

LODESTAR BATTERY METALS CORP.

(Formerly Silverton Metals Corp.)

Management's Discussion & Analysis

For the nine months ended September 30, 2022

The following management's discussion and analysis ("MD&A"), prepared as of November 29, 2022, is a review of operations, current financial position and outlook for Lodestar Battery Metals Corp., formerly Silverton Metals Corp., ("Lodestar" or the "Company"). Additional information relevant to the Company's activities can be found on SEDAR at www.sedar.com.

This MD&A should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements for the three and nine months ended September 30, 2022, and the notes thereto. Amounts are reported in Canadian dollars, unless otherwise specified.

FORWARD-LOOKING STATEMENTS

Certain statements contained in the following MD&A constitute forward-looking statements. When used in this document, the words "may", "would", "could", "will", "intend", "plan", "propose", "anticipate", "believe", used by any of the Company's management, are intended to identify forward-looking statements. Such forward-looking statements involve a number of 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 such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements. The Company does not intend and does not assume any obligation, to update any such factors or to publicly announce the result of any revisions to any of the forward-looking statements contained herein to reflect future results, events or developments, except as required by law.

COMPANY DESCRIPTION AND RECENT HIGHLIGHTS

Lodestar Battery Metals Corp., formerly, Silverton Metals Corp., was incorporated under the Business Corporations Act (Ontario) on July 15, 2013, was continued under the British Columbia Business Corporations Act on March 21, 2019 and on March 2, 2021, in conjunction with the closing of its qualifying transaction ("Qualifying Transaction") ceased to be classified as a Capital Pool Company as defined in Policy 2.4 of the TSX-Venture Exchange (the "TSX-V" or the "Exchange"), and effective that date became a Tier 2 Mining issuer on the TSX-V. On November 10, 2022 the Company announced it changed its name to Lodestar Battery Metals Corp. and that it began trading on the TSX-V, effective November 14, 2022, under the symbol "LSTR". On May 5, 2021 the Company's shares commenced trading on the OTC Markets system, through the SEC-registered Alternative Trading System quotation facilities (known as OTC Link® ATS), under the symbol "SVTNF".

On May 24, 2022 the Company, through its wholly owned subsidiary, KCP, entered into a share purchase agreement with Zapata Exploration Ltd. ("Zapata") and 0924682 B.C. Ltd. ("0924682") to acquire the Margaritas Gold-Silver Property ("Margaritas") by acquiring all of the issued and outstanding shares of Zapata's Mexican Subsidiary, Impulsora De Proyectos Mineros, S.A. De C.V. ("Impulsora"). Zapata and 0924682 are the legal and beneficial owners of all the issued and outstanding shares of Impulsora (the "IPM Shares"). The Margaritas Gold Property consists of two concessions, Margaritas and Ampliacion las Margaritas, that cover a total of 500 hectares located in the southwestern corner of the State of Durango, Mexico. In order to acquire the IMP shares, the Company had agreed to issue 750,000 common shares (the "Consideration Shares") and grant a net smelter return royalty of 0.5%, which had the option to be repurchased at a price of US \$250,000. Zapata and 0924682 are private companies controlled by Chris Osterman and Raul Diaz-Unzueta, with Mr. Diaz-Unzueta being a related party to Company. During the three months ended June 30, 2022, the Company cancelled the previously announced share purchase agreement with Zapata and 0924682 to acquire Margaritas. No consideration was transferred by the Company regarding the proposed acquisition of Margaritas.

The Company completed a management suite change with Mr. Lowell Kamin replacing Mr. John Theobald as CEO, Mr. Kyle Appleby replacing Mr. Killian Ruby as CFO, and Messrs. Gordon Wylie and Barry Girling resigned as Directors of the Company being replaced by Mr. Scott Margach and Mr. Gary Prihar as

LODESTAR BATTERY METALS CORP.

(Formerly Silverton Metals Corp.)

Management's Discussion & Analysis

For the nine months ended September 30, 2022

Directors of the Company. Subsequent to September 30, 2022, Mr. Ruby rejoined the Company as CFO and Director.

Wholesome Organic Limited (“WOL”) Acquisition

On August 31, 2022, the Company closed its 100% acquisition of Wholesome Organic Limited (“Wholesome” or “WOL”). Under the terms of the share purchase agreement, the Company acquired all of the issued and outstanding securities of Wholesome which holds 100% of the lithium focused Peny Property and, in consideration of which, the Company issued the WOL shareholders a total of 13,000,000 common shares at a price of \$0.095 per share for a total consideration of \$1,235,000. The acquisition of WOL did not qualify as a business combination and is accounted for as an asset acquisition.

The consideration for the asset acquisition and the related assets and liabilities acquired at August 31, 2022 are as follows:

Purchase Consideration

	\$
13,000,000 common shares of the Company at \$0.095 per share	1,235,000
Transaction costs	6,756
	<hr/>
Fair value of consideration	1,241,756

Allocation of Purchase Consideration

	\$
Cash	242,020
Mineral properties	821,732
Accounts payable and accrued liabilities	(27,500)
Acquisition adjustment to mineral properties*	205,504
	<hr/>
	1,241,756

