



**Rock Tech Lithium Inc.
Consolidated Financial Statements
December 31, 2024**

Expressed in Canadian Dollars (CAD)

**Independent Auditor's Report
Consolidated Statements of Financial Position
Consolidated Statements of Loss and Comprehensive Loss
Consolidated Statements of Shareholders' Equity
Consolidated Statements of Cash Flows
Notes to the Consolidated Financial Statements**

To the Shareholders of Rock Tech Lithium Inc.:

Opinion

We have audited the consolidated financial statements of Rock Tech Lithium Inc. (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2024, and the consolidated statements of loss and comprehensive loss, consolidated statements of shareholders' equity and consolidated statements of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

Other Matter - Comparative Information

The consolidated financial statement for the year ended December 31, 2023 were audited by another auditor who expressed an unmodified opinion on those consolidated statements on March 25, 2024.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the consolidated financial information of the entities or business units within the Company as a basis for forming an opinion on the financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Kate Duholke.

Vancouver, British Columbia

April 1, 2025

MNP LLP

Chartered Professional Accountants

Rock Tech Lithium Inc.
Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

	<i>Note</i>	December 31, 2024	December 31, 2023
ASSETS			
Current assets			
Cash		\$ 3,684,092	\$ 14,710,417
Receivables		298,916	491,144
Prepaid expenses and deposits		368,596	630,920
Total Current Assets		4,351,604	15,832,481
Non-current assets			
Property, plant and equipment	3	3,268,862	3,661,964
Right of use assets	4	565,868	690,145
Exploration and evaluation assets	5	26,997,254	25,896,959
Investment in joint venture	6	759,605	763,970
TOTAL ASSETS		\$ 35,943,193	\$ 46,845,519
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable and accrued liabilities	7, 9	\$ 2,477,404	\$ 4,670,652
Current portion of lease liabilities	4	234,115	215,336
Total Current Liabilities		2,711,519	4,885,988
Non-current liabilities			
Non-current portion of lease liabilities	4	381,447	534,576
TOTAL LIABILITIES		3,092,966	5,420,564
SHAREHOLDERS' EQUITY			
Share capital	8	172,341,548	168,981,921
Reserves	8	25,470,439	22,349,727
Accumulated other comprehensive income		282,465	46,634
Deficit		(165,244,225)	(149,953,327)
TOTAL SHAREHOLDERS' EQUITY		32,850,227	41,424,955
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		\$ 35,943,193	\$ 46,845,519

NATURE AND CONTINUANCE OF OPERATIONS (Note 1)
SUBSEQUENT EVENTS (Note 15)

Approved on behalf of the Board on April 1, 2025:

"Dirk Harbecke"

Dirk Harbecke – Director

"Michelle Gahagan"

Michelle Gahagan – Director

The accompanying notes are an integral part of the consolidated financial statements

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Rock Tech Lithium Inc.
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian dollars)

		Years ended December 31,	
	Note	2024	2023
Expenses			
Downstream development	10	\$ 3,815,641	\$ 13,847,090
Consulting fees	9	1,770,653	3,046,735
Professional fees		1,267,536	1,174,241
Community relations		54,723	153,368
Marketing and communication		275,089	449,622
General administration		1,521,882	2,123,997
Salaries and wages		2,984,683	5,223,565
Stock-based payments	8, 9	3,192,244	2,432,274
Depreciation	3, 4	425,057	478,747
Finance charges	4	28,905	39,729
Foreign exchange loss	11	104,569	120,220
Total Expenses		(15,440,982)	(29,089,588)
Other items:			
Interest income		(241,574)	(389,136)
Write off of exploration and evaluation assets	5	-	50,000
Share of net loss (income) in joint venture	6	65,913	(55,940)
Net loss for the year (before taxes)		(15,265,321)	(28,694,512)
Current income tax expense	13	(25,577)	(139,219)
Deferred tax recovery	13	-	214,605
Net loss for the year		(15,290,898)	(28,619,126)
Other comprehensive income:			
Item that may be reclassified to profit or loss			
Foreign currency translation		235,831	(59,003)
Comprehensive loss for the year		\$ (15,055,067)	\$ (28,678,129)
Loss per share - basic and diluted		\$ (0.15)	\$ (0.30)
Weighted average number of shares outstanding - basic and diluted		101,940,155	96,576,943

Rock Tech Lithium Inc.
Consolidated Statements of Shareholders' Equity
(Expressed in Canadian dollars)

	Note	Common Shares		Reserves			Accumulated other comprehensive income (loss)	Deficit	Total Shareholders' Equity
		Number	Amount	Conversion feature reserve	Stock option reserve	Warrant reserve			
Balance, December 31, 2022		93,336,162	\$ 157,625,866	\$ 75,994	\$ 17,032,019	\$ 2,809,440	\$ 105,637	\$ (121,334,201)	\$ 56,314,755
Shares issued for private placements	8	4,478,754	5,822,380	-	-	-	-	-	5,822,380
Share issuance costs	8	-	(140,576)	-	-	-	-	-	(140,576)
Shares issued for assets	8	12,623	25,000	-	-	-	-	-	25,000
Shares issued on exercise of warrants	8	3,427,500	5,649,250	-	-	-	-	-	5,649,250
Stock-based payments	8	-	-	-	2,432,274	-	-	-	2,432,274
Loss and comprehensive loss for the year		-	-	-	-	-	(59,003)	(28,619,126)	(28,678,129)
Balance, December 31, 2023		101,255,039	\$ 168,981,921	\$ 75,994	\$ 19,464,293	\$ 2,809,440	\$ 46,634	\$ (149,953,327)	\$ 41,424,955
Units issued in private placement	8	2,761,498	3,313,798	-	-	-	-	-	3,313,798
Share issuance costs	8	-	(104,103)	-	-	-	-	-	(104,103)
Shares issued on exercise of stock options	8	80,000	149,932	-	(71,532)	-	-	-	78,400
Stock-based payments	8	-	-	-	3,192,244	-	-	-	3,192,244
Loss and comprehensive income for the year		-	-	-	-	-	235,831	(15,290,898)	(15,055,067)
Balance, December 31, 2024		104,096,537	\$ 172,341,548	\$ 75,994	\$ 22,585,005	\$ 2,809,440	\$ 282,465	\$ (165,244,225)	\$ 32,850,227

The accompanying notes are an integral part of the consolidated financial statements

Rock Tech Lithium Inc.
Consolidated Statements of Cash Flows
(Expressed in Canadian dollars)

	Years ended December 31,	
	2024	2023
Operating Activities		
Net loss for the year	\$ (15,290,898)	\$ (28,619,126)
Items Not Affecting Cash:		
Depreciation	425,057	478,747
Shares issued for exploration and evaluation assets	-	25,000
Finance charges	28,905	39,729
Share of net loss (income) in joint venture	65,913	(55,940)
Stock-based payments	3,192,244	2,432,274
Lease modification	(5,319)	-
Current income tax expense	25,577	-
Deferred tax recovery	-	(214,605)
Changes in Non-Cash Operating Working Capital:		
Receivables	192,228	2,740,219
Prepaid expenses and deposits	262,324	383,634
Accounts payable and accrued liabilities	(1,293,189)	(3,124,746)
Net Cash used in Operating Activities	(12,397,158)	(25,914,814)
Investing Activities		
Expenditures on exploration and evaluation assets	(1,743,562)	(3,580,991)
Purchase of property, plant and equipment	(25,543)	(1,476,553)
Net Cash used in Investing Activities	(1,769,105)	(5,057,544)
Financing Activities		
Proceeds from private placements	3,313,798	5,822,380
Share issuance costs	(104,103)	(140,576)
Proceeds from warrant exercises	-	5,649,250
Proceeds from option exercises	78,400	-
Lease payments made	(249,750)	(396,166)
Net Cash provided by Financing Activities	3,038,345	10,934,888
Effect of foreign exchange on cash	101,593	(91,543)
Decrease in cash and cash equivalents	(11,026,325)	(20,129,013)
Cash, beginning of year	14,710,417	34,839,430
Cash, end of year	\$ 3,684,092	\$ 14,710,417
Supplemental cash flow information:		
Exploration and evaluation assets in accounts payable and accrued liabilities	\$ 89,946	\$ 733,213
Property, plant and equipment in accounts payable and accrued liabilities	201,528	-
Shares issued for exploration and evaluation assets	-	25,000
Income tax paid	150,632	-

Rock Tech Lithium Inc.
Notes to the Consolidated Financial Statements
For the years ended December 31, 2024 and 2023
(Expressed in Canadian dollars)

1. Nature and continuance of operations

Rock Tech Lithium Inc. (the "Company") was incorporated in British Columbia ("BC") and is a Tier I listed issuer on the TSX Venture Exchange ("TSX-V") and trades under the symbol "RCK". The Company is strategically focused on developing and optimizing high-quality battery grade lithium hydroxide monohydrate through the construction and operation of multiple lithium hydroxide manufacturing plants (each, a "Converter") in Europe and North America, beginning with the Company's proposed lithium hydroxide merchant Converter and refinery facility in Guben, Germany (the "Guben Converter") and on developing its wholly-owned Georgia Lake spodumene project located in the Thunder Bay Mining District of Ontario, Canada (the "Georgia Lake Project"). The head office, principal address and records office of the Company was moved from BC to Ontario as of October 1, 2023, and is located at 333 Bay Street, Suite 2400, Toronto, ON, Canada, M5H 2T6.

2. Material accounting policies and basis of preparation

These consolidated financial statements were authorized for issue on April 1, 2025, by the directors of the Company.

Basis of preparation

The consolidated financial statements have been prepared in accordance with accounting policies as prescribed under IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

The consolidated financial statements of the Company have been prepared on an accrual basis and are based on historical costs, modified where applicable. The consolidated financial statements are presented in Canadian dollars (CAD) unless otherwise noted.

Functional currency

The Company's functional currency is the Canadian dollar. The functional currency is determined based on the primary economic environment in which the Company operates. The consolidated financial statements are prepared in Canadian dollars, which is the Company's reporting currency.

Foreign Currency Transactions and Translations

Foreign currency transactions are recorded at the exchange rate as at the date of the transaction. All gains and losses on translation of these foreign currency transactions are included in profit and loss.

Gains and losses resulting from translating the financial statements of an entity whose functional currency differs from the presentation currency are recorded in other comprehensive income (loss). Assets and liabilities denominated in foreign currencies are translated into Canadian dollars at rates prevailing at the balance sheet date. Income and expenses of foreign operations are translated at average rates of exchange for the reporting period.

2. Material accounting policies and basis of preparation (continued)

Consolidation

The consolidated financial statements include the accounts of the Company and its controlled entities. Details of controlled entities are as follows:

	Province/Country of incorporation	Functional currency	Percentage owned	
			December 31, 2024	December 31, 2023
Rock Tech Georgia Lake Inc.	Ontario	CAD	100%	100%
Rock Tech Consulting GmbH	Germany	EUR	100%	100%
Rock Tech Guben GmbH	Germany	EUR	100%	100%
Rock Tech Superior North	Ontario	CAD	100%	-

Inter-company balances and transactions, including income and expenses arising from inter-company transactions, are eliminated on consolidation.

Significant estimates and assumptions

The preparation of the Company's consolidated financial statements in conformity with IFRS Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the useful lives of property, plant and equipment, the recoverability of the carrying value of exploration and evaluation assets, fair value measurements for financial instruments and stock-based payments and other equity-based payments, the recognition and valuation of provisions for restoration and environmental liabilities, and the recoverability and measurement of deferred tax assets and liabilities. Actual results may differ from those estimates and assumptions.

Significant judgments

The preparation of financial statements in accordance with IFRS Accounting Standards requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments applying to the Company's financial statements include: the assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty, the classification / allocation of expenditures as exploration and evaluation expenditures or operating expenses, the classification / allocation of downstream development costs as capital assets or operating expenses, whether the Company has control, joint control or significant influence over its investments, whether joint arrangements are joint ventures or jointly controlled operations, and whether mineral properties are in the exploration and evaluation stage or have established technical feasibility and commercial viability.

The Company does not yet have a source of revenue and its continuation as a going-concern is dependent upon the successful results of its mineral property exploration and downstream development activities and its ability to raise equity capital sufficient to meet current and future obligations. The Company has a successful track record of raising equity financing (note 8), and as at December 31, 2024, the Company had cash of \$3,684,092 (December 31, 2023 - \$14,710,417) which, in management's judgement, alleviates significant doubt about the Company's ability to continue as a going concern given its budgeted cashflow requirements.

2. Material accounting policies and basis of preparation (continued)

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less.

Property, plant and equipment

Property, Plant and equipment are stated at historical cost less accumulated amortization and accumulated impairment losses. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the statement of loss and comprehensive loss during the financial period in which they are incurred. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in profit or loss.

The following table discloses the useful life of each property, plant, and equipment category:

Category	Useful Life (Years)
Building	16
Leasehold Improvements	4
Equipment	4
Computer Software	3

Land and asset under construction are recorded at cost and are not subject to amortization.

Exploration and evaluation expenditures

Exploration and evaluation expenditures include the costs of acquiring licenses, costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. Exploration and evaluation expenditures are capitalized. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in profit or loss. Government tax credits received are recorded as a reduction to the cumulative costs incurred and capitalized on the related property.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

Recoverability of the carrying amount of any exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

Downstream development expenditures

Downstream development expenditures include the costs of conducting prospective site due diligence, basic engineering, drafting, metallurgical testing and project management related to the Company's planned lithium hydroxide converter facility. Downstream development expenditures are expensed in the period in which they are incurred and will be capitalized only after technical and commercial feasibility of the facility as been established.

2. Material accounting policies and basis of preparation (continued)

Impairment of assets

The carrying amount of the Company's assets (which include land, equipment and exploration and evaluation assets) is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the statement of loss and comprehensive loss.

The recoverable amount of assets is the greater of an asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years.

Intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

Investment in associates and joint venture

A joint venture is a joint arrangement whereby the parties to the joint arrangement have joint control of the investee and has rights to the net assets of the investee. On the initial recognition, the investment in joint venture is recognised at cost, and the carrying amount is increased or decreased to recognise the company's share of the profit or loss of the investee after the date of investment. The Company's share of the investee's profit or loss is recognised in the Company's consolidated statement of loss and comprehensive loss. The distributions received from an investee reduce the carrying amount of the investment. The carrying amount is also adjusted for changes in the Company's proportionate interest in the investee arising from changes in the investee's other comprehensive income. The Company's share of those changes is recognised in the Company's other comprehensive income on the consolidated statement of loss and comprehensive loss.

Right of use assets and lease liabilities

The Company assesses whether a contract is or contains a lease at inception of the contract. A lease is recognized as a right-of-use asset and corresponding liability at the commencement date. Each lease payment included in the lease liability is apportioned between the repayment of the liability and an interest expense. Lease liabilities represent the net present value of fixed lease payments (including in-substance fixed payments); variable lease payments based on an index, rate, or subject to a fair market value renewal condition; amounts expected to be payable by the lessee under residual value guarantees, the exercise price of a purchase option if the Company is reasonably certain to exercise that option, and payments of penalties for terminating the lease, if it is probable that the lessee will exercise that option.

2. Material accounting policies and basis of preparation (continued)

Right of use assets and lease liabilities (continued)

The Company's lease liability is recognized net of lease incentives receivable. The lease payments are discounted using the interest rate implicit in the lease or, if that rate cannot be determined, the Company's incremental borrowing rate. The period over which the lease payments are discounted is the expected lease term, including renewal and termination options that the Company is reasonably certain to exercise. Payments associated with short-term leases and leases of low-value assets are recognized as an expense on a straight-line basis in general and administration and sales and marketing expense in the statement of loss and comprehensive loss. Short-term leases are defined as leases with a lease term of 12 months or less. Variable lease payments that do not depend on an index, rate, or subject to a fair market value renewal condition are expensed as incurred, in the statement of loss and comprehensive loss.

Right-of-use assets are measured at cost, which is calculated as the amount of the initial measurement of lease liability plus any lease payments made at or before the commencement date, any initial direct costs and related restoration costs. The right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the useful life of the asset.

Restoration and environmental obligations

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of long-term assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future restoration cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to exploration and evaluation assets along with a corresponding increase in the restoration provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The restoration asset will be depreciated on the same basis as other mining assets.

The Company's estimates of restoration costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to mining assets with a corresponding entry to the restoration provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates.

Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit and loss for the period.

The net present value of restoration costs arising from subsequent site damage that is incurred on an ongoing basis during production are charged to profit or loss in the period incurred.

The costs of restoration projects are recorded against the provision as incurred. The costs to prevent and control environmental impacts at specific properties are capitalized in accordance with the Company's accounting policy for exploration and evaluation assets.

