



FRONTIER LITHIUM INC.

MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE NINE MONTHS

ENDED

DECEMBER 31, 2021

This Management Discussion & Analysis (“MD&A”), for Frontier Lithium (“Frontier” or the “Company”), is prepared with an effective date of December 31, 2021 unless otherwise indicated and should be viewed in conjunction with the Company’s financial statements. Other continuous disclosure documents, including the Company’s press releases and other quarterly and annual reports are available through its filings with the securities regulatory authorities in Canada at www.sedar.com (“SEDAR”) and are also available on the Company’s website www.frontierlithium.com.

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INTRODUCTION

The following management discussion and analysis (the "MD&A") objective is to help the reader better understand the activities of Frontier Lithium Inc. (the "Corporation") and the highlights of its financial condition. It explains the financial situation and the results for the nine-month period ended December 31, 2021 and 2020 and the comparison of the Corporation's condensed interim statement of financial position as at March 31, 2021 and March 31, 2020.

The MD&A has been prepared in accordance with Regulation 51-102 and should be read in conjunction with the audited financial statements for the twelve-month period ended March 31, 2021, and the audited consolidated financial statements of the Corporation for the fiscal year ended March 31, 2020 and the related notes thereto which are available on the SEDAR website at www.sedar.com. All financial information contained in this MD&A and the Corporation's interim unaudited financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

The interim unaudited financial statements and this MD&A have been reviewed by the Audit Committee and approved by the Corporation's Board of Directors on February 17, 2022. Unless otherwise indicated, all the amounts in this MD&A are in Canadian dollars unless otherwise indicated.

FORWARD LOOKING STATEMENTS

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 Corporation, constitute "forward-looking information" or "forward-looking statements" within the meaning of certain 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 Corporation, 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 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. The Corporation disclaims any intention or obligation to update or revise any forward-looking statements or to explain any material difference between subsequent actual events and such forward-looking statements, except to the extent required by applicable law.

I. REPORTING ENTITY, NATURE OF OPERATIONS, SCOPE OF ACTIVITIES AND GOING CONCERN

Frontier Lithium (“Corporation” or “the Corporation”) is a Canadian junior mining Corporation actively focused on the acquisition, exploration and development of mineral resource properties in North America. The Corporation is domiciled in Canada and incorporated under the Canada Business Corporations Act. The Corporations’ registered office is located at 2736 Belisle Drive, Greater Sudbury, Ontario (P3N 1B3). The Corporation is listed on the following exchanges:

Jurisdiction	Exchange	Symbol
Canada	Toronto Stock Exchange Venture (TSX.V)	FL
United States	Over-the-Counter (“OTCQX”)	LITOF
Germany	Borse Frankfurt	HL2

All material assets of the Corporation are located in the province of Ontario. The Corporation’s main assets include (not limited to), a mining lease, mining claims, exploration camp infrastructures and related equipment, vehicles, computer software and hardware.

II. BUSINESS ACTIVITIES AND OBJECTIVES, PLANNED WORK AND FUTURE MILESTONES

CORPORATION AND LOCATION

The Corporation is a pure-play lithium mineral exploration and development company focused on its 100%-owned PAK Lithium Project in northwestern Ontario, Canada. The Corporation 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 Corporation’s PAK Lithium Project (Figure 1).

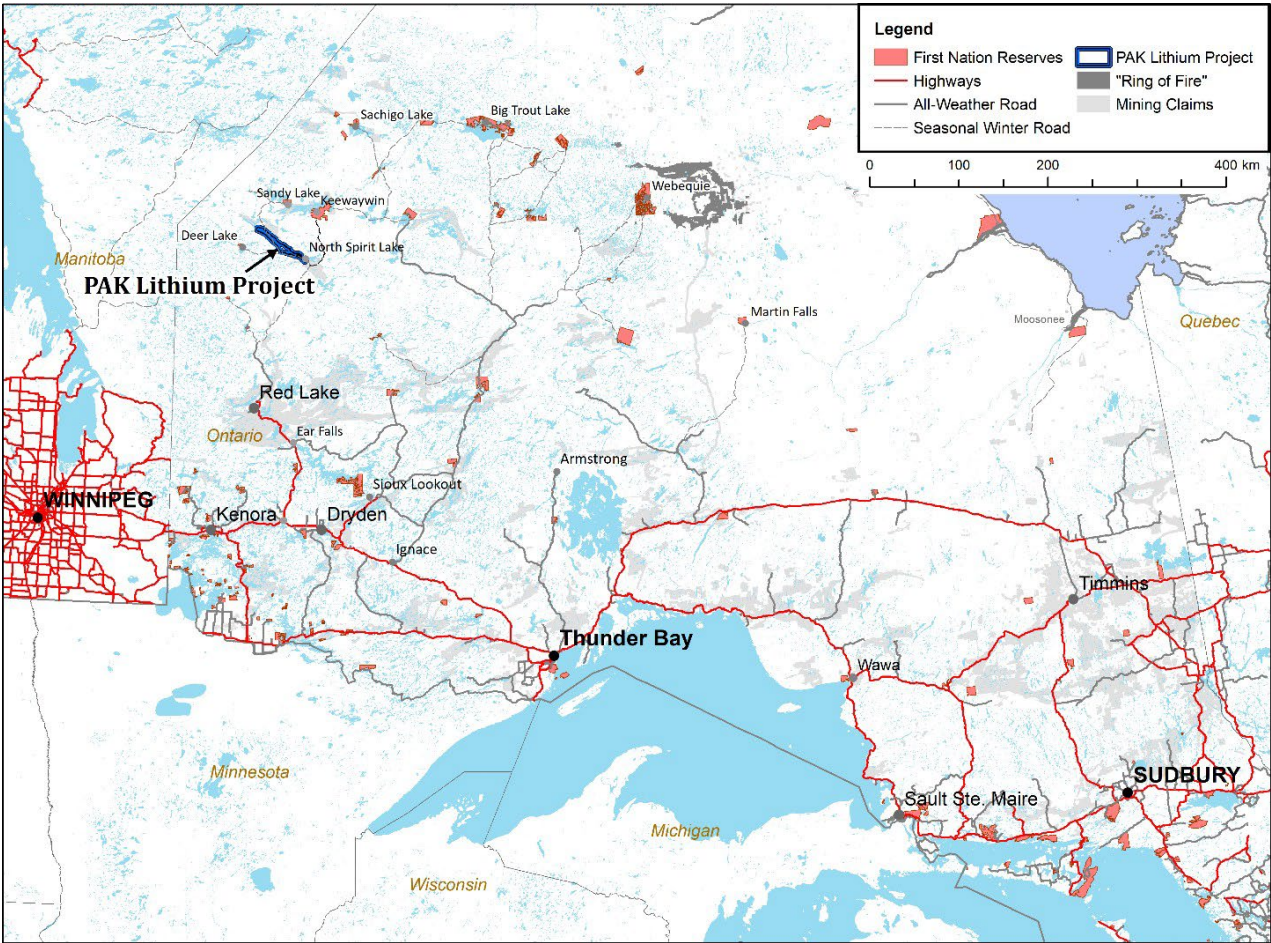


Figure 1: Project Location

CORPORATION OVERVIEW

Frontier Lithium’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. Frontier is a Greater Sudbury, Ontario based company which maintains the largest land position and resource in a new premium lithium mineral district located in Ontario’s Great Lakes region. The region is advantaged by favourable geology, proven metallurgy with access to intermodal hubs, infrastructure, power, and mining along with downstream lithium processing expertise for auto OEM's future

lithium-ion battery requirements.

Frontier'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. The company has recently published a Preliminary Economic Assessment ("PEA") that resulted in a post-tax NPV_{8%} of USD \$974M and a 21% 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 (NI 43-101 Technical report titled "PAK Property" by BBA Engineering Ltd. issued on April 5, 2021). The company is currently conducting in-fill drilling on the Spark deposit and also currently performing an internal scoping study to assess various lithium chemical process options where test work is being conducted with various bench-scale and mini pilot-plant levels for producing lithium hydroxide.

The Corporation 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](#)) with the PAK deposit. The PAK and Spark deposits combined make up the highest-grade resource with the lowest iron impurity levels (e.g., iron levels less than .15% Fe₂O₃ in the lattice of the spodumene crystals).



Figure 2: Surficial Exposure of PAK deposit

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods affected.

III. HIGHLIGHTS FOR THE NINE MONTHS ENDED DECEMBER 31 2021 AND UP TO THE DATE OF THIS REPORT AND NEXT STEPS

EXPLORATION AND DEVELOPMENT HIGHLIGHTS:

During the fiscal year ended March 31, 2021, 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. As of December 31, 2021, a total of \$21,451,366 in acquisition and exploration expenditures have been incurred on the project, net of government assistance.

The Corporation has had a successful year by advancing exploration and development work. In Fiscal 2021 the company uncovered a significant pegmatite zone referenced as the Bolt pegmatite that is immediately southwest of the Spark pegmatite on trend with the PAK deposit. In addition, the company has completed one phase of diamond drilling on the Spark deposit. A LiDAR survey was flown in June 2021 to produce high resolution imaging of the entire project

A NEW DISCOVERY “BOLT”

On November 17, 2020, the Corporation announced the discovery of a significant pegmatite zone along trend of the Spark and PAK pegmatites. It has been traced intermittently over 600 m immediately to the west of Lucky Lake (Figure 3). A 36.4 m portion of the pegmatite was channeled returning 1.5% Li₂O over the entire length. Similarly, to PAK, it has been intruded concordant with the main trend of the host rock. Several zones of pegmatite were discovered ranging between a few metres to over 50 m wide and traced for at least 600 m along the western side of Lucky Lake. The pegmatite encountered is generally concordant with the mafic meta-volcanic host rock and oriented sub-vertical. The surface of the pegmatite is typically dark grey, lichen-covered and oxidized making it considerably less conspicuous than the lighter-colored Spark and PAK pegmatites.