EXPLORATION PROGRAMS AND EXPENDITURES

During the nine months ended September 30, 2022, the Company incurred deferred acquisition and exploration expenditures of \$2,009,496 (2021 - \$7,002,577), prior to foreign currency translation gain of \$575,203 (2021 – loss of \$54,529) and impairment of exploration and evaluation assets of \$976,877 (2021 - \$nil). The expenditures for the nine months ended September 30, 2022 primarily relate to the Peñasco Quemado and Pluton properties (the expenditures for the nine months ended September 30, 2021 principally arose from the Company’s acquisition of the Silver Properties through the purchase of the issued and outstanding shares of KCP on March 2, 2021, representing a cost of acquisition of \$6,017,094). In addition, the expenses relate to newly acquired property, the Peny Property arising from the closing of the acquisition of Wholesome Organic Limited (“WOL”) representing a cost of acquisition of \$821,732. The expenditures for the nine months ended September 30, 2022, include drilling costs of \$166,515, geology costs of \$130,030, land/recording fees of \$297,734, general exploration costs of \$196,016 and consulting costs for the advancement of the properties of \$74,517. In addition, \$113,964 of unwind of discounting on deferred cash consideration relating to the acquisition of the Silver Properties was recognized as exploration and evaluation asset additions during the nine months ended September 30, 2022. The details of the deferred acquisition and exploration expenditures recognized during the nine months ended September 30, 2022 are as follows:

LODESTAR BATTERY METALS CORP.

(Formerly Silverton Metals Corp.)

Management's Discussion & Analysis

For the nine months ended September 30, 2022

	Peñasco Quemado	La Frazada	Pluton	Peny Property	Total
	\$	\$	\$	\$	\$
December 31, 2021	4,461,611	2,281,679	782,433	-	7,525,723
Exploration and evaluation assets acquired	-	-	-	821,732	821,732
Fair value adjustment on acquisition of exploration and evaluation of assets	-	-	-	205,504	205,504
Unwind of discounting on deferred cash consideration	73,752	39,547	665	-	113,964
Drilling	166,515	-	-	-	166,515
General Exploration	196,016	-	-	-	196,016
Geology	-	35,140	94,890	-	130,030
Consulting	41,688	16,569	16,260	-	74,517
Land / recording fees	206,470	7,194	84,070	-	297,734
Share-based compensation	1,742	1,742	-	-	3,484
Foreign exchange translation	398,256	178,388	(1,441)	-	575,203
Impairment of exploration and evaluation of assets	-	-	(976,877)	-	(976,877)
	1,084,439	278,580	(782,433)	1,027,236	1,607,822
September 30, 2022	5,546,050	2,560,259	-	1,027,236	9,133,545

* The foreign currency translation amount arises from the Company's subsidiary, Minera Terra, incurring exploration expenditures in currencies other than the Canadian dollar while the Company's consolidated financial statements are presented in Canadian dollars, thereby giving rise to foreign currency translation differences upon inclusion of the Canadian dollar equivalent of the foreign currency expenditures in the Company's consolidated financial statements.

Peny Property

Peny Property is located approximately 25 kilometres north-east of the town of Snow-Lake, Manitoba. The property is prospective for Lithium Pegmatite and Volcanic Massive Sulphide style mineralization which is known to occur in the local area. The property encompasses rocks belonging to Churchill Province and comprises of metamorphic and metasedimentary rocks. WOL owns 100% of the Peny Property comprised of fifteen mineral claims totaling 3,204 hectares in the Snow Lake district in Manitoba, Canada.

The 2022 exploration program, operated by Longford Exploration Services, will include completing an initial property evaluation, reconnaissance prospecting and geochemical sampling. A preliminary field exploration program has commenced to confirm potential mineralization and the favourability of the geological environment to host lithium bearing pegmatites. Initial prospecting has commenced as well as selective surface geochemical sampling and overall evaluation of the property. An initial litho-geochemical survey is being completed over the eastern parts of the property in proximity to the Crowduck Bay fault trend over favourable host rocks which host pegmatite occurrences else where along the trend. A remote sensing satellite data acquisition and processing study has been commissioned to provide analysis of synthetic aperture radar data and multispectral Sentinel & Aster data over 34 km² covering the property and surrounding areas.

Peñasco Quemado

The Peñasco Quemado Silver Property is located within the north central portion of the Mexican state of Sonora, south of the American state of Arizona. approximately 14.5 km northwest of the town of Tubutama and in the Magdalena-Tubutama mining district. KCP Minerals holds 100% of the Peñasco Quemado Property through Minera Terra. The property consists of seven mining concessions. The main mineral concessions are contiguous and vary in size for a total property area of approximately 3,746 ha, while the fractional claims are not contiguous. At present, the aggregate property tax payable to the Mexican government for the mineral concessions is Mx\$ 788,251 per semester (approximately US\$38,869) every six months which are due on or before the end of January and July respectively. The mineral concessions

LODESTAR BATTERY METALS CORP.

(Formerly Silverton Metals Corp.)

Management's Discussion & Analysis

For the nine months ended September 30, 2022

at Peñasco Quemado expire between October 29, 2028 and September 14, 2056. The property is also subject to annual assessment work expenditure requirements of approximately US\$300,000.

La Frazada

The La Frazada Property is located within the central portion of the Mexican state of Nayarit, approximately 55 km northwest of Tepic, the capital of the state of Nayarit and 300 km to the northwest of the city of Guadalajara, the second largest city in Central Mexico. The La Frazada Property is situated in the El Zopilote mining district in the Ruiz municipality. KCP Minerals holds 100% of the La Frazada Property through Minera Terra. The property consists of one mining concession totaling 299 ha. At present, the property tax bi-annual (i.e., twice per year) fee payable to the Mexican government for the mineral concession is Mx\$ 62,936 (approximately US\$3,103) every six months which are due on or before the end of January and July respectively. The mineral concession expires on May 22, 2058. The concession is subject to bi-annual property taxes, (which are paid in January and July) and the filing of assessment work reports in May of each year, covering the work accomplished on the property between January and December of the preceding year.

