ADVANTAGE LITHIUM CORP.

(formerly North South Petroleum Corp.)

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JULY 31, 2016

This discussion and analysis of financial position and results of operation is prepared as at November 28, 2016 and should be read in conjunction with the audited annual financial statements and the accompanying notes for the years ended July 31, 2016 and 2015 of Advantage Lithium Corp. (*formerly North South Petroleum 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 March 23, 2015 the Company completed a consolidation of its issued and outstanding common shares on the basis of 5 old for 1 new common share. On May 19, 2015 the Company changed its name from Valor Ventures Inc. to North South Petroleum Corp. and on July 5, 2016 the Company changed its name to Advantage Lithium Corp. The Company's common shares trade on the TSX Venture Exchange ("TSXV") 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 the Company entered into a binding letter of intent with Nevada Sunrise Gold Corporation ("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. The Company also completed a binding agreement in respect of the option. See also "Exploration Projects - Nevada Sunrise LOI".

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 and the Company met the requirements to be listed as a TSXV Tier 2 resources company engaged in the acquisition and exploration of unproven lithium mineral interests.

In August 2016 the Company completed a financing of 16,100,000 common shares for gross proceeds of $4,025,000 (of which $1,264,500 was received as of July 31, 2016). In October 2016 the Company completed a further financing of 8,456,900 units for gross proceeds of $5,074,140. See also "Operations - Financing Activities" and "Financial Condition/Capital Resources".

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. See also "Exploration Projects - Stella Marys Project and Radius Project".

In November 2016 the Company entered into a letter of intent to acquire interests in six lithium brine projects in Argentina. The Company also entered into an engagement agreement to raise a minimum of $20,000,000. See "Orocobre LOI and Proposed Financing".

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.

Directors and Officers

The Company's board of directors and officers as of the date of this MD&A are as follows:

David Sidoo	Director, President and Chief Executive Officer ("CEO")
Dev Randhawa	Director
Ross McElroy	Director
William Marsh	Director
Callum Grant	Director
Nick DeMare	Chief Financial Officer ("CFO") and Corporate Secretary

Qualified Person

The Qualified Person, as defined by National Instrument 43-101, for the Company's projects, Mr. Ross McElroy, P.Geo., B.Sc., a director of the Company, has reviewed and verified the technical information contained in this MD&A.

Exploration Projects

Nevada Sunrise LOI

<u>Agreement</u>

On June 16, 2016, as amended July 29, 2016, the Company entered into a binding letter of intent (the "Nevada Sunrise LOI") with Nevada Sunrise Gold Corp. ("Nevada Sunrise") to acquire an option to earn various working interests of up to 70% in five lithium exploration projects, located in the Clayton Valley and Lida Valley regions of Nevada, USA. The Company will also have an option to acquire the State of Nevada Water Permit 44411 (the "Permit").

The Company will be granted the option to earn:

(i) 100% of the water rights (the "Water Rights");

(ii) up to a 70% interest in each of Jackson Wash, Clayton Northeast and Aquarius properties; and
(iii) up to a 50% in each of Gemini and Neptune properties.

Property details for the Jackson Wash, Clayton Northeast, Aquarius, Gemini and Neptune projects (the "Optioned Properties") are as follows:

Property	**Number of Claims**	**Acres (approximate)**
Jackson Wash	166	3,300
Clayton Northeast	50	1,000
Aquarius	83	1,660
Gemini	247	4,940
Neptune	316	6,320
	862	17,220

Terms of the Nevada Sunrise LOI are as follows:

Initial Option Consideration

The Company will earn its interest in two stages, with the initial stage being up to a 51% working interest from Nevada Sunrise in the Jackson Wash, Clayton Northeast and Aquarius properties and a 50% working interest in the Gemini and Neptune properties by making the following cash and share payments to Nevada Sunrise and incurring exploration expenditures as follows:

(i) cash payments totalling $600,000 as follows (the "Cash Payments"):
  - upon execution of the Nevada Sunrise LOI, a non-refundable cash payment of $100,000 (paid);
  - upon TSXV acceptance of the Nevada Sunrise LOI (the "Effective Date") an additional cash payment of $500,000;

(ii) issuing common shares of the Company (the "Consideration Shares") equal to 4.9% of the issued and outstanding common shares of the Company, such percentage to be calculated on the day following the completion of the next equity financing by the Company totalling not less than $2,000,000 (the "Issuance Date"). The Consideration Shares shall be issued to Nevada Sunrise on the Issuance Date;

(iii) within 24 months of the Effective Date, completing minimum exploration expenditures of $1,500,000 on the Optioned Projects (the "Initial Expenditures"), such Initial Expenditures to include claim maintenance fees for all of the Optioned Properties; and

(iv) making all underlying tenure holding costs.

Subject to the above payments being made the Company will have earned a 51% interest in each of the Jackson Wash, Clayton Northeast and Aquarius properties and a 50% working interest in the Gemini and Neptune properties. Thereafter, the Company will have the option to either form a joint venture with Nevada Sunrise in respect of the Optioned Properties, or to proceed with the Second Option.

