



Management's Discussion and Analysis
For the three and six-month period ended January 31, 2024

RecycLiCo Battery Materials Inc.
Management's Discussion and Analysis
For the Three and Six-Month Period Ended January 31, 2024.

This management's discussion and analysis of RecycLiCo Battery Materials Inc. (formerly American Manganese Inc.) (the "Company") contains an analysis of the Company's operational and financial results for the three and six-month period ended January 31, 2024. The following should be read in conjunction with the company's unaudited consolidated interim financial statements for the three and six-month period ended January 31, 2024, which were prepared in accordance with the International Financial Reporting Standards ("IFRS") as adopted by the International Accounting Standards Board ("IASB"). All figures are in Canadian dollars unless otherwise stated.

FORWARD-LOOKING STATEMENTS

This MD&A contains "forward-looking information" within the meaning of applicable Canadian securities legislation. Forward-looking information includes, but is not limited to, information with respect to the Company's future business plans and strategy, exploration plans, and environmental protection requirements. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" (or "does not expect"), "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" (or "does not anticipate"), or "believes", and other similar words and phrases, or which states that certain actions, events, or results "may", "could", "might", or "will" occur. Forward-looking information is subject to known and unknown risks and uncertainties that may cause the actual results or performance of the Company to be materially different from those expressed or implied by such forward-looking information. These risks and uncertainties include risk and uncertainties associated with the mining industry and the exploration and development of mineral projects, such as the uncertainty of exploration results, the volatility of commodity prices, potential changes in government regulation, the uncertainty of potential title claims against the Company's projects, and the uncertainty of predicting operating and capital costs. They also include risks and uncertainties that affect the business environment generally, such as international political or economic developments, changes in interest rates and the condition of financial markets, and changes in exchange rates.

Forward-looking information is based on assumptions and expectations which the Company considers to be reasonable, and which are based on management's experience and its perception of trends, current conditions, and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made. Although the Company believes that the assumptions and expectations reflected in such forward-looking information are reasonable, undue reliance should not be placed on forward-looking information. The Company can give no assurance that forward-looking information, or the assumptions and expectations on which it is based, will prove to be correct. RecycLiCo Battery Materials Inc. does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

DATE OF REPORT

This MD&A was prepared with the information available as of April 1, 2024

NATURE OF BUSINESS AND OVERALL PERFORMANCE

Jurisdiction of incorporation and corporate name

The Company was incorporated under the *Company Act* (British Columbia) on July 8, 1987, as Navarre Resources Corporation. The Company changed its name to Ameridex Minerals Corp. on August 26, 1998, to Rocher Deboule Minerals Corporation on September 13, 2006, then to American Manganese Inc. on January 20, 2010 and to RecycLiCo Battery Materials Inc. on September 27, 2022.

The Company is a reporting issuer in the Provinces of British Columbia and Alberta. The Company's shares presently trade on the TSX Venture Exchange under the symbol "AMY", on the Frankfurt Stock Exchange under the symbol "ID4" and on the OTCQB under the symbol "AMYZF".

The Company has one wholly-owned subsidiary, Rocher Manganese Inc., incorporated in the State of Arizona. Rocher Manganese Inc. manages the exploration work on the Company's Artillery Peak property.

The Company's head office is located at Unit 2, 17942 55 Avenue, Surrey, British Columbia V3S 6C8.

RecycLiCo Battery Materials Inc.
Management's Discussion and Analysis
For the Three and Six-Month Period Ended January 31, 2024.

HIGHLIGHTS

In December 2023, the Company announced that the European Patent Office has issued an official communication indicating its intention to grant the Company's first two patents under the patent application no. 1780326.0.

In November 2023, the Company announced that the Company's lithium carbonate regenerated from recycled battery waste has successfully been qualified by C4V's Phase 1 Supply Chain Qualification program through testing in battery cells.

In August 2023, the Company and Nanoramic Laboratories entered into a strategic collaboration to optimize the complete life cycle of lithium-ion batteries.

In June 2023, the Company entered a 50-50 joint venture with Zenith Chemical Corporation to build a 2,000 metric ton per year lithium-ion battery recycling plant in Taiwan. The agreement was subsequently amended in September 2023.

In January 2023, the Company produced battery-grade lithium carbonate and lithium hydroxide for manufacturers in Japan and Korea.

In January 2023, the Company received a report that its recycled-upcycled precursor cathode active material has been used by Korean cathode manufacturer to create battery cells that demonstrate the same level of performance as commercial precursor material.

In October 2022, the Company announced that C4V an independent intellectual property company has assembled battery cells using RecycLiCo's precursor cathode material and validated its performance.

In September 2022, the Company registered its change of name to RecycLiCo Battery Materials Inc.

In September 2022, the Company announced that the Demonstration Plant achieved over 99% extraction of lithium, nickel, cobalt, and manganese from lithium-ion battery production scrap.

In August 2022, the Company announced that it has achieved over 99% lithium recovery from LFP (lithium iron phosphate) battery cathode materials during bench-scale tests.

In August 2022, the Company received funding from National Research Council of Canada Industrial Research Assistance program to support feasibility study to target removal of high concentration of fluoride from black mass.

In August 2022, the Company announced that the leach section of its Demonstration Plant technology has achieved 163% of the plant design processing capacity of 500kg/day for lithium-ion cathode scraps.

In July 2022, the Company received the results of life cycle assessment completed by Minviro Ltd, a UK based global sustainability and life cycle assessment consultancy. The LCA results confirm RecycLiCo's lower environmental impact to produce NMC precursor and lithium hydroxide, when compared to primary raw material extraction methods or competing hydrometallurgical recycling.

In May 2022, the Company announced that it has produced and delivered NMC-811 cathode precursor material samples to its active third-party collaborators in North America, Europe, and Asia.

In May 2022, the Company started testing the first stage of its RecycLiCo demonstration plant with lithium-ion battery cathode production scrap feed material.

In March 2022, the Company announced that its RecycLiCo demonstration plant is ready for commissioning. The plant is designed to demonstrate the RecycLiCo process in continuous operating conditions that will enable RecycLiCo to run the complete process and provide input for commercial operation.

In October 2021, the Company completes all identified milestones in the DLA project scope of work and submits its final report to the U.S. Defense Logistics Agency (DLA), signifying the completion of the Wenden Stockpile Reclamation and Advanced Material Processing project. The DLA project is AMY's second project to gain support from the U.S. Government.

RecycLiCo Battery Materials Inc.
Management's Discussion and Analysis
For the Three and Six-Month Period Ended January 31, 2024.

In October 2021, the Company reported the successful production of lithium sulfate (Li_2SO_4) with 99.99% purity. The bulk sample of lithium sulfate was prepared and sent to an international lithium producer to validate the patented RecycLiCo™ process.

In October 2021, the Company closed a brokered private placement, issuing 20,000,000 non-flow-through units at \$1.00 per unit for gross proceeds of \$20,000,000. Each unit consists of one common share in the capital of the Company and one share purchase warrant entitling the holder to purchase one non-flow-through common share at a price of \$1.25 per share during the three years following the warrant's date of issuance. The Company paid \$1,714,768 in cash share issue costs and issued 1,400,000 broker warrants exercisable at a price of \$1.00 per share until October 4, 2024 pursuant to this issuance.

