



Management's Discussion and Analysis
For the three and nine-month period ended April 30, 2025

RecycLiCo Battery Materials Inc.
Management's Discussion and Analysis
For the Three and Nine-Month Period Ended April 30, 2025.

This management's discussion and analysis ("MD&A") for RecycLiCo Battery Materials Inc. (formerly American Manganese Inc.) (the "Company" or "RecycLiCo") contains an analysis of the Company's operational and financial results for the three and nine-month period ended April 30, 2025, and fiscal year ended July 31, 2024. The following should be read in conjunction with the Company's audited consolidated financial statements for the year ended July 31, 2024, and 2023 (the "Financial Statements"), which are available on the Company's website at www.recyclico.com and on www.sedarplus.ca. The financial information in this MD&A is derived from the Financial Statements 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 June 30, 2025

Jurisdiction of incorporation and corporate name

RecycLiCo Battery Minerals Inc. was originally incorporated under the *Company Act* (British Columbia) on July 8, 1987, as "Navarre Resources Corporation." On August 26, 1998, the Company changed its name to "Ameridex Minerals Corp." and on July 15, 2005, transitioned under the *Business Corporations Act* (British Columbia). Effective September 13, 2006, the Company changed its name to "Rocher Deboile Minerals Corp." before changing its name again on January 20, 2010 to "American Manganese Inc."

On September 27, 2022, the Company changed its name to its current name, "RecycLiCo Battery Materials Inc." which reflects the Company's current business strategy.

The Company is a reporting issuer in the Provinces of British Columbia, Alberta and Ontario. The Common Shares are listed on the TSXV and currently trade under the symbol "AMY".

The Company's wholly owned subsidiary Rocher Manganese, Inc. was incorporated on June 1, 2007, under the laws of Nevada, United States of America.

The Company also has a 50% interest in JV Co., which is incorporated under the laws of Taiwan, pursuant to the Joint Venture. See the section entitled "*Item 3 – General Development of the Business*" and "*Item 15 – Material Contracts*" for more information about JV Co. and the Joint Venture.

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

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HIGHLIGHTS

RecycLiCo is an emerging battery materials company specializing in sustainable lithium-ion battery recycling and materials production. 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".

In April 2025, the Company and its joint venture partner, Zenith Chemical Corporation ("Zenith"), have jointly determined to abandon the construction of a battery recycling facility in Taiwan and have entered into a definitive Mutual Release and Termination Agreement (the "Agreement") to unwind their previously established joint venture.

In March 2025, the Company announced that it has hired fusion projects Fusion Projects, a leading industrial workplace project manager, in connection with the continuing evaluation of potential locations in the Vancouver area for a new laboratory and demonstration plant.

In January 2025, the Company engaged Penney Capital and Carmot Strategic Group, Inc. to assist in the company's efforts to identify, and qualify for, government funding opportunities that could be used to further RecycLiCo's critical mineral recovery activities in the U.S. and Canada.

In August 2024, the Company announced that it had engaged Hatch Ltd to provide consulting services in connection with the Stage 2 battery recycling plant to be operated in Taiwan by RecycLiCo Zenith Battery Materials Technology Co., the Company's joint venture with Zenith Chemical.

In July 2024, the Company announced that JV Co. had constructed a stage 1 shredding facility at the site of the Commercial Plant and was then processing off-spec battery materials purchased from an established global battery manufacturer and selling the resulting black powder. Also, in July, 2024, the Company registered a European unitary patent in respect of its RecycLiCo Process.

In April 2024, RecycLiCo announced that the Indian Patent Office issued a patent for the Company's "Processing of cobaltous sulphate/dithionate liquors derived from cobalt resource." The patent incorporates 18 claims, including separation of cobalt compounds from cathode materials containing carbon and graphite

In January 2024 the Company announced that its recycled lithium carbonate produced from lithium-ion battery waste using the RecycLiCo Process and contained in a lithium iron phosphate battery, had passed a comprehensive suite of industry-standard tests, conducted by a battery materials company in Asia and providing additional third-party validation of the Company's technology.

