ADVANTAGE LITHIUM CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED OCTOBER 31, 2016

This discussion and analysis of financial position and results of operation is prepared as at December 22, 2016 and should be read in conjunction with the condensed consolidated interim financial statements and the accompanying notes for the three months ended October 31, 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 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, 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. See also "Exploration Projects - Nevada Sunrise Agreement".

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 resource 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. 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 Agreement

<u>Agreement</u>

On June 16, 2016, as amended July 29, 2016, the Company entered into a binding agreement (the "Nevada Sunrise Agreement") with 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 various working interests of up to 70% in five lithium exploration projects, 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 "Permit").

The Company was 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 Agreement 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) upon TSXV acceptance of the Nevada Sunrise Agreement (the "Effective Date") a cash payment of $500,000 (the "Cash Payment");
(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 granted 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 Agreement 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
July 31, 2017	850,000
July 31, 2018	1,300,000
July 31, 2019	350,000
July 31, 2020	400,000
July 31, 2021	500,000
	3,400,000

Under the terms of the Nevada Sunrise Agreement 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.

On August 29, 2016 the Company received all corporate and regulatory approvals to complete the transaction under the Nevada Sunrise Agreement, to which the Company has:

(i) made the Cash Payment of $500,000 and issued 2,071,447 common shares of the Company, at a fair value of $1,139,296, as the Consideration Shares;

(ii) issued 182,680 common shares of the Company, at a fair value of $100,474, and paid $45,670 cash as a finder's fee; and

(iii) issued 172,218 common shares of the Company, at a fair value of $168,774 in lieu of 300,000 Nevada Sunrise shares pursuant to the Underlying Payments Obligation, The Company also paid a finder's fee of $7,582.

On December 13, 2016 the Company issued 34,865 common shares of the Company in lieu of 150,000 Nevada Sunrise shares pursuant to the Underlying Payments Obligation.

On November 30, 2016, Nevada Sunrise and the Company learned that the Nevada State Engineer's office of the Nevada Division of Water Resources ("NDWR") has issued a ruling of forfeiture (the "Ruling") against the Permit citing lack of beneficial use for a period of five years. Nevada Sunrise has recently received evidence of water use that the NDWR requires, which will be presented during the appeal process. Nevada Sunrise has advised the Company that the appeal will be filed before December 29, 2016. The Company has determined not to make any payments or share issuances under the Water Rights Option at this time. Negotiations between all parties are ongoing.

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 comprised of reverse circulation ("RC") drilling of 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 had 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 milligrams per litre ("mg/l") with three of the five samples averaging 209 mg/l lithium and total dissolved solid ("TDS") results in the same samples were recorded up to 110,000 mg/l.

On December 5, 2016 the Company announced that lithium-bearing brines have also been intersected in the second borehole. Hole CNE-16-02, intersected multiple aquifer formations, including a 188.9 metre brine-producing strata averaging 164.2 mg/l lithium from a depth of 207.3 metres to 396.2 metres, including a higher grade interval averaging 202.8 mg/l lithium over 109.7 metres.

On December 21, 2016 the Company announced the results of Hole CNE-16-03, which was drilled to a total depth of 591.3 metres (1,940 feet). Hole CNE-16-03 intersected multiple aquifer formations, including 387.69 metres of brine-producing strata averaging 243.66 mg/l lithium from a depth of 209.23 to 596.92 metres, including a higher-grade interval averaging 299.5 mg/l over 36.92 metres and a peak measurement of 322 mg/l.

Highlights of the drilling are as follows:

(i) Lithium brines intercepted by the first drill hole at Clayton NE, CNE-16-01, 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 strength brine.

(ii) Lithium brines intercepted by the second drill hole at Clayton NE, CNE-16-02, have returned intervals up to 202.8 mg/l lithium over 109.7 metres (286.5 metres to 396.2 metres), including peak values up to 227 mg/l lithium over a 6.1 metre section (304.8 metres to 310.9 metres). 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 metres). Analysis shows this zone carries significant lithium concentrations.

(iii) Lithium brines intercepted by the third drill hole at Clayton NE, CNE-16-03, showing a peak value of 322 mg/l lithium, within 387.69 metres averaging 243.66 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 CNE-16-03 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 CNE-16-03 between 350.76 to 436.92 metres. Geochemical analysis shows this zone carries significant lithium concentrations.