Pluton

Pluton is a 6,534-hectare property comprised of 3 contiguous mining concessions. It is strategically located within the historic "Ojuela-Mapimi Mining District" and lies along the eastern front of the Sierra Madre Oriental in northern Durango. KCP Minerals holds 100% of the Pluton Property through Minera Terra. The concessions are subject to bi-annual property taxes and the filing of assessment work reports in May of each year covering the work accomplished on the property between January and December of the preceding year. At present, the total bi-annual property tax fee (i.e., twice per year) payable to the Mexican government for the property's concessions is Mx\$ 1,374,848 per semester (approximately US\$67,794). At September 30, 2022, there is US \$631,700 (CAD \$810,345) (December 31, 2021 - US\$570,000 (CAD \$722,646)) included in accounts payable and accrued liabilities for amounts due with respect to the property taxes. The property is also subject to annual assessment work expenditure requirements of approximately US\$1,000,000.

During the nine months ended September 30, 2022, management has decided the Pluton claim does not form a strategic asset of the Company and has therefore determined not to incur the costs of the related and outstanding property taxes. Accordingly, the Company has recorded an impairment loss of \$976,877 in relation to the Pluton Property, and at the same time reversed previously accrued related property taxes of US \$631,700 (CAD \$810,345), resulting in a net impairment charge of \$166,532 being recorded in the condensed interim consolidated statements of loss and comprehensive loss.

2022 Exploration Activities & Updates

On January 25, 2022, the Company announced the completion of geophysical 3D modelling of airborne electromagnetic data ("ZTEM" Z-Tipper Axis Electromagnetic) and the commencement of a Seismic Survey profile at its 100% owned Pluton silver-zinc-lead project in the state of Durango, Mexico. The ZTEM processing and 3D-modelling have identified significant anomalies potentially related to metallic mineralization. The anomalies coincide with and reinforce six target areas previously identified (see NR October 25, 2021). At Pluton, the Company is exploring for Carbonate Replacement Deposits (CRD) similar to Excellon Resources' high-grade La Platosa silver mine and the nearby historic Ojuela Mine, which operated for over 350 years. To supplement the ZTEM, the Company has completed work on a seismic line survey to better understand the sedimentary units and identify the contact between the overlying clastic rocks and the limestones which have the potential to host manto and chimney Carbonate Replacement Deposits. The Company is awaiting final analytical results from the survey.

On April 13, 2022 the company announced that step-out drilling in two separate areas of the property has extended the silver mineralization at its 100% owned Peñasco Quemado ("PQ") project in northern Sonora, Mexico. Drill hole PQ21-3 drilled in the Fortuna target, intersected 438 g/t Ag (silver) and 0.62% Cu (copper)

LODESTAR BATTERY METALS CORP.

(Formerly Silverton Metals Corp.)

Management's Discussion & Analysis

For the nine months ended September 30, 2022

over 0.95 meters within a broader zone of 11.3 meters averaging 54.5 g/t Ag, and extended the mineralization nearly 400 meters northwest of the nearest hole (Fig 1). Towards the northwest, the mineralization remains open along strike and at depth. The mineralization at the Fortuna target is hosted within northwest-oriented, near vertical to east-dipping vein structures adjacent to an andesitic dyke traced for a length exceeding 700 meters.

Drill hole PQ21-08 located southeast of the eastern limit of the Peñasco Pit historic resource area, extended the silver mineralization approximately 100 meters in said direction. This hole, in conjunction with several other holes drilled by previous operators east and outside of the historic resource area, expand the Peñasco Pit mineralization by an additional 300 meters along strike, for a combined total expansion of 400 meters from the resource area. See, for example, drill holes PQRC-37, PQRC-39, PQRC 79, and PQRC-80 which report average silver grades of 72 g/t, 75 g/t Ag, 176 g/t and 186 g/t over 12 meters, 7.5 meters, 3 meters and 16.5 meters respectively.

During the nine months ended September 30, 2022, the Company cancelled the share purchase agreement with Zapata Exploration Ltd. ("Zapata") and 0924682 B.C. Ltd. ("0924682") to acquire the Margaritas Gold-Silver Property ("Margaritas").

SUMMARY OF QUARTERLY RESULTS

A summary of the Company's quarterly results for the 8 most recent quarters is as follows:

Three Months Ended:	Sep 30, 2022	Jun 30, 2022	Mar 31, 2022	Dec 31, 2021
Total revenue	\$Nil	\$Nil	\$Nil	\$Nil
Net loss	(\$339,871)	(\$448,162)	(\$336,355)	(\$983,931)
Net loss per share (basic and diluted)	(\$0.01)	(\$0.02)	(\$0.01)	(\$0.04)

Three Months Ended:	Sep 30, 2021	Jun 30, 2021	Mar 31, 2021	Dec 31, 2020
Total revenue	\$Nil	\$Nil	\$Nil	\$Nil
Net loss	(\$659,952)	(\$650,873)	(\$1,681,471)	(\$5,009)
Net loss per share (basic and diluted)	(\$0.02)	(\$0.02)	(\$0.10)	(\$0.01)

¹ Due to rounding, the sum of the quarterly net loss per share amounts may not equal the annual net loss per share amount.

The net loss for the quarter ending September 30, 2022, was lower than the prior comparable period due to the recording, during the quarter ended September 30, 2022, of bad debt expenses of \$350,000, relating to unrecoverable amounts from a cancelled prepaid contract these costs were not incurred in the current period. The net loss for the quarter ending September 30, 2022, is primarily due to the impairment of the Pluton property of \$166,532 recorded during the quarter ending September 30, 2022. In addition, 1,550,000 options were granted to officers and directors resulting in recording non-cash share-based compensation of \$32,507 which were not incurred in the prior comparable period.