In September 2021, the Company reported the successful upcycling of lithium-ion battery black mass into NMC-811 (nickel-manganese-cobalt oxide) cathode precursor, using AMY's RecycLiCo™ closed-loop process. These results are a continuation of earlier success where the Company upcycled cathode waste samples into NMC-622 cathode precursor, in August 2021 and NMC-532 cathode precursor, in June 2021.

In August 2021, the Company announced it is receiving advisory services and funding from the National Research Council of Canada Industrial Research Assistance Program (NRC IRAP) to support a pilot project, entitled, '*Demonstration of Continuous Recycling of Cathode Material from Lithium-ion Battery Production Scrap*'.

In July 2021, the Company announced that the detailed technical paper, 'A Novel Closed Loop Process for Recycling Spent Lithium-ion Battery Cathode Materials' has been submitted, reviewed, and published in the International Journal of Green Energy, a peer-reviewed journal that publishes papers on energy, energy conversion, energy management, and energy conservation, particularly in advanced, sustainable, and green energy technologies.

In March 2021, the Company announced the production of cathode precursor material directly from recycled NCA (lithium-nickel-cobalt-aluminium oxide) cathode waste.

In March 2021, the Company signed memorandum of understanding with Italtel SpA to develop a commercial recycling plant alongside Italtel's planned Gigafactory in Scarmagno, Italy.

In February 2021, the Company's RecycLiCo™ process was awarded Solar Impulse Efficient Solution Label following an assessment performed by external independent experts and based on verified standards. RecycLiCo™ is thereby joining the 1000 Solutions Challenge, an initiative by the Solar Impulse Foundation to select solutions that meet high standards in profitability and sustainability and present them to decision-makers to fast-track their implementation.

In January 2021, the Company announced that the detailed technical paper, 'Experimental Study on Recycling of Spent Lithium-Ion Battery Cathode Materials' has been submitted, reviewed, and published in the Journal of the Electrochemical Society (JES). The publication describes experimental work leading to the Company's patented RecycLiCo™ process.

In November 2020, the company received funding from the National Research Council of Canada Industrial Research Assistance Program (NRC IRAP) to advance its lithium-ion battery recycling project. NRC IRAP will provide advisory services and conditional funding to support RecycLiCo's research and development project on the '*Synthesis of Cathode Material Precursors from Recycled Battery Scrap*'.

Nature of business

RecycLiCo Battery Materials Inc. is a battery materials company specializing in sustainable lithium-ion battery recycling and materials production. RecycLiCo has developed advanced technologies that efficiently recover battery-grade materials from lithium-ion batteries, addressing the global demand for environmentally friendly solutions in energy storage. With minimal processing steps and up to 99% extraction of lithium, cobalt, nickel, and manganese, the patented, closed-loop hydrometallurgical process turns lithium-ion battery waste into battery-grade cathode precursor, lithium hydroxide, and lithium carbonate for direct integration into the re-manufacturing of new lithium-ion batteries.

RecycLiCo Battery Materials Inc.
Management's Discussion and Analysis
For the Three and Six-Month Period Ended January 31, 2024.

Intellectual property rights

As at November 28, 2023, the patents issued bring RecycLiCo's patent portfolio to thirteen granted patents and an additional six applications for battery recycling around the globe.

In October 2023, the Company was granted the Japanese Patent No. 7341598 with respect to Company's National Phase Patent Application for its lithium-ion battery recycling technology, RecycLiCo™.

In March 2023, the Company was granted the Australian Patent No. 2020237451 with respect to Company's National Phase Patent Application for its lithium-ion battery recycling technology, RecycLiCo™.

In April 2022, the Company was granted the Chinese Patent No. CN 110139832 B with respect to Company's National Phase Patent Application for its lithium-ion battery recycling technology, RecycLiCo™.

In April 2022, the Company was granted the Canadian Patent No. 3043335 with respect to Company's lithium-ion battery cathode recycling process (RecycLiCo™).

In December 2021, the Company announced that the Indian Patent Office has granted Patent No. 380826 with respect to Company's lithium-ion battery cathode recycling process (RecycLiCo™).

In May 2021, the Company is granted Patent No. KR102246670B1 by Korean Intellectual Property Office for the Company's lithium-ion battery cathode recycling process (RecycLiCo™).

In July 2020, the Company was granted the Australian Patent No. 2017357001 with respect to Company's lithium-ion battery cathode recycling process (RecycLiCo™).

In June 2019, the Company is granted Continuation in Part (CIP) U.S. patent No. 10,308,523B1 for Lithium-ion Battery Cathode Material recycling technology.

In May 2019, the Company has selected China, Japan, South Korea, Europe, Australia, India, and Canada to file National Phase Patent Applications for the Company's lithium-ion battery cathode material recycling technology.

In April 2019, the Company is granted U.S. Patent No. 10,246,343 for Lithium-ion Battery Cathode Material recycling technology.

Patent Co-operative Treaty Patent Application filed on November 9, 2017. With the filing of the PCT Application, the Company's proprietary technology becomes patent pending in 152 participating independent states and countries.

Non-Provisional Patent Application for recycling lithium-ion battery cathode material filed with the United States Patent Office on November 7, 2017.

Advanced Hydrometallurgical Process where from manganous sulphate-dithionate liquor electrolytic manganese can be recovered from a low-grade resource (US Patent No. 8460631, Chinese Patent No. 201180050306.7, Republic of South Africa Patent No. 2013/01364, Canada Patent No. 2,808,627).

RecycLiCo Battery Materials Inc.
Management's Discussion and Analysis
For the Three and Six-Month Period Ended January 31, 2024.

Mineral property projects

Artillery Peak Project, Arizona USA

The Artillery Peak project includes 30 unpatented mineral claims covering approximately 600 acres and 13 patented surface estates. (13 patented Manganese Mesa leases).

In August 2018, 1 unpatented lode mining claim covering approximately 20 acres was not renewed.

During the year ended July 31, 2015, the Company decided to suspend further exploration on the Artillery Peak Property and has written off a total of \$5,977,294 in deferred costs. The residual balance is based on an estimate of the cumulative hydrometallurgical and related exploration costs incurred in connection with the patented technology which has been developed by the Company.

In October 2012, the Company completed successful production of working lithium-ion battery prototypes utilizing chemical manganese dioxide (CMD) generated from Artillery Peak material. These prototypes (button cell batteries) are for test purposes only.

Producing working prototype lithium-ion batteries represents a key breakthrough for RecycLiCo Battery Materials Inc. in the continuing development of the Company's patented hydrometallurgical process. CMD manufactured with this process eliminates electrowinning and the need for any mechanical means of size reduction for the final product.

