INTERNATIONAL BATTERY METALS LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the fourteen months ended March 31, 2023

Dated July 28, 2023

INTERNATIONAL BATTERY METALS LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Introduction

The preparation and presentation of the accompanying consolidated financial statements, Management Discussion and Analysis ("MD&A") and all financial information in the Annual Report are the responsibility of management and have been approved by the Board of Directors.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). Financial statements, by nature, are not precise since they include certain amounts based upon estimates and judgements. When alternative methods exist, management has chosen those it deems to be the most appropriate in the circumstances.

Management, under the supervision of and the participation of the Chief Executive Officer and Chief Financial Officer, have a process in place to evaluate disclosure controls and procedures and internal control over financial reporting as required by Canadian securities regulations. We, as Chief Executive Officer and Chief Financial Officer, will certify our annual filings with the CSA as required in Canada by National Instrument 52-109.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements. The Board carries out this responsibility principally through its Audit Committee which is independent from management.

The Audit Committee is appointed by the Board of Directors and reviews the consolidated financial statements and MD&A; considers the report of the external auditors; examines the fees and expense for audit services; and recommends to the Board the independent auditors for appointment by the shareholders. The independent auditors have full and free access to the Audit Committee and meet with the Audit Committee to discuss their audit work, the Company's internal control over financial reporting and financial reporting matters. The Audit Committee reports its findings to the Board for consideration when approving the consolidated financial statements for issuance to the shareholders.

This Management's Discussion and Analysis ("**MD&A**") of the financial position and results of operations of International Battery Metals Ltd. (the "**Company**" or "**IBAT**") should be read in conjunction with the annual audited consolidated financial statements of the Company for the fourteen months ended March 31, 2023, and the related notes contained therein. All dollar figures included therein and in the following MD&A are quoted in Canadian dollars. Additional information relevant to the Company and its activities can be found on SEDAR at www.sedar.com.

This MD&A is current as of July 28, 2023.

Forward Looking Statements and Forward-Looking Information

The information provided in this MD&A may contain forward-looking statements and forward-looking information about IBAT within the meaning of applicable securities laws. In addition, IBAT may make or approve certain statements or information in future filings with Canadian securities regulatory authorities, in news releases, or in oral or written presentations by representatives of IBAT that are not statements of historical fact and may also constitute forward-looking statements or forward-looking information. All statements and information, other than statements of historical fact, made by IBAT that address activities, events, or developments that IBAT expect or anticipate will or may occur in the future are forward-looking statements and information, including, but not limited to, statements and information preceded by, followed by, or that include words such as “may”, “would”, “could”, “will”, “likely”, “expect”, “anticipate”, “believe”, “intends”, “plan”, “forecast”, “budget”, “schedule”, “project”, “estimate”, “outlook”, or the negative of those words or other similar or comparable words.

Forward-looking statements and information involve significant risks, assumptions, uncertainties and other factors that may cause actual future performance, achievement or other realities to differ materially from those expressed or implied in any forward-looking statements or information and, accordingly, should not be read as guarantees of future performance, achievement or realities.

Actual performance, achievement or other realities could differ materially from those expressed in, or implied by, any forward-looking statements or information in this MD&A and, accordingly, investors should not place undue reliance on any such forward-looking statements or information. Further, any forward-looking statement or information speaks only as of the date on which such statement is made, and IBAT does not undertake any obligation to update any forward-looking statements or information to reflect information, events, results, circumstances, realities or otherwise after the date on which such statement is made or to reflect the occurrence of unanticipated events, except as required by law, including securities laws. All forward-looking statements and information contained in this MD&A and other documents of IBAT are qualified by such cautionary statements. New factors emerge from time to time, and it is not possible for management to predict all of such factors and to assess in advance the impact of each such factor on IBAT’s business or the extent to which any factor, or combination of factors, may cause actual realities to differ materially from those contained in any forward-looking statements.

In addition, forward-looking statements and information herein, including financial information, is based on certain assumptions relating to the business and operations of IBAT. Although IBAT has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements and forward-looking information in this MD&A, and the documents incorporated by reference herein, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There is no assurance that such statements and information will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements or information. Accordingly, readers should not place undue reliance on forward-looking statements and forward-looking information contained in this MD&A.

The Company

International Battery Metals Ltd. is an advanced technology company that is developing technologies for the extraction and processing of lithium from various sources. The objective of management is to maximize shareholder value by developing lithium extraction technologies as well as lithium resource properties and attempting to produce lithium in a cost-effective and ecologically sound manner. The Company's head office and registered and records office is located at Royal Centre, Suite 1750 – 1055 W Georgia Street, Vancouver, BC V6E 3P3.

The Company was incorporated under the Business Corporations Act (British Columbia) on July 29, 2010.

On February 25, 2015, the Company voluntarily delisted its common shares from the TSX Venture Exchange and commenced trading on the Canadian Securities Exchange under the symbol "RGE".

On August 28, 2017, the Company changed its name from Rheingold Exploration Corp. to International Battery Metals Ltd. and commenced trading on the Canadian Securities Exchange under the symbol "IBAT".

On April 12, 2018, the Company closed an asset purchase agreement with North American Lithium Inc. ("NAL") and Selective Adsorption Lithium ("SAL") a company controlled by shareholders of NAL pursuant to which the Company acquired NAL's data, analysis and reports related to lithium extraction from oil field brines for petro-lithium extraction projects.

On June 11, 2018, the Company filed for patent protection at the U.S. Patent and Trademark Office (USPTO) for a novel process to produce high purity lithium products that do not rely on electrolysis. This patent application, along with previous applications will protect directly IBAT's extraction and production process in the United States. The Company has also filed applications internationally in Chile, Europe, Canada, Australia, Hong Kong, and Argentina; Publication dates have been received for each of the foregoing Patent applications.

On August 20, 2018, the Company retained IMPACT Technology Development ("IMPACT") to help facilitate the engineering, design, and construction of its first proprietary mobile lithium extraction unit. By November 6, 2018, IMPACT had completed its Phase 2 of engineering study, design, and cost analysis, and on December 5, 2018, a successful live demonstration of the Company's lithium extraction technology was performed.

On November 8, 2018, the Company entered into a licensing agreement (the "Licensing Agreement") with Ensorcia Metals Corporation ("Ensorcia") and its wholly-owned subsidiary, Sorcia Minerals LLC ("Sorcia"), whereby the Company will license its lithium extraction technology to Sorcia for use in the extraction of lithium salts from lithium bearing raw brine sources in the country of Chile.

On November 20, 2018, the Company entered into a second licensing agreement with Ensorcia and its wholly-owned subsidiary, Ensorcia Argentina LLC ("EAL"), whereby the Company will license its lithium extraction technology to EAL for use in the extraction of lithium salts from lithium bearing raw brine sources in the country of Argentina.

On January 24, 2022, the Company filed for patent protection at the USPTO for a Modular Extraction Apparatus. On March 23, 2022, the Company applied for patent protection at the USPTO for a Renewable Energy powered Modular Extraction System. On May 2, 2023, the Company applied for patent protection at the USPTO for a System and Method for producing Lithium Carbonate and Lithium Hydroxide.

During the fourteen months ended March 31, 2023, the Company completed the assembly of the initial mobile lithium extraction unit. The unit has completed preliminary systems and safety testing in the United States and the Company is in discussions with several brine resource holders in advance of operational deployment.

The Company has been issued the following patents for its lithium extraction intellectual property:

US Patent 11,498,031 Mobile Extraction Array with Brine Constituent Separation, Purification and Concentration, Nov 15, 2022.

US Patent 11,229,880 Modular Extraction Apparatus, January 25, 2022.

Chilean Patent 66652, Mobile Extraction Array with Brine Constituent Separation, Purification and Concentration, April 20, 2023.

On January 11, 2023, the Company announced that it has appointed Crowe MacKay LLP, as independent auditor of the Company, effective as of November 30, 2022. The successor auditor is being appointed following the receipt by the Company on December 20, 2022 of a formal resignation of Davidson and Company LLP effective June 15, 2022.

On January 12, 2023, the Company's board of directors approved a change of year end from January 31 to March 31 at the request of the Company's auditor due to the auditor's resource constraints.

Overall Performance

The key factors pertaining to the Company's overall performance for the fourteen months ended March 31, 2023 are as follows:

The Company had a working capital deficit of $2,073,393 as at March 31, 2023, as compared to a working capital deficit of $19,324,711 as at January 31, 2022. The reason for this increase in working capital is due to a decrease in trade payables and other liabilities from $19,678,262 to $2,785,163.

The Company recorded a net comprehensive loss of $17,330,956 for the fourteen months ended March 31, 2023, as compared to net comprehensive income of $187,538 for the twelve months ended January 31, 2022. The primary reason for the increase in net comprehensive loss was due to an increase in general and administrative expenses from $2,668,677 to $15,681,252, increase in amortization of intangible assets from $1,383,809 to $1,569,283 along with a decrease in the change in fair value and derecognition of derivative liability of $4,239,699 to $Nil and a decrease in the cumulative translation adjustment of $325 to negative $173,988. The change in fair value and derecognition of derivative liability was the result of the exercise of warrants with an exercise price in US Dollars ("USD"). This is partially offset by increase in the gain on debt settlement of $Nil to $76,548 along with an increase in gain on write-off of accounts payable of $Nil to $17,019.

