FRONTIER LITHIUM INC.

MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE NINE MONTHS ENDED DECEMBER 31, 2024 AND 2023

Table of Contents

INTRODUCTION 1
CAUTIONARY STATEMENT ON FORWARD-LOOKING INFORMATION........ 1
CAUTIONARY NOTE TO U.S. INVESTORS 1
I. OVERVIEW OF FRONTIER LITHIUM INC. 2
PROJECT OVERVIEW........ 2
BUSINESS OBJECTIVES 4
LEADERSHIP TEAM 4
II. HIGHLIGHTS FOR THE CURRENT QUARTER AND RECENT DEVELOPMENTS 4
EXPLORATION 4
RESULTS OF PRE-FEASIBILITY STUDY 5
DEFINITIVE FEASIBILITY STUDY........ 5
MITSUBISHI JOINT VENTURE PARTNERSHIP 5
III. OUTLOOK........ 6
IV. RESULTS OF OPERATIONS 7
V. SELECTED QUARTERLY INFORMATION 9
VI. LIQUIDITY AND CAPITAL RESOURCES 10
VII. CONTRACTUAL OBLIGATIONS, COMMITMENTS AND CONTINGENCIES 11
VIII. OFF-BALANCE SHEET ARRANGEMENTS........ 11
IX. PROPOSED TRANSACTIONS........ 12
X. FINANCIAL INSTRUMENTS 12
XI. RELATED PARTY TRANSACTIONS 12
XII. USE OF PROCEEDS........ 13
XIII. ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS........ 13
XIV. RISK FACTORS........ 13
XV. QUALIFIED PERSON 13
XVI. USE OF NON-GAAP FINANCIAL MEASURES AND RATIOS........ 14
XVII. INTERNAL CONTROLS OVER FINANCIAL REPORTING 14
XVIII. OUTSTANDING SHARE DATA 15
XIX. OTHER INFORMATION 15

INTRODUCTION

This management's discussion and analysis ("MD&A") has been prepared as of February 25, 2025, and should be read in conjunction with Frontier Lithium Inc.'s (the "Company") consolidated financial statements for the nine months ended December 31, 2024 and 2023. Those financial statements are prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB"). The Company's presentation currency is Canadian dollars. Reference herein of $ is to Canadian dollars and US$ is to United States dollars.

CAUTIONARY STATEMENT ON FORWARD-LOOKING INFORMATION

All statements, other than statements of historical fact, contained in this MD&A including, but not limited to, any information as to the future plans and outlook for the Company, constitute "forward-looking information" or "forward-looking statements" within the meaning of Canadian securities laws. Forward-looking statements are based on expectations, estimates and projections as of the time of this MD&A. The words "anticipates", "plans", "expects", "indicate", "intend", "scheduled", "estimates", "forecasts", "guidance", "initiative", "outlook", "potential", "projected", "pursue", "strategy", "study", "targets", or "believes", or variations of or similar such words and phrases or statements that certain actions, events or results "may", "could", "would", or "should", "might", or "way forward", "will be taken", "will occur" or "will be achieved" and similar expressions identify forward-looking statements. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company, acting in good faith, as of the time of such statements, are inherently subject to significant business, economic and competitive uncertainties and contingencies. These estimates and assumptions may prove to be incorrect. Many of these uncertainties and contingencies can directly or indirectly affect, and could cause, actual results to differ materially from those expressed or implied by any forward-looking statements. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Forward-looking statements are provided for the purpose of providing information about management's expectations and plans relating to the future. Readers are cautioned not to place undue reliance on these forward-looking statements as a number of important risk factors, including but not limited to the risk factors contained under the heading "Risk Factors" in this MD&A and in the Company's Annual Information Form, and future events could cause the actual outcomes to differ materially from the beliefs, plans, objectives, expectations, anticipations, estimates, assumptions and intentions expressed in such forward-looking statements.

Readers are cautioned that the foregoing lists of risk factors included in this MD&A are not exhaustive. The forward-looking information contained in this MD&A is expressly qualified by these cautionary statements. All forward-looking information in this MD&A speaks as of the date of this MD&A. The Company does not undertake any obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by law. All forward-looking information contained in this MD&A is expressly qualified in its entirety by this cautionary statement.