2. Material accounting policies and basis of preparation (continued)

Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and common share warrants are recognized as a deduction from equity. The Company has adopted the residual method with respect to the measurement of common shares and warrants issued as equity units, whereby the value of the units is allocated to the value of the common shares first and the residual is allocated to the warrants.

Stock-based payments

The Company operates an employee stock option plan. Stock-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Stock-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured and are recorded at the date the goods or services are received. The corresponding amount is recorded to the option reserve. The fair value of options is determined using the Black-Scholes Option Pricing Model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

Financial Instruments

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive loss ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of financial instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The following table shows the classification under IFRS 9:

Financial assets/liabilities	Classification under IFRS 9
Cash and cash equivalents	Amortized cost
Receivables	Amortized cost
Trade payables	Amortized cost

Measurement

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of comprehensive loss in the period in which they arise. Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive loss.

2. Material accounting policies and basis of preparation (continued)

Financial Instruments (continued)

Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the credit risk of the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statements of loss and comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the statements of comprehensive loss.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and/or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition are generally recognized in profit or loss.

Income taxes

Current income tax:

Income tax expense consisting of current tax expense is recognized in profit or loss. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year-end, adjusted for amendments to tax payable with regard to previous years.

Deferred income tax:

Deferred income tax is recognized, using the asset and liability method, on temporary differences at the reporting date arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

2. Material accounting policies and basis of preparation (continued)

Recent accounting pronouncements

Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)

The International Accounting Standards Board ("IASB") has published *Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)* which clarifies the guidance on whether a liability should be classified as either current or non-current. The amendments:

- clarify that the classification of liabilities as current or non-current should only be based on rights that are in place "at the end of the reporting period."
- clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability.
- make clear that settlement includes transfers to the counterparty of cash, equity instruments, other assets or services that result in extinguishment of the liability.

This amendment is effective for annual periods beginning on or after January 1, 2024. The amendment had no impact on the Company's financial statements.

Amendments to IFRS 9 and IFRS 7 – Classification and Measurement Updates

In May 2024, the IASB issued Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7), updating classification, measurement, and disclosure requirements.

The amendments clarify the recognition and derecognition dates for certain financial assets and liabilities and update the treatment of financial liabilities settled via electronic payment systems. They also refine the assessment of contractual cash flow characteristics to determine whether financial assets meet the 'solely payments of principal and interest' (SPPI) criterion, particularly for assets with environmental, social, and governance (ESG)-linked or other contingent features.

Additionally, new disclosure requirements have been introduced for financial instruments with contingent features unrelated to basic lending risks and costs, along with revisions to disclosures for equity instruments designated at fair value through other comprehensive income.

These amendments are effective for annual periods beginning on or after January 1, 2026, with early adoption permitted. The Company has chosen not to adopt the amendments early.

Issuance of IFRS 18 *Presentation and Disclosures in Financial Statements*

On April 9, 2024, the IASB issued IFRS 18 *Presentation and Disclosures in Financial Statements*, which replaces IAS 1 while retaining many of its existing principles with limited changes. IFRS 18 is effective for reporting periods beginning on or after January 1, 2027, including comparative information. It does not affect the recognition or measurement of financial statement items but may impact the presentation of "operating profit or loss". Key changes introduced by IFRS 18 include:

- a revised structure for the statement of profit or loss;
- new disclosure requirements for management-defined performance measures reported outside the financial statements; and
- enhanced principles for aggregation and disaggregation across the primary financial statements and notes.

The Company is currently assessing the impact of IFRS 18 on its financial statements.

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3. Property, plant, and equipment

	Land	Building	Leasehold Improvements	Equipment	Computer Software	Asset under Construction	Total
Cost:							
At December 31, 2022	\$ 1,846,276	\$ -	\$ -	\$ 163,387	\$ 428,027	\$ -	\$ 2,437,690
Foreign exchange	8,032	-	-	699	17,306	-	26,037
Additions for the year	-	76,752	28,224	-	61,396	1,310,181	1,476,553
At December 31, 2023	\$ 1,854,308	\$ 76,752	\$ 28,224	\$ 164,086	\$ 506,729	\$ 1,310,181	\$ 3,940,280
Foreign exchange	39,064	-	595	2,216	10,676	27,601	80,152
Adjustment to purchase price	(36,409)	-	-	-	-	(447,488)	(483,897)
Additions for the year	23,503	-	-	2,040	-	201,528	227,071
At December 31, 2024	\$ 1,880,466	\$ 76,752	\$ 28,819	\$ 168,342	\$ 517,405	\$ 1,091,822	\$ 3,763,606
Accumulated amortization:							
At December 31, 2022	\$ -	\$ -	\$ -	\$ (87,491)	\$ -	\$ -	\$ (87,491)
Foreign exchange	-	-	-	227	(4,691)	-	(4,464)
Charge for the year	-	(1,209)	(3,003)	(40,880)	(141,269)	-	(186,361)
At December 31, 2023	\$ -	\$ (1,209)	\$ (3,003)	\$ (128,144)	\$ (145,960)	\$ -	\$ (278,316)
Foreign exchange	-	-	(117)	(1,725)	(4,350)	-	(6,192)
Charge for the year	-	(1,209)	(7,304)	(30,530)	(171,193)	-	(210,236)
At December 31, 2024	\$ -	\$ (2,418)	\$ (10,424)	\$ (160,399)	\$ (321,503)	\$ -	\$ (494,744)
Net book value:							
At December 31, 2023	\$ 1,854,308	\$ 75,543	\$ 25,221	\$ 35,942	\$ 360,769	\$ 1,310,181	\$ 3,661,964
At December 31, 2024	\$ 1,880,466	\$ 74,334	\$ 18,395	\$ 7,943	\$ 195,902	\$ 1,091,822	\$ 3,268,862

During the year ended December 31, 2023, the Company commenced site preparation for construction of the Guben Converter which have been capitalized as property, plant and equipment under asset under construction.

4. Right of use asset and lease liability

The Company entered into a lease agreement for long-term office space during the year ended December 31, 2022, and recognized an initial lease liability of \$878,785 under IFRS 16 - Leases, measured using the present value of the lease payments discounted using an incremental borrowing rate of 4%. The Company recorded a right of use asset of the same amount which relates to a long-term office lease. Depreciation of the right of use asset is calculated using the straight-line method over the remaining lease term.

During the year ended December 31, 2024, the Company recognized interest expense on the lease liability of \$28,905 (December 31, 2023 - \$39,729) which was recorded within finance charges.

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4. Right of use asset and lease liability (continued)

Right-of-use assets:

Balance - December 31, 2022	\$	901,576
Foreign exchange		80,953
Depreciation		(292,384)
Balance - December 31, 2023	\$	690,145
Lease modification		78,411
Foreign exchange		12,133
Depreciation		(214,821)
Balance - December 31, 2024	\$	565,868

Lease liability:

Balance - December 31, 2022	\$	1,017,416
Foreign exchange		88,933
Lease payments		(396,166)
Finance expense		39,729
Balance - December 31, 2023	\$	749,912
Lease modification		73,092
Foreign exchange		13,403
Lease payments		(249,750)
Finance expense		28,905
Balance - December 31, 2024	\$	615,562
Current lease liability included in lease	\$	234,115
Non-current lease liability included in long-term lease		381,447
Total	\$	615,562

Maturity Analysis - Undiscounted contractual payments:

Years ended December 31,		
2025	\$	254,477
2026	\$	254,477
2027	\$	139,548
Total	\$	648,502

Rock Tech Lithium Inc.
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5. Exploration and evaluation assets

	For the year ended	
	December 31, 2024	December 31, 2023
Georgia Lake:		
Balance, beginning of year	\$ 25,896,959	\$ 21,940,793
Costs incurred during the year		
General management	905,224	901,157
Engineering	-	286,161
Exploration	72,641	2,523,555
Environment and permitting	122,430	245,293
Balance, end of year	\$ 26,997,254	\$ 25,896,959

Georgia Lake, Ontario

The Company holds a 100% interest in the Georgia Lake lithium project. The Georgia Lake Project is subject to a 1.5% NSR Royalty.

6. Investment in joint venture

In October 2022, the Company and Transamine Holdings and Investments Limited ("Transamine") entered into a definitive agreement to form a joint venture entity called RTT Lithium SA ("RTT"). Pursuant to the definitive agreement, RTT shall identify, pursue, and secure the supply of and establish a new route for lithium-bearing spodumene for the Company's planned European lithium converters. During the year ended December 31, 2022, the Company contributed a 500,000 Swiss Francs ("CHF") initial investment, representing 50% ownership of RTT. The Company's investment in RTT is accounted for using the equity method.

	December 31, 2024	December 31, 2023
Balance, beginning of year	\$ 763,970	\$ 689,085
Company's share of RTT's net income	(65,913)	55,940
Company's equity - other comprehensive income	61,548	18,945
Investment in joint venture, carrying value	\$ 759,605	\$ 763,970

As at	December 31, 2024	December 31, 2023
Current assets	\$ 1,539,334	\$ 1,567,343
Current liabilities	(20,124)	(39,404)
Net assets	\$ 1,519,210	\$ 1,527,939
The Company's share of net assets - 50% (2023 - 50%)	\$ 759,605	\$ 763,970

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7. Accounts payable and accrued liabilities

	December 31, 2024	December 31, 2023
Trade payables	\$ 1,386,504	\$ 1,795,109
Accrued liabilities	1,090,900	2,875,543
	\$ 2,477,404	\$ 4,670,652

8. Share capital

Authorized share capital

Unlimited number of common shares without par value.

Issued share capital

At December 31, 2024, the Company had 104,096,537 (December 31, 2023 - 101,255,039) common shares issued and outstanding.

During the year ended December 31, 2024, the Company had the following share transactions:

- On October 7, 2024, the Company issued 2,761,498 units at \$1.20 per unit through a private placement for total gross proceeds of \$3,313,768. Share issuance costs of \$104,103 were paid in cash, resulting in net proceeds of \$3,209,695. Each unit comprised one common share and one share purchase warrant, with each warrant exercisable for one common share at \$1.59 until October 7, 2027. Using the residual method, all gross proceeds were allocated to share capital, as the closing share price on the issuance date exceeded the unit price.
- On June 28, 2024, the Company issued 60,000 common shares related to the exercise of share option agreements and received proceeds of \$67,800. The share price on the exercise date was \$1.72.
- On June 5, 2024, the Company issued 20,000 common shares related to the exercise of share option agreements and received proceeds of \$10,600. The share price on the exercise date was \$1.70.

During the year ended December 31, 2023, the Company had the following share transactions:

- On July 11, 2023, the Company issued 12,623 shares with a value of \$25,000 as part of the consideration requirements in the Boston Lake Option Agreement.
- On December 29, 2023, the Company issued 4,478,754 units at \$1.30 per unit as part of a private placement for total gross proceeds of \$5,822,380 and recorded \$140,576 as share issuance costs, for net proceeds of \$5,681,804. Each unit consisted of one common share and one half of one share purchase warrant exercisable into one common share at a price of \$1.69 until December 29, 2026. Using the residual method, all gross proceeds were allocated to share capital, as the closing share price on the issuance date exceeded the unit price.
- During the year ended December 31, 2023, the Company issued 3,427,500 common shares related to the exercise of share purchase warrants and received proceeds of \$5,649,250.

8. Share capital (continued)

Basic and diluted loss per share

The calculation of basic and diluted loss per share for the years ended December 31, 2024 and 2023 were based on the loss attributable to common shareholders and the weighted average number of common shares outstanding. Diluted loss per share did not include the effect of stock options and warrants as the effect would be anti-dilutive.

Stock options

The Company has adopted an incentive stock option plan, which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the TSX-V requirements, grant to directors, officers, employees and technical consultants to the Company, non-transferable stock options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the Company's issued and outstanding common shares. In connection with the foregoing, the number of Common Shares reserved for issuance to any one person in any 12-month period under this Plan and any Other Share Compensation Arrangement shall not exceed 5% of the outstanding Common Shares at the time of the grant, unless the Company has obtained Disinterested Shareholder Approval to exceed such limit.

On February 22, 2024, the Company granted 3,170,000 stock options to employees, officers and directors of the Company. The options have an exercise price of \$1.13 and fully vest immediately on grant date, with an expiry date of February 21, 2029. The grant date fair value of these options was \$2,563,892 based on the Black-Scholes Option Pricing Model, with the following inputs: share price of \$1.13; risk free rate 4.32%; volatility of 89%; dividend rate 0%; forfeiture rate 0%; and expected life of 5 years. Expected volatility was determined based on the historical volatility of the Company's share price returns over a period equivalent to the expected life of the options as of the grant date.

On August 21, 2024, the Company granted 170,000 stock options to an employee and consultant of the Company. The options have an exercise price of \$1.20 and fully vest immediately on grant date, with an expiry date of August 20, 2029. The grant date fair value of these options was \$147,963 based on the Black-Scholes Option Pricing Model, with the following inputs: share price of \$1.20; risk free rate 3.36%; volatility of 92%; dividend rate 0%; forfeiture rate 0%; and expected life of 5 years. Expected volatility was determined based on the historical volatility of the Company's share price returns over a period equivalent to the expected life of the options as of the grant date.

The stock-based compensation expense recognized during the year ended December 31, 2024 was \$3,192,244 (2023 - \$2,432,274).

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8. Share capital (continued)

Stock options (continued)

The changes in options during the years ended December 31, 2024 and 2023 are as follows:

	December 31, 2024		December 31, 2023	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Options outstanding, beginning	3,873,500	\$2.84	5,432,000	\$3.91
Options granted	3,340,000	\$1.13	1,742,500	\$2.02
Options exercised	(80,000)	\$0.98	-	-
Options expired	(77,500)	\$4.55	(1,705,000)	\$4.43
Options forfeited	(1,361,500)	\$2.56	(1,596,000)	\$3.86
Options outstanding, ending	5,694,500	\$1.91	3,873,500	\$2.84

Details of options outstanding and exercisable at December 31, 2024 are as follows:

Number outstanding	Number exercisable	Price	Expiry date	Remaining life	WA grant date FV
20,000	20,000	\$2.00	January 17, 2025	0.05 years	\$1.53
65,000	65,000	\$4.42	May 3, 2025	0.34 years	\$2.93
12,500	12,500	\$5.21	July 6, 2025	0.51 years	\$3.47
695,000	695,000	\$0.53	December 31, 2025	1.00 years	\$0.46
570,000	570,000	\$6.08	January 12, 2026	1.03 years	\$4.10
200,000	200,000	\$2.77	October 17, 2026	1.79 years	\$1.86
30,000	30,000	\$3.73	October 21, 2026	1.81 years	\$2.58
10,000	7,292	\$6.08	January 12, 2028	3.03 years	\$4.90
50,000	35,411	\$5.03	February 14, 2028	3.12 years	\$4.03
1,000	667	\$5.57	April 8, 2028	3.27 years	\$4.31
48,500	26,687	\$3.73	October 21, 2028	3.81 years	\$2.47
20,000	10,000	\$2.50	December 25, 2028	3.99 years	\$1.93
2,750,000	2,750,000	\$1.13	February 21, 2029	4.15 years	\$0.81
2,500	1,042	\$2.48	April 21, 2029	4.31 years	\$1.85
25,000	9,896	\$2.33	May 29, 2029	4.41 years	\$1.77
1,010,000	903,750	\$2.00	June 21, 2029	4.47 years	\$1.53
15,000	10,000	\$1.96	August 3, 2029	4.59 years	\$1.48
170,000	170,000	\$1.20	August 20, 2029	4.64 years	\$0.87
5,694,500	5,517,245	\$1.91		3.35 years	\$1.37

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8. Share capital (continued)

Warrants

The changes in warrants during the years ended December 31, 2024 and 2023 are as follows:

	December 31, 2024		December 31, 2023	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
Warrants outstanding, beginning	18,476,153	\$5.42	19,664,276	\$5.19
Warrants issued	2,761,498	\$1.59	2,239,377	\$1.69
Warrants exercised	-	-	(3,427,500)	\$1.65
Warrants expired	(9,761,905)	\$6.77	-	-
Warrants outstanding, ending	11,475,746	\$3.35	18,476,153	\$5.42

Details of warrants outstanding and exercisable as at December 31, 2024 are as follows:

Number outstanding	Price	Expiry Date	Remaining Life
5,724,871	\$4.50	August 19, 2025	0.63 years
2,239,377	\$1.69	December 29, 2026	1.99 years
750,000	\$6.08	June 30, 2027	2.50 years
2,761,498	\$1.59	October 7, 2027	2.77 years
11,475,746	\$3.35		1.53 years

9. Related party transactions

The Company's related parties include key management personnel and companies related by way of directors or shareholders in common.

Included in accounts payable and accrued liabilities are amounts due to related parties of \$69,049 (December 31, 2023- \$360,527). These amounts have arisen during the normal course of operations and are unsecured and non-interest bearing.

