Lithium One Metals Inc.

(formerly Yorkton Ventures Inc.)

Management's Discussion and Analysis

Year Ended June 30, 2022

(Stated in Canadian Dollars)

Report Date – October 28, 2022

Introduction

The following Management's Discussion and Analysis ("MD&A") of the results of operations and financial condition should be read in conjunction with the audited consolidated financial statements for the year ended June 30, 2022 and related notes attached thereto of Lithium One Metals Inc. (formerly Yorkton Ventures Inc.) (the "Company"). The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") on a going concern basis. Except as otherwise disclosed, all dollar figures included therein and in the following MD&A are quoted in Canadian dollars which is the functional currency of the Company.

This MD&A may contain forward-looking statements relating to the operations or to the environment in which we operate, which are based on the Company's operations, forecasts, and projections. Forward-looking statements are not guarantees of future performance. They involve risks, uncertainties and assumptions, and actual results may differ materially from those anticipated in these forward-looking statements.

Company Overview

Lithium One Metals Inc. (the "Company") was incorporated under the Business Corporations Act (British Columbia) on August 30, 2006, and changed its name from Yorkton Ventures Inc. to Lithium One Metals Inc. on April 20, 2022. The Company is listed on the TSX Venture Exchange (the "Exchange") under the trading symbol LONE. The Company's head office is located at 1090 Hamilton Street, Vancouver, BC V6B 2R9.

The Company's principal business activities are the exploration and evaluation of resource properties in Canada. The Company is in the process of exploring its resource properties, but it has not yet determined whether these properties contain ore reserves that are economically recoverable.

Exploration and Evaluation Assets

Cyr-Kapiwak, Quebec

On December 3, 2021, the Company entered into an agreement (the "Cyr-Kapiwak Agreement") to acquire a 100% interest in the Cyr-Kapiwak lithium property (the "Cyr-Kapiwak Property") located in Quebec, Canada.

To acquire the 100% interest, the Company is required to pay $25,000 (paid) and issue 250,000 units (issued) wherein each unit consists of a common share of the Company and a common share purchase warrant which entitles the holder to acquire an additional common share at a price of $0.60 for a period of eighteen months.

In addition, the vendor retains a 2% net smelter return ("NSR") royalty. The Company can purchase half of the NSR at any time in exchange for a cash payment of $1,000,000.

On June 30, 2022, the Company entered into a binding letter of intent with True North Gems Inc. ("True North") whereby True North can earn right to acquire a 50% interest in the Cyr-Kapiwak property. To acquire the 50% interest, True North is to issue 1,000,000 units with each unit consisting one common share and one share purchase warrant exercisable at $0.20 per common share for a period of two years from the date of issuance within 10 days of regulatory approval; and incurring property expenditures of $250,000 within 24 months.

Sirmac, Quebec

On January 11, 2022, the Company entered into an agreement (the "Sirmac Agreement") to acquire a 100% interest in the Sirmac lithium property (the "Sirmac Property") located in Quebec, Canada.

To acquire the 100% interest, the Company is required to $25,000 (paid) and issue 250,000 units (issued) wherein each unit consists of a common share of the Company and a common share purchase warrant which entitles the holder to acquire an additional common share at a price of $0.60 for a period of eighteen months.

In addition, the vendor retains a 2% NSR royalty. The Company can purchase half of the NSR at any time in exchange for a cash payment of $1,000,000.

Bellechasse Property

On July 3, 2020, as amended on January 27, 2021 and September 24, 2021, the Company entered into a definitive asset acquisition agreement wherein it can acquire a 100% ownership interest in the Bellechasse Property located in Quebec. The terms of acquisition are as follows:

- Pay $100,000 within 10 days of signing of a definitive agreement (paid);
- Pay $250,000 within 90 days after signing of a definitive agreement (paid);
- Pay $350,000 within 180 days after signing of a definitive agreement (paid);
- Pay $200,000 by August 1, 2021; (paid)
- Pay $400,000 by September 24, 2021 (paid); and
- Pay $400,000 by March 1, 2022 (paid).
- 1% NSR on any and all commercial production, however 0.5% may be repurchased at anytime for $1,000,000.

During the year ended June 30, 2022, the Company incurred $7,838 in exploration costs on the Bellechase Property.