In December 2012, the Company reported that it had developed a low-cost, environmentally friendly hydrometallurgical process to recover manganese (Mn) from this Manganese Oxide resource located in Arizona, USA. The Company has applied for a patent for its hydrometallurgical process that produces electrolytic manganese metal from this Manganese Oxide deposit, with low energy and water consumption. As a development of the existing process, RecycLiCo Battery Materials has commissioned this research to determine the uses of Artillery Peak manganese resource material to generate high value alternative products. Chemical manganese dioxide (CMD) and lithiated manganese oxide ($\text{Li}_x\text{Mn}_2\text{O}_4$) for use in rechargeable batteries were the areas researched.

The research was successful in producing CMD from Artillery Peak resource material with low cation impurities and further avoiding processing steps that are known to introduce metallic impurities in the final product. Cation impurities cause capacity fade, whereas metallic impurities are known to cause catastrophic failures such as fire and explosions in lithium-ion batteries. Working rechargeable lithium-ion coin cell battery prototypes were produced from the CMD material.

The company received a report describing the results of this research project contracted by RecycLiCo Battery Materials to Kemetco Research Inc. The test program was partially funded by the Canadian Government through the National Research Council, Industrial Research Assistance Program (NRC-IRAP) for development work conducted over a five-month period.

In June 2013, the Company announced that it has received the "US Patent No. 8460631" from the United States Patent and Trade Mark Office for the Company's manganese recovery process. The Company intends to continue to explore various commercial opportunities generated by this intellectual property including but not limited to manganese metal or dioxide production from its Artillery Peak claims; technology licensing; potential royalty streaming; and applications for electric vehicle cathode materials recovery and recycling.

The Artillery Peak project includes 30 unpatented mineral claims covering approximately 600 acres. 36 patented mineral claims covering approximately 698 acres and 8 fee simple parcels covering 1280 acres were returned to the vendors upon the respective anniversary dates (May 31, July 15, August 8) because the holding costs were deemed to be too onerous.

In 2012 the Company purchased 639.81 acres of patented surface, from local owners and real property holders embracing the reserved patented surface estates on 34 patented mining claims.

During the fiscal year ended July 31, 2019, the Company decided to write-down \$4,879,733 of the Artillery Peak property after assessing the carrying value for impairment.

RecycLiCo Battery Materials Inc.
Management's Discussion and Analysis
For the Three and Six-Month Period Ended January 31, 2024.

Rocher Deboule property, British Columbia

In May 2016, the Company reduced the number of Roche Deboule mineral claims it holds to 2, which covers an area of 998 hectares. The Company initially acquired by staking 4 mineral claims covering 1,325 hectares, and subsequently expanded the area by additional staking to cover 1,441 hectares.

The Company has obtained a NI 43-101 report on the Rocher Deboule property prepared by A.A. Burgoyne, P. Eng., M.Sc., dated December 18, 2007. A copy of the report is also available on the SEDAR filing service at www.sedar.com.

In August 2011, the Company conducted a mapping and sampling program at the Rocher Deboule property. The program entailed 22 km of ground magnetometer survey, 841 soil samples, 455 rock samples and 68 silt samples. The fieldwork carried out in 2012 focused on 3 areas of Cu-Ag-Au bearing mineralization.

In November 2012, the Company reported that the Geological fieldwork returned encouraging Cu-Ag-Au geochemical values at the Rocher Deboule project upper silvertip CK basin stockwork, lower silvertip CK No 2 & 4 veins and a new Iron Oxide Copper Gold ("IOCG") target south of the historic Victoria vein mine. The results of the program were reported in the Company's press release dated November 20, 2012, a copy of which is available on the SEDAR filing service at www.sedar.com.

In November 2017, the Company entered into an option agreement with Liaz Pty Ltd ('Liaz'), an Australian public company, which has since been acquired by Longford Resources Limited ('LRL'), whereby Liaz may earn a 60% interest in the Rocher Deboule property. Consideration consists of an initial payment of \$10,000, an additional payment of \$5,000 or 50,000 shares of LRL; completion of exploration expenditures of \$2,000,000 over four years; and \$10,000 cash plus \$5,000 cash or 50,000 shares of LRL each subsequent year until the 60% interest has been fully earned. Subsequent to year-end, Liaz informed the Company that it will be withdrawing from the option agreement.

During the fiscal year ended July 31, 2019 the Company performed geological and geophysical work on the property using flow-through funds.

During the fiscal year ended July 31, 2020 the Company staked an additional claim and now holds 1,016 hectares.

In October, 2020 the Company filed NI-43-101 technical report on SEDAR. The report outlines drill targets on the Rocher Deboule mineral claims located 5-8 kilometers southwest of Hazelton, BC. The report includes recommendations for core drilling of gold and copper bearing mineralization located near historic underground mines.

During the fiscal year ended July 31, 2021 the Company reports the Rocher Deboule IP (induced polarization) geophysical crew will test "Vent Zone" IOCG targets, with drilling expected to follow on the Company's Rocher Deboule copper-gold property, located south of New Hazelton, BC.

During the fiscal year ended July 31, 2023, the Company decided to write-down \$666,280 of capitalized Rocher DeBoule property costs after assessing the carrying value for impairment.

Lonnie property, British Columbia

The Lonnie property is a niobium exploration property in the Omineca Mining Division of British Columbia. The Company initially staked mineral claims covering an area of approximately 692 hectares. In October 2007, the Company acquired additional claims covering approximately 2,735 hectares at a cost of \$10,000 and 100,000 shares of the Company. Currently the Company holds 674 hectares of staked mineral claims.

In September 2010, the Company conducted a geochemical prospecting program on the Lonnie-Virgil occurrence. The results of the program were reported in the Company's press release dated October 1, 2010, a copy of which is available on the SEDAR filing service at www.sedar.com.

In May 2011, the Company entered into an option agreement with Echelon Petroleum Corp. (Formerly Rara Terra Capital Corp. ("Echelon")) where Echelon has the right to earn a 60% interest in the Lonnie property in exchange for a cash payment of \$60,000 (\$24,603 paid) and issuance of 285,000 common shares of Echelon (150,000 received). To acquire the 60% interest, Echelon must also

RecycLiCo Battery Materials Inc.
Management’s Discussion and Analysis
For the Three and Six-Month Period Ended January 31, 2024.

spend \$500,000 in exploration expenditures on the property.

In 2012, the Company and Echelon agreed to amend the amount due on the first anniversary from \$20,000 to \$4,603 in light of the additional costs incurred by Echelon in exploring the property during the year.

In September 2011, Echelon commenced a trenching and sampling program on the Property. A total of 876 soil samples were collected and analyzed. The results are encouraging, especially for three strongly anomalous zones returning up to 8467 ppm total Rare Earth Elements + Yttrium (TREE+Y) being delineated along a consistent five kilometre-long NW trend. Additional anomalous zones have also been located, generally along the same strike trend, and could prove to be extensions of the known zones. Where warranted, anomalies will be followed-up by trenching and drilling programs to begin later this year.

In April 2013, Echelon terminated the option agreement and transferred all claim blocks to the Company. The Company owns a 100% interest in the property.

During the fiscal year ended July 31, 2019 the Company performed geological and geophysical work on the property using flow-through funds.

