LSC LITHIUM CORPORATION

MANAGEMENT'S DISCUSSION & ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

For the three months ended November 30, 2018

January 29, 2019

INTRODUCTION

This Interim Management's Discussion and Analysis ("MD&A") provides a discussion and analysis of the financial condition and results of operations of LSC Lithium Corporation ("LSC" or, together with its wholly-owned subsidiaries, the "Company") to enable a reader to assess material changes in the financial condition and results of operations of the Company as at, and for the three months ended, November 30, 2018. This MD&A should be read in conjunction with the unaudited condensed interim consolidated financial statements of the Company for the quarter ended November 30, 2018 together with the notes thereto ("Financial Statements"). The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). Information contained herein is presented as at January 29, 2019, unless otherwise indicated.

Except as otherwise disclosed, all dollar figures included herein are quoted in United States dollars. The following discussion and analysis provides information that management believes is relevant to the assessment and understanding of the Company's results of operations and financial condition. Management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures and internal controls. Management is also responsible for ensuring that information disclosed externally, including that within the Company's Financial Statements and MD&A, is complete and reliable.

By their nature, the Financial Statements do not include all the information required for full annual financial statements. Accordingly, this MD&A should be read in conjunction with our audited consolidated financial statements and notes thereto for the year ended August 31, 2018 and the related management's discussion and analysis of financial condition and results of operation for the year ended August 31, 2018.

The following MD&A contains forward-looking statements. All statements, other than statements of historical fact, that address activities, events or developments that the Company believes, expects or anticipates will or may occur in the future (including, without limitation, statements regarding estimates and/or assumptions in respect of costs, cash flows and future plans and objectives of the Company, including the completion of any acquisitions, joint ventures or other proposed transactions) are forward-looking statements. These forward-looking statements reflect the current expectations or beliefs of the Company based on information currently available to the Company.

FORWARD-LOOKING STATEMENTS

Certain statements in this MD&A may constitute "forward-looking" statements which involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. When used in this MD&A, such statements use such words as "will", "may", "could", "intends", "potential", "plans", "believes", "expects", "projects", "estimates", "anticipates", "continue", "predicts" or "should" and other similar terminology. These statements reflect current expectations regarding future events and operating performance and speak only as of the date of this MD&A.

Forward-looking statements involve significant risks and uncertainties, should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether or not such results will be achieved. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements, including, but not limited to, the factors discussed below and under *"Risk Factors"*. Although the forward-looking statements contained in this MD&A are based upon what management of the Company believes are reasonable assumptions, the Company cannot assure investors that actual results will be consistent with these forward-looking statements. These forward-looking statements include, among other things, statements relating to: uncertainties relating to receiving mining, exploration, environmental and other permits or approvals in Argentina; proposed exploration activities and costs for the mineral exploration projects; the continued growth of the lithium industry; anticipated results and time frames of exploration activities and work programs; ability to complete and fund proposed acquisitions, ability to project cash flows and working capital; ability to maintain sufficient working capital; ability and timing to classify mineral resources in conformance with National Instrument 43-101- *Standards of Disclosure for Mineral Projects* (NI 43-101); availability of additional financing and the Company's ability to obtain additional financing on satisfactory terms; ability to retain key executive and senior management; the exercise of options to acquire interests in mineral projects; ability and timing to complete the acquisition of tenements, future performance and successful application and use of Rincon Ltd.'s, formerly known as Enirgi Group Corporation, ("Rincon") direct extraction processing technology, the ability to achieve production at any of the Company's mineral exploration properties and the ongoing strategic relationship with Rincon.