The Company's key management consists of its officers and directors. Key management payments for the years ended December 31, 2024 and 2023 is as follows:

	Years ended December 31,	
	2024	2023
Salaries and wages	\$ 822,753	\$ 1,024,062
Consulting fees	807,247	1,102,717
Stock-based payments	1,518,553	1,407,095
	\$ 3,148,553	\$ 3,533,874

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10. Downstream development

During the year ended December 31, 2020, the Company commenced plans to build lithium hydroxide converters. During the year ended December 31, 2024, the Company continued to progress the development of the Guben Converter, which is being designed to process spodumene concentrate from multiple sources, with initial supply sourced via third-party feedstock agreements, to process lithium hydroxide. Expenses incurred during the years ended December 31, 2024 and 2023 were as follows:

Lithium Hydroxide Converter	For the years ended December 31	
	2024	2023
Engineering	\$ 239,137	\$ 6,445,329
Project Management	1,453,702	4,869,885
Permitting	2,030,247	1,602,859
Research and Development	58,837	423,158
Other	33,718	505,859
Total	\$ 3,815,641	\$ 13,847,090

11. Financial instruments

Categories of financial instruments

	December 31, 2024	December 31, 2023
Financial Assets		
Amortized cost		
Cash	\$ 3,684,092	\$ 14,710,417
Receivables	\$ 298,916	\$ 491,144
Total Financial Assets	\$ 3,983,008	\$ 15,201,561
Financial Liabilities		
Amortized cost		
Accounts payable and accrued liabilities	\$ 2,477,404	\$ 4,670,652
Total Financial Liabilities	\$ 2,477,404	\$ 4,670,652

Fair value

The Company considers that the carrying amounts of all its financial assets and financial liabilities recognized at amortized cost in these condensed interim consolidated financial statements approximate their fair values due to the demand nature or short-term maturity of these instruments. The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value:

- Level 1 fair value measurements are those derived from quoted prices in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable either directly or indirectly.
- Level 3 fair value measurements are those derived from valuation techniques that include inputs that are not based on observable market data. As of December 31, 2024, the Company does not have any Level 3 financial instruments.

11. Financial instruments (continued)

The Company's financial instruments are exposed to the following risks:

Foreign currency risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency.

The Company is exposed to foreign currency risk on fluctuations related to cash and accounts payable and accrued liabilities that are denominated in Euros ("EUR"). As of December 31, 2024, the Company holds cash of \$1,350,211 (December 31, 2023 - \$7,483,378) in EUR bank accounts and \$6,065 (December 31, 2023 - \$8,184) in U.S. dollar bank accounts. A 1% change in foreign exchange rates would have an effect of \$20,043 (December 31, 2023 - \$108,431) on foreign currency. During the year ended December 31, 2024, the Company had a foreign exchange loss of \$104,569 (December 31, 2023, - \$120,220).

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. The cash is deposited in bank accounts held with major banks in Canada and Germany. As all of the Company's cash is held by two banks, there is a concentration of credit risk. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies. The Company's secondary exposure to credit risk is on its other receivables. This risk is minimal as receivables consist primarily of refundable government goods and services taxes.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash.

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding. The Company believes it has adequate cash on December 31, 2024, to reduce its risk.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk on its cash equivalents as these instruments have original maturities of three-month periods or less and are therefore exposed to interest rate fluctuations on renewal. A 1% change in market interest rates would not have a material impact on the Company's net loss.

12. Capital management

The Company's policy is to maintain a strong capital base to maintain investor and creditor confidence and to sustain future development of the business. As of December 31, 2024, the capital structure of the Company consists of \$1,640,085 of working capital (defined as current assets less current liabilities) and \$172,341,548 of share capital (December 31, 2023 - \$10,946,493 working capital and \$168,981,921 share capital). There were no changes in the Company's approach to capital management during the year. The Company is not subject to any externally imposed capital requirements.

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13. Income tax expense and deferred tax assets and liabilities

A reconciliation of the expected income tax recovery to the actual income tax expense (recovery) for the years ended December 31, 2024 and 2023 is as follows:

	2024	2023
Net loss	(15,290,898)	(28,694,512)
Statutory tax rate	26.5%	26.5%
Expected income tax recovery at statutory rate	(4,052,087)	(7,604,046)
Permanent Differences	846,969	647,092
Unrecognized tax benefits	3,428,847	7,568,060
Rate changes and differences	(198,152)	(686,492)
Income tax expense (recovery)	25,577	(75,386)

The Company's income tax expense (recovery) for the years ended December 31, 2024 and 2023 is comprised of the following items:

	2024	2023
Current income tax expense	25,577	139,219
Deferred income tax recovery	-	(214,605)
	25,577	(75,386)

The Company has recognized the following deferred tax liability:

	31-Dec-24	31-Dec-23
Canadian non-capital loss carry-forward	469,175	469,175
Exploration and evaluation assets	(469,175)	(469,175)
Net deferred tax asset (liability)	-	-

The Company has the following deductible temporary differences for which no deferred tax has been recognized:

	31-Dec-24	31-Dec-23
Deductible taxable differences	71,166,430	64,405,578
Tax losses	70,531,788	63,522,392
	141,698,218	127,927,970

The Company has \$ 62,918,289 in Canadian loss carryforwards and \$ 7,613,499 in German loss carryforwards available to offset future taxable income.

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14. Segmented information

The Company operates in three operating reportable segments: Corporate, Converter Project, and Georgia Lake Project.

The operating segments are structured as follows:

- Corporate- General corporate and administrative activities in Canada, Germany and Switzerland
- Converter Project- Development of the Guben Converter in Germany
- Georgia Lake Project- Exploration and evaluation activities for the Georgia Lake lithium project in Ontario

A breakdown of net loss for each operating segment for the years ended December 31, 2024 and 2023 is as follows:

For the year ended December 31, 2024	Corporate	Converter Project	Georgia Lake Project	Total
Non-cash stock-based payments	\$ 3,192,244	\$ -	\$ -	\$ 3,192,244
Amortization	422,726	-	2,331	425,057
Downstream development	-	3,815,641	-	3,815,641
Other operating expenses	7,842,997	-	165,043	8,008,040
Interest income	(241,574)	-	-	(241,574)
Share of loss in joint venture	65,913	-	-	65,913
Current income tax expense	25,577	-	-	25,577
Net loss for the year	\$ 11,307,883	\$ 3,815,641	\$ 167,374	\$ 15,290,898

For the year ended December 31, 2023	Corporate	Converter Project	Georgia Lake Project	Total
Non-cash stock-based payments	\$ 2,432,274	\$ -	\$ -	\$ 2,432,274
Amortization	476,416	-	2,331	478,747
Downstream development	-	13,847,090	-	13,847,090
Other operating expenses	12,009,554	-	321,923	12,331,477
Interest income	(389,136)	-	-	(389,136)
Write off of exploration and evaluation assets	-	-	50,000	50,000
Share of income in joint venture	(55,940)	-	-	(55,940)
Current income tax expense	139,219	-	-	139,219
Deferred tax recovery	-	-	(214,605)	(214,605)
Net loss for the year	\$ 14,612,387	\$ 13,847,090	\$ 159,649	\$ 28,619,126

For the year ended December 31, 2024	Corporate	Converter Project	Georgia Lake Project	Total
Additions to non-current, non-financial assets	\$ (322,754)	\$ (196,659)	\$ 1,097,964	\$ 578,551

The Company's non-current, non-financial assets are located in the following geographical areas:

December 31, 2024	Canada	Germany	Switzerland	Total
Property, plant and equipment	\$ 75,455	\$ 3,193,407	\$ -	\$ 3,268,862
Right of use assets	-	565,868	-	565,868
Exploration and evaluation assets	26,997,254	-	-	26,997,254
Investment in joint venture	-	-	759,605	759,605
Total	\$ 27,072,709	\$ 3,759,275	\$ 759,605	\$ 31,591,589
December 31, 2023	Canada	Germany	Switzerland	Total
Property, plant and equipment	\$ 77,786	\$ 3,584,178	\$ -	\$ 3,661,964
Right of use assets	-	690,145	-	690,145
Exploration and evaluation assets	25,896,959	-	-	25,896,959
Investment in joint venture	-	-	763,970	763,970
Total	\$ 25,974,745	\$ 4,274,323	\$ 763,970	\$ 31,013,038

15. Subsequent events

In February 2025, the Company announced that it had signed a business combination agreement with the intention of merging one of its subsidiaries with a subsidiary of Arcore AG ("Arcore") to create a fully integrated European lithium company. The Company and Arcore plan to establish a new European entity (NewCo). Upon Closing, it is intended that (i) Rock Tech will contribute the shares of its wholly owned subsidiary Rock Tech Guben GmbH to NewCo and will hold shares in NewCo representing 75% of NewCo's registered share capital, and that (ii) Arcore will contribute the shares of its wholly owned subsidiary AR CORE d.o.o to NewCo and hold shares representing 25% of NewCo's registered share capital. The core assets of NewCo will include Rock Tech's fully permitted Lithium converter in Guben, Germany, and Arcore's lithium-boron-magnesium mining project in Lopare, Bosnia-Herzegovina. This transaction is targeted to close in Q2 2025 and is subject to the fulfillment of closing conditions.

In March 2025, the Company closed a private placement in which the Company issued 4,000,000 units for gross proceeds of \$4,000,000. Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to acquire one common share for \$1.30 for a period of 36 months.

Subsequent to year-end, the Company granted 2,380,000 stock options to certain directors, officers, and employees of the Company. The stock options were granted at an exercise price of \$1.00 and are exercisable for a five year term, expiring March 24, 2030.



Rock Tech Lithium Inc.
Management's Discussion and Analysis
For the year ended December 31, 2024
Dated: April 1, 2025

ROCK TECH LITHIUM INC.

Management's Discussion and Analysis For the year ended December 31, 2024

General

This Management's Discussion and Analysis ("**MD&A**") of Rock Tech Lithium Inc. ("**Rock Tech**" or the "**Company**") is dated April 1, 2025 and provides analysis of the Company's financial and operating results for the year ended December 31, 2024. This MD&A should be read in conjunction with the annual audited consolidated financial statements of the Company as at and for the years ended December 31, 2024 and 2023 (the "**Consolidated Financial Statements**"), which have been prepared in accordance with accounting policies as prescribed under IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), using the accounting policies described in Note 2 to the Consolidated Financial Statements.

The Consolidated Financial Statements and other information regarding the Company is available on the Company's SEDAR profile at www.sedarplus.com and on the Company's website at www.rocktechlithium.com. Unless stated otherwise, a reference in this MD&A to other documents or to information or documents available on a website does not constitute the incorporation by reference into this MD&A of such other document or such other information available on such website.

This MD&A contains certain statements that constitute "forward-looking statements" or "forward-looking information" within the meaning of applicable securities legislation (see the "*Cautionary Note on Forward-Looking Statements*" section of this MD&A). Unless otherwise indicated, all dollar amounts in this MD&A are expressed in Canadian dollars. In this MD&A, references to "\$" are to Canadian dollars, references to "USD" are to United States dollars and references to "EUR" are to euros.

About Rock Tech

Rock Tech's vision is to supply the battery industry with sustainable and locally produced lithium achieving a recycling rate of 100% to ensure resilient and independent supply chains.

Rock Tech plans to build several high-tech lithium refineries ("Converters") in North America and Europe. Producing in the vicinity of its customers guarantees supply-chain transparency and just-in-time delivery. The Company's first merchant lithium converter is proposed to be built in Guben, Germany (the "Guben Converter"). Rock Tech's advanced project development status positions the Company as first-mover in the region. Rock Tech intends to build its second lithium converter in Ontario, Canada, integrating Rock Tech's 100% owned Georgia Lake Mining project. Rock Tech will use proven and tested production processes in its Converters to ensure quick time to market and mitigate project execution risk. Rock Tech aims to establish itself as an industry-leading lithium supplier in Europe and North America with envisioned production capacities up to 120,000 tonnes of lithium carbonate equivalent per year and a local market share of up to 30%.

To close the most pressing gap in the clean mobility story, Rock Tech has gathered a strong and highly experienced team and is developing a proprietary refining process to further increase efficiency and sustainability. Rock Tech plans to source raw material from its own mineral project in Canada (the "Georgia Lake Mining Project") as well as procure it from responsibly producing mines. In the years to come, the Company intends to extract its material from discarded batteries.

The Company is a development stage company and does not currently produce, sell or convert any mineral products. Consequentially, the Company does not have any current sales revenues or positive cash flow from operations. The Company is actively pursuing various sources of potential financing to fund the construction and development of

the proposed Guben Converter Project, the Georgia Lake Mining Project, the Red Rock Converter Project (the Projects), and for other general corporate purposes.

Rock Tech Lithium Inc. has a number of direct and indirect subsidiaries which own assets and conduct activities in different jurisdictions. The terms “Rock Tech” and the “Company” are used in this MD&A for simplicity of the discussion provided herein and may include references to subsidiaries of Rock Tech Lithium Inc. being the ultimate shareholder.

Company Highlights

The following highlights the Company’s developments during the year ended December 31, 2024 and subsequent events up to the date of this MD&A.

Georgia Lake Mining Project

- Continued engagement with local indigenous communities and other project stakeholders.
- On October 9, 2024, the Company announced that it had been awarded up to \$1.4 million in funding from the Government of Canada’s Critical Minerals Infrastructure Fund (“CMIF”), a federal initiative to support the development of clean energy and transportation infrastructure projects in Canada’s critical minerals sector. Pending final due diligence, the funding will be used to upgrade and extend the Fairloch Lake Road to enable the transportation of Lithium-containing spodumene from its Georgia Lake Project mine site.

Guben Converter Project

- Discussions continued with targeted lender groups in connection with the Company’s evaluation of potential project financing arrangements in respect of the Guben Converter.
- The execution of a definitive feedstock supply agreement was announced on April 30, 2024. The feedstock supply agreement was signed on April 23, 2024 with C&D Logistics, the supply chain subsidiary of C&D Group, a Chinese-based Fortune 500 Company. The agreement is expected to assure the supply of the full amount of spodumene concentrate required for the operations of the Guben Converter.
- On May 17, 2024, the Company was granted the final construction and operating permit for its Guben Converter.
- In Q2 2024, the Company received a binding letter of intent (LOI) signed by the Minister for Economic Affairs in Brandenburg for the grant of up to 90 million Euros in subsidies for the Guben Project. The Company also announced that its application for federal funding from the German Railway Authority is progressing well and is expected to lead to a contribution of another 10 million Euros in grants. In addition, the application process for up to 250 million Euros of debt support via Export Credit Agencies (“ECA’s”) is ongoing.
- In July 2024, the Company announced that it has selected leading global professional services company Worley Limited as its preferred engineering, procurement, and construction management (EPCM) partner for the construction of Europe's first lithium converter.
- In July 2024, the Company announced the findings of a peer-reviewed study published by the German Lithium Institute. The study finds that by-products from the Company’s conversion process can be used as precursor material in the cement industry. Specifically, it has been confirmed that leached spodumene concentrate (LSC) generated during the production of lithium from spodumene holds substantial industrial potential. The material, primarily composed of aluminosilicates, can be used in the cement industry as an additive for cement, replacing previously used fly ash, a now slowly depleting by-product of coal-fired power generation. This means that the by-products of Rock Tech's lithium production can ensure the regional supply security of the German cement industry with LSC and help reduce CO2 emissions. In this context the Company also informed that the product properties of Portland cement are improved and that a patent for production and use has been filed.

- In November 2024 the Company announced that the state railway supervisory authority (Landeseisenbahnaufsicht), within the Ministry of Infrastructure and State Planning, has granted approval to expand the Guben Süd industrial zone train line to the Company's site within the industrial area. Secondly it was announced that the relocation of the ONTRAS gas pipeline on the property has been finalized.
- In February 2025, the Company announced that it had signed a business combination agreement with the intention of merging one of its subsidiaries with a subsidiary of Arcore AG ("Arcore") to create a fully integrated European lithium company (the "Arcore Merger"). Should the business combination proceed, Rock Tech and Arcore will establish a new European entity (NewCo). Upon Closing, it is intended that (i) Rock Tech will contribute the shares of its wholly owned subsidiary Rock Tech Guben GmbH to NewCo and will hold shares in NewCo representing 75% of NewCo's registered share capital, and that (ii) Arcore will contribute the shares of its wholly owned subsidiary AR CORE d.o.o to NewCo and hold shares representing 25% of NewCo's registered share capital. The core assets of NewCo will include Rock Tech's fully permitted Lithium converter in Guben, Germany, and Arcore's lithium-boron-magnesium mining project in Lopare, Bosnia-Herzegovina. This transaction is targeted to close in Q2 2025 and is subject to the fulfillment of closing conditions

Red Rock Converter Project

- In March 2024, the Company announced the signing of a Cooperation Agreement with the BMI Group ("BMI") which bindingly confirms the parties' plans to enter into a long-term lease contract for the location of the Red Rock Converter Project at the former Norampac Paper Mill site in Red Rock. As part of the Cooperation Agreement, BMI commits to invest \$5.5 million into the project.
- In September 2024, the Company announced the completion of an engineering study that confirms the economic viability and operational feasibility for the construction and operation of a Lithium conversion facility in Ontario, Canada.