CAUTIONARY NOTE TO U.S. INVESTORS

This MD&A has been prepared in accordance with the requirements of the securities laws in effect in Canada, which differ materially from the requirements of United States securities laws applicable to U.S. companies. For U.S reporting purposes, the United States Securities and Exchange Commission (the "SEC") has adopted amendments to its disclosure rules in Regulation S-K (Subpart 1300) (the "SEC Modernization Rules") to modernize the mineral property disclosure requirements for issuers, referred to as "mining registrants," whose securities are registered with the SEC. These amendments became effective in February 2019 with compliance required for the first fiscal year beginning on or after January 1, 2021. While not applicable to the Company, the SEC Modernization Rules replace the historical property disclosure requirements for mining registrants that were included in SEC Industry Guide 7. Information concerning our mineral properties has been prepared in accordance with the requirements of Canadian securities laws, which differ in material respects from the requirements of the SEC set forth in Industry Guide 7. In accordance with NI 43-101, the terms "mineral reserve", "proven mineral reserve", "probable mineral reserve", "mineral resource", "measured mineral resource", "indicated mineral resource" and "inferred mineral resource" are defined in accordance with the standards of the Canadian Institute of Mining, Metallurgy and Petroleum ("CIM"). While the terms "mineral resource", "measured mineral resource", "indicated mineral resource" and "inferred mineral resource" are recognized and required by NI 43-101, and now recognized under the SEC Modernization Rules, SEC Industry Guide 7 does not recognize them. You are cautioned that, except for that portion of mineral resources classified as mineral reserves, mineral resources do not have demonstrated economic viability. Inferred mineral resources have a high degree of uncertainty as to their existence and as to whether they can be economically or legally mined. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category. Therefore, you are cautioned not to assume that all or any part of an inferred mineral resource exists, that it can be economically or legally mined, or that it will ever be upgraded to a higher category. Likewise, you are cautioned not to assume that all or any part of measured mineral resources or indicated mineral resources will ever be upgraded into mineral reserves.

I. OVERVIEW OF FRONTIER LITHIUM INC.

Frontier Lithium Inc. was incorporated as 646215 Alberta Inc. on March 13, 1995, under *the Business Corporations Act* (Alberta) and is headquartered in Sudbury, Ontario. The Company was formerly called Houston Lake Mining Inc. and changed its name by Certificate of Amendment dated May 19, 2016 to Frontier Lithium Inc.. In February 2024, the Company incorporated three wholly owned subsidiaries – Frontier Integrated Lithium Holdings Inc., Frontier Lithium Resources Inc. and Frontier Lithium Advanced Materials Inc. to effect the Mitsubishi Corporation joint venture partnership, as referenced in section "Mitsubishi Joint Venture Partnership" of this MD&A. The Company's registered address is 1250, 639 - 5th Ave. S.W, Calgary, Alberta T2P 0M9 and its head office address is located at 2736 Belisle Drive, Val Caron, Ontario, P3N 1B3.

The Company's shares are publicly traded on the Toronto Venture Exchange ("TSX-V") under the symbol "FL", the U.S. based QTCQX Venture Market under the symbol "LITOF" and the Frankfurt Stock Exchange under the symbol "HL2".

The Company is engaged in the acquisition, exploration and development of lithium mineral properties in Ontario, Canada.

PROJECT OVERVIEW

The Company's flagship asset is the 100% owned PAK Lithium Property (the "PAK Lithium Project") located 175 kilometres north of Red Lake, Ontario in the Red Lake Mining District and covers an area of 27,415 hectares comprised of three Mining Leases and 1,276 Mining Claims of which 1,258 are contiguous with the Mining Leases. The Company maintains one of the largest land positions on the "Electric Avenue", an emerging premium lithium-mineral district which is hosted in the Canadian Shield of northwestern Ontario. The Electric Avenue is a major structural corridor in northwestern Ontario that divides two geological domains for hundreds of kilometers and hosts multiple rare metal occurrences containing high levels of lithium in the mineral called spodumene. Chief among these known occurrences are the PAK and Spark pegmatite deposits, located at the southeastern end of the Electric Avenue on the Company's PAK Lithium Project (Figure 1).

