



NEO LITHIUM CORP.
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED MARCH 31, 2017
(EXPRESSED IN CANADIAN DOLLARS)

INTRODUCTION

This management's discussion and analysis of the financial condition and results of operation ("MD&A") of Neo Lithium Corp. ("Neo Lithium" or the "Company") should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements and notes thereto as at and for the period ended March 31, 2017. This MD&A has an effective date of May 29, 2017, the date this MD&A was approved by the Board of Directors.

Except as otherwise indicated, all financial data in this MD&A have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

All dollar amounts in this MD&A are reported in Canadian dollars, except otherwise stated.

Additional information regarding Neo Lithium Corp., and its business is available on SEDAR at www.sedar.com under the Company's profile or on the Company's website at www.neolithium.ca.

CORPORATE OVERVIEW

Neo Lithium was incorporated under the Canada Business Corporations Act on January 15, 2016. The Company operates in one industry segment; its principal business activities are the exploration and development of resource properties. The Company has a 100% owned subsidiary in Argentina named Liex S.A. ("Liex"), and 2525194 Ontario Inc. The registered office of the Company is located at 333 Bay Street, Suite 2400, Toronto, Ontario, M5H 2T6.

On July 18, 2016, the Company completed a qualifying transaction (the "Transaction") with POCML 3 Inc. ("POCML"), a company listed on the TSX Venture Exchange ("TSXV"). Pursuant to the Transaction, POCML amalgamated with privately held Neo Lithium Corp. ("Old Neo Lithium") to form the amalgamated Neo Lithium (the "Amalgamation"). The post-Amalgamation common shares commenced trading on the TSXV under the symbol "NLC" on July 20, 2016. Prior to the completion of the Transaction, the common shares of POCML were consolidated on a 0.91:1 basis (the "Consolidation"). Pursuant to the Transaction, former shareholders of each company received one post-Amalgamation common share for each common share of Old Neo Lithium and POCML held (after giving effect to the Consolidation). The Amalgamation was accounted for as a reverse takeover ("RTO") whereby Old Neo Lithium was identified as the acquirer for accounting purpose and the resulting consolidated financial statements are presented as a continuance of Old Neo Lithium. POCML had no significant assets other than cash with no commercial operations at the time of the RTO. Concurrently with the completion of the RTO, POCML changed its name to "Neo Lithium Corp".

3Q PROJECT

Neo Lithium's Tres Quebradas project (the "3Q Project") is located in the southern end of the "Lithium Triangle" in the Puna Plateau. The area is characterized by high altitude salt flats, many of which contain elevated lithium concentrations. The largest brine lithium mines and projects in the world are located in salars in the Lithium Triangle including Atacama Salar (SQM and Albermarle), Cauchari-Olaroz Salar (Orocobre and Lithium Americas) and Hombre Muerto Salar (FMC and Galaxy).

The 3Q Project is located at 4,090 metres above sea level and encompasses approximately 350 km² with the lithium salar and brine lake complex encompassing approximately 160 km². There are no aboriginal communities or inhabitants in the area. The 3Q Project is located only 25 km from the border with Chile, and 56 km from the Maricunga salar, another high lithium grade salar, on the Chilean side. The Maricunga salar is traversed by a highway and is 210 km away from the Chilean port of Caldera (Copiapo). Accordingly, with potentially limited infrastructure improvements, the 3Q Project would be the closest Argentinean project to a Chilean port.

During 2016 the Company completed several key steps in the development of the 3Q Project. The Company acquired the project concessions and finalized the initial sampling work, received environmental report and work program from the authorities in the Province of Catamarca, upgraded and built the road to the project for ease of transportation,

NEO LITHIUM CORP.
MANAGEMENT'S DISCUSSION & ANALYSIS
PERIOD ENDED MARCH 31, 2017

commissioned and received favorable process studies for lithium brine samples, completed a fulsome geophysical program to initiate the drilling program, commissioned and finished the camp and at the project site, and started the drilling season and the construction of the pilot evaporation ponds in late December. At the same time, the Company was also able to raise over \$20 million (gross) during the year, and became a publicly listed company (see "Corporate Overview" in this MD&A for further information).

On January 2017, the Company announced the completion of the first two drill holes and preliminary geochemical results of high grade lithium and very low impurities. Over the month of February and March the Company continued announcing very positive drilling and pump test results (confirming results of the preliminary brine sampling in April 2016) of very high grade lithium, low impurity content and impressive pump/porosity tests. Additionally, the Company announced a unit bought deal private placement financing of \$20 million and subsequent increase to \$25 million due to high demand with a closing on February 22, 2017.

On February 2017, the Company announced that it had engaged GHD Chile SA ("GHD"), a leading full-service engineering services firm to complete the Preliminary Economic Assessment report ("PEA") 3Q Project in Argentina. The Company also announces that the PEA was expected to be completed well ahead of schedule with a target completion date during the third quarter of 2017. The PEA will provide a detailed financial model and economic analysis for a conventional evaporation recovery circuit for lithium and potash and should lay the foundation for the future feasibility work.

