

ADVANTAGE LITHIUM CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JULY 31, 2017

This discussion and analysis of financial position and results of operation is prepared as at November 27, 2017 and should be read in conjunction with the audited annual financial statements and the accompanying notes for the years ended July 31, 2017 and 2016 of Advantage Lithium Corp. ("Advantage" or the "Company"). The following disclosure and associated financial statements are presented in accordance with International Financial Reporting Standards ("IFRS"). Except as otherwise disclosed, all dollar figures included therein and in the following management's discussion and analysis ("MD&A") are quoted in Canadian dollars.

Forward Looking Statements

This document may contain "forward-looking information" within the meaning of Canadian securities legislation ("forward-looking statements"). These forward-looking statements are made as of the date of this document and the Company does not intend, and does not assume any obligation, to update these forward-looking statements, except as required under applicable securities legislation.

Forward-looking statements relate to future events or future performance and reflect Company management's expectations or beliefs regarding future events and include, but are not limited to, statements with respect to the estimation of mineral reserves and mineral resources, the realization of mineral reserve estimates, the timing and amount of estimated future production, costs of production, capital expenditures, success of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved" or the negative of these terms or comparable terminology. In this document, certain forward-looking statements are identified by words including "may", "future", "expected", "intends" and "estimates". By their very nature forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, risks related to actual results of current exploration activities; changes in project parameters as plans continue to be refined; future prices of resources; possible variations in ore reserves, grade or recovery rates; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities; as well as those factors detailed from time to time in the Company's interim and annual consolidated financial statements and management's discussion and analysis of those statements, all of which are filed and available for review under the Company's profile on SEDAR at www.sedar.com. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. The Company provides no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

Company Overview

The Company was incorporated under the laws of the Province of British Columbia on March 1, 2007. On July 5, 2016 the Company changed its name from North South Petroleum Corp. to Advantage Lithium Corp. The Company's common shares trade on the TSX Venture Exchange ("TSXV") as a Tier 1 Company under the symbol "AAL" and on the OTCQB under the symbol "AVLIF". The Company's principal office is located at Suite 1305 - 1090 West Georgia Street, Vancouver, British Columbia, V6E 3V7.

The Company was previously considered to be a capital pool company by the TSXV. On June 16, 2016, as amended July 29, 2016, the Company entered into a binding agreement with Nevada Sunrise Gold Corp. ("Nevada Sunrise") to acquire an interest of up to 70% in three Nevada lithium projects, 50% in two Nevada lithium projects and 100% of

certain water rights. On August 17, 2016 the Company filed its final Filing Statement (dated August 12, 2016) and its Technical Report (dated July 21, 2016) on the Jackson Wash property, on SEDAR. Final closing of the Qualifying Transaction occurred on August 30, 2016.

In August 2016 the Company completed a financing of 16,100,000 common shares for gross proceeds of \$4,025,000. In October 2016 the Company completed a further financing of 8,456,900 units for gross proceeds of \$5,074,140.

In September 2016 the Company entered into letters of intent to acquire interests in the Stella Marys Project in Argentina and the Radius Projects in Mexico. On April 11, 2017 the Company terminated the option on the Radius Project. On June 2, 2017 the Company completed an assignment of the letter of intent on the Stella Marys Project to LSC Lithium Corporation.

On February 17, 2017 the Company completed a private placement offering of 26,667,000 transferrable subscription receipts ("Subscription Receipts") at a price of \$0.75 per Subscription Receipt (the "Offering Price") to raise aggregate proceeds of \$20,000,250 (the "Offering"). Each Subscription Receipt entitled the holder to receive one unit of the Company without payment of additional consideration or further action. Each unit comprised a share and half a warrant (the "Unit"), each whole warrant ("Warrant") exercisable for one additional share for 24 months after closing at \$1.00 a share. On March 17, 2017 the Company filed its final prospectus qualifying the Units and was issued the Final Receipt. On March 27, 2017 the Company completed the exchange of the Subscription Receipts into Units.

On February 24, 2017 the Company filed a NI 43-101 compliant technical report entitled "*Technical Report On The Cauchari Lithium Project, Jujuy Province, Argentina*" prepared by Murray R Brooker, MSc (Geol), MSc (Hydrogeol) MAIG, MIAH, RPGeo and Peter Ehren, MSc Mineral Processing, AusIMM dated December 5, 2016 and amended December 22, 2016 (the "Cauchari Technical Report").

On March 16, 2017 the Company, Orocobre Limited ("Orocobre") and Miguel Alberto Peral ("Peral") entered into a purchase agreement (the "Purchase Agreement") to acquire an initial 50% interest in the Cauchari Project, with an option to earn a further 25% interest, and a 100% interest in the Argentine Properties. On March 28, 2017 the Company completed the Purchase Agreement and issued a total of 54,500,000 common shares of the Company, at a fair value of \$33,790,000 and 3,000,000 warrants, at a fair value of \$960,000, and acquired a 100% interest in the issued and outstanding securities of South American Salars Minerals Pty. Ltd. ("SAS Australia") (the "Acquisition"). SAS Australia owns 100% of the issued and outstanding shares of South American Salars S.A. ("SAS Argentina"), which owns the Cauchari Project and Argentine Properties. Orocobre retained a 1% royalty on the Cauchari Project and Argentine Properties, and will have a right of first refusal on brine production (and may enter into an offtake agreement in respect of such production).

During fiscal 2017 the Company met all of the requirements and obligations to earn its initial 51% interests in each of the Clayton Northeast, Jackson Wash, Gemini and Aquarius properties. In August 2017 the Company formally surrendered its interests in the Jackson Wash, Aquarius, Gemini and Neptune properties.