The Company has negative operating cash flow and its level of operations has been determined by the availability of capital resources. Cash used in operating activities for the fourteen months ended March 31, 2023 was $10,211,253 compared to cash used in operating activities for the twelve months ended January 31, 2022 of $768,762. The increase in cash used in operating activities primarily relates to the increase in net loss during the period from net income of $187,213 to a net loss of $17,156,968 along with a decrease in trade payables and other liabilities relating to operating activities of $2,298,735, an increase in prepaid expenses relating to operating activities of $744,303 and an increase in gain on debt settlement of $76,548, which is partially offset by an increase in share-based payments of $6,500,290, an increase in change in fair value of derecognition of derivative liability of $4,239,699, an increase in the amortization of intangible assets of $185,474, an increase in depreciation of $94,562 and an increase in unrealized foreign exchange loss of $60,587.

Going Concern

As at March 31, 2023, the Company had net working capital deficit of $2,073,393. The accompanying consolidated financial statements do not reflect adjustments that would be necessary if the going concern assumption was not appropriate. If the going concern assumption was not appropriate for the accompanying consolidated financial statements, adjustments would be necessary to the statement of financial position classifications used. Such adjustments could be material. Additional funds will be required to enable the Company to pursue such an initiative, and the Company may be unable to obtain such financing on terms which are satisfactory to it. Furthermore, there is no assurance that the business will be profitable. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Should the Company be unable to complete these plans to obtain additional financing and be unable to continue as a going concern, the Company may be forced to cease operations.

The Company's business financial condition and results of operations may be negatively affected by economic and other consequences from Russia's military action against Ukraine and the sanctions imposed in response to that action in late February 2022. In response to the military action by Russia, various countries, including Canada and the United States, issued broad-ranging economic sanctions against Russia. The ramifications of the hostilities and sanctions may not be limited to Russia and Ukraine and may spill over to and negatively impact other regional and global economic market and on various sectors, industries and markets for securities and commodities globally.

While the Company expects any direct impacts, of the war in the Ukraine, to the business to be limited, the indirect impacts on the economy and on the mining industry and other industries in general could negatively affect the business and may make it more difficult for it to raise equity or debt financing. There can be no assurance that the Company will not be impacted by adverse consequences that may be brought about on its business, results of operations, financial position and cash flows in the future. As a result, there always exists uncertainty that causes significant doubt about the Company's ability to continue as a going concern. These consolidated financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue in business.

Acquisition

On April 12, 2018, the Company closed an asset purchase agreement with North American Lithium Inc. ("NAL") and Selective Adsorption Lithium ("SAL"), a company controlled by shareholders of NAL, pursuant to which the Company acquired (i) NAL's data, analysis and reports related to lithium extraction from oilfield brines for petro-lithium extraction projects for consideration of US$875,000 cash and (ii) 100% of the outstanding shares of SAL, which holds intellectual property for consideration of up to 25,309,488 common shares of the Company (the "Acquisition").

At the closing of the asset purchase transaction the Company issued 4,700,000 common shares to NAL with a fair market value of $2,256,000 as of the date of closing the asset purchase transaction. As part of the transaction, the Company also granted a 5% production income royalty to NAL on future product income.

NAL is a California corporation that developed unique technology that allows direct extraction of lithium from complex brines such as those found in oil fields and salars.

The technology involves processes that are highly selective for lithium and an extraction system that allows lithium extraction from complex brines with only minimal pretreatment. While there may be a need to pretreat the brine to remove suspended solids and processes employed to ensure residual levels of hydrocarbon are undetectable, there is no need to pretreat the brine to remove divalent cations such as calcium or magnesium. The process is lithium selective rejecting anions such as sulphate and borate, leaving them in the brine as it flows through the process. Lithium chloride is removed, and the remaining brine can be injected back into the ground through an environmentally permitted well.

The output of these patented processes is a clean lithium salt solution that is suitable for further processing to desired products. Additionally, the process and patented modular equipment is specifically designed to be compatible with the demands of remote oilfield, dedicated brine well and salar operations.

IBAT's technology provides significant advantages including significant cost savings due to minimal brine pre-treatment and very low chemical consumption. The unique equipment design also allows rapid implementation, minimizing traditional lag time for bringing resources online.

NAL was led by Dr. John Burba who has 40 years' experience with Dow Chemical, FMC, and Simbol Minerals in the lithium extraction industry.

The additional 20,609,488 in share-based consideration for the acquisition in the form of milestone shares ("Milestone Shares") was issued upon SAL achieving certain milestones (the "Milestones") as follows:

Milestone	**Number of Performance Milestone Shares to be issued**
i) Shares upon SAL and the Company filing three US or foreign patent applications with respect to intellectual property (filings completed)	4,000,000
ii) Shares upon SAL and the Company filling three additional patents with respect to intellectual property (filings completed)	5,536,496
iii) Shares upon SAL and the Company filling three additional patents with respect to intellectual property (filings completed)	5,536,496
iv) Shares upon the Company completing either of the following: one or more private placement financing(s) resulting in the issuance of an aggregate of no less than 5,000,000 common shares in the Company; or completing a laboratory – scale pilot plant for the processing of lithium or lithium concentrates (Milestone Shares issued on November 7, 2018)	5,536,496

The Milestone Shares were contingently issuable, and their fair value estimated using a probability-weighted analysis based on the probability of achieving the Milestones. The resulting valuation was recorded as obligation to issue Milestone Shares of $3,201,185. On November 7, 2018, the Company issued 5,536,496 Milestone Shares upon the satisfaction of Milestone (iv) above and transferred $2,657,734 from obligation to issue shares to share capital.

During the twelve months ended January 31, 2022, the Company satisfied all Milestones related to the original acquisition of assets. As a result, the fair value of the obligation of the Milestone Shares was re-valued to $5,426,022. The increase in the fair value of the Milestone Shares of $4,882,571 has also been reflected as an addition to the Company's Intellectual Property. On February 7, 2023, the balance of 15,072,992 Milestone Shares were issued to the shareholders of NAL and $5,426,022 was transferred from obligation to issue shares to share capital.

During the year ended January 31, 2019, the Company applied deferred acquisition costs of $703,277, inclusive of an initial cash payment of US$575,000, to the asset purchase and the balance of the US$875,000 consideration for the Acquisition being $459,025 (US $350,000) was paid. The Company issued 4,700,000 common shares with a fair value of $2,256,000 on the date of closing the acquisition.

The Company incurred an additional $50,000 in costs associated with the closing of the Acquisition and was required to issue a finder's fee of 100,000 common shares valued at $48,000. During the year ended January 31, 2021, the Company issued these shares and transferred $48,000 from obligation to issue shares to share capital.

On April 12, 2018, upon completion of the Acquisition, the Company acquired certain intellectual property (the "Intellectual Property"), from the shareholders of SAL. The acquisition of SAL was considered an acquisition of assets for accounting purposes and the Intellectual Property acquired was recorded at $6,717,487. The total cost capitalized for the intellectual property asset acquisition is as follows:

		Total
Purchase price:		
Performance shares	$	2,256,000
Shares contingently issuable on achieving milestones		3,201,185
Finder's fee		98,000
Transaction costs		1,162,302
Total cost capitalized to intangible assets	$	6,717,487

During the twelve months ended January 31, 2022, the Company satisfied the remainder of the Milestones. As a result, the fair value of the obligation the remaining Milestone Shares was re-valued to be $5,426,022. During the fourteen months ended March 31, 2023, the Company recorded amortization of $1,568,494 (2022 - $1,383,731). As of March 31, 2023, the Intellectual Property had a net book value of $6,761,354 (January 31, 2022 - $8,329,848).

During the twelve months ended January 31, 2022, the Company was granted a patent for the Intellectual Property and capitalized $13,519 of cost incurred to obtain the patent. During the fourteen months ended March 31, 2023, the Company recorded amortization of $789 (2022 - $78), based on an estimated useful life of 20 years. As of March 31, 2023, the patent had a net book value of $12,652 (January 31, 2022 - $13,441).