On February and March 2017, the Company announced positive high grade drill results, significant initial pump tests, positive porosity results and expansion of its high grade lithium footprint for the 3Q Project (see press releases on February 28, 2017 and March 20, 2017 for additional technical information).

On May 23, 2017 and based on the results issued earlier in February and March, the Company announced its initial maiden resource estimate for the 3Q Project. The resource estimate was conducted along the entire salar and brine lakes of the 3Q Project covering an area of 8,183 ha covering the Northern Target, as defined in the Company's current technical report entitled "Technical Report on the Tres Quebradas Lithium Project, Catamarca Province, Argentina", dated June 6, 2016 (see press releases on May 23, 2017 for additional technical information). Lithium and potassium resource estimates are summarized below:

3Q Project Lithium and Potassium Resource Statement at 520 mg/L Lithium Cut-off

| | Brine Volume (millions m ³) | Avg. Lithium (mg/L) | Lithium (tonnes) | <i>Li₂CO₃</i> <i>Equivalent</i> (tonnes) | Avg. Potassium (mg/L) | Potassium (tonnes) | KCl <i>Equivalent</i> (tonnes) |
|-------------|--|------------------------|---------------------|--|--------------------------|-----------------------|--------------------------------------|
| Measured | 12.47 | 792 | 9,876 | 52,569 | 7,434 | 92,702 | 176,764 |
| Indicated | 175.1 | 710 | 124,309 | 661,673 | 6,439 | 1,127,273 | 2,149,485 |
| Total M & I | 187.5 | 716 | 134,185 | 714,242 | 6,506 | 1,219,975 | 2,326,249 |
| Inferred | 353.2 | 713 | 251,662 | 1,339,546 | 6,554 | 2,314,756 | 4,413,778 |

The following table presents the property rights and evaluation and exploration costs incurred as at March 31, 2017 and as at December 31, 2016.

NEO LITHIUM CORP.
MANAGEMENT'S DISCUSSION & ANALYSIS
PERIOD ENDED MARCH 31, 2017

| | As at March 31, 2017 | As at December 31, 2016 |
|-------------------------------------|----------------------------|-------------------------------|
| Net book value of 3Q Project | | |
| Assays | \$ 491,087 | \$ 424,853 |
| Consulting fees | 203,571 | 170,135 |
| Field crew | 2,527,228 | 856,593 |
| Field work | 569,578 | 539,516 |
| Geological | 129,690 | 90,600 |
| Depreciation | 96,883 | 49,979 |
| Supplies and miscellaneous | 474,403 | 459,914 |
| Travel/transportation | 711,355 | 372,089 |
| Licences and permits | 418,092 | 150,681 |
| Mineral property payments | 534,814 | 534,814 |
| Effect of foreign exchange | (29,604) | (133,576) |
| Total | \$ 6,127,097 | \$ 3,515,598 |

On January 11, 2016, the founders of the project, which include two directors of the Company, Mr. Waldo Perez and Mr. Gabriel Pindar, entered into a purchase and sale agreement with a third party owner (the "Initial Owner"), for the acquisition of six mining rights in the Tinogasta area, Catamarca province, Argentina, representing a portion of the 3Q Project. The founders established the Company and on April 5, 2016 assigned these six mining rights to the Company's wholly owned Argentinean subsidiary, Liex. A royalty of 1.5% over gross sales was retained by the founders. The Company assumed the payment obligations to the Initial Owner of US\$400,000 (of which US\$300,000 has been paid and US\$100,000 is outstanding and included in accounts payable). On March 1, 2016, in addition to the six mining rights described above, Liex was awarded four additional mining rights in the same area from the Mining Department of Catamarca. The 3Q Project is a salar and brine lake complex composed by 10 mining claims, encompassing approximately 35,000 hectares.

Future obligations with respect to the 3Q Project as at March 31, 2017, which will only be incurred if the Company starts commercial production, include:

- A mining royalty established by Catamarca province of 3% over the "mine-head value of the ore".
- A royalty of 1.5% over gross sales, a portion of which is held by two directors of the Company (see "Related Party Transactions and Key Management" in this MD&A).

Neo Lithium requested Groundwater Insight, Inc. based in Nova Scotia, Canada to prepare an independent lithium brine resource estimate for the Company's 3Q Project brine deposit in Argentina and to compile a Technical Report (including a resource estimate), in accordance with National Instrument 43-101 – Standards of Disclosure for Mineral Projects - and consistent with the standards and guidelines set out by the Canadian Institute of Mining, Metallurgy and Petroleum. Waldo Perez, Ph.D, P.Geo., the Chief Executive Officer and President of Neo Lithium Corp. is the qualified person who approved the scientific and technical disclosure on the 3Q Project above. Claudio Suarez Authievre, Ph.D, Chartered Chemist (ACPO) verified the data disclosed, including sampling, analytical, and test data underlying the information described above. The studies included experiments on the brine at bench scale and simulated evaporation routes using thermodynamic databases. The data will require further field testing to verify the process on site. This study is applicable only to the surface brine found in the Northern Target of the 3Q Project. If the brine changes composition at depth further studies will be required to verify its process. Weather data was taken from a weather station approximately 50 km away and on-site weather station data will be required to validate the results.