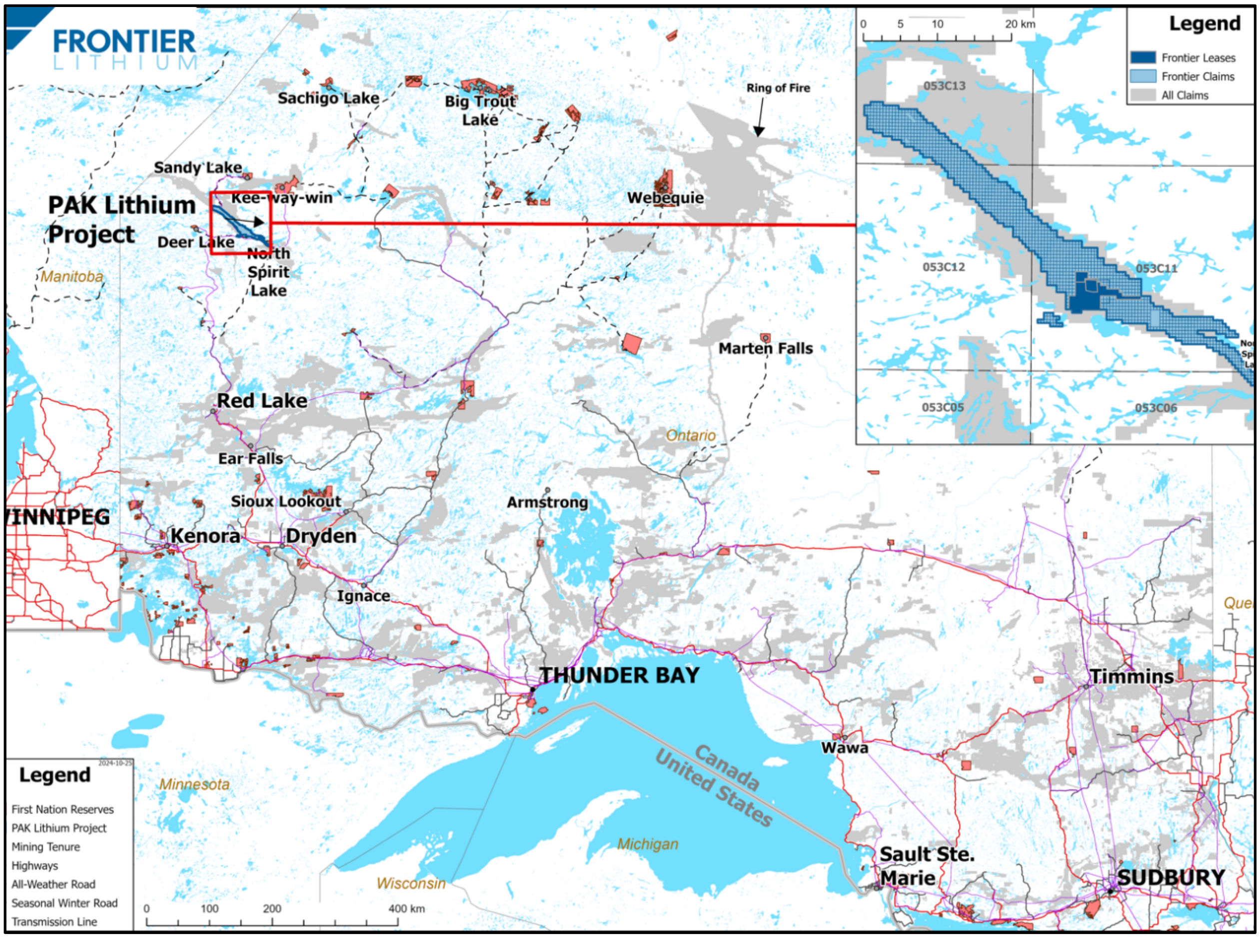

Figure 1: Project Location

The Company has been actively involved since February 2013 in the exploration and development of the PAK Lithium Project, which hosts at surface one of the highest quality spodumene lithium hard rock deposit in North America (Figure 2) at the PAK deposit. The PAK and Spark deposits combined are among the highest-grade resources with the lowest iron impurity levels in North America (e.g. iron levels less than 0.15% Fe_2O_3 in the lattice of the spodumene crystals).

Figure 2: Surficial Exposure of PAK deposit

The Company published a Pre-Feasibility Study ("PFS") on July 14, 2023 and this technical report outlines the preliminary feasibility assessment of the 100% owned PAK Lithium Project. The PFS models a fully-integrated lithium operation utilizing spodumene concentrate generated from the PAK Lithium Project to achieve downstream conversion for production of battery-quality lithium chemicals and concentrate for the glass and glass-ceramics market. The Company has completed in-fill drilling on the Spark deposit and work necessary to support the PFS assessing a fully-integrated lithium operation. The Company's proposed lithium operation includes the production of technical grade lithium concentrates required by premium glass-makers and chemical grade lithium concentrates required as feedstock for the planned production of both lithium carbonate and lithium hydroxide at a downstream lithium conversion plant.

Refer to the National Instrument 43-101 ("NI 43-101") technical report prepared by BBA Engineering Ltd. for the PFS, which was released on July 14, 2023, and filed under the Company's profile on SEDAR+ at www.sedarplus.ca (the "Technical Report").

BUSINESS OBJECTIVES

The Company's objective is to become a strategic domestic supplier of spodumene concentrates for industrial users as well as battery-grade lithium hydroxide and other chemicals to the growing electric vehicle and energy storage markets in North America. The Company maintains the largest land position and resource estimate in a new premium lithium mineral district located in Ontario's Great Lakes region.

LEADERSHIP TEAM

The Company's leadership team's successful mining ventures include a multi-decade track record in funding, partnering, constructing and operating mining and refining companies in North America.

II. HIGHLIGHTS FOR THE CURRENT QUARTER AND RECENT DEVELOPMENTS

EXPLORATION

DRILL PROGRAM

The Company's Phase XIII drill program began in February 2023, included 1,080 metres (4 holes) at Spark, 3,806 metres (15 holes) delineating Bolt, 2,033 metres (11 holes) of geomechanical and hydrogeological drilling at the PAK Lithium Project deposit, and 4,445 metres (16 holes) of condemnation drilling on potential infrastructure locations totaling 11,364 metres of drilling in 46 holes.

The Phase XIV drill program began in February 2024 with 1,058 metres in 5 geomechanical holes testing rock and slope stability at Spark, and 872 metres in 5 condemnation holes on potential sites for overburden and mine rock piles.

All drilling completed in Phase XIII and XIV were in preparation for the Definitive Feasibility Study (“DFS”) that is currently underway.

