

FULL CIRCLE LITHIUM CORP.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED OCTOBER 31, 2025
(EXPRESSED IN UNITED STATES DOLLARS)**

February 26, 2026

INTRODUCTION

The following management's discussion and analysis ("MD&A") of the consolidated financial position and results of the operations of Full Circle Lithium Corp. ("FCL", "Full Circle" or the "Company") has been prepared to provide material updates to the business operations, liquidity and capital resources of the Company for the year ended October 31, 2025. This MD&A has been prepared in compliance with the requirements of Form 51-102F1, in accordance with National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the consolidated financial statements for the years ended October 31, 2025 and 2024 and the related notes thereto. Results are reported in United States dollars, unless otherwise noted.

The consolidated financial statements (the "financial statements") have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). Information contained herein is presented as of February 26, 2026, unless otherwise indicated.

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of FCL common shares; or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity. Additional information related to the Company is available for view on SEDAR+ at www.sedarplus.com.

The Company's reporting currency is the United States ("US") dollar and all amounts in this MD&A are expressed in US dollars unless otherwise stated.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

Certain statements contained in this document constitute forward-looking statements. When used in this document, the words "may", "would", "could", "will", "intend", "plan", "propose", "anticipate", and "believe", used by any of the Company's management, are intended to identify forward-looking statements. Such statements reflect the Company's forecasts, estimates and expectations, as they relate to the Company's views with respect to future events and are subject to certain risks, uncertainties, and assumptions. Many factors could cause the Company's performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. The Company does not intend and does not assume any obligation, to update any such factors or to publicly announce the result of any revisions to any of the forward-looking statements contained herein to reflect future results, events, or developments.

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 "Risks and Uncertainties" section below. Readers are cautioned that the Risk and Uncertainties section 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 future 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.

NATURE OF BUSINESS

The Company

Full Circle Lithium Corp. ("FCL", "Full Circle", or the "Company") was incorporated in the Province of Ontario, Canada on March 8, 2021 pursuant to the Business Corporation Act (Ontario) (the "OBCA"). The Company's registered office is located at Suite 1601, 110 Yonge Street, Toronto, ON, M5C 1T4. The principal business of the Company is the manufacture and sale of a lithium-ion battery fire-extinguishing agent, FCL-X™, in various forms.

The Company's wholly owned subsidiaries include Full Circle Canada Inc., and Full Circle Lithium (US) Inc., a corporation domiciled in the State of Georgia, United States.

Description of the Business

With a fully permitted and operational plant in Georgia, USA, Full Circle is a specialty manufacturer of a proprietary, innovative lithium-ion battery fire extinguishing agent, FCL-X™.

Full Circle previously pursued a business in the sourcing and recovery of lithium and other battery metals through recycling and processing operations. As a result of continuing challenges in the lithium markets, Full Circle has ceased those operations and focused all its efforts and resources on its FCL-X™ fire extinguishing agent.

Full Circle's team has technical fire fighting and operational expertise with over 100 years of combined experience in the fire and safety industry as well as in the manufacturing, distribution and sales of consumer products. Full Circle's management has proven capital markets experience within the lithium industry at Neo Lithium Inc. and Lithium Americas Corp. (subsequently split into Lithium Americas Corp. and Lithium Americas Argentina Corp.), two successful upstream lithium brine mining projects.

Principal Products and Services

Until November 21, 2023, Full Circle leased a scalable, fully permitted, and operational lithium processing plant in Georgia, USA (the "**Georgia Facility**"). On November 21, 2023, Full Circle obtained 100% ownership of the plant through the exercise of a purchase option. The Georgia Facility has been retrofitted for FCL-X™ production in all of its forms. The Georgia Facility currently has the capacity to produce up to 360,000 gallons per month of FCL-X™ fire extinguishing agent. Currently, Full Circle has five product offerings: FCL-X Extinguisher, FCL-X Pro, FCL-X Pro Max, FCL-X Bulk and FCL-X Recharge. In addition, Full Circle continues to work on research and development to enhance its product offering across multiple end markets.

Technology & Product Development

Full Circle's process system implemented at the Georgia Facility currently has the capacity to produce up to 360,000 gallons per month of FCL-X™ fire extinguishing agent and can be expanded, if needed, with minimal capital and new infrastructure buildout. In addition, the Company's innovative production and product approach also lends itself to modular expansion within the Georgia Facility as well as potential international expansions. In the normal course of its patenting strategy to protect its FCL-X™ invention in various countries around the world, FCL has received an initial, non-binding report from an international patent searching authority that, after a preliminary search and review, this authority has indicated that the claimed subject matter of FCL's patent application for FCL-X™ is both new and inventive. While still early in the patent application process, this is a positive preliminary indication that FCL may eventually receive some measure of patent protection for FCL-X™.

History - Battery Recycling and Fire Extinguishing Agent

Lithium-ion batteries ("LIB") are widely used in a variety of devices and are becoming increasingly important for the storage of renewable energy. However, as the number of LIB in use grows, so does the need for efficient and environmentally responsible recycling processes. Overall, LIB recycling is an important aspect of responsible battery usage and is crucial for reducing the environmental impact of this rapidly growing industry.

The Company, in its initial research and development period for battery recycling, developed a number of proprietary processes in relation to this technical work. Generally speaking, Full Circle's process was focused on minimizing raw materials and waste (high recovery) with the lowest carbon intensity possible. Its technical processes were focused on mitigating the three process safety risks of LIB recycling: (i) discharge of batteries, (ii) hydrogen generation, and (iii) fluoride process/recovery.

During the research and development work for battery recycling and for the dismantling of LIBs, FCL, through its technical processes, also developed a proprietary, innovative lithium-ion battery fire extinguishing agent (FCL-X™) which serves to address two major issues with electric batteries: 1) the three process safety risks mentioned above and 2) the increasing number of difficult to extinguish and hazardous lithium battery based fires.

Uncontrollable lithium-ion battery fires are proving to be a growing critical risk and challenge worldwide given the continued growth of electric lithium-ion battery-powered devices as well as for e-mobility and energy storage systems. An independent US-based accredited third-party laboratory conducted a series of tests utilizing different size lithium-ion batteries. The purpose of the third-party testing was to compare and understand the effects of different extinguishing agents on secondary lithium-ion batteries undergoing thermal runaway. The testing protocol was developed to replicate current industry standards for lithium-ion propagation testing as well as fire suppression certification testing outlined in UL 9540A 4th edition and UL 711 8th edition. The results of this testing, and other tests and ongoing live demonstrations, shows that FCL-X™ is orders of magnitude faster to extinguish battery fires and produced considerably less volume of smoke (which contains hazardous chemicals). This highlights FCL-X™'s potential for rapid and effective lithium-ion battery fire control in real-world settings.

FCL has successfully tested its proprietary lithium-ion battery fire-extinguishing agent, FCL-X™, with several global electric vehicle manufacturers (EV OEM), numerous commercial and large industrial players, as well as many other local fire departments in Georgia and other national and regional fire departments in other states. FCL has completed sales of its proprietary FCL-X™ lithium-ion battery fire-extinguishing agent to a global EV OEM, local fire departments, commercial and industrial style companies as well as retail sales through AMAZON and the Company's website all in USA. FCL is in ongoing conversations to expand its coverage both in North America and abroad with a number of potential distributors. FCL has completed the majority of its sales to date to two major customers who are distributors for the Company that sell the Company's product to end users. Global commercialization efforts are now underway, with a specific effort in North America, to target other EV OEM's, 27,000+ fire and rescue departments in the USA as well as other commercial and industrial players in North America and globally.

Feedstock Recycling and Primary Refinery

Due to the ongoing challenges in the lithium market, including prolonged low pricing and negative trends impacting all related businesses, the Company is focused on its FCL-X™ fire extinguishing agent - which it believes could generate substantial revenue in the near term and is not directly impacted by lithium pricing. Consequently, the Company is not pursuing its other lithium price sensitive business opportunities, being its lithium battery recycling, industrial (midstream) lithium brine processing, and upstream lithium brine processing, which led to a reduction in headcount, and savings in operational and administrative costs.

CORPORATE HIGHLIGHTS

The Company has a fully permitted plant in Georgia, USA with a seasoned group of fire safety and lithium experts. The Company is focused on the manufacturing, marketing and sales of a proprietary, innovative lithium-ion battery fire extinguishing agent, FCL-X™, in various forms, in order to address the increasing number of difficult to extinguish and hazardous lithium-ion battery-based fires.