Additional information on the 3Q Project is available in the Company's technical report titled "Technical Report on the Tres Quebradas Lithium Project Catamarca Province, Argentina" with an effective date of June 6, 2016 and also on Neo Lithium's website www.neolithium.ca.

OVERALL PERFORMANCE

The consolidated financial statements have been prepared using IFRS applicable to a going concern, which assumes continuity of operations and realization of assets and settlement of liabilities in the normal course of business for the foreseeable future. The Company is subject to risks and challenges similar to companies in a comparable stage of exploration and development. As a result of these risks, there is significant doubt as to the appropriateness of the assumption that the Company will be able to continue as a going concern assumption. There is no assurance that the Company's funding initiatives will continue to be successful and the Company's financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary if the going concern assumption was inappropriate. These adjustments could be material. The Company will have to raise additional funds to advance its exploration and development efforts and, while it has been successful in doing so in the past, there can be no assurance that it will be able to do so in the future.

This section discusses significant changes in the Consolidated Statements of Financial Position, Statements of Changes in Shareholders' Equity, Statements of (Loss), Comprehensive (Loss) and Deficit, and Statements of Cash Flows for the three months ending March 31, 2017 and for the period from January 15 (date of incorporation) to March 31, 2016.

The following is selected financial data derived from the consolidated financial statements of the Company for the three months ending March 31, 2017 and March 31, 2016, as well as at December 31, 2016.

| | Three months ended March 31, 2017 | For the period (date of incorporation) to March 31, 2016 |
|---|---|---|
| Net loss | \$(4,169,438) | \$(246,333) |
| Total comprehensive loss for the period | (4,021,701) | (246,561) |
| Net income (loss) per share (basic and diluted) | (0.05) | (0.02) |
| | Three months ended March 31, 2017 | As at December 31, 2016 |
| Total assets | \$40,261,737 | \$18,297,963 |
| Total liabilities | 990,914 | 819,291 |
| Total equity | 39,270,823 | 17,478,672 |
| Working capital | 31,679,778 | 13,070,089 |

RESULTS OF OPERATIONS

| | Three months ended March 31, 2017 | For the period from January 15 (date of incorporation) to March 31, 2016 |
|--|-----------------------------------|--|
| Expenses | | |
| Net foreign exchange loss (gain) | \$ 293,424 | \$ (8,529) |
| Professional fees | 720,020 | 162,644 |
| Salaries, benefits and director fees | 370,423 | 44,181 |
| Marketing and promotion | 119,327 | 16,195 |
| Property investigation expense | - | 16,556 |
| Amortization | 5,357 | 7,616 |
| Transfer agent and regulatory fees | 81,263 | - |
| Office and administrative | 219,677 | - |
| Travel | 125,511 | 7,670 |
| Share-based compensation | 2,248,267 | - |
| Interest income | (13,831) | - |
| Net (loss) for the period | (4,169,438) | (246,333) |
| Other comprehensive income (loss) | | |
| Items that will be reclassified subsequently to (loss) income | | |
| Foreign exchange difference on translating foreign operations | 147,737 | (228) |
| Total comprehensive loss for the period | \$ (4,021,701) | \$ (246,561) |
| Basic and diluted net loss per share | \$ (0.05) | \$ (0.02) |
| Weighted average number of common shares outstanding | 75,197,903 | 15,153,846 |

For the three months ended March 31, 2017, the Company's net loss was \$4,169,438 or \$0.05 per share (loss of \$246,333 of \$0.02 for the three months ended March 31 2016). The net loss for the period was a result of the following key points:

- The Company received interest income of \$13,831 (nil); this was attributed to interest generated on cash.
- The Company registered a loss on foreign exchange of \$293,424 (gain of \$8,529); this was attributed to a weaker Canadian dollar against the United States dollar.
- Professional fees were \$720,020 (\$162,644); primarily due to consultant fees for the 3Q Project and the on-going professional fees for legal, audit and accounting as well as other consulting services rendered in regards to the \$25 million financing close in February of 2017.
- Salaries, benefits and director fees were \$370,423 (\$44,181); this is associated with compensation for management and a key consultant.
- Marketing and promotion expenses were \$119,327 (16,195); this was associated with the Company participation in lithium tradeshows, marketing, and investor relations activities for the Company.
- Amortization expenses were \$5,357 (\$7,616); this was associated to newly acquired office related equipment.
- Transfer agents and regulatory fees were \$81,263 (nil); this was associated with the TSXV listing and on-going

regulatory fees including the costs with the \$25 million financing and OTC listing.

- Office and administrative expenses were \$219,677 (nil); this was associated with ongoing office expenses for general and corporate purposes (such as insurance, bank charges, taxes, rent, IT and others) at both Canada and Argentina.
- Travel expenses were \$125,511 (\$7,670); this was associated with the company's executives travelling to Canada and Argentina and to the project site, as well as other international travel for business related meetings.
- Share based compensation expenses were \$2,248,267 (nil); this was associated with the granting of 4,150,000 stock options to officers, directors and consultants.