Second Option Consideration

If the Company has exercised the Initial Option, the Company will have the right to increase its interest in the Jackson Wash, Clayton Northeast and Aquarius properties to a 70% interest, by completing, within 48 months of the Effective Date, exploration expenditures totalling $3,000,000 (which includes the Initial Expenditures). Thereafter, the parties will form a joint venture with the Company holding a 70% interest in the Jackson Wash, Clayton Northeast and Aquarius properties and a 50% interest in the Gemini and Neptune properties, for the purposes of the further development of the Optioned Properties.

Gemini Property Option

A definitive agreement will provide that the parties will agree to make the expenditures required to be made by Nevada Sunrise in order for Nevada Sunrise to maintain its interest in a joint venture over the Gemini property (the "Gemini Joint Venture") with Eureka Resources Inc. ("Eureka"), with any such expenditures being deemed to be Initial Expenditures. Provided that the Company has made sufficient expenditures to maintain Nevada Sunrise's interest in the Gemini Joint Venture, upon exercise of the Initial Option by the Company, Nevada Sunrise will assign to the Company Nevada Sunrise's interest in the Gemini Joint Venture in consideration for a 2% gross overriding royalty

("GOR") in the same form as that provided by Nevada Sunrise to the underlying vendor in the Neptune property agreement.

Neptune Property Option

The Company's option to earn up to a 50% interest in the Neptune property is subject to:

(i) Resolve Ventures Inc. ("Resolve") waiving its right to earn a further 25% interest in the Neptune property;
(ii) Nevada Sunrise, Resolve and the Company entering into an amending agreement to the Neptune agreement on terms acceptable to all three parties;
(iii) the Company incurring, over a period of three years, exploration expenditures of $700,000 on the Neptune property; and
(iv) the Company exercising the Initial Option.

Expenditures made by the Company on the Neptune property will be included as part of the calculation of total expenditures required to be made to earn its interests in the Optioned Properties.

Following the expenditure of $700,000 by the Company, a joint venture would form between the Company (50%), Nevada Sunrise (25%) and Resolve (25%).

Aquarius Property Royalty

Upon formation of a joint venture over the Aquarius property (the "Aquarius Joint Venture"), Nevada Sunrise will be granted a 3% GOR on the Aquarius property.

Exploration Expenditures

Excess exploration expenditures incurred in any one period shall be credited to expenditures requirements in the following period. The expenditures may be accelerated at any time at the sole option of the Company and its interests acquired earlier. During the period that the Company is incurring exploration expenditures:

(i) the Company shall be the operator on the Optioned Properties and shall have the right to determine budgets and exploration programs for the purposes of completing exploration expenditures; and
(ii) Nevada Sunrise shall be the manager of all exploration programs and will be entitled to charge a fee of 10% on all exploration expenditures.

Water Rights

Nevada Sunrise will grant to the Company the option (the "Water Rights Option") to acquire a 100% interest in the Permit, exercisable for a period of 120 days after the later of the date that the Company exercises the Initial Option, and the date that the Nevada State Engineer approves the application to transfer the Place of Use and Point of Diversion of the Permit to the Aquarius property.

In order to maintain the Water Rights Option, the Company shall:

(i) make all Water Rights cash payments required to be made after the date of the Nevada Sunrise LOI and until the exercise of the Water Rights Option;
(ii) pay all legal and other costs associated with the application to transfer the Place of Use and Point of Diversion of the Permit; and
(iii) pay all legal and other costs required to maintain the Permit.

In order to exercise the Water Rights Option, the Company shall pay to Nevada Sunrise an amount equal to the sum of:

(i) the Water Rights cash payments made by Nevada Sunrise prior to the grant of the Water Rights Option;
(ii) the value of the Water Rights share payments made by Nevada Sunrise before the exercise of the Water Rights Option (which shall be established by multiplying the number of Nevada Sunrise shares issued by the 20-day volume weighted average price immediately prior to the date such Water Rights share payments were made);

(iii) the legal and other costs incurred by Nevada Sunrise to acquire and make the application to transfer the location of the Permit; and
(iv) US $200,000, payable in cash or a calculated value in shares, at the Company's option (the "Water Rights Option Payment").

After exercise of the Water Rights Option, the Company shall be solely responsible for making all remaining Water Rights cash payments and Water Rights share payments.

Underlying Payments

In order to maintain the agreement in good standing, the Company will assume responsibility for all government and contractual maintenance costs and payments required to maintain the Optioned Properties and underlying agreements in good standing, including making the underlying payments as required by the underlying agreements.

Other than the cash payments required for the Water Rights Option, there are no underlying cash payments required to maintain the Optioned Properties. In respect of the Water Rights the following cash payments will be required:

Due Date	US $
December 21, 2016	150,000
December 21, 2017	175,000
December 21, 2018	200,000
December 21, 2019	300,000
December 21, 2020	350,000
	1,175,000

In order to maintain all underlying agreements Nevada Sunrise will have to issue the following number of shares:

Year	Number of Nevada Sunrise Shares
2016	700,000
2017	1,200,000
2018	600,000
2019	400,000
2020	500,000
	3,400,000

Under the terms of the Nevada Sunrise LOI the Company will issue its common shares in lieu of Nevada Sunrise shares. The number of shares the Company must issue will be calculated at the time of each share issuance based on a formula utilizing the 20 day volume weighted average prices of the Company and Nevada Sunrise.