In September 2024 one drill hole was completed on the Ember pegmatite (formerly Spark Extension) which was discovered in a small surface exposure located one kilometre west-northwest of the Spark Deposit. The drill hole intersected 19 metres averaging 1.43% Li2O at approximately 40 metres beneath the outcrop. The Ember pegmatite was channel sampled on surface in 2023 with two parallel channels averaging 2.16% Li2O over a combined length of 18 metres including 6m averaging 3.27% Li2O. Results from PL-138-24 have extended the high-grade lithium zone from surface to a depth of 40 metres and the mineralization remains untested along strike and to depth.

OTHERS

The Company continues to work on environmental baseline studies, a step that will enable it to advance project permitting.

During May and June 2024, geotechnical drilling continued on potential infrastructure sites including stockpiles and other related facilities.

RESULTS OF PRE-FEASIBILITY STUDY

In May 2023, the Company released the strong results of its PFS for a proposed mine-to lithium chemical/hydromet plant facility (“Integrated Project”) in the great Lakes Region of North America. The PFS was published on July 14, 2023. The PFS assumes a hydromet plant that would convert spodumene concentrate feedstock sourced from a vertically integrated spodumene open-pit mining and milling facility at the Company’s PAK Lithium Project, located north of Red Lake, Ontario. The results of the PFS include a pre-tax net present value (“NPV”) at an 8% discount rate of US$2.59 billion ($3.37 billion) and a pre-tax internal rate of return of (“IRR”) 28.6%, and a post-tax NPV at an 8% discount rate of US$1.74 billion ($2.26 billion) and a post-tax IRR of 24.1%.

The PFS confirms that the 100% owned Company project could be the continent’s largest and lowest-cost producer of lithium hydroxide able to supply the rapidly growing electric vehicle industry in North America.

The PFS is based on an updated mineral resource estimate completed by Todd McCracken, P.Geo, outlined in the National Instrument 43-101 technical report update.

Commodity Price Assumptions from the PFS are, base-case premium technical grade lithium concentrate of 7.2% Li_2O (TG_SC7.2) price of US$3,000 per tonne, chemical grade lithium concentrate of 6.0% Li2O (CG_SC6.0) price of US$1,350 per tonne; lithium hydroxide price of US$22,000 per tonne; lithium carbonate US$20,500 per tonne and an exchange rate of $1.30 USD/CAD.

DEFINITIVE FEASIBILITY STUDY

The DFS commenced in November 2023 with DRA Americas Inc., a subsidiary of DRA Global Limited (“DRA”), focusing on the mine and mill portion of the PAK Lithium Project. Based on changing market conditions and the preliminary results of the DFS, a value engineering phase was undertaken in November 2024. The objectives of the exercise are to better align the mine plan and project with expected market realities. The DFS for the revised mine and mill project is expected to be published in Q2 2025. Competitive tenders are being reviewed for the refinery portion of the project. Award of the refinery section is expected to be aligned with government support of the project.

MITSUBISHI JOINT VENTURE PARTNERSHIP

In March 2024, the Company entered into a definitive agreement with Mitsubishi Corporation (“Mitsubishi”) to establish a joint venture partnership for the PAK Lithium Project (the “PAK JV”). Under the terms of the definitive agreement, Mitsubishi would acquire a 7.5% equity interest in the PAK JV in exchange for cash considerations of $25 million (“Tranche 1”). Upon completion of the DFS, Mitsubishi would have the right to increase its equity interest to 25% in the PAK JV (“Tranche 2”) (Figure 3).

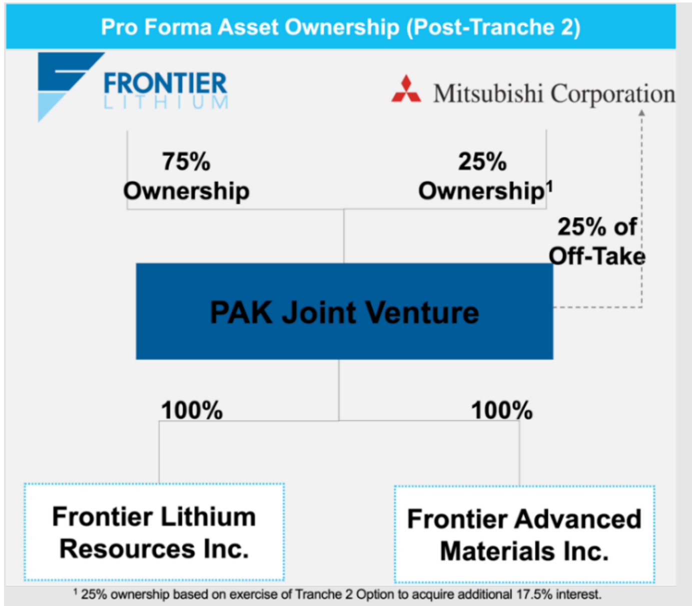

Figure 3: Pro Forma Asset Ownership (Post-Tranche 2)

In April 2024, the Company completed the structuring and transferred the PAK Lithium Project mineral interest and accompanying assets into the operating subsidiaries of Frontier Lithium Resources Inc. and Frontier Lithium Advanced Materials Inc., and signed a Unanimous Shareholders Agreement (the "USA") with Mitsubishi to close Tranche 1 of the PAK JV.