In particular, the forward-looking statements assume factors that could cause actual events, performance or results to differ materially from those set forth in the forward-looking statements, which include, but are not limited to: risks around testing the Company's brine and the final commissioning of Rincon's demonstration plant; the risks around timing, permitting, funding and construction of a regional processing facility at the Salar del Rincón by Rincon and the ability of LSC to fast-track production from its own properties by supplying brine to such a facility; risks relating to proposed acquisitions including TSX Venture Exchange approvals; volatility in the market price for minerals; uncertainty of whether there will ever be production at the Company's mineral exploration properties; geological, technical, drilling or processing problems; liabilities and permitting and development risks, including environmental liabilities and risks, inherent in mineral extraction operations; fluctuations in currency exchange and interest rates; incorrect assessments of the value of acquisitions; unanticipated results of exploration activities; competition for, amongst other things, capital, undeveloped lands and skilled personnel; lack of availability of additional financing; unpredictable weather conditions; the requirement for, and the Company's ability to obtain future funding on favourable terms or at all, to fund exploration, development and operations; the economy generally and stock market volatility; receipt of and timeliness of government or regulatory approvals; and other risks detailed from time to time in the Company's ongoing quarterly and annual filings with applicable securities regulators, and those which are discussed under the heading "*Risk Factors*".

The Company's actual results could differ materially from those anticipated in these forward-looking statements and information as a result of both known and unknown risks, including the risk factors set forth under "*Risk Factors*" in this MD&A. The factors set forth under the heading "*Risk Factors*" should not be construed as exhaustive. Readers should not place undue reliance on forward-looking statements as the plans, intentions or expectations upon which they are based might not occur. Readers are cautioned that the foregoing lists of factors are not exhaustive. Each of the forward-looking statements contained in this MD&A is expressly qualified by this cautionary statement. These forward-looking statements are made as of the date of this MD&A and are expressly qualified in their entirety by this cautionary statement. Subject to applicable securities laws, the Company does not assume any obligation to update or revise them to reflect new events or circumstances.

QUALIFIED PERSON

The material scientific and technical information contained in this MD&A relating to the Company's material mineral properties has been reviewed and approved by Don Hains, P.Geo, an independent qualified person pursuant to National Instrument 43-101. For more information on the Company's mineral properties, see the Company's technical reports entitled "Technical Report on the Salar de Rio Grande Project, Salta Province, Argentina" dated March 28, 2018 with an effective date of February 15, 2018, "Mineral Resource Estimate & Technical Report on the Salar de Pozuelos Project, Salta Province, Argentina" with an effective date of February 28, 2018 and "Review of Four Lithium Exploration Properties in Argentina "with an effective date of December 31, 2016 on SEDAR, together with the Company's subsequent continuous disclosure documents thereon.

OUR BUSINESS

LSC is a lithium exploration and development company that has a portfolio of prospective lithium rich salars in Northern Argentina. LSC completed a qualifying transaction on February 22, 2017 by way of a reverse take-over and its common shares commenced trading on the TSX Venture Exchange ("TSXV") under the symbol "LSC" on February 28, 2017. As of the date of this report, LSC's key assets are the tenements that it owns or controls located in the provinces of Salta and Jujuy, Argentina. LSC's three material projects include (i) Pozuelos-Pastos Grandes Project, located in the Province of Salta; (ii) Salar de Salinas Grandes, located in both the Provinces of Salta and Jujuy; and (iii) Salar de Rio Grande, located in the Province of Salta. LSC holds a land package portfolio totaling approximately 300,000 hectares. LSC's head office is at 40 University Avenue, Suite 605, Toronto, ON, M5J 1T1 and its registered office is at 1800-510 West Georgia Street, Vancouver, BC, V6B 0M3.

OUR PROPERTIES

LSC's properties are located in the "Lithium Triangle," an area covering Argentina, Bolivia and Chile where the world's most abundant lithium brine deposits are found. Our large portfolio of tenements cover 13 salars in Northern Argentina in the provinces of Salta and Jujuy. LSC's exploration and development properties include Pozuelos-Pastos Grandes Project, Salar de Salinas Grandes located in both the Provinces of Salta and Jujuy and Salar de Rio Grande.

The following table summarizes the capitalized costs associated with the Company's exploration assets:

Projects	Province	31-Aug-18 $	Acquisition of subsidiaries $	Additions* $	Disposals $	30-Nov-18 $
Salinas Grandes	Salta & Jujuy	26,242	-	122	-	26,364
PPG:						
- Pozuelos	Salta	55,305	-	1,374	-	56,679
- Pastos Grandes	Salta	4,941	-	261	-	5,202
Rio Grande	Salta	7,241	-	32	-	7,273
Jama	Jujuy	7,915	-	26	-	7,941
Diabillios	Catamarca	535	-	-	-	535
Several tenements	Salta & Jujuy	3,911	-	-	-	3,911
Total		**106,090**	**-**	**1,815**	**-**	**107,905**