CONSOLIDATED FINANCIAL POSITION

This section should be read in conjunction with the Consolidated Statement of Financial Position and Statement of Shareholder's Equity as of March 31, 2017 and the corresponding notes thereto.

Consolidated Assets

Consolidated assets were \$40,261,737 at March 31, 2017. Cash and cash equivalents were \$31,239,541 primarily due to the Company's \$25 million (gross) financing in February 2017. Receivables were \$1,341,428 and prepaid expenses were \$89,723. Property rights and exploration costs of \$6,127,097 were a result of the exploration and geological campaigns during the period. Office and field equipment were \$1,463,948.

Consolidated Liabilities

Consolidated liabilities were \$990,914. This balance is composed in part of the last property payment as well as studies associated with the mineral property and legal and other professional fees for the period.

Shareholders' Equity

Shareholders' equity was \$39,270,823. This balance was comprised of the Company's share capital of \$45,492,026 primarily due to the \$25 million (gross) financing in February 2017 and the initial financings in 2016, broker warrants related to the financings in 2016 and 2017 of \$4,910,001, share-based compensation payments of \$3,591,743, as well as a net loss for the period of \$4,169,438 and by \$147,737 in movements in the foreign currency translation adjustment.

LIQUIDITY AND CAPITAL RESOURCES

As at March 31, 2017, the Company had cash resources of \$31,239,541 and its net working capital was \$31,679,778. The Company anticipates that these resources will be sufficient to meet its current obligations, currently planned operating costs and expenditures on its mineral properties over the next 18 months, which now included the 43-101 Resource Report, Preliminary Economic Assessment and the Feasibility Study.

The priority is to use the funds in the development and expansion of the 3Q Project. The current liabilities include accounts payable of \$990,914 primarily related to the final property payment, exploration expenditures, legal and professional fees and regular expenses and payables incurred during the period.

The Company does not currently own or have an interest in any producing mineral properties and does not derive any revenues from operations. The Company's activities have been funded through equity financing and the Company expects that it will continue to be able to utilize this source of financing until it develops cash flow from operations. There can be no assurance, however, that the Company will be successful in its efforts. If such funds are not available

or other sources of finance cannot be obtained, then the Company will be forced to curtail its activities to a level for which funding is available and can be obtained.

CASH FLOW

During the period ended March 31, 2017, the Company decreased its cash from operations by \$2,391,969. After adjusting for non-cash items such as amortization, share-based compensation and reverse takeover transaction costs, receivables increased by \$596,689 primarily due to an increase in sales tax recoverable in Argentina. Prepaid expenses increased by \$51,090 due to an increase in operational expenses associated with the continuous work on the 3Q Project property. Accounts payable and accrued liabilities increased by \$171,624 primarily as a result of expenditures related with the mineral exploration.

During the period ended March 31, 2017, the Company invested \$3,047,358 of cash in its investing activities. During the current period, the Company spent \$2,451,237 on the purchase of property rights, evaluation, and exploration costs, composed sampling, drilling and evaluation work at 3Q Project as well as exploration expenditures and the development camp and the pilot evaporation pond at the 3Q Project. The company spent \$596,121 on the purchase of field and office equipment mainly in the acquisition of field equipment in Argentina for the use on the 3Q Project.

During the period ended March 31, 2017, the Company generated \$23,556,198 of cash from its financing activities. The Company received net proceeds of \$23,556,198 from its \$25 million (gross) financing closed on February 20, 2017.

During the period ended March 31, 2017, the Company had a net increase in cash and cash equivalents of \$18,116,871 and a foreign exchange rate change on the balance of cash held in foreign currencies of \$16,662. The resulting cash position with the opening cash balance of \$13,106,008 at the end of the period was \$31,239,541.

SHARE CAPITAL

As at March 31, 2017, the Company had 88,584,419 issued and outstanding common shares and 7,250,000 stock options and 13,734,946 warrants outstanding. Therefore, the Company had 109,569,365 common shares outstanding on a fully diluted basis. Refer to notes 8, 9, 10 and 11 of the consolidated financial statements as at and for the period ended March 31, 2017.

OFF-BALANCE SHEET ARRANGEMENTS AND CONTRACTUAL COMMITMENTS

The Company has no off-balance sheet arrangements nor material contractual commitments with the exception of a royalty of 1.5% over gross sales, a portion of which is held by two directors of the Company (see "Related Party Transactions and Key Management" in this MD&A).

RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT

During the period ended March 31, 2017, the Company incurred the following related party transactions:

- 185,312 in legal fees (period from January 15, 2016 to March 31, 2016 - \$75,000) to a law firm, Fasken Martineau DuMoulin LLP, of which a partner is a director of the Company as well as the legal counsel of the Company. \$2,635 (December 31, 2016 - \$51,734) was owed by the Company to this law firm as at March 31, 2017 and was included in accounts payable and accrued liabilities.
- \$65,000 in fees and \$13,000 in bonus (period from January 15, 2016 to March 31, 2016 - fees of \$40,107) were paid to the CEO of the Company pursuant to a service contract. As at March 31, 2017, \$nil (December 31, 2016 - \$622) remained payable.
- \$45,000 (period from January 15, 2016 to March 31, 2016 - \$8,000 to former CFO) salaries was paid for the current CFO. As at March 31, 2017, \$nil (December 31, 2016 - \$43,875) remained payable to the current CFO.