The net loss for the quarter ending June 30, 2022, was higher than other quarters, primarily due to the non-cash share-based compensation recorded related to the 880,000 options granted to the CEO which was not incurred in the prior comparable period.

The net loss for the quarter ending March 31, 2022, was lower than other quarters, except for quarters prior to March 31, 2021, primarily due to the decrease in certain consulting and advisory fees which were comprised of the release of prepayments related to the fiscal year ended 2021, and where the expensing

LODESTAR BATTERY METALS CORP.

(Formerly Silverton Metals Corp.)

Management's Discussion & Analysis

For the nine months ended September 30, 2022

of the costs of those prepaid services ceased during the quarter ended March 31, 2022. The net loss for the comparable period in the prior year included costs related to the Qualifying Transaction, and a significant non-cash charge for share-based compensation of \$1,482,550, arising from the granting of 2,450,000 options during that quarter, which was not incurred in the current quarter ended March 31, 2022 as no new options were granted. These costs were offset by an increase in costs for management, consulting and advisory fees of \$243,905 (2021 - \$64,106), which all arose due to the increase in operational activities by the Company since the closing of its Qualifying Transaction and management of its exploration properties compared with the quarter ended March 31, 2021.

The net loss for the quarter ended December 31, 2021 was higher than the other quarters, other than the quarter ended March 31, 2021, primarily due to management, consulting and advisory fees of \$215,216, investor relations charges of \$404,171 and bad debt expense of \$250,000, which all arose during 2021 as a result of increased operation activity by the Company since the closing of its Qualifying Transaction during 2021. In addition, accounting and audit fees of \$41,623 were incurred due to an increase in support in relation to the operations of the Company.

The net loss for the quarter ended September 30, 2021 was higher than other prior quarters, other than the quarter ended March 31, 2021, primarily due to management, consulting and advisory fees of \$196,500 investor relations and bad debt expense of \$350,000, relating to potentially unrecoverable amounts from a subsequently cancelled prepaid contract, recognized during the quarter.

The net loss for the quarter ended December 31, 2020 decreased compared to prior quarters as certain legal and professional costs associated with the acquisition of the properties associated with the Qualifying Transaction were reversed, which was partially offset by accruals of audit fees for the year-ended December 31, 2020. The net loss for the quarters September 30, 2020 was primarily due to charges for accounting and audit, filing fees and legal fees which were incurred primarily with respect to the Qualifying Transaction.

LODESTAR BATTERY METALS CORP.

(Formerly Silverton Metals Corp.)

Management's Discussion & Analysis

For the nine months ended September 30, 2022

RESULTS OF OPERATIONS

Nine months ended September 30, 2022

During the nine months ended September 30, 2022, the Company reported a net loss of \$1,124,388 and a loss per share of \$0.04 (2021- loss of \$2,992,296 and a loss per share of \$0.13).

	2022	2021
	\$	\$
Expenses		
Accounting and audit	92,022	50,702
Bank charges and interest	1,841	1,404
Exploration Research & Investigation	2,941	13,285
Filing and listing fees	42,483	38,106
Insurance	20,421	6,970
Investor relations and marketing	103,119	545,157
Legal and professional fees	62,426	36,644
Management, consulting and advisory fees	525,204	485,035
Office and miscellaneous	10,924	4,726
Rent	13,996	17,700
Share-based compensation	134,606	1,482,550
Transfer agent fees	6,438	18,661
Interest income	(13,116)	-
Foreign exchange (loss) gain	(45,449)	(58,644)
Bad debt expense	-	350,000
Impairment of exploration and evaluation assets, net of reversal of related accrued liabilities	166,532	-
Loss for the period	(1,124,388)	(2,992,296)
Currency translation differences	598,869	34,007
Total comprehensive loss	(525,519)	(2,958,289)

The loss for the nine months ended September 30, 2022 decreased in comparison to 2021 due primarily to share-based compensation recognized during the prior period of \$1,482,550 related to the granting of options compared to the current period non-cash amount recorded of \$134,606 relating to the granting of 880,000 and 1,550,000 options to the CEO, directors and officers. In addition, during the prior comparable period bad debt expense of \$350,000 was incurred in relation to a cancelled prepaid contract which was not incurred in the current period, and a reduction in investor relations and marketing charges from \$545,157 during the nine months ended September 30, 2021 compared with \$103,119 during the same period in the current year. During the nine months ended September 30, 2022, the net loss includes a charge for impairment of exploration and evaluation assets, net of reversal of related accrued liabilities in relation to the Pluton property of \$166,532.

The primary changes in expenses are as follows:

i. Accounting and audit \$92,022 (2021 - \$50,702)

The increase from prior period is primarily as a result of costs related to increased audit costs compared with the prior period; tax filing compliance costs incurred during 2022 arising from the Qualifying Transaction, increased accounting support services due to the increased operations and increased corporate structure arising from the closing of the Qualifying Transaction. In addition, increased costs relate to support services arising in relation to the closing of the transaction of the acquisition of WOL.

LODESTAR BATTERY METALS CORP.

(Formerly Silverton Metals Corp.)

Management's Discussion & Analysis

For the nine months ended September 30, 2022

- ii. Investor Relations and Marketing \$103,119 (2021 – \$545,157)
The decrease is a result of decreased marketing activity during the nine months ended September 30, 2022 and the Company's management of operating costs.
- iii. Management, consulting, and advisory fees \$525,204 (2021- \$485,035)
The costs relate to the overall increase in the Company's operations, and management and development of the Company since the closing of its Qualifying Transaction on March 2, 2021.

