Li3 LITHIUM CORP.

(formerly WESTERN TROY CAPITAL RESOURCES INC.)

MANAGEMENT DISCUSSION AND ANALYSIS

YEAR ENDED NOVEMBER 30, 2022

INTRODUCTION

The following management's discussion and analysis ("MD&A") of the financial condition and results of the operations of Li3 Lithium Corp. ("Li3", or the "Company") (formerly Western Troy Capital Resources Inc.) constitutes management's review of the factors that affected the Company's financial and operating performance for the year ended November 30, 2022. This MD&A was written to comply with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the audited annual consolidated financial statements of the Company for the years ended November 30, 2022 and 2021, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. The consolidated financial statements and the financial information contained in this MD&A were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC"). Information contained herein is presented as of March 27, 2023, unless otherwise indicated.

See the section "Risks and Uncertainties" and "Caution Regarding Forward-Looking Statements" included within this MD&A. Additional information relating to the Company is available free of charge on the System for Electronic Document Analysis and Retrieval (SEDAR) website at www.sedar.com or on Li3's website at https://www.lithium3.com/home.

DESCRIPTION OF BUSINESS

Western Troy was incorporated under the laws of the Province of Ontario, Canada, by Articles of Incorporation dated November 8, 1989. On June 28, 2022, the Company changed its name to Li3 Lithium Corp. The Company is a Canadian based junior exploration company focusing on battery metals worldwide.

The shares of Li3 trade on the TSX Venture Exchange under the symbol LILI, with 35,922,738 common shares outstanding as of November 30, 2022 (14,672,738 as of November 30, 2021).

The Company has no revenues other than interest income earned on cash deposits, therefore its ability to ensure continuing operations is dependent on obtaining necessary financing.

Li3's goal is to create shareholder value through the acquisition and development of properties that have thepotential to contain economic precious and base metal deposits, or by seeking beneficial business combinations.

OPERATIONAL HIGHLIGHTS

Corporate

In January 2021, the Company received 60,000 common shares of CTI to settle the debt of $15,000 USD related to the terminated LOI.

On June 30, 2021, the Company entered into a contract with Kircher Mine Development LLC ("Kircher"), to lease certain mineral interests in Nevada, USA.

On July 3, 2021, 8,333,326 warrants with an exercise price of $0.15 expired unexercised.

On July 30, 2021, the Company closed its non-brokered private placement for aggregate gross proceeds of $364,125 comprised of 2,427,500 units at a price of $0.15 per unit. Each unit is comprised of one common share and one warrant. Each warrant will entitle the holder to purchase one common share for $0.20 at any time within 12 months after closing.

On August 23, 2021, the Company entered into an option agreement with U.S. Copper Corp. to acquire a 100-per-cent undivided interest in 14 mineral claims covering approximately 227 hectares located in Whiteside township in the district of Cochrane, Timmons, Ontario.

On October 12, 2021, the Company completed a non-brokered private placement for aggregate gross proceeds of $105,000. The Company issued 700,000 units at a price of $0.15 per Unit. Each Unit consists of one common share in the capital stock the Company and one warrant. Each warrant will entitle the holder to purchase one common share for $0.20 at any time within one year after closing.

On December 24, 2021, the Company completed a non-brokered private placement for aggregate gross proceeds of $525,000. The Company issued 4,200,000 units at a price of $0.125 per Unit. Each Unit consists of one common share in the capital stock the Company and one warrant. Each warrant will entitle the holder to purchase one common share for $0.20 at any time within one 12 months after closing.

On April 25, 2022, the Company entered into an equity subscription agreement with Li3 Resources Inc. (“Li3 Resources”), whereby the company acquired 500 common shares in the capital of Li3 at a price of $600 USD per Li3 Resources share for a subscription price of $300,000 USD. Upon issuance of the Li3 Resources shares, the Company holds 50 per cent of the outstanding Li3 Resources shares. Li3 Resources has an agreement to acquire up to a 50-per-cent interest in the Zimbabwe Mutare lithium project from London AIM-listed Premier African Minerals Ltd.

Li3 Resources has agreed to invest $250,000 USD (paid) into the Mutare lithium project for continuing exploration works, environmental and technical studies, and any administrative expenses. Li3 Resources has until December 31, 2022, to spend the required funds to exercise the option to acquire the 50-per-cent interest in the Mutare lithium project. As of December 31, 2022, Li3 Resources has met these requirements and owns 50% of the Mutare Lithium Project.