This PAK JV is a strategic partnership that recognizes the size, high quality and strategic importance of the PAK Lithium Project to the North American EV supply chain. Mitsubishi, a global conglomerate and having a portfolio of large-scale mineral resource assets with world-class cost competitiveness and quality, makes its first step into upstream lithium production to contribute to the growing needs of the battery materials supply chain. The PAK JV is structured to cover the equity funding for the planned mine and mill while allowing the Company to maintain at least 75% of future off-take. This long-term partnership supports the initial development of mining at the PAK Lithium Project, and future expansions downstream with chemical processing.

The Company will continue to be the operator of the PAK Lithium Project and will be responsible for its development and delivery and subsequent operation.

Funding of Tranche 2 is subject to certain terms and conditions precedent, including receipt of material permits and other customary approvals. There is no guarantee or assurance that Tranche 2 will be consummated and/or the accompanying capital will be provided by Mitsubishi to the Company.

LAND PURCHASE AGREEMENT

On February 25, 2025, the Company issued an unsecured convertible loan for proceeds of $3,350,000. Proceeds from the convertible loan will be used to purchase a vacant industrial site on Mission Island in Thunder Bay, Ontario on which the company plans to build a lithium conversion facility. The convertible loan has a maturity of 18 months and convertible into common shares of the Company at a price of $0.65. The convertible debt bears interest at Canadian Overnight Repo Rate Average plus 3.0% per annum, compounded annually and payable at maturity.

III. OUTLOOK

The Company's objective is to become a strategic supplier of technical grade spodumene concentrates for premium glass and glass-ceramics producers and battery-grade lithium hydroxide and other lithium chemicals to the growing electric vehicle and energy storage markets in North America.

The PAK Lithium Project is one of the highest quality lithium spodumene mineral resources in North America due to its high lithium content and low impurities. Low iron spodumene is less common than higher iron spodumene increasing its market value when processed into ceramic grade concentrates. The low iron spodumene is also particularly well suited to producing the high-quality lithium concentrates used to produce battery quality lithium chemicals. Spodumene has a cost advantage over the alternative brine sources that require extra chemical processing conversion steps when used to produce lithium hydroxide.

The Company is primarily in an exploration phase with a PFS showing a positive NPV for fully-integrated lithium operation. The positive results of the PFS are based on the traditional, low risk spodumene processing flowsheet described in the lithium chemical development section.

The Company is assessing the construction of a pilot lithium chemical plant in the Province of Ontario. This plant, if constructed would be used to perform research and development for the future commercial lithium chemical plant, train operators, and demonstrate the process to produce battery grade lithium chemicals suitable for downstream cathode and battery makers.

The PFS shows a phased development approach. Phase 1 of the project shows mine and mill to initially produce premium spodumene concentrates. The Phase 2 plan would increase mine and mill production to feed a downstream refinery to produce lithium chemicals for the energy storage and electric vehicle battery market.

To advance its plans, the Company will seek to negotiate agreements with the Indigenous rights holders near the PAK Lithium Project. The agreements will likely cover various topics, including the facilitating development work on its property interests. The intent of these agreements is to extend beyond those established during the exploration phase of mining. The agreements will involve costs that are not fully known at this time.

IV. RESULTS OF OPERATIONS

The following table represents select financial and operating results of our company for the three and nine months ended December 31, 2024 and 2023.

Financial Results

(in thousands of Canadian dollars, except for shares and per share figures)

	Three months ended December 31,		Nine months ended December 31,	
	2024	2023	**2024**	2023
EXPENSES				
Exploration and evaluation expenditures	**$ 1,567**	$ 2,196	**$ 9,465**	$ 11,033
General and administrative expenses	**1,352**	2,600	**4,533**	7,456
Interest income	**(220)**	(251)	**(883)**	(742)
Accretion expense on lease liabilities	**55**	2	**60**	13
Foreign exchange loss (gain)	**49**	(15)	**49**	(15)
Net loss and comprehensive loss	**(2,803)**	(4,532)	**(13,224)**	(17,745)
Net loss per share				
Basic and diluted	**$ (0.01)**	$ (0.05)	**$ (0.05)**	$ (0.08)
Weighted average number of shares outstanding				
Basic and diluted	**228,090,228**	227,627,041	**227,648,026**	227,613,229
Cash	**20,788**	15,480	**20,788**	15,480

Total assets	**32,645**	24,411	**32,645**	24,411
Total non-current financial liabilities	**2,036**	13	**2,036**	13
Cash dividend declared	**-**	-	**-**	-

<u>Three and Nine Months Ended December 31, 2024 and 2023</u>

The Company reported a net loss and comprehensive loss of $2.8 million ($0.01 per share) for the three months ended December 31, 2024, compared to a net loss and comprehensive loss of $4.5 million ($0.02 per share) for the three months ended December 31, 2023. The $1.7 million decrease for the three months ended December 31, 2024 mainly resulted from a decrease in non-cash stock-based compensation that was driven by the timing and quantum of new stock option grants during the two periods, and lower exploration and evaluation expenses as the Company had a more active exploration program and incurred more research and development expenditures in the prior period to support the PAK Lithium Project PFS.