Other items impacting loss for the year include:

- i. Share-based compensation expenses \$134,606 (2021- \$1,482,550)
During the nine months ended September 30, 2022, 880,000 options were granted to the CEO of the Company and vested immediately upon grant. In addition, 1,550,000 options were granted to directors and officers and had vesting terms resulting in share-based compensation being recorded of \$134,606. During the comparable period in 2021, the Company granted 2,450,000 options which all vested upon grant.
- ii. Bad debt expenses \$nil (2021- \$350,000)
During the nine months ended September 30, 2021 bad debt expense of \$350,000 was incurred in relation to a cancelled prepaid contract which was not incurred in the current period.
- iii. Impairment on exploration and evaluation assets \$166,532 (2021- \$nil)
During the nine months ended September 30, 2022, the Company relinquished the Pluton property recording an impairment of \$166,532 net of accruals made with respect to property taxes.

Three months ended September 30, 2022

During the three months ended September 30, 2022, the Company reported a net loss of \$339,871 and a loss per share of \$0.01 (2021 - loss of \$659,952 and a loss per share of \$0.02).

	2022	2021
	\$	\$
Expenses		
Accounting and audit	19,905	13,509
Bank charges and interest	5,918	431
Exploration Research & Investigation	26	13,285
Filing and listing fees	19,594	6,034
Insurance	8,100	4,313
Investor relations and marketing	18,382	73,435
Legal and professional fees	19,963	11,062
Management, consulting and advisory fees	65,000	196,500
Office and miscellaneous	7,043	459
Rent	1,517	6,325
Share-based compensation	32,507	-
Transfer agent fees	1,785	1,095
Foreign exchange (loss) gain	(13,285)	(16,496)
Interest income	(13,116)	
Bad debt expense	-	350,000
Impairment of exploration and evaluation assets, net of reversal of related accrued liabilities	166,532	-
Loss for the period	(339,871)	(659,952)
Currency translation differences	479,076	174,260
Total comprehensive loss	139,205	(485,692)

LODESTAR BATTERY METALS CORP.

(Formerly Silverton Metals Corp.)

Management's Discussion & Analysis

For the nine months ended September 30, 2022

The loss for the three months ended September 30, 2022 decreased in comparison to 2021 due primarily to the bad debt expense recorded in the prior comparable period which were not incurred in the current period. During the three months ended September 30, 2022, a charge for impairment of exploration and evaluation assets, net of reversal of related accrued liabilities in relation to the Pluton property of \$166,532 was recorded. In addition, 1,550,000 options were granted to directors and officers of the Company with vesting terms resulting in \$32,507 of non-cash share-based compensation being recorded.

The primary changes in expenses are as follows:

i. Accounting and audit \$19,905 (2021 - \$13,509)

The increase from prior period is primarily as a result of costs related to increased tax filing compliance costs incurred during 2022 arising from the Qualifying Transaction, increased accounting support services due to the increased operations and increased corporate structure arising from the closing of the Qualifying Transaction. In addition, the increase relates to the support costs arising from the closing of the acquisition of WOL.

ii. Management, consulting and advisory fees \$65,000 (2021- \$196,500)

The significant decrease during the quarter relates to the change in management and the related fees charged during the three months ended September 30, 2022.

iii. Investor Relations and Marketing \$18,382 (2021 – \$73,435)

The decrease is a result of decreased marketing activity during the three months ended September 30, 2022 and the Company's management of operating costs.

Other items impacting loss for the year include:

i. Share-based compensation expenses \$32,507 (2021- \$nil)

During the three months ended September 30, 2022, 1,550,000 options were granted to the directors and officers of the Company, with vesting terms, resulting in share-based compensation expense being recorded.

ii. Bad debt expenses \$nil (2021- \$350,000)

During the three months ended September 30, 2021 bad debt expense of \$350,000 was incurred in relation to a cancelled prepaid contract which was not incurred in the current period.

iii. Impairment on exploration and evaluation assets \$166,532 (2021- \$nil)

During the three months ended September 30, 2022, the Company relinquished the Pluton property recording an impairment of \$166,532 net of accruals made with respect to property taxes.

FINANCING ACTIVITIES

The Company did not undertake any financing activities during the nine months ended September 30, 2022. On August 31, 2022, the Company closed its 100% acquisition of Wholesome Organic Limited (the "WOL"). Under the terms of the share purchase agreement, the Company acquired all of the issued and outstanding securities of Wholesome which holds 100% of the Peny Property and, in consideration of which, the Company issued the WOL shareholders a total of 13,000,000 common shares at a price of \$0.095 per share for a total consideration of \$1,235,000.

LIQUIDITY AND CAPITAL RESOURCES

As at September 30, 2022, the Company had cash of \$2,725,773 compared to \$4,128,888 at December 31, 2021. The net decrease in cash for the year is primarily due the Company's cash used in operating activities of \$876,085 and investing activities of \$634,722.

LODESTAR BATTERY METALS CORP.

(Formerly Silverton Metals Corp.)

Management's Discussion & Analysis

For the nine months ended September 30, 2022

The Company's total liabilities outstanding as of September 30, 2022, were \$1,324,824, of which \$1,221,550, relates to deferred purchase consideration for the acquisition of KCP including \$750,000 of which is due on September 2, 2022 and \$471,550 being due on March 2, 2023. The Company is in discussions with Silver One to renegotiate the terms of the deferred consideration. The Company's working capital as at September 30, 2022 was \$1,842,149.

The Company has not pledged any of its assets as security for loans and is not otherwise subject to any debt covenants.

At September 30, 2022, the Company's commitments primarily arise from the KCP acquisition deferred cash consideration payable of \$1,221,550 (on a discounted basis) and the annual maintenance fees payable to the Mexican authorities for the claims on the Silver Properties.