A continuity of the Company's intangible asset is as follows:

Cost		Intellectual property – SAL		Patent		Total
Balance, January 31, 2021	$	6,717,487	$	-	$	6,717,487
Additions		4,882,571		13,519		4,896,090
Balance, January 31, 2022		11,600,058		13,519		11,613,577
Additions		-		-		-
Balance, March 31, 2023	**$**	**11,600,058**	**$**	**13,519**	**$**	**11,613,577**

Accumulated Amortization		Intellectual property – SAL		Patent		Total
Balance, January 31, 2021	$	1,886,479	$	-	$	1,886,479
Amortization		1,383,731		78		1,383,809
Balance, January 31, 2022		3,270,210		78		3,270,288
Amortization		1,568,494		789		1,569,283
Balance, March 31, 2023	**$**	**4,838,704**	**$**	**867**	**$**	**4,839,571**

Net Book Value		Intellectual property – SAL		Patent		Total
At January 31, 2022	$	8,329,848	$	13,441	$	8,343,289
At March 31, 2023	**$**	**6,761,354**	**$**	**12,652**	**$**	**6,774,006**

Lithium Extraction Technology Development

Licensing Agreements with Ensorcia Metals Corporation

On November 8, 2018, the Company entered into a licensing agreement with Ensorcia Metals Corporation ("Ensorcia") and its wholly-owned subsidiary, Sorcia Minerals LLC ("Sorcia"), whereby the Company will license its novel lithium extraction technology to Sorcia for use in extracting lithium salts from lithium bearing raw brine sources in the country of Chile.

In addition, the Licensing Agreement appoints the Company as the exclusive provider to Sorcia and its affiliates of technology, systems and equipment for the extraction of lithium salts from brine within the Territory as well as all design, installation, operation and maintenance services within the Territory with respect to systems and equipment for the extraction of lithium salts from brine. The economic viability and technical feasibility regarding any of the Chilean projects has not been established at this time.

As consideration for entering into the Licensing Agreement the Company will receive a six percent royalty (6%) on the netback sales price of all products produced and sold using the Licensed Technology and was granted a ten percent (10%) common membership interest in Sorcia. The Company issued to Ensorcia 1,000,000 common share purchase warrants (the "Warrants") exercisable for two years from January 1, 2019 at an exercise price of $0.163 per Warrant share. On February 4, 2021, the Company exchanged its ten percent (10%) interest in Sorcia for a ten percent (10%) participation interest in Sorcia's future resource projects or lithium extraction facility where IBAT licensed rights are utilized.

On November 20, 2018, the Company entered into its second licensing agreement (the "Licensing Agreement") with Ensorcia Metals Corporation ("Ensorcia") and its wholly-owned subsidiary, Ensorcia Argentina LLC ("EAL"), whereby the Company will license its lithium extraction technology to EAL for use in the extraction of lithium chloride from lithium bearing brine sources in the country of Argentina.

In addition, the Licensing Agreement appoints the Company as the exclusive provider to EAL and its affiliates of technology, systems and equipment for the extraction of lithium salts from brine within the Territory as well as all design, installation, operation and maintenance services within the Territory with respect to systems and equipment for the extraction of lithium salts from brine.

The economic viability and technical feasibility regarding any of the Argentinian projects has not been established at this time. As consideration for entering into the Licensing Agreement the Company will receive a six percent royalty (6%) on the netback sales price of all products produced and sold using the Licensed technology and was also granted a ten percent (10%) common membership interest in EAL. On February 4, 2021, the Company exchanged its ten percent (10%) interest in EAL for a ten percent (10%) participation interest in EAL's future resource projects or lithium extraction facility where IBAT licensed rights are utilized. The definition of participation interest is to be agreed upon and calculated at the time any future resource projects are negotiated. By way of example, if a 50:50 joint venture is anticipated, the parties will reserve 10% participation interest for the Company, with the other signatories to the agreement each receiving a 45% interest.

Due to regulatory issues in Chile and Argentina, the deployment of the initial mobile extraction unit on those territories has been delayed. The Company extended the Licensing agreements on February 21, 2023 to until December 31, 2028 due to the various issues, delays, and problems in securing a contract to deploy the mobile extraction unit in Chile and Argentina. The Company has completed the engineering and fabrication of the first field unit and is expecting to deploy the first mobile extraction unit in the United States.

Mobile Lithium Extraction Unit

On August 20, 2018, the Company retained IMPACT Technology Development ("IMPACT") to help facilitate the engineering, design, and construction of its first proprietary mobile lithium extraction unit.

IMPACT has a qualified team of chemical engineers and chemists who specialize in developing, scaling-up, and commercializing chemical process technologies. Their services range from research and lab pilot testing in their R&D facility in Devens, MA through to a full commercial scale engineering design package ready for engineering procurement and construction implementation. Their "one-stop-shop" for process development & engineering services has helped over 250 clients in the last 20 years launch their new process technologies worldwide.

On November 6, 2018 IMPACT had completed its Phase 2 Engineering Report covering engineering study, design, and cost analysis, and on December 5, 2018, a successful live demonstration of the Company's lithium extraction technology was performed.
Scaled to current size, management believes the IBAT system will provide sufficient capacity to produce commercial quantities of high purity 40% LiCl while providing significant environmental advantages:

1. IBAT's process does not utilize any solvents or foreign chemicals that will alter the brine chemistry. This feature is important to the protection of resource ecology. Returning brine to the resource could be questionable if the return brine is contaminated with organic solvents or other chemicals that are not native to the ecosystem.

2. IBAT's process is designed to recycle approximately 95% of its process fresh water; the residual 5% is lost to evaporation from steam boilers used in the process of extraction. IBAT's water recovery system will be particularly important in desert areas and areas where potable ground water is in short supply.

The IMPACT Engineering Report was timely and thorough. Management believes their work contributed engineering refinements to the Company's design, and thereby provided additional value to the Company and the industry.

Live Demonstration of Lithium Extraction Technology

On December 5, 2018, the Company successfully performed a live demonstration of its lithium extraction technology. The demonstration was conducted at the labs of Impact Technology Development in Devens, Massachusetts.

The results of the test demonstrated greater than 90% extraction of lithium from a generic brine from South America/. The lithium chloride ("LiCl") produced during the demonstration resulted in a concentration of lithium to 40% of LiCl and greater than 90% rejection of all brine impurities, including sodium, magnesium, and potassium. Subsequent tests of enhancements to the system confirmed trace impurities are removed from the intermediate solution. Tests have also demonstrated that the post extraction composition of the source brine is essentially unchanged, except for the removal of the lithium.

3. Unlike evaporative processes that have been documented to damage sensitive desert salars typical to South America, IBAT's process does not concentrate salts utilizing open air ponds to evaporate water from the brine. Nor does the process consume vast quantities of fresh water to rinse out impurities, or to dilute acids or bases or other chemical agents introduced into the process of extraction which are typically found in Ion Exchange DLE or Solvent Exchange technologies or in open pit hard-rock lithium mining operations. Instead, it extracts lithium from the brine allowing the brine to be returned to the aquifer resource using permitted reinjection wells. This maintains the brine resource water balance while avoiding the construction of new large acreage ponds and/or enabling restoration of salar or other evaporative ecosystems. As well, Management believes its direct lithium extraction technology can be easily applied to extracting lithium chloride from the Salton Sea basin of California and the Smackover region of the US. And, that the technology holds the promise of reducing the reliance on open pit mining, both current and contemplated in Australia, Canada and elsewhere, while potentially providing lithium independence to the US and other countries in the world where lithium bearing salt brine aquifers are located.

Construction of Mobile Lithium Extraction Unit

During the year ended January 31, 2021, the Company, working in concert with Ensorcia Metals Corporation, began construction of its first commercially viable mobile lithium extraction unit (the "unit"). The unit will be used by the Company as a demonstration unit but is a commercial unit and will be easily scalable to generate higher outputs if needed. The final design and blueprints were developed for this unit by Practical Engineering Solutions LLC and future units will be based off this design.

During the fourteen months ended March 31, 2023, the Company successfully assembled the first commercial-scale Mobile Direct Lithium Extraction ("MDLE") plant. The unique modular design of the Company's lithium extraction plant allows for rapid plant deployment and onsite assembly. The plant, currently being shown to potential customers in Louisiana, was assembled over a ten-day period by a small, nine-man crew, demonstrating the versatility of the plant's design and the feasibility of moving the plant to remote lithium-bearing brine resources, or later moving the plant to other brine resources with higher concentration lithium brine which might be the case as original wells 'play out'.

The Company is anticipating that its patented modular design will allow access and a means to capitalize on geographically diverse and potentially remote lithium-bearing brine resources. Depending on lithium concentrations in the wellhead brine, which can range from 200 to 2000 PPM the current plant can produce 5,000 metric tons of commercial-grade LiCl, on a lithium carbonate equivalent basis, each year.

During the summer months of 2022, the existing IBAT plant was evaluated by a third-party engineering firm, SLR International Corporation ("SLR"). The purpose of the evaluation was to have a respected engineering firm confirm the IBAT LiCL plant capabilities. Below is an extract of the summary of SLR's conclusions and observations from the evaluation:

- The modules are robust and designed to oilfield standards of construction, comprising of process, piping, and electrical equipment associated with specific process packages, access platforms for operations and maintenance, and structural steel support frames to prevent the equipment from moving during transportation. The modules are designed to be lifted with a crane using installed pad eyes and loaded onto permit rated flatbed trailers for road transport to the site, to and from rail heads, and or to and from barges or ships for transport.