In July 2019, the Company announced the results of rock sampling on the Lonnie mineral claims located on Granite Creek, south east of Manson Creek in north central British Columbia. The Lonnie claims feature rare earth element (REE) and niobium bearing mineralization hosted in carbonatite intrusive sills. Carbonatite is associated with gossanous weathering, aegirine sovite, muscovite, phlogopite, magnetite, ilmenite, apatite, calcite, with trace amounts of pyrochlore, pyrrhotite, arfvedsonite, and zircon. Carbonatite is also spatially associated with minor syenitic, granitic, monzo-dioritic (alkaline) composition pegmatite and aplite dyke/sills.

During the fiscal year ended July 31, 2022, the Company decided to write-down \$116,452 of capitalized Lonnie property costs after assessing the carrying value for impairment.

SELECTED ANNUAL INFORMATION

The following table shows total revenues, loss, assets, liabilities, and shareholders’ deficiency for each of the three most recent fiscal years of the Company. The results of operations from years 2021 to 2023 are stated in accordance with the International Financial Reporting Standards.

	<u>2023</u>	<u>2022</u>	<u>2021</u>
(a) Finance Income	\$ 878,789	\$ 101,879	\$ 270
(b) Net Income (Loss):			
i) In total	\$ (9,680,554)	\$ (11,312,600)	\$ (13,064,156)
ii) On a per share basis ⁽¹⁾	\$ (0.038)	\$ (0.047)	\$ (0.065)
(c) Total Assets	\$ 19,893,551	\$ 22,286,552	\$ 7,443,692
(d) Total Liabilities	\$ 164,586	\$ 198,452	\$ 545,271
(e) Total Accumulated Deficit	\$ (74,872,636)	\$ (65,192,082)	\$ (53,879,482)

(1) Fully diluted loss per share amounts have not been calculated as they would be anti-dilutive.

RESULTS OF OPERATIONS

Net loss for the fiscal year ended July 31, 2023 was \$9,680,554, compared to net loss of \$11,312,600 for the fiscal year ended July 31, 2022. The Company does not generate revenue from operations. It has no revenues other than the interest earned on the Company’s balances of cash and cash equivalents. The Company recorded net loss from operations in the amount of \$9,982,072 for the fiscal year ended July 31, 2023. During the fiscal year, some of the notable expenses have been consulting fees, professional fees, research and development, and share-based payments.

The Company cash and cash equivalents decreased by \$1,728,285 during the year ended July 31, 2023 (2022 – \$15,389,124). The decrease in cash is principally as a result of lack of equity financing and exercise of stock options and warrants compared to prior year.

RecycLiCo Battery Materials Inc.
Management's Discussion and Analysis
For the Three and Six-Month Period Ended January 31, 2024.

During the fiscal year ended July 31, 2022, the Company closed a brokered private placement for gross proceeds of \$20,000,000 improving its cash flow position.

Analysis of income statement items for the fiscal year ended July 31, 2023

The Company recorded \$260,658 in consulting fees (2022 – \$189,614). \$64,896 was expensed towards consultants hired to manage recycling project's development and assist in managing technical data. \$120,190 was incurred for media and communications consulting services and \$75,572 for was incurred towards non-management directors and advisory committee consulting fees.

Professional fees in the amount of \$125,512 (2022 – \$27,382) were recorded for the fiscal ended July 31, 2023. During fiscal year ended July 31, 2023 the Company incurred increased legal expenses compared to prior year same period. Professional services related to joint venture agreement reviews, regulatory services related to change of business and seeking legal assistance in preparing and filing Annual Information Form for annual general meeting were primary expenditures during the fiscal year.

The Company recorded expenses of \$5,601,833 for research and development (2022 – \$4,090,904). \$2,639,410 was incurred in the testing and optimization of the RecycLiCo Demonstration Plant and \$1,066,943 was incurred in relation to laboratory testing of third party battery waste samples, to validate the efficiency of the RecycLiCo process and tquality of cathode precursor and lithium chemical production. \$1,895,480 was recorded for options and warrants issued in relation to Zenith Chemical's joint venture as an inducement to enter into joint venture agreement.

During the fiscal year ended July 31, 2023, the Company recorded \$2,982,584 in share-based payments expense (2022 – \$6,191,384) due to the vesting of options granted during fiscal 2023, 2022 and 2021 and amendment of certain options previously granted. Additional detail on the financings is set out below under "Liquidity and Capital Resources".

Analysis of balance sheet items – July 31, 2023

Cash and cash equivalents decreased from \$21,317,768 as at July 31, 2022, to \$19,589,483 as at July 31, 2023, The Company closed a brokered private placement raising \$20,000,000 in October 2021. \$878,789 of interest income was recorded as part of cash on hand. 5,112,080 share purchase warrants with an average exercise price of \$0.30 per share were exercised for total proceeds of \$1,533,625 and 3,875,700 options with an average exercise price of \$0.24 were exercised for proceeds of \$919,668 was the Company's main source of financing during the year. Additional detail on the financings is set out below under "Liquidity and Capital Resources".

Amounts receivable of \$211,076 were recorded during the fiscal ended July 31, 2023 (2022 - \$204,805). \$12,928 relates to trade receivable, and \$198,148 is for goods and services tax receivable. Both amounts are current and will likely be received by December 31, 2023.

Mineral property interests decreased from \$647,194 as at July 31, 202 to \$3 as at July 31, 2023 due to the incurring \$647,191 in capitalized exploration and evaluation expenditures incurred relating to the Rocher Deboule property in British Columbia was impaired during the fiscasl year July 31, 2023. Additional information on this item is given below under "*Analysis of mineral property costs*".

Accounts payable and accrued liabilities decreased from \$198,452 as at July 31, 2022 to \$164,586 as at July 31, 2023. All amounts are current and primary includes accrued payable for research and development and trade payables.

The Company share capital increased from \$52,349,250 (248,246,347 shares) as at July 31, 2022 to \$57,699,077 (261,234,127 shares) as at July 31, 2023. Additional information on the share issuances is contained under "*Liquidity and Capital Resources*".

RecycLiCo Battery Materials Inc.
Management's Discussion and Analysis
For the Three and Six-Month Period Ended January 31, 2024.

SELECTED QUARTERLY INFORMATION

The following table summarizes information derived from the Company's financial statements for each of the eight most recently completed quarters:

Quarter Ended:	31-Jan	31-Oct	31-Jul	30-Apr	31-Jan	31-Oct	31-Jul	31-Apr
Year:	2024	2023	2023	2023	2023	2022	2022	2022
Finance income	\$108,320	\$280,345	\$235,155	\$206,597	\$351,949	\$85,088	\$62,599	\$23,632
Net loss	(\$1,217,843)	(\$482,317)	(\$5,819,385)	(\$2,201,718)	(\$807,936)	(\$851,515)	(\$1,017,262)	(\$4,042,959)
Per share basis ⁽¹⁾	(\$0.004)	(\$0.018)	(\$0.023)	(\$0.009)	(\$0.003)	(\$0.0034)	(\$0.004)	(\$0.017)

(1) Fully diluted loss per share amounts have not been calculated as they would be anti-dilutive.