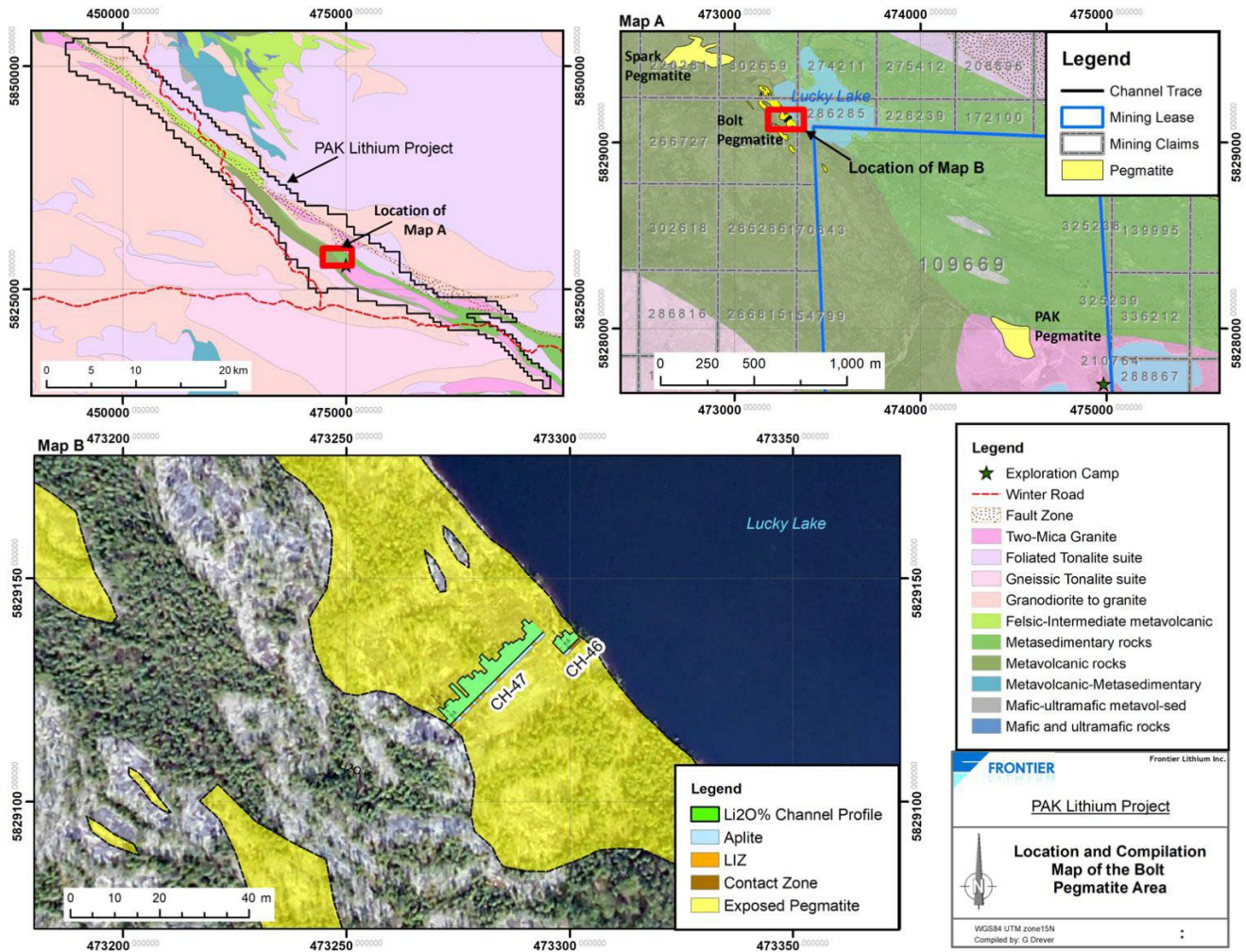


Figure 3: Compilation of the Bolt Pegmatite Discovery

PHASE IX and X DRILLING AT SPARK

The Corporation completed the Phase IX and X drilling programs during February and March and September and October, 2021, with a combined total of 3,289 m in 11 holes. The objectives for the Phase IX and X drill programs were to complete targets for completing a Pre-Feasibility Study expected in calendar 2022. Drilling included eight delineation (in-fill) and three geomechanical holes. The geomechanical holes were drilled to test stability of the proposed southern pit wall. Figure 1 is a location map showing the project area including a compilation of the Spark Deposit area with traces for all drilling including the Phase IX and X holes. As of December 31, 2021, all samples had been submitted for chemical analysis whereby four of the eight holes have been received and reported. Of note, diamond drill hole PL-048-21 collared in pegmatite and intersected 340.7m of pegmatite averaging 1.68% Li₂O. In addition, geomechanical DDH PL-GDH-06-21 intersected 82.2m averaging 1.25% Li₂O thereby increasing the probability of that the Spark deposit extends to the southwest and could be significantly larger.

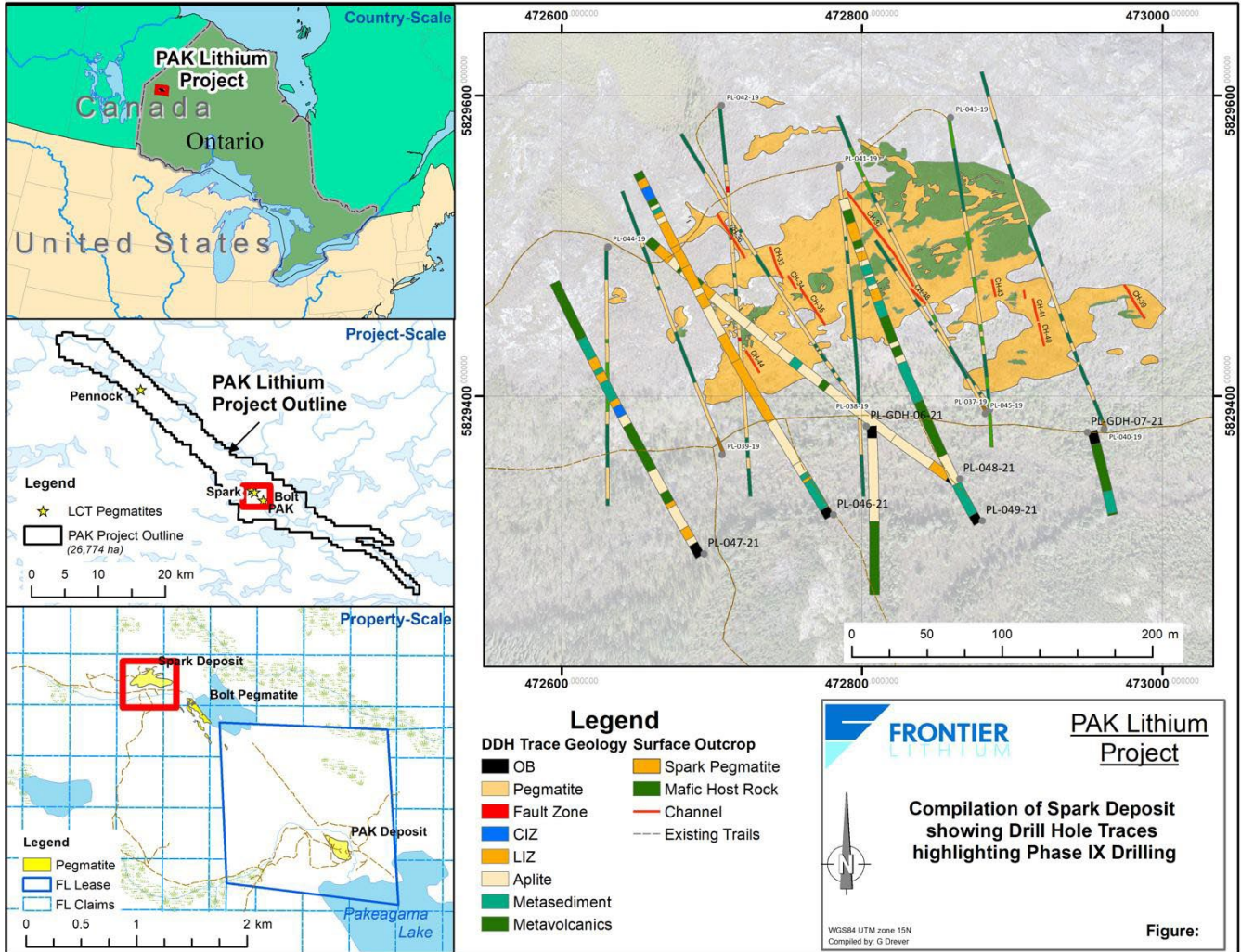


Figure 4: Compilation of the Spark Pegmatite showing highlighting Phase IX Drill Holes

The PAK Lithium Project's resource that is comprised of the Spark and PAK deposits are graduating to Tier I status. The size of resource allows for Frontier's objective delineating an adequate size of reserves for being a fully integrated mining and chemical company producing 25,000 tonnes LCE for an estimated 20 or more years.

In September, Frontier announced the results of the remaining three delineation drill hole drilled during The PhaseIX drill program in February and March, 2021 on the Spark pegmatite. The objectives for the Phase IX drill program in February-March 2021 were to complete targets that were not easily accessible in summer months and considered vital for completing a Pre-feasibility Study. Highlights from the program were

- Diamond Drill Hole ("DDH") PL-046-21 was collared in mafic host rock and intersected 320.6 m of pegmatite averaging 1.68% Li₂O (49.7 to 370.3 m);
 - Includes 94.5m averaging 2.33% Li₂O;
 - Includes high grade zone of 27m of 3.41% Li₂O;
 - The intersection represents a horizontal width of nearly 225 m for the Spark pegmatite assuming a WSW trend;
- Hole PL-047-19 was collared in pegmatite suggesting a southwest trend for the pegmatite body.
- Hole PL-049-19 targeted the area between the two main sets of surface channels from the south and intersected three 15 to 40m pegmatite zones averaging 1.3 to 1.6% Li₂O.

DEVELOPMENT

Lithium chemicals Test Work Programs

The Company is currently conducting an internal scoping study to assess various lithium chemicals processing options for selection of demonstration for its future commercial objectives. As part of the test work required Frontier has constructed a mini-pilot with the goal of producing high quality lithium-bearing pregnant leach solutions ("PLS") that are suitable for continuous crystallization. In January 2021, the Corporation announced the commencement of a lithium hydroxide mini-pilot plant program assessing a variation of the "conventional" sulphate process.

The pilot aims to generate initial high-purity battery grade lithium hydroxide chemical which will be used as marketing samples displaying the potential of the resource and to provide essential data required for a future feasibility study to be conducted by the company. The pilot work attracted a \$363,000 investment from Northern Ontario Heritage Fund Corporation.

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 most feasible options ([Figure 5](#)) to convert high-quality feedstock to subsequent lithium salts. Frontier's PAK lithium project is in the Great Lakes region, a location identified by the Corporation to become a critical North American supply chain hub for electric vehicle production and sales.

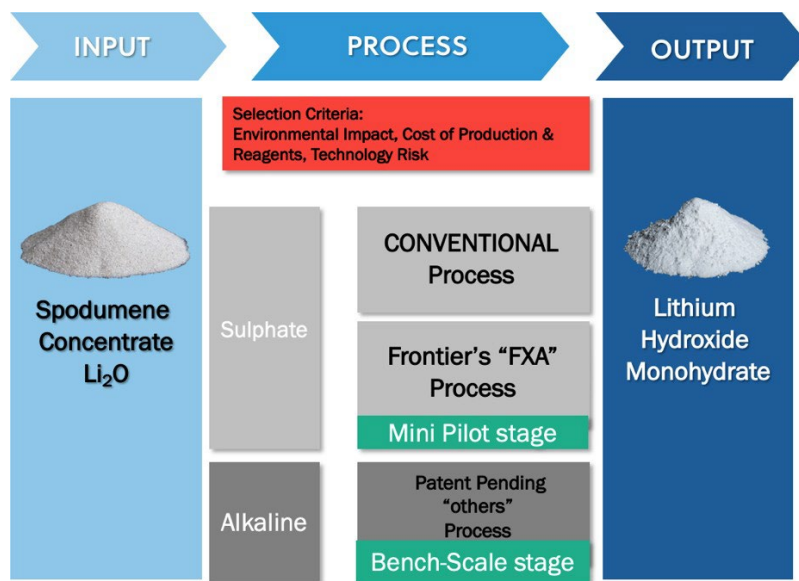


Figure 5: Lithium Chemicals process assessment

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 in Fiscal 2022 which will be utilized in a Preliminary Feasibility Study.

The Corporation 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, Frontier is targeting the vehicle manufacturing potential of Ontario and Michigan as the greatest potential use of premium lithium salts.

On May 26, 2021, the Company and the Ontario Government announced that the province will be contributing \$363,000 towards assisting 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 Frontier Lithium 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.

Strengthening the Management Team

In July, Frontier 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 an impressive 31-year career. Mr. Boissonneault oversaw

Glencore's global nickel industrial business, which included Raglan Mines (Quebec), Murrin 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 Frontier has 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 Evolgen 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.

IV. MINING PROPERTY, 2021 PRE-ECONOMIC ASSESSMENT (PEA) FOR FULLY INTEGRATED MINING TO CHEMICAL PRODUCTION

At the date of this report, the Corporation owns 100% of the PAK Lithium mining property consisting of one mining lease containing the PAK Deposit and 1,378 contiguous mining claim units totalling 26,774 hectares. [Figure 6](#) is a location map showing the location of the PAK Lithium project land tenure relative to other land holders. Applications for two additional Mining Leases consisting of 119 of the Mining Claims have been submitted and are expected to be granted during Fiscal 2022 ([Figure 7](#)).