- The current plant configuration is designed to produce 5,738 tons (t) LiCl in solution per year (5,000) tons of lithium carbonate equivalent (Li2CO3eq) per year), from a brine with a lithium concentration of 1,800 g/t Li (1,800 ppm Li).

- Operational tests consisted of continuously processing the lithium bearing brine (containing 300 ppm Li) through the plant and monitoring the solution chemistry by sampling at regular intervals to determine the performance of the process equipment and the absorption media through multiple loading and elution cycles.

- Operation of the plant during absorption and elution cycles 10, 11 and 12, was observed during the site visit. The plant was operated according to the criteria presented in the appendix of this letter report. Estimated lithium extraction for the three cycles ranged from 72.6% Li to 87.5% Li with an average extraction of 81%. Estimated lithium recovery to product from brine feed was an average of 68.8% Li with the high level result up to a 89% Li total recovery.

Current period updates

During the fourteen months ended March 31, 2023, the Company incurred a total of $8,820,859 for the construction of the lithium extraction unit. The Company began construction of its first lithium extraction unit during the year ended January 31, 2021, and has incurred total costs of $32,948,934 as of March 31, 2023 (January 31, 2022 - $24,128,075). During the fourteen months ended March 31, 2023, $306,395 (January 31, 2022 - $13,289,637) was paid or accrued by Sorcia Minerals LLC ("Sorcia") and $3,034,287 (January 31, 2022 - $3,282,533) was paid or accrued by EVL Holdings LLC ("EVL") to engineers, consultants, and fabricators on the Company's behalf. EVL and Sorcia are related parties to the Company by virtue of significant shareholdings. As the lithium extraction unit is not yet completed, no depreciation has been recorded. During the fourteen months ended March 31, 2023 construction of the lithium extraction unit was substantially completed.

A continuity of the Company's equipment is as follows:

Cost	Lithium Extraction Unit	Computer	Office Equipment	Total
Balance, January 31, 2021	$ 4,158,827	$ 2,421	$ -	$ 4,161,248
Additions	19,969,248	-	-	19,969,248
Balance, January 31, 2022	24,128,075	2,421	-	24,130,496
Additions	8,820,859	2,282	1,996	8,825,137
Balance, March 31, 2023	**$ 32,948,934**	**$ 4,703**	**$ 1,996**	**$ 32,955,633**

Accumulated Depreciation	Lithium Extraction Unit	Computer	Office Equipment	Total
Balance, January 31, 2021	$ -	$ -	$ -	$ -
Depreciation	-	484	-	484
Balance, January 31, 2022	-	484	-	484
Depreciation	-	1,059	216	1,275
Balance, March 31, 2023	**$ -**	**$ 1,543**	**$ 216**	**$ 1,759**

Net Book Value	Lithium Extraction Unit	Computer	Office Equipment	Total
Balance, January 31, 2022	$ 24,128,075	$ 1,937	$ -	$ 24,130,012
Balance, March 31, 2023	**$ 32,948,934**	**$ 3,160**	**$ 1,780**	**$ 32,953,874**

Selected Annual Information

The following table sets forth summary financial information for the Company for the fourteen months ended March 31, 2023, twelve months ended January 31, 2022 and 2021. This information has been summarized from the Company's audited consolidated financial statements for the same periods. This summary of financial information should only be read in conjunction with the Company's consolidated financial statements, including the notes thereto.

	For the fourteen months ended March 31, 2023	For the twelve months ended January 31, 2022	For the twelve months ended January 31, 2021
Total revenue	$ -	$ -	$ -
Net income (loss)	(17,156,968)	187,213	(14,377,500)
Basic and diluted earnings (loss) per share	(0.12)	0.00	(0.19)
Total assets	41,058,677	32,826,852	9,546,860
Total non-current financial liabilities	$ 90,023	$ -	$ -

Results of Operations for the fourteen months ended March 31, 2023 and twelve months ended January 31, 2022

Expenses

	Fourteen months ended March 31, 2023	Twelve months ended January 31, 2022	Change $	Change %
General and administrative:				
Advertising and promotion	$ 213,559	$ 196,798	16,761	9%
Accretion expense	11,134	-	11,134	100%
Bank charges and interest	24,900	49,183	(24,283)	(49%)
Depreciation	95,046	484	94,562	19,538%
Filing fees	57,056	34,337	22,719	66%
Foreign exchange loss	1,408,594	72,216	1,336,378	1,851%
Management fees, salaries and benefits	1,528,869	514,894	1,013,975	197%
Meals and entertainment and travel	260,035	2,358	257,677	10,928%
Office and miscellaneous	970,149	216,630	753,519	348%
Professional fees	3,589,233	1,104,158	2,485,075	225%
Rent	565,768	21,000	544,768	2,594%
Share-based payments	6,956,909	456,619	6,500,290	1,424%
Total general and administrative expense	(15,681,252)	(2,668,677)	(13,012,575)	488%
Amortization of intangible asset	(1,569,283)	(1,383,809)	(185,474)	13%
Change in fair value and derecognition of derivative liability	-	4,239,699	(4,239,699)	(100%)
Gain on debt settlement	76,548	-	76,548	100%
Gain on write-off of accounts payable	17,019	-	17,019	100%
Net income (loss)	$ (17,156,968)	$ 187,213	(17,344,181)	(9,264%)

The net loss for the fourteen months ended March 31, 2023 was $17,156,968 as compared to net income of $187,213 for the twelve months ended January 31, 2022. The primary reasons for the increase in net loss was due to an increase in share-based payments of $6,500,290, a decrease in change in fair value and derecognition of derivative liability of $4,239,699, an increase in professional fees of $2,485,075, an increase in foreign exchange loss of $1,336,378, an increase in management fees, salaries and benefits of $1,013,975, an increase in office and miscellaneous of $753,519, an increase in rent of $544,768, an increase in meals and entertainment and travel of $257,677, and an increase in amortization of intangible asset of $185,474 during the fourteen months ended March 31, 2023.

Changes from period to period can be explained primarily by the following factors:

- Share-based payments increased by $6,500,290 during the fourteen months ended March 31, 2023 due to the Company granting 1,800,000 stock options during the fourteen months ended March 31, 2023 to management, directors and employees of the Company along with the vesting of stock options granted to consultants of the Company in January 2022. There were also $600,000 USD of restricted share units granted to the President of the Company during the fourteen months ended March 31, 2023. During the comparative period there were 720,000 stock options granted to directors and consultants of the Company with 480,000 of these stock options vesting during the comparative period.

- Change in fair value and derecognition of derivative liability decreased by $4,239,699 during the fourteen months ended March 31, 2023 due to the Company having outstanding warrants during the twelve months ended January 31, 2022 with an exercise price in USD which increased in value. These warrants were exercised prior to the fourteen months ended March 31, 2023 and therefore no transactions relating to the derivative liability were recorded during the fourteen months ended March 31, 2023.

- Professional fees increased by $2,485,075 during the fourteen months ended March 31, 2023 due to an increase in legal fees incurred on obtaining patents for the Company along with general corporate matters, fees incurred on engineering services related to the final stages of production of the lithium extraction unit and accounting fees.

- Foreign exchange loss increased by $1,336,378 during the fourteen months ended March 31, 2023 due to an increase in the US dollar relative to the Canadian dollar as a significant portion of the Company's trade payables and other liabilities are denominated in US dollars.

- Management fees, salaries and benefits increased by $1,013,975 during the fourteen months ended March 31, 2023, due to the appointment of 3 new directors, a new CEO, a new interim CFO and additional new hires of staff as the Company's operations have increased.

- Office and miscellaneous increased by $753,519 during the fourteen months ended March 31, 2023 due to an increase in costs incurred for project expenses related to the final stages of production of the lithium extraction unit and increased insurance coverage.

- Rent increased by $544,768 during the fourteen months ended March 31, 2023, which is primarily due to the Company renting an aircraft for more efficient travel to the site of the Company's lithium extraction unit.

- Meals and entertainment and travel increased by $257,677 during the fourteen months ended March 31, 2023, which is primarily due to the Company's management travelling more frequently to and from the site of the Company's lithium extraction unit.

- Amortization of intangible asset increased by $185,474 during the fourteen months ended March 31, 2023 due to the additional two months incurred during the current period in comparison to the prior period.