Corporate

- As at December 31, 2024, the Company had working capital of approximately \$1.6 million (December 31, 2023: \$10.9 million), including approximately \$3.7 million in cash on hand (December 31, 2023: \$14.7 million).
- On October 7, 2024, the Company announced the closing of a non-brokered private placement. Pursuant to the private placement, the Company issued an aggregate of 2,761,498 units at a price of \$1.20 per unit for gross proceeds of approximately \$3.3 million. Each unit consists of one Common Share and one Common Share purchase warrant. Each Warrant entitles the holder thereof to purchase one Common Share at an exercise price of \$1.59 per Warrant Share for a period of 36 months following the date of issuance of such Warrant.
- Subsequent to year-end on March 25, 2025, the Company announced the closing of a non-brokered private placement. Pursuant to the private placement, the Company issued an aggregate of 4,000,000 units at a price of \$1.00 per unit for proceeds of \$4 million. Each unit consists of one Common Share and one Common Share purchase warrant. Each Warrant entitles the holder thereof to purchase one Common Share at an exercise price of \$1.30 per Warrant Share for a period of 36 months following the date of issuance of such Warrant.

Overall Performance

Georgia Lake Mining Project

At its Georgia Lake Mining Project, the Company is actively conducting exploration, development, and basic engineering activities. As part of its vertical integration strategy for the Georgia Lake Mining Project, the Company's objective is to bring the Georgia Lake Project into production to supply its future Lithium Converter in Northern Ontario with spodumene concentrate, an intermediate product, for conversion into the chemical lithium hydroxide for inclusion in the cathode of a lithium-ion battery. The Company is continuing with efforts to select a strategic partner to jointly advance the Georgia Lake Mining Project.

The Company continued its discussions and evaluation of Imagine Lithium's Jackpot Project. Imagine Lithium advanced its diamond drilling program in 2024, which supported the updated NI 43-101 Mineral Resource Estimate for Jackpot, reported in September 2024.

Exploration and Evaluation Expenditures

The following table sets out Rock Tech's exploration expenditures and total exploration and evaluations assets related to the Georgia Lake Mining Project as at and for year ended December 31, 2024 and the year ended December 31, 2023, respectively:

	For the year ended	
	December 31, 2024	December 31, 2023
Georgia Lake:		
Balance, beginning of year	\$ 25,896,959	\$ 21,940,793
Costs incurred during the year		
General management	905,224	901,157
Engineering	-	286,161
Exploration	72,641	2,523,555
Environment and permitting	122,430	245,293
Balance, end of year	\$ 26,997,254	\$ 25,896,959

Significant Milestones

The Company anticipates that the Georgia Lake Mining Project will need to achieve the following significant milestones prior to commencing construction:

Milestone	Costs incurred		Anticipated timing of completion ⁽¹⁾
	(as of February 28, 2025)	Expected costs remaining ⁽¹⁾	
Further Exploration Drilling Program	\$2,730,000	\$8,000,000 - \$10,000,000	Q3-Q4 2026
Completion of Feasibility Study	N/A	\$3,500,000 - \$5,000,000	Mid-2026
Finalize Permitting	\$2,315,000	\$2,000,000 - \$4,000,000	Mid-2026
Access Road Construction	Nil	\$3,500,000	Mid-2026

Note:

- 1) Such amounts represent estimates that are based on various assumptions and expectations. Although Rock Tech considers these assumptions and expectations to be reasonable based on information available as at the date hereof, the Company cannot give any assurance that such assumptions and expectations will prove to be correct. As a result, the actual costs Rock Tech will incur in respect of the milestones noted herein may differ materially from such estimates. See "Cautionary Note on Forward-Looking Statements".

Guben Converter Project

Concurrent with the development of the Georgia Lake Mining Project, the Company continues to progress the development of the Guben Converter through its German subsidiary Rock Tech Guben GmbH. The Guben Converter is designed to process spodumene concentrate from multiple sources, with initial supply sourced via third-party feedstock agreements, to produce lithium hydroxide.

The Company anticipates that the Guben Converter will be constructed with an annual nameplate production capacity of 24,000 tonnes of lithium hydroxide and that a robust industry-standard flowsheet for a typical sulphate processing route will be adopted. In late 2021, the Company completed a pilot test program that resulted in the successful production of high purity lithium hydroxide, supporting the proposed process plant design of the Guben Converter.

Since then, the Company was actively conducting additional laboratory and pilot-scale metallurgical testing to confirm the process design criteria over a variety of potential feed sources. Also, the Company conducted permitting works, basic engineering, and front-end engineering design work for the Guben Converter.

Development Progress

Permitting: During 2022 the Company submitted two applications to the Brandenburg State Office for the Environment (the “Brandenburg Office for the Environment”) for both the first partial permit (the “First Guben Permit”), and the second partial (and final) permit (the “Second Guben Permit”). The First Guben Permit was obtained on March 3, 2023. The Second Guben Permit was granted from the Brandenburg Office for the Environment on May 17, 2024. This permit also includes the official operating licence for the Guben Converter.

The Company completed its FEL3 study in May 2023. As of the date of this MD&A, the Company has determined that the results of the FEL3 study should no longer be relied upon, as the study is now considered outdated. Since its completion, there has been significant changes in key economic and market assumptions, and substantive optimization work undertaken that is ongoing that may have a material impact on the study. The Company is completing an update to the study with an external expert and is expected to release the results in H2 2025.

Pricing Strategy

Rock Tech generally aims to link product prices to suitable and representative material price indices. The Company aims to grant flexible discounts that reflect the economic reality of fluctuating product pricing. As such, when product prices are high (relative to material price indices), the Company may grant higher discounts. Conversely, when product prices are low (relative to material price indices), the Company may not be able to provide such discounts and therefore maintain their long-term economic viability.

Additionally, certain offtake volumes may be subject to a floor and ceiling price. This mechanism is intended to mitigate extraordinary and unlikely upside and downside risks, for both the Company and its business partners, resulting from fluctuating product pricing. For such volumes subject to a floor and ceiling price, the previously mentioned linkage to a material price index would only apply while the contract price (i. e. the material index price including any possible discounts) is higher than the agreed floor price and lower than the agreed ceiling price.

In terms of lithium raw materials or feedstock for its conversion facility, the Company intends to source spodumene at variable indexed prices (of spodumene concentrate and/or lithium hydroxide) including a discount ensuring profitable business operations at all times.

Project Financing

The Company continues to advance the overall financing strategy for the Guben Converter Project, including increased subsidy opportunities, equity and debt financing. Targeted financing groups with respect to equity and debt are: project finance banks with support of export credit agencies and/or federal guarantees, private debt funds, institutional investors, and strategic investors within the battery and automotive industry.

In Q2 2024, the Company received a binding letter of intent (LOI) signed by the Minister for Economic Affairs in Brandenburg for the grant of up to 90 million Euros in subsidies for the Guben Project. The LOI expired on December 31, 2024.

The Company also announced that its application for federal funding from the German Railway Authority has been confirmed and will provide a contribution of another 10 million Euros in grants. This funding is provided under the "Anschlussbahnförderung" and will support the company's ambition to shift transports from road to rail, a crucial component of the project's logistics concept.

In addition, the application process for up to 400 million Euros of federal guarantees to support Rock Tech's debt financing is ongoing.

Furthermore, the Company mandated Deutsche Bank AG during Q2 2023 to serve as placement agent for the Converter related equity financing.

Finally, through its mandated debt advisor Blackbird Partners, the Company has retained a leading mineral financing advisory firm to support its debt financing efforts.

Supply and Off-Take Arrangements

During the year ended December 31, 2023, the Company intensified its efforts to enter into definitive agreements especially regarding the supply of spodumene concentrate for its Guben Converter. For this purpose, the Company had advanced discussions about offtake and strategic cooperations with several potential partners from Australia, Canada, and Asia. Furthermore, its joint venture RTT Lithium SA ("RTT") with Transamine Holdings and Investments Ltd. ("Transamine") was commenced during Q1 2023. During the year ended December 31, 2024, the Company has been approached by several interested parties; trading houses, mine operators, and similar internationally active corporations. RTT is in continued exchange with these interested parties. On April 23, 2024, a definitive feedstock supply agreement was signed between RTT and C&D Logistics (Qindao) Co., Ltd ("C&D"). C&D will supply up to the total amount of spodumene concentrate required for the operations of Rock Tech's Guben Converter. Deliveries under the agreement will commence in 2026 and have an initial term of five years. The agreement includes a pricing concept based on lithium hydroxide monohydrate market price index. Exact quantities and prices will be confirmed by both parties annually.

In October 2022, the Company announced that it had entered into a volume commitment agreement with Mercedes-Benz (the "Volume Commitment Agreement") dated October 18, 2022, an amendment to the framework agreement dated June 20, 2022, which was previously disclosed as the supply agreement in the press release dated October 20, 2022. The Volume Commitment Agreement provides for the supply of an average of 10,000 tonnes of battery-grade lithium hydroxide per year to Mercedes-Benz for a term of five years commencing in 2026 after a product qualification period. The Volume Commitment Agreement will represent the sale of 40% of the nameplate capacity of the Guben Converter to an estimated sales volume of up to EUR 1.5 billion.

Downstream Development Expenses

The following table sets out Rock Tech's downstream development expenses related to the Guben Converter for the year ended December 31, 2024 and 2023, respectively:

Lithium Hydroxide Converter	For the year ended December 31			
	2024		2023	
Engineering	\$	239,137	\$	6,445,329
Project Management		1,453,702		4,869,885
Permitting		2,030,247		1,602,859
Research and Development		58,837		423,158
Other		33,718		505,859
Total	\$	3,815,641	\$	13,847,090

The decrease in downstream development expenses in 2024 compared to the prior year is primarily due to the completion of the one-time engineering study in 2023.

Anticipated Timeline and Significant Milestones

Depending on the finalization of further spodumene supply agreements and finalization of overall project financing, the Company anticipates starting physical construction works at its Guben site and the placement of major key equipment orders during 2025.

The Company anticipates that bringing the Guben Converter in service will require, among other things, achieving the following significant milestones:

Milestone	Costs incurred (as of February 28, 2025)	Expected costs remaining ⁽¹⁾	Expected completion date
Soil Replacement and Ground Work	EUR 720,000	EUR 8.0m-EUR 10.0m	2025
Construction of Guben Converter	EUR 34.5m	EUR 720m	2027

Notes:

- (1) Such amounts represent estimates that are based on various assumptions and expectations. Although Rock Tech considers these assumptions and expectations to be reasonable based on information available as at the date hereof, the Company cannot give any assurance that such assumptions and expectations will prove to be correct. As a result, the actual costs Rock Tech will incur in respect of the milestones noted herein may differ materially from such estimates. See "Cautionary Note on Forward-Looking Statements".

ESG and Sustainability

The Company is committed to developing its Projects in a responsible and sustainable manner. The Company has set various environmental, social and governance ("ESG") and sustainability targets and is developing roadmaps to reach them in collaboration with a number of sustainability partners, including Fraunhofer Institute for Environmental, Safety and Energy Technology UMSICHT and CSCS Ireland Limited (Circulor).

In May 2023, the Fraunhofer Institute UMSICHT completed an independently verified Lifecycle Assessment (LCA) for Rock Tech including its carbon footprint for its product from mine-to-gate. The LCA assessed the carbon footprint of the Company's LHM produced in its proposed Guben converter from spodumene concentrate imported from Australia. In the "Basis Scenario", combined scope 1, scope 2, and scope 3 (upstream) emissions of 10.5 kg CO₂ per kg LHM produced were determined. Considering optimization scenarios, the LCA indicates a carbon footprint as low as 5.4 kg CO₂ per kg LHM. Compared with LHM produced from other raw materials and in other regions, the Company's product could thus cause up to 65% fewer CO₂ emissions than LHM produced from spodumene concentrate in China or comparably low emissions as LHM produced from South American brines.

In addition, the Company has appointed a Compliance, Corporate Governance and Sustainability committee of the board of directors of the Company, which has overall responsibility for overseeing the implementation and effective operation of the Company's ESG policy.

Rock Tech's ESG targets include:

- By 2030, Rock Tech aims to reduce scope 1 and 2 emissions at the Guben converter by at least 50% compared to the 2023 LCA base case of 4.34 t CO₂/t LHM. As an aspirational target, Rock Tech aims to reduce scope 1 and 2 emissions in Guben to zero by 2030.
- By 2030, Rock Tech aims for a 15% reduction of scope 3 emissions at the Guben converter compared to the 2023 LCA base case of 6.2 t CO₂/t LHM. As an aspirational target, Rock Tech aims to reduce scope 3 emissions from Guben by 40 % by 2030.
- Rock Tech estimates scope 1 and 2 emissions at its Georgia Lake to be 0.5 t CO₂/t SC6. Rock Tech aims to improve its respective carbon footprint from this baseline. The aspirational target is a reduction of 60%.
- By 2030, Rock Tech aims for at least 90% utilization of its non-lithium products produced in Guben.
- By 2030, Rock Tech aims to produce up to 50% of its battery grade lithium products from recycled feedstock.
- Rock Tech strives to minimize its impact on water resources in the regions we conduct our mining operations. Within 2 years of commercial production, Rock Tech aims to meet Level A or higher of Towards Sustainable Mining (TSM)'s Water Stewardship Protocol.
- Rock Tech is an equal opportunity employer, and all job applicants are considered for employment. By 2030, Rock Tech aims to increase its female workforce to 40%, leadership positions to 40%, and board members to 50%.
- Rock Tech is committed to fostering a generative health and safety culture with the goal of achieving zero harm.
- By the end of 2025, Rock Tech aims for corporate sustainability disclosure in alignment with TCFD recommendations, and to adopt all mandatory sustainability disclosure Frameworks.
- Rock Tech proactively supports the battery passport transparency requirements for lithium mining & refining in alignment with the new EU Battery Directive and aims for full compliance within 1 year of commercial production in Guben.

An essential part of the Company's sustainability strategy will be based on the ongoing identification of issues and potential impacts to guide our strategic planning. To further support its ESG and sustainability targets, the Company conducted a materiality assessment in summer 2023 and identified relevant topics and mid- to long-term initiatives material to the Company's value creation proposition and its stakeholders.

During Q4 2023, the environmental management systems of the German subsidiary Rock Tech Guben GmbH was audited and certified according to EMAS (Eco-Management and Audit Scheme), a European standard for such systems which is more demanding than the DIN ISO 14001 standard.

Next Steps

In accordance with its supply agreement with Mercedes Benz, the Company and its Georgia Lake Mining Project intends working towards certification by sustainable mining standards, namely "Towards Sustainable Mining" ("TSM") and "Initiative for Responsible Mining Assurances" ("IRMA") to ensure sustainable spodumene supply.

The Company aims to align its disclosures with recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD") and assess impact of forthcoming sustainability reporting regulation.

Arcore Business Combination

On February 20, 2025, the Company announced the signing of a binding Business Combination Agreement (BCA) to merge subsidiaries with Arcore AG ("Arcore"), an arm's length Swiss-based mining company. The goal is to establish

a fully integrated Lithium supply chain in Europe, reducing dependence on other regions for critical battery raw materials.

The Company and Arcore plan to establish a new European entity (NewCo). Upon Closing, it is intended that (i) Rock Tech will contribute the shares of its wholly owned subsidiary Rock Tech Guben GmbH to NewCo and will hold shares in NewCo representing 75% of NewCo's registered share capital, and that (ii) ARCORE will contribute the shares of its wholly owned subsidiary AR CORE d.o.o to NewCo and hold shares representing 25% of NewCo's registered share capital. The core assets of NewCo will include Rock Tech's fully permitted Lithium converter in Guben, Germany, and Arcore's lithium-boron-magnesium mining project in Lopare, Bosnia-Herzegovina.

The completion of this transaction remains subject to the fulfillment of closing conditions, including but not limited to regulatory approvals, and compliance with applicable legal and tax requirements. The transaction is also contingent on capital being raised in the amount of at least EUR 50 million in the form of equity, equity-linked or equity-like securities. The transaction is targeted to close in Q2 2025.

Results of Operations

Three-month periods ended December 31, 2024 and December 31, 2023

The Company's comprehensive loss for the three-month period ended December 31, 2024 was \$2,092,828 (2023: \$4,426,516). The following table summarizes the most significant expenses incurred by the Company during the fourth quarter of 2024 and 2023, respectively.