Subsequent to July 31, 2016 the Company received all corporate and regulatory approvals to complete the transaction under the Nevada Sunrise LOI, to which the Company has:

(i) made the remaining Cash Payment of $500,000 and issued 2,071,447 common shares of the Company as the Consideration Shares;
(ii) issued 182,680 common shares of the Company and paid $45,670 cash as a finder's fee; and
(iii) issued 172,218 common shares of the Company in lieu of 300,000 Nevada Sunrise shares pursuant to the Underlying Payments obligation, The Company also incurred a finder's fee of $7,582.

Exploration Update

Clayton Northeast ("Clayton NE")

In October 2016 the Company announced the commencement of a drill program at the Clayton Northeast ("Clayton NE") property. The 2016 drilling program will comprise of reverse circulation ("RC") drilling of 4,920 feet in three holes focusing on high-priority lithium brine targets close to Albemarle Corporation's ("Albermarle") Silver Peak lithium brine production operation. On November 1, 2016 the Company announced that lithium-bearing brines have been intersected in the first borehole. Hole CNE-16-01 intercepted aquifer formations that host brines at depths between 553 and 1,200 feet. Lithium values in the first five grab samples taken within the aquifer zones are highly anomalous including up to 218 parts per million ("ppm") with three of the five samples averaging 209 ppm lithium and total dissolved solid ("TDS") results in the same samples were recorded up to 110,000 ppm.

Drilling on this hole is still in progress. Target depth for the hole is estimated at 1500 feet or contact with bedrock at the base of the basin. Highlights of the drilling are as follows:

(i) Lithium brines intercepted by first drill hole at Clayton NE, CNE-16-01, showing values up to 218 ppm lithium in the first five groundwater samples. These values are similar to Albemarle's brine samples from their Silver Peak operation, immediately adjacent to Clayton NE.

(ii) TDS values for the first five groundwater brine samples from hole CNE-16-01 were recorded up to 110,000 ppm for samples containing the highest lithium values. This relationship of TDS to lithium grade indicates a direct correlation between higher lithium values and higher strength brine.

(iii) The Company and Nevada Sunrise are the only lithium explorers in the Clayton Valley, other than Albemarle, with access to certified water rights.

(iv) Two holes from the current drill program are still to be drilled, targeting the broadest and most conductive zones detected by the recently-completed (September, 2016) DC Resistivity survey.

Highlights for the drilling program are as follows:

(i) The 2016 drilling program is planned to include three RC drill holes totaling approximately 1,500 metres (4,920 feet), focussed on lithium brine targets close to the Silver Peak mine border and several of Albemarle's production wells.

(ii) Drill hole targeting is based on results from a recently completed 3D Resistivity ground geophysical survey, which imaged highly-conductive zones at depth. These conductive zones have been confirmed in hole CNE-16-01 as brine-bearing formations. The northeast trending Angel Island fault appears to bind the conductive horizons parallel to and proximal to the eastern claim boundary at Clayton NE.

(iii) CNE-16-01 is the first drill hole drilled by the Company on the property. It has intersected classic Clayton Valley permeable sedimentary strata and has intersected brine formations, returning values up to 218 ppm lithium.

Results of groundwater samples aquifer system are as follows:

Drill Hole	**Aquifer System**	**Interval (feet)**			**Total Dissolved Solids (ppm)**	**Lithium (ppm)**
		From	**To**	**Width**		
CNE-16-01	Main Ash	553	558	5	68,000	94.3
	Lower Aquifer System	735	745	10	110,000	218.0
		735	745	10	110,000	216.0
		780	800	20	110,000	195.0
		815	820	5	7,200	15.6
		1070	1075	5	*97,840	Pending
		1075	1082	7	*97,020	Pending
		1095	1099	4	*100,100	Pending
		1194	1195	1	*81,110	Pending
* Results using YSI Model 556 Multiparameter Meter						

CNE16-01 Technical Details

Vertical oriented conventional dual-tube RC drilling intersected typical Clayton Valley strata consisting of alternating layers of gravel, volcanic ash and clay. Drill cuttings have been collected for each 5-foot interval and approximately 240 cutting samples of the sediments have been collected in the borehole. Some of these samples will be sent for analysis. The Main Ash and the Lower Aquifers System, as described by Zampirro, (2003) were encountered beginning at 553 feet. A zone of increased water flow was encountered between 735 and 800 feet borehole depth.

Three water samples were collected from this zone. Analysis of these samples shows this zone (interpreted to be the Lower Aquifer System) to carry significant lithium concentrations.

Analytical measurements in the field are determined using a hand-held YSI Model 556 Multiparameter Meter with a submersible probe. This instrument simultaneously measures temperature, pH, TDS, conductivity, salinity, dissolved oxygen, ORP (reduction potential), and barometric pressure. It meets Good Laboratory Practice ("GLP") for calibration and measurement and can store over 49,000 data sets with time-and-date stamp. Groundwater samples were sent to Western Environmental Testing Laboratory, in Reno, Nevada for analysis. General chemistry testing included analysis for specific gravity, total hardness and alkalinity, bicarbonate, carbonate, hydroxide, TDS and electrical conductivity. Anions (chloride, sulfate) were analyzed by ion chromatography. Trace metals (lithium, magnesium, boron, calcium, potassium and sodium) were analyzed by ICP-OES. All depth measurements reported, including sample and interval widths are down-hole. As holes are oriented vertical and geologic stratigraphy is primarily horizontal to sub-horizontal, downhole measurements are assumed to be close to true thickness.