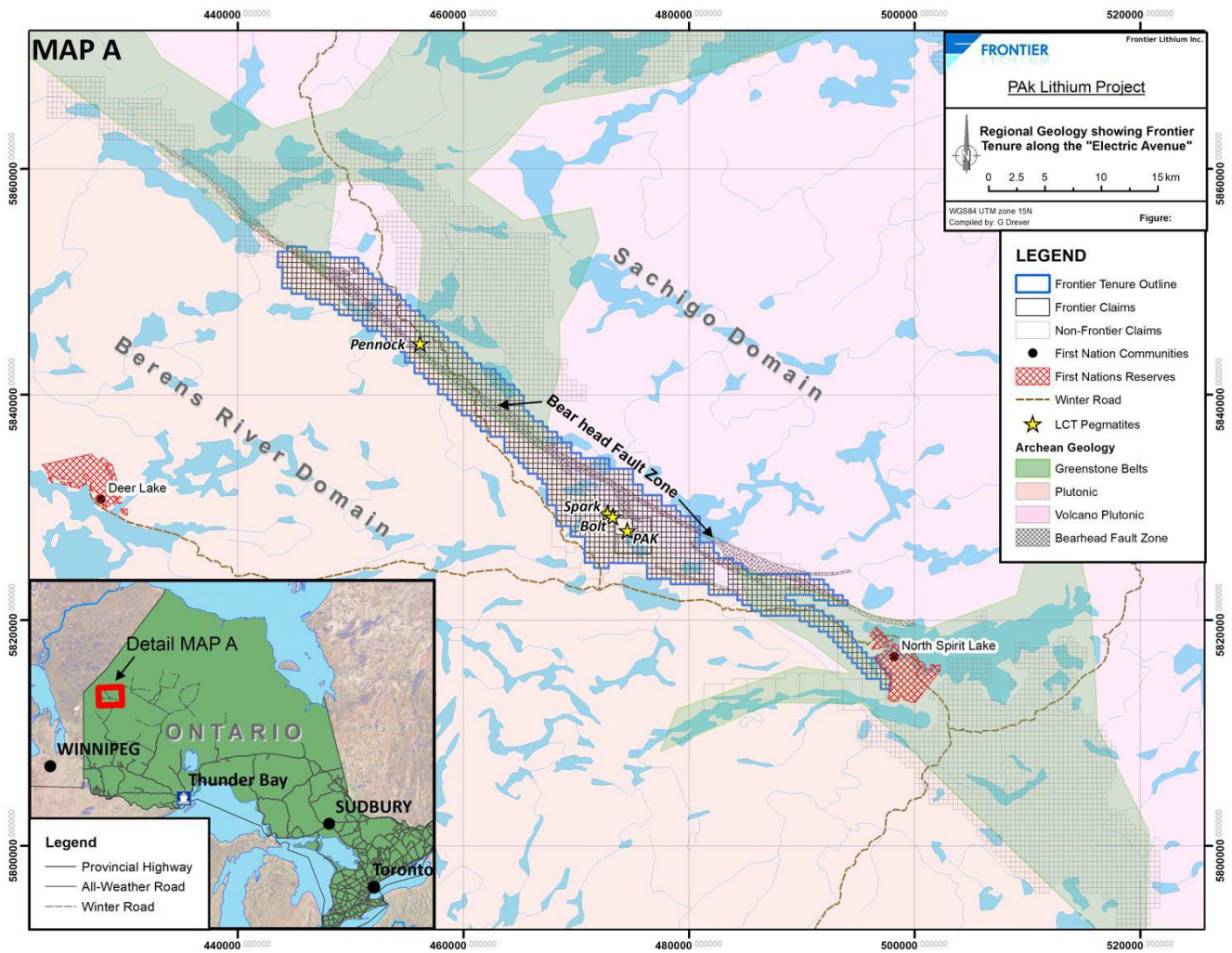


Figure 6: Location of Frontier Lithium Land Tenure along the "Electric Avenue" of Northwestern Ontario

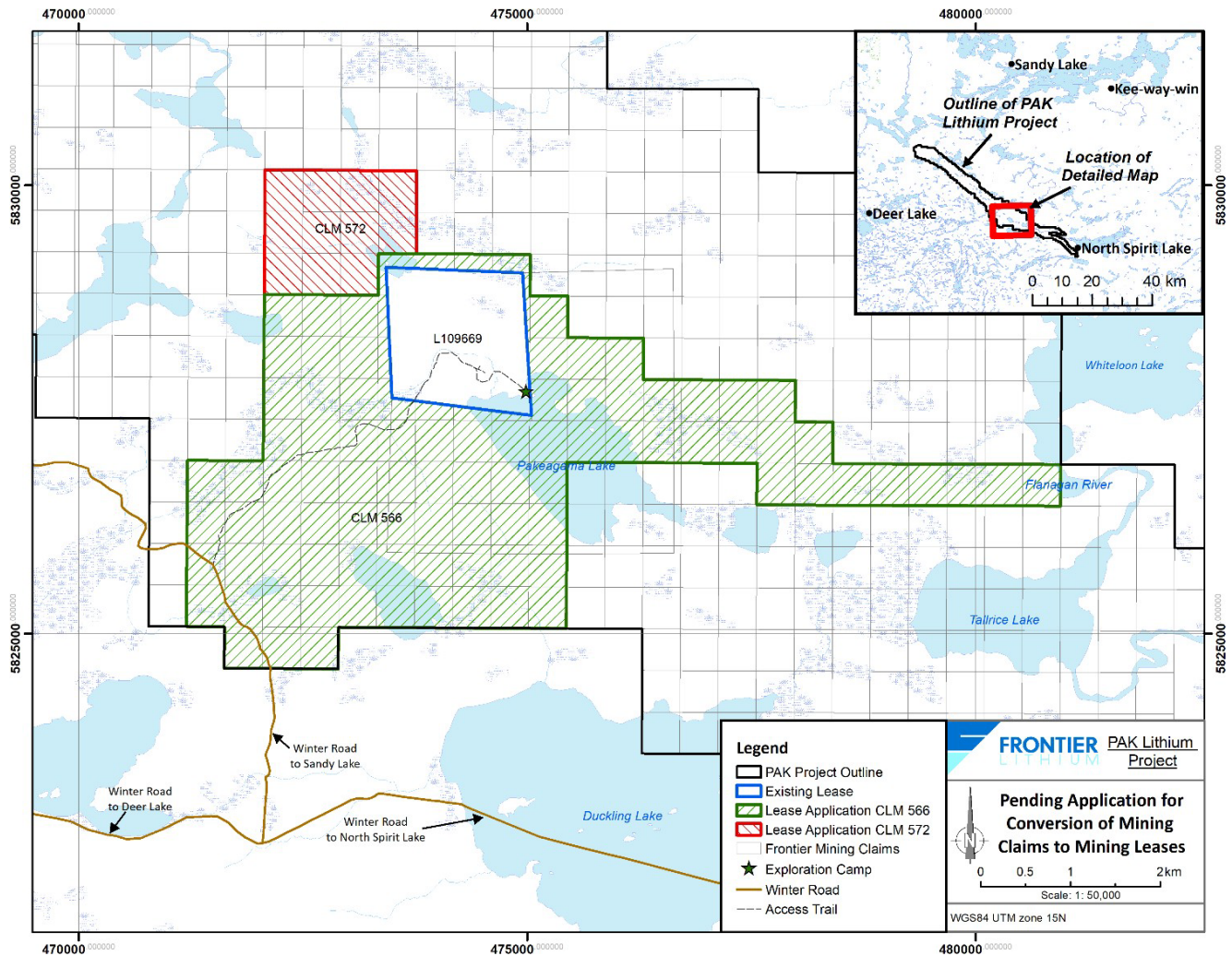


Figure 7: Location of Pending Mining Lease Applications

There has been no previous mining or other development activities on the project. The only activities have been early exploration including line cutting ground geophysics, geological mapping, outcrop sampling, diamond drilling, and a 280-tonne bulk sample from the PAK deposit's high-grade zone (UIZ) at surface in 2015.

In early April 2021, the Corporation acquired the 2.5% Net Smelter Royalty (“NSR”) that was outstanding on the Company’s Pakeagama Lake Mining Lease 109669 for consideration of \$4,000,000 in cash and 1,000,000 common shares of the Company at a price of \$1.00 per share. As a result of the above-mentioned transaction the current known resource comprised from the PAK and Spark deposits remains free and clear of the NSR.

On February 16th, 2021, the Corporation announced the results of a Preliminary Economic Assessment (PEA) for a proposed mine-to-lithium hydroxide chemical hydro-met plant facility. This fully Integrated Project PEA assumes a hydro-met plant that would convert spodumene concentrate feedstock sourced from open-pit mining and a

milling facility producing spodumene concentrates at the Company's PAK Lithium Project, located north of Red Lake, Ontario.

The fully Integrated Project PEA has been undertaken to determine the potential viability of the integrated project comprising a mine/concentrator and chemical plant in northern Ontario and to reach a decision to proceed with more definitive studies. This PEA is preliminary in nature, includes inferred mineral resources that are considered too geologically speculative to have the economic considerations applied to them that would enable them to be categorized as mineral reserves. There is no certainty the PAK Lithium Project outlined by the PEA will be realized. The Company has concluded it has a reasonable basis for providing the forward-looking statements included in this MD&A and believes that it has a reasonable basis to expect it will be able to fund the development of the Integrated Project. Given the uncertainties involved, investors should not make any investment decisions based solely on the results of the PEA.

MINING AND MILLING

A preliminary integrated site plan including mining operations, waste disposal, and concentrator was considered and developed for the purpose of the PEA. The PEA study outlines two open pits at the mine, one at the PAK deposit and one at the Spark deposit. The PAK deposit contains a pit constrained mineral resource in the measured and indicated categories of 5.4 million tonnes averaging 1.99% Li₂O and a pit constrained inferred mineral resource of 0.60 million tonnes averaging 1.97% Li₂O that hosts a rare technical/ceramic grade spodumene with low inherent iron (below 0.1% Fe₂O₃). The Spark deposit is located only 2km northwest of the PAK deposit and contains a pit constrained mineral resource estimate of 3.3 million tonnes averaging 1.59% Li₂O in the indicated category and a pit constrained mineral resource of 15.7 million tonnes averaging 1.31% Li₂O in the inferred category. [Figure 8](#) is a 3D rendering of both PAK and Spark showing the pit constraint. Under the PEA, the open pits targeted production results in an anticipated stripping ratio of 3.6 to 1. The open pits will be mined using a standard fleet of off-road mining trucks and hydraulic excavators at a rate of approximately 2,900 tonnes of ore per day. The concentrator will process all of the ore generated from mining operations. Frontier Lithium has filed with appropriate authorities for a mining lease which comprises the mining and surface rights necessary to mine the PAK and Spark deposits and encompass the appropriate area for a mining operation as outlined in the PEA. Frontier Lithium does not have the necessary permits in place at the time of writing this document to build the project as described in the PEA.

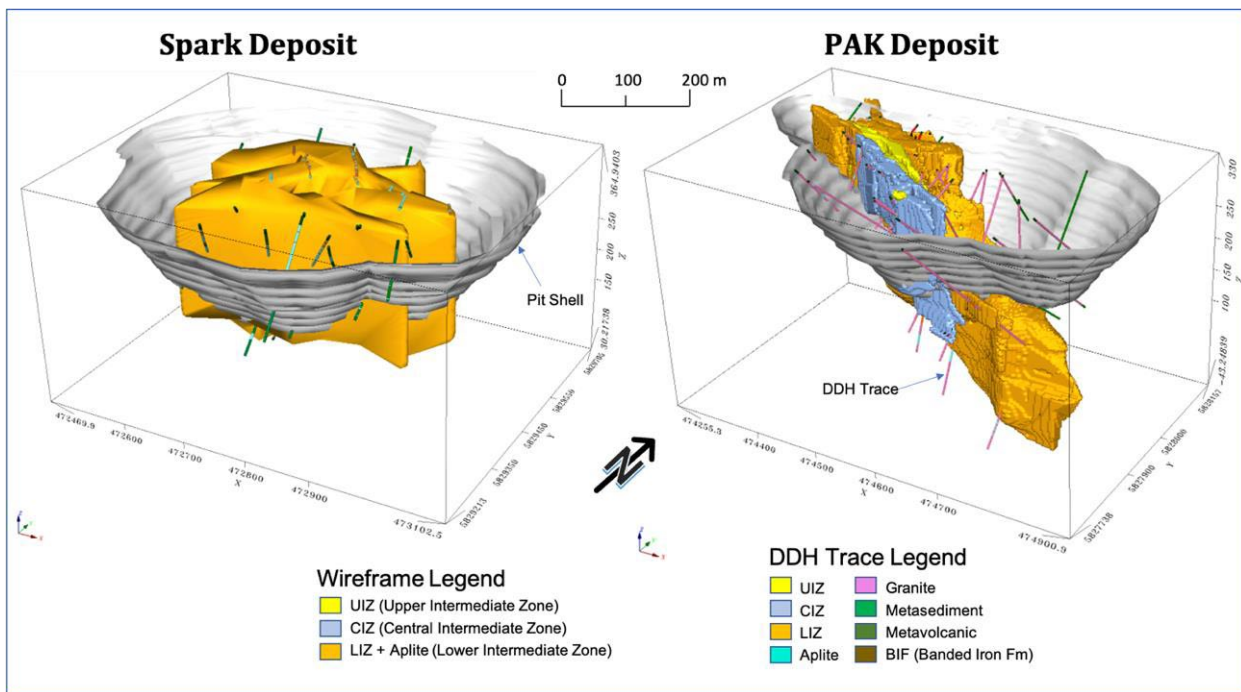


Figure 8: 3-D Rendering of the Pak and Spark Deposits with the PEA Pit Constraints

CHEMICAL – HYDRO-MET PLANT

The hydro-met plant PEA considers a lithium processing plant to be located on a Great Lakes port and includes spodumene concentrate receiving and storage facilities, reagent receiving and storage facilities, process facilities and site infrastructure. For the purpose of the PEA the chemical plant flowsheet incorporates as far as practical ‘conventional’ or proven-in-operation, equipment, and process stages, in order to minimize process, technology and equipment risk. The hydro-met plant is designed to produce 23,174 tonnes per year of battery grade lithium hydroxide monohydrate (approx. 20,400 t/year of lithium carbonate equivalent “LCE”)

The tables below highlight selected information regarding the PEA.