Pursuant to a resolution passed by shareholders on June 28, 2022, the Company changed its name to Li3 Lithium Corp. Effective at the opening, Tuesday, Aug. 2, 2022, the common shares of Li3 Lithium commenced trading on the TSX Venture Exchange under the ticker symbol LILI.

On November 4, 2022, the Company completed a non-brokered private placement for aggregate gross proceeds of $1,605,000. The Company issued 16,050,000 units at a price of $0.10 per Unit. Each Unit consists of one common share in the capital stock the Company and one-half warrant. Each warrant will entitle the holder to purchase one common share for $0.20 at any time within 24 months after closing.

TRENDS AND ECONOMIC CONDITIONS

There are significant uncertainties regarding the price of precious and base metals and the availability of equity financing for the purposes of exploration and development. The Company's future performance is largely tied to the development of its current mineral property interests and the overall financial markets. Financial markets are likely to be volatile, reflecting ongoing concerns about the stability of the global economy.

Management regularly monitors economic conditions and estimates their impact on the Company's operations and incorporates these estimates in both short-term operating and longer-term strategic decisions.

At the date of this MD&A, the Canadian federal government and the provincial government of Ontario have not introduced measures that have directly impeded the operational activities of the Company. Management believes the business will continue and, accordingly, the current situation has notimpacted management's going concern assumption. However, it is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods.

OFF-BALANCE-SHEET ARRANGEMENTS

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

EXPLORATION PROPERTIES

Northern Lights Property:
On August 9, 2021, the Company entered into a contract with Kircher Mine Development LLC ("Kircher"), to lease certain mineral interests in Nevada, USA. Under the terms of the agreement the Company shall make the following minimum payments:

- $15,000 USD on or before July 30, 2021 ("Effective Date") (paid)
- $25,000 USD on the first and second anniversary of the Effective Date (July 30, 2022 is paid)
- $50,000 USD on the third and fourth anniversary of the Effective Date
- $75,000 USD on the fifth anniversary of the Effective Date
- $75,000 USD each year thereafter until the end of the term

In addition, under the terms of the Agreement, the Company may exercise the Option and acquire a 100% interest in the Property in exchange for payment of US$350,000, which must be paid prior to the commencement of development or mining of minerals on the Property. All Minimum Payments that have been made prior to exercising the Option will be credited to the purchase price and the purchase price shall be reduced by such amount.

In the event that the Option is exercised, Western Nevada (the Company formed "Western Nevada" as a wholly owned US subsidiary of Li3) will grant a 2.5% net smelter returns royalty ("NSR") in favour of Kircher, subject to the ability of Western Nevada to purchase 1% of the NSR (resulting in the remaining NSR being 1.5%) for a purchase price of USD $2,000,000 at any time before the seventh anniversary of the Effective Date.

Warren Whiteside Property:
On August 23, 2021, the Company entered into an option agreement with U.S. Copper Corp. to acquire a 100-per-cent undivided interest in 14 mineral claims covering approximately 227 hectares located in Whiteside township in the district of Cochrane, Timmons, Ontario.

Pursuant to the terms of the agreement, the total consideration payable by the company to U.S. Copper is an aggregate of 2.5 million common shares in the capital of the company and exploration expenditures, payable as follows:

- Upon signing of the agreement and receipt of approval by the TSX Venture Exchange, the company will issue 200,000 common shares (issued on December 24, 2021 at a price of $0.14 per share for value of $28,000);
- On or before February 1, 2022, the company shall issue 800,000 common shares (issued on May 6, 2022 at a price of $0.15 per share for value of $120,000) following the completion of not less than three diamond drilling holes of an aggregate of at least 450 feet on the property and completing a technical report, prepared in accordance with National Instrument 43-101 -- Standards of Disclosure for Mineral Projects;
- On or before December 1, 2022, the company shall issue 1.5 million common shares.

All of the common shares issued in connection with the agreement are subject to a four-month statutory hold period from the date of issue in accordance with applicable securities legislation.