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 can 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 as follows:

(i) non-refundable deposit of US $100,000 (paid) upon signing of the Santa Rita LOI;
(ii) US $250,000 (paid) and 300,000 common shares (issued) of the Company on the earlier of the date of TSXV acceptance and 90 days from date of the Santa Rita LOI;
(iii) US $250,000 and 300,000 common shares on the six month anniversary of TSXV acceptance; and
(iv) US $650,000 and 900,000 common shares on the first anniversary of TSXV acceptance

A finder's fee is expected to be paid.

The Stella Marys Project is an advanced lithium brine project, comprising 1,472 ha, located in the western sector of the Salinas Grandes salar within Argentina's "Lithium Triangle" of developing and producing projects, including the country's two lithium producers. The property is adjacent to Orocobre Limited's ("Orocobre") Salar de Salinas Grandes lithium-potassium-boron brine project, which hosts a near-surface, low sulfate inferred resource estimate of 56.5 million cubic meters of brine grading 795 mg/l lithium (239,200 tonnes lithium carbonate equivalent ("LCE")) and 9,547 mg/l potassium (1.03 million tonnes of potash equivalent) and 283 mg/l boron.

Orocobre's shallow inferred mineral resource potentially extends onto the Stella Marys Project, where a previous operator is reported to have completed a comprehensive exploration program of mapping and sampling, geochemistry, some drilling with pump tests, and preliminary engineering.

Highlights of the Stella Marys Project are as follows:

(i) The project is immediately adjacent to a significant shallow depth, inferred resource, which has substantial grades and good chemistry.

(ii) Prior exploration work includes mapping, sampling, geochemistry, drilling with pump tests and preliminary engineering.

(iii) Salta province of Argentina is ranked by the Fraser Institute (2015 survey) as one of the most favourable jurisdictions in Central and South America for exploration.

(iv) Near to excellent infrastructure corridor of road, rail, and power.

Radius Projects

On September 12, 2016 the Company entered a letter of intent (the "Radius LOI") 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

Chihauhau and Coahuila States, Mexico, pursuant to which the Company has paid $75,000 and issued 250,000 common shares of the Company at a fair value of $260,000.

In order to exercise its option (the "First Option") to acquire an initial 55% interest in the Radius Projects, the Company is required to issue a total of 750,000 common shares of the Company and incur $1,500,000 in exploration expenditures over a three year period.

Upon exercise of the First Option the Company may elect to either form a joint venture with Radius or receive an option (the "Second Option") to acquire a further 15% interest in one or more of the Radius Projects. In order to exercise the Second Option the Company must complete a NI 43-101 compliant preliminary feasibility study within two years of the election date.

After the exercise of the Second Option on any of the Radius Projects the Company has 60 days to purchase the remaining 30% interest in the project(s) at a price based on an independent valuation.

Highlights of the Radius Projects are as follows:

(i) The projects, covering a total of approximately 37,000 hectares and held by claim applications, are located in the states of Chihuahua (La Union, La Union 2 and Santa Maria) and Coahuila (La Viesca).

(ii) All the projects are located in large, salar closed basins, in geological settings analogous to the Clayton Valley Basin, Nevada host of Albemarle's Silver Peak lithium producing mine operation.

(iii) Historic work in the area by the Mexican Geologic Survey included a 1982 drill hole at La Union which returned a brine sample of 283 ppm Li.

(iv) Radius conducted controlled surface samples which resulted in numerous anomalous lithium results including 189ppm Li at La Viesca.

(v) The region is underexplored.

(vi) Mexico is considered a mining friendly supportive jurisdiction. The area has excellent infrastructure and is road accessible, leading to potentially low exploration costs

The key geographical highlights, similar to Clayton Valley and/or associated with brine deposits, are as follows:

(i) Projects are located in a desert climate with historic evaporate ponds.

(ii) Large closed basin salar targets.

(iii) Geothermal hotsprings observed at La Union and Viesca salars.

(iv) Suitable lithium source-rocks .

(v) Subsurface highly saline aquifers described in historic data.

(vi) Basin formation post Tertiary.

CVL Option

On May 12, 2016 the Company entered into a letter of intent with Lithium X Energy Corp. ("Lithium X") whereby the Company would acquire an option (the "CVL Option") to earn a 50% interest in Lithium X's wholly-owned CVL South Lithium Property (the "CVL Property") located in Clayton Valley, Nevada, USA. On June 22, 2016 the CVL Option was terminated. The Company paid a non-refundable deposit of $129,090 (US $100,000). On June 22, 2016 the CVL LOI was terminated and the Company wrote-off the $129,090 deposit.

Orocobre LOI and Proposed Financing

LOI Agreement

On November 23, 2016 the Company entered into a letter of intent ("LOI") with Orocobre which will result in the Company acquiring up to 75% of Orocobre's Cauchari project and a 100% interest in five other lithium brine projects (the "Acquisition").

The terms and conditions of the Acquisition will be set out in the Definitive Agreement. In order to acquire the projects, the Company will issue to Orocobre 40,622,200 common shares in the capital of the Company, which will represent no less than 31.1% of the outstanding common shares of the Company (calculated on a fully-diluted basis).