Income Statement Category	Significant Components	Three-month periods ending December 31,		
		2024	2023	Change
Downstream Lithium Converter Development Expenses	Engineering, permitting, project management, and research & development	\$199,816	\$1,104,583	(\$904,767)
Consulting Fees	Director fees, management fees, and the engagement of strategy and technical consultants	\$501,176	\$952,834	(\$451,658)
Professional Fees	Tax and assurance fees, financing costs, general legal expenses, as well as legal fees related to the development of the Guben Community engagement expenses with local Indigenous communities in Canada and other community relations for Georgia	\$487,962	\$96,380	\$391,582
Community Relations		\$18,429	\$95,772	(\$77,343)
Marketing and communication	Corporate development, marketing and investor relations	\$58,477	\$113,322	(\$54,845)
General Administration Expenses	Office rent and general office expenses; Commercial liability and directors' and officers' insurance policies; regulatory	\$350,026	\$624,267	(\$274,241)
Salaries and Wages	Officers and employees in Canada and Germany	\$399,542	\$1,152,915	(\$753,373)
Stock-Based Payments	Value of stock options granted to directors, officers, employees and consultants	-\$30,932	\$492,489	(\$523,421)
Amortization	Expense charge for the amortization of property, plant & equipment and right-of-use (ROU) assets	\$105,843	\$113,961	(\$8,118)

The lower net loss for the three-month period ended December 31, 2024, was comprised of the following major factors:

- \$0.9 million decrease in Guben Converter development expenses primarily due to lower engineering and project management costs in the current quarter, as substantial work was completed in the prior year, along with financial constraints impacting spending this year (see “Overall Performance – Guben Converter” section above);
- \$0.8 million decrease in salaries and wages as a result of a reduction of job roles;
- \$0.5 million decrease in stock-based payments driven by fewer stock options vesting and an increase in forfeitures of unvested options during the current year period;
- \$0.5 million decrease in consulting fees due to reduced reliance on external consultants for corporate activities compared to the prior year period; and
- \$0.3 million decrease in general administration expenses due to reduced travelling costs, IT costs and insurance expenses.

The decrease in net loss was partially offset by the following factor:

- \$0.4 million increase in in professional fees as a result of an increase in legal fees related to corporate financing activities.

Years ended December 31, 2024 and December 31, 2023

The Company’s comprehensive loss for the year ended December 31, 2024 was \$15,055,067 (2023: \$28,678,129). The following table summarizes the most significant expenses incurred by the Company during the years ended December 31, 2024 and 2023, respectively.

Income Statement Category	Significant Components	Year ending December 31,		
		2024	2023	Change
Downstream Lithium Converter Development Expenses	Engineering, metallurgical testing, permitting, project management, and research & development	\$3,815,641	\$13,847,090	(\$10,031,449)
Consulting Fees	Fees charged by executives of the Company, director fees and the engagement of strategy and technical consultants	\$1,770,653	\$3,046,735	(\$1,276,082)
Professional Fees	Tax and assurance fees, financing costs, general legal expenses, as well as legal fees related to the development of the Guben Converter	\$1,267,536	\$1,174,241	\$93,295
Community Relations	Community engagement expenses with local Indigenous communities in Canada and other community relations for Georgia Lake Project	\$54,723	\$153,368	(\$98,645)
Marketing and communication	Corporate development, marketing and investor relations	\$275,089	\$449,622	(\$174,533)
General Administration Expenses	Office rent and general office expenses; Commercial liability and directors’ and officers’ insurance policies; regulatory filings	\$1,521,882	\$2,123,997	(\$602,115)
Salaries and Wages	Officers and employees in Canada and Germany	\$2,984,683	\$5,223,565	(\$2,238,882)
Stock-Based Payments	Value of stock options granted to directors, officers, employees and consultants	\$3,192,244	\$2,432,274	\$759,970
Amortization	Expense charge for the amortization of property, plant & equipment and right-of-use (ROU) assets	\$425,057	\$478,747	(\$53,690)

The lower net loss for the year ended December 31, 2024, was comprised of the following major factors:

- \$10.0 million decrease in Guben Converter development expenses primarily due to higher engineering costs for the engineering study in the prior year (also see “Overall Performance – Guben Converter” section above);
- \$2.2 million decrease in salaries and wages as a result of a reduction of job roles;
- \$1.3 million decrease in consulting fees due to reduced reliance on external consultants for corporate activities compared to the prior year period; and
- \$0.6 million decrease in general administration expenses due to decreased travel, IT, and other overhead costs compared to the prior year period;

The decrease in net loss was partially offset by the following factor:

- \$0.8 million increase in stock-based payments due to higher number of options granted in current year period, all of which vested immediately upon grant.

The Company expects to continue to incur losses until either the Georgia Lake Mining Project or the Guben Converter come into production, which may or may not occur. The Company further expects that its losses will be greater in future financial periods, as expenses are anticipated to continue to rise in conjunction with the expected continued acceleration of development activities in respect of the Company’s projects and development opportunities (including the Georgia Lake Mining Project and the Guben Converter) and staffing levels needed to support such development activities. See “Risk Factors” section below.

Summary of Quarterly Results

	2024				2023			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net Sales	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil
Net Loss before taxes	(2,154,522)	(3,038,393)	(4,668,730)	(5,403,676)	(4,630,265)	(5,449,877)	(6,367,657)	(12,246,713)
Basic and Diluted Loss per share	(0.02)	(0.03)	(0.05)	(0.05)	(0.05)	(0.06)	(0.07)	(0.13)
Net Loss	(2,107,832)	(3,060,831)	(4,693,088)	(5,429,147)	(4,636,375)	(5,398,537)	(6,402,629)	(12,181,585)
Comprehensive Loss	(2,092,828)	(2,903,019)	(4,642,373)	(5,416,847)	(4,426,518)	(5,373,059)	(6,803,045)	(12,075,507)

In addition to the factors discussed above under the heading “Results of Operations”, fluctuations in the Company’s financial performance during the most recently completed eight quarters were impacted by financing and investing activities and share-based payments related to the granting of stock options to directors, officer, employees and consultants. Periods in which financings are completed tend to be accompanied by higher-than-average filing fees and legal expenses while periods in which investing activities are undertaken (i.e., exploration programs) tend to be accompanied by higher than average general and administrative costs and other overhead costs necessary to support such investing activities. Fluctuations in the Company’s quarter-over-quarter financial performance during the indicated periods were also impacted by fluctuations in the business cycle.

Liquidity and Capital Resources

The Company had working capital (being current assets less current liabilities) of approximately \$1.6 million as at December 31, 2024 (December 31, 2023: \$10.9 million), including approximately \$3.7 million of cash (December 31, 2023: \$14.7 million). The Company is a development stage company with no current revenue or cash flows from operations. During the year ended December 31, 2024, the Company had negative cash flows from operating activities and no revenue is anticipated until either the Georgia Lake Mining Project or the Guben Converter come into production.

Additional short-term funding will be required to fund operations, and furthermore, significant additional funding will be required to bring the Georgia Lake Mining Project and/or the Guben Converter into commercial production.

Accordingly, the Company's ability to fund ongoing exploration and development activities are dependent upon its ability to continue to successfully access financing in the capital markets. Management expects that the Company will continue to fund the development of the Georgia Lake Mining Project and the Guben Converter through equity financing and available cash, and/or through debt financing.

The Company is able to manage and control the timing and amount of expenditures in respect of the Georgia Lake Mining Project and the Guben Converter as sole owner of both projects, subject to risks inherent in the development and construction of mining development projects and downstream processing facilities (as discussed in the "*Risk Factors – Operational Risks*" section of this MD&A). Additionally, preliminary discussions with certain targeted lender groups continue in connection with the Company's evaluation of potential project financing arrangements in respect of the Guben Converter, as discussed above. Nevertheless, there can be no assurance that such sources of financing will be available or sufficient to meet the funding requirements in respect of the Georgia Lake Mining Project or the Guben Converter (see "*Risk Factors – Project Financing Risks*").

Rock Tech's capital structure is comprised of working capital and share capital. Management continues to monitor the Company's liquidity and financial requirements and may adjust Rock Tech's capital structure as needed to reflect corporate objectives and/or in response to real or expected changes in economic and industry conditions. To maintain or adjust the Company's capital structure, it may issue additional equity securities, obtain debt financing through project finance facilities or private senior debt and/or adjust capital spending.

Cash Used in Operating Activities

Cash used in operating activities during the year ended December 31, 2024 was \$12.4 million, compared to \$25.9 million during the year ended December 31, 2023. See "*Results of Operations for the year ended December 31, 2024 and 2023*" for additional information regarding the significant components of operating activities.

Cash Used in Investing Activities

Cash used in investing activities during the year ended December 31, 2024 was \$1.8 million, compared to \$5.1 million during the year ended December 31, 2023. The period-over-period decrease was primarily impacted by decreased spending at the Georgia Lake Mining Project as well as a decrease in purchases of property, plant and equipment.

Cash Provided by Financing Activities

For the year ended December 31, 2024, cash received from financing activities of \$3.0 million consisted primarily of subscriptions received from a private placement that occurred in October 2024. For the year ended December 31, 2023, cash provided by financing activities of \$10.9 million consisted primarily of proceeds from the exercise of warrants and net \$5.7 million proceeds from a private placement that occurred in December 2023.

Off-Balance Sheet Arrangements

As at December 31, 2024, the Company did not have any off-balance sheet transactions.

Related Party Transactions

The Company's related parties include key management personnel and companies related by way of directors or shareholders in common.

All transactions with related parties have occurred in the normal course of business, on an arm's length basis. Unless indicated otherwise, all amounts paid to related parties are unsecured, non-interest bearing and have no fixed terms of repayment.

Included in accounts payable and accrued liabilities for the year ended December 31, 2024 are amounts due to related parties of \$69,049 (December 31, 2023 – \$360,527). These amounts have arisen during the normal course of operations and are unsecured and non-interest bearing.

The Company's key management consists of its officers and directors. Key management compensation for the years ended December 31, 2024 and 2023 is as follows:

	Years ended December 31,	
	2024	2023
Salaries and wages	\$ 822,753	\$ 1,024,062
Consulting fees	807,247	1,102,717
Stock-based payments	1,518,553	1,407,095
	\$ 3,148,553	\$ 3,533,874

Related party fees and expenses were incurred in the normal course of operations in connection with the companies owned by key management and directors. Expenses have been measured at the exchange amount.

Significant estimates and assumptions

Material accounting estimates usually disclosed by resource issuers such as assumptions regarding depletion, resource and production values and capital write downs are not applicable to the Company as it is at the exploration and development stage. The Company utilises certain estimates as more fully described in Note 2 to the Consolidated Financial Statements. There were no changes to the Company's existing estimates during the year ended December 31, 2024.

Changes in Accounting Policies including Initial Adoption

The accounting policies followed by the Company are set out in Note 2 to the Consolidated Financial Statements of the Company. There were no changes to the Company's accounting policies during the year ended December 31, 2024.

Financial Instruments and Risk Management

The Company's financial instruments consist of cash and cash equivalents, receivables, accounts payables and accrued liabilities, and amounts due to related parties. The fair value of the Company's arms-length financial assets and liabilities are estimated by management to approximate their carrying values due to the immediate or short-term maturity of these financial instruments.

The fair value of amounts due to related parties is assumed to equal its stated value. Comparable arms-length risk profiles, terms and interest rates are not available for management to determine if any fair value adjustments are required.

The Company's functional currency is the Canadian dollar. Currently, the Company does not use any hedging or derivative instruments to reduce its exposure to foreign currency risk.

Risk Factors

Financial Risks

Foreign currency risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company has operations in Canada and Germany which creates exposure to foreign currency fluctuations, and therefore the fluctuation of foreign exchange rates will have a potential impact upon the profitability of the Company, however, the Company holds funds in both Canadian Dollars and Euros to minimize the impact of foreign exchange fluctuations.

The Company is exposed to foreign currency risk on fluctuations related to cash and accounts payable and accrued liabilities that are denominated in Euros ("EUR"). As of December 31, 2024, the Company holds cash of \$1,350,211 (December 31, 2023 - \$7,483,378) in EUR bank accounts and \$6,065 (December 31, 2023 - \$8,184) in U.S. dollar bank accounts. A 1% change in foreign exchange rates would have an effect of \$20,043 (December 31, 2023 - \$108,431) on foreign currency. During the year ended December 31, 2024, the Company had a foreign exchange loss of \$104,569 (December 31, 2023, - \$120,220).

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. The cash is deposited in bank accounts held with major banks in Canada and Germany. As all of the Company's cash is held by two banks, there is a concentration of credit risk. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies. The Company's secondary exposure to credit risk is on its other receivables. This risk is minimal as receivables consist primarily of refundable government goods and services and value added taxes.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a revolving planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash.

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding. The Company believes it has adequate cash at December 31, 2024 to reduce its risk, however in order to pursue its Georgia Lake and Guben Converter projects at the targeted speed, further fundraising will be necessary in the course of 2024.

Capital management

The Company's policy is to maintain a strong capital base to maintain investor and creditor confidence and to sustain future development of the business. As of December 31, 2024, the capital structure of the Company consists of \$1,640,085 of working capital (defined as current assets less current liabilities) and \$172,341,548 of share capital (December 31, 2023 - \$10,946,493 working capital and \$168,981,921 share capital). There were no changes in the Company's approach to capital management during the year. The Company is not subject to any externally imposed capital requirements.

Project Financing Risks

The Company anticipates that significant capital expenditures will be required in connection with the development of the Georgia Lake Mining Project (see "Overall Performance – Georgia Lake Mining Project") and the Guben

Converter (see “Overall Performance – Guben Converter”), with additional financing required to advance the projects into construction as planned. As the Company is a development stage company with no current revenue or cash flows from operations, the Company expects to fund such development and construction costs through equity and/or debt financing. As of the date of this MD&A, financial markets remain volatile as a result of high inflation and high interest rates as well as the uncertainty around their further development. There can be no assurance that equity or debt financing will be available or sufficient to meet the funding requirements in respect of the Georgia Lake Mining Project or the Guben Converter or, if equity or debt financing is available, that it will be available on terms acceptable to the Company. Any such financing may result in substantial dilution to existing shareholders of the Company and could adversely impact the market price of the common shares and the Company’s ability to access capital markets in the future.

Alternatively, or in addition to equity or debt, such financing may take the form of a partnership, joint venture or a royalty (in the case of the Georgia Lake Mining Project), any of which would mean that existing shareholders of the Company would own a smaller percentage of the applicable project.

An inability for the Company to access sufficient capital for its projects or operations could have a material adverse impact on its financial condition, results of operations and/or future prospects. In particular, failing to obtain requisite financing, in a timely manner and on acceptable terms, could cause the Company to miss certain acquisition or investment opportunities or to postpone, abandon, reduce or terminate its operations.

Share Price Fluctuations

Global securities markets often experience elevated price and volume volatility leading to wide fluctuations in the market value of companies regardless of operating performance, underlying asset values or growth prospects. There can be no assurance that fluctuations in the price and volume of the Company’s securities will not occur in the future.

In particular, the market price of the common shares and the Company’s financial results may be significantly adversely affected by the Company’s actual or anticipated results of operations, as well as global economic and political trends and developments, including adverse changes to or volatility in: global product prices; interest rates; inflation; global supply of mineral products, global and regional consumption patterns, speculative trading activities; foreign exchange rates; etc. The price of mineral products has fluctuated significantly in recent years and significant future price declines could cause potential commercial production to be uneconomic. A severe decline in the price of minerals would have a material adverse effect on the Company. In addition, the financial markets are currently experiencing significant volatility in prices and value as a result of the high inflationary environment and global macroeconomic tensions including the war in the Ukraine, which has particularly affected the market prices of equity securities of many resource issuers and that sometimes has been unrelated to the operating performance of these companies. Broad market fluctuations, as well as economic conditions generally and in the mining industry specifically, may adversely affect the market price of the common shares.

Inflation Risk

The general rate of inflation impacts the general economic and business environment, which in turn impacts the Company as described elsewhere in this section. Inflationary pressures as well as any economic conditions resulting from governmental attempts to reduce inflation, such as the imposition of higher interest rates or wage and price controls, may negatively impact levels of demand for lithium products and input costs, and could, accordingly, have a material adverse effect on Rock Tech’s business, financial condition and results of operations. Higher interest rates as a result of inflation could negatively impact future borrowing costs or make debt financing less attractive to the Company, which could, in turn, have a material adverse effect on Rock Tech’s cash flow and ability to service obligations under future debt securities and other debt obligations (if any).

No Operating Revenues and History of Losses

The Company has had no operating revenues and a history of losses, and no operating revenues are anticipated until either the Georgia Lake Mining Project or the Guben Converter come into production, which may or may not occur. The Company will continue to experience losses unless and until it can successfully develop and begin profitable

commercial production and there can be no assurance that the Company will be able to do so. Also see “*Risk Factors – Operational Risks – No Production Experience*”.