Results of Operations for the five months ended March 31, 2023 and three months ended January 31, 2022

Expenses

	Five months ended March 31, 2023	Three months ended January 31, 2022	Change $	Change %
General and administrative:				
Advertising and promotion	$ 131,768	$ 65,573	66,195	101%
Accretion expense	5,803	-	5,803	100%
Bank charges and interest	(17,221)	37,714	(54,933)	(146%)
Consulting fees	-	(373,613)	373,613	(100%)
Depreciation	53,291	121	53,170	43,942%
Filing fees	16,319	7,617	8,702	114%
Foreign exchange loss	180,808	42,836	137,972	322%
Management fees, salaries and benefits	665,104	128,719	536,385	417%
Meals and entertainment and travel	108,270	2,358	105,912	4,492%
Office and miscellaneous	280,045	171,290	108,755	63%
Professional fees	1,266,858	683,194	583,664	85%
Rent	32,850	6,000	26,850	448%
Share-based payments	872,369	253,224	619,145	245%
Total general and administrative expense	(3,596,264)	(1,025,032)	(2,571,232)	251%
Amortization of intangible asset	(560,457)	(883,219)	322,762	(37%)
Change in fair value and derecognition of derivative liability	-	3,623,146	(3,623,146)	(100%)
Net income (loss)	$ (4,156,721)	$ 1,714,895	(5,871,616)	(342%)

The net loss for the five months ended March 31, 2023 was $4,156,721 as compared to net income of $1,714,895 for the three months ended January 31, 2022. The primary reasons for the increase in net loss was due to a decrease in the change in fair value and derecognition of derivative liability of $3,623,146, an increase in professional fees of $583,664, an increase in share-based payments of $619,145, an increase in management fees, salaries and benefits of $536,385, an increase in office and miscellaneous of $108,755, and an increase in foreign exchange loss of $137,972 during the five months ended March 31, 2023. This was partially offset by a $322,762 decrease in amortization of intangible asset, and a decrease in consulting fees of $373,613.

Changes from period to period can be explained primarily by the following factors:

- Change in fair value and derecognition of derivative liability decreased by $3,623,146 during the five months ended March 31, 2023 due to the Company having outstanding warrants during the three months ended January 31, 2022 with an exercise price in USD which increased in value. These warrants were exercised prior to the five months ended March 31, 2023 and therefore no transactions relating to the derivative liability were recorded during the five months ended March 31, 2023.

- Professional fees increased by $583,664 during the five months ended March 31, 2023 due to an increase in legal fees incurred on obtaining patents for the Company along with general corporate matters, fees incurred on engineering services related to the final stages of production of the lithium extraction unit and accounting fees.

- Share-based payments increased by $619,145 during the five months ended March 31, 2023 due to the Company granting 600,000 stock options to the president of the Company in July 2022, which included 300,000 stock options vesting in July 2022 and 300,000 options vesting in July 2023. There were also $600,000 USD of restricted share units granted to the president of the Company in July 2022 with $300,000 USD vesting in July 2023 and $300,000 USD vesting in July 2024. In addition, there were 320,000 stock options granted to consultants in January 2022, which includes 80,000 stock options that have not vested yet. There were also 200,000 options granted to an employee in May 2022, which includes 150,000 stock options that have not vested yet. During the comparative period there were 320,000 stock options granted with 80,000 of these options vesting during the three months ended January 31, 2022 resulting in share-based payments of $253,224.

- Management fees, salaries and benefits increased by $536,385 during the five months ended March 31, 2023 due to the appointment of 3 new directors, a new CEO, a new interim CFO and additional new hires of staff as the Company's operations have increased.

- Office and miscellaneous increased by $108,755 during the five months ended March 31, 2023 due to an increase in costs incurred for project expenses related to the final stages of production of the lithium extraction unit and increased insurance coverage.

- Foreign exchange loss increased by $137,972 during the three months ended January 31, 2023 due to an increase in the US dollar relative to the Canadian dollar as a significant portion of the Company's trade payables and other liabilities are denominated in US dollars.

- Amortization of intangible asset decreased by $322,762 during the five months ended March 31, 2023 due to an increase in the cost base of the intangible asset during the three months ended January 31, 2022 leading to a higher amount being amortized during the three months ended January 31, 2022.

- Consulting fees decreased by $373,613 during the five months ended March 31, 2023 due to the reclassification of consulting fees to different operating expense items on the consolidated statement of loss and comprehensive loss.

Summary of Quarterly Results

The following financial data was derived from the Company's consolidated financial statements for each of the eight most recently completed financial quarters:

	March 31, 2023	October 31, 2022	July 31, 2022	April 30, 2022
Revenue	$ -	$ -	$ -	$ -
Income (loss) for the period	$ (4,156,721)	$ (5,231,114)	$ (2,344,572)	$ (5,424,561)
Income (loss) per share – basic and diluted	$ (0.03)	$ (0.04)	$ (0.02)	$ (0.04)
Weighted average number of shares outstanding – basic	149,717,861	137,392,657	136,273,092	135,124,777
Weighted average number of shares outstanding – diluted	149,717,861	137,392,657	136,273,092	135,124,777

	January 31, 2022	October 31, 2021	July 31, 2021	April 30, 2021
Revenue	$ -	$ -	$ -	$ -
Income (loss) for the period	$ 1,714,895	$ (98,085)	$ (1,519,919)	$ 90,322
Income (loss) per share – basic and diluted	$ 0.01	$ (0.00)	$ (0.01)	$ 0.00
Weighted average number of shares outstanding – basic	130,026,125	126,401,332	125,850,399	121,784,201
Weighted average number of shares outstanding – diluted	132,058,238	126,401,332	125,850,399	132,095,222

The Company earned no revenue due to the nature of current operations.

The factors that have caused variations in results over the quarters are:

- The Company incurred a net loss of $4,156,721 for the five months ended March 31, 2023 as compared to a net loss of $5,231,114 for the previous quarter. The decrease in net loss is primarily due to a $812,416 decrease in foreign exchange loss due to the decrease in the US dollar relative to the Canadian dollar as a significant portion of the Company's trade payables and other liabilities are denominated in US dollars, a $729,867 decrease in share-based payments due to the vesting of 300,000 stock options in the previous quarter that were granted to the CEO and former President of the Company, a $291,657 decrease in professional fees due to a decrease in legal fees incurred on obtaining patents for the Company and a decrease in general corporate matters and engineering services related to the final stages of production of the lithium extraction unit. This is partially offset by a $439,372 increase in management fees, salaries and benefits due to the appointment of 3 new directors, a new CEO, a new interim CFO and additional new hires of staff as the Company's operations have increased, $390,676 increase in consulting fees due to the reclassification of consulting fees to different operating expense items on the consolidated statement loss and comprehensive loss during the prior quarter.

- The Company incurred a net loss of $5,231,114 for the quarter ended October 31, 2022 as compared to a net loss of $2,344,572 for the previous quarter. The increase in net loss is primarily due to a $1,153,512 increase in share-based payments due to 600,000 stock options being granted to the President of the Company late in the previous quarter along with $600,000 USD of restricted share units being granted to the President of the Company late in the previous quarter, a $1,058,786 increase in foreign exchange loss due to the increase in the US dollar relative to the Canadian dollar as a significant portion of the Company's trade payables and other liabilities are denominated in US dollars, and a $1,057,830 increase in professional fees due to an increase in legal fees incurred on obtaining patents for the Company along with general corporate matters, fees incurred on engineering services related to the final stages of production of the lithium extraction unit and accounting fees. This is partially offset by a $660,991 decrease in consulting fees due to the reclassification of consulting fees to different operating expense items on the consolidated statement of loss and comprehensive loss.

- The Company incurred a net loss of $2,344,572 for the quarter ended July 31, 2022 as compared to a net loss of $5,424,561 for the previous quarter. The decrease in net loss is primarily due to a $3,584,856 decrease in share-based payments due to 1,000,000 stock options being granted during the previous quarter compared to 200,000 stock options being granted during the current quarter and a $365,686 increase in foreign exchange gain. This is partially offset by a $276,457 increase in management fees, salaries and benefits as the Company appointed 3 new directors late in the prior quarter and also appointed a new President and a new interim CFO during the current quarter, a $237,510 increase in professional fees due to an increase in legal fees incurred on obtaining patents for the Company along with general corporate matters.

- The Company incurred a net loss of $5,424,561 for the quarter ended April 30, 2022 as compared to net income of $1,714,895 for the previous quarter. The increase in net loss is primarily due to a $3,780,356 increase in share-based payments due to 1,000,000 stock options being granted during the quarter, a $3,623,146 decrease in the change in fair value and derecognition of derivative liability arising from warrants with an exercise price in USD and a $257,288 increase in foreign exchange loss. This is partially offset by a $546,944 decrease in the amortization of intangible asset.

- The Company recognized net income of $1,714,895 for the quarter ended January 31, 2022, as compared to a net loss of $98,085 for the previous quarter. The increase in net income is primarily due to a $2,861,119 increase in the change in fair value and derecognition of derivative liability arising from warrants with an exercise price in USD. This is partially offset by a $713,902 increase in amortization of intangible asset and a $253,224 increase in share-based payments due to 320,000 stock options being granted with 80,000 of the stock options vesting during the quarter.

- The Company incurred a net loss of $98,085 for the quarter ended October 31, 2021, as compared to a net loss of $1,519,919 for the previous quarter. The decrease in net loss is primarily due to a $1,581,915 increase in the change in fair value and derecognition of derivative liability arising from warrants with an exercise price in USD and a decrease in share-based payments of $203,395 due to 400,000 stock options being granted in the prior quarter to directors and advisory board members. This is partially offset by a $167,910 increase in professional fees as more patent work was completed during the quarter and a $80,368 increase in consulting fees due to the Company's increased efforts for engineering work done on lithium extraction.