(iv) All three holes, which are located 3.43 kilometres apart, contain significant intervals of mineralized lithium brines.

(v) Three more holes are already permitted and the Company plans to complete these holes in 2017 to continue building towards a resource in Nevada.

(vi) The joint venture has staked additional land, increasing the overall land package to 437 ha.

CNE16-01 Technical Details

CNE16-01 was completed to a depth of 512.1 metres (1680 feet), intersecting the base of the Clayton Valley salar sedimentary basin at 506 metres. Drilling intersected typical Clayton Valley strata consisting of alternating layers of gravel, volcanic ash and clay. A total of 27 grab groundwater samples were collected as brine formations were encountered. The table below presents a compiled summary of the depths of the Aquifer Systems with brine interval thickness and associated average lithium grades and TDSs concentration. Anomalous lithium results were obtained from brine formations intermittently intersected over a 331.3 metres section (from 168.6 metres to 499.9 metres) within the Main Ash, Lower Aquifer System, and Lower Gravel Aquifer systems. The highest grade results were obtained in the Lower Aquifer System with peaks up to 218 mg/l lithium (224.0 metres to 227.1 metres) while the widest intervals were reported in the deeper Lower Gravel Aquifer System, including a 103.7 metres wide interval (from 396.2 metres to 499.9 metres) averaging 134.8 mg/l lithium. In addition, drill cuttings were collected for each 1.5 metres interval and have been submitted for analysis. Analytical results for the drill cuttings are pending.

Results of brine samples for CNE16-01 are as follows:

Drill Hole	Aquifer System	Interval From (metres)	 To (metres)	 Width (metres)	Total Dissolved Solids (mg/l)	Lithium Range (mg/l)	Lithium Average Grade (mg/l)
CNE-16-01	Main Ash	168.6	170.1	1.5	68,000	94.3	94.3
	Lower Aquifer System A	224.0	243.8	19.8	110,000	195 to 218	209.7
	Lower Aquifer System B	326.1	365.8	39.7	130,000 to 140,000	174 to 189	181.5
	Lower Gravel Aquifer	396.2	499.9	103.7	35,000 to 190,000	72.4 to 234	134.8
	including	457.2	481.6	24.4	58,000 to 190,000	72.4 to 234	187.5

CNE16-02 Technical Details

CNE-16-02 was collared approximately 3.43 km northeast of CNE-16-01. The hole was terminated within a Massive Clay formation within the Clayton Valley salar sedimentary basin at a depth of 426.7 metres (1,400 feet). As was observed in hole CNE16-01, drilling intersected typical Clayton Valley strata consisting of alternating layers of gravel, volcanic ash and clay. A total of 32 grab groundwater samples were collected as brine formations were encountered. The table below presents a compiled summary of the depths of the Aquifer Systems with brine interval thickness and associated average lithium grades and TDSs concentration. Anomalous lithium results were obtained from a 188.9 metres wide brine formation intersected from 207.2 metres to 396.2 metres within the Lower Aquifer System. This 188.9 metre interval averaged 164.2 mg/l lithium, including a higher grade interval averaging 202.8 mg/l lithium over 109.7 metres (286.5 metres to 396.2 metres) and was associated with strong brine flows of up to 120 gallons per minute issued from 304.8 metres to 396.2 metres. In addition, drill cuttings were collected for each 6.1 metres interval and have been submitted for analysis. Analytical results for the drill cuttings are pending.