Royalties on the Georgia Lake Mining Project Risks

The Georgia Lake Mining Project is subject to a 1.5% NSR Royalty. Certain leases in the southern spodumene pegmatite area of the Georgia Lake Mining Project, namely the Newkirk-Vegan, Parole Lake, McVittie, MNW and Foster-Lew leases, may be subject to a claimed 0.5% gross royalty. Increases in royalty rates would reduce profit margins and, if such increases were significant, would adversely affect future operating results at the Georgia Lake Mining Project.

No Dividends

The Company has not declared or paid any dividends on its common shares and has not generated revenues or cash flow from operations since its incorporation. Furthermore, the Company does not expect to declare or pay any dividends for the foreseeable future, as the Company currently intends to retain any future earnings to fund the ongoing development and growth of its business and projects.

Foreign Subsidiary Risks

The Company conducts certain business through its German-based subsidiaries Rock Tech Consulting GmbH and Rock Tech Guben GmbH. Any limitation on the transfer of cash or other assets between the Company and Rock Tech Consulting GmbH, Rock Tech Guben GmbH or the perception that such limitation may exist now or in the future, could have an adverse impact on the Company’s valuation.

Operational Risks

Ability to Complete the Arcore Merger

Completion of the Arcore Merger is subject to a number of conditions precedent, including the receipt of required regulatory approvals, compliance with applicable legal and tax requirements, and the successful completion of a financing of at least EUR 50 million in the form of equity, equity-linked or equity-like securities. Certain of these conditions are beyond the control of Rock Tech or Arcore. There can be no assurance that all required conditions will be satisfied or waived, or, if satisfied or waived, when such satisfaction or waiver will occur. If some conditions are not satisfied in a timely manner, the closing of the Arcore Merger could be delayed, amended, or may not proceed at all. In addition, the Business Combination Agreement between Rock Tech and Arcore may be terminated in certain circumstances, including as a result of a failure to meet specified conditions, which could adversely affect the Company's strategic objectives and the anticipated benefits of the Arcore Merger.

Ability to Achieve the Desired Synergies and Benefits of the Arcore Merger

The Arcore Merger is being undertaken with the expectation that it will create a fully integrated European lithium supply chain, leading to enhanced growth opportunities, improved operational efficiencies, and long-term value creation for the resulting joint venture. However, the realization of these anticipated synergies and strategic benefits will depend on the successful integration of the contributed assets, the ability of the newly formed entity (NewCo) to execute its business plan, and the alignment of operational and commercial strategies between Rock Tech and Arcore. There can be no assurance that NewCo will be able to achieve the intended level of integration, or that it will do so within the anticipated time frame or cost structure. Any failure to effectively integrate operations, harmonize business practices, or implement strategic initiatives could adversely affect the ability of NewCo to realize the expected benefits of the Arcore Merger.

Potential Undisclosed Liabilities Associated with the Arcore Merger

In connection with the Arcore Merger, Rock Tech conducted legal, financial, operational, and technical due diligence on Arcore and its assets, including its subsidiary AR CORE d.o.o and the mining project in Lopare, Bosnia-Herzegovina. Despite these efforts, there may be liabilities or risks associated with Arcore or its business that were not identified

or fully quantified during the due diligence process. These may include, without limitation, environmental, tax, regulatory, or contractual obligations, or liabilities arising from historical operations or local compliance matters. In certain cases, Rock Tech may not be fully indemnified for such liabilities, which could result in unexpected costs or obligations for NewCo following completion of the Arcore Merger, potentially affecting its financial condition or performance.

Exploration and Development Risks

The Company is concurrently completing exploration activities to optimize the Georgia Lake Mining Project and further developing the Guben Converter in order to update its assessment of the financial viability of such projects. These considerations depend on multiple factors, including: the attributes of the applicable property, such as the underlying mineral properties (in respect of the Georgia Lake Mining Project) and proximity and access to infrastructure; the general economic environment and market conditions for lithium hydroxide; processing methods and costs; and necessary approvals and permits.

The timing and scope of the development plan for the Guben Converter may be impacted by the results of future discussions with stakeholders, potential lenders, feedstock suppliers and prospective customers. Changes to the scope and design of the development plan resulting from such discussions could also have a substantial effect on the Company's assessment of the financial viability of the Guben Converter. There are many additional factors that can impact the development of the project, including: permitting decisions; the terms and availability of financing; cost overruns; and delays in development. The Guben Converter is also subject to the development, construction and operational risks described elsewhere in this MD&A. Accordingly, there can be no assurance that the Company will ever build or operate the Guben Converter. If the Company is unable to develop the Guben Converter in a commercially viable manner, its business and financial condition could be materially adversely affected.

In connection with its Georgia Lake Mining Project operations, the Company is exposed to considerable risks inherent in the exploration and development of mineral projects, which even a combination of careful evaluation, experience and knowledge may not eliminate. Such risks include:

- the capital-intensive nature of the exploration and development of mineral properties;
- relatively few mineral projects achieve production due to, among other factors, the impact of geological and metallurgical risks on planned production profiles, recovery rates or economic viability of the project;
- there can be no guarantee that the estimates of quantities and qualities of minerals disclosed will be economically recoverable;
- as with all mining operations, there is uncertainty and, therefore, risks associated with operating parameters and costs resulting from the scaling up of extraction methods tested in pilot conditions; and

Unsuccessful exploration or development efforts at the Georgia Lake Mining Project could have a material adverse impact on the Company's results of operations and financial condition.

Construction Risks, Delays and Cost Overruns

Should the Company elect to proceed with the Georgia Lake Mining Project and/or the Guben Converter, delays or cost overruns may occur during the construction of either project, both of which are considerably capital intensive and susceptible to potentially significant cost overruns and delays. Construction costs and project timelines depend on the accuracy of prior estimates and are prone to cost overruns and delays. Actual construction timelines and costs may vary from prior estimates, potentially significantly, due to a number of factors, including: the availability and performance of suppliers, contractors, materials and equipment; the granting of necessary approvals and permits in a timely manner; construction pricing escalation; changing engineering and design requirements; labour disruptions; adverse weather conditions; and the availability of financing on acceptable terms. Many of the risks related to development and constructions costs and schedule risks are described elsewhere in this MD&A.

Any delays to project timelines or cost overruns represent direct costs to the Company and may delay the generation of revenue and free cash flow. As a result, adverse changes in the construction timelines or costs of the Georgia Lake Mining Project or the Guben Converter could have a significant effect on the financial prospects of such project, which may have a significant impact on the financial condition of the Company and its operating results. Even if commercial operations are achieved, equipment and facilities may not operate as planned due to design or manufacturing flaws, which may not all be covered by warranty. Mechanical breakdown(s) could occur in equipment after the applicable warrant period has expired, resulting in loss of production as well as the cost of repairs.

Lack of Experience

The development of the Georgia Lake Mining Project and the Guben Converter will require the construction and operation of mines, processing plants and related infrastructure and, although certain of its officers, directors and/or consultants may have such experience, the Company itself has never completed a mining development project or a downstream processing plant. As a result, it is more difficult to evaluate the Company's prospects, and the Company's future success is more uncertain than if it had a more proven history. In addition, the Company is and will continue to be subject to all the risks associated with establishing new commercial operations, including but not limited to:

- the timing and cost, which can be considerable, of the construction of mining and processing facilities;
- the availability, efficiency and cost of skilled labour, materials and equipment;
- the need to obtain necessary environmental and other governmental approvals and permits and the timing of the receipt of such approvals and permits;
- the availability of funds to finance construction and development activities; and
- potential increases in construction and operating costs due to changes in the costs of fuel, power, materials and supplies.

It is common in new mining and commercial processing operations to experience unexpected costs, problems and delays during construction, development and start-up. In addition, delays in the early stages of production often occur. Accordingly, even if the Company completes planned development and construction activities, it cannot provide assurance that such activities will result in profitable operations at either the Georgia Lake Mining Project or the Guben Converter.

Mineral Resource and Reserve Estimates

The Company's mineral resource and mineral reserve estimates have been determined and valued based on assumed future prices, cut-off grades and operating costs at the time of calculation, as set out in the Georgia Lake Technical Report or Preliminary Feasibility Study (PFS). However, until mineral deposits are actually mined and processed, mineral resources and mineral reserves must be considered as estimates only. By their nature, mineral resource and mineral reserve estimates are imprecise and depend, to a certain extent, on analyses of drilling results and statistical inferences that may ultimately prove to be inaccurate. These estimated mineral resources and mineral reserves should not be interpreted as assurances of certain commercial viability or of the profitability of any future operations. Investors are cautioned not to place undue reliance on these estimates.

In addition, any inferred mineral resources included in this MD&A are an estimate only. Inferred mineral resources have a greater amount of uncertainty as to their existence and economic feasibility. Accordingly, the Company makes no assurance that inferred mineral resources will ever be upgraded to a higher category. Investors are cautioned not to assume that inferred mineral resources exist or are economically mineable.

Risks Associated With Future Operations

Future Commercial Operations Risks: Future commercial operations at the Georgia Lake Mining Project and/or the Guben Converter, if any, are expected to involve significant risks and hazards, many of which could result in damages to persons, property or the environment and may result in stoppages and/or potential legal liabilities. In respect of

both projects, the Company expects that future operations will be subject to all of the hazards and risks normally incidental to commercial industrial activities, including: equipment breakdowns and failures; unexpected maintenance and replacement costs; human error; labour disputes; industrial accidents; and other catastrophic events, including those related to climate change and extreme weather events (see *“Risk Factors – Regulatory and Environmental Risks – Climate Change”*). Many of these risks are beyond Rock Tech’s control and any of which could result in a disruption to operations, asset damage, environmental issues and delays in construction, labour and materials.

To the extent the Company develops the Georgia Lake Mining Project to production, the Company’s operations will also be subject to all of the hazards and risks associated with the production of minerals, including:

- unusual or unexpected geological formations;
- seismic activities;
- periodic disruptions due to inclement or hazardous weather conditions;
- releases or other environmental pollution and the consequential liability; and
- mechanical equipment and facility performance issues.

Although the Company has liability insurance and will augment coverage in anticipation of development and construction programs, some risks and hazards may be uninsurable or involve considerable premiums. See *“Risk Factors – General Risks – Insurance Risks”*.

Future Costs and Returns Risks: Despite budget forecasting and planning activities undertaken by the Company, actual future capital costs, operating costs, production and economic returns with respect to the Company’s projects may differ significantly from those anticipated and there are no assurances that any future development activities will result in profitable operations. The capital costs required to advance the Georgia Lake Mining Project to commercial production or the Guben Converter to its expected nameplate processing capacity may be significantly higher than anticipated. To the extent that such risks impact upon either project, there may be a material adverse effect on the results of operations of such project, which may in turn have a material adverse effect the financial condition and operations of the Company.

The Company may lack sufficient operating history (see *“Risk Factors – Operational Risks – No Production Experience”*) upon which it can base estimates of future operating costs. Decisions about the development of the Georgia Lake Mining Project, the Guben Converter and other Converter(s) will ultimately be based upon feasibility and engineering studies. Such studies derive estimates of cash operating costs based upon a number of factors, including:

- anticipated tonnage, grades and metallurgical characteristics of the mineralized material to be mined and/or processed;
- anticipated recovery rates of the metals from the mineralized material;
- cash operating costs of comparable facilities and equipment; and
- anticipated climatic conditions.

Cash operating costs, production and economic returns, and other estimates contained in studies or estimates prepared by or for the Company, including the Georgia Lake Technical Report and the Converter Engineering Study, may differ significantly from those ultimately realized due to a variety of factors, including the ongoing hostilities involving Russia and Ukraine and other factors described elsewhere in this section. Adverse variances in actual operating costs, production or economic returns from those currently anticipated may have a significant adverse impact on the financial prospects of the applicable project, as well as the business and operating results of the Company.

Novel Project/Deposit Risks

Guben Converter – Novel Project Risks: Lithium processing is an emerging field and, despite careful planning and preventative actions taken by the Company, it will not be able to eliminate the various risks inherent to the development, construction and operation of novel commercial-scale lithium conversion projects such as the proposed Guben Converter. China currently accounts for the significant majority of lithium processing activity globally and, to the Company's knowledge, the processing of spodumene concentrate into lithium hydroxide has not been previously undertaken on a commercial scale in Europe. Commercial scale lithium processing operations in China are inherently different from those in other regions due to a number of economic, social, political and other differences, and therefore may not be indicative of lithium processing development, construction and operations elsewhere.

In addition, it is difficult to predict the complex interplay of different components of the proposed process plant design and operation of the Guben Converter, which may be adversely impacted by unexpected development, construction and/or operating conditions, planned and unplanned maintenance and ramp up times, each of which may delay or reduce expected future production and/or increase costs.

Accordingly, despite careful planning and risk mitigation and management activities by the Company, there can be no assurance that risks associated with novel commercial-scale projects will not materialize during the development, construction and/or operation of the Guben Converter. If any of these risks were to materialize, it may have an adverse effect on the Company's business, financial condition and results of operation.

Georgia Lake Mining Project – Novel Deposit Risks: While the mine plan and costs for the Georgia Lake Mining Project are based on metallurgical tests and other known industry processes and equipment, the processes contemplated by the Company for production of spodumene concentrate at the Georgia Lake Mining Project have not yet been demonstrated at commercial scale. There is a risk that when production is increased to a commercial scale, efficiencies of recovery and throughput capacity may not be met, that the Company may be unable to demonstrate production to scale, or that scaled production may not be cost effective. If any of these risks were to materialize, it may have a material adverse effect on the development of the Georgia Lake Mining Project, which could in turn have a material adverse impact on the Company's business, operations, and prospects.

Component Risks

As with other mineral exploration companies, certain raw materials, supplies, and other critical resources used in connection with the Company's operations are obtained from a sole or limited group of suppliers. Due to an increase in activity in the global mining sector, there has been an increase in global demand for such resources. In addition, global macroeconomic tensions have caused and may continue to cause disruptions in global supply chains, which may reduce or eliminate the availability of certain supplies, particularly those sourced from outside of Canada (in respect of Georgia Lake Mining Project operations) or Germany (in respect of Converter operations). Any decrease in the supplier's inventory could cause unanticipated cost increases, an inability to obtain adequate supplies and delays in delivery times, thereby impacting the timing and extent of exploration and development activities and future operating costs.

Completing the development of the Georgia Lake Mining Project and the Guben Converter requires access to reliable sources of electricity, power, and water on acceptable terms. Prices for such materials can be affected by numerous factors beyond the Company's control, including global and regional supply and demand, weather patterns, political and economic conditions, and applicable regulatory regimes. The Company can provide no assurance that it will secure the materials required to support development or future operating activities or that such materials can be obtained on reasonable terms. Without access to such items in a timely manner and on acceptable terms, the Company's development of the Georgia Lake Mining Project or the Guben Converter, as applicable, may be hindered and there can be no assurance that: the development of such project(s) will be completed on a timely basis, if at all; any resulting operations will achieve the anticipated results; or the ongoing operating costs associated with such project(s) will be in-line with the Company's expectations.

In addition, key operating supplies such as fuel, materials, reagents, and spare parts are necessary to support anticipated operating activities at the Georgia Lake Mining Project and the Guben Converter, respectively. If these supplies become unavailable or their costs increase significantly, the profitability of the Company's operations would be negatively impacted.

Further, feedstock is expected to comprise a significant portion of the operating costs of the Guben Converter. There is no guarantee that the Company will secure the required feedstock for the Guben Converter, as there is no assurance that the Company will be able to source feedstock from existing third-party commercial operations on acceptable terms, or to invest in research and development for the recycling of lithium-ion batteries and reuse of lithium. Further, the Company, notwithstanding its best efforts, cannot guarantee that it will achieve its goal of securing 50% of its required raw material feedstock from recycling by 2030. An inability to secure such feedstock on reasonable terms may have an adverse impact on the profitability and economic viability of the Guben Converter.

The Company has set a number of ESG goals, including certain goals related to lowering the emissions intensity and environmental impact of its supply chain and operations (see "*Overall Performance – ESG and Sustainability*"). Rock Tech's ability to achieve its ESG goals is subject to a number of risks and uncertainties and no assurance can be provided that the Company will be able to achieve any or all such goals. The Company's ability to achieve its ESG goals depends upon, among other things, the Company's ability to develop and implement new technologies and to secure lower-carbon power and feedstock. In the event that the Company is unable to implement these strategies and technologies as planned in an economically feasible manner or without negatively impacting future operations or business plans, or in the event that such strategies or technologies do not perform as expected, the Company may be unable to meet its ESG goals on current timelines, or at all.