Mutare Lithium Project:

On April 25, 2022, the Company entered into an equity subscription agreement with Li3 Resources Inc. ("Li3 Resources"), whereby the company acquired 500 common shares in the capital of Li3 at a price of $600 USD per Li3 Resources share for a subscription price of $300,000 USD. Upon issuance of the Li3 Resources shares, the Company holds 50% of the outstanding Li3 Resources shares. Li3 Resources has an agreement to acquire up to a 50% interest in the Zimbabwe Mutare lithium project from London AIM-listed Premier African Minerals Ltd.

Li3 Resources has agreed to invest $250,000 USD (paid) into the Mutare lithium project for continuing exploration works, environmental and technical studies, and any administrative expenses. Li3 Resources has until December 31, 2022, to spend the required funds to exercise the option to acquire the 50% interest in the Mutare lithium project. As of December 31, 2022, Li3 Resources has met these requirements and owns 50% of the Mutare Lithium Project.

SELECTED ANNUAL FINANCIAL INFORMATION

	Year ended November 30, 2022	Year ended November 30, 2021	Year ended November 30, 2020
Net (loss)	(863,594)	(879,938)	(59,281)
Net (loss) per share (basic and diluted) (1)	(0.04)	(0.07)	(0.01)
Total assets	1,623,136	345,676	458,612
Current liabilities	43,002	156,979	30,102

- The net loss for the year ended November 30, 2022, consisted primarily of (i) exploration and evaluation expenses of $540,805; (ii) management and consulting fees of $194,517; (iii) shareholder relations of $31,322; (iv) accounting and corporate of $7,739; (v) professional fees of $38,727; (vi) office, travel and other of $30,737; and (b) unrealized loss on marketable securities of $19,747.

- The net loss for the year ended November 30, 2021, consisted primarily of (i) exploration and evaluation expenses of $531,765; (ii) share based payments of $180,000; (iii) management and consulting fees of $34,000; (iv) shareholder relations of $16,779; (v) accounting and corporate of $33,058; (vi) professional fees of $30,327; (vii) office, travel and other of $1,810; and (b) unrealized gain on marketable securities of $52,199.

- The net income for the year ended November 30, 2020, consisted primarily of (i) professional fees of $66,917; (ii) shareholder relations of $40,210; (iii) management and consulting fees of $25,600; (iv) office, travel and general expenses of $489; (v) accounting and corporate fees of $26,407; and (iv) write off of receivables of $19,448. The expenditure was offset by (a) gain on sale of joint venture interest of $72,806; and (b) unrealized gain on marketable securities of $44,139.

SELECTED QUARTERLY INFORMATION

Three Months Ended	Net Revenue ($)	Net Income (Loss)	
		Total ($)	Per Share ($)
2022-November 30	-	(192,734) (1)	(0.01)
2022-August 31	-	(441,494) (2)	(0.02)
2022-May 31	-	(153,817) (3)	(0.01)
2022-February 28	-	(75,549) (4)	(0.00)
2021-November 30	-	(373,047) (5)	(0.03)
2021-August 31	-	(421,576) (6)	(0.03)
2021-May 31	-	(13,597) (7)	(0.00)
2021-February 28	-	(71,718) (8)	(0.01)

Notes:

(1) Net loss of $192,734 primarily consists of management and consulting fees of $151,517 which increased due to evaluation of prospective projects in Argentina; professional fees of $11,296, and office and travel of $11,674 which increased in support of these evaluation efforts. All other expenses related to general working capital purposes.

(2) Net loss of $441,494 principally relates to exploration and evaluation expenditures of $367,871 which relates primarily to the exercise of the purchase option of the Mutare property, management and consulting fees of $13,500; and office and travel of $11,674 of $15,599. All other expenses related to general working capital purposes.

(3) Net loss of $153,817 principally relates to exploration and evaluation expenditures of $121,026; management and consulting fees of $13,500; and professional fees of $7,770. All other expenses related to general working capital purposes.

(4) Net loss of $75,549 principally relates to exploration and evaluation expenditures of $45,908; management and consulting fees of $16,000; and professional fees of $11,417. All other expenses related to general working capital purposes.

(5) Net loss of $373,047 primarily consists of exploration and evaluation expenditures of $287,753, share based payments of $34,000, management and consulting fees of $13,500; accounting and corporate fees of $4,965; professional fees of $14,106. All other expenses related to general working capital purposes.

(6) Net loss of $421,576 principally relates to exploration and evaluation expenditures of $244,012, share based payments of $146,000, management and consulting fees of $8,500; accounting and corporate fees of $11,309; professional fees of $10,221. All other expenses related to general working capital purposes.