In December 2023, the Company announced that the European Patent Office issued an official communication indicating its intention to grant the Company's first of two patent applications for the RecycLiCo Process.

In November 2023 the Company announced that its lithium carbonate regenerated from recycled battery waste was successfully qualified by C4V's phase 1 supply chain qualification program through testing in battery cells. The lithium carbonate, derived from battery waste using the RecycLiCo Process, was converted to cathode material and assembled into battery cells, which demonstrated good capacity and stability throughout cycle testing. This demonstrated the quality of the Company's recycled lithium over that of mined lithium.

In October 2023, the Company announced that it had amended and restated the Original Zenith Joint Venture Agreement (as amended and restated, the "**A&R Zenith Joint Venture Agreement**"), in order to expedite the set-up of the Joint Venture. Under the A&R Zenith Joint Venture Agreement, the parties agreed to make cash contributions to the Joint Venture vehicle (named RecycLiCo Zenith Battery Materials Technology Co. and referred to herein as "**JV Co.**") in accordance with a revised schedule that is anticipated to facilitate approval by the Taiwanese regulatory authorities. The A&R Zenith Joint Venture Agreement does not alter the economic substance of the original agreement as all other terms remained the same.

Also, in October, 2023, the Company was issued patents in Australia and Japan for its RecycLiCo Process (being the second patent granted in both regions).

Further, in October 2023, the Company held its annual general and special meeting of shareholders at which, among other things, the previously announced proposed "Change of Business" (as defined under the policies of the TSXV) from a "Mining Issuer" to a "Technology Issuer" was approved by shareholders.

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

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During the fiscal year ended July 31, 2023, the Company determined that the carrying value of its mineral property in British Columbia (known as the "Rocher Deboule property") was impaired and wrote the carrying value of the property down to a nominal amount.

In June 2023, following the memorandum of understanding between the Company and Zenith announced in February 2022, the Company entered into a joint venture agreement with Zenith (the "**Original Zenith Joint Venture Agreement**", which was subsequently amended and restated as described below), establishing a 50-50 joint venture (the "**Joint Venture**") for the purpose of building a 2,000 metric ton per year lithium-ion battery recycling plant in Taiwan (the "**Commercial Plant**"). Under the terms of the Joint Venture, the Company would receive a royalty on net product sales for the first eight years, while Zenith received 4,000,000 Common Shares and 6,000,000 Warrants (which are not be exercisable until the 30th day following the date on which the construction of the Commercial Plant is completed). The Warrants have a five year term, and an exercise price of \$0.35 per share. The agreement was subsequently amended in September 2023.

In April 2023, the Company announced that its precursor cathode active material, produced from waste lithium-ion battery material, had been validated by another battery materials company, which had assembled lithium-ion battery cells using the Company's high-nickel precursor cathode active material and conducted characterization and electrochemical tests, finding that it achieved equivalent quality and performance characteristics as commercial precursor cathode active material.

In January 2023, the Company's recycled-upcycled precursor cathode active material was successfully used by a Korean cathode manufacturer to create new battery cells that demonstrated the same level of performance as commercial precursor material, representing yet another third-party validation of the Company's technology. Battery cell performance was validated using industry-standard metrics and benchmarked against multiple other products of recycled and commercial precursor materials.

In October 2022, the Company announced that Charge CCCV ("**C4V**"), an independent intellectual property company, had assembled new battery cells using RecycLiCo's precursor cathode material and validated their performance, representing third-party validation of the Company's recycled/upcycled battery material for use in new battery cells. C4V completed a phase 1 qualification study, where the Company's NMC-811 precursor cathode material, made from recycled and upcycled lithium-ion battery waste, was converted into a proprietary cathode composition by C4V's supply chain partner, followed by cell production and performance evaluations by C4V. The electrochemical and technical data achieved the benchmark specifications and performance

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. By that point in time, the Demonstration Plant had leached a few metric tons worth of lithium-ion battery production scrap, the primary source of recyclable materials.