During fiscal 2025 to date, the Company announced the following strategic and financial accomplishments:

November 2024 – Demonstrated rapid extinguishment of two EV fires in controlled burns; Reached US\$300,000 of sales for FCL-X™; Discontinued recycling and refinery efforts and sold non-core equipment for approximately US\$1.5M.

FULL CIRCLE LITHIUM CORP.
Management's Discussion and Analysis
Year Ended October 31, 2025
Dated – February 26, 2026

December 2024 – Signed Global Distribution Agreement for FCL-X™ with world renowned US Fire Pump, a USA based industrial fire solutions company.

January 2025 – FCL-X™ was successfully deployed by its expert firefighter partners at US Fire Pump to help fight one of the largest battery fires in US history.

February 2025 – Appointed Mr. Webster Marshall as VP of Business Development. Mr. Marshall has had a 24 year career as a professional firefighter in the USA and later as an entrepreneur and technical expert in fire safety technologies; Engaged US-based corporate communications firm, RB Milestone Group LLC to provide investor relations services including corporate communications advisory, non-deal roadshow advisory, market intelligence advisory, and business referrals to the management team of the Company.

March 2025 – Amended the exercise price of 6,987,393 warrants from CAD\$1.10 to CAD\$0.70 and extended the expiry date from April 21, 2025 to April 21, 2026. The Company signed a memorandum of understanding with ITOCHU to collaborate in bringing FCL-X™ to Japanese and Korean markets initially. In collaboration with US Fire Pump, the Company created two emergency response vehicles, the lithium response vehicle and lithium response trailer, to efficiently and effectively apply FCL-X™ in commercial, municipal and industrial settings as well as potential use for first responders.

June 2025 – Signed regional distribution agreements with the following leading US distributors: Howell Fire and Rescue Inc., Heiman Fire Equipment, Swift Group LLC, Central Alabama Training Solutions, Great Plains Fire and FYR-TEK Inc. in the United States and Safetek Profire in Canada.

July 2025 – Obtained Class A Fire Water-Based Agent Fire Extinguishers Component Recognition for both USA and Canada from Underwriters Laboratories Solutions, a globally trusted authority in safety certification.

September 2025 – Closed a brokered private placement of 22,500,000 units at CAD\$0.20 per unit for aggregate proceeds of CAD\$4,500,000. Each unit comprised of one common share of the Company and one-half of one common share purchase warrant of the Company. Each whole warrant is exercisable at a price of CAD\$0.30 per common share for a period of 24 months from the date of issuance. In connection with the private placement, the Company paid finder's fees of CAD\$151,790 and issued 751,450 finder warrants. Each finder warrant is exercisable for one common share of the Company and one half of one warrant at a price of CAD\$0.20 for a period of 24 months from the date of issuance.

October 2025 – Signed regional distribution agreements with Golden Enterprises Inc. and SHUR-SALES & Marketing Inc.; Signed agreements with ICP Securities Inc. and Machai Capital Inc. to provide market-making and marketing support as the Company scales its operations and visibility; Completed commercial sale to transportation and logistics sector.

November 2025 – Commenced trading on Börse Frankfurt under ticker K0Q providing euro-denominated access point for European investors; Engaged Atrium Research Corporation to publish research reports on the Company; Engaged Venture Liquidity Providers Inc. to initiate its market-making service to provide assistance in maintaining an orderly trading market for the common shares of the Company; Granted 1,475,000 stock options to certain directors, officers and employees of the Company with each option exercisable to purchase one common share of the Company at CAD\$0.37 per share and expiring in 5 years.

December 2025 – Hosted EV live burn extinguishment demonstration in Houston, Texas.

January 2026 – Completed patent filings in 56 key international markets; Launched six new lithium-ion fire extinguishers sizes, including four retail-focused models (20 ounces, 1 litre, 2 litre and 3 litre) and two industrial-size units (30 litre and 50 litre), designed to address the growing risks associated with lithium-ion battery use across residential, recreational, and industrial environments.

Progress with Specialty Lithium Fire Extinguishing Agent

The Company has had thousands of internal and external tests that have continued to validate the effectiveness and efficiency of FCL-X™. Initially FCL tested its specialty FCL-X™ with a US based third-party testing facility to verify the internal positive results of its FCL-X™ in fighting lithium battery fires. An independent US-based accredited third-party laboratory conducted a series of tests utilizing different size lithium-ion batteries including a collection of 19 NMC 2800 mAh (milliampere-hour) battery cells, a 960 Wh (watt-hour) electric bike battery (made up of 48x18650 NMC cells), and, most recently an electric vehicle ("EV") size 57 kW (kilowatt-hour) battery. According to the independent laboratory, in comparison to other leading agents, FCL-X™ was "orders of magnitude" faster extinguishing the lithium-ion battery fires, used considerably less agent and limited the toxic smoke generated by these fires. FCL-X™ is unique as the FCL lithium engineering team developed it to specifically neutralize the complex chemical reactions that cause lithium-ion battery fires. After this initial third-party test, FCL also achieved a significant

technical milestone by passing the testing by world-renowned leading lithium-ion battery fire extinguishing Dutch Standard Designation (the "NTA 8133"). This testing for standard designation for lithium-ion battery fires is considered the most rigorous testing standard in the world for fire extinguishers. FCL-X™ demonstrated that it is a best-in-class fire-fighting tool for lithium-ion battery fires. Most recently, FCL-X™ received Class A Fire Water-Based Agent Fire Extinguishers Component Recognition for both USA and Canada from Underwriters Laboratories Solutions, a globally trusted authority in safety certification. This last test, even though not a lithium-ion battery validation, supports the product's quality, safety, and effectiveness in extinguishing Class A fires and also opens the door to significant new market opportunities across multiple high-growth sectors.

In addition to its success in extinguishing lithium-ion battery fires, FCL-X™ is safe for the user and for the environment. It is PFAS-free ("no forever chemicals") and in third-party testing, the total fluorine concentration was below 1 PPM. Typically, 100 µg/g (PPM) which is 100,000 ng/g (PPB), total fluorine level is an indication of intentionally added PFAS. FCL-X™ has also demonstrated extremely low toxicity to animals and humans in LC50 (Lethal Concentration) third-party laboratory testing. These factors underscore FCL-X™ safety profile.

FCL-X™ was initially developed by the Company, using its extensive lithium experience, to safely recycle batteries. FCL has successfully tested its lithium-ion battery fire-extinguishing agent, FCL-X™, with numerous regional and global industry participants and with close to 20 electric vehicle live fire demonstrations as well as other smaller lithium-ion battery formats. The successful outcomes of these tests validate the effectiveness of FCL-X™ in quickly, safely, and effectively extinguishing lithium-ion battery fires in an environmentally safe manner. Additional live testing of the FCL-X™ has been on-going with several auto manufacturers as well as other industry participants and will most likely continue as sales efforts increase.

FCL started the commercialization of FCL-X™ in late 2024 and has already achieved significant milestones for its proprietary FCL-X™ lithium-ion battery fire extinguishing agent by selling product to a global electric vehicle original equipment manufacturer (EV OEM) customer for its EV plant in the state of Georgia as well as participated in a number of large industrial and commercial scale live fires. These accomplishments come as FCL introduces its groundbreaking lithium fire-extinguishing suite of products of FCL-X™ in North America and internationally. These sales are a result of extensive testing at an independent, accredited, and certified USA safety lab, after FCL's internal development and extensive testing of its FCL-X™ agent.

FCL has filed a Patent Cooperation Treaty ("PCT") and US Patent Application for its proprietary FCL-X™ lithium-ion battery fire-extinguishing agent. The PCT application allows FCL to seek protection for FCL-X™ in most major markets throughout the world. The U.S. non-provisional patent application and any national-stage patent applications based on the PCT application, if granted, have the potential to obtain 20 years of patent protection.

The Georgia Facility

FCL's Georgia Facility has been fully refurbished and retrofitted, including employee offices and other operating facilities. Georgia Facility currently has the capacity to produce up to 360,000 gallons per month of FCL-X™ fire extinguishing agent and can be expanded, if needed, with minimal capital and new infrastructure buildout.