NEO LITHIUM CORP.
MANAGEMENT'S DISCUSSION & ANALYSIS
PERIOD ENDED MARCH 31, 2017

- \$42,500 (period from January 15, 2016 to March 31, 2016 - \$nil) in consulting fees was paid to a company, Kloni Inc. which is controlled by one of the directors of the Company. As at March 31, 2017, \$nil (December 31, 2016 - \$97,800 payable to the director) was payable to this company.
- \$56,000 (period from January 15, 2016 to March 31, 2016 - \$nil) director fees was paid to the directors of the Company. As at March 31, 2017, \$nil (December 31, 2016 - \$nil) remained payable.

These transactions were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

SEGMENTED INFORMATION

The 3Q Project is in the exploration stage and operates in one reportable and geographical segment. However, the company operates in two Jurisdictions: Canada and Argentina. The Company's geographic financial information is summarized in the following table:

| | Canada | Argentina | Total |
|--|----------------|--------------|----------------|
| As at March 31, 2017 | | | |
| Current assets | \$ 30,921,718 | \$ 1,748,974 | \$ 32,670,692 |
| Equipment | 25,456 | 1,438,492 | 1,463,948 |
| Property rights and evaluation and exploration costs | - | 6,127,097 | 6,127,097 |
| Current liabilities | 829,007 | 161,907 | 990,914 |
| For the three months ended March 31, 2017 | | | |
| Net loss for the period | \$ (3,912,791) | \$ (256,647) | \$ (4,169,438) |

CRITICAL ACCOUNTING ESTIMATES

The Company prepares its consolidated financial statements in conformity with IFRS. The preparation of the Company's consolidated financial statements requires Management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses. The Company lists its significant accounting policies in Note 3 of its consolidated financial statements, dated December 31, 2016.

Critical Accounting Estimates: Critical accounting estimates used in the preparation of the financial statements include the Company's estimate of recoverable value on its mineral properties as well as the value of stock-based compensation. Both of these estimates involve considerable judgment and are, or could be, affected by significant factors beyond the Company's control. The factors affecting stock-based compensation include estimates of when stock options might be exercised and the stock price volatility. The timing for exercise of options is beyond the Company's control and will depend upon a variety of factors including the market value of Company shares and financial objectives of the holders of the options. The Company has used historical data to determine volatility in accordance with Black-Scholes modeling, however the future volatility is inherently uncertain and the model has limitations. While these estimates can have a material impact on the stock-based compensation and hence results of operations, there is no impact on the Company's financial condition.

The Company's recorded values of its mineral properties are based on historical costs that expect to be recovered in the future. The Company's recoverability evaluation is based on market conditions for minerals, underlying mineral resources associated with the properties and future costs that may be required for ultimate realization through mining operations or by sale.

The Company operates in an industry that is exposed to risks and uncertainties, including exploration risk, development risk, commodity price risk, operating risk, ownership and political risk, funding and currency risk, as well

as environmental risk. Bearing these risks in mind, the Company has assumed recent world commodity prices will remain at viable levels, as will costs used in studies for potential construction and mining operations. Accordingly, there remains the potential for a material adjustment to the value assigned to mineral properties.

RECENT ACCOUNTING PRONOUNCEMENTS

A number of new standards, and amendments to standards and interpretations, are not yet effective for the period ended March 31, 2017, and have not been applied in preparing the Company's consolidated financial statements and this MD&A. The following standards and interpretations have been issued by the IASB and the IFRIC Committees with effective dates relating to the annual accounting periods starting on or after the effective dates as follows:

IFRS 9, Financial Instruments, ("IFRS 9") was issued by the IASB in July 2014 in final form and will replace IAS 39, Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018.

IFRS 15, revenue from contracts and customers ("IFRS 15") was issued by the IASB on May 28, 2014, and will replace IAS 18, revenue, IAS 11, construction contracts, and related interpretations on revenue. IFRS 15 sets out the requirements for recognizing revenue that apply to all contracts with customers, except for contracts that are within the scope of the standards on leases, insurance contracts and financial instruments. IFRS 15 uses a control based approach to recognize revenue which is a change from the risk and reward approach under the current standard. Companies can elect to use either a full or modified retrospective approach when adopting this standard and it is effective for annual periods beginning on or after January 1, 2018.

IFRS 16, Leases ("IFRS 16") will bring most leases on-balance sheet for lessees under a single model, eliminating the distinction between operating and finance leases. Lessor accounting however remains largely unchanged and the distinction between operating and finance leases is retained. Under IFRS 16 a lessee recognizes a right-of-use asset and a lease liability. The right-of-use asset is treated similarly to other nonfinancial assets and depreciated accordingly and the liability accrues interest. This will typically produce a frontloaded expense profile (whereas operating leases under IAS 17, Leases ("IAS 17") would typically have had straight-line expenses) as an assumed linear depreciation of the right-of-use asset and the decreasing interest on the liability will lead to an overall decrease of expense over the reporting period. IFRS 16 supersedes IAS 17 and related interpretations and is effective for periods beginning on or after 1 January 2019, with earlier adoption permitted if IFRS 15, Revenue from Contracts with Customers has also been applied.