RELATED PARTY TRANSACTIONS

Key management comprises the Directors, officers and consulting geologist of the Company. Compensation paid or accrued to key management or companies controlled by key management personnel during the three and nine months ended September 30, 2022 and 2021 are as follows:

	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
	\$	\$	\$	\$
Professional fees	7,500	7,334	35,771	27,167
Management, consulting and advisory	39,500	66,762	297,386	154,092
Share-based compensation	11,610	-	113,709	1,306,056
	58,610	74,096	446,866	1,487,315

Professional fees represent fees charged by a Company controlled by the former Chief Financial Officer ("CFO") of the Company for the provision of CFO services (to the point of resignation) and include fees charged by the current CFO. Professional fees during the three months ended September 30, 2022, represent fees charged by the Company's current CFO for the three months ended September 30, 2022.

Management, consulting and advisory charges represent fees paid to (i) Lowell Kamin, the Chief Executive Officer, (ii) John Theobald, the former Chief Executive Officer (to the point of resignation), (ii) Gunther Roehlig, a Director, and (iii) Barry Girling, a former Director, each for the purposes of management, corporate governance, strategic support and development of corporate affairs (to the point of resignation, as applicable); (iv) Gordon Wylie, a former Director, for directors' fees (to the point of resignation); and (v) to Raul Diaz*, the Company's consultant geologist for the planning, management and oversight of exploration activities of the Company. During the three and nine months ended September 30, 2022 and 2021, the following management, consulting and advisory fees were charged for each of the foregoing parties:

LODESTAR BATTERY METALS CORP.

(Formerly Silverton Metals Corp.)

Management's Discussion & Analysis

For the nine months ended September 30, 2022

	Three months ended		Nine months ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
	\$	\$	\$	\$
Lowell Kamin (CEO)	30,000	-	36,000	-
John Theobald (Former-CEO)	-	30,000	172,110	69,917
Gordon Wylie (Former-Director)	-	5,001	9,057	11,665
Gunther Roehlig	12,000	12,000	36,000	28,000
Barry Girling (Former-Director)	-	1,000	12,500	1,000
Raul Diaz*	(2,500)	18,761	31,719	43,510
	39,500	66,762	297,386	154,092

* Related party based on application of definitions in IAS-24 Related Party Disclosures

During the three and nine months ended September 30, 2022, 2022, the Company incurred professional fees of \$11,537 and \$33,135, respectively, (2021 – \$5,340 and \$19,003, respectively,) for the provision of non-CFO accounting and advisory support services charged by a company controlled by the former Chief Financial Officer of the Company.

On June 1, 2020 the Company entered into an office rental agreement with Hello Pal Inc., a company with a common director. The rental agreement is on a monthly recurring basis for a monthly charge of \$1,500, subject to a 5% increase as of June 1, 2021, and may be terminated by either party on 30 days' notice to the other party. All transactions with related parties have occurred in the normal course of operations.

Included in accounts payable and accrued liabilities at September 30, 2022 are amounts due to related parties of \$26,005 (December 31, 2021 - \$10,634) owing to a company controlled by the former CFO for the provision of CFO, and non-CFO accounting and advisory support services and to key management – other than the former CFO – for management and consulting fees. These amounts are non-interest bearing and due on normal commercial terms.

ADOPTION OF NEW ACCOUNTING STANDARDS

The Company did not adopt any new accounting standards as of September 30, 2022 which had a material impact upon adoption.

FUTURE ACCOUNTING STANDARDS AND PRONOUNCEMENTS

New standards issued but not yet effective at September 30, 2022 are not currently expected to have a material impact on the Company's financial statements.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Company's financial instruments consist of cash, other assets, accounts payable and accrued liabilities, deferred purchase consideration and other payables, the fair values of which, other than deferred purchase consideration, approximate their respective carrying values due to the short-term nature of these instruments. The Company's other financial instrument, being cash and deferred purchase consideration, are measured as follows: (i) cash at fair value using Level 1 inputs, and (ii) deferred purchase consideration

LODESTAR BATTERY METALS CORP.

(Formerly Silverton Metals Corp.)

Management's Discussion & Analysis

For the nine months ended September 30, 2022

is estimated as a Level 2 fair value of \$1,221,550, determined using contractual cash flows and discounted at a rate of 15% from the date of expected payment to September 30, 2022.

Liquidity risk

Liquidity risk is the risk that the Company will have difficulties in paying its financial liabilities. The Company manages this risk by ensuring it has sufficient cash on hand to meet obligations as they come due by forecasting cash flows from operations, cash required for investing activities and cash from financing activities. Accounts payable are due under normal commercial terms, typically within 30 days. As at September 30, 2022, the Company had cash of \$2,725,773 (December 31, 2021 - \$4,128,888) to settle liabilities of \$2,198,781 (December 31, 2021- \$1,564,520) due within 12 months. Certain conditions cast significant doubt on the Company's ability to meet its financial obligations.

Interest rate risk

Interest rate risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's cash balances earn market rates of interest, therefore, is not exposed to fair value risk from interest rate fluctuations. The Company is not exposed to significant interest rate risk.

Credit risk

Credit risk is the risk one party to a financial instrument will cause a financial loss for the party by failing to pay for its obligations. The Company is subject to credit risk with respect to its cash balances. The Company mitigates credit risk by depositing cash with a Canadian schedule I chartered bank and monitoring the bank's credit ratings.

Foreign currency risk

The Company conducts its business in Canada and Mexico. A large number of Minera Terra's exploration expenditures, and its funding provided by the Company, are primarily incurred in US dollars. Accordingly, the Company's cash profile and exploration expenditures are exposed to changes in the Canadian dollar/US dollar exchange rates. The Company is exposed to currency exchange rate risks to the extent of its activities in currencies which are not the functional currency of the economic environment in which the Company or its subsidiaries operate. Based on this exposure as at September 30, 2022 a 5% change in exchange rates could give rise to a change in the net loss by approximately \$15,070 (December 31, 2021 - \$64,203). The Company does not employ the use of any hedging or other derivative instruments in the management of its foreign currency risk.