TRENDS AND ECONOMIC CONDITIONS

The Company continues to monitor its spending and will amend its plans based on business opportunities that may arise in the future. Management regularly monitors economic conditions and estimates their impact on the Company's operations and incorporates these estimates in both short-term operating and longer term strategic decisions.

Even though the worldwide COVID-19 pandemic has subsided, there continues to be material uncertainties that may arise which could influence management's going concern assumption. Management cannot accurately predict the future impact COVID-19 or other macro-economic events may have on:

- Demand for lithium-ion battery powered equipment and resulting need for a specialty lithium battery fire fighting agent;
- The severity and the length of potential economic measures taken by governments, and their effect on service or equipment uncertainties;

- Purchasing power of the Canadian dollar;
- US initiated tariffs;
- Ability to obtain funding.

OVERALL PERFORMANCE

The Company changed its distribution partnerships from a national to a regional distribution partnerships and this marks an important milestones in the Company's efforts to commercialize its proprietary and innovative lithium-ion battery fire fighting agent, **FCL-X™** and reflects a change in the Company's North American strategy by focusing on more regional expertise in the USA and Canada to better address **FCL-X™** across residential, industrial, and commercial settings and most importantly into the first responder fire safety industry.

Net loss decreased for the year ended October 31, 2025, compared to the year ended October 31, 2024, primarily due to the Company generating revenue during the year ended October 31, 2025 along with a significant reduction in operating expenses from \$3,714,356 during the year ended October 31, 2024 to \$3,084,066 during the year ended October 31, 2025.

The Company completed sales of FCL-X™ during the year ended October 31, 2025, with \$693,999 of revenue and \$283,508 of gross profits generated compared to \$9,990 of revenue and \$7,972 of gross profits during the year ended October 31, 2024.

The Company's cash flow for the year ended October 31, 2025 yielded a net increase of cash for \$2,221,212 primarily due to significant proceeds from sale of property, plant and equipment and funds raised from a private placement, as well as significant decrease in net loss as a result of reducing operational expenses and generating revenue. During the year ended October 31, 2024, the Company's cash decreased by \$3,685,111, primarily due to significant spending on property, plant and equipment, as well as operating expenditures in maintaining its growing staff and various recurring expenses as the Company ramped up its operations.

RESULTS OF OPERATIONS

For the three months ended October 31, 2025 compared to the three months ended October 31, 2024:

	Three months ended October 31, 2025 (\$)	Three months ended October 31, 2024 (\$)	Change (\$)
Revenue	60,982	-	60,982
Cost of Goods Sold	103,979	-	103,979
Gross Profit	(42,997)	-	(42,997)
Operating expenses			
General and administrative	274,726	150,407	124,319
Share-based compensation	216,247	29,933	186,314
Salaries and wages	213,847	222,223	(8,376)
Professional Fees	153,139	91,107	62,032
Remediation costs	75,000	-	75,000
Travel & accommodation	57,581	21,394	36,187
Depreciation	30,825	121,692	(90,867)
Investor relations	22,685	20,182	2,503
Transfer agent and filing fees	14,924	11,505	3,419
Amortization	3,690	2,152	1,538
Battery development	-	86,226	(86,226)
Total operating expenses	(1,062,664)	(756,821)	(305,843)
Other items			
Interest income	122	562	(440)
Interest expense	-	(121)	121
Litigation settlement	-	(45,000)	45,000
Foreign exchange loss	(63)	(626)	563
Impairment loss	(295,478)	(22,817)	(272,661)
Net loss	(1,401,080)	(824,823)	(576,257)

For the three months ended October 31, 2025, net loss increased by \$576,257 from the three months ended October 31, 2024, which is primarily due to the following reasons:

Revenue increased by \$60,982 as a result of sales of FCL-X™, with negative gross profits of \$42,997 during the three months ended October 31, 2025. Gross profits were negative during the three months ended October 31, 2025 due to the reallocation of certain operating expenditures to cost of goods sold. During the comparative period sales of FCL-X™ had only just begun with revenues of \$Nil.

Salaries and wages decreased by \$8,376 due to the Company ramping up operations as a result of the Company beginning to sell FCL-X™. As a result, certain salaries and wages were allocated into the cost of inventory.

Share-based compensation increased by \$186,314. During the three months ended October 31, 2025, \$216,247 in share-based compensation was recognized pursuant to the vesting of 4,100,000 stock options granted in the current or prior periods. In the comparative period, share-based compensation of \$29,933 was recognized pursuant to the vesting of 5,177,500 stock options granted in prior periods.

Impairment loss increased by \$272,661 from \$22,817 during the three months ended October 31, 2024 to October 31, 2025. The impairment loss is a result of the write-down of battery recycling equipment that is not anticipated to be used in future operations.

FULL CIRCLE LITHIUM CORP.
Management's Discussion and Analysis
Year Ended October 31, 2025
Dated – February 26, 2026

The above is partially offset by a decrease in battery development expenses of \$86,226 as a result of the Company shifting away from their initial battery recycling operations in the prior period. Litigation settlement also decreased by \$45,000 which was a result of a settlement related to an alleged breach of contract with a former consultant in the prior period.

For the year ended October 31, 2025 compared to the year ended October 31, 2024:

	Year ended October 31, 2025 (\$)	Year ended October 31, 2024 (\$)	Change (\$)
Revenue	693,999	9,990	684,009
Cost of Goods Sold	410,491	2,018	408,473
Gross Profit	283,508	7,972	275,536
Operating expenses			
Salaries and wages	784,046	1,085,543	(301,497)
General and administrative	691,111	1,037,633	(346,522)
Professional Fees	471,908	389,269	82,639
Share-based compensation	493,050	577,940	(84,890)
Depreciation	209,050	217,894	(8,844)
Travel & accommodation	176,561	78,382	98,179
Investor relations	108,941	105,309	3,632
Remediation costs	75,000	-	75,000
Transfer agent and filing fees	59,088	57,910	1,178
Amortization	15,311	2,852	12,459
Battery development	-	161,624	(161,624)
Total operating expenses	(3,084,066)	(3,714,356)	630,290
Other items			
Gain on sale of equipment	101,796	-	101,796
Other income	10,388	-	10,388
Interest income	1,273	21,514	(20,241)
Interest expense	-	(128)	128
Accretion expense	-	(1,953)	1,953
Foreign exchange loss	(982)	(19,221)	18,239
Litigation settlement	(50,000)	(45,000)	(5,000)
Impairment loss	(295,478)	(22,817)	(272,661)
Net loss	(3,033,561)	(3,773,989)	740,428

For the year ended October 31, 2025, net loss decreased by \$740,428 from the year ended October 31, 2024, which is primarily due to the following reasons:

Revenue increased by \$684,009 as a result of sales of FCL-X™, with gross profits of \$283,508 during the year ended October 31, 2025. During the comparative period sales of FCL-X™ had only just begun, with revenues of \$9,990.

General and administrative expenses decreased by \$346,522. This was driven by a reduction in short-term rental and equipment rental expenses for various small tools and equipment and equipment rental charges by contractors, and general administrative expenses during the period.

Share-based compensation decreased by \$84,890. During the year ended October 31, 2025, \$493,050 in share-based compensation was recognized pursuant to the vesting of 6,697,500 stock options granted in the current or prior periods. In the comparative period, share-based compensation of \$577,940 was recognized pursuant to the vesting of 5,177,500 stock options granted in prior periods.

FULL CIRCLE LITHIUM CORP.
Management's Discussion and Analysis
Year Ended October 31, 2025
Dated – February 26, 2026

Salaries and wages decreased by \$301,497 as the Company retained less staff compared to the comparative period as a result of transforming the Company to become a manufacturer of FCL-X™. Certain salaries and wages were also allocated into the cost of inventory in the current period.

During the year ended October 31, 2025, the Company recognized a gain on sale of equipment of \$101,796. The equipment had been previously classified as held for sale to an arm's length third party, for consideration of \$1,475,600 in cash.

During the year ended October 31, 2025 battery development expenses decreased to \$Nil from \$161,624 in the comparative period as a result of the Company shifting away from their initial battery recycling operations in the comparative period.

SUMMARY OF QUARTERLY RESULTS

The following financial data, which has been prepared in accordance with International Financial Reporting Standards, is derived from the consolidated financial statements for the eight most recently completed quarters in accordance with National Instrument 51-102.