The completion of the Acquisition (the "Closing") will occur on the second business day after satisfaction or waiver of the conditions to closing set out in the Definitive Agreement, or such other date as Orocobre and the Company may agree (and in any event within 90 days unless otherwise agreed).

The completion of the Acquisition is subject to a number of conditions that will be set out in the Definitive Agreement, including:

(i) the Company and Orocobre settling the terms of the Definitive Agreement to their mutual satisfaction and execution of the Definitive Agreement;
(ii) the receipt of all required regulatory approvals, including the approval of the TSXV;
(iii) the receipt of all shareholder and director approvals required by the Company;
(iv) completion of satisfactory due diligence by each of the Company and Orocobre;
(v) completion by the Company of an equity financing to raise gross proceeds of not less than the US $15,000,000 to a maximum of US $25,000,000;
(vi) completion of a technical report on the projects, as required, prepared in compliance with National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101"); and
(vii) no material adverse change in the business, operations, results, prospects, properties or assets of the Company having occurred prior to Closing.

The parties will enter into a joint venture with respect to the Cauchari properties, with each party initially holding a 50% interest. The Company will be entitled to earn a further 25% interest in such properties by expenditure of US $5,000,000 or completion of a NI 43-101 feasibility study during the three year period following receipt of the Environmental Impact Statement ("EIS") in respect of the Cauchari properties.

After Closing, the Company will be the operator of the projects.

After Closing, and provided that Orocobre holds at least 10% of the issued and outstanding common shares of the Company, Orocobre will have a pre-emptive right to maintain its proportionate interest in the Company by participating in future offerings of securities by the Company. Orocobre will also have the board representation rights described below.

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

Orocobre will have a right of first refusal over any direct or indirect sale by the Company of all or any portion of the Cauchari properties, and Orocobre will be entitled to re-acquire the Cauchari properties pursuant to an agreed valuation process in the event of a change of control of the Company.

The Company may pay a finder's fee in respect of the Acquisition, provided that any such fee will comply with the applicable rules of the TSXV.

Property Description

The Acquisition of the projects, comprising a total of 85,543 ha, are located in the northern provinces of Jujuy, Salta and Catamarca in Argentina's lithium triangle. Following completion of the Acquisition, Orocobre will own 40,622,200 common shares of the Company, with a minimum ownership of 31.12% of the outstanding common shares of the Company (calculated on a fully-diluted basis). The Company will be the operator of the projects.

Furthermore, a joint venture will be formed between the Company and Orocobre for the Cauchari project which hosts an inferred resource of 470,000 tonnes of lithium carbonate equivalent ("LCE") and 1,620,000 million tonnes of potash ("KCL") from the combined northern and southern resource from 230 million cubic metres of brine at ~380 mg/l Li and 3,700 mg/l K and a large exploration target of 5.6mt to 0.25Mt of LCE and 19mt to 0.9 of KCL. The Cauchari Project is located just 10-20 km south of Orocobre's flagship Olaroz Lithium Facility.

Property	**Province**	**Area (ha)**	**Interest**
Cauchari	Jujuy	27,771	*50%
Antofalla	Salta	10,653	100%
Incahuasi	Salta	9,843	100%
Guayatayoc	Jujuy	21,276	100%
Two projects currently under application	**	16,000**	100%

** Initial 50%. Can be increased to 75%*
*** Application to acquire has been filed*

Highlights of the Cauchari project are as follows:

(i) Substantial inferred resource: Host to an inferred resource in the combined northern and southern resource areas containing an estimated 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).

(ii) Near-surface. The initial resource estimate is based on five diamond holes in Orocobre's eastern Cauchari properties and tests only to an average depth of 170m in the northern resource area and 50m in the southern resource area.

(iii) Exploration potential. Consideration of the western properties suggests continuation of the aquifers hosting brine at Olaroz continue beneath the Archibarca alluvial fan directly into the Cauchari JV tenements. Drilling by Lithium America Corporation (LAC) on adjacent properties shows that brine is present beneath the alluvial fan sediments. On that basis an additional exploration target has been defined further to that publicly released with the original resource estimate. The combined exploration target in the Cauchari JV properties both west and east of properties held by LAC is defined with a range of 0.25 to 5.6 mt of lithium carbonate and 0.9 mt to 19 mt of potash (KCl) for the lower and upper ranges applied for the combined exploration target. *It must be stressed that an exploration target is not a mineral resource. The potential quantity and grade of the exploration target is conceptual in nature, and there has been insufficient exploration to define a Mineral Resource in the volume where the Exploration Target is outlined. It is uncertain if further exploration drilling will result in the determination of a Mineral Resource in this volume.*

(iv) Close proximity to Orocobre's lithium facility. Proximity to Orocobre's Olaroz project and similarity in brine chemistry results in potential for Cauchari to be developed in conjunction with Olaroz.

An inferred resource from the combined northern and southern resource areas contains an estimated 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).

	Brine body Parameters				Average Resource Concentrations		Tonnes Contained			
Inferred Resource Area	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	26.0	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

The resource estimate was prepared by Mr. Murray Brooker, an independent consultant employed by Hydrominex Geoscience Pty Ltd. Mr. Brooker is a geologist and hydrogeologist and is a Member of the Australian Institute of Geoscientists and International Association of Hydrogeologists. Mr. Brooker has sufficient relevant experience to qualify as a competent person as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. He is also a "Qualified Person" as defined by Canadian Securities Administrators' National Instrument 43-101.