The Company intends to adopt this standard when it becomes effective.

FINANCIAL INSTRUMENTS

Risks Arising from Financial Instruments and Risk Management

The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Company.

The Company uses various methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks.

NEO LITHIUM CORP.
MANAGEMENT'S DISCUSSION & ANALYSIS
PERIOD ENDED MARCH 31, 2017

Market Risk

Foreign exchange risk

The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures. The Company primarily operates in Argentina. Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities denominated in a currency that is not the Company's functional currency. The Company's risk management policy is to review its exposure to non-Canadian dollar forecast operating costs on a case-by-case basis. The majority of the Company's forecast operating costs are in Argentinean pesos and Canadian dollars. The risk is measured using sensitivity analysis and cash flow forecasting.

The carrying amount of the Company's foreign currency denominated monetary assets and liabilities are as follows in Canadian dollars:

| | As at March 31, 2017 | |
|-----------------------|----------------------|-------------------|
| | Assets | Liabilities |
| Argentinean pesos | \$ 1,748,974 | \$ 163,855 |
| United States dollars | 25,013,307 | 251,972 |
| | <u>\$ 26,762,281</u> | <u>\$ 415,827</u> |

Sensitivity

Based on the financial instruments held at March 31, 2017, had the Canadian dollar weakened/strengthened by 10% against these foreign currencies with all other variables held constant, the Company's post-tax loss for the year would have been \$2,634,645 higher/lower as a result of foreign exchange gains/losses on translation of non-Canadian dollar denominated financial instruments as detailed above. The Company's deficit would have been \$2,634,645 higher/lower had the Canadian dollar weakened/strengthened by 10% as a result of foreign exchange gains/losses on translation of non-Canadian dollar denominated financial instruments.

Cash flow fair value interest rate risk

The Company does not have any variable interest-bearing borrowings for which general rate fluctuations apply. The Company is exposed to interest rate risk to the extent of the funds invested in the Company's bank accounts.

Credit Risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in a financial loss to the group. Credit risk arises from cash and cash equivalents with banks and financial institutions as well as credit exposures to outstanding receivables.

It is management's opinion that the Company is not exposed to significant credit risk arising from these financial instruments.

Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash at all times, liquid investments and committed credit facilities to meet the Company's commitments as they arise. The Company manages liquidity risk by maintaining adequate cash reserves and by continuously monitoring forecast and actual cash flows.

At March 31, 2017, the Company had net working capital of \$31,679,778 and anticipates that these resources together with the \$25 million (gross) unit financing closed on February 2017, will be sufficient to meet its current obligations, currently planned operating costs and expenditures on its mineral properties over the next 18 months.

Fair Value Estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. The carrying values of cash and cash equivalents, accounts receivables and payables are assumed to approximate their fair values due to their short-term nature.

CAPITAL MANAGEMENT

The Company defines capital that it manages as its shareholders' equity. The Company's objectives when managing capital are to safeguard its ability to continue as a going concern and provide increased shareholder value. As at March 31, 2017, the total managed capital was \$39,270,823.

The Company manages capital based on project requirements being fundable from ongoing working capital and considering additional financings required to provide sufficient funds to maximize investment within exploration and development activities. Such additional financings are contemplated within the context of minimizing share dilution.

RISKS AND UNCERTAINTIES

The Company is in the mineral exploration and development business and as such is exposed to a number of risks and uncertainties common to other companies in the same business.

Some of the possible risks include the following:

Global Financial and Mining Industry Conditions

The mining industry is capital intensive and subject to fluctuations in metal prices, market sentiment, foreign exchange and interest rates. Currently, the Company's only project has exposure to predominantly lithium and potash. The prices of these commodities greatly affect the value of the Company and the potential value of its properties and investments. This, in turn, greatly affects its ability to form and structure any joint ventures. This is due, at least in part, to the underlying value of the Company's assets at different commodity prices.

Financing

The only source of future funding presently available to the Company is the sale of equity capital, the offering by the Company of an interest in its properties to be earned by a third party carrying out further exploration development or debt. Management has been successful in accessing the equity markets in the past, but there is no assurance that such sources will be available on acceptable terms in the future. Additionally, any future equity financings by the Company for the purpose of raising additional capital may result in substantial dilution to the holdings of existing shareholders.

Environmental Regulations

The Company must comply with the Argentinean environmental regulations governing air, water quality and land disturbance and provide for mine reclamation and closure costs. The Company seeks to operate within environmental protection standards that meet or exceed existing requirements in the countries in which the Company operates. Present or future laws and regulations, however, may affect the Company's operations. Future environmental costs may increase due to changing requirements or costs associated with exploration and the developing, operating and closing of mines. Programs may also be delayed or prohibited in some areas.