Three months ended,	October 31, 2025 (\$)	July 31, 2025 (\$)	April 30, 2025 (\$)	January 31, 2025 (\$)
Total revenue	60,982	43,030	205,238	384,749
Net loss	(1,401,080)	(656,368)	(645,713)	(330,400)
Basic and diluted loss per share	(0.02)	(0.01)	(0.01)	(0.00)

Three months ended,	October 31, 2024 (\$)	July 31, 2024 (\$)	April 30, 2024 (\$)	January 31, 2024 (\$)
Total revenue	-	9,990	-	-
Net loss	(824,823)	(865,847)	(989,096)	(1,094,223)
Basic and diluted loss per share	(0.01)	(0.01)	(0.01)	(0.02)

During the quarter ended October 31, 2025, net loss increased by \$744,712 compared to the prior quarter, primarily due to an impairment loss of \$295,478 recognized in the quarter relating to the impairment of equipment that is not anticipated to be used in future operations. Share-based compensation also increased by \$170,405 as a result of 2,000,000 stock options granted in the quarter which vested immediately. Professional fees also increased by \$57,218 primarily as a result of the Company ramping up operations late in the year.

During the quarter ended July 31, 2025, net loss increased by \$10,655 compared to the prior quarter, mainly due to a decrease in revenue of \$162,208 from sales of FCL-X™, and a decrease in gross profits of \$151,032. The revenue decrease was due to a change in distributor strategy and also included product returns of \$19,776. This was partially offset by a litigation settlement of \$50,000 recognized in the prior quarter due to the settlement with a company controlled by the former COO, which was not relevant in the current quarter.

During the quarter ended April 30, 2025, net loss increased by \$315,313 compared to the prior quarter, mainly due to a decrease in revenue of \$179,511 from sales of FCL-X™, and a decrease in gross profits of \$122,412 with gross profits of \$118,375. The decrease in revenue was partly due to one non-recurring revenue event in the prior quarter. Additionally, the Company had no gain on sale of equipment compared to the prior quarter of \$101,796. Litigation settlement also increased by \$50,000 compared to the prior quarter, which was due to the settlement with a company controlled by the former COO.

During the quarter ended January 31, 2025, net loss decreased by \$494,423 compared to the prior quarter, mainly due to an increase in revenue of \$384,749 from sales of FCL-X™, with gross profits of \$240,787. The Company recognized a gain on the sale of equipment of \$101,796. The equipment had been previously classified as held for sale to an arm's length third party. Additionally, the decrease is also the result of a reduction in operating expenses.

FULL CIRCLE LITHIUM CORP.
Management's Discussion and Analysis
Year Ended October 31, 2025
Dated – February 26, 2026

Battery research decreased by \$86,226 during the quarter as the Company transformed its business to become a manufacturer of FCL-X™. Depreciation also decreased by \$62,640 during the quarter as the Company had sold a portion of its equipment during the quarter which had been reclassified to asset held for sale in the prior quarter.

During the quarter ended October 31, 2024, net loss decreased by \$41,024 compared to the prior quarter, which was mainly due to a decrease in general and administrative expenses by \$128,447, which is driven by a reduction in short-term rental and equipment rental expenses for various small tools and equipment and equipment rental charges by contractors, and general administrative expenses during the quarter, and a decrease in share-based compensation expenses by \$71,623, which is driven by vesting cadence and forfeiture of stock options by the former CTO and former COO. This is partially offset by an increase in depreciation expenses by \$88,129, due to equipment at the Nahunta, Georgia plant being put into use for the production of FCL-X™.

During the quarter ended July 31, 2024, net loss decreased by \$123,249 compared to the prior quarter, which was mainly due to a decrease in share-based compensation expenses by \$71,792, which is driven by vesting cadence, a decrease in battery research expenses by \$36,187, and a decrease in general and administrative expenses by \$38,137, which is driven by reduction in short-term rental and equipment rental expenses for various small tools and equipment and equipment rental charges by contractors during the quarter. This is partially offset by an increase in professional fees by \$22,737, which is mainly driven by legal expenditures on intellectual property matters, and an increase in gross profits by \$7,972, as the Company completed its first sales of FCL-X™.

During the quarter ended April 30, 2024, net loss decreased by \$105,127 compared to the prior quarter, which was mainly due to a decrease in share-based compensation expenses by \$99,755, which is driven by the vesting cadence, and a decrease in professional fees by \$37,768, which is driven by slightly increased capitalization into property, plant and equipment, as well as a decrease in certain consulting expenses in the quarter. This is partially offset by an increase in general and administrative expenses by \$25,610, which is mainly driven by an increase in short-term rental and equipment rental expenses for various small tools and equipment and equipment rental charges by contractors during the quarter.

During the quarter ended January 31, 2024, net loss increased by \$333,467 compared to the prior quarter, which was mainly due to an increase in battery research expenses by \$259,695, which is related to the prior quarter's reclassification of amounts from battery research expenses to property, plant and equipment, an increase in share-based compensation by \$68,665, an increase in foreign exchange loss by \$25,309, an increase in professional fees by \$60,916, and an increase in general and administrative expenses by \$49,917. This is partially offset by a decrease in travel and accommodation expenses by \$47,623.

LIQUIDITY AND CAPITAL RESOURCES

The Company has yet to achieve sustained profitable operations. As such, it finances its operations through the issuance of share capital. Although the Company has to date been successful in its attempts to raise capital, there can be no assurance that its future efforts will likewise be successful. The success of future financing will depend on a variety of factors including a positive investment climate encompassing solid stock market conditions, and a "risk-on" appetite among investors; and the Company's track record and management's ability and experience. If such financing is unavailable, the Company may be unable to execute its business plans. As at October 31, 2025, the Company has an accumulated deficit of \$11,957,742.

The Company's cash balance as at October 31, 2025 was \$2,270,365. As at October 31, 2025, the Company had current assets of \$2,601,345, current liabilities of \$390,015, and a working capital of \$2,211,330.

Going Concern

These consolidated financial statements have been prepared on a going concern basis, which assumes that assets will be realized, and liabilities discharged in the normal course of business in the foreseeable future. Accordingly, these consolidated financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or on the discharge or classification of liabilities, should the Company be unable to continue its business in the normal course. Such adjustments could be material.

FULL CIRCLE LITHIUM CORP.
Management's Discussion and Analysis
Year Ended October 31, 2025
Dated – February 26, 2026

The Company has recently commenced revenue generation and has incurred losses since its inception. For the year ended October 31, 2025, the Company has incurred a net loss of \$3,033,561 (year ended October 31, 2024 - \$3,773,989). The Company also had operating cash outflows of \$2,224,344 (year ended October 31, 2024 - \$2,863,890).

The Company will periodically have to raise funds to continue operations, and, though it has been successful in doing so in the past, there is no assurance it will be able to do so in the future.

Operating Activities

During the year ended October 31, 2025, the Company's operating activities used cash of \$2,224,344. Cash used in operating activities for the year ended October 31, 2025, was mainly attributable to the net loss for the period of \$3,033,561, a gain on the sale of equipment of \$101,796, along with decreases in accounts payable and accrued liabilities related to operating activities of \$16,323, trade and other receivables of \$36,293, prepaid expenses and deposits of \$51,429, and inventory of \$36,863. This is partially offset by decreases in restricted cash of \$39,032 and non-cash items such as share-based compensation of \$493,050, depreciation of \$209,050, amortization of \$15,311, and an impairment loss of \$295,478.

During the year ended October 31, 2024, the Company's operating activities used cash of \$2,863,890. Cash used in operating activities for the year ended October 31, 2024 was mainly attributable to net loss for the period of \$3,773,989 along with decreases in accounts payable and accrued liabilities of \$289,117 and increases in inventory of \$2,434. This is partially offset by decreases in restricted cash of \$255,784, prepaid expenses and deposit of \$82,699, other receivables of \$41,664 and non-cash items such as share-based compensation of \$577,940, depreciation of \$217,894, amortization of \$2,852, and impairment loss of \$22,817.

Investing Activities

During the year ended October 31, 2025, the Company's investing activities generated cash of \$1,139,745, with \$1,425,600 generated from the sale of property and equipment. This was partially offset by the purchase of property and equipment for \$151,914 and cash spent on intangible assets of \$133,941.