Parkview Property

On July 12, 2021, the Company entered into an option agreement (“Parkview Agreement”) wherein it can acquire a 100% interest in certain mineral claims (the “Parkview Claims”) located in Newfoundland, Canada. To acquire the 100% interest, the Company is to make the following cash and share payments:

- Payment of $50,000 (paid) and the issuance of 400,000 shares (issued) on TSX-V approval;
- Payment of $50,000 and issuance of 300,000 shares on or before 14 months following TSX-V approval;
- Payment of $50,000 and issuance of 400,000 shares on or before the second-anniversary of TSX-V approval; and
- Payment of $50,000 and issuance of 600,000 shares on or before third-year anniversary of TSX-V approval.

Upon acquiring a 100% interest, the Company will grant the vendors a 2% NSR, of which half can be repurchased for $1,000,000. Furthermore, the Company will commence advance royalty payments of $25,000 beginning after July 12, 2026 until the earlier of the date that the Company begins commercial production or makes a buyout payment to the vendor.

During the year ended June 30, 2022, the Company incurred $170,757in exploration costs on the Parkview Property.

Additional Claims Acquired

In September 2022, the Company acquired one block of 63 claims by map staking adjacent to Go Metals Corp.'s HSP nickel-copper-PGE (platinum group element) project in Quebec.

Knights Melange Property

On July 12, 2021, the Company entered into an option agreement ("Knights Melange Agreement") wherein it can acquire a 100% interest in certain mineral claims (the "Knights Melange Claims") located in Newfoundland, Canada. To acquire the 100% interest, the Company is to make the following cash and share payments:

- Cash payment of $70,000 (paid) and the issuance of 600,000 shares (issued) on TSX-V approval;
- Cash payment of $50,000 and issuance of 400,000 shares on or before 14 months following TSX-V approval;
- Cash payment of $50,000 and issuance of 400,000 shares on or before the second-anniversary of TSX-V approval; and
- Cash payment of $50,000 and issuance of 400,000 shares on or before third-year anniversary of TSX-V approval.

Upon acquiring a 100% interest, the Company will grant the vendors a 2% NSR royalty, of which half can be repurchased for $1,000,000. Furthermore, the Company will commence advance royalty payments of $25,000 beginning after July 12, 2026 until the earlier of the date that the Company begins commercial production or makes a buyout payment to the vendor.

During the year ended June 30, 2022, the Company incurred $170,757 in exploration costs on the Knights Melange Claims Property.

Proposed Transaction

On September 22, 2022, the Company entered into a mineral property option agreement whereby the Company can acquire a 100% interest in 70 mining claims located in Quebec, Canada. To acquire the 100% interest, the Company is to make the following cash and equity payments:

- Payment of $100,000 and the issuance of 1,200,000 common shares and 1,200,000 share purchase warrants exercisable at $0.40 per common share for two years from the date of issuance within 10 days of TSX-V approval;
- Payment of $200,000 and issuance of 1,000,000 common shares on or before the first anniversary of TSX-V approval; and
- Payment of $300,000 and issuance of 2,000,000 common shares on or before the second anniversary of TSX-V approval.

Upon exercise of the option by the Company, the optionor will retain a 3% NSR, two-thirds of which may be purchased by the Company for $2,000,000.

Summary of Quarterly Results

The following is a summary of the Company's financial results for the eight most recently completed quarters:

Quarterly ended		Net loss		Loss per share
September 30, 2020	$	(10,324)	$	(0.00)
December 31, 2020	$	(66,541)	$	(0.00)
March 31, 2021	$	(65,265)	$	(0.01)
June 30, 2021	$	(79,016)	$	(0.00)
September 30, 2021	$	(50,641)	$	(0.00)
December 31, 2021	$	(240,374)	$	(0.01)
March 31, 2022	$	(83,879)	$	(0.00)
June 30, 2022	$	(155,492)	$	(0.01)

Results of Operations

During the year ended June 30, 2022, the Company had a net loss of $530,386 (2021 – $221,146). The increase in net loss is mainly due to share-based compensation of $185,600 and management fees of $120,000 incurred during the current year compared to nil for both in the prior year.