On November 1, 2017 the Company and Nevada Sunrise entered into an asset purchase agreement with Pure Energy Minerals Limited ("Pure Energy") to sell their interests in the Clayton Northeast property for a total of 7,000,000 Pure Energy common shares, of which the Company will receive 4,900,000 Pure Energy common shares. Closing of the sale is expected to occur on or before November 30, 2017. Prior to closing the Company intends to fully exercise its option to earn an additional 19% interest, for a total 70% interest in the Clayton Northeast property.

As of the date of this MD&A, the Company has not earned any production revenue, nor found any proven reserves on any of its properties.

Exploration Projects

The Cauchari Project

Property Description, Location and Access

The Cauchari Project is located in the Puna region of the province of Jujuy, Argentina. The project is located at an altitude of ~4,000 m above sea level some 230 km west of the capital city of Jujuy. The project site sits astride the paved highway which leads to Chile approximately 80 km further to the west (Jama Pass). This road continues on to the major mining center of Calama and the port of Mejillones in northern Chile which is a major port for the export of

mineral commodities and importation of mining and other goods. There are a number of local communities around the project area including the villages of Olaroz Chico, Olacapato, and Catua. The regional administrative center of Susques (population ~2000) is one hour's drive northeast of the project site.

A joint venture is in place between the Company and Orocobre for the Cauchari Project. The Company is funding an initial work program of US \$5,000,000 in order to increase its interest in Cauchari from 50% to 75%. The Cauchari Project hosts an inferred resource of 470,000 tonnes of lithium carbonate equivalent ("LCE") and 1,620,000 tonnes of potash ("KCL") contained within 230,000,000 cubic metres of brine grading ~380 mg/l Li and 3,700 mg/l K and a large exploration target. An exploration target has been estimated in NW and SE sectors of the property with a range of 125 to 1,855 million cubic metres of brine at between 260 and 600mg/l lithium and 2,500 to 5,350mg/l potassium for the lower and upper ranges respectively. This represents an *in situ* range of contained content of between 5.6 mt to 0.25 mt of LCE and 19 mt to 0.9 mt of KCL. The Cauchari Project is located just 10-20 km south of Orocobre's flagship Olaroz lithium facility.

Exploration and Exploitation Licenses

The Company, through its wholly-owned indirect subsidiary, SAS Argentina, owns 27,771 ha of mining properties (tenements or claims) over the Cauchari salar. These claims host brine containing elevated concentrations of lithium and potassium.

The Cauchari Project claims consist of 22 "minas" (exploitation licenses). Independent legal review has confirmed the property obligations have been maintained to keep the properties in good standing.

Surface Rights and Legal Access

Surface ownership of the property claims are held by local communities such as Catua, Sey, and Pastos Chicos. Mineral rights are granted by the provinces pursuant to Argentina legislation except for a few minerals belonging to surface owners. Article 13 of the Argentine Mining Code states that "the exploitation of mines, their exploration, concession and other consequent acts, have the nature of public benefit". Based on this principle the exploration and mining permits have primacy over the surface rights provided certain legal requirements are met; this essentially consists of due compensation for damages or the lodging of a surety when the amount of the compensation is not agreed with the surface owner or when the works to be done are urgent. Therefore the applicant for an exploitation permit such as for the Cauchari Project has the right to access and carry out exploration activities provided that the pertinent environmental impact assessment is approved.

Environmental Liabilities

The Cauchari tenements are not subject to any known environmental liabilities. However there has been isolated ulexite/borax mining and there is some limited borate mining adjacent to the Cauchari Project tenements in the north of the salar. The borax mining operations are limited to within three metres of the surface and it is assumed the workings will naturally reclaim when mining is halted, due to wet season inflows.

Permit Status

Exploration and mining activities on "minas" are subject to regulatory authority approval of an environmental impact report ("EIR") before the commencements of the activities. The Company has all necessary permits in place to allow it to proceed with the planned work programs.

Royalties

The Argentine federal government regulates ownership of mineral resources, although mineral properties are administered by the provinces. In 1993 the Federal Government established a limit of 3% on mining royalties to be paid to the provinces as a percentage of the "pit head" value of extracted minerals. The Company is subject to a 3% royalty payable to the Jujuy government based on earnings before tax.

In addition, the vendors retain a 1% royalty on the Cauchari Project, and will have a right of first refusal on brine production (and may enter into an offtake agreement in respect of such production).

2011-12 Exploration Activities

Five diamond holes were drilled in the salar to depths up to 249 m but on average 144 m deep. Diamond core samples were sent to the Independent British Geological Survey (“BGS”) laboratory, with a total of 147 samples analyzed for total porosity (“Pt”) and 118 for specific yield (“Sy”). An additional 155 samples were analyzed in the Company’s non-certified Salta laboratory for total porosity measurements. The Sy analyses provided mean values for sands (4%, due to variable halite cementation), silt mixes (5%), clays (2%), halite-sediment mixes (7%) and halite (2% for compact halite to 16% for porous halite), with a thick sequence of halite interpreted to underlie the resource area.

2016 Resource Estimate

Brine sample results and lithological information from the five diamond drill holes formed the basis for estimating a mineral resource for the area drilled. Extensive QA/QC of the geochemical data and assays from Alex Stewart laboratories indicates the assay analyses are acceptable for use in the resource estimate. The Sy (drainable porosity) values from the BGS analysis were used to calculate a weighted Sy value for each drill hole based on the lithologies and thicknesses of each intercept. These results were compared with values of porosity calculated from the relationship established between porosity geophysical logs and Sy values measured for core samples. The results from the lithology-weighted Sy values and those calculated from porosity logs were averaged and used to calculate an equivalent brine thickness for each diamond hole.