Additional project highlights are as follows:

Antofalla Project

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 announced it has entered into an agreement with Bolland Minera S.A. to acquire its Salar de Antofalla project, which Albemarle Corporation states that it anticipates to be the largest lithium resource in Argentina. The Hombre Muerto Salar, where FMC currently produces lithium is located approximately 60km to the southeast. The Brazilian Major Vale 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.

Incahuasi Project

The project is located near the border with Chile in the province of Salta, approximately 70 km to the southwest of Cauchari and 70 km to the southwest of the Salar de Atacama in Chile where both SQM and Albemarle produce lithium from brine.

Guayatoyoc Project

The Guayatoyoc Project is located in the province of Jujuy, approximately 70km north-east from Cauchari. Guayatoyoc 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.

Financing Agreement

On November 22, 2016 the Company entered into an engagement agreement with Dundee Securities Ltd. (the “Agent”) for a private placement offering of transferrable subscription receipts (“Subscription Receipts”) at a price of $1.00 per Subscription Receipt (the “Issue Price”) to raise aggregate proceeds of a minimum of $20,000,000 (the “Offering”) on a best efforts basis. The Company has granted the Agent an option to offer for sale up to an additional 15% of the Subscription Receipts, at the Issue Price, exercisable in whole or in part at any time for a period of up to 48 hours prior to the closing date of the Offering (the “Offering Closing Date”).

Each Subscription Receipt will entitle the holder thereof to receive one common share of the Company (a “Common Share“), without payment of additional consideration or further action, provided that the Escrow Release Conditions have been satisfied prior to the Escrow Deadline (as defined below), upon the date (the “Qualification Date“) which is the earlier of: (i) four months and a day after the closing of the Offering; and (ii) the third business day following the issuance of a receipt (the “Final Receipt“) for a final prospectus qualifying the Common Shares underlying the Subscription Receipts. The Subscription Receipts will be issued pursuant to a subscription receipt agreement (the “Subscription Receipt Agreement“) to be entered into among the Company, the Agent and the subscription receipt agent. Pursuant to the Subscription Receipt Agreement, the gross proceeds from the Offering (less 50% of the Agent’s cash commission and all of the Agent’s expenses) (the “Net Escrowed Funds“) will be held in escrow pending satisfaction of the escrow release conditions (the “Escrow Release Conditions”), including (i) completion of the Acquisition as contemplated by the Definitive Agreement, including receipt of all regulatory approvals, shall have been completed or waived on terms previously disclosed to or otherwise reasonably acceptable to the Agent; (ii) the receipt of all necessary regulatory approvals (including if necessary, shareholder approval) with respect to the Offering including conditional approval from the TSXV with respect to the listing of the Common Shares underlying the Subscription Receipts; (iii) the Company having delivered a certificate to the Agent that the conditions set forth in (i) and (ii) have been satisfied; and (iv) the Company and the Agent having delivered the completion notice and direction pursuant to the Subscription Receipt Agreement to the subscription receipt agent. Upon satisfaction of the Escrow Release Conditions, the remaining 50% of the cash commission will be released to the Agent plus any additional expenses of the Agent, if any, and the balance of the Net Escrowed Funds, together with any interest earned thereon, will be released to the Company. The Subscription Receipts will not convert into Common Shares until the Qualification Date, as described above.

If the Escrow Release Conditions are not satisfied on or before March 15, 2017, (the “Termination Time”), the Subscription Receipts will be deemed to be cancelled and holders of Subscription Receipts will receive a cash amount equal to the Issue Price of the Subscription Receipts and any interest that was earned on the Net Escrowed Funds less any applicable withholding taxes. The Company will be responsible for any shortfall in the amount returnable to holders of Subscription Receipts in this event.

The Company will pay the Agent a cash commission equal to 6% of the gross proceeds of the Offering, and will also issue compensation warrants (the "Compensation Warrant") equal to 6% of the number of Subscription Receipts sold pursuant to the Offering. Each Compensation Warrant shall be deemed exercised on behalf of, and without any required action on the part of, the holder thereof into one compensation option (a "Compensation Option") on the Qualification Date. Each Compensation Option will be exercisable into one Common Share at the Issue Price for a period of 24 months following the closing of the Offering. The Offering is subject to certain conditions including receipt of all regulatory approvals, including approval of the TSXV.

Selected Financial Data

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

	Fiscal Years Ended July 31,		
	2016 $	**2015 $**	**2014 $**
Operations:			
Expenses	(747,917)	(266,533)	(41,883)
Other items	(118,647)	9,075	2,429
Net loss	(866,564)	(257,458)	(39,454)
Basic and diluted loss per share	(0.04)	(0.03)	(0.03)
Dividend per share	Nil	Nil	Nil
Balance Sheet:			
Working capital	1,866,529	1,107,245	153,532
Total assets	2,099,685	1,113,189	157,772
Total long-term liabilities	Nil	Nil	Nil