The Company reported a net loss and comprehensive loss of $13.2 million ($0.04 per share) for the nine months ended December 31, 2024, compared to a net loss and comprehensive loss of $17.7 million ($0.08 per share) for the nine months ended December 31, 2023. The $4.5 million decrease for the nine months ended December 31, 2024 were due to similar drivers for the changes between three months ended December 31, 2024 and December 31, 2023.

Exploration and evaluation expenditures on the PAK Lithium Property

(in thousands of Canadian dollars)

	Three months ended December 31,		Nine months ended December 31,	
	2024	**2023**	**2024**	**2023**
Personnel cost	**$ 490**	$ 407	**$ 1,527**	$ 1,526
Consulting fees	**737**	1,095	**5,838**	4,975
Drilling	**2**	24	**246**	1,484
Assay and sampling	**129**	21	**372**	251
Research and development, net of government assistance	**77**	503	**413**	1,270
Camp and equipment expenses	**19**	117	**109**	309
Travel and transportation cost	**113**	29	**960**	1,218
Total exploration and evaluation expenditures	**$ 1,567**	$ 2,196	**$ 9,465**	$ 11,033

The Company reported total exploration and evaluation expenditures of $1.6 million for the three months ended December 31, 2024, a decrease of $0.6 million when compared to the three months ended December 31, 2023. The net decrease is mainly due to lower consulting fees and research and development expenses associated with the DFS in the current period in comparison to those incurred for the PFS during the prior period.

The Company reported total exploration and evaluation expenditures of $9.5 million for the nine months ended December 31, 2024, a decrease of $1.6 million when compared to the nine months ended December 31, 2023. The net decrease is due to lower drilling, research and development, and camp related activities as the Company completed the PAK Lithium Project PFS in 2023, offset by higher consulting fees associated with the DFS in 2024, majority of which were incurred during the three months ended June 30, 2024.

General and Administrative Expenses
(in thousands of Canadian dollars)

	Three months ended December 31,		Nine months ended December 31,	
	2024	**2023**	**2024**	**2023**
Salaries, benefits and consulting	**$ 436**	$ 621	**$ 1,402**	$ 1,703
Share-based payments	**361**	1,571	**1,254**	4,179
Professional fees	**115**	16	**513**	356
Office, administration and other	**192**	213	**733**	649
Shareholder related fees	**50**	38	**178**	306
Depreciation	**198**	141	**453**	263
Total general and administrative expenses	**$ 1,352**	$ 2,600	**$ 4,533**	$ 7,456

The Company reported total general and administrative expenses of $1.4 million for the three months ended December 31, 2024, an overall decrease of $1.2 million when compared to the three months ended December 31, 2023. The decrease is mainly due to lower non-cash stock-based compensation which was driven by the timing and quantum of new grants during the periods.

The Company reported total general and administrative expenses of $4.5 million for the nine months ended December 31, 2024, an overall decrease of $2.9 million when compared to the nine months ended December 31, 2023. The decrease is due to similar drivers for the changes between three months ended December 31, 2024 and December 311, 2023.

V. SELECTED QUARTERLY INFORMATION

A summary of selected financial information for the eight recently completed quarters is presented below.

(in thousands of Canadian dollars, except for shares and per share figures)

For the quarter ended	December 31, 2024	September 30, 2024	June 30, 2024	March 31, 2024
Revenue	$Nil	$Nil	$Nil	$Nil
Income from operations	$Nil	$Nil	$Nil	$Nil
Exploration and evaluation expenditures	$(1,567)	$(3,232)	$(4,666)	$(5,244)
General and administrative expenses	$(1,352)	$(1,743)	$(1,438)	$(1,699)
Interest income	$220	$326	$337	$176
Net loss and comprehensive loss	$(2,803)	$(4,651)	$(5,770)	$(6,781)
Net loss and comprehensive loss – Frontier Lithium Inc. shareholders	$(2,672)	$(4,391)	$(4,961)	$(6,781)
Weighted average number of shares outstanding	228,090,228	227,627,041	227,627,041	227,627,041
Net loss per share, basic and diluted – Frontier Lithium Inc. Shareholders	$(0.01)	$(0.02)	$(0.02)	$(0.03)
Total assets	$32,645	$35,261	$39,591	$21,713
Total liabilities	$6,318	$6,613	$6,881	$7,555

For the quarter ended	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023
Revenue	$Nil	$Nil	$Nil	$Nil
Income from operations	$Nil	$Nil	$Nil	$Nil
Exploration and evaluation expenditures	$(2,196)	$(4,331)	$(4,506)	$(5,061)
General and administrative expenses	$(2,600)	$(2,749)	$(2,108)	$(2,660)
Interest income	$251	$277	$214	$313
Net loss and comprehensive loss	($4,532)	$(6,808)	$(6,406)	$(7,411)
Net loss and comprehensive loss – Frontier Lithium Inc. shareholders	($4,532)	$(6,808)	$(6,406)	$(7,411)
Weighted average number of shares outstanding	227,627,041	227,627,041	227,612,819	225,568,296
Net loss per share, basic and diluted – Frontier Lithium Inc. shareholders	$(0.02)	$(0.03)	$(0.03)	$(0.03)
Total assets	$24,411	$27,266	$31,574	$35,197
Total liabilities	$3,749	$3,643	$2,592	$1,957