Table 1: Summary of PAK Project PEA Economics

Project Economics	
Pre-Tax	
NPV8	\$1.62 Billion (“B”)
IRR	27%
Cumulative Cash Flow	\$5.26 B
Annual Average EBITDA (steady-state)	\$225 Million (“M”)
Post-Tax	
NPV8	\$974.6 M
IRR	21%
Cumulative Cash Flow	\$3.51 B

Table 2: Summary of PAK Project PEA Assumptions

Economic Assumptions and Parameters	
Exchange Rate (\$USD/\$CAD)	\$0.78
Discount Rate (base case)	8%
Technical Grade Concentrate (7.2% Li2O)	\$1,600/tonne
Chemical Grade Concentrate (6.0% Li2O)	\$750/tonne
Lithium Hydroxide Monohydrate_Battery Grade	\$13,500/tonne

Table 3: Summary of PAK Project PEA Production Profile

Production Profile	
Total Project Life (LOM)	26 Years
Mine and Concentrator	
Total Tonnes Milled	22,914,500
Diluted Head Grade	1.46% Li2O
Average Stripping Ratio (W:O)	3.6
Daily mill commercial throughput	2,900 t/d
Average Lithium Recovery (mill)	83.9%
Total CG Production (6.0% Li2O)	4,076,600 tonnes
Total TG Production (7.2% Li2O)	525,700 tonnes
Hydromet Plant	
Yearly chemical plant throughput	160,000 tonnes
Lithium Recovery	85%
Total battery grade Lithium Hydroxide (LiOH)	556,200 tonnes

Table 4: Summary of PAK Project PEA Operating Costs

Operating Costs	\$/t processed
Mine and Concentrator	
Direct Open Pit Mining Cost	3.48
Direct Processing Cost	17.82
Avg. Spodumene Conc. Production Cost (EXW hydromet plant)	313
Hydromet Plant	
Average Processing Cost	1,785
Lithium Recovery	85%
Total Lithium Hydroxide Production Cash Cost (EXW plant)	4,083

Table 5: Summary of PAK Project PEA Capital

Capital Requirements	\$ Million
EPCM	41.3
Contingency	111.4
Mine and Mill	
Site Preparation/Infrastructure	41.4
Mill Processing and Storage	100.3
Power Distribution	6.2
Open Pit Equipment	16.6
Water treatment and waste management	4.2
Chemical Plant	
Civil/Structural	103.9
Hydromet Processing	168.8
Utilities/Aux. & Services	90.9
Total Pre-Production Capital Cost	684.9
Total Sustaining Capital Cost	117.1

Table 6: Summary of PAK Project Resources

PAK Lithium Project Global Resource										
<i>(January 22, 2021)</i>										
Deposit	Cut-off	Resource Category	Commodity	Geologic Zone	MT	Li ₂ O (%)	Ta ₂ O ₅ (ppm)	Cs ₂ O (%)	Rb ₂ O (%)	Contained Li ₂ O (t)
PAK Open-Pit	0.6 % Li ₂ O	Measured	Lithium Zone	UIZ,LIZ	1.34	2.14	94	0.04	0.25	28,790
			Pegmatite	Bulk	1.34	2.14	94	0.04	0.25	28,790
		Indicated	Lithium Zone	UIZ,LIZ	4.08	1.94	97	0.04	0.29	79,246
			Pegmatite	Bulk	4.62	1.72	99	0.04	0.33	79,246
		Inferred	Lithium Zone	UIZ,LIZ	0.60	1.97	81	0.02	0.23	11,893
			Pegmatite	Bulk	0.68	1.75	89	0.03	0.26	11,893
PAK Underground	0.6 % Li ₂ O	Measured	Lithium Zone	UIZ,LIZ	-	-	-	-	-	-
			Pegmatite	Bulk	-	-	-	-	-	-
		Indicated	Lithium Zone	UIZ,LIZ	1.26	2.15	91	0.04	0.29	27,127
			Pegmatite	Bulk	1.27	2.14	91	0.04	0.29	27,127
		Inferred	Lithium Zone	UIZ,LIZ	2.07	2.38	72	0.02	0.25	49,214
			Pegmatite	Bulk	2.08	2.37	73	0.02	0.25	49,214
PAK Combined Open Pit & Underground		Measured	Lithium Zone	UIZ,LIZ	1.34	2.14	94	0.04	0.25	28,790
			Pegmatite	Bulk	1.34	2.14	94	0.04	0.25	28,790
		Indicated	Lithium Z	UIZ,LIZ	5.34	1.99	96	0.04	0.29	106,373
			Pegmatite	Bulk	5.88	1.81	98	0.04	0.32	106,373
		Inferred	Lithium Zone	UIZ,LIZ	2.67	2.29	74	0.02	0.24	61,107
			Pegmatite	Bulk	2.76	2.22	77	0.02	0.25	61,107
Total PAK		Measured + Indicated		Bulk	7.23	1.87	97	0.04	0.31	135,163
		Inferred		Bulk	2.76	2.22	77	0.02	0.25	61,107
		Total Resource		Bulk	9.99	1.97	91	0.04	0.29	196,270
Total Spark	0.6 % Li ₂ O	Indicated		Bulk	3.26	1.59	123	0.02	0.26	51,850
		Inferred		Bulk	15.72	1.31	108	0.02	0.23	205,906
		Total Resource		Bulk	18.98	1.36	111	0.02	0.23	257,756
Total PAK <i>plus</i> Spark			Measured + Indicated		10.49	1.78	105	0.03	0.29	187,013
			Inferred		18.48	1.45	104	0.02	0.23	267,013
Total Resource (PAK + Spark)					28.97	1.57	104	0.03	0.25	454,025

The Corporation has expended to December 31, 2021, a total of \$21,451,366 in acquisition and deferred exploration costs, net of government assistance. Reserve LCE/PAK Lithium Project acquisition/exploration costs total an estimated CAD \$50/tonne LCE (Measured and Indicated basis), a justified investment given that current battery grade carbonate spot pricing is above \$40,000.00 / tonne in global markets.

Lithium and market analysts consider 25 years supply of 20k tonnes LCE or 500k tonnes LCE total as being a key project metric for evaluating companies and projects globally. The open-pit constrained PAK and Spark Resource (Measured and Indicated) is 394,820 tonnes LCE and reduced to an “internally” estimated Reserve of 276,374 tonne LCE when factoring Resource to Reserve discount of .7 (based on previous studies at PAK). Management is targeting an additional 8 to 10 million near-surface tonnes (measured and indicated) on the Spark Pegmatite. Table 7 outlines the Corporation’s rationale for an exploration target of an additional 8 to 10 million tonnes grading between 1.3 to 1.6% Li₂O for a total Spark target of 11 – 14 million tonnes of measured and indicated.

Table 7: Current Estimate of Reserve and Exploration Target

Currently Outlined					
AREA	Resource (Measured and Indicated)				Reserve *
	Li ₂ O%	MT	Li ₂ O Tonnes	LCE Tonnes	LCE Tonnes
PAK Open Pit (M)	2.14	1.34	28,676	70,911	49,638
PAK Open Pit (I)	1.94	4.08	79,152	195,731	137,012
Spark Open Pit (I)	1.59	3.26	51,834	128,178	89,724
Totals			159,662	394,820	276,374
Exploration Target					
AREA	Resource (Measured and Indicated)				Reserve *
	Li ₂ O%	MT	Li ₂ O Tonnes	LCE Tonnes	LCE Tonnes
Spark Open Pit (M+I)	1.3	10	130,000	321,470	225,029
Spark Open Pit (M+I)	1.6	8	128,000	316,525	221,567
<i>* Reserve (Mineable) ~ 70% of the Resource</i>					
Factors					LCE Tonnes
20 years of supply at 25Kt LCE per year					500,000
Estimate of Mineable LCE at PAK					276,374
Reserve (Mineable LCE Required)					223,626
Resource LCE Required					319,466

With proximity (~2 km from the PAK deposit), the Corporation has deemed Spark as the most cost-effective way of sourcing the additional LCE to hit the “chemical grade” feedstock metric as outlined above. This is an attainable goal given that Spark maintains approximately twice the surface area of the PAK deposit and drilling results to date have intersected strong grades and thicknesses.

In conclusion, the above rationale has been used for the short-term exploration expenditures on the project and establish management’s goal with a resource estimate of 8 - 10 million tonnes that fall under measured and indicated categories.

The deposit remains open in all directions and preliminary electron microprobe data suggest much of the spodumene within the pegmatite contains iron levels consistent with high-quality technical grade concentrates. It is estimated that an expenditure of \$750,000 and 2,000 metres of future drilling is required to increase the resource up to the measured and indicated goal mentioned above. To date, 100% of the required

drilling has been accomplished. The company is planning on completing the drilling and resource update in Q4 of Fiscal 2022.

V. SELECTED FINANCIAL INFORMATION

The following table summarizes the Corporations' selected key financial data taken from the consolidated statements of loss for the nine months ended December 31, 2021 and 2020 as well as the consolidated statement of financial position as at March 31, 2021, and March 31, 2020.

Table 8: Consolidation Statement of Loss

Consolidated statements of Loss		
	Nine-months ended Dec.31	
Earnings and loss	2021 (\$)	2020 (\$)
Net loss before income taxes	(4,810,188)	(1,558,674)
Net loss and comprehensive loss	(4,718,215)	(1,437,474)
Loss per share, basic and diluted	\$(0.024)	\$(0.008)

Table 9: Consolidation Statements of Financial Position

Consolidated statements of Financial Position		
	Period Ended	
	Dec.31, 2021 (\$)	Dec.31, 2020 (\$)
Cash and cash equivalents	7,973,893	691,808
Restricted cash (flow-through expenditures)	10,221,059	1,330,495
Working capital	17,649,785	1,570,817
Total assets	40,134,013	15,720,262
Total liabilities	902,029	563,121
Shareholder's Equity	39,231,984	15,157,141

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2021

As of December 31, 2021, the current assets of the Corporation were at \$18,494,377, an increase of \$16,360,439 when compared to December 31, 2020. The increase in the total assets during the nine-month period ended is due mostly to the increase in cash and cash equivalents ([Table 9](#)) as a result of the successful financings from April and December 2021.

Table 10: Statement of Operations, Comprehensive Loss and Deficit**For the nine months ended December 31, 2021**

	2021	2020
Expenses		
Stock option compensation (Notes 9)	\$2,763,694	\$804,697
Consulting (Notes 6)	537,823	252,468
Wages and benefits	556,308	98,439
Vehicle and travel	158,057	37,558
General and administrative	454,798	219,932
Professional fees	387,774	74,174
Shareholder and investor relations	-	2,428
Insurance	38,406	17,209
Telephone	13,397	9,029
Office rental (Note 6)	-	6,750
Bank charges and interest	9,416	6,190
Depreciation of Right of Use Asset (Note 7)	5,156	-
Depreciation	43,570	37,057
	4,968,399	1,566,678
Net loss before items below	(\$4,968,399)	(\$1,566,678)
Unrealized gain (loss) on currency	155,693	747
Unrealized gain (loss) on investments – FVTPL	2,518	8,004
Other Income	-	-
Net loss before income taxes	(\$4,810,188)	(\$1,558,674)
Income tax recovery	-	-
Deferred (Note 10)	91,973	121,200
	-	-
Net loss and comprehensive loss for the year	(\$4,718,215)	(\$1,437,474)
Deficit, beginning of year	(32,214,250)	(25,557,003)
Deficit, end of year	(36,932,465)	(26,994,477)
Basic and diluted loss per share	(\$0.024)	(\$0.008)
Weighted average number of shares	194,347,017	169,129,595

The results for the nine-month period ended December 31, 2021, show a loss before other items and income taxes of \$4,968,399 (\$1,566,678 for the same period in the previous year) as seen in [Table 10](#). The Corporation

has no revenue from operations. The reason for the increase in loss is that there was an issuance of stock options valued at \$2,763,694 in the current quarter.