CORPORATE STRUCTURE

As of the date hereof, LSC's subsidiary companies are LitheA Inc. ("LitheA"), LSC Lithium Subco Inc. ("LSC Lithium"), Lithium S Corporation ("Lithium S"), Lithium S Holdings Corporation ("Lithium H"), Lithium S Corporation S.A. ("Lithium Argentina") and Alqa Lithium S.A ("Alqa"). LSC owns 100% of LitheA. LSC also owns 100% of LSC Lithium which, in turn, owns 100% of Lithium S which, in turn, owns 100% of Lithium H. Lithium S and Lithium H own 5% and 95% of Lithium Argentina, respectively. Lithium H and Lithium Argentina own 40% and 60% of Alqa, respectively. The Company owns 51% of Dajin Argentina and 51% of Cuper S.A., companies that hold tenements in Argentina.

OVERALL PERFORMANCE

The following tables summarize the financial results of LSC for the quarter ended November 30, 2018:

Statement of Financial Position

(in thousands of United States dollars)	**November 30, 2018** $	August 31, 2018 $
Cash	**4,868**	1,897
Exploration and evaluation assets	**107,905**	106,090
Total assets	**114,763**	110,000
Total liabilities	**8,853**	9,483
Working capital	**1,215**	(1,933)

Statement of Loss and Comprehensive Loss

	Three months ended November 30	
(in thousands of United States dollars, except per share amounts)	**2018** $	2017 $
Operating loss	**(1,547)**	(1,751)
Net income (loss)	**(1,726)**	(3,017)
Total comprehensive income (loss)	**(1,726)**	(2,841)
Basic and diluted income (loss) per share	**(0.01)**	(0.02)

Statement of Cash Flows

	Three months ended November 30	
	2018	2017
(in thousands of United States dollars)	**$**	$
Cash flows from (used in) operating activities	**(839)**	(1,140)
Cash flows used in investing activities	**(2,339)**	(4,754)
Cash flows (used in) from financing activities	**6,080**	13,319
Net effect of movement in foreign exchange on cash	**69**	(154)
Net change in cash	**2,971**	7,271

Summary of quarterly results

The following is a summary of the Company's quarterly results for the past eight completed financial quarters.

	2019	2018	2018	2018	2018	2017	2017	2017
(in thousands of United States dollars,	**First**	Fourth	Third	Second	First	Fourth	Third	Second
except per share amounts)	**$**	$	$	$	$	$	$	$
Net income (loss)	**(1,726)**	(2,712)	(2,532)	(609)	(3,017)	($589)	$338	$(1,543)
Basic income (loss) per share	**(0.01)**	(0.02)	(0.02)	(0.00)	(0.02)	($0.01)	$0.00	$(0.03)
Diluted income (loss) per share	**(0.01)**	(0.02)	(0.02)	(0.00)	(0.02)	($0.01)	$0.00	$(0.03)
Cash used in operations	**(839)**	(1,672)	208	(3,231)	(1,140)	$3,634	($3,004)	($229)

Prior to April 25, 2016, the Company was inactive and no activity occurred prior to the fourth quarter of fiscal year 2016.

As LSC is an exploration stage company, there was no revenue in either the current or comparative periods.

The significant factors contributing to the results summarized above for the quarter are discussed in the following section.

DISCUSSION OF OPERATIONS

The following comprises the significant developments occurred during the three months ended November 31, 2018.

Rights offering

On October 2, 2018, the Company closed its rights offering announced on August 16, 2018 and issued on August 27, 2018, whereby a total of 19,816,847 rights were subscribed for gross proceeds of $6,155. Each shareholder was issued 0.16142 of one right for each share held on the the date of issue, entitling the holder to purchase one unit of the Company at a price of C$0.40 per unit. Each unit is comprised of one share and one-half of one share purchase warrant. Each whole warrant will entitle the holder to purchase one share at a price of C$0.55 for a period of 18 months from closing of the rights offering.