Analysis of income statement items for the three-month period ended January 31, 2024

Net loss for the three-month period ended January 31, 2024, was \$1,217,843, compared to net loss of \$807,936 for the prior year three-month period.

The Company continued to manage expenses and its net loss for the period ended January 31, 2024, was principally due to consulting fees, professional fees, shareholder communications, research and development expenditures and share-based payments.

The following financial data are derived from our consolidated interim financial statements for the three-month period ended January 31, 2024, and 2023.

Consulting fees (2024 – \$61,265; 2023 – \$80,129)

The Company recorded \$61,265 in consulting fees expenses during this three-month period compared to \$80,129 prior year same period. This expenditure is attributed to the strategic engagement of expertise in marketing and commercial scaling to bolster the development of the Company's recycling operations. A marketing consultant has been retained to enhance promotional strategies and facilitate the effective distribution of corporate information. As the Company advances towards the operational scale-up of its demonstration plant and the progression of its joint venture project in Taiwan, it is anticipated that expenditure on consulting services will escalate commensurately with these developments. The Company remains committed to judicious investment in consultancy to ensure the successful execution and growth of its business initiatives.

Professional fees (2024 – \$37,414; 2023 – \$16,439)

The Company recorded \$37,414 in professional fees expenses. Significant resources to professional services pivotal to the strategic review of joint venture arrangements. Additionally, the Company incurred expenses associated with regulatory compliance for the Annual General Meeting (AGM). Furthermore, legal counsel was engaged to facilitate the preparation and submission of documentation requisite for the change of business application. These outlays represent the Company's commitment to maintaining rigorous corporate governance standards and ensuring adherence to legal and regulatory frameworks while strategically positioning the business for future endeavors.

Shareholder communications (2024 – \$77,320; 2023 – \$62,383)

During the three-month period ended January 31, 2024, we incurred \$77,320 compared to \$62,383 during the same period prior year. This investment reflects our ongoing commitment to maintaining transparent and regular communication with our valued shareholders. In line with our strategic objectives, the company has actively participated in several investment marketing initiatives and battery recycling industry conferences. These activities are crucial as they serve to enhance the visibility of our company within the investment community and the wider battery recycling sector. The company remains steadfast in its commitment to leading the charge in the battery recycling industry and ensuring that our shareholders are well-informed of our progress and milestones.

RecycLiCo Battery Materials Inc.
Management's Discussion and Analysis
For the Three and Six-Month Period Ended January 31, 2024.

Research and development (2024 - \$656,630; 2023 - \$607,173)

The Company has judiciously managed its research and development (R&D) investments, resulting in a reduction of expenditures during the current three-month period as compared to the same timeframe in the previous year. Our R&D contractor has been diligently concentrating efforts on a series of critical initiatives, including the processing of third-party waste cathode feedstock at our demonstration plant, the refinement of cathode precursor material, the synthesis of lithium chemicals, and the meticulous planning required for the commercial scale-up of our joint venture operations in Taiwan.

Looking ahead to the forthcoming quarter, the Company anticipates a strategic increase in R&D spending. This escalation is in direct response to the identification of the detailed design work for the anticipated commercial scale-up phase. These investments are essential to the Company's commitment to innovation, efficiency, and the successful transition from pilot-scale operations to full commercialization.

Share-based payments (2024 - \$77,320; 2023 - \$62,383)

The Company recorded increased share-based payments due recent options being issued and re-valuation of re-priced stock-based compensation as per Black Scholes model. Additional detail on the financings is set out below under "Liquidity and Capital Resources".

Analysis of balance sheet items – January 31, 2024

Cash and cash equivalents decreased from \$19,589,483 as at July 31, 2023 to \$17,455,684 as at January 31, 2024. The Company has been able to maintain a favourable cash balance and in working capital from private placement and exercise of warrant and share-based options.

The company is pleased to announce a strategic investment of \$13,339,480 (equivalent to 308,000,000 NTD) into the RecycLiCo Zenith Battery Materials Technology Co., a joint venture established in Taiwan. This allocation reflects our commitment to advancing our position within the battery materials sector and underscores the importance of international partnerships in achieving our corporate objectives. The Company continued to seek sources strategic investment to enhance working capital.

Amounts receivable increased from \$211,076 as at July 31, 2023 to \$254,872 as at January 31, 2024. The amount relates to Goods and Services Input tax credits receivable as at January 31, 2024. Subsequent to January 31, 2024 \$242,657 has been received and deposited into account.

Prepaid expenses and advances increased from \$74,289 as at July 31, 2023 to \$212,272 as at January 31, 2024. \$33,868 has been amortized for shareholder communications. In line with our commitment to transparency and stakeholder engagement, the Company has judiciously renewed contracts with premier multimedia communication firms. These collaborations are designed to enhance the visibility of the Company's endeavors and to cultivate awareness of our innovative projects within the industry and with the public. Furthermore, the Company has strategically advanced \$800,000 to our research and development (R&D) contractor. This decisive action has been taken to initiate the engineering phase for the commercial scale-up of our battery recycling plant, marking a pivotal step forward in our commitment to sustainability and technological advancement within the recycling industry. This investment underscores our dedication to R&D and positions us at the vanguard of the battery recycling sector

Accounts payable and accrued liabilities amounts decreased from \$164,586 as at July 31, 2023 to \$14,319 as at January 31, 2024. The amount includes current trade payable and accrues liabilities at period end. All trade payables and amounts accrued are current liabilities.

RecycLiCo Battery Materials Inc.
Management's Discussion and Analysis
For the Three and Six-Month Period Ended January 31, 2024.

The Company reviewed individual properties for impairment based on facts and circumstances available at the time as per International Accounting Standard (IAS) 36 and International Financial Reporting Standard (IFRS) 6. Additional information on this item is given below under "Analysis of mineral property costs".

Analysis of Mineral Property Costs

The following table shows a breakdown of the Company's capitalized exploration and development costs for the six-month period ended January 31, 2024, and for the year ended July 31, 2023:

Rocher Deboule Property	Balance		Balance		Balance	
British Columbia	July 31, 2022	Expenditures	July 31, 2023	Expenditures	January 31, 2024	
Acquisition and staking	\$ 165,344	\$ 3,761	\$ 169,105	\$ (0)	\$ 169,105	
Assays & analysis	82,199	-	82,199	-	82,199	
Camp & supplies	59,504	4,750	64,254	-	64,254	
Drilling	270,826	-	270,826	-	270,826	
Geological and geophysical	710,843	444	711,287	-	711,287	
Travel and accommodation	44,855	-	44,855	-	44,855	
Freight and transport	158,128	10,134	168,262	-	168,262	
Mineral property option	(24,500)	-	(24,500)	-	(24,500)	
BC Mining Exploration Tax Credit	(288,007)	-	(288,007)	-	(288,007)	
Impairment	(532,000)	(666,280)	(1,198,280)	-	(1,198,280)	
	\$ 647,192	\$ (647,191)	\$ 1	\$ (0)	\$ 1	
Lonnie Property						
British Columbia						
Acquisition and staking	\$ 54,121	\$ -	\$ 54,121	\$ -	\$ 54,121	
Assays & analysis	4,528	-	4,528	-	4,528	
Drilling	60,073	-	60,073	-	60,073	
Geological and geophysical	82,025	-	82,025	-	82,025	
Travel and accommodation	186	-	186	-	186	
Mineral property option	(56,000)	-	(56,000)	-	(56,000)	
BC Mining Exploration Tax Credit	(28,480)	-	(28,480)	-	(28,480)	
Impairment	(116,452)	-	(116,452)	-	(116,452)	
	\$ 1	\$ -	\$ 1	\$ -	\$ 1	
Artillery Peak Property						
Arizona						
Acquisition and staking	\$ 3,226,449	\$ -	\$ 3,226,449	\$ -	\$ 3,226,449	
Assays & analysis	417,870	-	417,870	-	417,870	
Drilling	3,125,410	-	3,125,410	-	3,125,410	
Equipment and rentals	11,860	-	11,860	-	11,860	
Geological and geophysical	4,851,642	-	4,851,642	-	4,851,642	
Travel and accommodation	231,495	-	231,495	-	231,495	
Property maintenance	40,781	-	40,781	-	40,781	
Other fieldwork	4,694	-	4,694	-	4,694	
Impairment	(11,910,200)	-	(11,910,200)	-	(11,910,200)	
	\$ 1	\$ -	\$ 1	\$ -	\$ 1	
Total	\$ 647,194	\$ (647,191)	\$ 3	\$ (0)	\$ 3	

RecycLiCo Battery Materials Inc.
Management's Discussion and Analysis
For the Three and Six-Month Period Ended January 31, 2024.

LIQUIDITY AND CAPITAL RESOURCES

The Company has historically relied upon equity financings to satisfy its capital requirements and will continue to depend heavily upon the capital markets to finance its activities. There can be no assurance the Company will be able to obtain required financing in the future on terms acceptable to Company. The Company anticipates it will need additional capital in the future to finance ongoing research and development, exploration, commercial construction and administrative operations, which will be derived from the exercise of stock options and warrants, and/or private placements.

As at January 31, 2024 the Company has \$17,455,684 cash and cash equivalents balance (July 31, 2023 - \$19,589,483) and working capital of \$18,946,949, compared to working capital of \$19,710,262 as at July 31, 2023. The Company has been able to maintain a favourable cash balance and in working capital from private placement and exercise of warrant and share-based options.

The company is pleased to announce a strategic investment of \$13,339,480 (equivalent to 308,000,000 NTD) into the RecycLiCo Zenith Battery Materials Technology Co., a joint venture established in Taiwan. This allocation reflects our commitment to advancing our position within the battery materials sector and underscores the importance of international partnerships in achieving our corporate objectives.

Following this significant investment, the company retains a robust working capital of \$5,607,469. These funds are earmarked to sustain our ongoing research and development initiatives and to facilitate the exploration of additional commercial scale-up projects. Our financial strategy is designed to ensure that we maintain a healthy balance between investing in future growth opportunities and securing the operational capabilities necessary to continue our trajectory of innovation and market expansion.

We remain dedicated to maximizing shareholder value through prudent financial management and strategic capital deployment. The company is confident that this investment, alongside our remaining working capital, positions us favorably for continued success and leadership in our industry.

As at July 31, 2023 the Company has \$19,589,483 cash and cash equivalents balance (July 31, 2022 - \$21,317,768) and working capital of \$19,710,262, compared to working capital of \$21,422,206 as at July 31, 2022. The Company has been able to maintain a favourable cash balance and in working capital from private placement and exercise of warrant and share-based options.

During the year ended July 31, 2023, 5,112,080 common shares were issued pursuant to warrants being exercised for total proceeds of \$1,533,625. 1,682,000 warrants expired without exercise. 6,000,000 share purchase warrants were granted at \$0.35 to Zenith Chemical pursuant joint venture agreement.

During to fiscal year ended July 31, 2023 3,875,700 common shares were issued pursuant to option exercise for total proceeds of \$919,668. 2,160,100 share purchase options expired without exercise.

On July 12, 2023, as an inducement to enter into the JV Agreement, the Company issued to Zenith 4,000,000 common shares at a share price of \$0.35 per share and 6,000,000 common share purchase warrants (the "JV Warrants") entitling the holder to purchase one common share at a price of \$0.35 per share for five years following the warrant's date of issuance. The JV Warrants will become exercisable on the 30th day following the completion of construction on the commercial-scale recycling plant, provided that should the Company undergo a change in control the warrants shall become exercisable immediately. The common shares were valued at \$1,840,000 based on the Company's trading price on the date of issue. The JV Warrants were ascribed a fair value of \$2,190,000 based on the Black-Scholes pricing model (see Note 8(c)) and are being recognized over the estimated time period to complete construction on the commercial-scale recycling plant, with \$55,480 having been recognized during the year ended July 31, 2023. These amounts are recorded within Research and development expense on the statement of comprehensive loss.

On June 12, 2023, the Company granted 5,200,000 common shares purchase options exercisable at a price of \$0.48 per share for five years to management and directors of the company.

On May 25, 2023, the Company granted 600,000 common shares purchase options exercisable at a price of \$0.35 per share for five years to advisory board member of the company.

On November 8, 2022, the Company granted 2,700,000 common shares purchase options exercisable at a price of \$0.39 per share for five years to management and directors of the company.

RecycLiCo Battery Materials Inc.
Management's Discussion and Analysis
For the Three and Six-Month Period Ended January 31, 2024.

Subsequent to July 31, 2023, 1,760,000 share purchase options were exercised for total proceeds of \$369,600.

As at July 31, 2022 the Company has \$21,317,768 cash and cash equivalents balance (July 31, 2021 - \$5,928,644) and working capital of \$21,422,206, compared to working capital of \$6,295,041 as at July 31, 2021. The increase in the Company's cash balance and in working capital resulted from private placement and exercise of warrant and share-based options.

During the year ended July 31, 2022, 6,982,604 common shares were issued pursuant to warrants being exercised for total proceeds of \$1,504,139. 3,345,300 share purchase options were exercised for total proceeds of \$650,607. 20,000,000 non-flow-through units were issued at \$1.00 per unit for gross proceeds of \$20,000,000.

During the year ended July 31, 2021, 20,072,045 common shares were issued pursuant to warrants being exercised for total proceeds of \$5,157,396. 8,874,400 share purchase options were exercised for total proceeds of \$1,104,924. 7,714,770 common shares were issued pursuant to non-brokered private placement at \$0.20 per share for total proceeds totalling \$1,542,954 and 521,000 common shares issued pursuant non-brokered flow-through placement at \$0.30 per share for total proceeds of \$125,040.