During the year ended October 31, 2024, the Company's investing activities used cash of \$1,923,998, with \$1,715,128 used in the purchase of property, plant and equipment, and \$258,870 in the purchase of intangible assets. This is partially offset by the receipt of a deposit on equipment sale of \$50,000.

Financing Activities

During the year ended October 31, 2025, the Company's financing activities generated cash of \$237,759 for the exercise of warrants and generated \$3,105,907 in proceeds from private placements, net of issuance costs.

During the year ended October 31, 2024, the Company's financing activities generated cash of \$1,032,797. The cash generated from financing activities during the year ended October 31, 2024 is attributable to the issuance of 6,262,000 shares, resulting in proceeds, net of issuance costs of \$1,044,177, and partially offset by \$11,380 for the principal portion of lease payments.

OFF BALANCE SHEET ARRANGEMENTS

The Company is not a party to any off-balance sheet arrangements or transactions.

RELATED PARTY TRANSACTIONS

Key management includes directors and other key personnel, including the Chief Executive Officer ("CEO"), Chief Financial Officer ("CFO"), former Chief Operating Officer ("former COO"), and former Chief Technology Officer ("former CTO"), who have authority and responsibility for planning, directing, and controlling the activities of the Company.

FULL CIRCLE LITHIUM CORP.
Management's Discussion and Analysis
Year Ended October 31, 2025
Dated – February 26, 2026

All related party transactions are in the normal course of operations and are measured at fair value. All amounts either due from or due to related parties other than specifically disclosed are non-interest bearing, unsecured, and have no fixed terms of repayments.

Related party transactions with directors and companies controlled by directors include the following:

	Year ended October 31, 2025	Year ended October 31, 2024
Share-based compensation		
Independent directors ⁽¹⁾	\$ 211,971	\$ 216,977
Professional fees		
Company, which Chairman was a former partner ⁽²⁾	9,807	28,870
	\$ 221,778	\$ 245,847

(1) Share-based compensation was issued to four independent directors of the Company.

(2) The Chairman of the Company was a partner at Fasken Martineau DuMoulin LLP ("Fasken") until December 31, 2024. Professional fees were paid by the Company for services relating to intellectual property protection matters rendered by Fasken to the Company.

Related party transactions with other management personnel and former management personnel and companies controlled by those management personnel include the following:

	Year ended October 31, 2025	Year ended October 31, 2024
Share-based compensation		
CEO	\$ 145,024	\$ 184,027
Former COO ⁽¹⁾	-	42,098
Former CTO ⁽²⁾	-	8,210
Professional fees		
Former CTO ⁽²⁾	-	1,000
Salaries and wages		
CEO	225,000	225,043
CFO	13,366	13,757
Other expenses		
Company controlled by Former COO ⁽³⁾	-	30,554
Professional fees capitalized to property, plant and equipment		
Company controlled by Former COO ⁽⁴⁾	-	131,250
Company which the Former COO has significant influence over ⁽⁵⁾	-	37,625
Former CTO	-	52,000
Professional fees capitalized to intangible assets		
Company controlled by Former COO ⁽⁴⁾	-	93,750
Former CTO	-	15,000
Purchase of property and equipment		
Company which the Former COO has significant influence over ⁽⁶⁾	-	21,591
Lease payment		
Company controlled by Former COO ⁽⁷⁾	-	13,333
Purchase of lease assets		
Company controlled by Former COO ⁽⁷⁾	-	470,000
	\$ 383,390	\$ 1,339,238

(1) The former COO of the Company ceased to be COO effective October 30, 2024.

(2) The former CTO of the Company ceased to be CTO effective October 16, 2024.

(3) Expenditures of travel & accommodation and general and administrative in nature were paid to Southwest Technologies LLC ("SW LLC"), a company owned by the former COO.

(4) Consulting fees were paid to Full Circle Lithium LLC ("FCL LLC"), a company owned by the former COO. The amounts were capitalized into property, plant and equipment and intangible assets during the year ended October 31, 2024.

FULL CIRCLE LITHIUM CORP.
Management's Discussion and Analysis
Year Ended October 31, 2025
Dated – February 26, 2026

- (5) Consulting fees were paid to Texas Membrane Co. ("TMC"), a company which the former COO has significant influence through SW LLC.
(6) Equipment were purchased from Texas Membrane Co. ("TMC"), a company which the former COO has significant influence through SW LLC.
(7) The Company entered into a lease agreement with FCL LLC, a Company owned by the former COO for land and building. The Company completed the purchase of the property previously under lease on November 21, 2023. See Notes 10, 12, and 14 in the consolidated financial statements for further details.

Balances due to related parties include the following:

	October 31, 2025	October 31, 2024
Accounts payable and accrued liabilities		
CEO ⁽¹⁾	\$ -	\$ 93,882
Company, which Chairman was a partner ⁽²⁾	-	34,381
	\$ -	\$ 128,263

- (1) Amounts owing to the CEO relate to expense reimbursements and accrued salaries, which are unsecured, non-interest bearing and due on demand.
(2) The Chairman of the Company was a partner at Fasken Martineau DuMoulin LLP ("Fasken") until December 31, 2024. Amounts were owed for services relating to intellectual property protection matters rendered by Fasken to the Company. Amounts owed are unsecured, non-interest bearing and due on demand.

LITIGATION SETTLEMENTS

In March 2024, a former consultant of the Company filed a complaint in the Circuit Court of the Fourth Judicial Circuit in the State of Florida, United States against the Company for alleged breach of contract, breach of agreement and unjust enrichment. The complaint alleges non-payment of certain fees and earnings for services. Accordingly, the Company accrued \$45,000 in litigation settlement in the consolidated statements of loss and comprehensive loss for the year ended October 31, 2024. During the year ended October 31, 2025, the Company reached a settlement on the claim and made such payments in February 2025.

During the year ended October 31, 2025, the Company reached a settlement with a Company controlled by the former COO in relation to an alleged breach of contract and made a payment of \$50,000 to the Company controlled by the former COO in April 2025. Accordingly, the Company recorded \$50,000 in litigation settlement in the consolidated statements of loss and comprehensive loss for the year ended October 31, 2025.

CRITICAL ACCOUNTING ESTIMATES

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

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the consolidated financial statements are discussed below:

Share-based payments

Management determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based non-vested share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviours and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

Term and incremental borrowing rate of lease

In determining lease terms, the Company used its judgment to determine if the extension and purchase options would be exercised. Furthermore, the Company does not believe the interest rate implicit in its leases can be readily determined. It therefore used its judgment to determine the incremental borrowing rate and used it as the discount rate to establish its lease liability. For every lease, management makes a judgment to determine the appropriate lease term. Management considers all relevant facts and circumstances that create an economic incentive for the Company to exercise a renewal option or not to exercise a termination option, including, for example, investments in extensive leasehold improvements. The periods covered by the renewal options are included in the lease term only if management is reasonably certain it will renew the lease. Management considers reasonable certainty to be a high threshold. Changes in the economic environment can have an impact on management's lease term assessments, and any changes in the estimates that management makes for lease terms could have a significant impact on the Company's consolidated statement of financial position and consolidated statement of net loss and comprehensive loss. Management considers the best economic information available to split the fair value of the lease between building and land.

Estimation of decommissioning and restoration costs and the timing of expenditure

Decommissioning, restoration and similar liabilities are estimated based on the Company's interpretation of current regulatory requirements, constructive obligations and are measured at fair value. Fair value is determined based on the net present value of estimated future cash expenditures for the settlement of decommissioning, restoration or similar liabilities that may occur upon decommissioning of the plant. Such estimates are subject to change based on changes in laws and regulations and negotiations with regulatory authorities.

Recoverability of asset carrying values

The Company assesses its property, plant and equipment and intangible assets for impairment if there are events or changes in circumstances that indicate that carrying values may not be recoverable at each statement of financial position date. Such indicators include changes in the Company's business plans, changes in the market and evidence of physical damage.

Determination as to whether and how much an asset is impaired involves management's judgment on highly uncertain matters such as future selling and purchasing prices, the effects of inflation on operating expenses, discount rates, and economics of products.

Going concern

The assessment of the Company's ability to execute its strategy by funding future working capital requirements requires judgment. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, such as expectations of future events that are believed to be reasonable under the circumstances.