(7) Net loss of $13,597 principally relates to professional fees of $3,000; shareholder relations of $2,561; office, travel and general of $109; and management and consulting fees of $6,000 offset by an unrealized gain on marketable securities of $4,290. All other expenses related to general working capital purposes.

(8) Net loss of $71,718 principally relates to shareholder relations of $8,323; management and consulting fees of $6,000; accounting and corporate of $10,567; and unrealized loss on marketable securities of $43,774. All other expenses related to general working capital purposes.

RESULTS OF OPERATIONS

Three months ended November 30, 2022, compared with three months ended November 30, 2021

Li3's net loss totaled $192,734 for the three months ended November 30, 2022, with basic and diluted loss per share of $0.01. This compares with a net loss of $373,047 with basic and diluted loss per share of $0.03 for the three months ended November 30, 2021. The decrease of $180,313 in net loss was principally due to:

- Exploration and evaluation expenditures for the three months ended November 30, 2022 were $6,000, compared to $287,753 for the three months ended November 30, 2021. The decrease of $281,753 was mainly due to the exploration program at the Warrens property accounting for the expenditures in the prior quarter. In the current quarter, the Company focused on raising funds and evaluating potential project opportunities.
- General and administrative costs for the three months ended November 30, 2022 fluctuated compared to the three months ended November 30, 2021, with management and consulting increasing to $151,517 (2021 - $13,500) from costs incurred in the evaluation of prospective projects, and professional fees amounting to $11,296 (2021 - $14,106), with accounting and corporate of amounting to $1,117 (2021 - $4,965), and shareholder relations costs amounting to $4,463 (2021 - $4,551).
- Share based payment expense during the three months ended November 30, 2022 was $nil, compared to $34,000 for the three months ended November 30, 2021. The decrease is due to nil (2021 – 250,000) options issued during the three month period ended November 30, 2022 and 2021.
- During the three months ended November 30, 2022, the Company recorded an unrealized loss on marketable securities of $6,667 compared to a $12,678 loss for the three months ended November 30, 2021, due to a decrease in the underlying price of the securities

All other expenses related to general working capital purposes.

Year ended November 30, 2022, compared with year ended November 30, 2021

Li3's net loss totaled $863,594 for the year ended November 30, 2022, with basic and diluted loss per share of $0.04. This compares with a net loss of $879,938 with basic and diluted loss per share of $0.07 for the year ended November 30, 2021. The decrease of $16,344 in net loss was principally due to:

- Exploration and evaluation expenditures for the year ended November 30, 2022 were $540,805, compared to $531,765 for the year ended November 30, 2021. The increase of $9,040 was mainly due to the payment of USD $250,000 for the option agreements the Company entered into on the Mutare Property as well as the value of 800,000 shares with a value of $120,000 issued for the Warrens property acquisition. In the prior year, the Company was undergoing an exploration program at the Warrens property accounting for the expenditures in the prior year.
- General and administrative costs for the year ended November 30, 2022 fluctuated compared to the year ended November 30, 2021, with management and consulting increasing to $194,517 (2021 - $34,000) from costs incurred in the evaluation of prospective projects, and professional fees amounting to $38,727 (2021 - $30,327), with accounting and corporate of amounting to $7,739 (2021 - $33,058), and shareholder relations costs amounting to $31,322 (2021 - $16,779).
- Share based payment expense during the year ended November 30, 2022 was $nil, compared to $180,000 for the year ended November 30, 2021. The decrease is due to nil (2021 – 1,300,000) options issued during the year ended November 30, 2022 and 2021.
- During the year ended November 30, 2022, the Company recorded an unrealized loss on marketable securities of $19,747 compared to a $52,119 loss for the year ended November 30, 2021, due to a decrease in the underlying price of the securities

All other expenses related to general working capital purposes.

Liquidity and Capital Resources

The activities of the Company, principally the acquisition and exploration of properties that have the potential to contain precious and base metals, are financed through the completion of equity transactions such as equity offerings and the exercise of stock options.

The Company has no operating revenues and therefore must utilize its current cash reserves and other financing transactions to maintain its capacity to meet ongoing discretionary exploration and operating activities. The Company relies on external financings to generate capital. On November 30, 2022, the Company also had 1,080,000 options outstanding that would raise $219,000, and 12,225,000 warrants outstanding that would raise $2,445,000, if exercised in full. See "Trends and Economic Conditions" above. The Company has no debt and its credit and interest rate risk is minimal. Amounts payable and other liabilities are short term and non-interest bearing. In addition, amounts receivable consist of sales tax owing from government authorities in Canada.