Three months ended December 31, 2024 vs. all historic quarters

For the three months ended December 31, 2024, the Company incurred a $2.8 million net loss and comprehensive loss. Exploration and evaluation expenditures for the three months ended December 31, 2024 and September 30, 2024 have decreased when compared to the same period in the prior year. These decreases are due to the reduced scope of work as the Company nears completion of Phase 1 of the PAK FS. Total assets increased in the June 30, 2024 period as a result of Mitsubishi's investment in the PAK JV, and increased in the December 31, 2022 period as a result of equity financing. General and administrative expenses have fluctuated mainly as a result of changes in non-cash share-based compensation expenses.

VI. LIQUIDITY AND CAPITAL RESOURCES

Condensed Interim Statements of Cash Flow
(in thousands of Canadian dollars)

	Three months ended December 31, 2024	2023	Nine months ended December 31, 2024	2023
Total cash used in operating activities	**$ (4,754)**	$ (3,131)	**$ (15,577)**	$ (11,459)
Total cash used in investing activities	**-**	-	**(204)**	(1,365)
Total cash used in financing activities	**14**	(18)	**23,995**	933
Net change in cash	**(4,740)**	(3,149)	**8,214**	(11,891)
Cash and cash equivalents, beginning of period	**25,528**	18,629	**12,574**	27,371
Cash and cash equivalents, end of period	**$ 20,788**	$ 15,480	**$ 20,788**	$ 15,480

As at December 31, 2024, the Company's net working capital was $18.6 million compared to $6.3 million as at March 31, 2024. The net working capital increase was due to proceeds from Mitsubishi's investment in the PAK JV, offset by corporate expenditures and exploration and evaluation expenditures during the period.

Total cash used in operating activities were higher in the nine months ended December 31, 2024 when compared to the nine months ended December 31, 2023 mainly due to working capital movements, offset by lower exploration and evaluation expenditures.

Total cash used in investing activities were lower in the nine months ended December 31, 2024 when compared to the nine months ended December 31, 2023 due to the purchase of a camp in the prior period.

Total cash provided by financing activities were higher in the nine months ended December 31, 2024 when compared to the nine months ended December 31, 2023 due to Mitsubishi's investment in the PAK JV.

When managing capital, which is a broader concept than the "equity" in the statement of financial position, the objectives of the Company are:

• To safeguard the Company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and

• To maintain a strong capital base to support the exploration for and development of its mineral deposits.

There have been no changes in the Company's capital management when compared to the prior year. Management intends to optimize its cash management while continuing to fulfill its operating cash needs.

Liquidity risk is the risk that the Company will not be able to meet its payment obligations when they fall due under normal and stress circumstances. The Company monitors its liquidity risk by considering the maturity of its financial liabilities. The Company's ability to access debt and equity markets when required may be impacted by factors beyond its control, such as economic and political conditions that may affect the capital markets generally.

Although the Company has been successful in raising funds to date, there can be no assurance that adequate funding will be available in the future. Should management be unable to raise sufficient capital to fund operations and growth there would be a material adverse effect on the Company's business, financial condition, results of operations and its ability to continue as a going concern.

VII. CONTRACTUAL OBLIGATIONS, COMMITMENTS AND CONTINGENCIES

Our future undiscounted obligations as at December 31, 2024 are as follows:

Maturity of Financial Liabilities
(in thousands of Canadian dollars)

	Within 1 year	Between 2 to 3 years	Between 4 to 5 years	Over 5 years	Total
Accounts payable and accrued liabilities	**$ 4,129**	**$ -**	**$ -**	**$ -**	**$ 4,129**
Lease obligations	**365**	**700**	**700**	**1,663**	**3,428**
Total as at December 31, 2024	**$ 4,494**	**$ 700**	**$ 700**	**$ 1,663**	**$ 7,557**

VIII. OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements as at December 31, 2024 and the date of the report.

IX. PROPOSED TRANSACTIONS

The Company does not have any proposed transactions as at December 31, 2024 and the date of the report, other than as disclosed elsewhere in this document.

X. FINANCIAL INSTRUMENTS

The Company does not currently utilize complex financial instruments in hedging lithium price, foreign exchange or interest rate exposure. The Company will not hold or issue derivative instruments for speculation or trading purposes.

Where the fair value of financial assets and financial liabilities recorded in the financial statements cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

When measuring the fair value of an asset or liability, the Company uses observable market data to the greatest extent possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

XI. RELATED PARTY TRANSACTIONS

Key management personnel include members of the Board of Directors and certain senior officers. Remuneration of our key management personnel was as follows:

	Three months ended December 31,		Nine months ended December 31,	
	2024	**2023**	**2024**	**2023**
Compensation – salaries, benefits and consulting	**$ 482**	$ 536	**$ 1,446**	$ 1,401
Exploration and evaluation and other expenditures[1]	**33**	4	**60**	540
Share-based compensation	**33**	1,136	**412**	3,531
Total	**$ 548**	$ 1,676	**$ 1,918**	$ 5,472

1. Exploration and evaluation expenditures are related to drilling, blasting, and hauling costs paid to a corporation controlled by a director of the Company.