Management Expertise

The Company's business and operations are dependent on retaining the services of a small number of key employees. The success of the Company is, and will continue to be, to a significant extent, dependent on the expertise and experience of these employees. The loss of one or more of these employees could have a materially adverse effect on the Company. The Company does not maintain insurance on any of its key employees.

Tax Uncertainty

Argentinean mining tax regimes are subject to differing interpretations and are subject to constant change and may include fiscal stability guarantees. In looking forward, the Company plans to generate positive cash flows from the proceeds received from the sale of lithium and potash generated from the project or from the sale, in whole or in part, of the project. Currently those proceeds may be exposed to different interpretations of the Argentinean tax legislation. As a result, transactions may be challenged by tax authorities and the Company's operations may be assessed, which could result in significant additional taxes, penalties and interest.

Political Climate

The Company's Argentinean assets and operations are subject to various political, economic and other uncertainties, including, risks of political instability and changing political conditions, labour and civil unrest, acts of terrorism, expropriation, nationalization, renegotiation or nullification of existing concessions, licenses, permits, approvals and contracts; adverse changes in mining, taxation or other laws and policies and foreign exchange and repatriation restrictions; restrictions on foreign investment in or ownership of resources; and trade barriers or restrictions. The Company also may be hindered or prevented from claiming against or enforcing its rights with respect to a government's action because of the doctrine of sovereign immunity. It is not possible for the Company to accurately predict political or social conditions or developments or changes in laws or policy or to what extent, if any, such conditions, developments or changes may have a material adverse effect on the Company's operations. Moreover, it is possible that deterioration in economic conditions or other factors could result in a change in government policies respecting the presently unrestricted repatriation of capital investments and earnings.

Acquiring title to mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral properties may be disputed or impugned. Although the Company has investigated its title to the mineral properties for which it holds concessions or mineral leases or licenses, there can be no assurance that the Company has valid title to such mineral properties or that its title thereto will not be challenged or impugned. For example, mineral properties sometimes contain claims or transfer histories that examiners cannot verify. The Company does not carry title insurance with respect to its mineral properties. A successful challenge to a Company claim could cause the Company to lose its rights to mine that property, perhaps without compensation for its prior expenditures relating to the property. In addition, surface access to mineral properties can sometimes be difficult and may require negotiation with the surface owner or reliance on legal processes, both of which can be time consuming and expensive.

Risk Associated with an Emerging and Developing Market

The Company actively operates in Argentina, which is considered an emerging market. The Company may be materially adversely affected by risks associated with conducting exploration and mining activities in Argentina, including: political instability and violence; war and civil disturbance; acts of terrorism; expropriation or nationalization; inequitable treatment of non-domiciled companies; changing fiscal regimes; fluctuations in currency exchange rates; high rates of inflation; underdeveloped industrial and economic infrastructure; and unenforceability of contractual rights.

Argentinean regulators have broad authority to shut down and/or levy fines against operations that do not comply with regulations or standards. In addition to factors such as those listed above, the Company's mineral exploration and potential future mining activities in Argentina may also be affected in varying degrees by government regulations with respect to restrictions on production, price controls, foreign exchange controls, export controls, taxes, royalties, environmental legislation and mine safety. Regardless of the economic viability of the Company's interest in the Company's properties, and despite being beyond the Company's control, such factors may prevent or restrict mining of some or all of any deposits which the Company may find on the Company's properties.

Provincial governments of Argentina have considerable authority over exploration and mining in their province and there are Argentinean provinces where the provincial government has taken an anti-mining stance by passing laws to curtail or ban mining in those provinces. The current provincial government of Catamarca is supportive of the exploration and mining industry, however, laws relating to foreign investment, subsurface use, licensing, usage of

chemicals for mineral extraction, companies, taxes, customs, currency, capital markets, pensions, insurance, banking and competition have been enacted or are still in development. Consequently, certain areas of judicial practice are not yet fully developed are often difficult to predict and can result in arbitrary rulings.

Current volatility in the international and domestic capital markets have led to reduced liquidity and increased credit risk premiums for certain market participants and have resulted in a reduction of available financing. The Company may be subject to these disruptions and reductions in the availability of credit or increases in financing costs, which could result in experiencing financial difficulty.

Government authorities in emerging market countries often have a high degree of discretion and at times appear to act selectively or arbitrarily, without hearing or prior notice, and sometimes in a manner that may not be in full accordance with the law or that may be influenced by political or commercial considerations. Unlawful, selective or arbitrary governmental actions could include denial or withdrawal of licences, sudden and unexpected tax audits, forced liquidation, criminal prosecutions and civil actions. Although unlawful, selective or arbitrary government action may be challenged in court, such action, if directed at the Company or its shareholders, could have a material adverse effect on the Company's business, results of operations, financial condition and future prospects.

Companies operating in emerging markets are subject from time to time to the illegal activities of others, corruption or claims of illegal activities. Often in these markets the bribery of officials remains common, relative to developed markets. Social instability caused by criminal activity and corruption could increase support for renewed central authority, nationalism or violence and thus materially adversely affect the Company's ability to conduct its business effectively. Such activities have not had a significant effect on the Company's operations; however, there can be no assurance that they will not in the future, in which case they could restrict the Company's operations, business, financial condition, results of operations and future prospects and the value of the Company could be adversely affected by illegal activities by others, corruption or by claims, even if groundless, implicating the Company in illegal activities.