Results of brine samples for CNE16-02 are as follows:

Drill Hole	Aquifer System	Interval From (metres)	 To (metres)	 Width (metres)	Total Dissolved Solids (mg/l)	Lithium Range (mg/l)	Lithium Average Grade (mg/l)
CNE-16-02	Main Ash	190.5	199.6	9.1	No Water		
	Lower Aquifer System	207.3	396.2	188.9	50,000 to 380,000	72.4 to 228	164.2
	including	286.5	396.2	109.7	140,000 to 380,000	151 to 227	202.8

CNE16-03 Technical Details

CNE16-03 was completed to a depth of 591.3 metres (1,940 feet), intersecting the base of the Clayton Valley salar sedimentary basin at 584.62 metres. Drilling has intersected typical Clayton Valley strata consisting of alternating layers of gravel, volcanic ash and clay. A total of 62 grab groundwater samples were collected as brine-bearing formations were encountered. The table below presents a compiled summary of the depths of the aquifer systems with brine interval thickness and associated average lithium grades and TDS concentrations. Anomalous lithium results with average concentration of 243.66 mg/l were obtained from brine-bearing formations intersected over a 387.69 metre section (from 209.23 to 596.92 metres) within the Main Ash, Lower Aquifer System, and Lower Gravel Aquifer. The highest grade results were obtained in the Lower Aquifer System with peaks up to 322 mg/l lithium (332.31 to 338.46 metres), and in the deeper Lower Gravel Aquifer, with peaks up to 316 mg/l (504.62 to 510.77 metres). In addition, drill cuttings were collected for each 1.5 metre interval and have been submitted for analysis. Analytical results for the drill cuttings are pending.

Results of brine samples for CNE16-03 are as follows:

Drill Hole	Aquifer System	Interval From (metres)	Interval To (metres)	Interval Width (metres)	Total Dissolved Solids (mg/l)	Lithium Range (mg/l)	Lithium Average Grade (mg/l)
CNE-16-03	Main Ash	209.23	246.15	36.92	72,150 to 84,970	114 to 130	124.33
	Lower Aquifer System	246.15	436.92	190.77	87,400 to 199,000	139 to 322	267.71
	including	313.85	350.77	36.92	137,000 to 181,000	279 to 322	299.50
	Lower Gravel Aquifer	436.92	596.92	160.00	120,000 to 165,000	181 to 316	268.17
	including	461.54	526.15	73.85	126,000 to 165,000	268 to 316	295.80

Regarding Sample Analysis

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. TDS values obtained in the field are measured with a handheld YSI Model 556 Multiparameter Meter, which meets Good Laboratory Practice (as proscribed by the Organization for Economic Cooperation and Development) for calibration and measurement. 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 on or before September 20, 2017 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

The Company has agreed to pay a finder’s fee, calculated at a maximum of up to approximately $176,500, the actual amounts payable only upon cash payments and share issuances made. As at October 31, 2016 the Company has paid of $6,626.

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 mg/l Li.
(iv) Radius conducted controlled surface samples which resulted in numerous anomalous lithium results including 189 mg/l 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.

Orocobre LOI and Proposed Financing

<u>LOI Agreement</u>

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.

<u>Property Description</u>

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 60 km 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 70 km 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 unaudited condensed interim financial statements of the Company.

	Fiscal 2017	Fiscal 2016				Fiscal 2015		
Three Months Ended	**Oct. 31, 2016 $**	**Jul. 31, 2016 $**	**Apr. 30, 2016 $**	**Jan. 31, 2016 $**	**Oct. 31, 2015 $**	**Jul. 31, 2015 $**	**Apr. 30, 2015 $**	**Jan. 31, 2015 $**
Operations:								
Expenses (income)	(3,245,464)	(561,930)	1,100	(63,653)	(123,434)	(188,425)	(51,936)	(13,446)
Other items	23,557	(125,155)	(2,061)	5,508	3,061	5,473	2,450	616
Net loss	(3,221,907)	(687,085)	(961)	(58,145)	(120,373)	(182,952)	(49,486)	(12,830)
Basic and diluted loss per share	(0.08)	(0.03)	(0.00)	(0.00)	(0.01)	(0.01)	(0.00)	(0.01)
Dividend per share	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Balance Sheet								
Working capital	6,465,727	1,866,529	1,019,470	992,465	1,041,529	1,107,245	1,116,530	725,346
Total assets	10,496,550	2,099,685	1,023,605	1,010,698	1,069,928	1,113,189	1,124,441	736,759
Total long-term liabilities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Results of Operations

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

During the three months ended October 31, 2016 (“Q1/2017”) the Company reported a net loss of $3,221,907 ($0.08 per share) compared to a net loss of $687,085 ($0.03 per share) for the three months ended July 31, 2016 (“Q4/2016”), an increase in loss of $2,534,822. The increase in loss in Q1/2017 was mainly due to the recognition of share based compensation of $1,977,500 in Q1/2017 compared to $355,494 in Q4/2016 and increased corporate activities, remuneration and general exploration in Q1/2017.