At November 30, 2022, the Company had a cash balance of $1,591,930. The increase in cash of $1,313,204 from the November 30, 2021 cash balance of $278,726 was a result of cash outflows in operating activities of $786,996 and cash inflows from financing activities of $2,100,200. Operating activities were affected by net loss of $863,594, unrealized loss on marketablesecurities of $19,747, shares issued for property of $148,000, unrealized exchange differences of $6,831, and net change in the non-cash working capital balance of $97,980, because of a decrease in amounts receivable and other assets of $15,997, and a decrease in accounts payable and accrued liabilities of $113,977.

CAPITAL MANAGEMENT

Currently and in future, the Company's use of cash has and will principally occur in two areas: exploration and evaluation expenditures, and funding of its general and administrative expenditures. Funding exploration and evaluation activities includes the cash components of the cost of acquiring and exploring mineral claims.

The Company manages its capital with the following objectives:

- to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions; and
- to maximize shareholder return through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and the Board of Directors on an ongoing basis. The Company's ability to continue to carry out its planned exploration activities is uncertain and dependent upon the continued financial support of its shareholders and securing additional financing.

The Company considers its capital to be equity, which comprises share capital, reserves and accumulated deficit which at totaled at November 30, 2022 equity of $1,554,317 (November 30, 2021 - equity of $188,697).

The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is updated based on activities related to its mineral properties. Selected information is provided to the Board of Directors of the Company. There were no changes in the Company's approach to capital management during the year ended November 30, 2022.

PROPOSED TRANSACTIONS

There are currently no active proposed transactions.

RELATED PARTY TRANSACTIONS

Key management personnel include the persons having authority and responsibility for planning, directing, and controlling the Company's activities as whole. The Company has determined key management personnel consist of members of the Company's Board of Directors and corporate officers.

The Company entered into the following transactions with related parties and key management personnel:

(i) During the year ended November 30, 2022, the Company expensed consulting fees of $36,000 (2021 - $28,000) to a corporation controlled by a Chief Executive Officer, former Interim Chief Financial Officer, and director of the Company, as well as $2,500 (2021 - $nil) to a former director. As at November 30, 2022, the Company had a balance owing of $nil (November 30, 2021 - $2,323).

The Company is not aware of any arrangements that may at a subsequent date result in a change in control of the Company. To the knowledge of the Company, it is not directly or indirectly owned or controlled by another corporation, by any government or by any natural or legal person severally or jointly.

Share Capital

As of the date of this MD&A, the Company had 37,922,738 issued and outstanding common shares.

Warrants outstanding for the Company at the date of this MD&A were as follows:

Warrants	Expiry Date	Exercise Price
4,200,000	December 24, 2024	0.20
8,025,000	November 4, 2024	0.20
1,000,000	January 16, 2025	0.20

Stock options outstanding for the Company at the date of this MD&A were as follows:

Options	Expiry Date	Exercise Price
2,000,000	January 6, 2026	0.12
100,000	November 23, 2024	0.15
900,000	August 23, 2024	0.16

Financial Risk Management

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate, foreign exchange rate and commodity and equity price risk). There were no changes to the Company's risk factors during the year ended November 30, 2022.

The Company's management team carries out risk management with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

Credit risk
Credit risk is the risk of loss associated with a counterparty's inability to fulfil its payment obligations. The Company's credit risk is primarily attributable to cash and legal judgment receivable. Cash and short-term investments are held with reputable Canadian financial institutions, from which management believes the risk of loss to be minimal.

Liquidity risk
Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Company. The Company generates cash flow primarily from its financing activities and interest income earned on its cash and short-term investments. As at November 30, 2022, the Company had cash and marketable securities of $1,611,930 (November 30, 2021 - $318,473) to settle current liabilities of $43,002 (November 30, 2021 - $156,979). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as liquidity. As discussed above, the Company's ability to continually meet its obligations and carry out its planned exploration activities is uncertain and dependent upon the continued financial support of its shareholders and securing additional financing.

Market risk
Market risk is the risk of loss that may arise from changes in interest rates, foreign exchange rates and commodity and equity prices.