Capitalization of intangible assets

The Company applied judgment in determining its ability to capitalize development costs as intangible assets, through the determination that the Company exited a research phase and commenced a development phase of its research and development activities for its lithium fire-extinguishing agent as at June 1, 2024. The Company accordingly ceased expensing related costs as research expenses and started capitalization as intangible assets.

Estimated useful life of property, plant and equipment

Depreciation of the Company's property, plant and equipment involves estimates of future useful lives and residual values. These estimates may change as more experience is obtained or as general market conditions change, thereby impacting the value of the Company's property, plant and equipment.

Assets held for sale

The Company applied judgment in application of its accounting policies in determining that the sale of lithium and battery material reintegration equipment is probable, met the held for sale criteria as at October 31, 2024, and to estimate the date of closing of that sale. The Company accordingly presents certain equipment related to lithium and battery material reintegration as assets held for sale. The Company also applied judgment in its assessment of the fair value less cost to sell of assets held for sale, including through reference to market values and potential agreements to sell, as well as the probability of successful conclusion of such agreements to sell.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

Newly adopted accounting policies

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

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

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

ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

The Effects of Changes in Foreign Exchange Rates (Amendments to IAS 21)

The IASB has issued amendments that clarify how companies should translate financial statements from a non-hyperinflationary currency into a hyperinflationary one. These narrow-scope amendments aim to improve the usefulness of the resulting information in a cost-effective manner.

The amendments to IAS 21 *The Effects of Changes in Foreign Exchange Rates* are effective for annual periods beginning on or after 1 January 2027. Earlier application is permitted. The Company does not expect the impact to be material to the Company’s current or future reporting periods.

IFRS 18 Presentation and Disclosure in Financial Statements

In May 2024, the IASB issued IFRS 18 *Presentation and Disclosure in Financial Statements*, which will replace IAS 1 *Presentation of Financial Statements*. IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, with early adoption permitted.

The standard introduces new requirements to improve the comparability and transparency of financial performance, including:

- Defined categories of income and expenses (operating, investing and financing) in the statement of profit or loss;
- New required subtotals, including operating profit and profit before financing and income taxes;
- Enhanced principles for aggregation and disaggregation of information in the financial statements; and
- New disclosure requirements for management-defined performance measures used in public communications outside the financial statements.

The Company is currently assessing the impact of IFRS 18 on its financial statements. While the adoption of IFRS 18 is not expected to affect the recognition or measurement of the Company’s assets, liabilities, income or expenses,

it is expected to result in changes to the presentation of the statement of profit or loss and additional disclosures. The Company has not elected to early adopt IFRS 18.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Company's financial instruments are comprised of cash and cash equivalents, restricted cash, trade receivables, and accounts payable and accrued liabilities. Fair values of financial instruments are classified in a fair value hierarchy based on the inputs used to determine fair values. The levels of the fair value hierarchy are as follows:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 – Inputs that are not based on observable market data (unobservable inputs).

As at October 31, 2025 the fair value of cash and cash equivalents and restricted cash held by the Company were based on Level 1 of the fair value hierarchy. The fair values of trade receivables and accounts payable and accrued liabilities approximate their carrying values due to their short-term maturity.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

The financial instrument which potentially subjects the Company to concentration of credit risk is cash and cash equivalents and trade receivables. As at October 31, 2025, the balance of cash and cash equivalents held on deposit was \$2,270,365. The Company has not experienced any losses in such amounts and believes it is not exposed to any significant risks on its cash in bank accounts. The Company has concentrations of credit risk with respect to trade receivables as its trade receivables are concentrated among a small number of customers. The Company has certain amounts of trade receivables that are not deemed impaired as follows:

	October 31, 2025	October 31, 2024
1-30 days	\$ 15,225	\$ -
31-60 days	2,600	-
61-90 days	3,117	-
Total	\$ 20,942	\$ -

The Company is exposed to increased credit risk due to major customers that comprise 10% or more of revenue. For the years ended October 31, 2025 and 2024, the following revenue was recorded from major customers:

	Years ended	
	October 31, 2025	October 31, 2024
Customer A	\$ 477,459	\$ -

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company manages its capital in order to meet short term business requirements, after taking into account cash flows from operations, expected capital expenditures and the Company's holdings of cash. In the long term, the Company may have to issue additional shares to ensure there is sufficient capital to meet long term objectives.

The Company's financial liabilities of accounts payable and accrued liabilities are payable without repayment terms and are to be funded from cash flows from operations and cash provided by issuance of equity.

FULL CIRCLE LITHIUM CORP.
Management's Discussion and Analysis
Year Ended October 31, 2025
Dated – February 26, 2026

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and price risk.

(a) Interest rate risk

The Company has cash and cash equivalents balances. The Company's current policy is to invest excess cash in guaranteed investment certificates or interest-bearing accounts of major Canadian chartered banks. The Company regularly monitors compliance to its cash management policy. Management believes interest rate risk to be minimal.

(b) Foreign currency risk

The Company's functional currency is the Canadian dollar and reporting currency is the United States dollar ("US dollar") and is exposed to foreign currency risk with respect to its cash and cash equivalents and accounts payable and accrued liabilities held in a foreign currency.

As at October 31, 2025, the Company's Canadian entities held cash and cash equivalents of \$13,229 and accounts payable and accrued liabilities of \$3 denominated in US dollars. As at October 31, 2025, if the value of the Canadian dollar had strengthened or weakened by 5% against the US dollar, with all other variables held constant, net and comprehensive loss would have been \$661 lower or higher respectively.

(c) Price risk

The Company is exposed to price risk with respect to equity and commodity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices, individual equity movements and the stock market in general to determine the appropriate course of action to be taken by the Company.

OUTSTANDING SHARE DATA AS OF REPORT DATE

As of the date of this MD&A, the Company has the following securities issued and outstanding: 98,555,186 Common Shares, 9,587,500 stock options, 22,364,378 warrants which include 1,145,985 Finders' Warrants.

As of the date of this MD&A, the following stock options were outstanding, entitling the holders thereof the right to purchase one common share for each option held as follows:

<u>Outstanding</u>	<u>Exercise Price</u>	<u>Expiry Date</u>	<u>Vested</u>
925,000	0.25 CAD	August 2, 2027	925,000
2,000,000	0.30 CAD	September 8, 2027	2,000,000
1,395,000	0.70 CAD	April 26, 2028	1,395,000
375,000	0.70 CAD	September 5, 2028	375,000
1,177,500	0.55 CAD	November 21, 2028	1,177,500
2,015,000	0.275 CAD	November 6, 2029	1,215,000
50,000	0.25 CAD	January 19, 2030	-
25,000	0.40 CAD	April 1, 2030	-
1,625,000	0.37 CAD	November 4, 2030	-
<u>9,587,500</u>			<u>7,087,500</u>

FULL CIRCLE LITHIUM CORP.
Management's Discussion and Analysis
Year Ended October 31, 2025
Dated – February 26, 2026

As at the date of this MD&A, the following warrants were outstanding, entitling the holders thereof the right to purchase one common share for each warrant held as follows:

<u>Outstanding</u>	<u>Exercise Price</u>	<u>Expiry Date</u>
6,987,393	0.70 CAD	April 21, 2026
3,131,000	0.35 CAD	July 18, 2026
394,535	0.25 CAD	July 18, 2026
11,100,000	0.30 CAD	September 5, 2027
751,450	0.20 CAD	September 5, 2027
<u>22,364,378</u>		

EVENTS AFTER THE REPORTING PERIOD

Grant of annual incentive stock options

On November 4, 2025, the Company granted 1,625,000 stock options exercisable at \$0.37 into one common share until November 4, 2030. Of these options, 25% vest six months from the date of issuance and 25% vest every six months thereafter.

Exercise of warrants

On January 13, 2026, 150,000 warrants were exercised at \$0.30 per common share for gross proceeds of \$45,000.

DISCLOSURE CONTROL AND PROCEDURES

Management has established processes to provide it with sufficient knowledge to support representations that it has exercised reasonable diligence to ensure that (i) the consolidated 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 period presented by the consolidated financial statements, and (ii) the consolidated financial statements fairly present in all material respects the financial condition, results of operations and cash flow 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 Venture Issuer Basic Certificate filed by the Company 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 filing such certificate are not making any representations relating to the establishment and maintenance of:

- 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
- a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's generally accepted accounting principles (IFRS).