As seen in the previous consolidated statement of loss and comprehensive loss, the main expense variations between the current year and previous years comparative figures having an impact on the net loss and not including stock option compensations are: i) increase by \$285,355 with the consultant fees related to marketing efforts to support capital raises and in increase in G&A increase of \$234,866 related mostly to the finance related costs to the \$2.36 million raise in April, 2021 and to the finance related costs to the \$12.00 million raise in December, 2021

FINANCING ACTIVITIES FOR THE NINE-MONTH PERIOD ENDED DECEMBER 31, 2021

In April 2021, the company issued 1,822,708 units in a private placement financing for total proceeds of \$2,369,520. Each unit consisted of one common share and one half of one share purchase warrant exercisable at \$1.50 for twenty-four months. The fair value attributed to the 911,354 share purchase warrants was estimated to be \$295,273. The company paid financing fees consisting of cash of \$121,201 and 93,232 warrants to brokers. Each warrant entitles the holder to acquire one common share of the company for \$1.50 for a period of two years. The warrants were valued at \$30,208.

In December 2021, the company issued 6,453,000 shares in a bought-deal private placement financing for total proceeds of \$12,002,580. The company paid financing fees consisting of cash of \$720,155 and 387,180 warrants to brokers. Each warrant entitles the holder to acquire one common share of the company for \$1.52 for a period of two years. The warrants were valued at \$413,664.

During the period, 1,360,000 options were exercised to buy 910,000 common shares of the company for total proceeds of \$623,242.

During the period 5,660,999 warrants were exercised to buy 5,660,999 common shares of the company for proceeds of \$2,622,542.

INVESTING ACTIVITIES FOR THE NINE-MONTH PERIOD ENDED DECEMBER 31, 2021

During the nine-month period ended December 31, 2021, a net amount of \$17,671,864 was used in investing activities. This investment is comprised primarily of a Net Smelter Royalty purchase for approximately \$4 million dollars, \$10.2 million of cash restricted for flow-through expenditures, and \$726,000 on diamond drilling activities. The rest of the balance was used for various property related activities and metallurgical test work for to the Preliminary Economic Assessment (PEA) and advancement of the Preliminary Feasibility Study. For details on the investment activities, please refer to the “Highlights for the nine-months ended December 31, 2021, and up to the date of this report and next steps” section at the beginning of this document under the sub-sections “Exploration” and “Development”.

VI. SELECTED QUARTERLY DATA

Operating results for each of the last 8 quarters are presented in the table below. The data related to these quarters were prepared in the same manner as that of the audited financial statements for the fiscal year ended March 31, 2021.

Table 11: Operating Results for the Previous 8 (eight) Quarters

Operating results as of:	Net Profit or (Loss) (\$)	Loss per share – basic (\$)
December 31, 2021	(1,089,722)	(0.006)
September 30, 2021	(1,427,746)	(0.007)
June 30, 2021	(2,162,648)	(0.012)
Year Ended 2021	(6,657,247)	(0.04)
March 31, 2021	(3,863,726)	(0.04)
December 31, 2020	(1,437,474)	(0.008)
September 30, 2020	(1,185,578)	(0.007)
June 30, 2020	(170,469)	(0.001)
Year Ended 2020	(1,646,511)	(0.01)
March 31, 2020	(273,650)	(0.001)
December 31, 2019	(816,075)	(0.005)
September 30, 2019	(230,847)	(0.002)
June 30, 2019	(325,939)	(0.001)
Year Ended 2019	(1,643,458)	(0.01)

ACTIVITIES IN THE COMMON SHARES, SHARE PURCHASE OPTIONS, WARRANTS ISSUED TO SHAREHOLDERS AND COMPENSATION OPTIONS TO BROKERS:

Refer to Note 9 of the consolidated financial statements as at and for the period ended December 31, 2021, for the detailed breakdown on this section.

COMMON SHARES AND FINANCING SOURCES:

The Corporation issues 8,275,708 common shares and generated \$14,372,101 in cash and cash equivalents during the nine months ending December 2021 to total 205,169,516 common shares outstanding.

OPTIONS:

During the year, 4,995,000 (2021 -12,763,334) in stock options were issued to directors, employees, and consultants of the Company. Using the Black-Scholes option pricing model with the following assumptions: the average fair value of each option granted is approximately \$0.88 (2021 - \$0.71). Stock-based compensation of \$2,763,694 (2021 - \$5,366,890) was recognized in the year (stock option compensation) and credited to Contributed Surplus.

The weighted average of the remaining contractual life of options outstanding at March 31, 2021 was 4.5 years.

A total of 16,910,000 options outstanding at December 31, 2021, has been granted by the Board of Directors:

WARRANTS ISSUED TO SHAREHOLDERS:

As at December 31, 2021, the Corporation had 8,139,565 outstanding share purchase warrants with a weighted average price of \$0.97 as a result of financings within the past two calendar years.

COMPENSATION OPTIONS OR WARRANT UNITS TO BROKERS:

480,412 compensation warrants were granted with a weighted average exercise price of \$1.52 during the nine-month period ending December 31, 2021.

VII. OUTLOOK:

Global electric car sales for December 2021 were up 80% year over year reaching 15% share. Europe sales were flat year over year reaching 29% share, China sales rose 125% year over year reaching 21% share. The North America electric vehicle market size is expected to reach USD 147.60 billion by 2028 and is anticipated to expand at a CAGR of 37.2% from 2021 to 2028.

Favorable initiatives to promote the adoption of electric vehicles coupled with rising crude oil prices are anticipated to drive the demand for Electric Vehicles (EVs). Electric vehicles generate power using an electric motor instead of an internal combustion engine that burns a mix of fuels and gases for power generation.

The increasing advantages of electric vehicles over conventional vehicles such as zero fuel emission, better performance, and lower total cost of ownership are expected to contribute to the growing demand for electric vehicles in the coming years. [Figure 9](#) shows the status of Countries with Net-Zero Emission targets.

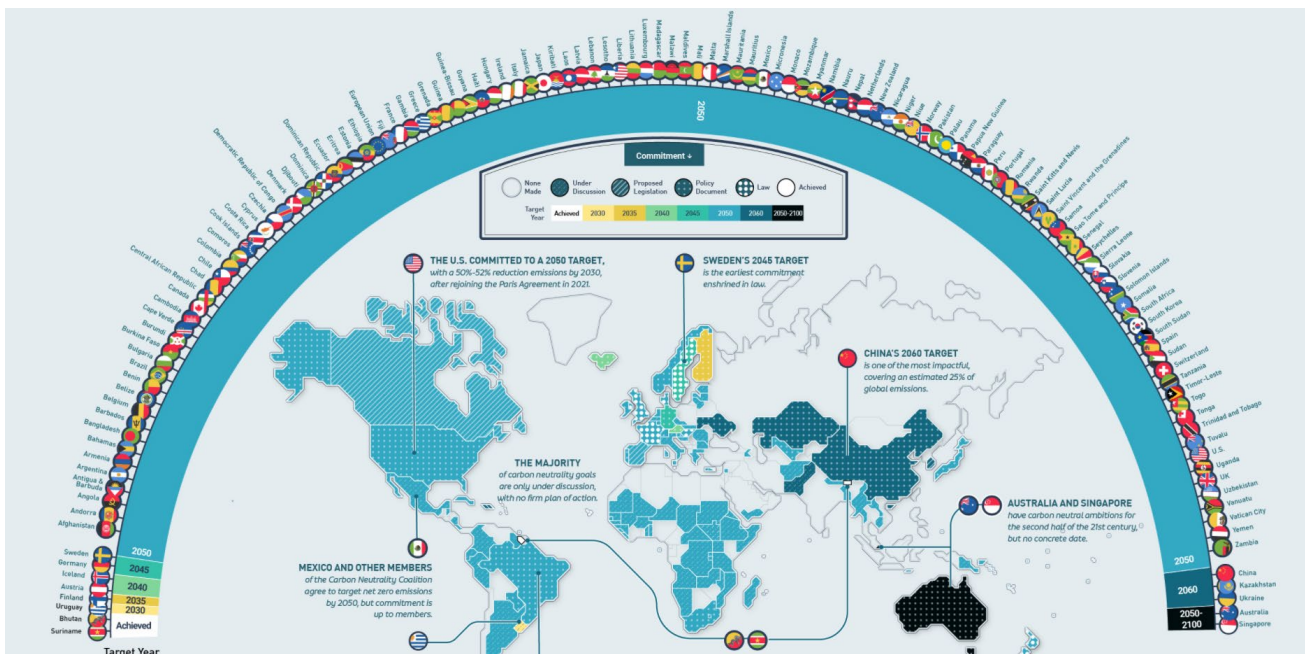


Figure 9: Carbon Neutral Goals By Country

The growing preference for electric vehicles is prompting leading automotive manufacturers to launch electric vehicles. For instance, General Motors, a U.S.-based automotive company, has announced its plan to launch electric vehicles for personal use in the next few years. By 2025, the company plans to launch 30 EVs worldwide, and around two-third will be available in North America. The market's lucrative nature is expected to encourage more conventional vehicle manufacturers to shift into the electric vehicle space.

The outbreak of the COVID-19 pandemic has changed the overall business scenario for 2022 as well as for the next few years to come. Several industries and industry verticals have witnessed a significant setback due to the pandemic, and the automobile industry is no exception to that. The slumped business scenario has negatively impacted the production and sales of electric vehicles across North America. However, with increasing government initiatives to adopt electric vehicles, the market is likely to witness significant growth over the forecast period.

North America Electric Vehicles Market Highlights

- In terms of product, the PHEV segment is estimated to register the highest CAGR of over 35% from 2021 to 2028 owing to the increasing demand for electric buses and trucks across the logistics and transportation industry.
- Canada is projected to register the fastest CAGR exceeding 40% from 2021 to 2028 as the government in the country is focused on advancing the programs to support electric vehicle adoption.

The PAK Lithium Project is the highest quality lithium mineral resource in North America ([Figure 10](#)) 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 lithium chemicals which form the basis for manufacture of, among other applications, lithium-ion batteries for laptop computers, mobile phones, electric bicycles and electric/hybrid vehicles.