The composite brine sample results as g/litre values were multiplied by the equivalent brine thickness (litres contained over area in m²), to produce a kg/m² value for each diamond hole. This data was kriged across the salar to produce a set of kg/m² concentration maps for Li and K.

These grids were then clipped with the Orocobre tenements. The sum of the grid values (accounting for the grid cell size) produced the total resource mass, presented in the table below.

Because drilling was carried out to different depths it was necessary to assign a variable thickness depending on the drilling depth. In the north sector, a resource thickness of 170 m was used based on the depth of the shallowest hole (CAU005D) in this area. In the south sector, a resource thickness of 50 m was applied using the shallowest hole (CAU004D) there.

Using this methodology, an inferred resource from the combined northern and southern sectors was estimated at 230 million cubic metres of brine at ~380 mg/l Li and 3,700 mg/l K. This is equivalent to 470,000 tonnes of lithium carbonate (~88,000 tonnes lithium metal) and 1.62 million tonnes of potash (KCl - equivalent to ~840,000 tonnes of potassium), using conversion factors of 5.32 and 1.91 for lithium and potassium respectively as shown in the following table:

Inferred Resource Area	Brine Body Parameters				Average Resource Concentrations		Tonnes Contained			
	Area (km ²)	Average Thickness (m)	Mean Specific Yield (%)	Brine Volume (million m ³)	Lithium (mg/l)	Potassium (mg/l)	Lithium	Potassium	Lithium Carbonate	Potash (KCl)
North 0-170m	19.69	170	6.1	204	400	3,800	81,000	780,000	430,000	1,500,000
South 0-50m	11.35	50	4.6	26	260	2,500	7,000	60,000	40,000	120,000
Combined	31.04			230	380	3,700	88,000	840,000	470,000	1,620,000

Reference: NI43-101 Technical Report, Brooker et. al., Effective date December 5, 2016, amended December 22, 2016.

Extraction Assessment

The Cauchari brine has attractive chemistry with low Mg/Li and high K/Li ratios and so may be amenable to the process that is being used to produce lithium at the adjacent Olaroz lithium project. However process test work has not yet been finalized to determine the process that could be used for lithium production from the Cauchari brine. The Cauchari Project is located adjacent to the Olaroz lithium facility in operation since 2015 and the pre-development Cauchari project owned by Lithium Americas Corp. (“Lithium Americas”). A feasibility study has been completed on the Lithium Americas project and the company is now in joint venture with major Chilean lithium brine producer, SQM, which is listed on the New York Stock Exchange.

Current Exploration and Development Activities

In May 2017 the Company initiated a Phase 1 drill program at Cauchari consisting of 5 rotary holes and 12 diamond drill holes (“DDH”). The objective of the 2017 work program is to complete the earn-in of US \$5,000,000 to increase the Company’s ownership of the Cauchari Project to 75%, and to significantly expand the project’s existing inferred resource base in the SE block of the property. A large exploration target has been defined in SE and NW blocks ranging from 125 to 1,855 million cubic metres of brine at between 260 and 600 mg/l lithium and 2,500 to 5,350 mg/l potassium for the lower and upper ranges respectively; this represents an in situ range of contained product of between 0.25 to 5.6 mt of LCE and 0.9 to 19 mt of KCl.

The 2017 work program is focused on two exploration target blocks:

- (i) the North-West (“NW”) block (where there is no previous drilling) testing the lateral and depth extent of sediments hosting brine aquifers known to occur on neighbouring properties; and
- (ii) the South-East (“SE”) block with the goal of expanding the depth and lateral extent of the existing resource and upgrading the resource classification.

Currently there are three drill rigs operating on the property, two rotary (SE block) and one diamond drill (NW block).

2017 Drilling Progress - NW Block

To date, more than 600m of core drilling have been completed in two holes with a third currently in progress, in summary:

Hole CAU07

This hole was pre-collared through gravel cover with a rotary rig to a depth of 132m and then reamed to 20” diameter for installation of casing and cementing to a depth of 95m. Subsequently the hole was deepened with a DDH rig to 274.5m passing through mixed sand units. Bailer samples collected at 236m returned an average grade from three samples of 632 mg/l Li (see News Release dated November 8, 2017). To fully investigate the depth extent of the lithium-bearing brine, this hole will be deepened using a rotary rig with capacity to reach depths of at least 400m.

Hole CAU16

Located ~4km southwest of CAU07, this core hole was completed to 321.5m on November 3, 2017 with bailer samples collected at intervals down the hole including between 169-199m with an average grade of 619 mg/l. Systematic packer sampling of the hole over its total depth was completed on November 11, 2017 with samples currently being assayed in the Alex Stewart laboratory in Jujuy city. This hole is notable for its favourable content of sand units.

Hole CAU15

Located ~5km due south of CAU16, this core hole is currently at a depth of ~100m in mixed sand-silt-clay units.

2017 Drilling Progress - SE Block

To date, ~1,600m of rotary drilling in four holes have been completed along with ~60m of core drilling (cemented 12m collars at five locations), results to date as follows:

Hole CAU10

Completed with 8” pilot hole to 429m on July 7, 2017 followed by reaming and placement of filter-casing sections to 341m. Well development and preliminary pump testing in two trials completed on September 14, 2017. Initial results from the first set of composite brine samples returned an average lithium grade of 678 milligrams per liter (mg/l) with sample results ranging from 585 to 724 mg/l lithium and excellent Mg/Li ratios averaging 2.1/1 (September 18, 2017 News Release). Systematic double-packer sampling of hole has commenced.

Hole CAU08

Completed to its target depth of 400m on October 15, 2017 with final development of the well underway prior to pumping tests.

Hole CAU11

Completed to its initial 400m target depth on October 16, 2017 then successfully deepened to 480m by November 11, 2017. Final well development underway prior to pumping tests.