General and administrative expenses increased by $706,034 from $561,930 in Q4/2016 to $1,267,964 in Q1/2017. The increase mainly in legal, professional fees and travel is attributable to the review of the Company’s properties, professional fees paid to management and consultants and implementation of corporate development programs.

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

Operations

During the three months ended October 31, 2016 (the “2016 period”) the Company reported a net loss of $3,221,907 ($0.08 per share), compared to a net loss of $120,373 ($0.00 per share) for the three months ended October 31, 2015 (the “2015 period”), an increase in loss of $3,101,534. The increase in loss in the 2016 period was partially due to the recognition of share based compensation of $1,977,500 in the 2016 period compared to $54,657 in the 2015 period and increased general and administrative activities, corporate development programs, professional fees paid and general exploration.

General and administrative expenses increased by $1,199,187, from $68,777 in the 2015 period to $1,267,964 in the 2016 period. During the 2015 period 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. On August 30, 2016 the Company completed its Qualifying Transaction and met the requirements to be listed as a TSXV Tier 2 resource company engaged in the acquisition and exploration of unproven lithium mineral interests. The Company incurred significant legal, professional fees and travel expenses for the review of property acquisitions and business opportunities in the 2016 period.

Specific expenses of note are as follows:

(i) incurred $28,000 (2015 - $8,300) for accounting and administrative services 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 $160,548 (2015 - $nil) for corporate development expenses. During the 2016 period the Company initiated several marketing campaigns;
(iii) during the 2016 period the Company recorded share-based compensation of $1,977,500 (2015 - $54,657) on the granting and vesting of share options;
(iv) during the 2016 period the Company incurred $672,968 (2015 - $43,500) for professional services related to the identification and assessment of various corporate opportunities for the Company. Of this amount $491,970 (2015 - $nil) was paid to directors and officers and $180,998 (2015 - $43,500) was paid to various parties for advisory services;
(v) during the 2016 period the Company incurred $56,180 (2015 - $nil) in general exploration expenses;
(vi) during the 2016 the Company incurred $108,326 for legal expenses, an increase of $103,737 from $4,589 in the 2015 period, for services relating to preparation and review of property acquisitions and business opportunities; and
(vii) during the 2016 period the Company recorded an increase of $163,648 in travel expenses, from $833 in the 2015 period to $164,481 in the 2016 period, the increase was primarily due to trips made by Company management to review and identify property acquisitions, business opportunities and for general corporate activities.

Exploration and Evaluation Assets

During the 2016 period the Company capitalized a total of $3,343,263 on the acquisition, exploration and evaluation of its unproven lithium mineral interests, of which $2,976,603 was incurred for options payments, associated finders' fees and claims staking and $366,660 for exploration activities. See also "Exploration Projects - Nevada Sunrise Agreement - Exploration Update". Details of the costs of the exploration activities conducted during the 2016 period are as follows:

	United States						Argentina	Mexico	
	Jackson Wash $	Clayton NE $	Aquarius $	Gemini $	Neptune $	Water Rights $	$	$	Total $
Exploration costs									
Consulting	1,822	7,985	1,042	521	1,143	15,355	-	-	27,868
Drilling	-	20,342	-	-	-	-	-	-	20,342
Environmental	9,740	-	-	-	404	-	-	-	10,144
Geological	16,266	48,894	5,444	4,191	1,336	-	-	-	76,131
Geophysical	54,130	60,338	1,450	-	-	-	-	-	115,918
Insurance	942	942	942	471	942	-	-	-	4,239
Land survey	29,030	5,798	4,250	-	-	-	-	-	39,078
Legal	45	396	212	45	45	8,588	-	-	9,331
Mapping	588	1,841	207	164	17	-	-	-	2,817
Project management	9,390	22,424	2,069	1,411	969	2,644	-	4,844	43,751
Rent / utilities	202	3,596	1,329	202	1,532	-	-	-	6,861
Travel	2,213	2,211	1,771	1,771	2,214	-	-	-	10,180
Total for the 2016 period	124,368	174,767	18,716	8,776	8,602	26,587	-	4,844	366,660