Interest rate risk
The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its financial institutions. The Company periodically monitors the investments it makes and is satisfied with the creditworthiness of its financial institutions. As of November 30, 2022, interest rate risk is minimal since the Company has fixed rate interest- bearing instruments.

Foreign currency risk
The Company's functional and reporting currency is the Canadian dollar and major purchases are transacted in Canadian dollars. The Company is exposed to foreign currency risk with respect to the expenditures incurred by its US subsidiary.

E*quity price risk*
The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of copper, molybdenum, gold, silver, uranium, platinum, rare earths and other minerals, individual equity movements, and the stock market to determine what course of action it should take.

Sensitivity analysis
At November 30, 2022 and 2021 the Company's financial instruments that are carried at fair value consist of marketable securities that are classified as Level 1 and short-term investments that are classified as Level 2 within the fair value hierarchy.

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are reasonably possible over a year:

Commodity price risk could adversely affect the Company. In particular, the Company's future profitability and viability from mineral exploration depends upon the world market price of copper, molybdenum, gold, silver, uranium, platinum, rare earths and other minerals. Commodity prices have fluctuated significantly in recent years. There is no assurance that, even if commercial quantities of copper, molybdenum, gold, silver, uranium, platinum, rare earths and other minerals may be produced in the future, a profitable market will exist for them. As of November 30, 2022, and 2021, the Company is not a producer of copper, molybdenum, gold, silver, uranium, platinum, rare earths and other minerals. As a result, commodity price risk may affect the completion of future equity transactions such as equity offerings and the exercise of stock options and warrants. This may also affect the Company's liquidity and its liability to meet its ongoing obligations.

RISKS AND UNCERTAINTIES

An investment in the securities of the Company is highly speculative, involving numerous and significant risks, and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the risk factors described below.

Exploration, Development and Operating Risks

Mining operations generally involve a high degree of risk. Li3's operations are subject to all the hazards and risks normally encountered in the exploration, development and production of ore, including unusual and unexpected geologic formations, seismic activity, rock bursts, cave- ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Although adequate precautions to minimize risk will be taken, milling operations are subject to hazards such as equipment failure or failure of retaining dams around tailings disposal areas which may result in environmental pollution and consequent liability.

The exploration for and development of mineral deposits involves significant risks which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an ore body may result in substantial rewards, few properties which are explored are ultimately developed into producing mines. Major expenses may be required to locate and establish mineral reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the exploration or development programs planned by Li3 will result in a profitable commercial mining operation. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as size, grade and proximity to infrastructure; metal prices which are highly cyclical; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in Li3 not receiving an adequate return on invested capital.

There is no certainty that the expenditures made by Li3 towards the search and evaluation of mineral deposits will result in discoveries of commercial quantities of ore.

No History of Profitability

The Company is a development stage company with no history of profitability. There can be no assurance that its operations will be profitable in the future. The Company has limited financial resources and will require additional financing to further explore, develop, acquire, retain and engage in commercial production on its property interests and, if financing is unavailable for any reason, the Company may become unable to acquire and retain its mineral concessions and carry out its business plan.

Government Regulations

The Company's exploration operations are subject to government legislation, policies and controls relating to prospecting, development, production, environmental protection, mining taxes and labour standards. In order for the Company to carry out its mining activities, its exploitation licences must be kept current. There is no guarantee that the Company's exploitation licences will be extended or that new exploitation licences will be granted. In addition, such exploitation licences could be changed and there can be no assurances that any application to renew any existing licences will be approved. The Company may be required to contribute to the cost of providing the required infrastructure to facilitate the development of its properties. The Company will also have to obtain and comply with permits and licences that may contain specific conditions concerning operating procedures, water use, waste disposal, spills, environmental studies, abandonment and restoration plans and financial assurances. There can be no assurance that the Company will be able to comply with any such conditions.