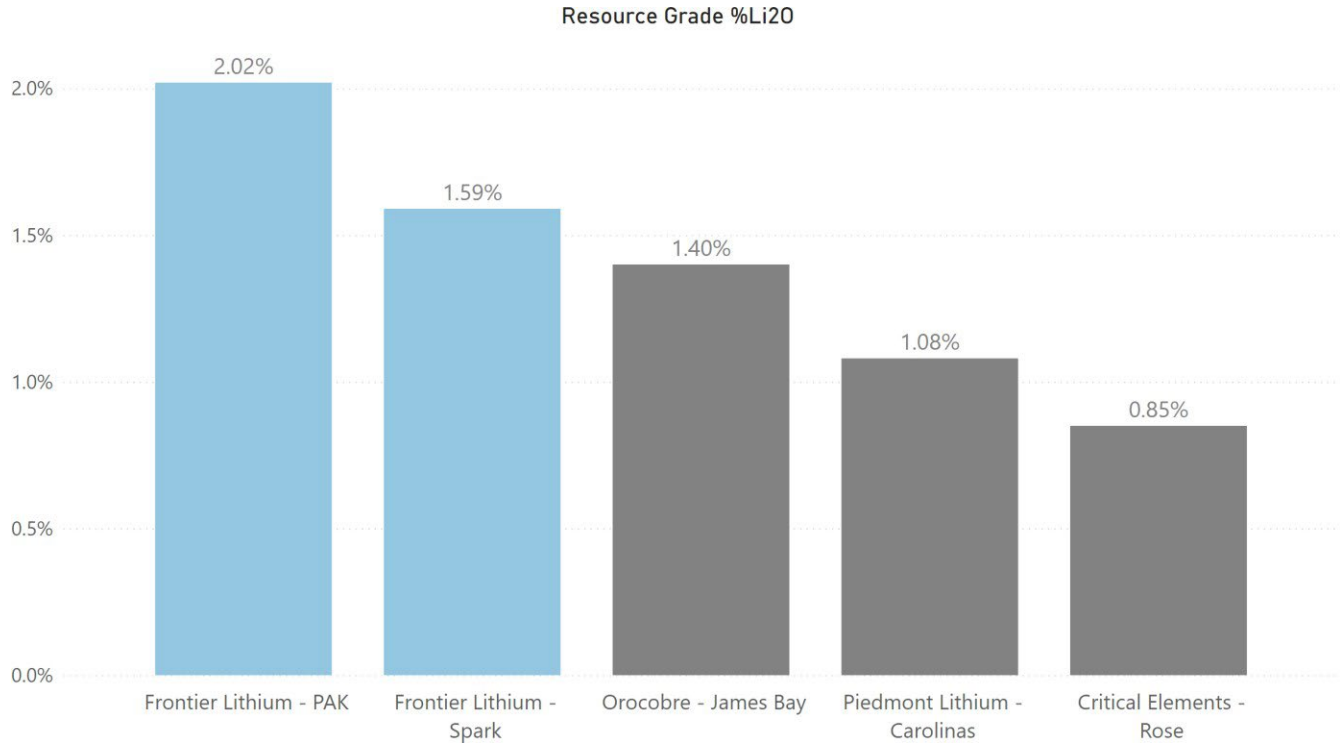


Figure 10: North American Lithium Resource comparison by grade

In March 2021 the Ontario province announced it is developing its first-ever Critical Minerals Strategy ([Figure 11](#)) to help generate investment, increase Ontario’s competitiveness in the global market, create jobs and opportunities in the mining sector, and support the transition to a low-carbon economy both at home and abroad. Frontier Lithium was called to support Minister Rickford's Ontario Critical Minerals Strategy announcement.

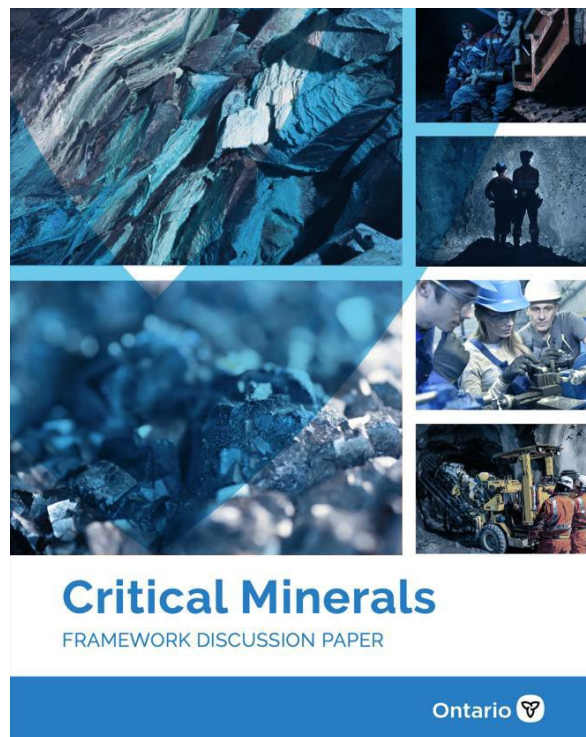


Figure 11: Ontario Critical Minerals Strategy Discussion Paper

The Company was invited on stage for remarks during this virtual event which highlighted that Ontario is blessed with its “Electric Avenue”, North America’s newest emerging premium lithium mineral district that is host to four discoveries, two of which are the continent’s highest grade and lowest impurity lithium deposits. The Company’s recent Preliminary Economic Assessment shows a potential for a minimum 26-year mine life and revenue of over \$10.5 Billion dollars. The President and CEO commented during the event “By leveraging the Electric Avenue resource as a base and working with the peoples and skills of the north, we will provide a “made in Ontario” solution that will be the “north star” of sustainable development practices. Reduce, Reuse and Recycle, alternatively “the circle of life” – a symbol and vision of a future that all Ontarians relate to and can share together. Ontario’s Electric Avenue lies within the traditional lands of Deer Lake, Keewaywin, North Spirit Lake and Sandy Lake First Nations; local indigenous community members are currently walking and working these traditional lands with us searching for additional resources that can be leveraged for ongoing and increasing participation, job and wealth creation for families.”

Lithium Market

During 2021, lithium carbonate China spot, lithium hydroxide prices and Spodumene prices continue to rise ([Figure 12](#)). Benchmark Mineral Intelligence reported lithium carbonate prices of US\$21,000/t (battery grade), and for lithium hydroxide prices of US\$20,000/t.

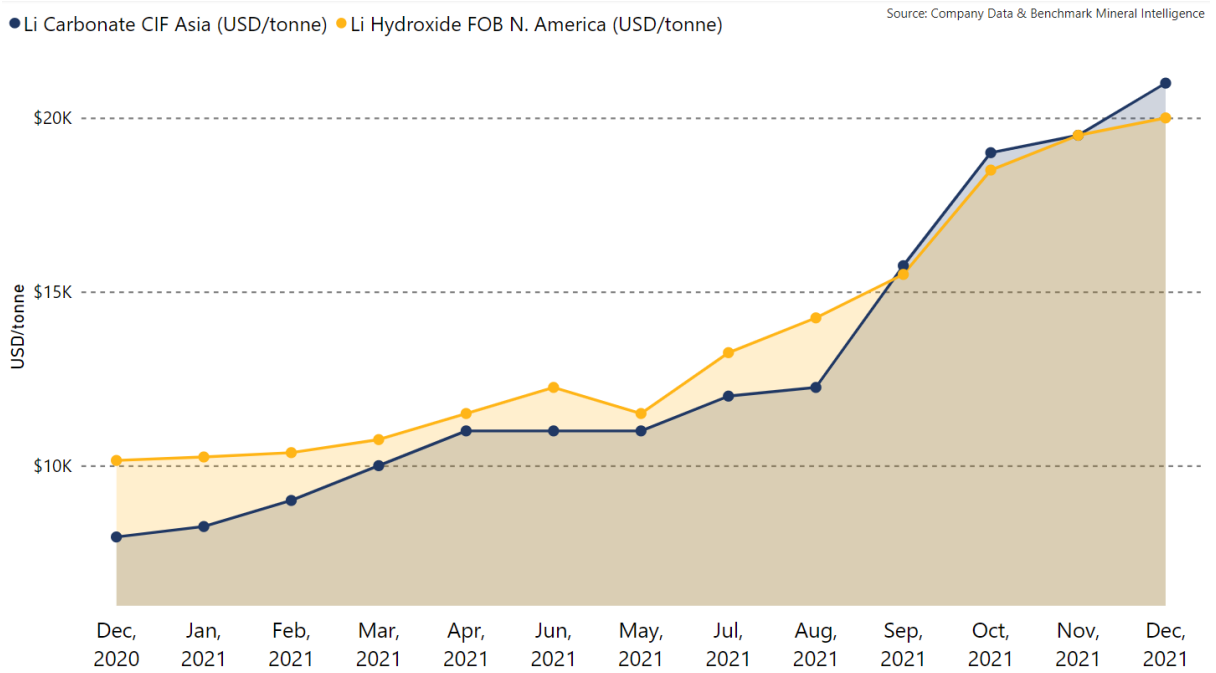


Figure 12: Lithium Carbonate and Hydroxide Spot Prices (December 2020 to December 2021)

The [Figure 13](#) displays yearly price trend since December 2020 on chemical grade spodumene concentrate (CG_SC6.0) freight-on-board (“FOB”) Australia. The price decrease in feedstock to conversion plants in China have attributed to approximately 50% reduction in the lithium equity market since December 2018. The prices have started to increase as of January 2021, as result of higher-than-expected electric vehicle adoption rate

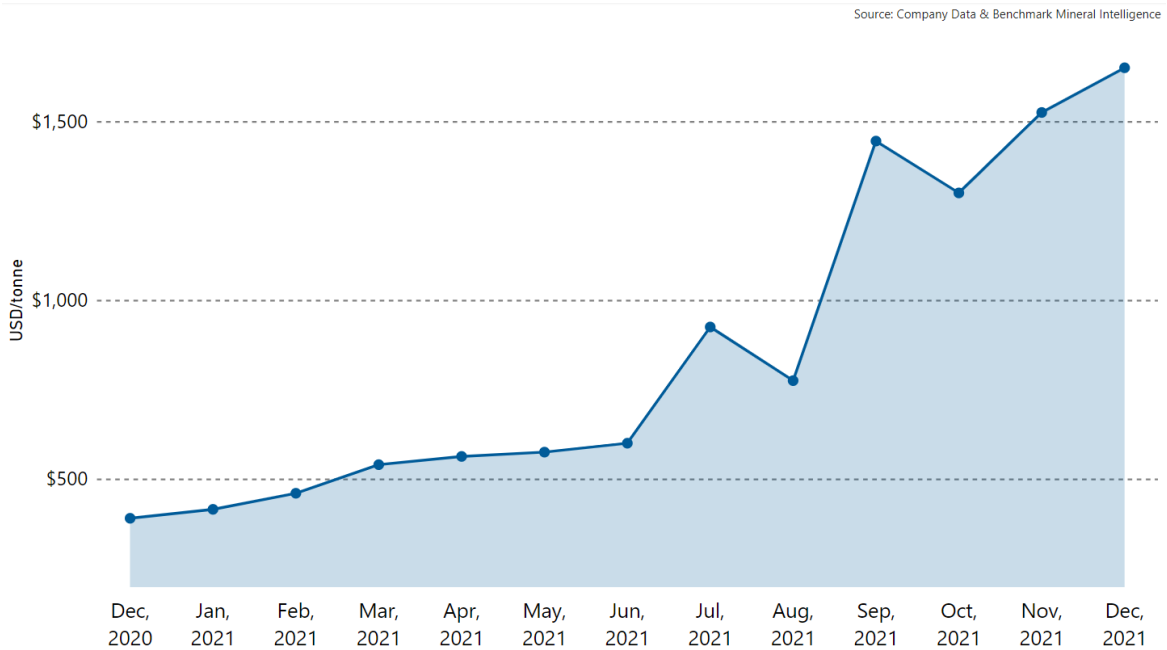


Figure 13: Chemical Grade Spodumene FOB Australia (December 2020 to December 2021)

Demand led by the EV market is now forecasting a structural deficit of lithium supply. Industry analysts expects significant battery shortages in 2023 and beyond. UBS forecasts overall lithium demand to lift 11-fold from ~400kt in 2021 through to 2030. The EU estimates that to meet its climate neutrality goal, it will need up to 18 times more lithium and five times more cobalt in 2030. The forecasts rise to 60 times more lithium and 15 times more cobalt by 2050. [Figure 14](#) displays supply deficits starting in 2026 and demand calibrating to available supply for the balance of the decade.