The Canadian dollar equivalent of financial assets and financial liabilities denominated in other currencies at September 30, 2022 and December 31, 2021 are shown below.

September 30, 2022	USD	MXN	Total
CAD Equivalent	\$	\$	\$
<i>Financial Assets</i>			
Canada	278,719	-	278,719
Mexico	1,459	32,486	33,945
	280,178	32,486	312,664
<i>Financial Liabilities</i>			
Canada	-	-	-
Mexico	-	9,546	9,546
	-	9,546	9,546
Net foreign currency exposure	280,178	42,032	322,210

LODESTAR BATTERY METALS CORP.

(Formerly Silverton Metals Corp.)

Management's Discussion & Analysis

For the nine months ended September 30, 2022

December 31, 2021	USD	MXN	Total
CAD Equivalent	\$	\$	\$
<i>Financial Assets</i>			
Canada	1,150,979	-	1,150,979
Mexico	5,349	133,863	139,212
	1,156,328	133,863	1,290,191
<i>Financial Liabilities</i>			
Canada	-	-	-
Mexico	(113,664)	(787)	(114,451)
	(113,664)	(787)	(114,451)
Net foreign currency exposure	1,042,664	133,076	1,175,740

OUTSTANDING SHARE DATA

Authorized

The Company is authorized to issue an unlimited number of common shares.

The table below summarizes the Company's issued and outstanding common shares, and stock options and warrants that are convertible into common shares as of November 29, 2022:

Issued and outstanding common shares ¹	40,336,500
Share options with a weighted average exercise price of \$0.49	4,030,000
Share purchase warrants with a weighted average exercise price of \$1.13	12,129,000
Fully diluted	56,495,500

¹ Of the issued and outstanding common shares, 2,072,250 are held in escrow, which were placed in a time release escrow with 10% released upon closing of the Qualifying Transaction on March 2, 2021 and a further 15% to be released each subsequent six months thereafter.

RISKS AND UNCERTAINTIES

As a result of completing its Qualifying Transaction the Company has now become an exploration stage company and faces risks and uncertainties similar to other companies in the exploration sector. Accordingly, the Company is engaged in the exploration, development and exploitation of mineral resources for base metals and precious metals. Natural resources exploration, development, production and processing involve a number of business risks, some of which are beyond the Company's control. The properties of the Company are without a known body of commercial ore. The exploration programs undertaken and proposed constitute an exploratory search and there is no assurance that the Company will be successful in its search. The business of exploring for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. Major expenses may be required to establish ore reserves, to develop metallurgical processes, and to construct mining and processing facilities at a particular site. It is impossible to ensure that the current exploration programs planned by the Company will result in a profitable commercial mining operation.

Acquisition of rights to the mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral properties may be disputed. Although the Company has investigated the title to all of the properties for which it holds concessions or in respect of which it has a right to earn an interest, the Company cannot give any assurance that title to such properties will not be challenged or impugned. The Company's properties may be subject to prior unregistered agreements or transfers and title may be affected by undetected defects or governmental actions. The Company can never be certain that it or its option partners will have valid title to its mineral properties. Mineral properties sometimes contain claims or transfer histories that examiners cannot verify, and transfers under law are often complex. The Company does not carry title insurance on its properties. A successful claim that the Company or its option partner

LODESTAR BATTERY METALS CORP.

(Formerly Silverton Metals Corp.)

Management's Discussion & Analysis

For the nine months ended September 30, 2022

does not have title to a property could cause the Company to lose its rights to that property, perhaps without compensation for its prior expenditures relating to the property. The occurrence of any such event could have a material adverse effect on the Company and its prospects.

The Company requires licenses and permits from various governmental authorities to carry out exploration and development of its projects. Obtaining permits can be a complex, time consuming process as well as dealing with changing governmental law and regulation. There can be no assurance that the Company will be able to obtain the necessary licences and permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining permits and complying with these permits and applicable laws and regulations could stop or materially delay or restrict the Company from continuing or proceeding with existing or future operations or projects. Any failure to comply with permits and applicable laws and regulations, even if inadvertent, could result in the interruption or closure of operations or material fines, penalties or other liabilities. In addition, the requirements applicable to sustain existing permits and licenses may change or become more stringent over time and there is no assurance that the Company will have the resources or expertise to meet its obligations under such licenses and permits.

Development and exploration activities depend on adequate infrastructure, including reliable roads, power sources and water supply. The Company's inability to secure adequate water and power resources, as well as other events outside of its control, such as unusual weather, sabotage, government or other interference in the maintenance or provision of such infrastructure, could adversely affect the Company's operations and financial condition.

Other operational risks include finding and developing reserves economically, marketing production and services, product deliverability uncertainties, hiring and retaining skilled employees and contractors and conducting operations in a cost effective and safe manner. The Company continuously monitors and responds to changes in these factors and adheres to all regulations governing its operations. Insurance may be maintained at levels consistent with prudent industry practices to minimize risks. The Company is not insured against risks, nor are all risks insurable.

The Company has experienced losses in operations in prior years and has an accumulated deficit position. The Company expects to incur losses for the foreseeable future. The Company has not paid any dividends in the past, nor does it expect to do so in the foreseeable future. The continuation of the Company's operations is subject to its ability to continue to be able to raise funding to support its operations. While the Company has been successful to date in raising funding there is no guarantee that it will continue to do so in the future.