Investors in emerging markets should be aware that these markets are subject to greater risk than more developed markets, including in some cases significant legal, fiscal, economic and political risks. Accordingly, investors should exercise particular care in evaluating the risks involved in an investment in the Company and must decide for themselves whether, in the light of those risks, their investment is appropriate. Generally, investment in emerging and developing markets is suitable only for sophisticated investors who fully appreciate the significance of the risks involved.

Legal Contingencies

There is always a risk that the Company could be involved in various claims and litigations arising from the Company's normal course of business, such as employment and service contractor disputes. Currently management, while consulting with the Company's legal advisers, have found the probability remote of an adverse decision being made in any pending or threatened proceedings related to these and other matters, or in any other matters where an amount that would be required to paid for any reason, would have a material impact on the Company's financial position, results of operations, or cash flows. However, there can be no assurances that such matters will be resolved in the Company's favour over time; thus making these matters highly uncertain.

FORWARD-LOOKING INFORMATION

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or state that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements.

NEO LITHIUM CORP.
MANAGEMENT'S DISCUSSION & ANALYSIS
PERIOD ENDED MARCH 31, 2017

The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement. The following table outlines certain significant forward-looking statements contained in this MD&A and provides the material assumptions used to develop such forward-looking statements and material risk factors that could cause actual results to differ materially from the forward looking statements.

| Forward-looking information | Assumptions | Risk factors |
|---|--|--|
| The Company's anticipated plans, costs, timing and capital for future development of its property in Argentina. | Financing will be available for future development of the Company's properties in Argentina; the actual results of the Company's development and production activities will be favourable; operating, development and production costs will not exceed the Company's expectations; the Company will be able to attract and retain skilled staff; all requisite regulatory and governmental approvals for development projects and other operations will be received on a timely basis upon terms acceptable to the Company, and applicable political and economic conditions will be favourable to the Company; the price of lithium and/or other applicable minerals and applicable interest and exchange rates will be favourable to the Company or at least under management's expectations; no title disputes will exist with respect to the Company's properties. | Lithium price volatility; uncertainties involved in interpreting geological data and confirming title to acquired properties; the possibility that future development and production results will not be consistent with the Company's expectations; availability of financing for and actual results of the Company's development and production activities; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic, political and regulatory conditions; the Company's ability to attract and retain skilled staff. |
| The Company's ability to meet its working capital needs at the current level for the eighteen-month period. | The operating and development activities of the Company for the eighteen-month period, and the costs associated therewith, will be consistent with the Company's current expectations; debt and equity markets, exchange and interest rates and other applicable economic conditions will be favourable to the Company. | Changes in debt and equity markets; timing and availability of external financing on acceptable terms; increases in costs; fluctuation in the commodity and currency markets; changes in environmental, regulatory and other local compliance; interest rate fluctuations; and changes in economic conditions affecting the Company's performance. |
| The Company's ability to carry out anticipated exploration and development on its property interests. | The exploration and development activities of the Company for the foreseeable future and the costs associated therewith will be consistent with the Company's current expectations; debt and equity markets, exchange and interest rates and other applicable economic conditions will be favourable to the Company. | Changes in debt and equity markets; timing and availability of external financing on acceptable terms; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic conditions; receipt of applicable permits; and acts of nature. |

NEO LITHIUM CORP.
MANAGEMENT'S DISCUSSION & ANALYSIS
PERIOD ENDED MARCH 31, 2017

| Forward-looking information | Assumptions | Risk factors |
|---|---|--|
| Management's outlook regarding future trends. | Financing will be available for the Company's exploration, development and operating activities; the price of lithium and/or other applicable minerals will be favourable to the Company. | Lithium price volatility; changes in debt and equity markets; interest rate and exchange rate fluctuations; changes in economic and political conditions. |
| Asset values for the current quarter. | Management's belief that no write-down is required for its plant and equipment and mineral properties due to the recent Company's financing to implement planned work programs on the Company's projects. | If the results of the Company's exploration program does not prove positive a decline in asset values that could be deemed to be other than temporary may result in impairment losses. |
| Sensitivity analysis of financial instruments and equity investments. | Foreign exchange rates against the Canadian dollar and prices of equity investments will not be subject to change in excess of plus or minus 10%. | Changes in debt and equity markets; interest rate and exchange rate fluctuations. |

Inherent in forward-looking statements are risks, uncertainties and other factors beyond the Company's ability to predict or control. Please also make reference to those risk factors referenced in the "Risk Factors" section below. Readers are cautioned that the preceding table does not contain an exhaustive list of the factors or assumptions that may affect the forward-looking statements, and that the assumptions underlying such statements may prove to be incorrect. Actual results and developments are likely to differ, and may differ materially from those expressed or implied by the forward-looking statements contained in this MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements to be materially different from any of its anticipated results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.