The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in such 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.

RISKS AND UNCERTAINTIES

An investment in the securities of the Company is highly speculative and involves numerous and significant risks. Such investment should be undertaken only by investors whose financial resources are sufficient to enable them to assume these risks and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the risk factors that have affected, and which in the future are reasonably expected to affect, the Company and its financial position.

Business Risks

Technological Risks

The LIB fire and safety industry is dependent on the development and adoption of new technologies. If Full Circle is unable to effectively develop and commercialize its technology, or if its technology is outperformed by competitors, it could negatively impact its financial performance. Patent protection of its intellectual property is a key aspect of its business and there are no assurances that the Company will be successful in obtaining such protection, or if successful, the scope of such protection, in the various markets in which it is currently and proposes to sell its agent or that if it does receive some measure of patent protection, that it can successfully defend against patent infringement.

Effectively Managing Future Growth

Any failure to effectively manage its current growth strategy effectively could materially and adversely affect Full Circle's business, results of operations or financial condition. Full Circle intends to continue to expand its operations, which will require it to hire and train new employees across all divisions; accurately forecast supply and demand, production and revenue; control expenses and investments in anticipation of expanded operations; establish new or expand current design, production, and sales and service facilities; and implement and enhance administrative infrastructure, systems and processes. Future growth may also be tied to acquisitions, and Full Circle cannot guarantee that it will be able to effectively integrate acquired businesses. Failure to efficiently manage any of the above could have a material adverse effect on Full Circle's business, results of operations or financial condition.

Specialty Lithium Fire Extinguishing Agent

Full Circle's future revenues in this business segment will be dependent on continuing commercial level operations of its Georgia Facility as well as development of its newly announced FCL-X™ lithium-ion battery fire extinguishing agent. Future revenues will be dependent on market conditions, and the competitive nature of this specific product. To the extent that Full Circle experiences any operational risk including, among other things, fire and explosions, severe weather and natural disasters (such as floods and hurricanes), failures in water supply, major power failures, equipment failures (including any failure of its information technology, air conditioning, and cooling and compressor systems), failures to comply with applicable regulations and standards, labor force and work stoppages, including those resulting from local or global pandemics or otherwise, or if its current or future facilities become capacity constrained, Full Circle will be required to make capital expenditures even though it may not have available resources at such time. Additionally, there is no guarantee that the proceeds available from Full Circle's insurance policies will be sufficient to cover such capital expenditures. As a result, Full Circle's insurance coverage and available resources may prove to be inadequate for events that may cause significant disruption to its operations. Any disruption in Full Circle's processes could result in delivery delays, scheduling problems, increased costs, or production interruption, which, in turn, may result in its potential customers deciding to not continue doing business with FCL. Full Circle is and will be dependent on its current and future facilities which will in the future may require a high degree of capital expenditures.

Regulatory Risks

The LIB fire and safety industry is subject to a number of developing environmental and safety regulations. If Full Circle is unable to comply with these regulations, it could face significant fines and penalties, as well as damage to its reputation.

Ability to Build Out Additional Facilities

Full Circle is consistently evaluating additional opportunities to scale its operations with a range of potential partners and expansion opportunities that may include acquisitions, joint ventures or other commercial arrangements in North America, Europe, and Asia Pacific. Full Circle's continued growth and results of operations will be negatively impacted if it is unable to continue to scale its operations. International operations are subject to certain risks inherent in doing business abroad, including:

political, civil and economic instability; corruption risks; trade, customs and tax risks; currency exchange rates and currency controls; limitations on the repatriation of funds; insufficient infrastructure; restrictions on exports, imports and foreign investment; increases in working capital requirements related to long supply chains; changes in labor laws and regimes and disagreements with the labor force; difficulty in protecting intellectual property rights; and different and less established legal systems.

Expanding Full Circle's business in international markets may become an important element of the Company's strategy and, as a result, exposure to the risks described above may be greater in the future. The likelihood of such occurrences and their potential effects on Full Circle's business and results of operations will vary from country to country and are unpredictable, but could have an adverse effect on the Company's ability to execute its strategy and accordingly on results of operations.

History of Losses

Full Circle was recently incorporated, and is a start-up company at the early revenue generation stage with minimal commercial revenues, and incurred a net and comprehensive loss of \$3,033,561 for the year ended October 31, 2025. Full Circle has financed its operations primarily through private placements of Full Circle Common Shares. Full Circle expects both its capital and operating expenditures will increase significantly in connection with Full Circle's ongoing activities. Full Circle believes that its performance and future success is dependent on multiple factors that present significant opportunities for Full Circle to increase revenues, but also pose risks and challenges. Full Circle believes it will continue to incur losses in the short term and there is no guarantee it will achieve or sustain profitability in the future.

Adoption rate of Electric Vehicle and Grid Storage

The demand for Full Circle's end-products is driven in part by projected increases in the demand for EVs (including automobiles, e-bikes, scooters, buses and trucks) and grid storage batteries. A decline in the adoption rate of EVs and/or grid storage solutions could reduce the demand for Full Circle's services and end products. In general, the market for LIBs is highly dependent on economic conditions and consumer demand. A downturn in the economy or a shift in consumer preferences away from electric vehicles and renewable energy storage systems could negatively impact the Company's financial performance. In addition, future technologies that may be adopted for lithium-ion batteries may require new formulations of our agent or our agent may not work as effectively or at all, depending on those future technologies, which are not known at this time.

Competitiveness of Emerging Industry

As the industry evolves and the demand increases, Full Circle anticipates that competition will increase. Full Circle currently faces competition primarily from companies that focus on extinguishing agents that are similar but not the same as FCL-X, some of which have more expertise in the fire and safety industry than Full Circle. Full Circle also competes against companies that have a substantial competitive advantage because of longer operating histories and larger budgets, as well as greater financial and other resources. National or global competitors could enter the market with more substantial financial and workforce resources, existing customer relationships, and greater name recognition or could choose to target medium to small companies in Full Circle's target markets. Competitors could focus their substantial resources on developing a more efficient solution than Full Circle's solutions. Competition also places downward pressure on prices in general and therefore on profit margins, which may present Full Circle with significant challenges in its proposed ability to deliver strong growth rates and acceptable profit margins in the future. If Full Circle is unable to meet these competitive challenges, it may not be able to secure market share and experience an adverse impact to its proposed results of operations.

Retention and Acquisition of Skilled Personnel

There is no assurance that Full Circle will be able to retain its senior personnel or attract new ones. The loss of any member of Full Circle's management or technical team could significantly disrupt its ongoing operations and new senior personnel would be required to spend a significant amount of time learning the business and systems in addition to performing their regular duties. Appropriately qualified personnel can be difficult to recruit and retain. The inability to hire or the increased costs of hiring new personnel, including members of executive management and specialized technical personnel, could have a material adverse effect on Full Circle's business and operating results.

The expansion of marketing and sales of its products and services will require Full Circle to find, hire and retain additional capable senior employees who can understand, explain, market and sell its products and services and attend to the technical requirements of those services. There is intense competition for capable personnel in all of these areas and Full Circle may not be successful in attracting, training, integrating, motivating or retaining new personnel, vendors or subcontractors for these required functions. New employees and consultants often require significant training, and in many cases take a significant amount of time before they achieve full productivity. As a result, Full Circle may incur significant costs to attract and retain employees and consultants, including significant expenditures related to salaries and benefits and compensation expenses issued in connection to equity awards, and may lose new employees or consultants to its competitors or other companies before it realizes the benefit of its investment in recruiting and training them.

Managing Growth

Full Circle is expecting high growth over the next twelve to twenty-four months as it develops its FCL-X business. As a result, there will be additional demands on Full Circle's financial, technical, operational and management resources. In order to manage growth and changes in strategy effectively, Full Circle must: (a) maintain adequate systems to meet potential customer demand; (b) develop and expand sales and marketing, distribution capabilities and administrative functions; (c) expand the skills and capabilities of its current management and technical teams; and (d) attract and retain qualified employees and consultants. While it intends to focus on managing its costs and expenses over the long term, Full Circle expects to invest its earnings and capital to support its growth, but may incur additional unexpected costs. If Full Circle incurs unexpected costs it may not be able to expand quickly enough to capitalize on potential market opportunities.