The profitability of the Company's operations, if ever established, will be dependent upon the market price of mineral commodities. Mineral prices fluctuate widely and are affected by numerous factors beyond the control of the Company. The level of interest rates, the rate of inflation, world supply of mineral commodities, consumption patterns, sales of copper, gold and silver by central banks, forward sales by producers, production, industrial and jewellery demand, speculative activities and 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 prices of mineral commodities have fluctuated widely in recent years. Current and future price declines could cause commercial production to be impracticable. The Company's revenues and earnings also could be affected by the prices of other commodities as well so by the price of copper, gold, silver or zinc. The prices of these commodities are affected by numerous factors beyond the Company's control.

The Company is dependent upon share issuances to provide the funding necessary to meet its general operating expenses and will require additional financing to continue to explore its mineral properties. Issuances of additional securities will result in dilution of the equity interests of the Company's shareholders. The Company may issue additional common shares in the future as further capital is required and on the exercise of outstanding options or other convertible securities issued from time to time. Sales or issuances of substantial amounts of additional securities, or the availability of such securities for sale, could adversely

LODESTAR BATTERY METALS CORP.

(Formerly Silverton Metals Corp.)

Management's Discussion & Analysis

For the nine months ended September 30, 2022

affect the market prices for the Company's securities. A decline in the market prices of securities of the Company could impair the Company's ability to raise additional capital through the sale of new common shares should it desire to do so. In addition, if additional common shares or securities convertible into common shares are sold or issued, such sales or issuances may substantially dilute the equity interests of the Company's holders of common shares.

Certain directors and officers of the Company are or may become associated with other natural resource companies which may give rise to conflicts of interest. In accordance with the Business Corporations Act (British Columbia), a director or senior officer who has a material interest in a contract or transaction or a proposed contract or transaction that is material to the Company, or a director or senior officer who is a director or senior officer of, or has a material interest in, a person who has a material interest in the contract or transaction, is required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve the contract or transaction. In addition, the directors and the officers are required to act honestly and in good faith with a view to the best interests of the Company. However, circumstances (including with respect to future corporate opportunities) may arise which are resolved in a manner that is unfavourable to the Company. Further, the non-management directors of the Company have either other full-time employment or other business or time restrictions placed on them and accordingly, the Company will not be the only business enterprise of these persons and these persons will not devote all of their time to the business and affairs of the Company.

The Company is also subject to regulatory risks include the possible delays in getting regulatory approval to the transactions that the Board of Directors believe to be in the best interest of the Company, and include increased fees for filings, the introduction of ever more complex reporting requirements the cost of which the Company must meet in order to maintain its exchange listing.

Companies in all industries, including the mining industry, are subject to legal claims from time to time, some of which have merit and others of which do not. Defence and settlement costs of legal claims can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, the resolution of any particular legal proceeding to which the Company may become subject could have a material effect on the Company's financial position, results of operations or the Company's property development.

Companies in all industries, including the mining industry, are susceptible to cyber risk. The Company's primary operational exposure to cyber risk is with respect to proprietary geological, geochemical and exploration data and related models. The Company, similar to companies in all industries, is exposed to common place cyber risks such as, but not necessarily limited to, phishing, spam, fraudulent attacks, denial of service attacks, data loss, data theft, data corruption. The Company outsources its IT management to IT professionals who implement, among other controls and mitigation strategies, system access and authentication controls, transactional authentication, system activity logging, audit trails, "exception" handling, on-prem and off-prem backup and storage of the Company's data.

Russian-Ukrainian War

On 24 February 2022, Russia began a military invasion of Ukraine which has resulted in multiple global impacts, including, but not limited to, a significant rise in fuel prices. The ultimate impacts to the Company are not determinable at this date, however, they could have a material impact on the Company's forecasted exploration work and the Company's financial position, results of operation and cash flows. The impacts to the Company's operations could include, but not necessarily be limited to: (i) significantly increased operational and subcontractor costs from rising fuel prices, (ii) increased food and subsistence costs, (iii) greater risk exposures in capital flows, trade and commodity markets worldwide and (iv) high inflation and uncertain financial markets. As at November 29, 2022, the Company has not been significantly impacted by the Russian-Ukrainian war, however, the full-extent of its impact on the Company's business remains uncertain.

LODESTAR BATTERY METALS CORP.

(Formerly Silverton Metals Corp.)

Management's Discussion & Analysis

For the nine months ended September 30, 2022

COVID-19

During 2020, significant changes in the stock market have occurred for various reasons linked to the COVID-19 global pandemic. The impacts to the Company of further market changes, arising from COVID-19 are not determinable at this date, however these could be material to the Company's ability to raise new capital and thus the Company's financial position, results of operation and cash flows. The Company's liquidity and ability to continue as a going concern may also be impacted. As at November 29, 2022, COVID-19 has not had a material impact on the Company's operations or ability to raise finance.

DISCLOSURE CONTROLS AND PROCEDURES

In connection with National Instrument 52-109 (Certificate of Disclosure in Issuer's Annual and Interim Filings) ("NI 52-109"), the Chief Executive Officer and Chief Financial Officer of the Company have filed a Venture Issuer Basic Certificate with respect to the financial information contained in the financial statements for the three and nine months ended September 30, 2022 and this accompanying MD&A (together, the "Filings").

In contrast to the full certificate under NI 52-109, the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109. For further information the reader should refer to the Venture Issuer Basic Certificates filed by the Company with the Annual Filings on SEDAR at www.sedar.com.

ADDITIONAL INFORMATION

Additional information relating to the Company can be found on SEDAR at www.sedar.com.

Luke Van der Meer, P. Geo., is the Company's Qualified Person and he has approved of the written disclosure of scientific and technical information contained herein.