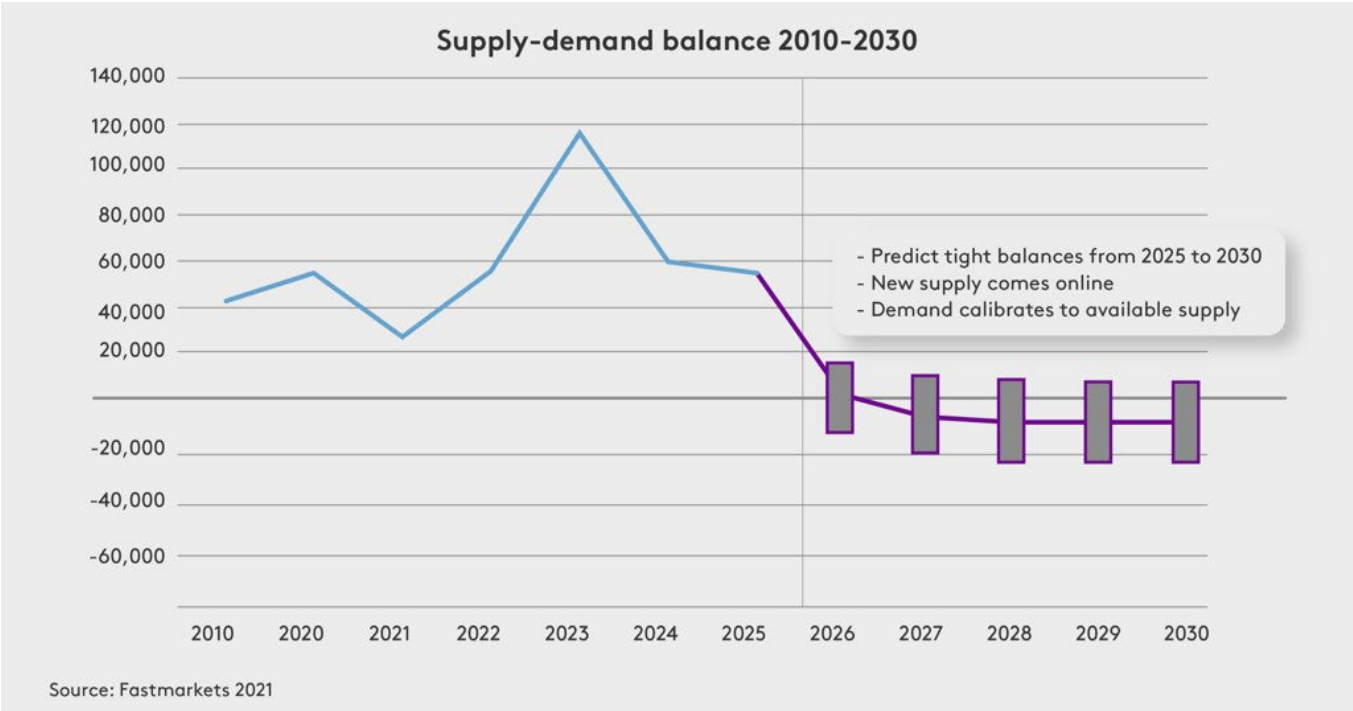


Figure 14: Lithium Market Balance

Carmakers desperate to find reliable EV battery supply.

Global electric car sales for December 2021 were up 80% year over year reaching 15% share. Europe sales were flat year over year reaching 29% share, China sales rose 125% year over year reaching 21% share.

BNEF 2021 EV report forecasts 70% electric cars by 2040 under no additional policy measures scenario forming a \$7 trillion market opportunity to 2030. This burgeoning demand from downstream battery markets, EV and otherwise, has seen cracks start to appear in the supply chain. As demand from current customers increases, analysts suggest that supply may lag in the near term. Figure 15 is a Bloomberg forecast showing the changing trend from internal combustion engine to battery-powered vehicles 2020 to 2040.

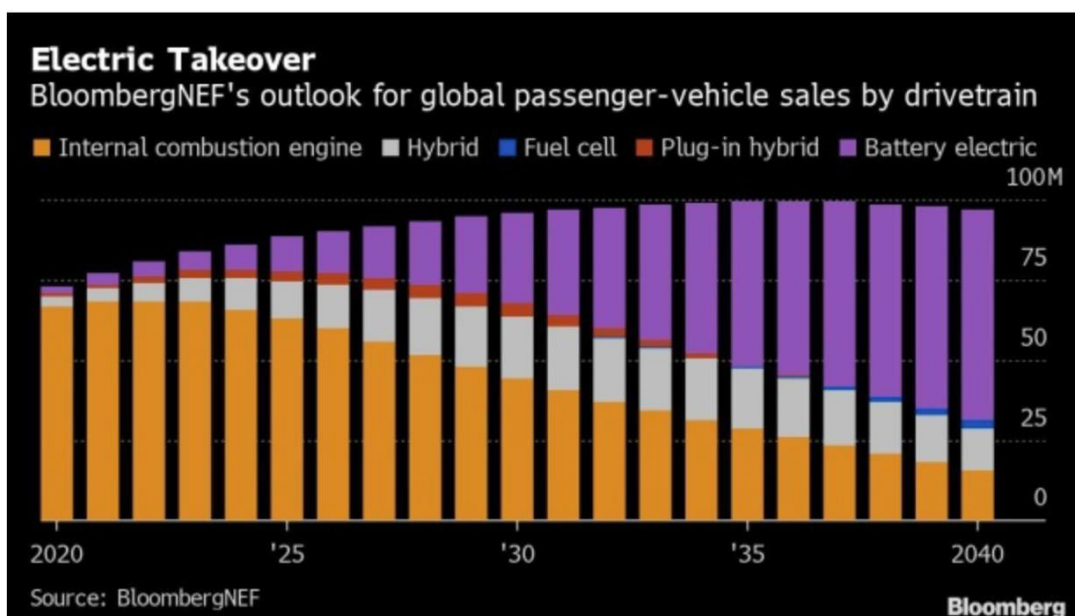


Figure 15: Forecast for Global Passenger Vehicle Sales by Drivetrain (2020-2040)

The last time lithium prices rallied in 2016 to 2018, driven by expectations of an EV revolution. At the time, the boom came to an end abruptly as producers ramped up output. Now, lithium is once again rallying ahead of what most see as the almost complete electrification of transport. However, this time is different. In 2016, when the previous lithium price rally began, Tesla was dominating while the big carmakers were mostly in a business-as-usual mode. They were developing electric models, but nothing like the lineup the likes of VW, GM, and Ford have been announcing over the past year or so. Now, the auto majors are planning to become all-EV in the near future, in line with government policies.

With such plans by the world's biggest carmakers, demand for lithium is set to enjoy a prolonged rally. Reuters reported recently that the price of lithium carbonate in China has added 276 percent since the start of the year, thanks to strong demand from the EV industry as sales of electric vehicles increase. In the first half of 2021, EVs made up 7.2 percent of total global car sales. This compared with 4.3 percent last year and 2.6 percent in 2019. The numbers are seen rising significantly, and with them, the price of lithium.

Bloomberg recently reported that because of the soaring demand for lithium, buyers are not only opting for long-term contracts, but also buying lithium mining assets themselves to secure supply, as new lithium mining capacity has been slow in coming due to price fluctuations and some projects have been delayed.

Environmental Concerns Lead to End of Serbian Lithium Project

On January 20th, 2022, The Serbian government revoked Rio Tinto's lithium exploration license essentially ending the Jadar projects development. Local green groups and communities protested the projects development citing concerns over the potential contamination of local rivers. The protests were eventually joined by Serbian tennis star Novak Djokovic who expressed concern of the Jadar project on social media. The Serbian government soon sided with the

projects critics and ceased development of the lithium mine.

The project was expected to produce 58,000 tonnes of battery grade lithium carbonate a year which would make it a top 10 producer in the world.



Figure 16: Environmental Concern in Serbia

Even with Lithium being a centre piece in the on-going environmental shift, social and environmental responsibility has proven to be essential for project development. The revoking of Rio Tinto's exploration permit sets a precedent for all lithium producers moving forward. Transparency and public inclusion are essential to allow for safe and publicly accepted resource extraction.

The Lithium industry supply deficit could be exaggerated as projects located in more corrupt and less resource friendly countries have their environmental feasibility questioned. Countries like Canada, USA, and Australia can potentially benefit from this system thanks to their established and transparent mining governance.

VIII. BASIS OF PREPARATION:

STATEMENT OF COMPLIANCE:

The financial statements for the nine-month period ended December 31, 2021 have been prepared in accordance with IFRS.

The accounting policies applied in these financial statements are based on IFRS issued and in effect as at December 31, 2021. On February 15, 2022, the Board of Directors approved for filing on SEDAR the third quarter financial statements.

BASIS OF MEASUREMENT:

The third quarter financial statements have been prepared on the historical cost basis, except for investment which are recorded at fair value.

The third quarter financial statements have been prepared on a going concern basis, meaning the Corporation would be able to realize its assets and discharge its liabilities in the normal course of operations.

FUNCTIONAL AND PRESENTATION CURRENCY:

The third quarter financial statements are presented in Canadian dollars, which is the Corporation's functional currency.

USE OF ESTIMATES AND JUDGMENTS:

The preparation of the third quarter financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in Note 1 - the determination that the Corporation is in the exploration and development of mining properties; in Note 2 – capitalized cost and recoverability of property, plant and equipment.

IX. SIGNIFICANT ACCOUNTING POLICIES:

The preparation of the third quarter financial statements in conformity with IFRS requires management to apply accounting policies and make estimates and assumptions that effect amounts reported in the audited financial statement and notes. There is full disclosure of the Corporation's significant accounting policies and accounting estimates in Note 2 of the third quarter financial statements for the nine months ended December 31, 2021, and 2020.

X. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT:

OFF BALANCE SHEET AGREEMENTS

The Corporation has not concluded any off-balance sheet agreements.

RELATED PARTY TRANSACTIONS

During the nine-months ended December 31, 2021 and 2020 the Company incurred the following expenditures with companies controlled by a director of the company and a company controlled by an officer of the company (Table 12).

Table 12: Expenditures with Companies controlled by a Director and an Officer of the Company

Description	December 31, 2021	December 31, 2020
Office rental (paid to companies controlled by corporate director)	\$ -	\$ 6,750
Consulting	\$ 187,500	\$ 187,500

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.

OBLIGATIONS AND CONTRACTUAL COMMITMENTS

The Corporation had the following significant commitments as at the date of this report:

- A) In late March of 1999, the Corporation entered into an option agreement to earn a 100% interest in one mining claim included in the PAK property. Upon complying with the terms of the agreement, the Corporation exercised the option and acquired 100% interest in the claim. The vendor kept a 2.5% Net Smelter Return ("NSR") royalty on the mining claim and for an amount of \$1,000,000, 1% of this royalty could be purchased once the Corporation has officially declared it is in commercial production. In 2017 the claim was converted to mining lease (ML) 109669. The PAK deposit as currently known is located on this lease. In early April of 2021, the Corporation announced the acquisition of the 2.5% NSR for consideration of \$4,000,000 in cash and 1,000,000 common shares of the Company at a price of \$1.00 per share.
- B) In early December of 2010, the Corporation entered into an agreement with two private individuals to acquire 100% of three mining claims collectively called the Pakeagama south-east. In 2015 the Corporation completed the earn-in and now owns the claims 100%. The vendors kept a 2.5% NSR royalty on the mining claims. For an amount of \$1,500,000, 1.5% of this royalty may be purchased once the Corporation has officially declared it is in commercial production.
- C) During 2018 Frontier entered into an agreement with a private individual with regards to a parcel of 35 claims cells totalling 684 hectares in the Favourable Lake area along the "Electric Avenue" on the north-western limits of the PAK Lithium Project. Another agreement was reached with another private individual to acquire 2 mining claim groups totalling 176 ha in the same area. Frontier now owns 100% of both sets of claims and are contiguous with the PAK Project claims. Both individuals each have a 1.5% and a 0.5% Net Smelter Royalty (NSR) on their respective properties acquired by the Corporation.
- D) The Corporation entered into private agreements with four First Nation Communities that neighbour the project properties for the purpose of ongoing exploration and development. Obligations to date have been accrued.

RISK EXPOSURE AND MANAGEMENT

The Corporation is exposed to risks of varying degrees of significance which could affect its ability to achieve its strategic objectives. The main objective of the Corporation's risk management processes is to ensure that the risks are properly identified and that the capital base is adequate in relation to those risks. Risks include metal price fluctuations and the low success rate for the discovery of new deposits. Industry competition and lack of funding may also limit opportunities. Future political, regulatory and environmental changes could affect any aspect of the Corporation's business including property title, taxation, aboriginal issues and environmental protection. More detail of the principal risks to which the Corporation is exposed to are described below:

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 Corporation'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 Corporation strategically operates in Canada in order to reduce sovereign and foreign exchange risks amongst. Management therefore believes at the current status of exploration and development the current risk management policy is adequate.

CREDIT RISK:

Credit risk refers to the risk that 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.

It is management's opinion that the Corporation is not exposed to significant credit risk arising from these financial instruments.

LIQUIDITY RISK AND CASH RESTRICTIONS:

The Corporation has no history of profitable operations, and its present business is exploration and development resulting in pre-cash-flow. As such, the Corporation is subject to many risks common to such enterprises, including under-capitalization, cash shortages and limitations with respect to personnel, financial and other resources and the lack of revenues. There is no assurance that the Corporation will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of its exploration and development stage of operations.