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

	Fiscal 2016				**Fiscal 2015**			
Three Months Ended	**Jul. 31, 2016 $**	**Apr. 30, 2016 $**	**Jan. 31, 2016 $**	**Oct. 31, 2015 $**	**Jul. 31, 2015 $**	**Apr. 30, 2015 $**	**Jan. 31, 2015 $**	**Oct. 31, 2014 $**
Operations:								
Income (expenses)	(561,930)	1,100	(63,653)	(123,434)	(188,425)	(51,936)	(13,446)	(12,726)
Other items	(125,155)	(2,061)	5,508	3,061	5,473	2,450	616	536
Net loss	(687,085)	(961)	(58,145)	(120,373)	(182,952)	(49,486)	(12,830)	(12,190)
Basic and diluted loss per share	(0.03)	(0.00)	(0.00)	(0.01)	(0.01)	(0.00)	(0.01)	(0.01)
Dividend per share	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Balance Sheet								
Working capital	1,866,529	1,019,470	992,465	1,041,529	1,107,245	1,116,530	725,346	141,342
Total assets	2,099,685	1,023,605	1,010,698	1,069,928	1,113,189	1,124,441	736,759	151,340
Total long-term liabilities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Results of Operations

Three Months Ended July 31, 2016 Compared to Three Months Ended July 31, 2015

During the three months ended July 31, 2016 (the "Q4/2016") the Company reported a net loss of $687,085 ($0.03 per share) compared to a net loss of $182,952 ($0.01 per share) for the three months ended July 31, 2015 (the "Q4/2015"), an increase in loss of $504,133. During Q4/2015 the Company had limited operations. During Q4/2016 the Company incurred significant expenses for due diligence costs on identification of a Qualifying Transaction, additional share-based compensation on the granting of share options and recorded a write-off for the forfeiture of a deposit. The primary costs in Q4/2016 are as follows:

(i) a total increase of $47,404 in general exploration and travel expenses, from $166 in Q4/2015 to $47,570 in Q4/2016 for due diligence costs incurred for reviewing and identifying prospective properties;
(ii) an increase of $83,775 in legal costs, from $2,000 in Q4/2015 to $85,775 in Q4/2016 for services relating to preparation and submission of the filing statement and various documentation for the Qualifying Transaction and the Company's name change;
(iii) $21,500 (Q4/2015 - $7,300) was incurred for bookkeeping, accounting and administration, and corporate filing services provided by Chase Management Ltd. ("Chase"), a private company owned by Mr. Nick DeMare, the Company's CFO. See also "Related Party Transactions";
(iv) during Q4/2016 the Company recorded share-based compensation of $355,494 (Q4/2015 - $173,667) on the granting and vesting of 1,001,000 (Q4/2015 - 967,500) share options; and
(v) in May 2016 the Company entered into the CVL LOI whereby the Company paid a deposit of $129,090 (US $100,000). On June 22, 2016 the CVL LOI was terminated and accordingly, the Company wrote-off $129,090 during Q4/2016.

Year Ended July 31, 2016 Compared to the Year Ended July 31, 2015

Operations

During the year ended July 31, 2016 ("fiscal 2016") the Company reported a net loss of $866,564 ($0.04 per share) compared to a net loss of $257,458 ($0.03 per share) for the year ended July 31, 2015 ("fiscal 2015") an increase in loss of $609,106. The increase in loss in fiscal 2016 was due mainly to increased corporate activities conducted during fiscal 2016, the engagement of consultants to review oil and gas opportunities in early fiscal 2016, share-based compensation on the granting of share options and a $129,090 write-off of the deposit made on the CVL LOI. Specific expenses of note are as follows:

(i) $40,300 (2015 - $25,055) was incurred for bookkeeping, accounting, administration and corporate filing services provided by Chase. See also "Related Party Transactions";
(ii) during fiscal 2016 the Company was billed a total of $87,000 by Chalce Resources Ltd. for consulting services provided to identify, review and provide advice on oil and gas opportunities;
(iii) during fiscal 2016 the Company recorded share-based compensation of $411,648 (2015 - $173,667) on the granting and vesting of 1,761,000 (2015 - 967,500) share options;
(iv) during fiscal 2016 the Company incurred $27,500 (2015 - $36,000) for professional services related to the identification and assessment of various corporate opportunities for the Company. Of this amount $12,500 (2015 - $20,000) was paid to DNG Capital Corp., a private company owned by Mr. DeMare and $15,000 (2015 - $nil) was paid to Siden Investments Ltd., a private company owned by Mr. David Sidoo. During fiscal 2015 the Company was billed $16,000 by a third party for professional services rendered;
(v) during fiscal 2016 the Company incurred $20,482 in general exploration expenses for due diligence on prospective properties. The amount included $5,000 paid to Mr. Ross McElroy;
(vi) during fiscal 2016 the Company incurred $90,364 for legal expenses, an increase of $88,364 from $2,000 in fiscal 2015, for services relating to preparing the Qualifying Transaction, acquiring interests in mineral resource properties, name change and general corporate matters;
(vii) during fiscal 2016 the Company recorded an increase of $27,787 in travel expenses, from $166 in fiscal 2015 to $27,953 in fiscal 2016, the increase was primarily due to trips made by Company management to review and identify property acquisitions, business opportunities and for general corporate activities; and
(viii) during fiscal 2016 the Company recorded the $129,090 write-off of a deposit on the termination of the CVL LOI during fiscal 2016.