During the year ended July 31, 2020, 3,133,600 common shares were issued pursuant to warrants being exercised at \$0.20 per share for proceeds of \$626,720. 130,000 common shares were issued pursuant to options being exercised at \$0.15 per option and 590,000 common shares were issued pursuant to options being exercised at \$0.05 per option for proceeds totaling \$49,000.

During the year ended July 31, 2019, there were 1,150,000 options exercised for proceeds of \$57,500. During the year ended July 31, 2018, there were 6,142,500 warrants exercised for proceeds of \$334,625 and 1,160,000 options were exercised for proceeds of \$58,000. During the year ended July 31, 2017, there were 5,509,999 warrants exercised for proceeds of \$305,500 and 2,450,000 options were exercised for proceeds of \$177,500.

On October 2021, the Company closed a non-brokered private placement, issuing 20,000,000 non-flow-through units at \$1.00 per unit for gross proceeds of \$20,000,000. Each unit consists of one common share in the capital of the Company and one share purchase warrant entitling the holder to purchase one non-flow-through common share at a price of \$1.25 per share during the three years following the warrant's date of issuance. The Company paid \$1,714,768 in cash share issue costs and issued 1,400,000 broker warrants exercisable at a price of \$1.00 per share from April 4, 2022 to October 4, 2024 pursuant to this issuance.

In December 2020, the Company closed a non-brokered of 521,000 flow-through units at \$0.24 per unit for gross proceeds of \$125,040. Each flow-through unit consisting of a common share and a warrant exercisable into a Company common share at \$0.30 per warrant for two years.

In November 2020, the Company closed a non-brokered private placement in three tranches, raising a total of \$1,542,954 and issuing 7,714,770 units at \$0.20 per unit, with each unit consisting of a common share and a warrant exercisable into a Company common share at \$0.30 per warrant for two years.

From December 2018 to May 2019, the Company closed its non-brokered private placement of 10,383,225 units at \$0.15 per unit raising gross proceeds of \$1,557,484. Each unit consists of one common share and one common share purchase warrant into a Company common share of \$0.20 for the two years following the issuance of the warrant.

In December 2018, the Company closed its non-brokered private placement of 400,000 units at \$0.20 raising \$80,000 by way of flow-through unit offering. Each unit will consist of one warrant exercisable for one common share at a price of \$0.30 for a period of two years.

Excluding exploration and research and development costs, the Company's current general and administrative cash expenditures are approximately \$220,000 per month.

The Company is investigating sources of further funding in the next twelve months. . The Company does not generate revenue from operations and has been dependent upon its ability to raise equity capital through the issuance of shares to pay ongoing operating expenses and the costs associated with its exploration and development activities.

RecycLiCo Battery Materials Inc.
Management’s Discussion and Analysis
For the Three and Six-Month Period Ended January 31, 2024.

USE OF PROCEEDS FROM FINANCINGS

<u>Date of financing and planned use of proceeds</u>	<u>Actual use of proceeds</u>
<p>December 2017, Financing \$248,160. The Company intends to use the net proceeds from the Offering for expediting the Company’s proprietary hydrometallurgical process for patent filing of recycling of lithium-ion battery material, and working capital.</p>	All funds committed as per plan to expedite the research and development
<p>March 2018, Financing \$2,048,757. The Company intends to use the net proceeds from the Offering for a demonstration plant to proof Company’s proprietary hydrometallurgical process for recycling of lithium-ion battery material, and working capital.</p>	All funds committed as per plan to expedite the research and development
<p>November 2018 – May 2019, Financing \$1,533,484. The Company intends to use the net proceeds from the Offering for pilot plant to proof the Company’s proprietary hydrometallurgical process for recycling of lithium-ion battery material, and working capital.</p>	All funds committed as per plan to expedite the research and development
<p>August 2020 – November 2020, Financing \$1,542,954. The Company intends to use the net proceeds from the Offering for optimization of pilot plant process of Company’s proprietary hydrometallurgical process for recycling of lithium-ion batteries, proposed mineral claims spin-out and working capital.</p>	All funds committed as per plan to expedite the research and development
<p>December 2020, Flow Through Financing \$125,040 The Company intends to use the proceeds to advance the Canadian mineral properties.</p>	All funds committed as per plan to conduct spring and summer program.
<p>October 2021, Financing \$20,000,000 The Company intends to use the proceeds to design and construct a commercial plant and general working capital.</p>	All funds committed as per plan to expedite the development commercial plant and joint venture.

RecycLiCo Battery Materials Inc.
Management's Discussion and Analysis
For the Three and Six-Month Period Ended January 31, 2024.

OUTSTANDING SHARE DATA

As at January 31, 2024 the Company had 262,994,127 common shares issued and outstanding.

As at July 31, 2023 the Company had 261,234,127 common shares issued and outstanding.

As at July 31, 2022, the Company had 248,246,347 common shares issued and outstanding.

As at July 31, 2021, the Company had 217,918,443 common shares issued and outstanding.

As at July 31, 2020, the Company had 180,736,228 common shares issued and outstanding.

During the year ended July 31, 2023, 5,112,080 common shares were issued pursuant to warrants being exercised for total proceeds of \$1,533,625. 1,682,000 warrants expired without exercise. 6,000,000 common share purchase warrants entitling the holder to purchase one common share at a price of \$0.35 per share for five years following the warrant's date of issuance 3,875,700 common shares were issued pursuant to option exercise for total proceeds of \$919,668.

During the year ended July 31, 2022, 6,982,604 common shares were issued pursuant to warrants being exercised for total proceeds of \$1,504,139. 3,345,300 share purchase options were exercised for total proceeds of \$650,607 and 20,000,000 common shares were issued pursuant to a brokered private placement of non-flow-through units at \$1.00 per unit for total proceeds totalling \$20,000,000.

During the year ended July 31, 2021, 20,072,045 common shares were issued pursuant to warrants being exercised for total proceeds of \$5,157,396. 8,874,400 share purchase options were exercised for total proceeds of \$1,104,924. 7,714,770 common shares were issued pursuant to non-brokered private placement at \$0.20 per share for total proceeds totalling \$1,542,954 and 521,000 common shares issued pursuant non-brokered flow-through placement at \$0.30 per share for total proceeds of \$125,040.

During the year ended July 31, 2020, 3,133,600 common shares were issued pursuant to warrants being exercised at \$0.20 per share for proceeds of \$626,720. 130,000 common shares were issued pursuant to options being exercised at \$0.15 per option and 590,000 common shares were issued pursuant to options being exercised at \$0.05 per option for proceeds totaling \$49,000.

In November 2020, the Company closed a non-brokered private placement in three tranches, raising a total of \$1,542,954 and issuing 7,714,770 units at \$0.20 per unit, with each unit consisting of a common share and a warrant exercisable into a Company common share at \$0.30 per warrant for two years.

In December 2020, the Company issued 521,000 shares were issued pursuant to a non-brokered private placement of flow-through units at \$0.24 per unit for gross proceeds of \$125,040, with each unit consisting of a flow-through common share and a warrant exercisable into a Company non-flow-through common share at \$0.30 per warrant for two years.