Development and Production

The Company has initiated internal, preliminary trade-off studies to examine alternative production scenarios. Independent scoping studies and more detailed engineering assessments are scheduled to begin in Q1 2018.

The Company can see a shortened timeline to production for the Cauchari Project given the Company's location adjacent to Orocobre's production facility and the Company's contractual relationship with Orocobre regarding processing rights. This is particularly the case for the NW sector of the property which sits only a few kilometres to the south of Orocobre's processing facility at Olaroz. The SE block could also provide incremental feed to Olaroz over a longer distance.

Supplying brine to Olaroz for processing is an alternative that could provide a lower-capex, quick-start to production and cash flow from the Company's wells versus building a standalone plant which would require higher capex and would depend largely on the level of resources and reserves to be defined.

The Company will not require any further funding to meet the 75% earn-in and next phase work program.

Additional project highlights are as follows:

Antofalla Project (10,653ha)

The Antofalla salar is a north-south oriented closed basin which straddles the provinces of Catamarca to the south and Salta to the North. The project is located in the northern region of the salar, in Salta province. On September 12, 2016 Albemarle Corporation ("Albemarle") announced it has entered into an agreement with Bolland Minera S.A. to acquire its Salar de Antofalla project, which Albemarle states that it anticipates to be the largest lithium resource in Argentina. The Hombre Muerto Salar, where FMC Corporation currently produces lithium is located approximately 60 km to the southeast. A Brazilian major, Vale SA, previously spent several years defining potash and lithium resources on the project, drilling holes for resource estimation and pump testing of flow rates from the halite sequence hosting brine.

In June 2017 the Company added approximately 3,000 ha, through a new property, known as Antofallita XX. This property is strategically located adjacent to properties held by Albemarle. The Company considers Antofallita XX of importance for its geological setting beside a prominent, deep-seated "suture" zone of regional fracturing along which numerous hot springs are developed, that could have deposited lithium in the property.

Incahuasi Project (9,843ha)

The project is located near the border with Chile in the province of Salta, approximately 100 km to the southwest of Cauchari and 100 km to the southeast of the Salar de Atacama in Chile where both SQM and Albemarle produce lithium from brine.

Guayatayoc Project (21,276ha)

The Guayatayoc Project is located in the province of Jujuy, approximately 100 km north-east from Cauchari. Guayatayoc is a potassium discovery with lower grade lithium. Pit sampling shows potassium grades averaging 4,635 mg/l K (ranging from 39 mg/l K to 7,464 mg/l K) over the property. Potassium grades are high and potentially of economic interest.

A summary total of all the Company's holdings in Argentina is as follows:

Property	Province	Area (ha)	Interest
Cauchari	Jujuy	27,771	*75%
Antofalla	Salta	10,653	100%
Incahuasi	Salta	9,843	100%
Guayatayoc	Jujuy	21,276	100%
Two projects currently under application	**	**16,000	100%

* Based on expected US \$5,000,000 expenditure by year-end 2017

** Application to acquire has been filed

Nevada Sunrise Project

On June 16, 2016, as amended and extended, the Company entered into a binding agreement (the "Nevada Sunrise Agreement") with Nevada Sunrise Gold Corp. ("Nevada Sunrise") in which the Company paid a non-refundable cash payment of \$100,000 to Nevada Sunrise and was granted an option to earn working interests of up to 70% in three lithium exploration projects, known as Jackson Wash, Clayton Northeast and Aquarius, and 50% interests in two lithium properties, known as Gemini and Neptune, (collectively the "Optioned Properties") located in the Clayton Valley and Lida Valley regions of Nevada, USA, and an option to acquire the State of Nevada Water Permit 44411 (the "Water Permit").

In order to fully earn its interest in the above properties the Company was required to fund work programs totalling \$3,000,000 over a four year period ending in August 2020. An initial 51% in the Jackson Wash, Clayton Northeast and Aquarius properties can be earned by funding \$1,500,000, with the balance of interests to be earned by funding a further \$1,500,000. During fiscal 2017 the Company met all of the requirements and obligations to earn its initial 51% interests in each of the Clayton Northeast, Jackson Wash, Gemini and Aquarius properties. In August 2017 the Company surrendered its interests in the Jackson Wash, Aquarius, Gemini and Neptune properties.

On November 1, 2017 the Company and Nevada Sunrise entered into an asset purchase agreement with Pure Energy Minerals Limited ("Pure Energy") to sell their interests in the Clayton Northeast property for a total of 7,000,000 Pure Energy common shares, of which the Company will receive 4,900,000 Pure Energy common shares. Closing of the sale is expected to occur on or before November 30, 2017. Prior to closing the Company intends to fully exercise its option to earn an additional 19% interest, for a total 70% interest in the Clayton Northeast property.

On November 30, 2016 the Company was advised that the Nevada State Engineer issued a ruling of forfeiture against the Permit. The Company has determined not to make any payments or share issuances under the Water Rights option at this time. Nevada Sunrise is appealing the ruling and the Company has the right to maintain the Water Rights Option, pending the outcome of the appeal but will have no obligation to make any payments to maintain the Water Rights Option pending the decision of the courts.

Clayton Northeast ("Clayton NE")

Phase 1 Drill Program

In October 2016 the Company announced the commencement of a drill program at the Clayton Northeast ("Clayton NE") property. The 2016 drilling program comprised of reverse circulation ("RC") drilling in three holes focusing on high-priority lithium brine targets close to Albemarle's Silver Peak lithium brine production operation. The Phase 1 program was completed in December 2016.