Joint venture agreement

The Company has entered into a joint venture agreement with Litica Resources on November 12, 2018, a wholly owned subsidiary of Pluspetrol S.A, a leading private oil and gas company to enter into a 40/60 joint venture to explore and develop tenements on the Salar de Arizaro lithium project in the province of Salta. The Company has also received Environmental Impact Assessment approval for the Joint Venture to commence advanced lithium exploration activities at the Arizaro Project.

LSC has received all the required permitting for the Joint Venture to begin advanced exploration at the Arizaro Project. The parties have agreed to a results driven three-phase exploration work program whereby Litica Resources, as operator, will commence with geological mapping, surface geophysical surveys, followed by sub-surface brine sampling and core drill holes to evaluate the brine chemistry and host rock parameters, with the intention of completing a maiden resource statement. The first stage of the exploration program is expected to commence imminently.

(All dollar amounts are expressed in thousands of United States dollars, except as otherwise indicated)

Pursuant to the terms of the Joint Venture, Litica Resources will be the operator of the Arizaro Project and has committed a total of US$6,868 to LSC and the Joint Venture over the three-stage exploration program to maintain its 60% ownership. In connection with the closing of the Joint Venture, LSC has received an initial lump-sum payment of US$625 from Litica Resources.

Options and Warrants

On October 23, 2018, the Company granted 7,800,000 options to certain directors, officers, consultants, and employees of the Company with an exercise price of C$0.40. The options are half-exercisable immediately and the other half is exercisable one year from the date of issuance. The options expire on October 23, 2023.

There were no forfeitures during the three months ended November 30, 2018. The share-based compensation expense relating to the options outstanding at the end of the three months ended November 30, 2018 was a charge of $459 (November 30, 2017 – credit of $126).

On November 2, 2018 and November 8, 2018, 5,048 warrants were exercised into 5,048 common shares of the Company at an exercise price of C$0.55 per common share for total cash proceeds of $2.

There was no expiry of warrants during the three months ended November 30, 2018.

SUBSEQUENT EVENTS

Acquisition of LSC by Pluspetrol Resources Corporation B.V.

On January 15, 2019 LSC announced that it has entered into an arrangement agreement with Pluspetrol Resources Corporation B.V., pursuant to which the latter shall acquire 100% of the issued and outstanding common shares of the Company by way of a plan of arrangement for cash consideration of C$0.6612 per share.

RELATED PARTY TRANSACTIONS

The related party transactions incurred during the accounting periods, as detailed below, were in the normal course of operations and were measured at the exchange value, which represented the amount of consideration established and agreed by the related parties. The following table explains the related party transactions, captured in the financial statements for the three months ended November 30, 2018.

	Three months ended November 30	
Transaction	**2018**	2017
	$	$
MSA fees charged by Rincon (a)	**-**	40
Consulting fees to Minex Consulting (owned by Stephen Dattels)	**-**	17
Services provided by NORLAB SRL (b)	**24**	-
Exercise of warrants by Rincon, Regent Mercantile and NewGen	**-**	1,560
	24	1,617

Balances

	November 30, 2018	August 31, 2018
	$	$
Payable to Alqa Shareholders (c)	**(780)**	(780)
Directors fees payable	**-**	(34)
Total	**(780)**	(814)

(a) Rincon

Rincon Ltd., formerly known as Enirgi Group Corporation ("Rincon") holds 5,181,347 shares in the Company.

(b) Norlab SRL

Company owned by Carlos Galli's (COO of the Company) family, which provides laboratory testing services to LSC.

(c) Acquisition of Alqa

The Company entered into a purchase agreement with the shareholders of Alqa to acquire all issued and outstanding shares (Note 5). A director of Lithium Argentina owned a 60% interest in Alqa at the time of the purchase.

The outstanding payable balance related to Alqa is disclosed as a part of the payables for the acquisition of E&E assets (see Note 6).

LIQUIDITY AND CAPITAL RESOURCES

The Company is in the process of assessing viable mineral properties, assets or businesses and therefore has irregular cash flows. To date, the Company has not earned significant revenues, as it is in the acquisition and exploration stage. The Financial Statements have been prepared on a going concern basis which assumes that the Company will be able to raise the capital required and discharge its liabilities in the normal course of business for the foreseeable future. Accordingly, the Financial Statements do not include any adjustments relating to the recoverability and classification of recorded assets and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. The continuing operations of the Company are dependent upon its ability to raise adequate financing to sustain such operations in the future.