Market Fluctuations and Commercial Quantities

The market for minerals is influenced by many factors beyond the Company’s control, such as changing production costs, the supply and demand for minerals, the rate of inflation, the inventory of mineral producing companies, the international economic and political environment, changes in international investment patterns, global or regional consumption patterns, costs of substitutes, currency availability and exchange rates, interest rates, speculative activities in connection with minerals, and increased production due to improved mining and production methods. The metals industry in general is intensely competitive and there is no assurance that, even if commercial quantities and qualities of metals are discovered, a market will exist for the profitable sale of such metals. Commercial viability of precious and base metal deposits may be affected by other factors that are beyond the Company’s control, including particular attributes of the deposit such as its size, quantity and quality, the cost of mining and processing, proximity to infrastructure and the availability of transportation and sources of energy, financing, government legislation and regulations including those relating to prices, taxes, royalties, land tenure, land use, import and export restrictions, exchange controls, restrictions on production, as well as environmental protection. It is impossible to assess with certainty the impact of various factors that may affect commercial viability so that any adverse combination of such factors may result in the Company’s not receiving an adequate return on invested capital.

Mining Risks and Insurance

The Company is subject to risks normally encountered in the mining industry, such as unusual or unexpected geological formations, cave-ins or flooding. The Company may become subject to liability for pollution, damage to life or property and other hazards of mineral exploration against which it or the operator of its exploration programs cannot insure against, or which it or such operator may elect not to insure because of high premium costs or other reasons. Payment of such liabilities would reduce funds available for acquisition of mineral prospects or exploration and development and would have a material adverse effect on the financial position of the Company.

Environmental Protection

The mining and mineral processing industries are subject to extensive government regulations for the protection of the environment, including regulations relating to air and water quality, mine reclamation, solid and hazardous waste handling and disposal and the promotion of occupational health and safety, which may adversely affect the Company or require it to expend significant funds.

Capital Investment

The ability of the Company to continue exploration and development of its property interests will be dependent upon its ability to raise significant additional financing. There is no assurance that adequate financing will be available to the Company or that the terms of such financing will be favourable. Should the Company not be able to obtain such financing, its properties may be lost entirely.

Conflicts of Interest

Certain directors and officers of the Company may also serve as directors and officers of other companies involved in base and precious metal exploration and development, and consequently, the possibility of conflict exists. Any decisions made by such directors involving the Company will be made in accordance with the duties and obligations of directors to deal fairly and in good faith with the Company and such other companies. In addition, such directors will declare, and refrain from voting on, any matters in which they may have a conflict of interest.

Current Global Financial Conditions

Global financial market conditions may impact the ability of the Company to obtain loans and other credit facilities in the future and, if obtained, on terms favourable to the Company. The Company may not be able to secure appropriate debt or equity financing, either of which could affect the trading price of the Company's securities in an adverse manner.

Companies like Li3 are considered risk assets and as mentioned above are highly speculative. The volatility in the markets and investor sentiment may make it difficult for Li3 to access the capital markets in order to raise the capital it will need to fund its current level of expenditures.

Disclosure of Internal Controls

Management has established processes to provide it with sufficient knowledge to support representations that it has exercised reasonable diligence to ensure that (i) the unaudited condensed interim consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the unaudited condensed interim consolidated financial statements, and (ii) the unaudited condensed interim consolidated financial statements fairly present in all material respects the financial condition, results of operations and cash flow of the Company, as of the date of and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the Venture Issuer Basic Certificate filed by the Company does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing such certificate are not making any representations relating to the establishment and maintenance of:

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

(ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's generally accepted accounting principles (IFRS).

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

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

This MD&A contains forward-looking information within Canadian securities laws (collectively "forward looking statements") concerning the anticipated developments in the Company's operations in future periods, its planned exploration activities, the adequacy of its financial resources and other events or conditions that may occur in the future. These statements relate to analyses and other information that are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management.

Statements concerning mineral reserve and resource estimates may also be deemed to constitute forward-looking statements to the extent that they involve estimates of the mineralization that will be encountered if the property is developed. Any statements that express or involve predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as "expects", "anticipates", "plans", "projects", "estimates", "assumes", "intends", "strategy", "goals", "objectives", "potential" or variations thereof, or stating that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved, or the negative of any of these terms and similar expressions) are not statements of historical fact and may be forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement. The following table outlines certain significant forward-looking statements contained in this MD&A and provides the material assumptions used to develop such forward-looking statements and materialrisk factors that could cause actual results to differ materially from the forward-looking statements.