Highlights of the Phase 1 drill program are as follows:

- (i) Lithium brines intercepted by the first drill hole at Clayton NE, CNE16-01, showing values up to 218 mg/l lithium in the first five groundwater samples. TDS values for the first five groundwater brine samples from hole CNE 16-01 were recorded up to 110,000 mg/l for samples containing the highest lithium values. This relationship of TDS to lithium grade indicates a direct correlation between higher lithium values and higher density brine.
- (ii) Lithium brines intercepted by the second drill hole at Clayton NE, CNE16-02, have returned intervals up to 202.8 mg/l lithium over 109.7 m (286.5 m to 396.2 m), including peak values up to 227 mg/l lithium over a 6.1 m section (304.8 m to 310.9 m). Brine flows of up to 120 gallons per minute issued from borehole

- CNE 16-02 between 1,000 and 1,300 feet (304.8 to 396.2 m). Analysis shows this zone carries significant lithium concentrations.
- (iii) Lithium brines intercepted by the third drill hole at Clayton NE, CNE16-03, showing a peak value of 322 mg/l lithium, within 387.69 m averaging 243 mg/l. These results are the strongest to date at Clayton NE and are comparable to Albemarle's brine samples from their Silver Peak mining operation immediately adjacent to Clayton NE. Hole CNE16-03 is one of the deepest boreholes drilled in the Clayton Valley and, based on results obtained, may have hit a previously untapped aquifer. Brine flows of up to 100 gallons per minute issued from borehole CNE16-03 between 350.76 to 436.92 m. Geochemical analysis shows this zone carries significant lithium concentrations.
 - (iv) All three holes, which are located 3.43 kms apart, contain significant intervals of mineralized lithium brines.

Phase 2 Drill Program

On January 17, 2017 the Company announced that a Phase 2 three hole drill program began at the Clayton NE property. All three holes are adjacent to Albemarle's Silver Peak lithium brine field operation, in close proximity to several of their production wells.

Highlights of the Phase 2 drill program are as follows:

- (i) Hole CNE17-04 intersected multiple aquifer formations. A total composite of 426.72 m of brine containing strata at an average grade of 243 mg/l lithium was intersected, including 274 mg/l lithium over 79.2 m (530.35 m to 609.6 m).
- (ii) The highly-successful Phase 1 program defined a 3.4 km mineralized trend. The results of Phase 2 drilling to date, has extended this trend length to 4.5 km.
- (iii) Phase 2 holes are targeting possible deeper aquifers that may not have been intersected by previous drilling in the Clayton Valley. Previous hole CNE16-03, from the Phase 1 program, was one of the deepest boreholes drilled in the Clayton Valley and, based on results obtained, may have hit a previously untested aquifer.
- (iv) In November 2016, waivers were received from the Nevada Division of Water Resources for 5 of the 6 permitted holes, which allows for reaming a borehole to a larger diameter well, pump testing, and flow rate determination in order to provide the necessary technical information for development of an initial lithium brine resource at Clayton NE.

Stella Marys Project

On September 8, 2016 the Company entered into a letter of intent (the "Santa Rita LOI") with Minera Santa Rita S.R.L. ("Minera Santa Rita") over the Stella Marys Project, located in Salta Province, Argentina. On October 28, 2016 the Company and Minera Santa Rita signed a definitive agreement. The Company could acquire the 100% interest in the Stella Marys Project by making total cash payments of US \$1,250,000 and issuance of a total of 1,500,000 common shares of the Company on or before September 20, 2017.

With the completion of the Orocobre acquisition and other transactions between Orocobre and LSC Lithium Corporation ("LSC") the Company determined that its Argentine focus would be the Cauchari Project and the SAS Argentine Properties. As a result in March 2017 the Company agreed to assign its right to acquire Stella Marys to LSC with closing of the transaction taking place on June 2, 2017. The Company has received cash payments totalling \$930,593 for reimbursement of all option payments made to date, for acquisition of Stella Marys, all finder's fees paid to date and certain legal fees. During fiscal 2017 the Company also received 256,520 shares of LSC as compensation for the initial 600,000 common shares issued by the Company pursuant to the option agreement. On November 2, 2017 the Company issued the remaining 900,000 common shares and LSC issued 588,000 share of LSC to the Company.

The Company also received from LSC a 2% royalty (the "Stella Marys Royalty") on the brine concentrate produced from the Stella Marys Project and has reached an agreement in principle with Orocobre to reduce the Stella Marys Royalty to 0.5% in return for receiving a 0.5% royalty on the brine concentrate produced from the tenements purchased by LSC from Orocobre in the Salinas Grandes Salar in Salta Province.

The Stella Marys Project is strategically located immediately adjacent to tenements previously owned by Orocobre and ADY Resources Ltd. ("ADY") and acquired by LSC and immediately south and east of LSC's tenements Sofia III, Cangrejillos and Cangrejillos I. LSC understands that a previous operator completed a comprehensive exploration program of mapping, sampling, geochemistry and drilling on the property. LSC continues its planned exploration

program for all of its Salar de Salinas Grandes tenements, with the objective to confirm the historical data developed by ADY, Orocobre and others, and to complete an initial National Instrument 43-101 report on LSC's Salar de Salinas Grandes tenements by the first quarter of 2018.

Radius Projects

On September 12, 2016 the Company entered a letter of intent with Radius Gold Inc. (“Radius”) pursuant to which the Company has been granted an option to acquire up to 100% interests in each of three projects, known as the Santa Maria Project, Union Project and Viesca Project (collectively the “Radius Projects”) located in Chihuahua and Coahuila States, Mexico. This agreement was terminated on April 11, 2017.

Qualified Person

The Qualified Person, as defined by National Instrument 43-101, for the Company’s projects, Mr. Murray Brooker, MAIG., RPGeo., a member of the Company’s Advisory Board, has reviewed and verified the technical information contained in this MD&A.

Selected Financial Data

The following selected financial information is derived from the audited annual financial statements of the Company.