Selected Annual Financial Information

The following table sets forth selected audited financial information of the Company from the last three completed financial years ended June 30:

	2022 $	2021 $	2020 $
Net loss for the year	(530,386)	(221,146)	(199,895)
Loss per share, basic and diluted	(0.02)	(0.01)	(0.02)
Total assets	2,838,150	1,049,843	885,772

Liquidity

The Company's cash position decreased from $345,533 as at June 30, 2021 to $336 as at June 31, 2022. In addition, working capital decreased from $344,298 as at June 30, 2021 down to a $662,354 deficiency as at June 30, 2022. Both metrics declined due to normal cash outflow from operations as well as exploration and evaluation expenditures. However, the decline was partially reduced from cash received from a non-brokered private placement as well as from the exercise of share purchase warrants. The Company will require additional capital to meet its operational and property option agreement requirements. There is no guarantee that such funding will be available or on terms acceptable to the Company.

Related Party Transactions

(a) As at June 30, 2022, the Company owed $165,161 (2021 - $nil) to a company controlled by the Chief Executive Officer of the Company which is included in accounts payable and accrued liabilities. During the year ended June 30, 2022, the Company incurred management fees of $120,000 (2021 - $nil) and exploration consulting fees $43,352 (2021 - $nil) to this company.

(b) As at June 30, 2022, the Company owed $6,106 (2021 - $nil) to a company controlled by the Chief Financial Officer of the Company which is include in accounts payable and accrued liabilities. During the year ended June 30, 2022, the Company incurred professional fees of $12,900 (2021 - $nil) to this company.

(c) During the year ended June 30, 2022, the Company granted 850,000 (2021 – nil) stock options with a fair value of $132,189 (2021 - $nil) to officers and directors of the Company.

Financial Instruments and Risks

Financial risk management

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 – Inputs that are not based on observable market data.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's financial instruments consist of cash, accounts payable and accrued liabilities, and loans payable.

The fair values of cash, accounts payable and accrued liabilities, and loans payable, approximate their carrying values due to the short-term nature of these instruments.

Financial instrument risk exposure

The Company is exposed in varying degrees to a variety of financial instrument-related risks. The Board approves and monitors the risk management processes.

Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its payment obligations. The Company has no material counterparties to its financial instruments. The Company manages credit risk for cash by ensuring that these financial assets are placed with a major financial institution with strong investment grade ratings by a primary ratings agency. The Company does not believe it has a material exposure to credit risk.

Liquidity risk

The Company seeks to ensure that there is sufficient capital in order to meet short-term business requirements, after taking into account the Company's holdings of cash. The Company's cash is invested in business accounts which are available on demand. As at the balance sheet date, the Company had sufficient cash to meet its current obligations and was not exposed to significant liquidity risk.

Interest rate risk

The Company's exposure to interest rate risk relates to its ability to earn short-term interest on cash balances at variable rates. The Company does not have any variable interest rate liabilities.

Currency risk

The Company is not exposed to significant foreign currency risk.

Commodity price risk

The Company is not significantly 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 precious and base metals, individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company. Fluctuations in pricing may be significant.

Capital Management

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of cash and equity comprised of issued share capital and share-based payment reserve.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issuances or by undertaking other activities as deemed appropriate under the specific circumstances.

The Company is not subject to externally imposed capital requirements. There have been no changes to the Company's approach to capital management during the year ended June 30, 2022.

Disclosure of Outstanding Share Data

Share Capital

Authorized: Unlimited number of common shares without par value

As at June 30, 2022 and the Report Date, the Company had 24,300,000 shares issued and outstanding

Stock Options

As at June 30, 2022, the Company had no stock options outstanding
As at the Report Date, the Company had 1,200,000 stock options outstanding

Share Purchase Warrants

As at June 30, 2022, the Company had 7,400,000 share purchase warrants outstanding

Outstanding share purchase warrants as at the Report Date are as follows:

Warrants outstanding	Exercise price $	Expiry date
500,000	0.50	April 27, 2023
4,400,000	0.12	July 23, 2023*
250,000	0.60	August 8, 2023
250,000	0.60	November 4, 2023
5,400,000		

Accounting Standards Adopted During the Period

During the year ended June 30, 2022, the Company did not adopt any new accounting standards.

Additional Disclosure for Companies Without Significant Revenue

An analysis of material components of the Company's exploration and evaluation assets is disclosed in the audited consolidated financial statements for the year ended June 30, 2022.

An analysis of material components of the Company's general and administrative expenses is disclosed in the audited consolidated financial statements for the year ended June 30, 20222 to which this MD&A relates

Other

Additional disclosures pertaining to the Company's material change reports, press releases, and other information are available on the SEDAR website at www.sedar.com.