Seasonality

Exploration and development activities at the Georgia Lake Mining Project are influenced by seasonal weather patterns, as may also be the case in respect of any future mining activities at the property. Inclement weather and spring thaw may make the ground unstable. Consequently, municipalities and provincial transportation departments occasionally enact road bans that restrict the movement of heavy equipment, thereby potentially reducing activity levels. Also, certain areas of the Georgia Lake Mining Project may be difficult or impossible to access during certain seasons due to the impact of weather and precipitation on ground conditions. There can be no assurance that these seasonal factors will not adversely affect the timing and scope of the Company's exploration, development, and future mining activities at the Georgia Lake Mining Project, which could in turn have a material adverse impact on the Company's business, operations and prospects.

Foreign Operations Risks

The Company plans to build the Guben Converter in Germany and has already established engineering and finance entities in the country. Planning to operate in Germany exposes the Company to German laws, regulations, policies and other directives. Changes to any applicable laws, regulations, policies or other directives, or shifts in political or social attitudes in any of the jurisdictions in which the Company operates may adversely affect the Company's operations and prospects for development and may affect the Company's ability to fund its ongoing expenditures at its projects. Regardless of the economic viability of the Guben Converter, and despite being beyond the Company's control, such legal, political or social changes could have a substantial negative impact on the business and financial condition of the Company.

Regulatory and Environmental Risks

Environmental Laws and Regulations

All phases of the mining business present environmental risks and are subject to environmental legislation and regulations promulgated by governmental authorities at the federal, provincial, state and municipal level. Such legislation and regulations provide for, among other things, restrictions, conditions and prohibitions on: emissions; the handling, transportation and disposal of waste and other substances; the reclamation of operational sites; the protection of species at risk; and spills, releases or emissions of various substances produced in association with

mineral production and processing. In addition, such legislation and regulations require that mining and processing sites be operated, maintained, abandoned, and reclaimed to the satisfaction of applicable regulatory authorities and may require the deposit of adequate security to cover reclamation and remediation obligations. Compliance with environmental legislation and regulations can require significant expenditures and the failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions thereunder, including orders issued by applicable authorities, the curtailment of production or other activities or a significant increase in capital and/or operating expenses. In addition, environmental assessments of proposed projects carry a heightened degree of responsibility for the project proponent and its directors, officers, and employees. Companies engaged in the development of commercial projects may be exposed to the risk of increased costs and delays in development and/or operational activities as a result of the need to comply with applicable laws, regulations and permits.

Management believes that the Company is in compliance with all material laws and regulations which currently apply to its activities. However, no assurance can be given that, notwithstanding precautions taken by the Company and its limited operational history, breaches of environmental laws (whether inadvertent or not) or environmental pollution will not result in additional costs or curtailment of planned activities and investments, which could have a material and adverse effect on the Company's future results of operations and financial condition.

Furthermore, environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs. Changes to current laws, regulations and permits could require increases in capital expenditures or future operating costs or require the Company to delay the development of future projects, each of which may have a material adverse impact on the Company.

Government Approvals

The Company's activities are subject to government approvals covering: development; land resumptions; taxes; labour standards and occupational health and safety matters; the handling, transportation and disposal of waste and other substances and other matters, including issues affecting Indigenous communities neighbouring the Georgia Lake Mining Project. The costs associated with compliance with these approvals can be substantial. Although management believes that the Company's activities are carried out in accordance with all existing governmental authorizations and approvals, no assurance can be given that new rules and regulations will not be enacted that impose additional approval requirements or that existing rules and regulations related to current approval requirements will not be applied in a manner which could limit or curtail development or future operations, or cause additional expenses, capital expenditures, restrictions or delays in the development of the Company's projects. Further, the licenses and permits issued in respect of the Company's projects, including the Georgia Lake Mining Project and the Guben Converter, may be subject to conditions which, if not satisfied, may lead to the revocation of such licenses and permits. In the event of revocation, the value of Rock Tech's investments in such projects may decline or the Company's related activities may be postponed, abandoned, reduced, and/or terminated.

Indigenous Communities and Duty to Consult

The Company operates and conducts exploration in areas which are subject to the traditional rights and treaties of Indigenous communities. Many of these rights and treaties impose additional obligations on governments and private parties as they relate to the rights of Indigenous communities concerning resource development. Additionally, some mandate that government consult with, and if required, accommodate Indigenous community members in connection with government actions which may affect members, including actions to approve or grant mining rights or exploration, development or production permits. The Company is committed to engaging with the appropriate Indigenous communities in relation to the potential impact of its activities on such rights, which may result in delays or suspensions of exploration or mining activities.

Permitting Risks

Rock Tech's mineral claims, licenses and permits are subject to periodic renewal. While it is expected that renewals will be given as and when sought, there is no assurance that such renewals will be given as a matter of course and there is no assurance that new conditions will not be imposed in connection therewith. The Company's business

objectives may also be impeded by the costs of holding and/or renewing the Company's mineral claims, licenses, and permits. In addition, the duration and success of Rock Tech's efforts to obtain and renew mineral claims, licenses and permits are contingent upon many variables not within its control.

The Company's current and expected future operations, including exploration, development and production activities at the Georgia Lake Mining Project and development, construction and processing activities in respect of the Guben Converter, require licenses and permits from various governmental authorities, each of which can be time-consuming and costly to obtain, maintain and renew. Permitting for these projects remains in progress, and the Company's the development of such projects, as currently contemplated, will require many environmental, construction and, in the case of the Georgia Lake Mining Project, mining permits, each of which can be time-consuming and costly to obtain, maintain and renew. In connection with its development plans, the Company must obtain and maintain a number of permits that impose strict conditions, requirements and obligations on the Company, including those relating to various environmental and health and safety matters. To obtain, maintain and renew certain permits, Rock Tech is required to conduct environmental assessments pertaining to the potential impact of its operations on the environment and to take steps to avoid or mitigate those impacts. The Company cannot be certain that all licenses and permits that it may require for its operations will be obtainable on reasonable terms or at all. Delays or a failure to obtain such licenses and permits, or a failure to comply with the terms of any such licenses and permits that the Company has obtained, could have a material adverse impact on Rock Tech.

Climate Change

There is significant evidence of the negative effects of climate change on the planet and public support for climate change actions has grown in recent years, as has the impetus to pursue new technologies to mitigate the effects of climate change. Governments in Canada, Germany and around the world have responded by adopting ambitious emissions reduction targets and supporting legislation, including measures relating to carbon pricing, emissions reduction initiatives and alternative energy incentives and mandates.

Rock Tech has grouped its risks related to climate change into two main categories: (i) physical risks; and (ii) transition risks. Physical risks have been further sub-divided into: (a) acute physical risks (those that are event-driven, including increased severity of extreme weather events); and (b) chronic physical risks (those that relate to longer-term shifts in climate patterns). Transition risks have been further sub-divided into: (1) regulatory and policy risks; (2) reputational risks; and (3) technology risks.

Physical Risks – Acute Risks: Climate change has been linked to rising sea levels and increased extreme events, such as more intense hurricanes, increasing ocean acidification, extreme hot and cold weather, heavy snowfall and rainfall and increased risk of wildfires, each of which may adversely impact the Company's operations, increasing their cost and negatively impacting future production. Moreover, extreme weather conditions may lead to disruptions in Rock Tech's ability to transport future production, as well as goods and services in its supply chains. The Georgia Lake Mining Project and the proposed site of the Guben Converter are located in close proximity to forests and/or rivers, and a wildfire or flood, may result in significant restrictions on development and construction activities, shutdowns and downtime and reductions in future production. At this time, Rock Tech is unable to determine the extent to which climate change may lead to increased hazards affecting its operations.

Physical Risks – Chronic Risks: Anthropogenic climate change is estimated to have brought about a warming of 1.0° Celsius above pre-industrial levels. As the level of activity in the mining industry is influenced by seasonal weather patterns, long-term shifts in climate patterns increase the risk of exacerbating development and/or operational delays at the Georgia Lake Mining Project, as well as the other risks posed by seasonal weather patterns. See also "*Risk Factors – Operational Risks – Seasonality*".

In addition, long-term shifts in weather patterns, such as water scarcity, increased frequency and severity of storms and fires and prolonged heat waves may require the Company to incur greater expenditures (time and capital) to deal with the challenges posed by such changes to its development activities, future operations, supply chain, transport needs, and employee safety, which may in turn have a material adverse effect on the Company's business, operations and financial condition.

Transition Risks – Regulatory and Policy Risks: Climate change policy is evolving at regional, national, and international levels and political and economic events may significantly affect the scope and timing of climate change measures that are ultimately put in place to prevent climate change or mitigate its effects. Existing and future laws and regulations may impose significant liabilities for a failure to comply with requirements thereunder. Concerns over climate change, fossil fuels, emissions and water and land-use could lead to the enactment of more stringent laws and regulations applicable to the Company. Any new laws and regulations (or additional requirements to existing laws and regulations) could have a material impact on the Company’s business, financial condition, results of operations and prospects.

Adverse impacts to the Company’s business as a result of climate change-related legislation may include, but are not limited to, increased compliance costs, permitting delays, increased operating costs and capital expenditures. Given the evolving nature of climate change policy, emission controls, and resulting requirements, it is expected that current and future climate change regulations will have the effect of increasing Rock Tech’s compliance costs and operating expenses.

The Company’s exploration and development activities and other operations and activities emit greenhouse gasses, which requires Rock Tech to comply with applicable emissions legislation. In addition, mining and processing operations are energy intensive and result in greenhouse gas emissions either directly or through the purchase of fossil fuel-based electricity. As a result, future operations (if any) at the Georgia Lake Mining Project and the Guben Converter will also emit greenhouse gasses and such projects will also be required to comply with then applicable emissions legislation.

Transition Risks – Reputational Risks: Concerns regarding climate change may increase public scrutiny of industries that are thought to have more significant environmental impacts.

The price of common shares and/or the Company’s business, financial condition or operations may be negatively impacted as a result of any negative public opinion towards the mining and mineral processing industry or as a result of any negative sentiment in respect of Rock Tech’s reputation with stakeholders, special interest groups, political leadership, the media or other entities. Public opinion may be influenced by certain media and special interest groups’ negative portrayal of the mining industry, as well as their opposition to certain related projects. Concerns about climate change, and environmental harm more generally, have resulted in a number of environmental activists and members of the public opposing mining exploration, development and production activities, which may influence investors’ willingness to invest in the mining industry. See also *“Risk Factors – Regulatory and Environmental Matters – Opposition to Projects”*.

Transition Risks – Technology Risks: The Company is committed to operating responsibly and reducing the negative effects of its current and future operations on the environment. However, the Company’s ability to reduce emissions, energy and water use and adopt new innovations is constrained by technological advancement, operational realities and economics. The adoption of new technologies by the Company to address climate change could require a significant capital investment.

Title Matters

Although the Company has exercised due diligence with respect to determining title to its mineral project, there can be no assurance of title to any of the Company’s property interests, or that such title will ultimately be secured. No assurance can be given that applicable governments will not revoke or significantly alter the conditions of the applicable exploration and mining authorizations nor that such exploration and mining authorizations will not be challenged or impugned by third parties. The Company’s property interests may also be subject to prior unregistered agreements or transfers or other land claims, and title may be affected by undetected defects and adverse laws and regulations.

The Company cannot guarantee that title to its properties will not be challenged. There may be valid challenges to the title of the Company’s mineral property which, if successful, could adversely impact exploration and

development activities. Such claims, regardless of validity, could impose significant costs to defend adversely impacting the financial position of the Company and causing delays to the development schedule.

Surface Rights and Access

Although the Company has acquired the right to some or all of the minerals in the ground subject to the tenures that it has acquired, or has a right to acquire, in most cases it does not thereby acquire any rights to, or ownership of, the surface to the areas covered by its mineral tenures. In such cases, applicable mining laws usually provide for rights of access to the surface for the purpose of carrying on mining activities, however, the enforcement of such rights can be costly and time consuming. In areas where there are no existing surface rights holders, this does not usually cause a problem, as there are no impediments to surface access. However, in areas where there are local populations or landowners, it is necessary, as a practical matter, to negotiate surface access. There can be no guarantee that, despite having the right at law to access the surface and carry on mining activities, the Company will be able to negotiate a satisfactory agreement with any such existing landowners/occupiers for such access, and therefore it may be unable to carry out mining activities. In addition, in circumstances where such access is denied, or no agreement can be reached, the Company may need to rely on the assistance of local officials or the courts in such jurisdictions.

Although the Company holds surface rights or legal access to all areas of the Georgia Lake Mining Project, there is a risk that such rights may be deficient or subject to dispute. The procurement or enforcement of such rights can be costly and time consuming. In areas where there are local populations or landowners, it may be necessary, as a practical matter, to negotiate surface access. Despite having the legal right to access the surface and to carry on exploration and mining activities, Rock Tech may not be able to negotiate satisfactory agreements with existing landowners/occupiers for such access, and therefore it may be unable to carry out mining activities. In addition, in circumstances where such access is denied, or no agreement can be reached, the Company may need to rely on local officials or court assistance.

In addition, there is a risk that developing laws and movements respecting the acquisition of lands and other rights of Indigenous communities may alter the arrangements made by prior owners of the lands where the Georgia Lake Mining Project is located. Future laws and actions could have a material adverse effect on Rock Tech's operations at the Georgia Lake Mining Project or on its financial position and results of operations.

Opposition to Projects

The Company may face opposition to the development of the Georgia Lake Mining Project and/or the Guben Converter. There has been increasing public concern relating to the effects of mining on natural landscapes, communities and on the environment and opponents of other mining projects have, in some cases, been successful in bringing public and political pressure against mining projects. In the event of opposition to either the Georgia Lake Mining Project or the Guben Converter, the Company's development of such project may be delayed or prevented, even if such development is found to be economically viable and legally permissible.

Industry Risks

Volatile Product Prices

The Company's ability to undertake profitable operations at the Georgia Lake Mining Project and the Guben Converter, if and to the extent such projects are developed and enter commercial operations, will be significantly impacted by changes in the price of intermediate and final lithium-based products. The prices of these products have fluctuated significantly in recent years and such fluctuations may materially impact the ability of the Company to raise necessary funding and the economics of both upstream and downstream projects. These fluctuations are beyond the Company's control and are often the result of proposed and enacted policies designed to increase electrification and/or curtail or expedite the development of critical mineral projects. New discoveries, technological breakthroughs, global supply and demand, inflation, interest rates and foreign exchange rates, in addition to other factors, may also contribute to price volatility.

Lithium is not a traded commodity in the manner of base and precious metals and its price is significantly affected by the purity and performance. Sales agreements are negotiated on an individual and private basis with each different end-user, whose specifications will also impact the price they are willing to pay. If the products produced from the Company's projects do not meet lithium hydroxide quality and/or do not meet customer specifications, there will be a negative effect on pricing and availability of customers. The Company may not be able to effectively mitigate against pricing risks for its products. A prolonged decrease in the price which the Company is able to obtain for its products may affect the value of the Company, the price of common shares and the potential value of the Georgia Lake Mining Project and the Guben Converter.

Competition

The mineral exploration and production industry is intensely competitive. The Company competes and will continue to compete with entities which are better financed and have better access to capital than the Company; there is no assurance that the Company will be able to successfully compete against such other corporations and entities for capital or for properties. Furthermore, there is competition for experienced management and directors in the junior mineral exploration and development sector. There can be no assurance that the Company will be successful in attracting and retaining qualified personnel as competition for persons with relevant experience and skill sets increases.

A high level of competition exists with respect to securing a reliable, predictable supply of lithium raw materials. This competition could lead to materially higher prices and existing and emerging raw material producers may pursue vertical integration, retaining their raw materials and producing lithium hydroxide or other final products for the market. Any resultant unavailability of raw material feedstock could adversely impact the Company's Guben Converter operations, potentially leading to higher costs, idle capacity or the curtailment of activities.

The Company may also encounter competition from other lithium producers for the supply of raw materials (see "*Risk Factors – Operational Risks – Component Risks*") and for customers (see "*Risk Factors – Industry Risks – Reliance on Off-Take Agreements*").

Increased competition for raw material, spodumene concentrate or lithium hydroxide production could adversely impact the Company's ability to attract the required capital funding, engage desired engineering, construction and procurement contractors, procure the required equipment at a desired time or cost and retain key personnel.