Forward-looking statements	Assumptions	Risk factors
Potential of Li3's properties to contain economic deposits of precious and base metals (as described under the headings "Description of Business" and "Operational Highlights" and "Results of Operations")	Financing will be available for future exploration and development of Li3's properties; the actual results of Li3's exploration and development activities will be favourable; operating, exploration and development costs will not exceed Li3's expectations; the Company will be able to retain and attract skilled staff; all requisite regulatory and governmental approvals for exploration projects and other operations will be received on a timely basis upon terms acceptable to Li3, and applicable political and economic conditions are favourable to Li3; the price of precious and base metals and applicable interest and exchange rates will be favourable to Li3; no title disputes exist with respect to the Company's properties	Precious and base metals price volatility; uncertainties involved in interpreting geological data and confirming title to acquired properties; the possibility that future exploration results will not be consistent with Li3's expectations; availability of financing for and actual results of Li3's exploration and development activities; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic and political conditions; the Company's ability to retain and attract skilled staff
The Company's ability to meet its working capital needs at the current level for the twelve-month period ending November 30, 2023 (as described under the heading "Results of Operations")	The operating and exploration activities of the Company for the twelve months ending November 30, 2022, and the costs associated therewith, will be consistent with Li3's current expectations; debt and equity markets, exchange and interest rates and other applicable economic conditions are favourable to Li3	Changes in debt and equity markets; timing and availability of external financing on acceptable terms; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic conditions
Plans, costs, timing and capital for future exploration and development of Li3's property interests, including the costs and potential impact of complying with existing and proposed laws and regulations (as described under the headings "Trends and Economic Conditions", "Operational Highlights", "Results of Operations" and "Outlook")	Financing will be available for Li3's exploration and development activities and the results thereof will be favourable; actual operating and exploration costs will be consistent with the Company's current expectations; the Company will be able to retain and attract skilled staff; all applicable regulatory and governmental approvals for exploration projects and other operations will bereceived on a timely basis upon terms acceptable to Li3; the Companywill not be adversely affected by market competition; debt and equity markets, exchange and interest rates and other applicable economic and political conditions are favourable to Li3; the price of precious and base metals will be favourable to Li3; no title disputes exist with respect to Li3's properties	Precious and base metals price volatility, changes in debt and equity markets; timing and availability of external financingon acceptable terms; the uncertainties involved in interpreting geological data and confirming title to acquired properties; the possibility that future exploration results will not be consistent with Li3's expectations; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic and political conditions; the Company's ability to retain and attract skilled staff

Forward-looking statements	Assumptions	Risk factors
Management's outlook regarding future trends (as described under the heading "Trends and Economic Conditions")	Financing will be available for Li3's exploration and operating activities;the price of precious and base metals will be favourable to Li3	Precious and base metals price volatility; changes in debt and equity markets; interest rate and exchange rate fluctuations; changes in economic and political conditions
Sensitivity analysis of financial instruments (as described under the heading "Financial Risk Management" under the subheading "Sensitivity Analysis")	The Company does not hold significant balances in foreign currencies to give rise to exposure to foreign exchange risk; the fair value of the Company's marketable securities will not be subject to change in excess of plus or minus 25%	Changes in stock markets; changes in debt and equity markets; interest rate and exchange rate fluctuations
Prices and price volatility for precious and base metals (as described under the heading "Trends and Economic Conditions")	The price of precious and base metals will be favourable; debt and equity markets, interest and exchange rates and other economic factors which may impact the price of precious and base metals will be favourable	Changes in debt and equity markets and the spot price of precious and base metals; interest rate and exchange ratefluctuations; changes in economic and political conditions
Plans, costs, timing and capital for future exploration and development of Li3's property interests, including the costs and potential impact of complying with existing and proposed laws and regulations (as described under the headings "Trends and Economic Conditions", "Operational Highlights", "Results of Operations", and "Outlook")	Financing will be available for Li3's exploration and development activities and the results thereof will be favourable; actual operating and exploration costs will be consistent with the Company's current expectations; the Company will be able to retain and attract skilled staff; all applicable regulatory and governmental approvals for exploration projects and other operations will bereceived on a timely basis upon terms acceptable to Li3; the Companywill not be adversely affected by market competition; debt and equity markets, exchange and interest rates and other applicable economic and political conditions are favourable to Li3; the price of precious and base metals will be favourable to Li3; no title disputes exist with respect to Li3's properties	Precious and base metals price volatility, changes in debt and equity markets; timing and availability of external financingon acceptable terms; the uncertainties involved in interpreting geological data and confirming title to acquired properties; the possibility that future exploration results will not be consistent with Li3's expectations; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic and political conditions; the Company's ability to retain and attract skilled staff