As at November 30, 2018, the Company had a working capital position of $1.2 million and during the quarter, the Company maintained sufficient working capital to meet its payment commitments under the terms of its previously announced tenement acquisitions and, as well as to meet its obligations under its exploration programs on its properties. While the Company had sufficient capital resources to meet current financial obligations as at quarter-end, as discussed above, the Company incurred significant cash expenditures in connection with its acquitisitions and is currently examining its financial commitments and planned exploration program across its various properties in light of its current working capital position. In particular, the Company is examining potential financing options to maintain its exploration and development program across its properties (which, among other things, may require increased staffing and contractors). In the event that financing is not available on acceptable terms or in amounts required to support such programs, the Company may need to reduce expenditures, limit exploration and/or defer parts of the program until such time as sufficient funding is obtained. See *"Risk Factors"*.

The Company's unaudited condensed interim consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they become due.

The Company is an exploration stage mining company and does not generate revenue. The Company's ability to fund planned exploration activities and investments and meet related obligations is contingent upon successful completion of additional financing arrangements. There can be no assurance that additional financing will be available in the future, or available under terms acceptable to the Company, to fund planned exploration activities and investments and meet related obligations. These factors represent material uncertainties that may cast significant doubt as to the Company's ability to continue as a going concern.

These unaudited condensed interim consolidated financial statements do not reflect any adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary should the going concern assumption be inappropriate. Such adjustments could be material.

OUTSTANDING SHARE DATA

As of the date of this report, the Company's shares, stock options and warrants to purchase the Company's issued and outstanding shares are as follows:

Equity Instrument	Number
Common shares	162,225,869
Options exercisable for common shares	16,175,000
Warrants exercisable for common shares	13,591,373

(All dollar amounts are expressed in thousands of United States dollars, except as otherwise indicated)

CONTINGENCIES AND COMMITMENTS

The following table summarizes the Company's contractual and other obligations as at November 31, 2018:

Payments due by period	Less than 1 year $	1-5 years $	More than 5 years $	Total $
Contractual commitments				
Orocobre	1,000	945	-	1,945
BMC Subordinated debt (Note 7(a))	-	-	16,220	16,220
Mina Teresa	1,300	-	-	1,300
Total	**2,300**	**945**	**16,220**	**19,465**

Refer to note 7 of the Financial Statements for further information related to the BMC Subordinated debt.

RISK FACTORS

The Company is engaged in the acquisition of mineral properties, an inherently risky business, and there is no assurance that an economic mineral deposit will ever be discovered and subsequently put into production. Most exploration projects do not result in the discovery of commercially mineable ore deposits. The Company will seek to counter these risks to the extent possible by selecting exploration areas on the basis of their recognized geological potential to host economic deposits.

The Company's significant risks are detailed below:

Early Stage Exploration Properties

Each of the Company's mineral properties is in the early exploration stage and there is no assurance that the Company will be able to advance the properties to development or production. Further, LSC will not own any part of Rincon's interest in the Salar del Rincon or the facilities constructed in connection therewith. Moreover, Rincon's DXP Technology may not perform as well as expected, and it may not have as high of an estimated lithium recovery rate from brine sourced from other salars in which LSC's projects may be located as compared to the brine sourced from the Salar del Rincon.

LSC conducts due diligence on its prospective material properties to the extent practical prior to acquiring an interest therein, following which LSC may decide not to complete the acquisition. Even if LSC conducts such due diligence and invests in such prospective properties, there is no guarantee that they will not have environmental, title, community relations or other issues, which could materially and adversely impact LSC's rights, business and operations.

The Company may not be able to obtain all necessary concessions, licenses, permits and approvals that may be required to carry out exploration or mining at its projects or future projects. Obtaining the necessary governmental concessions, licenses and permits in Argentina is a complex, time consuming and costly process, which includes extensive local community – including several indigenous communities – consultations. The duration and success of efforts to obtain concessions, licenses, permits and approvals are contingent upon many variables not within the Company's control. It is possible that the costs and delays associated with the compliance with such standards and regulations could become such that the Company would not proceed with the development of any of its projects or future projects.