Reliance on Off-Take Agreements

Currently, there is no developed spot market for lithium products. Accordingly, the Company expects to enter into off-take agreements:

- with existing third-party commercial producers to acquire spodumene concentrate feedstock for the Guben Converter;
- with existing third-party processors to sell spodumene concentrate produced at the Georgia Lake Mining Project (until the Company successfully implements its vertical integration strategy for the Georgia Lake Mining Project by developing and constructing a North American Converter); and
- with manufacturers of the downstream lithium-ion battery value chain or commodity trading companies to sell lithium hydroxide processed at the Guben Converter; whereas these "end-users" could be Cathode or battery producers or automotive OEMs themselves

However, competition in both the upstream and downstream segments of the business is high and the Company anticipates that the level of such competition will continue to increase. Furthermore, emerging and existing lithium mining companies are exhibiting a trend towards greater vertical integration, which may result in additional competition faced by: (i) the Company's Georgia Lake operations for the sale of intermediate lithium products to third-party processors; and (ii) the Company's Guben Converter operations in the acquisition of spodumene concentrate feedstock.

Price is just one of several factors which may be considered by potential customers. For example, lithium hydroxide produced at the Guben Converter in the future will be subject to product quality tests from prospective customers. In addition, potential customers may also consider emissions generated in the Company's entire value chain, the origin of its raw material feedstock and any reagents used. There is no assurance the Company's product will satisfy customer specifications or other considerations or that it will be able to negotiate acceptable terms and conditions for the sale of its products. Accordingly, the Company may not be successful in finding customers. Further, any default or early termination by counterparties under future off-take agreements which are material to Rock Tech's business and operations may have an adverse effect on the Company's financial condition and results from operations.

Growth of Lithium Markets

The development of lithium operations and the need for intermediate and final lithium products produced and/or processed by the Company is largely dependent on the adoption of lithium-ion batteries for electrical vehicles and other large format batteries, which currently have limited market share and whose projected adoption rates are not assured. To the extent that such markets do not develop in the manner or according to the timelines contemplated by the Company, the long-term growth in the market for lithium projects could be adversely affected. In such case, the potential for the development and/or commercial viability of the Georgia Lake Mining Project and the Guben Converter would be inhibited which would have a negative effect on the business and financial condition of the Company.

General Risks

Economic & Geopolitical Risks

Global financial conditions have, at various times in the past, and may, in the future, experience extreme volatility. Many industries, including the mining industry, are impacted by volatile market conditions. Global financial conditions may be subject to sudden and rapid destabilizations in response to economic shocks or other events, such as the COVID19 pandemic and the hostilities involving Russia and Ukraine. A slowdown in the financial markets or other economic conditions, including adverse changes in consumer spending, employment rates, business conditions, inflation, fluctuations in fuel and energy costs, consumer debt levels, lack of available credit lines, the state of the financial markets, interest rates and tax rates, may adversely affect the Company's financial condition and prospects. Future economic shocks may be precipitated by a number of causes, including government debt levels, fluctuations in the price of oil and other commodities, the volatility of commodity prices, geopolitical instability, changes in laws or governments, war, terrorism, the volatility of currency exchanges, inflation or deflation, the devaluation and volatility of global stock markets, pandemics and natural disasters. Any sudden or rapid destabilization of global economic conditions could impact the Company's ability to obtain equity or debt financing in the future on terms favourable to Rock Tech or at all. In such an event, the Company's operations and financial condition could be adversely impacted.

Reliance on Key Personnel

The Company's success is highly dependent upon the performance of its key officers, directors and employees, and its ability to attract additional and retain existing key personnel. Owing to the relatively small size of the current lithium market, personnel with the skills and experience required to develop and implement the Company's business and development strategies are scarce and competition for them is high. Failure to attract and retain key individuals with necessary skills, including but not limited to key engineering, metallurgical, chemical, processing or project management personnel could cause adverse consequences and interrupt and/or delay the Company's development plans.

Project Management Risks

The Company is concurrently overseeing the advancement of two major projects, each of which requires the dedication of considerable time and resources by the Company and its management team. At the Georgia Lake Mining Project, a major lithium mining project, the Company is actively involved in exploration and development

activities. In parallel, progress continues to be made on the development of the Guben Converter, a merchant lithium hydroxide Converter, including permitting and the preparation of initial ground works. The advancement of two major resource projects concurrently brings with it the associated risk of strains arising on managerial, human and other resources. The Company's ability to successfully manage each of these processes will depend on a number of factors, including its ability to manage competing demands on time and other resources, financial or otherwise, and successfully retain personnel and recruit new personnel to support its growth and the advancement of its projects.

Health and Safety Risks

The Company's business in relation to both the Georgia Lake Mining Project and the Guben Converter carries an inherent risk of liability related to worker health and safety, including the risk of government-imposed orders to remedy unsafe conditions, potential penalties for contravention of health and safety laws, licenses, permits and other approvals, and potential civil liability. Compliance with health and safety laws and the requirements of licenses, permits and other approvals is, and will remain, material to the Company's business. The Company may become subject to government orders, investigations, inquiries or other proceedings (including civil claims) relating to health and safety matters. The occurrence of any of these events or any changes, additions to or more rigorous enforcement of health and safety laws, licenses, permits or other approvals could have a significant impact on operations and/or result in additional material expenditures. As a consequence, no assurances can be given that additional workers' health and safety issues relating to presently known or unknown matters will not require unanticipated expenditures, or result in fines, penalties or other consequences (including changes to operations) material to its business and operations.

North American Converter Risks

In furtherance of Rock Tech's vertical integration strategy for the Georgia Lake Mining Project, the Company is conducting preliminary investigation and planning activities in respect of a potential lithium hydroxide Converter in North America (see "Overall Performance – Georgia Lake Mining Project"). Accordingly, should the Company elect to proceed with the construction and development of a North American Converter, such Converter will face and be subject to many of the same risks as the Guben Converter described elsewhere in this MD&A.

Conflicts of Interest Risks

Certain directors and officers of the Company are, or may become, engaged in other business activities which may potentially compete with or become customers or suppliers of Rock Tech. As such, there is a potential that situations may arise where the other interests of these directors and officers may conflict with the interests of the Company. To mitigate this risk, directors and officers of the Company are required to disclose the existence of potential conflicts of interest in accordance with the Business Corporations Act (British Columbia) and other applicable regulations and are subject to the related procedures set out therein.

Intangible Properties Risks

The Company has made a patent application for its lithium hydroxide manufacturing process (the "Nitrate Process") with the European Patent Office. A worldwide Patent Cooperation Treaty application in respect of the Nitrate Process claiming priority to the Company's European patent was filed by the Company on October 29, 2021 with the Canadian Intellectual Property Office. The application was published on January 25, 2023. The regional phase in Europe for the above-mentioned international application was initiated in due time before the European Patent Office on April 21, 2023. The EP-application was published on September 13, 2023. There is no guarantee that the patent will be granted nor does a grant of a patent guarantee that the patent concerned is valid or that the technology (patented or otherwise) does not infringe on the rights of others. The Company cannot guarantee that the patent will be approved for final acceptance and granted. Further, patent registration, although an indicator of valid intellectual property ownership, is not indefeasible as any errors in the registration process may lead to registration being challenged or revoked. The Company cannot be certain that the validity, ownership or authorized use of intellectual property relevant to its business will not be successfully challenged by third parties. In addition,

there can be no guarantee that unauthorized use or copying of the Company's intellectual property can or will be prevented.

The Company makes no assurance that the Nitrate Process is novel, that it will be proven commercially, that it will result in a reduced consumption of energy, that the production of by-products will generate additional revenue streams rather than waste, or that the Nitrate Process will replace the industry-standard sulphate route in most or any operating lithium Converters worldwide.

Insurance Risks

In the course of the development of the Georgia Lake Mining Project or the Guben Converter, as well as the future operation of such projects, the Company is and will remain subject to a significant number of development, construction and operational risks, as described elsewhere in this MD&A. It is not always possible to fully insure against such risks and, even where such insurance is available, the Company may decide to not obtain insurance against such risks. Should such liabilities arise without adequate insurance coverage, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the Company. Furthermore, while the Company maintains liability insurance in accordance with industry standards, the nature of these types of risks is such that liabilities could exceed policy limits and the Company could incur significant costs that could have a material adverse effect on its business, results of operations and financial condition.

Enforcement of Judgments

The Company is incorporated under the Business Corporations Act (*British Columbia*) and is headquartered in Ontario, Canada, but certain directors and officers are not citizens or residents of Canada. In addition, the Company intends on constructing, developing and operating certain material assets, such as the Guben Converter, outside of Canada. As a result, it may be difficult or impossible for an investor to: (i) enforce in courts outside Canada judgments against the Company and its directors and officers obtained in Canadian courts and predicated upon the civil liability provisions of Canadian securities laws; or (ii) bring in courts outside Canada an original action against the Company and directors and officers to enforce liabilities based upon such securities laws.

Cyber-Security Risks

Threats to information technology systems associated with cyber-security risks and cyber incidents or attacks continue to grow. It is possible that the business, financial and other systems of the Company or other companies with which it does business could be compromised, which might not be noticed for some period of time. Risks associated with these threats include, among other things, loss of intellectual property, disruption of business operations and safety procedures, loss or damage to worksite data delivery systems, and increased costs to prevent, respond to or mitigate cyber-security events.

Internal Controls

The Chief Executive Officer and Chief Financial Officer of the Company filed a Venture Issuer Basic Certificate on Form 52-109FV1, with respect to the financial information contained in the audited annual financial statements of the Company and the respective MD&A, and on Form 52-109FV2, with respect to the financial information contained in the unaudited interim financial statements of the Company and the respective MD&A. Such Venture Issuer Basic Certificates, as compared to Form 52-109F1 and Form 52-109F2, respectively, do not include representations relating to the establishment and maintenance by the Company of disclosure controls and procedures and internal control over financial reporting (each as defined in National Instrument 52-109—*Certification of Disclosure in Issuers' Annual and Interim Filings*).

Share Capitalization

Total Outstanding as of:	December 31, 2024	Date of this report	Exercise price range:
Shares outstanding	104,096,537	108,096,537	
Stock options	5,694,500	7,784,500	\$0.53 - \$6.08
Warrants	11,475,746	15,475,746	\$1.30 - \$6.08

Technical Information and Qualified Person

Detailed scientific and technical information in respect of the Georgia Lake Mining Project can be found in the “Georgia Lake Lithium Project, Pre-Feasibility Study” (721024----) report dated November 17, 2022 (the “Georgia Lake Technical Report”). The Georgia Lake Technical Report is available on the Company’s SEDAR profile at www.sedar.com. The Georgia Lake Technical Report was prepared by the following individuals, each of whom is a “qualified person” for the purposes of National Instrument 43-101—*Standards of Disclosure for Mineral Projects* (“NI 43-101”): D. Warren, P.Eng. with AMC Mining Consultants, G. Methven, P.Eng. with AMC Mining Consultants, M. Molavi, P.Eng. with AMC Mining Consultants, D. Nussipakynova, P.Geo. with AMC Mining Consultants, R. Schmitt, P.Geo. with ERM Consultants Canada, A. McIntyre, P.Eng. with Knight Piesold Consulting, B. O’Connor, P.Eng. with Pinchin Limited, A. Sneyd, P.Eng. with Wave International, C. Murrell, P.Eng. with Wave International, S. Supanz, P.Eng. with Wave International, J. Schloffer, P.Eng. with Wave International.

Cameron Andrews, P.Eng., the Company’s General Manager of the Georgia Lake Mining Project, has reviewed and approved the scientific and technical information in this MD&A with respect to the Georgia Lake Mining Project. Mr. Andrews is a “qualified person” for the purposes of NI 43-101.

See the Georgia Lake Technical Report for further information about the Georgia Lake Mining Project, including a description of key assumptions, parameters and methods relating to resources estimates in respect of the mineral property.

Management and Board of Directors

The current directors and officers are:

Dirk Harbecke – Director, Chairman and Chief Executive Officer
Klaus Schmitz – Director
Michelle Gahagan – Director
Derek Sobel – Chief Financial Officer
Kerstin Wedemann – Chief Legal & Operations Officer
Monique Hutchins – Corporate Secretary

Cautionary Note Regarding Forward-Looking Statements

Certain statements and information in this MD&A constitute “forward-looking statements” or “forward-looking information” within the meaning of applicable securities legislation (collectively, “forward-looking statements”), which are based on Rock Tech’s current expectations, estimates and assumptions in light of its experience and perception of historical trends. All statements other than statements of historical fact may constitute forward-looking statements. Often, forward-looking statements are identified by words such as “believe”, “may”, “plan”, “will”, “estimate”, “continue”, “anticipate”, “intend”, “expect”, “project”, “potential”, “ongoing”, “could”, “would”, “target” or the negative of these terms or similar expressions, although not all forward-looking statements contain these terms or similar expressions.

In particular, forward-looking statements in this MD&A include, but are not limited to, statements relating to: the Company's vision, strategy and objectives; the Company's plans and expectations with respect to its planned and prospective projects, including the Georgia Lake Mining Project and the Guben Converter, including the expected costs, capital expenditures, milestones, timing and outcomes thereof; plans and expectations for the Company's development and exploration opportunities, projects and future operations, including production and processing estimates and processes employed, anticipated capital expenditures, operating costs and economic returns, as well as future development and operating activities, schedules, regulatory and environmental applications and approvals, and the results thereof, as well as the impact of such opportunities, projects and operations on its future financial performance; the expected timing, costs and outcomes of studies, surveys, tests, models and reports conducted by or on behalf of the Company, including the pre-feasibility study in respect of the Georgia Lake Mining Project and the BPS; expected regulatory processes and outcomes, including in relation to the Guben Permits and Rock Tech's application for government subsidies in respect of its operations; expectations regarding the source and strategy in relation to securing feedstock in relation to future operations and the sale of the Company's future production, including future contracts in respect of feedstock and intermediate and final lithium products; expectations regarding the relationship between, and future actions to be taken by, Rock Tech and contractual counterparties and other stakeholders, including statements regarding the expected benefits thereof; the feasibility, potential applications and benefits of investments and process development activities undertaken by the Company; mineral resources and reserves estimates contained in Georgia Lake Technical Report; the requirements of any environmental assessment process or for environmental protection necessary for securing permission to advance the Company's development projects to an operating phase; the Company's ESG and sustainability related targets, including the benefits and achievement thereof and future actions taken by the Company in relation thereto; and the availability and ability of the Company to secure additional financing and the favourability of any terms received.

Forward-looking statements used in this MD&A are based on various assumptions, estimates, expectations and opinions of the Company and, in certain cases, third party experts, that are believed by management of Rock Tech to be reasonable at the time. Such factors and assumptions include, among other things: the supply and demand for, deliveries of, and the level and volatility of prices of, feedstock and intermediate and final lithium products; expected growth, performance and business operations; the availability of financing on acceptable terms; future commodity prices, interest rates, tax rates and exchange rates; prospects and growth opportunities available to the Company; general business and economic conditions; the costs and results of exploration, development and operating activities; Rock Tech's ability to procure supplies and other equipment necessary for its business; the accuracy and reliability of technical data, forecasts, estimates and studies. While Rock Tech considers these factors and assumptions to be reasonable based on information available as at the date hereof, the Company cannot give any assurance that such factors or assumptions will prove to be correct.

In addition, forward-looking statements involve known and unknown risks, uncertainties and other factors, many of which are beyond Rock Tech's control, that may cause actual events, results, performance and/or achievements to be materially different from that which is expressed or implied by such forward-looking statements. Such risks and uncertainties include, but are not limited to: the Company's ability to access funding required to invest in available opportunities and projects (including the Georgia Lake Mining Project and the proposed Guben Converter) and on satisfactory terms; the hostilities involving Russia and Ukraine; risks inherent in the exploration and development of mineral projects and establishing new commercial operations, including unanticipated events and other difficulties related to construction, development and operation of the Georgia Lake Mining Project and/or the Guben Converter; hazards associated with mineral production and commercial operations; the risk that Rock Tech will not be able to meet its financial obligations as they fall due; adverse general economic and market conditions, including adverse changes, volatility or prolonged weaknesses, as applicable, in interest rates, exchange rates, commodity prices, supply/demand trends and overall economic activity and growth levels; the Company's mineral resource estimates may prove inaccurate or the Company may encounter unusual or unexpected geological formations; an inability to retain and attract skilled staff and to enter into off-take agreements to secure feedstock from third party suppliers and to sell intermediate and final lithium products; actions by governmental authorities, including adverse changes in tax laws and treatment, regulatory processes or increased environmental regulation; the cost of compliance with current and future environmental and other laws and regulations; title defects, competition from existing and new competitors, adverse changes in market prices of Rock Tech's securities, Rock Tech's history of losses and lack of

experience; impacts of climate change; and other risks and uncertainties described under the heading “*Risk Factors*” in this MD&A.

Readers are cautioned that such factors, assumptions, risks and uncertainties are not exhaustive. Forward-looking statements should not be read as a guarantee of future performance or results. The forward-looking statements contained in this MD&A are included for the purpose of providing investors with information to assist them in understanding management’s current views of the Company’s financial and operational prospects and may not be appropriate for other purposes. The Company does not undertake to update any forward-looking statements that are included in this MD&A, except in accordance with applicable securities laws.