Investing Activities

The Company remained a capital pool company throughout fiscal 2015 and did not conduct any investment activities. In May 2016 the Company paid a non-refundable deposit on its option to earn a 505 interest in the CVL Property. In June 2016 the CVL option was terminated and the Company recorded a write-off of $129,090. On June 16, 2016 the Company entered into the Nevada Sunrise LOI whereby it paid an initial deposit of $100,000. See also "Property Updates - Nevada Sunrise LOI".

Financing Activities

During fiscal 2016 the Company arranged to undertake a non-brokered private placement financing of 16,100,000 common shares at $0.25 per share for gross proceeds of $4,025,000. As at July 31, 2016 the Company had received $1,264,500 on account of the private placement.

During fiscal 2015 the Company completed a non-brokered private placement financing of 22,000,000 common shares for gross proceeds of $1,100,000. The Company paid the finder a fee of $35,550 cash and issued 711,000 warrants exercisable at $0.05 per share expiring April 7, 2016. During fiscal 2016 the 711,000 warrants were exercised for gross proceeds of $35,550. The funds were used for identification and evaluation of business or properties, and general working capital purposes.

Financial Condition / Capital Resources

During fiscal 2016 the Company recorded a net loss of $866,564 and, as at July 31, 2016, the Company had an accumulated deficit of $2,424,819 and working capital of $1,866,529. The Company's principal business objective has been the identification and evaluation of companies, businesses, properties, or assets with a view to acquisition or participation therein. The Company has entered into a number of agreements to acquire interests in mineral resources properties located in Nevada, USA, Mexico and Argentina. The Company will need to raise additional capital from the sale of common shares or other equity or debt instruments to complete the acquisition of the mineral properties and conduct planned exploration expenditures and corporate overhead over the course of the next twelve months.

Subsequent to July 31, 2016 the Company completed the following private placements:

(i) 16,100,000 common shares for gross proceeds of $4,025,000. The Company paid finders' fees totalling $269,040 and issued 1,082,560 finders' warrants associated with the private placement. Each finders' warrant entitles the holder to purchase one common share of the Company, at a price of $0.25 per share, for a period of two years from closing. As at July 31, 2016 the Company had received $1,264,500 on account of this private placement; and

(ii) 8,456,900 units of the Company for gross proceeds of $5,074,140. Each unit comprised one common share and one-half of one share purchase warrant, with each whole warrant entitling the holder to purchase an additional common share for a term of two years from the closing date at a price of $0.75 per share. The Company paid finders' fees totalling $200,598 and issued 334,330 finders' warrants associated with the private placement. Each finders' warrant entitles the holder to purchase one common share of the Company, at a price of $0.60 per share, for a period of two years from closing.

Subsequent to July 31, 2016 the Company issued 962,500 shares on the exercise of share options for proceeds of $252,825.

In November 2016 the Company entered into the Orocobre LOI and the Proposed Financing to raise a minimum of $20,000,000. See "Orocobre LOI and Proposed Financing".

The funds will be used for working capital to allow the Company to finance anticipated corporate overheads, as well as work program commitments toward earn-in obligations and systematically advancing assets of the Company's portfolio of projects.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Proposed Transactions

The Company has entered into a number of agreements to acquire interest in lithium brine projects and conduct the Dundee Financing. See also "Exploration Projects" and "Orocobre LOI and Proposed Financing".

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, 2016 and 2015 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 2016 and 2015 the position as the Company's President, CEO and CFO was held by Mr. Marc Cernovitch (also a director), non-executive directors were Mr. Craig Taylor, Mr. David Sidoo and the Hon. Herb Dhaliwal, and the Company's Corporate Secretary position was held by Mr. Nick DeMare. The following compensation was incurred:

	2016 $	2015 $
Mr. Cernovitch - share-based compensation	21,852	17,950
Mr. DeMare - professional fees	12,500	-
Mr. DeMare - share based compensation	-	17,950
Mr. David Sidoo - professional fees	15,000	-
Mr. David Sidoo - share based compensation	59,892	44,875
Mr. Craig Taylor - share based compensation	1,416	3,141
Hon. Herb Dhaliwal - share based compensation	2,124	26,925
Mr. Ross McElroy - professional fees	5,000	-
	117,784	110,841

During fiscal 2016 the Company expensed $27,500 of key management compensation to professional fees and $5,000 to general exploration costs. As at July 31, 2016, $20,000(2015 - $nil) remained unpaid.

(b) On May 22, 2015 Mr. DeMare was appointed Corporate Secretary of the Company. During fiscal 2015 the Company incurred $4,800 for accounting and administrative services provided by Chase and $8,975 was recorded for share-based compensation for options granted to Chase since Mr. DeMare's appointment on May 22, 2015. As at July 31, 2015, $4,800 remained unpaid.

During fiscal 2016, $40,300 was incurred for accounting and administration services provided and $39,456 was recorded for share-based compensation for options granted to Chase. As at July 31, 2016, $16,500 remained unpaid.

Outstanding Share Data

The Company's authorized share capital is unlimited common shares without par value. As at November 28, 2016 there were 52,598,735 issued and outstanding common shares, warrants to purchase 5,645,340 common shares at exercise prices ranging from $0.25 to $0.75 per share and share options to purchase 4,441,000 common shares at exercise prices ranging from $0.20 to $1.02 per share. See also "Company Overview".