	Fiscal Years Ended July 31,		
	2017 \$	2016 \$	2015 \$
Operations:			
Expenses	(9,484,017)	(747,917)	(266,533)
Other items	(3,615,938)	(118,647)	9,075
Net loss	(13,099,955)	(866,564)	(257,458)
Other comprehensive income	12,826	Nil	Nil
Comprehensive loss	(13,087,129)	(866,564)	(257,458)
Basic and diluted loss per share	(0.17)	(0.04)	(0.03)
Dividend per share	Nil	Nil	Nil
Balance Sheet:			
Working capital	16,320,130	1,866,529	1,107,245
Total assets	56,346,895	2,099,685	1,113,189
Total long-term liabilities	Nil	Nil	Nil

The following selected financial information is derived from the unaudited condensed interim financial statements of the Company.

Three Months Ended	Fiscal 2017				Fiscal 2016			
	Jul. 31, 2017 \$	Apr. 30, 2017 \$	Jan. 31, 2017 \$	Oct. 31, 2016 \$	Jul. 31, 2016 \$	Apr. 30, 2016 \$	Jan. 31, 2016 \$	Oct. 31, 2015 \$
Operations:								
Expenses (income)	(2,548,642)	(1,838,007)	(1,851,904)	(3,245,464)	(561,930)	1,100	(63,653)	(123,434)
Other items	(3,190,760)	(455,350)	6,615	23,557	(125,155)	(2,061)	5,508	3,061
Net loss	(5,739,402)	(2,293,357)	(1,845,289)	(3,221,907)	(687,085)	(961)	(58,145)	(120,373)
Other comprehensive income	12,826	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Comprehensive loss	(5,726,576)	(2,293,357)	(1,845,289)	(3,221,907)	(687,085)	(961)	(58,145)	(120,373)
Basic and diluted loss per share	(0.02)	(0.03)	(0.04)	(0.08)	(0.03)	(0.00)	(0.00)	(0.01)
Dividend per share	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Three Months Ended	Fiscal 2017				Fiscal 2016			
	Jul. 31, 2017 \$	Apr. 30, 2017 \$	Jan. 31, 2017 \$	Oct. 31, 2016 \$	Jul. 31, 2016 \$	Apr. 30, 2016 \$	Jan. 31, 2016 \$	Oct. 31, 2015 \$
Balance Sheet								
Working capital	16,320,130	19,387,703	4,500,464	6,465,727	1,866,529	1,019,470	992,465	1,041,529
Total assets	56,346,895	60,480,670	9,523,479	10,496,550	2,099,685	1,023,605	1,010,698	1,069,928
Total long-term liabilities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Results of Operations

Three Months Ended July 31, 2017 Compared to Three Months Ended July 31, 2016

During the three months ended July 31, 2017 (the “Q4/2017”) the Company reported a net loss of \$5,739,402 (\$0.02 per share) compared to a net loss of \$687,085 (\$0.03 per share) for the three months ended July 31, 2016 (the “Q4/2016”), an increase in loss of \$5,052,317. The increase in loss in Q4/2017 was primarily attributed to:

- (i) the recognition of a \$2,974,101 impairment on exploration and evaluation assets in Q4/2017 compared to \$129,090 in Q4/2016. During Q4/2017 the Company recorded an impairment charge of \$2,592,927 for the costs associated with the relinquished properties with Nevada Sunrise, \$280,799 for all costs associated with the Water Permit and \$375 on costs associated with the Stella Marys Project;
- (ii) the recognition of share-based compensation of \$1,231,062 in Q4/2017 compared to \$355,494 in Q4/2016;
- (iii) during Q4/2017 the Company recorded directors and officers compensation of \$529,018 compared to \$27,500 in Q4/2016. The increase reflected additional compensation paid for additional services provided by the directors and officers relating to the numerous property transactions conducted by the Company;
- (iv) during Q4/2017 the Company incurred public relations expense of \$341,020 compared to \$nil in Q4/2016. During Q4/2017 the Company engaged various public relations firms to provide corporate updates on the Company; and
- (v) during Q4/2017 the Company recognized foreign exchange loss of \$263,070 compared to a foreign exchange gain of \$1,084 in Q4/2016 due to the fluctuation of the US Dollar and Argentine Peso.

Year Ended July 31, 2017 Compared to the Year Ended July 31, 2016

Operations

During the year ended July 31, 2017 (“fiscal 2017”) the Company reported a net loss of \$13,099,955 (\$0.17 per share) compared to a net loss of \$866,564 (\$0.04 per share) for the year ended July 31, 2016 (“fiscal 2016”) an increase in loss of \$12,233,391. During fiscal 2016 the Company had no significant operations and the Company’s activities were limited to identifying potential acquisitions to complete a Qualifying Transaction. In fiscal 2017 the Company identified and completed numerous property acquisitions in various regions in North and South America and, accordingly, the Company’s level of expenses reflected costs associated with operating in many international jurisdictions, significantly increased corporate development and public relations activities, and increased travel associated with the numerous exploration properties acquired. In addition, during fiscal 2017 the Company recognized share-based compensation of \$3,712,562 compared to \$411,648 in fiscal 2016 on the granting of share options and recognized total impairment of \$3,461,556 on its exploration and evaluation assets in fiscal 2017 compared to \$129,090 in fiscal 2016.

General and administrative expenses increased by \$8,736,100 from \$747,917 in fiscal 2016 to \$9,484,017 in fiscal 2017. During fiscal 2016 the Company had limited financial resources and was considered to be a capital pool company. On June 16, 2016 the Company entered into a binding agreement with Nevada Sunrise to earn various working interests in lithium exploration projects and an option in a water permit in Nevada, USA. The Company subsequently identified and negotiated additional agreements for mineral property interest in Argentina and Mexico and engaged in corporate activities to secure additional equity financings. In November 2016 the Company identified and entered into agreements to acquire the Cauchari Project from Orocobre and negotiated the terms of the Offering. The Company has also incurred significant legal, professional fees and travel expenses for the review of property acquisitions and business and financing opportunities in fiscal 2017. In addition the Company experienced significant increases in advertising and promotion and public relations expenditures.