	United States						Argentina	Mexico	
	Jackson Wash $	Clayton NE $	Aquarius $	Gemini $	Neptune $	Water Rights $	$	$	Total $
Acquisition costs									
Issuance of common shares for:									
- option payments	199,377	199,377	199,377	199,377	368,151	142,411	-	260,000	1,568,070
- finder's fees	17,583	17,583	17,583	17,583	17,583	12,559	-	-	100,474
Cash payments for:									
- option payments	87,500	87,500	87,500	87,500	87,500	62,500	460,215	75,000	1,035,215
- finder's fees	7,992	7,992	7,992	7,992	15,574	5,710	23,380	-	76,632
Claims staking	53,746	13,416	23,535	27,058	69,231	-	-	9,226	196,212
Total for the 2016 period	366,198	325,868	335,987	339,510	558,039	223,180	483,595	344,226	2,976,603

Financing Activities

During the 2016 period the Company completed non-brokered private placements as follows:

(i) 16,100,000 common shares for gross proceeds of $4,025,000; and
(ii) 8,456,900 units of the Company for gross proceeds of $5,074,140.

In addition the Company issued 812,500 common shares on the exercise of warrants and options for gross proceeds of $200,825.

The above funds will be used 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.

No financing were completed during the 2015 period.

Financial Condition / Capital Resources

During the 2016 period the Company recorded a net loss of $3,221,907 and, as at October 31, 2016, the Company had an accumulated deficit of $5,646,726 and working capital of $6,465,727. 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 October 31, 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".

Subsequent to October 31, 2016 the Company issued 353,200 shares on the exercise of warrants and share options for proceeds of $102,800.

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 the 2016 and 2015 periods the following compensation was incurred:

	2016 $	2015 $
Mr. Sidoo - professional fees(1)	307,000	-
Mr. Sidoo - share based compensation	252,000	7,079
Mr. DeMare - professional fees(2)	79,920	-
Mr. DeMare - professional fees(3)	8,250	-
Mr. DeMare - share based compensation	94,500	-
Mr. McElroy - professional fees(4)	31,800	-
Mr. McElroy - share based compensation	126,000	-
Mr. Randhawa - professional fees(5)	77,500	-
Mr. Randhawa - share based compensation	126,000	-
Hon. Dhaliwal - share based compensation	-	2,124
Mr. Marsh - share based compensation	226,000	-
Mr. Taylor - share based compensation	-	1,416
Mr. Cernovitch - share-based compensation	-	4,247
	1,328,970	14,866

(1) Paid to Siden Investments Ltd., a private company owned by Mr. Sidoo.
(2) Paid to DNG Capital Corp. a private company owned by Mr. DeMare.
(3) Paid to Chase Management Ltd. ("Chase") a private company owned by Mr. DeMare.
(4) Paid to Edge Geological Consulting Inc., a private company owned by Mr. McElroy.
(5) Paid to RD Capital Inc., a private company owned by Mr. Randhawa

During the 2016 period the Company expensed $491,970 of key management compensation to professional fees, $4,500 to general exploration costs and capitalized $8,000 to exploration and evaluation assets based on the nature of the services provided. As at October 31, 2016, $78,000 (July 31, 2016 - $20,000) remained unpaid.

(b) During the 2016 period $28,000 (2015 - $8,300) was incurred for accounting and administration services provided by Chase a private company owned by Mr. DeMare, the Company's CFO. As at October 31, 2016, $21,000 (July 31, 2016 - $16,500) remained unpaid.

During the 2016 period the Company also recorded $31,500 (2015 - $4,247) for share-based compensation for share options granted to Chase.

(c) During the 2016 period 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 and 389,000 units for $233,400. 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
	536,000	134,000

	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
	389,000	233,400

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 USA, Argentina and Mexico 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 December 22, 2016 there were 52,836,800 issued and outstanding common shares, warrants to purchase 5,442,140 common shares at exercise prices ranging from $0.25 to $0.75 per share and share options to purchase 4,291,000 common shares at exercise prices ranging from $0.20 to $1.02 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.