- The Company incurred a net loss of $1,519,919 for the quarter ended July 31, 2021, as compared to net income of $90,322 for the previous quarter. The increase in net loss is primarily due to a

$1,494,302 decrease in change in fair value and derecognition of derivative liability arising from warrants with an exercise price in USD and an increase in share-based payments of $203,395 due to 400,000 stock options being granted to directors and advisory board members. This is partially offset by a $99,301 decrease in consulting fees.

- The Company incurred net income of $90,322 for the quarter ended April 30, 2021, as compared to a net loss of $12,962,171 for the previous quarter. The increase in net income is primarily due to a $667,766 increase in the change in fair value and derecognition of derivative liability upon the exercise of 6,666,666 warrants in USD along with an increase in the fair value of the derivative liability, $4,526,778 of share-based payments recorded during the prior quarter due to the grant of 8,148,500 stock options to directors and consultants of the Company, a loss on settlement of debt of $4,188,708 being recorded in the prior quarter.

Transactions between Related Parties

The Company has identified its directors and certain officers as its key management personnel. Current directors and officers of the Company are as follows:

John Burba, Director of Global Technology (appointed on December 2, 2022, Director and former Chief Executive Officer (until transition to Director of Global Technology on December 2, 2022)
Logan Anderson, former Chief Financial Officer and Director (resigned as Director on March 2, 2022, resigned as Chief Financial Officer on June 21, 2022)
David Ryan, former Director (resigned on March 2, 2022)
Rodger Cree, former Director (resigned on March 2, 2022)
Tony Colletti, former Interim President (appointed on March 2, 2022 through June 21, 2022) and Director (appointed on May 12, 2021)
Maria Echaveste, Director (appointed on March 2, 2022)
Foy Wyman Morgan, Director (appointed on March 2, 2022)
William M. Webster, Director (appointed on March 2, 2022)
Garry Flowers, Chief Executive Officer (appointed on December 2, 2022) and former President (appointed on June 21, 2022 until transition to Chief Executive Officer on December 2, 2022)
Yick Cheung Chan, Interim Chief Financial Officer (appointed on June 21, 2022 through contract expiration on March 31, 2023)

The remuneration of directors and other members of key management for the fourteen months ended March 31, 2023 and twelve months ended January 31, 2022 are as follows:

		Fourteen Months Ended March 31, 2023		Twelve Months Ended January 31, 2022
Management fees, salaries and benefits [1]	$	1,306,504	$	430,556
Directors' fees [1]		414,483		56,500
Share-based payments [1]		5,870,705		101,697
	$	7,591,692	$	588,753

[1] Management fees, salaries and benefits, directors fees and share-based payments are included under general and administrative expense.

The Company has entered into agreements with officers that include termination and change of control clauses. In the case of termination and change of control, the officers are entitled to certain amounts payable. As at March 31, 2023, the Company had two of these types of agreements with officers of the Company that totaled annual base fees of $703,500. In the case of termination, the officers are entitled to an amount equal to $485,750 and a bonus payment equal to the pro-rata portion of annual or target bonus for the year. In a change of control the foregoing applies as well as accelerated vesting of equity awards.

The Company entered into the following related party transactions during the fourteen months ended March 31, 2023 and twelve months ended January 31, 2022:

a) The Company paid or accrued management fees of $503,467 (2022 - $Nil) to Business Talent Group for the services performed by Yick Cheung Chan as interim Chief Financial Officer ("CFO");
b) The Company paid or accrued management fees of $75,000 (2022 - $180,000) to Amteck Financial Corp., a company controlled by Logan Anderson, the former Chief Financial Officer ("CFO") and former director of the Company and directors' fees of $1,000 (2022 - $12,000) to Logan Anderson. Upon appointment as Corporate Secretary, the Company incurred management fees of $6,000 (2022 - $Nil) to Logan Anderson;
c) The Company paid or accrued salaries of $284,938 (2022 - $250,556), directors' fees of $1,000 (2022 - $12,000), respectively, to John Burba, the Director of Global Technology, director and former Chief Executive Officer ("CEO") of the Company;
d) The Company paid or accrued directors' fee of $1,000 (2022 - $12,000) to David Ryan, a former director of the Company;
e) The Company paid or accrued directors' fee of $1,000 (2022 - $12,000) to Rodger Cree, a former director of the Company;
f) The Company paid or accrued salaries and severance pay of $116,546 (2022 - $Nil), directors' fees of $74,859 (2022 - $8,500) and granted share-based payments valued at $382,690 (2022 - $101,697) to Tony Colletti, former interim president and a director of the Company;
g) The Company paid or accrued directors fees of $105,110 (2022 - $Nil) and granted share-based payments valued at $1,148,074 (2022 - $Nil) to Maria Echaveste, a director of the Company;
h) The Company paid or accrued directors fees of $105,110 (2022 - $Nil) and granted share-based payments valued at $1,148,074 (2022 - $Nil) to Foy Wyman Morgan, a director of the Company;
i) The Company paid or accrued directors fees of $125,404 (2022 - $Nil) and granted share-based payments valued at $1,148,074 (2022 - $Nil) to William M. Webster, a director of the Company;
j) The Company paid or accrued salaries of $320,553 (2022 - $Nil) and granted share-based payments valued at $2,043,793 (2022 - $Nil) to Garry Flowers, CEO and former President of the Company.

During the fourteen months ended March 31, 2023 and twelve months ended January 31, 2022, other related party transactions consisted of the following:

a) Included in general and administrative expenses is $27,000 (2022 - $36,000) in office administrative fees paid or accrued to a Company, Wynten Management Corp., controlled by the spouse of the Company's former CFO and former Director, Logan Anderson;
b) Included in general and administrative expenses is $16,800 (2022 - $21,000) in rent paid or accrued to a Company, Westbrook Management Inc., a Company with Logan Anderson and Dave Ryan as common directors;
c) Included in general and administrative expenses is $11,545 (2022 - $Nil) in advertising and promotion fees paid or accrued to the son of the Director of Global Technology, director and former CEO of the Company;
d) During the year ended January 31, 2021, Ensorcia, Sorcia and EVL became significant shareholders of the Company. During the twelve months ended January 31, 2022, the Company issued 2,332,153 common shares to Ensorcia at a value of $711,306 for payments made by Sorcia on behalf of the Company.

e) During the twelve months ended January 31, 2022, Ensorcia exercised 3,333,333 warrants at US$0.105 per share for gross proceeds of $446,212 (US$350,000).

f) During the fourteen months ended March 31, 2023, the Company issued 3,331,162 common shares to Ensorcia at $0.305 per share for gross proceeds of $1,016,004 following the exercise of the pre-emptive rights under the private placement closed in August 2019.

g) During the fourteen months ended March 31, 2023, the Company closed a private placement of 17,250,000 units of the Company at a price per unit of $0.58 to Sorcia and EVL. Each unit consists of one common share and one common share purchase warrant entitling the holder thereof to acquire one common share of the Company at a price per common share of $0.58. Upon closing of the private placement, Sorcia exercised 8,202,502 of its share purchase warrants at $0.58 per common share for 8,202,502 common shares. Also, upon closing of the private placement, EVL exercised all 8,625,000 of its share purchase warrants at $0.58 per common share for 8,625,000 common shares. In lieu of receiving cash proceeds for the issuance of 34,077,502 common shares, the Company settled the entire $9,759,952 balance owing to Sorcia and $10,005,000 of its balance owing to EVL.

h) During the fourteen months ended March 31, 2023, the Company granted 1,000,000 stock options exercisable at a price of $4.37 per share for a period of five years to directors and management of the Company.

i) During the fourteen months ended March 31, 2023, the Company granted 600,000 stock options exercisable at a price of $3.50 per share for a period of five years to the President of the Company. During the fourteen months ended March 31, 2023, the Company also granted $600,000 USD of restricted share units to the President of the Company with $300,000 USD of the restricted share units vesting on July 1, 2023 and $300,000 USD of the restricted share units vesting on July 1, 2024.

Related Party Balances

At March 31, 2023, $250 (January 31, 2022 - $47,543) was due to Logan Anderson, former CFO and former Director and $Nil (January 31, 2022 - $78,750) was due to Amteck Financial Corp. and is included in trade payables and other liabilities for unpaid directors' and management fees and expense reimbursements. The amounts were unsecured, non-interest bearing and due on demand.

At March 31, 2023, $14,360 (January 31, 2022 - $205,534) was due to John Burba, Director of Global Technology, Director and former CEO and is included in trade payables and other liabilities for unpaid directors' fees and expense reimbursements. The amounts were unsecured, non-interest bearing and due on demand.

At March 31, 2023, $Nil (January 31, 2022 - $18,000) was due to David Ryan, former Director, and is included in trade payables and other liabilities for unpaid directors' fees. The amounts were unsecured, non-interest bearing and due on demand.