The Corporation has no source of operating cash flow and no assurance that additional funding will be available to it for further exploration and development of its projects when required. Although the Corporation has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that the Corporation will be able to obtain adequate financing in the future or that the terms of such financing will be

favorable. Failure to obtain such additional financing could result in the delay or indefinite postponement of further exploration and development of its properties.

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

LITHIUM PRICE RISK:

The Corporation is subject to lithium price risk from fluctuations in the market prices for lithium salts and its feedstock spodumene concentrates. The risk is rated by management as moderate to high and is compounded by the fact that lithium contracts are private, therefore there is a relative opaqueness to the market in general which may cause increased levels of price pressures to the Corporations' stock price. Price risks are affected by many factors that are outside of the Corporation's control, including but not limited to, global or regional consumption patterns, the supply of and demand for metals, speculative activities, the availability, and costs of spodumene concentrates, lithium battery substitutes, inflation, political and economic conditions. [Figure 17](#) below displays price pressures since June 2020 and recent rise in on chemical grade spodumene concentrate (CG_SC6.0) freight-on-board ("FOB") Australia. The price decrease in feedstock to conversion plants in China from March 2018 to the end of 2020 attributed to approximately 50% reduction in the lithium equity market. The Corporation's stock performance since early 2021 has correlated to the rapidly rising lithium chemical and feedstock prices. Management believes that vertically integrated business model with a mine, mill and chemical plant development in developing North America's Great Lakes region (local supply chain) mitigates the price risks by differentiating the Corporation's high-quality assets to the lower quality Australian feedstock supplying Chinese chemical plants in the future.

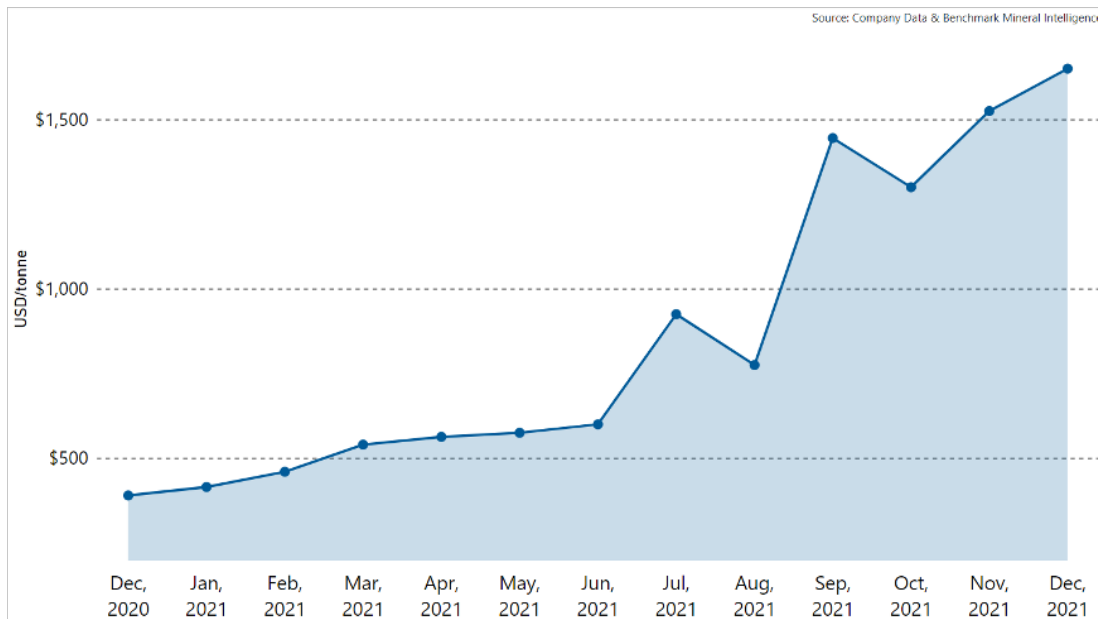


Figure 17: Spodumene (6.0%) Prices from September 2020 to September 2021

CAPITAL MANAGEMENT:

All of the Corporation's properties are 100% owned with minimal holding costs. The Corporation's current rate of cash consumption, excluding expenditures on work programs or cost associated with financing is approximately \$85,000 per month.

The Corporation's capital management objective is to have sufficient capital to be able to pursue its activities in order to ensure the growth of its assets, finance the investing activities and its working capital requirements.

In order to maintain or adjust the capital structure, the Corporation may issue new capital instruments, obtain debt financing and acquire or sell mining properties or other assets, to improve its financial performance and flexibility.

The access to financing depends on the economic situation and state of the equity and credit markets.

PROPERTY TITLES

The Property encompasses 26,774 hectares in total, is 100% owned by Frontier and there are no co-proponents or partners for the Project up to the date of this report. According to the Mining Act and regulations of the Province of Ontario, to renew its claims, the Corporation must incur a minimum of exploration expenditures on an annual basis. As at the date of this report, all claims are in good standing and the Corporation has approx. \$2.0M in assessment credits from the Ministry of Energy, Northern Development and Mines (MENDM) that can be used to

renew its claims on the PAK property. Currently, the Corporation maintains 1,378 mining claims and Mining claim KRL-1232241 was converted to Mining Lease KL-109669 in 2017. A letter of intent to convert 108 mining claim cells to a mining lease was submitted to MENDM in April 2018 and an additional 11 mining claim cells in November 2018 to encompass the Spark Pegmatite. This process is anticipated to be completed in calendar year 2022.

XI. RISK FACTORS RELATED TO THE CORPORATION

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 that even an allied neat evaluation with experience and know-how cannot avoid. Although the discovery of a deposit can prove extremely lucrative, few properties where exploration and development work are carried out become producing mines thereafter. Important 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 Corporation will generate a profit. The mineral industry is intensely competitive in all its phases. The Corporation competes with many other mineral exploration companies who have greater financial resources and technical capacity.

The mining activities comprise a high level of risk. The activities of the Corporation are subject to all the dangers and the risks usually dependent on the exploration and the development, including the unusual and unforeseen geological formations, explosions, collapses, floods and other situations which can occur during drilling and the removal of material and of which any could cause physical or material or environmental injuries and, possibly, legal responsibility.

GOVERNMENTAL REGULATION

The activities of the Corporation are subject to various federal, provincial and local 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 local levels relating to the protection of the environment. These laws impose high standards on the mining industry and on the chemicals industry, in order to control the rejects of waste water 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.

RISKS OF LAWSUITS AND NON-INSURABLE RISKS

The Corporation could be held responsible for pollution or for other risks against which it could not be insured or against which it could choose not to be insured, given the high cost of the premiums or for other reasons. The payment of sums in this respect could involve the loss of the assets of the Corporation.

CONFLICTS OF INTEREST

Some of the directors and officers of the Corporation are engaged as directors or officers of other Corporation's 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 Corporation will be in conformity with their duties and obligations to compromise in an equitable way and in good faith with the Corporation and these other corporations. 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.

PERMITS, LICENCES AND AUTHORIZATIONS

The activities of the Corporation require obtaining on a timely manner and maintaining permits and licenses from various governmental authorities. The Corporation 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 Corporation 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.

DEPENDENCE ON THE MANAGEMENT

The Corporation is dependent towards certain persons of its management. The loss of their services could have an unfavorable impact on the Corporation. Management maintains a strong equity position in the Corporation, therefore considers this risk to be low.

PRICE OF LITHIUM SALTS AND SPODUMENE CONCENTRATE

The price of the common shares, financial results of the Corporation, its activities could undergo in the future important negative effects because of the fall of the prices of the lithium concentrates and compounds, resulting in an impact on the capacity of the Corporation to finance its activities and impact its results. The prices of lithium concentrates and compounds may fluctuate in an important way and are tributary to various factors which are

independent of the will of the Corporation, such as the sale or the purchase of lithium compounds by various brokers, the rates of interest, foreign exchange rates, the rates of inflation or deflation, the fluctuations in the value of the Canadian dollar and other currencies, the regional and world offer and demand, the economic conjuncture and policy which prevails in the countries of the world which are large lithium compounds producers.

GOING CONCERN AND INSOLVENCY RISK

The Corporation's financial statements have been prepared on a going concern basis, which assumes that the Corporation 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 Corporation does not currently have guaranteed sources of funding or cash flows and the inability to successfully generate revenues from operations cast significant doubt as to the appropriateness of the going concern assumption.

THE CORPORATION'S DEPENDENCE UPON THE ADVANCED EXPLORATION PROJECT (PHASE I DEMONSTRATION CONCENTRATOR)

The Corporation expects future potential development of the Phase I Advanced Exploration program plans at the PAK deposit will help determine the Corporation's future possible ore material and production capabilities in a Commercial Operation unless additional sources of spodumene sources are acquired or discovered on the PAK project and/or permitted to supply and brought into production. Any adverse conditions affecting potential spodumene concentrates production from the planned Phase I development program at the PAK deposit could be expected to have a material adverse effect on the Corporation's financial performance, results of operations and prospects and will require the Corporation to raise additional financing, which may not be obtainable under such circumstances. While the Preliminary Economic Assessment Report demonstrates the potential economic feasibility of a potential Commercial Project, the inability to achieve commercial operations on a basis that is economically viable will have a material adverse effect on the Corporation.

INFRASTRUCTURE, SUPPLIES, INFLATION AND OPERATION COSTS

The PAK Lithium Project is located 175 km north of Red Lake, Ontario in the Red Lake Mining District and is situated on Crown Land. The centre of the Project is located on National Topographic System map sheet reference is 53C/11 at approximately 52°36'N latitude and 93°23'W longitude near Pakeagama Lake. Access to the Property is available year-round by chartered ski or float equipped aircraft from Red Lake. The project is located in a relatively isolated area of north-western Ontario where infrastructure consists of a winter road, which services the First Nation communities of Deer Lake (40km west of the project), Sandy Lake (50km north), and North Spirit Lake (30km east). The winter road runs over the mining claims on the west side of the project with vehicular access to the Property during winter months of February and March. Bearskin Airways, Wasaya Air and Superior Air services the nearby First Nation communities of Deer Lake, North Spirit Lake, and Sandy Lake with daily flights year-round. Currently, access to the property occurs from May 15 (after break-up) to October 15 (5 months) via float plane, and from February 1st to March 15 (1.5 months) via the winter road.

NO CURRENT PLANS TO PAY CASH DIVIDENDS

The Corporation 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 Corporation's financial results, cash requirements, contractual restrictions and other factors that the Board of Directors may deem relevant. In addition, the Corporation's ability to pay dividends may be limited by covenants of any existing and future outstanding indebtedness that the Corporation or its subsidiaries incur. As a result, investors may not receive any return on an investment in the Corporation's securities unless they sell the securities for a price greater than that which they paid for them.

DILUTION

Additional financing needed to continue funding the development and operation of the Corporation may require the issuance of additional securities of the Corporation. 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.

XII. DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

As a publicly listed entity, management must take steps to ensure that material information regarding the reports filed or submitted under securities legislation fairly presents the financial information. Responsibility for this resides with management, including the President and Chief Executive Officer and the acting Chief Financial Officer. Management is responsible for establishing, maintaining and evaluating the design of disclosure controls and procedures, as well as internal control over financial reporting.

DISCLOSURE CONTROLS AND PROCEDURES (DC&P)

Management is responsible for establishing and maintaining a system of disclosure controls and procedures to provide reasonable assurance that all material information relating to the Corporation and its subsidiaries is gathered and reported to senior management on a timely basis so that appropriate decisions can be made regarding public disclosure.

INTERNAL CONTROL OVER FINANCIAL REPORTING (ICFR)

Management is responsible for establishing and maintaining adequate internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial reports for external purposes in accordance with IFRS.

During the period from October 1, 2021 to December 31, 2021, no changes were made to the Corporation's ICFR that has materially affected, or is reasonably likely to materially affect, the Corporation's ICFR.

In designing of DC&P and ICFR, the Corporation recognizes that any controls and procedures, no matter how well conceived or operated, can only provide reasonable, not absolute, assurance that the objectives of the control system are met.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

Additional disclosure concerning Frontier's general and administrative expenses and mineral property costs is provided in the Company's audited statement of operations, comprehensive loss, and deficit contained in its audited financial statements for the nine-months ended December 31, 2021.

FRONTIER LITHIUM INC.

Trevor R. Walker

President & CEO

March 1, 2022