No Operating History

LSC has no properties producing positive cash flow and the Company's ultimate success will depend on its ability to generate cash flow from active mining operations in the future and its ability to access equity markets for its development requirements. LSC has not earned any profits since inception and there is no assurance that it will do so in the future. All of LSC's activities will be directed to the search for, and the development of, new mineral deposits. Significant capital investment will be required to achieve commercial production. Even if the Company is successful in raising such funds, the Company's then existing shareholders will experience dilution of their shareholdings.

Foreign Operations Risks

At present, LSC is focused on acquiring and exploring lithium interests in Argentina, in relation to which it may or may not be the operator. The Company's operations will be exposed to various levels of political, economic and other risks and uncertainties associated with operating in foreign jurisdictions. These risks and uncertainties include, but are not limited to, currency exchange rates, currency controls, high rates of inflation, labour unrest, war, terrorism, crime, extreme weather conditions, famine, drought, illegal mining, corruption and uncertainty of the rule of law, renegotiation or nullification of existing concessions, licences, permits and contracts, changes in taxation policies, restrictions on foreign exchange, changing political conditions, and governmental regulations that may require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction. Changes, if any, in mining or investment policies or shifts in political attitudes in Argentina or any other jurisdiction in which the Company invests into may adversely affect the operations or profitability of the Company. Operations may be affected in varying degrees by government regulations including with respect to, but not limited to, restrictions on production, price controls, import or export controls, currency remittance, income taxes, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety. Failure to comply strictly with applicable laws, regulations and local practices relating to mineral right applications and tenure could result in loss, reduction or expropriation of entitlements. The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on the operations and profitability of the Company.

Further, it is the case that the legal system in Argentina or such other foreign jurisdiction may not be as developed or may be complex and time-consuming, which leads to a higher level of uncertainty in the application and determination of legal issues, potentially resulting in regulatory delays, ill-motivated use of courts or regulatory bodies and inconsistency in interpretation and enforcement of applicable laws. Such risks are part of overall risks of doing business in a foreign jurisdiction and should be taken into account by any potential investor.

Commercially Viable Economic Deposits

LSC is an exploration-stage company and cannot give assurance that a commercially viable deposit, or "reserve", exists in relation to any of its properties or any property in which it may acquire an interest. Therefore, determination of the existence of a commercially viable reserve depends on appropriate and sufficient exploration and development work and the evaluation of legal, economic, and environmental factors. If the Company fails to find a commercially viable deposit in relation to any of its proposed investments, its financial condition and results of operations will be materially adversely affected.

Commodity Price

Lithium carbonate is not an exchange traded commodity and is sold directly to end users. The profitability of the Company's future lithium operations will be dependent upon the market price of lithium. Lithium prices fluctuate widely and are affected by numerous factors beyond the control of the Company. The level of interest rates, the rate of inflation, the world supply of mineral commodities and the stability of exchange rates can all cause significant fluctuations in prices. Such external economic factors are, in turn, influenced by changes in international investment patterns, monetary systems and political developments. The price of lithium has fluctuated widely in recent years, and future price declines could cause commercial production to be impracticable, thereby having a material adverse effect on the Company's business, financial condition and results of operations.

Financing Risks and Dilution to Shareholders

The Company has finite financial resources and no revenues. The Company will require additional funds to continue exploring its mineral deposits. Additionally, if the Company's exploration programs are successful, additional funds will be required for the purposes of commercialization and development. The ability to raise additional funding may be impaired, or such funding may not be available on favourable terms or at all, due to conditions beyond the control of the Company, such as uncertainty in the capital markets. It is likely the Company would seek to raise additional funding, at least in part, through the issuance of additional equity, which would result in dilution to the Company's shareholders.

FUTURE ACCOUNTING STANDARDS

At the reporting date of the Financial Statements, the following standards, interpretations and amendments, which have not been applied in the Financial Statements, were in issue but not yet effective:

IFRS 9 Financial Instruments ("IFRS 9")

IFRS 9 introduces new requirements for the classification and measurement of financial assets. Under IFRS 9, financial assets are classified and measured based on the business model for which they are held and the characteristics of their contractual cash flows. IFRS 9 introduces additional changes relating to financial liabilities, impairment of financial assets and hedge accounting. The effective date of this standard is for annual reporting periods beginning on or after January 1, 2018 with earlier application permitted. The Company has determined there is no impact of adopting IFRS 9 on the financial statements.