Specific expenses of note are as follows:

- (i) incurred \$97,530 (2016 - \$40,300) for accounting and administrative services of which \$92,800 (2016 - \$40,300) was provided by Chase Management Ltd. (“Chase”), a private corporation owned by Mr. DeMare the CFO of the Company. See also “Related Party Transactions”;
- (ii) incurred \$1,811,064 (2016 - \$nil) for the engagement of numerous public relations firms for various programs to provide ongoing corporate and exploration updates;
- (iii) during fiscal 2017 the Company recorded share-based compensation of \$3,712,562 (2016 - \$411,648) on the granting, vesting and re-pricing of share options;
- (iv) during fiscal 2017 the Company incurred \$293,066 (2016 - \$96,631) for professional services relating to the identification and assessment of various corporate and financing opportunities for the Company;
- (v) during fiscal 2017 the Company incurred \$166,957 (2016 - \$20,482) in general exploration expenses for review of property acquisitions;
- (vi) during fiscal 2017 the Company incurred \$298,118 for legal expenses, an increase of \$207,754 from \$90,364 in fiscal 2016, for services relating to preparation and review of property acquisitions and business opportunities;
- (vii) during fiscal 2017 the Company recorded an increase of \$495,966 in travel expenses, from \$27,953 in fiscal 2016 to \$523,919 in fiscal 2017, the increase was primarily due to ongoing trips made by Company management to identify, review and negotiate property and business opportunities and for general corporate activities;
- (viii) during fiscal 2017 the Company incurred significant costs for advertising, corporate development and corporate finance fees and financial advisory services. These costs were incurred to provide information on the Company through various Canadian, USA and European media; and
- (ix) incurred \$1,356,004 (2016 - \$27,500) for directors and officers compensation related to the identification and assessment of various corporate opportunities and property acquisitions for the Company. See also “Related Party Transactions”.

Exploration and Evaluation Assets

During fiscal 2017 the Company capitalized a total of \$43,732,749 on the acquisition, exploration and evaluation of its lithium mineral interests, of which \$39,603,457 was incurred for the acquisition, options payments, associated finders’ fees, claims staking and mineral claims purchases and \$4,129,292 for exploration activities. The Company also recognized an impairment of \$384,451 for the termination of the option on the Radius Projects and \$103,379 on the Stella Marys Project and \$2,973,726 on certain properties located in the USA. See also “Exploration Projects” and “Financial Condition/Capital Resources”. As at July 31, 2017 the Company held interest in the following properties:

	Acquisition Costs \$	Deferred Exploration Costs \$	Total \$
Argentina - Cauchari Projects	29,606,691	1,797,967	31,404,658
Argentina - Argentine Properties	5,906,361	-	5,906,361
U.S.A. - Clayton Northeast	447,702	1,356,099	1,803,801
	<u>35,960,754</u>	<u>3,154,066</u>	<u>39,114,820</u>

Financing Activities

During fiscal 2017 the Company completed private placements as follows:

- (i) 16,100,000 common shares for gross proceeds of \$4,025,000;
- (ii) 8,456,900 units of the Company for gross proceeds of \$5,074,140; and
- (iii) 26,667,000 Subscription Receipts of the Company for gross proceeds of \$20,000,250. See “Company Overview” for additional details of the Offering.

In addition, during fiscal 2017, the Company issued 1,740,484 common shares on the exercise of finders’ warrants and share options for gross proceeds of \$498,571.

No financing were conducted by the Company during fiscal 2016. During fiscal 2016 the Company issued 811,000 common shares on the exercise of finders’ warrants and share options for gross proceeds of \$60,450.

Financial Condition / Capital Resources

As at July 31, 2017 the Company had working capital in the amount of \$16,320,130. To date the Company has not earned significant revenues and is considered to be in the exploration stage. The Company's operations are funded from equity financings which are dependent upon many external factors and may be difficult to impossible to secure or raise when required. Although management considers that the Company has adequate resources to maintain its core operations and planned exploration programs on its existing exploration and evaluation assets for the next twelve months, the Company recognizes that exploration expenditures may change with ongoing results and, as a result, it may be required to obtain additional financing. While the Company has been successful in securing financings in the past there can be no assurance that it will be able to do so in the future.

Subsequent to July 31, 2017 the Company received a total of \$1,345,495 on the exercises of share options and warrants for the issuance of 2,020,299 common shares. The Company also received \$154,719 on the exercise of compensation warrants for the issuance of 206,292 units resulting in the issuance of 206,292 common shares and warrants to purchase an additional 103,146 common shares at an exercise price of \$1.00.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Proposed Transactions

The Company has no proposed transactions.

Critical Accounting Estimates

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Examples of significant estimates made by management include estimating the fair values of financial instruments, valuation allowances for deferred income tax assets and assumptions used for share-based compensation. Actual results may differ from those estimates.

A detailed summary of all the Company's significant accounting policies is included in Note 3 to the July 31, 2017 and 2016 annual financial statements.

Changes in Accounting Policies

There are no changes in accounting policies.