In February 2021, the Company granted in aggregate of 5,950,000 stock options with an exercise price of \$2.63 per share and expiring February 17, 2026 to certain directors, officers, employees and consultants in accordance with its Stock Option Plan. The exercise price of 2,600,000 of these options was amended to \$1.00 on November 3, 2021.

In February 2021, the Company granted 1,000,000 stock options with an exercise price of \$1.99 per share and expiring February 16, 2026 to an advisor of the Company in accordance with its Stock Option Plan. The exercise price of these options was amended to \$1.00 on November 3, 2021.

During the fiscal year ended July 31, 2019, 10,283,225 shares were issued as part of four tranches in connection with a November 2018 non-brokered private placement. In December 2018, 400,000 shares were issued as part of a flow-through financing.

In August 2019, the Company entered into a stock option agreement granting 5,880,000 common stock options exercisable at a price of \$0.21 per share.

In July 2018, Company entered into a stock option agreement granting 500,000 common stock options exercisable at a price of \$0.24 per share.

In June 2018, Company entered into a stock option agreement granting 6,750,000 common stock options exercisable at a price of \$0.24 per share.

RecycLiCo Battery Materials Inc.
Management’s Discussion and Analysis
For the Three and Six-Month Period Ended January 31, 2024.

In March 2018, the Company closed its non-brokered private placement of 8,536,487 units at \$0.24 per unit raising gross proceeds of \$2,048,757. Each Unit consists of one common share and one common share purchase warrant into a Company common share at \$0.30 per warrant for the two years following the issuance of the Warrant.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have material off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

a) Investment in subsidiaries

The wholly-owned subsidiary of the Company has been incorporated in the USA and is included in these consolidated financial statements.

b) Compensation of key management personnel

The Company’s key management personnel have authority and responsibility for overseeing, planning, directing and controlling the activities of the Company and consist of the Company’s Board of Directors and the Company’s Executive Leadership Team. The Executive Leadership Team consists of the President, CEO, CFO, and Executive Assistant.

Total compensation expense for key management personnel and the composition thereof, is as follows:

	January 31, 2024		July 31, 2023	
Short term benefits	\$	249,000	\$	454,910
Share-based compensation		317,392		2,060,052
	\$	566,392	\$	2,514,962

RecycLiCo Battery Materials Inc.
Management's Discussion and Analysis
For the Three and Six-Month Period Ended January 31, 2024.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the Company's 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 period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Areas requiring a significant degree of estimation and judgment relate to the recoverability of the carrying value of exploration and evaluation assets, fair value measurements for financial instruments and share-based payments and other equity-based payments, the value of the premium included in flow-through share issuances and the estimated useful life and recoverability of equipment. Actual results may differ from those estimates and judgments.

RISK FACTORS RELATING TO THE COMPANY'S BUSINESS

As a company, active in the mineral resource exploration and development industry, RecycLiCo Battery Materials Inc. is exposed to a number of risks.

Exploration Stage Operations

The Company's operations are subject to all of the risks normally incident to the exploration for and the development and operation of mineral properties. Mineral exploration is a business of high inherent risk. Most exploration programs fail to locate a body of commercial ore. All exploration and mining programs face a risk of unknown and unanticipated geological conditions, and promising indications from early results may not be borne out in further exploration work. Few properties which are explored are ever developed into producing mines. A mineral exploration program often requires substantial cash investment, which can be lost in its entirety if it does not result in the discovery of a commercial ore body. The commercial viability of a mineral deposit is dependent on a number of factors, some of which are the particular attributes of the deposit, such as size, grade and proximity to infrastructure, as well as metal prices. Most of these factors are beyond the control of the Company. Mineral exploration involves risks which even a combination of careful evaluation, experience, and knowledge cannot eliminate.

In addition, even if the Company is successful in locating a commercial ore body, there is no assurance that the Company will be able to bring such an ore body into commercial production. Development of a producing mine generally requires large capital investment and numerous permits from government regulatory agencies. There is no assurance that the funds required to exploit mineral reserves and resources discovered by the Company will be obtained on a timely basis or at all. There is also no assurance that the Company will be able to obtain the government permits required to exploit a commercial ore body. The costs and time involved in the permitting process may also delay the commencement of mining operations or make the development of a producing mine uneconomic.

If the Company is able to bring an ore body into commercial production, operating mines also face substantial operating risks, which include, but are not limited to, unusual or unexpected geological conditions, formation pressures, fires, power outages, labour disruptions, flooding, explosions, tailings impoundment failures, cave-ins, landslides and inability to obtain adequate machinery, equipment or labour.

If the Company is unsuccessful in its attempts to locate a commercial ore body and to commence commercial production, the Company may seek to transfer its property interests or otherwise realize value, or may even be required to abandon its business and fail as a going concern.

Competition

In the dynamic and highly competitive battery recycling sector, the Company is engaged in a continuous competition for strategic partnerships, expert talent, and access to limited feedstock. The industry landscape is marked by several players with similar objectives, influencing the Company's tactics in establishing recycling partnerships, securing skilled workforce, and procuring essential feedstock. These competitive aspects are fundamental in shaping the Company's operational strategies, financial performance, and overall market standing.

RecycLiCo Battery Materials Inc.
Management's Discussion and Analysis
For the Three and Six-Month Period Ended January 31, 2024.

Financial Markets

The Company is dependent on the equity markets as its sole source of operating working capital and the Company's capital resources are largely determined by the strength of the junior resource markets and by the status of the Company's projects in relation to these markets, and its ability to compete for the investor support of its projects.

Environmental and Government Regulation

Battery Materials Recycling, Mining and exploration activities are subject to various laws and regulations relating to the protection of the environment, waste management, historical and archaeological sites and endangered and protected species of plants and animals. The Company has implemented safety and environmental measures designed to comply with government regulations, and to ensure safe, reliable and efficient operations in all phases of its processes. In addition, the Company maintains liability and property insurance, where reasonably available, in such amounts it considers prudent. However, the Company may become subject to liability for hazards against which it cannot insure or which it may elect not to insure against because of high premium costs or other reasons. In addition, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail production or development. Amendments to current laws and regulations governing the operations and activities of the Company or more stringent implementation thereof could have a substantial adverse impact on the Company.

Title to Properties

While the Company has investigated the title to all of the properties for which it holds concessions or other mineral leases or licenses or in respect of which it has a right to earn an interest, the Company cannot guarantee that title to such properties will not be challenged or impugned. The Company can never be certain that it will have valid title to its mineral properties. Mineral properties sometimes contain claims or transfer histories that examiners cannot verify, and transfers under foreign law are often complex. The Company does not carry title insurance on its properties. A successful claim that the Company or its option partner does not have title to a property could cause the Company to lose its rights to that property, perhaps without compensation for its prior expenditures relating to the property.

Foreign Currency

A portion of the Company's expenses are incurred in foreign currencies. Fluctuations in the exchange rate between the Canadian dollar and such other currencies may have a material effect on our business, financial condition and results of operations. The Company does not hedge against foreign currency fluctuations.

ADDITIONAL INFORMATION

Additional information about the Company is available at the website of the System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com.