In late September and early October 2022, the Company completed its previously announced proposed name change, changing its name to the current name of "RecycLiCo Battery Materials Inc.". In connection with this, the Company also announced its intention to undergo a "Change of Business" (as defined under the policies of the TSXV) and become a "Tier 2 Industrial Issuer" on the TSXV (which would be subject to, among other things, subsequent shareholder approval).

In August 2022, the Company announced that the leach section of its Demonstration Plant technology achieved 163% of the plant design processing capacity of 500 kilograms per day for lithium-ion battery cathode scraps. The optimized processing parameters that exceeded calculated expectations will be used as data points for the design of the Commercial Plant. The Company also announced that it had achieved over 99% lithium recovery from lithium iron phosphate battery cathode materials during bench-scale tests.

DESCRIPTION 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 RecycLiCo Process is a patented, closed-loop hydrometallurgical process that 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.

The Company's primary business is the development and commercialization of a hydrometallurgical process for large-scale recycling of LIBs (which we have named the "**RecycLiCo Process**"). With the steady global growth of electric vehicles on the road, the demand for LIBs and their subsequent recycling will become a pressing issue for several reasons. First, without a viable recycling solution for

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electric vehicle LIBs, the alternatives are environmentally undesirable: the spent batteries would simply accumulate at landfills, or they would be burned down in a pyrometallurgical process, creating toxic emissions. Some nations have already passed laws requiring the recycling of electric vehicle batteries, and it is expected that more and more countries will follow. Second, the metals used to manufacture electric vehicle LIBs will undergo supply difficulties from time to time, as is evidenced by the price of cobalt which had quadrupled in price from 2016 to 2018. Recycling is expected to form a significant and critical part of the supply chain for LIB manufacturers, as sourcing metals through mining alone may not be adequate since mines require tremendous amounts of time and capital to develop. The RecycLiCo Process uses a combination of chemical reagents to recover LIB's cathode materials such as lithium, nickel, manganese, cobalt, and aluminum.

The RecycLiCo Process is focused on the extraction of minerals from battery production scraps and pre-treated LIBs. Since there are many service providers who are able to collect, discharge and disassemble expired LIBs, we intend to rely on these third parties to pre-treat the batteries until we are able to develop our own cost-effective solution. Battery production scraps do not need to be pre-treated and can come directly from the battery manufacturer.

The scaled up production of battery-grade lithium carbonate from recycled battery waste represents a continued advancement in the transition towards a more sustainable and circular economy. This achievement reinforces our commitment to keeping valuable materials in circulation while minimizing waste. By offering a scalable and robust solution, RecycLiCo is well- positioned to help meet the increasing demand for lithium, a critical component in the production of batteries for electric vehicles, portable electronics, and energy storage systems.

Intellectual property rights

The Company holds intangible property in various forms such as patents, patent applications, trademarks and know-how as well as licences. Our success depends in part upon our ability to protect our intellectual property rights. We protect such intangible property through patent protection, registration as well as confidentiality agreements and by limiting access to such proprietary information to those who have a need to know such information. As part of the Joint Venture, we have granted a worldwide, non-exclusive licence to RecycLiCo Zenith Battery Materials Technology Co. for the use of our technology during the term of the A&R Zenith Joint Venture Agreement for the purposes of establishing the Commercial Plant and for the sale of products.

With respect to patents, the Company currently holds 16 patents and five patent applications which cover aspects of our technology, including the RecycLiCo Process, and include issued patents or pending patent applications in Canada, the United States, India, Japan, Australia, Taiwan, South Korea, South Africa, and European countries. In addition, the Company has filed for international patent protection under the Patent Cooperation Treaty in respect of our technology, which has resulted in a patent pending applications in 152 participating independent states and countries. These patents and patent applications have filing dates between June 11, 2013 and March 20, 2024 and will therefore expire between September 12, 2031 and March 16, 2040.