Adding New Customers

Full Circle needs to secure suppliers and clients for its FCL-X line of business. If Full Circle is unable to secure such suppliers and clients, or they do not perceive Full Circle's services to be of sufficiently high value, quality or its team not to be of sufficient technical ability, Full Circle may not be able to attract such suppliers and clients. Assuming Full Circle secures such suppliers and clients, they will have no obligation to renew their contracts after the expiration of their initial commitment, and these agreements may not be renewed at the same or higher level of service, if at all. Accordingly, there can be no assurances that these potential suppliers and customers will continue to purchase products/services from Full Circle. There could be material adverse effects on the financial results or businesses of Full Circle if Full Circle is unable to secure such suppliers and customers or if a future material supplier or customer ceases to do business with Full Circle. There can be no assurance that Full Circle will be able to attract new suppliers and customers or thereafter retain them.

The competitive landscape in the market means that Full Circle cannot accurately predict future supplier and client retention and renewal rates or usage rates. Such retention and renewal rates may decline or fluctuate as a result of a number of factors, including:

their satisfaction or dissatisfaction with Full Circle's services; the prices of Full Circle's services; the prices of services offered by Full Circle's competitors; mergers and acquisitions affecting Full Circle's client base; and reduction in clients' advertising spending levels.

If future suppliers and clients do not renew their agreements or if they renew on less favorable terms, Full Circle's revenue may decline and Full Circle's business will suffer.

Sales Cycles

There are no assurances that the substantial time and money spent on the sales and related technical efforts will generate significant revenue. It is possible that Full Circle may incur significant costs in making proposals, including demonstrating its technology, to prospective clients who do not ultimately become customers of Full Circle. If conditions in the marketplace, generally or with a specific prospective customer, change negatively, it is possible that Full Circle will be unable to recover any of these expenses.

Sales efforts involve educating customers about the use, technical capabilities and benefits of Full Circle's service offering. It is difficult to predict when Full Circle will obtain new customers and begin generating revenue from new customers. Even if the sales efforts result in obtaining a new customer, the customer controls when and to what extent it uses Full Circle's service offering and therefore the amount of revenue generated, and it may not sufficiently justify the expenses incurred to acquire the customer and any related training support. As a result, Full Circle may not be able to add customers, or generate revenue, as quickly as expected, which could harm growth prospects.

Litigation Risks

Full Circle's business may become susceptible from time to time to various legal claims, including class action claims, in the course of its operations. Any future claims or litigation could have a material adverse effect on Full Circle's business and its profitability. Full Circle's potential customers may assert claims against Full Circle or its directors and officers alleging that they suffered damages due to a defect, error or other failure of Full Circle's services. Insurance may not cover such claims, may not provide sufficient payments to cover all the costs to resolve one or more such claims and may not continue to be available on terms acceptable to Full Circle. A claim brought against Full Circle that is uninsured or underinsured could result in unanticipated costs, thereby reducing Full Circle's operating results and leading analysts or potential investors to reduce their expectations of Full Circle's performance, which could reduce the trading price of its shares.

COVID-19 Pandemic or Other Similar Outbreaks

Any outbreaks of contagious diseases, including the recent outbreak of the COVID-19 pandemic, could have an adverse impact on public health developments in jurisdictions where Full Circle operates. Full Circle has personnel and operations in the United States and Canada, both of which have been affected by the pandemic and has taken measures to try to contain it. These measures have impacted and may further impact Full Circle's workforce and operations, and the operations of Full Circle's sellers and buyers.

The effects of a pandemic could also include disruptions or closures of Full Circle's potential clients' businesses, leading them to stop their spend. In addition, the COVID-19 pandemic has become a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could affect Full Circle's ability to obtain financing for its business and operations. In addition, the economic health of Full Circle's prospective buyers impacts the collectability of Full Circle's accounts receivable. Additionally, any prolonged downturn in economic conditions in the future may severely impact Full Circle's liquidity as it may need additional time to collect from potential buyers, which may impact Full Circle's ability to pay sellers. The extent to which the COVID-19 pandemic will impact Full Circle's business and financial results will depend on future developments, which are highly uncertain and cannot be predicted.

Financial and Accounting Risks

Access to Capital

Full Circle makes, and will continue to make, substantial investments and other expenditures related to acquisitions, research and development and marketing initiatives. Full Circle will have further capital requirements and other expenditures as it proceeds to expand its business or take advantage of opportunities for acquisitions or other business opportunities that may be presented to it. Full Circle may incur major unanticipated liabilities or expenses. Full Circle can provide no assurance that it will be able to obtain financing to meet the growth needs of its operations. Full Circle's management will have broad discretion to use the net proceeds it receives from an offering, and investors

will be relying on its judgment regarding the application of those proceeds. Full Circle expects to use the net proceeds from an offering for general corporate purposes, which may include working capital, capital expenditures, other corporate expenses and potential acquisitions of complementary products, technologies or businesses. Management may not apply the net proceeds of an offering in ways that increase the value of investor's investments.

Risks Related to Revenues and Operating Results

Full Circle's operating results may fluctuate, causing the value of Full Circle Common Shares to decline substantially. Fluctuations may be due to a variety of factors, many of which are outside of Full Circle's control. As a result, comparing Full Circle's future operating results on a period-to-period basis might not be meaningful. Those results and annual growth (if any) should not be viewed as an indication of future performance. In addition, Full Circle's share price might be based on expectations of future performance that it may not meet and, if its revenue (if and when achieved) or operating results fall below the expectations of investors or securities analysts, the price of Full Circle Common Shares could decline substantially. In addition to other risk factors listed in this section, additional factors that may cause fluctuations in Full Circle's operating results include: (a) the extent to which its products and services achieve or maintain market acceptance; (b) its ability to introduce new products and services and enhance existing products and services on a timely basis; (c) the financial condition of its potential customers; (d) changes in potential customer budgets and demand; (e) the amount and timing of Full Circle's investment in research and development activities; (f) technical difficulties with Full Circle's products or interruptions in its services; (g) unforeseen legal expenses, including litigation and settlement costs; (h) regulatory compliance costs; (i) the timing, size and integration success of potential future acquisitions; (j) Full Circle's failure to attract new customers; (k) revenue recognition policies related to the timing of contract renewals, delivery of products and duration of contracts and the corresponding timing of revenue recognition; and (l) the amount and timing of capital expenditures and operating costs related to the maintenance and expansion of its operations. A shortfall in demand for Full Circle's services or a decline in new contracts (or renewals thereof) in any one quarter might not significantly reduce revenue for that quarter, but could negatively affect Full Circle's revenue in future quarters.

Foreign Sales

Full Circle's functional currency is denominated in U.S. dollars, while its fund raising is done in Canadian dollars. Full Circle currently expects that any sales will be denominated in U.S. dollars and may, in the future, have sales denominated in the currencies of additional countries in which it establishes operations or distribution. In addition, Full Circle incurs the majority of its operating expenses in U.S. dollars. In the future, the proportion of Full Circle's sales that are international may increase. Such sales may be subject to unexpected regulatory requirements and other barriers. Any fluctuation in the exchange rates of foreign currencies may negatively impact Full Circle's business, financial condition and results of operations. Full Circle has not previously engaged in foreign currency hedging. If Full Circle decides to hedge its foreign currency exposure, it may not be able to hedge effectively due to lack of experience, unreasonable costs or illiquid markets. In addition, those activities may be limited in the protection they provide Full Circle from foreign currency fluctuations and can themselves result in losses.

Estimates or Judgments Relating to Critical Accounting Policies

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Full Circle bases its estimates on historical experience and on various other assumptions that it believes to be reasonable under the circumstances, as provided in the notes to the Full Circle Financial Statements, the results of which form the basis for making judgments about the carrying values of assets, liabilities, equity, revenue and expenses that are not readily apparent from other sources. Full Circle's operating results may be adversely affected if the assumptions change or if actual circumstances differ from those in the assumptions, which could cause Full Circle's operating results to fall below the expectations of securities analysts and investors, resulting in a decline in the share price of Full Circle. Significant assumptions and estimates used in preparing the financial statements include those related to business combinations, control, fair value of consideration in reverse takeover transaction, term and incremental borrowing rate of lease, estimation of decommissioning and restoration costs and the timing of expenditures, and share-based payments.