without merit and relating to a variety of causes including environmental, financial, operational and other causes of action. At this time, the Company is not aware of any material litigation matters that have not been publicly disclosed.

Dependence on Management

The success of the Company is dependent on the contributions of the individuals that make up its management team. The loss of services from an individual could have an unfavorable, short-term impact on the Company. Management maintains a strong equity position in the Company incentivizing their continued contributions, therefore this risk is considered to be low.

Risks of Relying on Consultants

The Company has relied on, and may continue to rely on, consultants and others for mineral exploration and exploitation expertise. The Company believes that those consultants are competent and that they have carried out their work in accordance with internationally recognized industry standards. However, if the work conducted by those consultants is ultimately found to be incorrect or inadequate in any material respect, the Company may experience delays or increased costs in developing its properties.

Conflicts of Interest

Some of the directors and officers of the Company are engaged as directors or officers of other companies involved in the exploration and development of mineral resources. Such engagement could result in conflicts of interest. Any decision taken by these directors and officers and involving the Company will be in conformity with their duties and obligations to compromise in an equitable way and in good faith with the Company and these other companies. Moreover, these directors and officers will declare their interests and will abstain to vote on any question which could give place to a conflict of interest.

Cyber Security Risks

As the Company continues to increase its dependence on information technologies to conduct its operations, the risks associated with cyber security also increase. The Company relies on management information systems and computer control systems. Business and supply chain disruptions, plant and utility outages and information technology system and network disruptions due to cyber-attacks could seriously harm its operations and materially adversely affect its operation results, Cyber security risks include attacks on information technology and infrastructure by hackers, damage or loss of information due to viruses, the unintended disclosure of confidential information, the issue or loss of control over computer control systems, and breaches due to employee error. The Company has implemented security procedures and measures in order to protect its systems and information from being vulnerable to cyber-attacks. The Company believes these measures and procedures are appropriate. To date, it has not experienced any material impact from cyber security events. However, it may not have the resources or technical sophistication to anticipate, prevent, or recover from rapidly evolving types of cyber-attacks. Compromises to its information and control systems could have severe financial and other business implications.

Tax Risk

The Company is subject to various taxes including, but not limited to the following Canadian taxes: income tax; goods and services tax; sales tax; land transfer tax; payroll tax. The Company's tax filings will be subject to audit by various taxation authorities. While the Company intends to base its tax filings and compliance on the advice of its tax advisors, there can be no assurance that its tax filing positions will never be challenged by a relevant taxation authority resulting in a greater than anticipated tax liability.

RISKS RELATING TO THE MARKET

Price of Lithium Salts and Spodumene Concentrates

Fluctuations in the price of lithium salts and spodumene concentrates and their substitutes could have material impacts on the financial results of the Company, the ability of the Company to finance its activities and the price of its common shares. Lithium prices are affected by numerous factors beyond the Company's control, including producer hedging activities, the relative exchange rate with other major currencies, global and regional demand, and political and economic conditions. Worldwide lithium production levels also affect the pricing of this commodity, and prices are occasionally subject to rapid short-term changes due to speculative activities. Other market factors that pose commodity price risks to the Company include interest rate increases, inflation or deflation. Despite having the rare technical grade spodumene from the PAK deposit, price fluctuations may have material impacts on the financial results of the Company. The Company does not actively manage its exposure to price risk associated with these commodities and will not do so until it achieves production, if it does at any point in the future.

Lithium is considered an industrial mineral and the sales prices for the different lithium compounds are not public. Lithium is not a traded commodity like base and precious metals. Sales agreements are negotiated on an individual and private basis with each different end-user. In addition, there are a limited number of producers of lithium compounds and it is possible that these existing producers will try to prevent new-comers from entering the chain of supply by increasing their production capacity and lowering sales prices. Factors such as foreign currency fluctuation, supply and demand, industrial disruption and actual lithium market sale prices could have an adverse impact on operating costs and stock market prices and on the Company's ability to fund its activities. To the extent that markets for different lithium compounds do not develop in the manner contemplated by the Company, then the long-term growth of lithium products will be adversely affected, which would inhibit the potential for development of the Company's properties, their potential commercial viability and would otherwise have a negative effect on the business and financial condition of the Company.

Competition

The mining industry is intensely competitive in all its phases. The Company competes for the acquisition of mineral properties, claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees with many companies possessing greater financial resources and technical facilities than the Company. The competition in the mineral exploration and development business could have an adverse effect on the Company's ability to hire or maintain experienced and expert personnel or acquire suitable properties or prospects for mineral exploration in the future.