At March 31, 2023, $Nil (January 31, 2022 - $32,000) was due to Rodger Cree, former Director, and is included in trade payables and other liabilities for unpaid directors' fees. The amounts were unsecured, non-interest bearing and due on demand.

At March 31, 2023, $33,786 (January 31, 2022 - $8,500) was due to Tony Colletti, former interim President and Director, and is included in trade payables and other liabilities for unpaid directors' fees. The amounts were unsecured, non-interest bearing and due on demand.

At March 31, 2023, $33,786 (January 31, 2022 - $Nil) was due to Maria Echaveste, Director and is included in trade payables and other liabilities for unpaid directors' fees and expense reimbursements. The amounts were unsecured, non-interest bearing and due on demand.

At March 31, 2023, $33,786 (January 31, 2022 - $Nil) was due to Foy Wyman Morgan, Director and is included in trade payables and other liabilities for unpaid directors' fees and expense reimbursements. The amounts were unsecured, non-interest bearing and due on demand.

At March 31, 2023, $54,080 (January 31, 2022 - $Nil) was due to William M. Webster, Director and is included in trade payables and other liabilities for unpaid directors' fees and expense reimbursements. The amounts were unsecured, non-interest bearing and due on demand.

At March 31, 2023, $3,346 (January 31, 2022 - $Nil) was due to Garry Flowers, CEO and former President and is included in trade payables and other liabilities for expense reimbursements. The amounts were unsecured, non-interest bearing and due on demand.

At March 31, 2023, $111,972 (January 31, 2022 - $Nil) was due to Business Talent Group and is included in trade payables and other liabilities for interim CFO services provided by Yick Cheung Chan. The amounts were unsecured, non-interest bearing and due on demand.

At March 31, 2023, $Nil (January 31, 2022 - $12,600) was due to Wynten Management Corp., a company controlled by the spouse of the Company's former CFO and former Director, Logan Anderson.

At March 31, 2023, $Nil (January 31, 2022 - $2,100) was due to Westbrook Management Inc., a company with Logan Anderson and David Ryan as common directors.

At March 31, 2023, $Nil (January 31, 2022 - $12,578,331) was due to Sorcia, a significant shareholder of the Company.

At March 31, 2023, $960,495 (January 31, 2022 - $3,282,533) was due to EVL, a significant shareholder of the Company.

Liquidity and Capital Resources

At March 31, 2023, the Company had cash of $406,860 (January 31, 2022 - $336,175) and net working capital deficiency of $2,073,393 (January 31, 2022 - $19,324,711). The Company has not pledged any of its assets as security for loans, or otherwise is not subject to any debt covenants. Management has evaluated the Company's alternatives to enable it to pay its liabilities as they become due and payable in the next twelve-month period. The Company believes it will raise additional equity to provide liquidity for it to continue as a going concern during fiscal 2024 in addition to the placement financing that occurred on February 24, 2022 and April 21, 2023, for gross proceeds of US$10,000,000 and US$5,000,0000, respectively.

The Company's cash is highly liquid and held at major financial institutions.

Increase (decrease) in cash for the fourteen months and twelve months ended respectively,				
		March 31, 2023		**January 31, 2022**
Operating activities	$	(10,211,253)	$	(768,762)
Investing activities		(4,980,447)		(1,304,545)
Financing activities		15,425,744		2,193,014
Total change in cash		234,044		119,707
Effect of foreign exchange rate changes on cash		(163,359)		4,255
Cash, beginning of the period		336,175		212,213
Cash, end of the period	$	406,860	$	336,175

Operating Activities

Cash used in operating activities for the fourteen months ended March 31, 2023 was $10,211,253. The increase in cash used in operating activities primarily relates to the increase in net loss during the period from net income of $187,213 to a net loss of $17,156,968 along with a decrease in trade payables and other liabilities relating to operating activities of $2,298,735 and an increase in prepaid expenses relating to operating activities of $744,303, which is partially offset by an increase in share-based payments of $6,500,290, a decrease in the change in fair value and derecognition of derivative liability of $4,239,699, an increase in the amortization of intangible assets of $185,474, an increase in depreciation of $94,562 and an increase in unrealized foreign exchange loss of $60,587.

Investing Activities

Cash used in investing activities for the fourteen months ended March 31, 2023 consisted of $4,980,447 for costs incurred to build the lithium extraction unit and develop the final blueprints for the lithium extraction unit. During the twelve months ended January 31, 2022, the Company spent $1,297,905 to build the lithium extraction unit and develop the final blueprints for the lithium extraction unit and $6,640 on patent costs.

Financing Activities

Cash provided by financing activities for the fourteen months ended March 31, 2023 was $15,425,744 which consisted of $12,766,859 proceeds from a private placement, $2,032,009 of proceeds from shares issued under pre-emptive rights, $1,497,000 of proceeds from the exercise of 3,950,000 stock options which is partially offset by share issuance costs of $780,718 and principal lease payments of $89,406. During the twelve months ended January 31, 2022, the Company raised proceeds of $1,363,832 from the exercise of warrants, $711,307 from private placements, and $117,875 from the exercise of stock options.

Use of Judgments, Estimates and Assumptions

The preparation of the Company's consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the consolidated financial statements and reported amounts of income and expenses during the reporting period. Estimates and assumptions are continuously 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.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods are outlined below:

- The Company has determined that intangible asset costs incurred which were capitalized have future economic benefits and will be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including anticipated cash flows and estimated economic life. The amortization expense related to intangible assets is determined using estimates relating to the useful life of the intangible asset.

Judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the consolidated financial statements are outlined below.

- Critical judgment is involved in determining whether there are any indications of impairment for the cash generating unit which include the intangible assets and equipment and may require significant measurement uncertainty. The Company reviews the carrying amounts of its equipment when events or changes in circumstances indicate the asset will not be recoverable. Determining the recoverable amount of the individual assets of the cash generating unit is subject to estimates and judgements.

- The functional currency for the Company and its subsidiaries is the currency of the primary economic environment in which the entity operates. Determination of the functional currency involves certain judgments to determine the primary economic environment and the Company reconsiders the functional currency of its entities if there is a change in events and conditions which determined the primary economic environment. The Company has determined that the functional currency of the parent company and SAL is the Canadian dollar. The functional currency of its subsidiary, IBAT USA, Inc., has been determined to be the United States dollar.

- These consolidated financial statements have been prepared on a basis which assumes the Company will continue to operate for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. In assessing whether this assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, 12 months from the end of the reporting period. This assessment is based upon planned actions that may or may not occur for a number of reasons including the Company's own resources and external market conditions.

Critical accounting policies are disclosed in the Company's annual audited consolidated financial statements for the year ended March 31, 2023.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements and does not contemplate having them in the foreseeable future.

Financial Instruments and Other Instruments

The carrying values of cash, other receivable, trade payables and other liabilities and lease liability approximate their fair values because of the short-term maturity of these financial instruments. The Company has no exposure to asset backed commercial paper.

Credit risk

Financial instruments that potentially subject the Company to credit risk consist of cash and other receivable. The Company manages its credit risk relating to cash by dealing only with high-rated financial institutions as determined by rating agencies. As at March 31, 2023, other receivable of $38,429 (January 31, 2022 - $Nil) are due from a vendor in relation to an overpayment. As a result, credit risk is considered insignificant. The Company does not consider any of its financial assets to be impaired.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company manages liquidity risk by maintaining sufficient cash balances to enable settlement of transactions on the due date. The Company is exposed to liquidity risk. The Company addresses its liquidity by raising capital through the issuance of equity. While the Company has been successful in securing financings in the past, there is no assurance that it will be able to do so in the future.

As at March 31, 2023 the Company had working capital deficiency of $2,073,393 (January 31, 2022 – $19,324,711).

Foreign currency risk

Foreign currency risk is the risk that a variation in exchange rates between the Canadian dollar and the U.S. dollar will affect the Company's operations and financial results. The operating results and financial position of the Company are reported in Canadian dollars.

As at March 31, 2023, the Company held cash of approximately $391,468 and trade payables and other liabilities of $2,056,404 denominated in U.S. dollars. As at March 31, 2023, if the value of the Canadian dollar had strengthened or weakened by 5% against the U.S. dollar, with all other variables held constant, comprehensive income would have been approximately $83,000 lower or higher respectively.

Other risks

Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest rate risk and commodity price risk arising from financial instruments.

Risks

The material risk factors involved with the Company include, but are not limited to, the following:

Dependence on Key Personnel and Consultants

The success of the Company will be largely dependent upon the performance of its management and key employees. Failure by the Company to retain or to attract and retain additional key employees with necessary skills could have a materially adverse impact upon the Company's growth and profitability. These individuals, and the contributions they will make, are important to the future operations and success of the Company. The unexpected loss or departure of any of the key officers, employees or consultants of the Company could be detrimental to the Company's future operations. The Company's success will depend in part on its ability to attract and retain qualified personnel, as they are needed. The competition for highly skilled technical, management, sales and other employees is high in the Company's industry and the cost of hiring and retaining such personnel has been increasing. There can be no assurance that the Company will be able to engage the services of such personnel or retain the Company's current personnel.