Related Party Transactions

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

- (a) During fiscal 2017 and 2016 the following compensation was incurred with respect to these related parties or corporations controlled by them:

	2017 \$	2016 \$
Mr. Sidoo - professional fees ⁽¹⁾	842,000	15,000
Mr. Sidoo - share based compensation	565,500	59,892
Mr. DeMare - professional fees ⁽²⁾	235,420	12,500
Mr. DeMare - share based compensation	160,500	-
Mr. McElroy - professional fees ⁽³⁾	86,680	5,000
Mr. McElroy - share based compensation	126,000	-

	2017 \$	2016 \$
Mr. Randhawa - professional fees ⁽⁴⁾	101,500	-
Mr. Randhawa - share based compensation	126,000	-
Hon. Dhaliwal - share based compensation	-	2,124
Mr. Marsh - professional fees	24,000	-
Mr. Marsh - share based compensation	226,000	-
Mr. Grant - professional fees ⁽⁵⁾	121,485	-
Mr. Grant - share based compensation	115,500	-
Mr. Seville - professional fees	13,332	-
Mr. Seville - share based compensation	115,500	-
Mr. Anthon - professional fees ⁽⁶⁾	13,332	-
Mr. Anthon - share based compensation	115,500	-
Mr. Peral - salaries	57,046	-
Mr. Peral - share based compensation	115,500	-
Mr. Taylor - share based compensation	-	1,416
Mr. Cernovitch - share-based compensation	-	21,852
	<u>3,160,795</u>	<u>117,784</u>

(1) Paid to Siden Investments Ltd., a private company owned by Mr. Sidoo.

(2) \$79,920 paid to DNG Capital Corp. and \$54,500 paid to Chase Management Ltd. ("Chase"), private companies owned by Mr. DeMare.

(3) Paid to Edge Geological Consulting Inc., a private company owned by Mr. McElroy.

(4) Paid to RD Capital Inc., a private company owned by Mr. Randhawa.

(5) Paid to AuEx Consultants Ltd., a private company owned by Mr. Grant.

(6) Paid to Anthon Consulting Pty Ltd, a private company owned by Mr. Anthon.

During fiscal 2017 the Company allocated the \$1,494,795 (2016 - \$32,500) professional fees and salaries based on the nature of the services provided: expensed \$1,356,004 (2016 - \$27,500) to directors and officers compensation; \$36,245 (2016 - \$5,000) to general exploration costs; and capitalized \$102,546 (2016 - \$nil) to exploration and evaluation assets. As at July 31, 2017, \$60,696 (2016 - \$20,000) remained unpaid.

- (b) During fiscal 2017 the Company incurred \$92,800 (2016 - \$40,300) for accounting and administration services provided by Chase personnel, other than Mr. DeMare. As at July 31, 2017, \$14,500 (2016 - \$16,500) remained unpaid.

During fiscal 2017 the Company also recorded \$81,000 (2016 - \$39,456) for share-based compensation for share options granted to Chase.

- (c) During fiscal 2017 the Company paid a total of \$23,993 to the spouse of Mr. Peral, a director of the Company of which \$19,291 (2016 - \$nil) was for legal services and \$4,702 (2016 - \$nil) for rental of office space.
- (d) During fiscal 2017 the Company incurred \$35,592 (2016 - \$nil) for equipment rental provided by a private company controlled by Mr. Peral, a director of the Company. As at July 31, 2017, \$8,805 remains unpaid.
- (e) During fiscal 2017 the Company completed private placements of which directors and officers of the Company and close family members purchased a total of: 536,000 common shares for \$134,000; 389,000 units for \$233,400; and 803,668 units for \$602,751. The breakdown is as follows:

	Number of Common Shares	Total \$
Common shares purchased at \$0.25 per share		
Mr. Sidoo and family members	316,000	79,000
Mr. McElroy	100,000	25,000
Mr. DeMare	20,000	5,000
Mr. Cernovitch	100,000	25,000
	<u>536,000</u>	<u>134,000</u>

	Number of Units	Total \$
Units purchased at \$0.60 per unit		
Mr. Sidoo and family members	256,000	153,600
Mr. McElroy	83,000	49,800
Mr. Marsh	50,000	30,000
	<u>389,000</u>	<u>233,400</u>
	Number of Units	Total \$
Units purchased at \$0.75 per unit		
Mr. Sidoo and family members	433,335	325,001
Mr. McElroy	127,000	95,250
Mr. Marsh	33,333	25,000
Mr. Randhawa and family members	200,000	150,000
Mr. DeMare	10,000	7,500
	<u>803,668</u>	<u>602,751</u>

Risk and Uncertainties

The Company competes with other mining companies, some of which have greater financial resources and technical facilities, for the acquisition of mineral concessions, claims and other interests, as well as for the recruitment and retention of qualified employees.

The Company believes that it is in compliance in all material regulations applicable to its exploration activities. Existing and possible future environmental legislation, regulations and actions could cause additional expense, capital expenditures, restrictions and delays in the activities of the Company, the extent of which cannot be predicted. Before production can commence on any properties, the Company must obtain regulatory and environmental approvals. There is no assurance that such approvals can be obtained on a timely basis or at all. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations.

The Company's mineral properties are located in Argentina and the United States and consequently the Company is subject to certain risks, including currency fluctuations which may result in the impairment or loss of mining title or other mineral rights, and mineral exploration and mining activities may be affected in varying degrees by governmental regulations relating to the mining industry.

Outstanding Share Data

The Company's authorized share capital is unlimited common shares without par value. As at November 27, 2017 there were 138,269,593 issued and outstanding common shares, compensation warrants to purchase 1,278,026 units at an exercise price of \$0.75 per unit, warrants to purchase 19,898,701 common shares at exercise prices ranging from \$0.25 to \$1.00 per share and share options to purchase 7,541,000 common shares at exercise prices ranging from \$0.27 to \$0.90 per share. See also "Company Overview".

Other Information

The Company's Annual Information Form, for the year ended July 31, 2016, was filed on December 22, 2016 and can be viewed at www.sedar.com.