In October 2024, the Company entered into an office lease agreement with a corporation controlled by a director of the Company. The non-cancellable period of the lease is 10 years and the Company has an option to extend the lease for up to four further terms of five years per additional term.

Included in accounts payable is $33,000 (March 31, 2024 - $3,000) owing to corporations controlled by a director of the Company and key management personnel of the Company.

The transactions above are in the normal course of operation and are measured at the exchange amount which is the amount of consideration established and agreed to by the related parties.

XII. USE OF PROCEEDS

On November 10, 2022, the Company closed a bought deal prospectus offering ("Offering") and raised total net proceeds of approximately $21.3 million ("Total Proceeds") from this Offering. Excluding the amount to be used for working capital purposes, the Company plans to spend approximately $14.6 million in Phase 1 of the DFS, pilot plant planning and engineering, and environmental baseline. The use of proceeds has not deviated from what has been previously disclosed and the Company's current cash position continues to be deployed in line with previously disclosed activities on its PAK Project.

On April 25, 2024, the Company closed Tranche 1 of the PAK JV partnership with Mitsubishi for cash proceeds of $25 million. Proceeds from this transaction will fund ongoing expenditures to advance Phase 1 of the DFS and some key programs that support Phase 2 of the DFS.

Although the Company intends to allocate these proceeds as set out above, the amounts actually expended for the purposes described above could vary significantly depending on, among other things, general market conditions, spodumene and lithium prices, the results of further exploration, the results of any future estimation of mineral reserves, the Company's future operating and capital needs from time to time, and other factors referred to under "Risk Factors" herein and in the "Risk Factors" sections found in the Company's continuous disclosure documents that have been filed and can be found on the Company's SEDAR+ profile at www.sedarplus.ca.

Notwithstanding the proposed uses of available funds discussed above, there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary or prudent. It is difficult, at this time, to definitively project or allocate the funds necessary to effect the planned activities of the Company.

XIII. ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS

Please refer to the Company's audited financial statements for the year ended March 31, 2024, and unaudited condensed interim financial statements for the period ended December 31, 2024, which were filed on SEDAR+.

XIV. RISK FACTORS

The Company's business activities are subject to a variety and wide range of inherent risks and uncertainties. Any of these risks could have an adverse effect on the Company, its business and prospects, and could cause actual outcomes and results to differ materially from those described in forward-looking statements relating to the Company. For further details on the risk factors affecting the Company, please refer to the Company's MD&A for the year ended March 31, 2024, which is filed on SEDAR+.

XV. QUALIFIED PERSON

Unless stated otherwise herein, all scientific and technical data contained in this MD&A has been reviewed, approved and verified by Garth Drever, P.GEO. who is the Company's in-house "Qualified Person" within NI 43-101 and is a member in good standing of the Professional Geoscientists Ontario. Mr. Drever is also the Company's Vice President, Exploration. Therefore, he is not considered to be independent under NI 43-101.

XVI. USE OF NON-GAAP FINANCIAL MEASURES AND RATIOS

The Company's financial results are prepared in accordance with IFRS Accounting Standards. This document refers to a non-GAAP financial measure "working capital" which is not a measure recognized under IFRS Accounting Standards and does not have a standardized meaning prescribed by IFRS Accounting Standards.

This non-GAAP financial measure does not have standardized meanings under IFRS Accounting Standards, may differ from those used by other issuers, and may not be comparable to similar financial measure reported by other issuers. This financial measure has been derived from the Company's financial statements and applied on a consistent basis as appropriate. The Company discloses this financial measure because it believes they assist readers in understanding the result of the Company's operations and financial position and provide further information about the Company's financial results to investors.

This measure should not be considered in isolation or used in substitute for other measures of performance prepared in accordance with IFRS Accounting Standards.

Working capital: the difference between current assets and current liabilities.

XVII. INTERNAL CONTROLS OVER FINANCIAL REPORTING

The Company's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") have established processes to provide them with sufficient knowledge to support representations that they have exercised reasonable diligence that: (i) the financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the financial statements; and (ii) the financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented. In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the corresponding certificate for venture issuers does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers of the Company do not make any representations relating to the establishment and maintenance of:

i. controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

ii. a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with IFRS.

The Company's CEO and CFO are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in the corresponding certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

XVIII. OUTSTANDING SHARE DATA

As at the date of report, the Company had the following common shares, stock options and warrants outstanding.

	Number of shares	Exercise price	Weighted average remaining contractual life (years)
Common shares	228,027,041	-	-
Stock options	20,793,218	$0.25 - $2.73	1.87
Warrants	5,232,500	$2.75	0.71
Total	**254,052,759**	**-**	**-**

XIX. OTHER INFORMATION

Additional information regarding the Company is available on the Company's website (www.frontierlithium.com) and on the Company's profile on SEDAR+ at www.sedarplus.ca.

FRONTIER LITHIUM INC.

Trevor R. Walker, President & CEO
February 24, 2025