Market, Interest and Currency Risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. The Company is headquartered and has its mineral resources within Canada, thereby eliminating the majority of its sovereign and foreign exchange risk. Management therefore believes at the current state of exploration and development its risk management policy is adequate.

Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the group. Credit risk arises from cash and cash equivalents with banks and financial institutions as well as credit exposures to outstanding receivables. The Company currently has no exposure to credit, and therefore no credit risk.

Governmental Regulation

The activities of the Company are subject to various federal, provincial and municipal laws, which relate to the exploration and development, taxes, standards of work, diseases and the occupational safety, the safety in mines and transformation plants, toxic substances, the protection of the environment and others. The development is subject to legislative measures and laws with the federal, provincial and municipal levels relating to the protection of the environment. Such laws impose high standards on the mining and chemicals industry. Companies are expected to control the waste water and materials and to force the participants to account for such controls to the lawful authorities, to reduce or eliminate the impact that are generated by certain production activities; extraction and of treatment and which are later on deposited on the ground or are rejected into the air or the water, to complete work of restoration of the mining properties, to control dangerous waste and materials and to reduce the risk of industrial accidents. The defect to conform to the above-mentioned legislative measures can involve important fines and other penalties.

Environmental and Safety Regulations and Risks

Environmental laws and regulations may affect the operations of the Company. These laws and regulations set various standards regulating certain aspects of health and environmental quality. They provide for penalties and other liabilities for the violation of such standards and establish, in certain circumstances, obligations to rehabilitate current and former facilities and locations where operations are or were conducted. The permission to operate can be withdrawn temporarily where there is evidence of serious breaches of health and safety standards, or even permanently in the case of extreme breaches. Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous owners of acquired properties or noncompliance with environmental laws or regulations. In all major developments, the Company generally relies on recognized designers and development contractors from which the Company will, in the first instance, seek indemnities. The Company intends to minimize risks by taking steps to ensure compliance with environmental, health and safety laws and regulations and operating to applicable environmental standards. There is a risk that environmental laws and regulations may become more onerous, making the Company’s operations more expensive.

Climate Change

The Company acknowledges climate change and that the increased regulation of greenhouse gas emissions may adversely affect the Company’s operations and related legislation is becoming more stringent. The effects of climate change or extreme weather events may cause prolonged disruption to the delivery of essential commodities which could negatively affect production efficiency.

The Company makes efforts to mitigate climate risks by ensuring that extreme weather conditions are included in its emergency response plans. However, there is no assurance that the response will be effective, and the physical risks of climate change will not have an adverse effect on the Company’s operations and profitability.

Public Health Crisis Related Risk

In December 2019, COVID-19 emerged in China. Since then, it has spread to many other countries and infections have been reported around the world. On March 11, 2020, the World Health Organization declared the outbreak of COVID-19 a global pandemic. In response to the outbreak, governmental authorities in Canada and internationally have introduced various recommendations and measures to try to limit the pandemic, including travel restrictions, border closures, non-essential business closures, quarantines, self-isolations, shelters-in-place, and social distancing. The COVID-19 outbreak and the response of governmental authorities to try to limit it are having a significant impact on the private sector and individuals, including unprecedented business, employment, and economic disruptions. The continued spread of COVID-19 nationally and globally could have an adverse impact on the business of the Company, operations and financial results, including but not limited to, the Company’s ability to complete its planned exploration program in a timely manner. In response to the COVID-19 pandemic, the Company has implemented precautionary measures at its corporate office, including limiting visits to essential personnel and ensuring proper protocols around sanitation and social distancing.

The Company may be adversely affected by other public health crises and other events outside its control. Public health crises, such as epidemics and pandemics, acts of terrorism, war or other conflicts and other events outside of the Company's control, may adversely impact the activities of the Company as well as operating results. In addition to the direct impact that such events could have on the Company's facilities and workforce, these types of events could negatively impact capital expenditures and overall economic activity in impacted regions or, depending on the severity of the event, globally, which could impact the demand for and prices of commodities. A prolonged continuance of a public health crisis could also have a material adverse effect on overall economic growth and impact the stability of the financial markets and availability of credit. Any of these developments could have a material adverse effect on the Company's business, financial position, liquidity and results of operations.