IFRS 16 Leases ("IFRS 16")

IFRS 16 introduces a new definition for what qualifies as a lease. Once an arrangement is determined to meet the definition of a lease, an entity will then recognize a right-of-use asset and a lease liability on its balance sheet. The standard includes certain exemptions for items where the lease term is less than 12 months or for low value items. The effective date of this standard is for annual reporting periods beginning on or after January 1, 2019, with options for early adoption. The Company has not yet determined the impact of adopting IFRS 16 on the financial statements.

International Financial Reporting Interpretations Committee 22, Foreign Currency Transactions and Advance Consideration ("IFRIC 22")

IFRIC 22 clarifies which date should be used for translation of a foreign currency transaction when an entity recognizes a non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration before the entity recognizes the related asset, expense or income (or part of it). The interpretation is applicable for annual reporting periods beginning on or after January 1, 2018. The Company has determined there is no impact of adopting IFRIC 22 on the financial statements.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Company makes estimates and assumptions and applies its judgment in the application of its accounting policies when preparing the consolidated financial statements. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the period in which the estimates are updated and in any future periods affected. The resulting accounting estimates will, by definition, not equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below, as well as significant judgments made by management.

Income taxes

Deferred income tax assets and liabilities are determined based on differences between the financial statement carrying values of assets and liabilities and their respective income tax bases ("temporary differences"), and losses carried forward. The determination of the ability of the Company to utilize tax loss carry-forwards to offset income tax payable in future periods involves significant judgment and requires management to make estimates about the future performance of the Company. Assessment is required about whether it is probable that taxable profit will be available against which the deductible temporary difference and tax loss carry-forwards can be utilized. Changes in economic conditions, lithium prices, foreign exchange rates and other factors could result in revisions to the estimates of the benefits to be realized or the timing of the utilization of the losses. In addition, changes in tax laws could limit the ability of the Company to obtain tax deductions in future periods. Recognized deferred tax assets reflect the Company's best estimate of the extent to which tax losses will be recovered. Given the uncertainty relating to the recoverability of deferred tax assets, the Company has not recognized a deferred tax asset benefit for tax losses, temporary deductible differences or other carry forwards accumulated to date.

Impairment

At each reporting date, an assessment is performed to determine whether there is indication of impairment or reversal of exploration and evaluation assets. The review is based on a status report regarding the Company's intentions for development of the undeveloped property. Estimates and assumptions made may change if new information becomes available. There are a few circumstances that would warrant a test for impairment, which include: the expiry of the right to explore, substantive expenditure on further exploration is not planned, exploration for and evaluation of the mineral resources in the area have not led to discovery of commercially viable quantities, and/or sufficient data exists to show that the carrying amount of the asset is unlikely to be recovered in full from successful development or by sale. If any such indicator exists, the Company performs an impairment review.

An impairment review requires the Company to determine the recoverable amount of the asset or group of assets and compare it to the carrying value to determine the amount of impairment. The impairment loss is recognized in the consolidated statement of loss and comprehensive loss during the period it was identified.

Contingencies

Due to the size, complexity and nature of the Company's operations, various legal and tax matters are outstanding from time to time. Contingencies are possible assets or liabilities arising from past events which, by their nature, will only be resolved when one or more future events not wholly within the Company's control occur or fail to occur. The assessment of such contingencies involves the use of significant judgment and estimates. In the event that management's estimate of the future resolution of these matters changes, the Company will recognize the effects of the changes in its consolidated financial statements on the date such changes occur.

Actual results could differ from estimates and those differences could be material.

DISCLOSURE CONTROLS AND INTERNAL CONTROL OVER FINANCIAL REPORTING

National Instrument 52-109 requires Canadian public companies to disclose in their MD&A any change in internal control over financial reporting during the most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, disclosure controls and/or internal control over financial reporting. There has been no change in the Company's disclosure controls or internal control over financial reporting during the three months ended November 30, 2018 that has materially affected or are reasonably likely to have a material effect on the Company's disclosure controls or internal control over financial reporting.