Changes in Industry Standards or Technology

The industry in which the Company will operate is subject to constant changes in industry standards and technology, frequent new product introductions, and evolving technical standards. Technological developments, or a substantial change in industry standards, may reduce the competitiveness of the Company's technology and require unbudgeted expenditures that could be expensive. The Company may be unable to develop and introduce new technology that satisfies requirements and achieves market acceptance in a timely manner or at all, the technologies where it has focused its research and development expenditures may not become commercially successful, and it may be unable to anticipate new industry standards and technological changes. The Company also may not be able to respond successfully to new product and service announcements and introductions by competitors. If it fails to adapt successfully to technological changes or fails to obtain access to important new technologies, the Company may be unable to retain customers, attract new customers or sell new products to its existing customers.

Limited Operating History

The Company has had a limited history of operations and is in the early stage of development and must be considered a start-up. As such, the Company will be subject to many risks common to such enterprises, including start-up losses, lack and uncertainty of revenues, markets and profitability, under-capitalization, cash shortages, and limitations with respect to personnel, financial and other resources. The Company has a limited history of earnings and its limited operating history makes it difficult to predict how its business will develop and its future operating results. There is no assurance that any future products will generate earnings, operate profitably or provide a return on investment in the future and the likelihood of success and any potential return on a shareholder's investment must be considered in light of the Company's early stage of operations. The Company has no intention of paying any dividends in the foreseeable future.

Disruption of Services

The Company's engineering is done at third party facilities. It does not control the operations at the third-party facilities. All of these facilities are vulnerable to damage or interruption from earthquakes, hurricanes, floods, fires, terrorist attacks, power losses, telecommunications failures and similar events. They also could be subject to break-ins, computer viruses, denial of service attacks, sabotage, intentional acts of vandalism and other misconduct. The occurrence of a natural disaster or an act of terrorism, a decision to close the third-party facilities without adequate notice or other unanticipated problems could result in lengthy interruptions in the Company's services. Interruptions in the Company's ability to build the mobile Extraction System might harm its reputation, cause it to incur financial penalties, and subject it to potential liability.

Protection of Intellectual Property Rights

The industry in which the Company operates is characterized by vigorous protection and pursuit of intellectual property rights and positions, which may result in protracted and expensive litigation for many companies. The Company's commercial success depends, in part, upon the Company not infringing intellectual property rights owned by others. Some of the Company's competitors and other third parties may have been issued patents or filed patent applications or may obtain additional patents and proprietary rights for technologies similar to those used by the Company in its products. Some of these patents may grant very broad protection to the owners of such patents. The Company cannot determine with certainty whether any existing third-party patents, or the issuance of any third party patents, would require the Company to alter its technology, obtain licenses or cease certain activities.

Regardless of their merit, any lawsuits resulting from such allegations could subject the Company to significant liability for damages and invalidate the Company's proprietary rights; and any potential intellectual property litigation also could force it to do one or more of the following:

- stop selling products or using technologies that contain the allegedly infringing intellectual property;
- lose the opportunity to license the Company's technology to others or to collect royalty payments based upon successful protection and assertion of its intellectual property against others;
- incur significant legal expenses and spend time evaluating and defending any claims;
- divert management's attention and focus away from the business;
- pay substantial damages to the party whose intellectual property rights the Company may be found to be infringing;
- expend significant resources to modify and redesign those products that contain the allegedly infringing intellectual property;
- cross-license the Company's technology to a competitor to resolve an infringement claim, which could weaken the Company's ability to compete with that competitor; or

Any significant impairment of the Company's intellectual property rights from any litigation the Company faces could harm the Company's business and its ability to compete. The Company may be prohibited from developing or commercializing certain technologies and products unless it obtains a license from a third party or pays costly royalties. There can be no assurance that the Company will be able to obtain any such license on commercially favourable terms, or at all. If the Company does not obtain such a license, its business, results of operations and financial condition could be materially adversely affected and the Company could be required to cease related business operations in some markets and to restructure its business to focus on operations in other markets.

Disclosure of Outstanding Securities Data

As at March 31, 2023, the Company had 195,435,910 common shares, 8,218,500 options, 3,755,831 warrants, and 220,902 restricted share units outstanding.

As at the date of this MD&A, the Company had 202,267,907 common shares, 10,318,500 options, 9,730,332 warrants, and 220,902 restricted share units outstanding.

Events After the Reporting Period

On April 19, 2023, Sorcia exercised its remaining 422,498 warrants at $0.58 per share for gross proceeds of $245,049.

On April 21, 2023, the Company amended the exercise price of 3,333,333 warrants issued under the private placement completed on February 24, 2022 from $3.83 per share to $1.21 per share.

On April 21, 2023, the Company closed a private placement financing of 6,396,999 units at a price of $1.04635 per unit for gross proceeds of $6,693,500 (USD$5,000,000). Each Unit consists of one common share and one common share purchase warrant, with each warrant entitling the holder to purchase one additional common share for a period of two years from the date of issuance at an exercise price of $1.21 per share.

On May 3, 2023, the Company issued an option to purchase 400,000 common shares of the Company to Garry Flowers, CEO at an exercise price of $1.12 exercisable immediately. The option grant expires on May 3, 2028.

On May 3, 2023, the Company issued an option to purchase 200,000 common shares of the Company to Joshua Hebert upon his promotion to Vice President of Field Operations, at an exercise price of $1.12. The shares are fully exercisable on May 3, 2024 and the option grant expires on May 3, 2028.

On May 3, 2023, the Company issued an option to purchase 300,000 common shares of the Company to John Burba, Executive Chairman of the Board, at an exercise price of $1.12 exercisable immediately. The option grant expires on May 3, 2028.

On May 3, 2023, the Company issued an option to purchase 300,000 common shares of the Company to Tony Colletti, former President and member of the Board of Directors, at an exercise price of $1.12 exercisable immediately. The option grant expires on May 3, 2028.

On May 3, 2023, the Company issued an option to purchase 300,000 common shares of the Company to Maria Echaveste, member of the Board of Directors, at an exercise price of $1.12 exercisable immediately. The option grant expires on May 3, 2028.

On May 3, 2023, the Company issued an option to purchase 300,000 common shares of the Company to Foy Wyman Morgan, member of the Board of Directors, at an exercise price of $1.12 exercisable immediately. The option grant expires on May 3, 2028.

On May 3, 2023, the Company issued an option to purchase 300,000 common shares of the Company to William Webster, member of the Board of Directors, at an exercise price of $1.12 exercisable immediately. The option grant expires on May 3, 2028.

On June 7, 2023, the Company amended the exercise price of 1,800,000 stock options previously granted to officers, directors and employees of the Company with exercise prices ranging from $3.50 to $4.37 per share to the greater of $1.12 per share and the greater of the trading price of the Company's common shares immediately proceeding the date of grant and the trading price of the Company's common shares on the date of grant. In order to amend the exercise price of the 1,800,000 stock options, the Company cancelled the stock options on June 7, 2023 and re-issued them on July 7, 2023 following a thirty day grace period at the amended exercise price of $1.41 per share, which was the trading price of the Company's common shares on the date of grant.

On June 30, 2023, the Company granted 12,500 restricted share units to an employee.

Contingency

In April 2021, former Company employees and directors and a company which they control, filed a complaint in the United States District Court for the District of Colorado against the Company for alleged wrongful dismissal and breach of a share exchange agreement. The complaint alleges non-payment of wages and benefits, appropriation of property and interference in outside employment. The Company is objecting to the complaint, has retained counsel to address and filed a countersuit alleging the counterclaim defendants diverted Company work to themselves and interfered with contractual relations. The amounts and outcome of the complaint cannot be determined at this time and has not been accrued for in the consolidated financial statements for the fourteen months ended March 31, 2023.

Proposed Transactions

Other than normal course review of monthly submittals, there are no other new acquisitions or proposed transactions contemplated as at the date of this report.

Outlook

For the coming year, the Company's priorities are to raise the capital necessary to meet its short-term operating requirements, and to continue to develop its newly acquired intellectual property, and to generate revenue through licensing agreements for its intellectual property.

There are significant risks that might affect the Company's further development. These include but are not limited to negative cash flow from operations; the Company's ability to raise financing in the future for ongoing operations; market fluctuations in metal prices; government regulations; and other conditions that may be out of the Company's control.

Accounting Policies

A detailed summary of all of the Company's significant accounting policies is included in Note 3 to the audited consolidated financial statements for the fourteen months ended March 31, 2023, and have been consistently followed in the preparation of the consolidated financial statements for the fourteen months ended March 31, 2023.

New Accounting Standards Issued but Not Yet Effective

Certain new accounting standards and interpretations have been issued but are not mandatory for the current period and have not been early adopted. The Company is currently assessing the impact of these standards and does not expect the impact to be material to the Company's current or future reporting periods.