Conflict in Ukraine and International Response

The recent outbreak of hostilities in Ukraine, and the accompanying international response including economic sanctions, has been extremely disruptive to the world economy, with increased volatility in commodity markets, including higher oil and gasoline prices, international trade and financial markets, all of which have a trickle-down effect on supply chains, equipment and construction. There is substantial uncertainty about the extent to which this conflict will continue to impact economic and financial affairs, as the numerous issues arising from the conflict are in flux and there is the potential for escalation of the conflict both within Europe and globally. There is a risk of substantial market and financial turmoil arising from the conflict which could have a material adverse effect on the economics of the Company's projects, and the Company's ability to operate its business and advance project development.

RISKS RELATING TO THE SECURITIES OF THE COMPANY

Price Volatility of Publicly Traded Securities

In recent years, the securities markets in Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. It may be anticipated that any quoted market for the Common Shares will be subject to market trends generally, notwithstanding any potential success of the Company in creating revenues, cash flows or earnings. The value of Common Shares distributed hereunder will be affected by such volatility.

Resale of Common Shares

The continued operation of the Company will be dependent upon its ability to generate operating revenues and to procure additional financing. There can be no assurance that any such revenues can be generated or that other financing can be obtained. If the Company is unable to generate such revenues or obtain such additional financing, any investment in the Company may be lost. In such event, the probability of resale of the Common Shares purchased would be diminished.

Dilution

Additional financing needed to continue funding the development and operation of the Company may require the issuance of additional securities of the Company. The issuance of additional securities and the exercise of common share purchase warrants, options and other convertible securities will result in dilution of the equity interests of any persons who are or may become holders of common shares.

Dividends

The Company has no current plans to pay any cash dividends for the foreseeable future. Any decision to declare and pay dividends in the future will be made at the discretion of the Board of Directors and will depend on, among other things, the Company's financial results, cash requirements, contractual restrictions and other factors that the Board of Directors may deem relevant. In addition, the Company's ability to pay dividends may be limited by covenants of any existing and future outstanding indebtedness that the

Company or its subsidiaries incur. As a result, investors may not receive any return on an investment in the Company's securities unless they sell the securities for a price greater than that which they paid for them.

XI. QUALIFIED PERSON

Unless stated otherwise herein, all scientific and technical data contained in this MD&A has been reviewed, approved and verified by Garth Drever, P.GEO. who is the Company's in-house "Qualified Person" within NI 43-101 and is a member in good standing of the Professional Geoscientists Ontario. Mr. Drever is also the Company's Vice President, Exploration. Therefore, he is not considered to be independent under NI 43-101.

XII. USE OF NON-GAAP FINANCIAL MEASURES AND RATIOS

The Company's financial results are prepared in accordance with IFRS. This document refers to a non-GAAP financial measure "working capital" which is not measures recognized under IFRS in Canada and that does not have a standardized meaning prescribed by IFRS or by Generally Accepted Accounting Principles ("GAAP") in the United States.

This non-GAAP financial measure does not have standardized meanings under IFRS, may differ from those used by other issuers, and may not be comparable to similar financial measure reported by other issuers. This financial measure has been derived from the Company's financial statements and applied on a consistent basis as appropriate. The Company discloses this financial measure because it believes they assist readers in understanding the result of the Company's operations and financial position and provide further information about the Company's financial results to investors.

This measure should not be considered in isolation or used in substitute for other measures of performance prepared in accordance with IFRS.

Working capital: the difference between current assets and current liabilities.

XIII. INTERNAL CONTROLS OVER FINANCIAL REPORTING

The Company's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") have established processes to provide them with sufficient knowledge to support representations that they have exercised reasonable diligence that: (i) the financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the financial statements; and (ii) the financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented. In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the corresponding certificate for venture issuers does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers of the Company do not make any representations relating to the establishment and maintenance of:

i. controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

ii. a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with IFRS.

The Company's CEO and CFO are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in the corresponding certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

XIV. OUTSTANDING SHARE DATA

As at June 28, 2022, the Company had 211,660,067 common shares issued and outstanding, and 15,683,717 stock options and 5,125,297 warrants outstanding.

XV. OTHER INFORMATION

Additional information regarding the Company is available on the Company's website (www.frontierlithium.com) and on the Company's profile on SEDAR at www.sedar.com.

FRONTIER LITHIUM INC.

Trevor R. Walker, President & CEO
June 28, 2022