Additional details regarding our patents and patent applications are shown below – as of July, 2024, the patents issued bring RecycLiCo's patent portfolio to sixteen granted patents and an additional five applications for battery recycling around the globe:

- In July 2024, the Company was granted the European Unitary Patent No. 17870326.0 for its pioneering hydrometallurgical recycling solution.
- In July 2024, the Company announced that JV Co. had constructed a stage 1 shredding facility at the site of the Commercial Plant and was then processing off-spec battery materials purchased from an established global battery manufacturer and selling the resulting black powder. Also in July, 2024, the Company registered a European unitary patent in respect of its RecycLiCo Process.
- In April 2024, the Company was granted the Indian Patent No. 478749 for RecycLiCo's Processing of cobaltous sulphate/dithionate liquors derived from cobalt resource, RecycLiCo™.
- In October 2023, the Company was granted the Japanese Patent No. 7341598 with respect to the 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 the Company's National Phase Patent Application for its lithium-ion battery recycling technology, RecycLiCo™.

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- In April 2022, the Company was granted the Chinese Patent No. CN 110139832 B with respect to the 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 the Company's lithium-ion battery cathode recycling process (RecycLiCo™).
- In December 2021, the Company announced that the Indian Patent Office granted Patent No. 380826 with respect to the Company's lithium-ion battery cathode recycling process (RecycLiCo™).
- In May 2021, the Company was granted Patent No. KR102246670B1 by the 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 the Company's lithium-ion battery cathode recycling process (RecycLiCo™).
- In June 2019, the Company was 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 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 was granted U.S. Patent No. 10,246,343 for Lithium-ion Battery Cathode Material recycling technology.
- The Patent Co-operative Treaty patent application was filed on November 9, 2017. With the filing of this application, the Company's proprietary technology became patent pending in 152 participating independent states and countries.
- On November 7, 2017, the Company filed a Non-Provisional Patent Application for recycling lithium-ion battery cathode material with the United States Patent Office.
- The Company holds a patent for the 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).

In November, 2023 the Company received trademark protection in Canada with the Canadian Intellectual Property Office for the name "RecycLiCo", the name for the Company's proprietary hydrometallurgical process of recycling LIBs, as well as the associated logo shown below.



RecycLiCo Zenith Battery Materials Technology Co.

In April 2025, the Company and its joint venture partner, Zenith Chemical Corporation ("Zenith"), have jointly determined to abandon the construction of a battery recycling facility in Taiwan and have entered into a definitive Mutual Release and Termination Agreement (the "Agreement") to unwind their previously established joint venture.

The company entered into a 50/50 joint venture with Zenith Chemical Corporation, a Taiwanese company with a commitment to a strategic investment of \$13,339,480 (equivalent to 308,000,000 NTD), forming RecycLiCo Zenith Battery Materials Technology Co., a joint venture established in Taiwan.

The Company and Zenith each have a 50% working interest in the joint venture. The business purpose of the joint venture is to establish a commercial-scale recycling plant to process and convert lithium-ion battery waste into various battery-ready materials in Taiwan.

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As per the terms of the JV Agreement, the Company has agreed to make capital contributions in the aggregate of Taiwan Dollars ("NT\$") \$308,000,000 to fund the construction of the recycling plant.

During the year ended July 31, 2024, the Company made the initial capital contribution of NT\$24,000,000 (\$1,038,440).

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 joint venture has been processing battery pre-production off-spec at the current facility since June 2024.

The Company is reviewing the commercial design construction proposals and costing, assessing the current Electric Vehicle market condition and commodity prices, and evaluating the viability of the joint venture.

As at April 30, 2025, summarized financial information for the joint venture is as follows:

A summary of the changes in the carrying value of the Company's investment in joint venture is presented below:

July 31, 2023	\$	-
Cash contributions		1,038,440
Share of net loss of joint venture		(14,598)
July 31, 2024	\$	1,023,842
Share of net profit of joint venture		59,059
April 30, 2025	\$	1,082,901

As at April 30, 2025, summarized financial information for the joint venture is as follows:

- Current assets - \$2,321,678 (including cash and cash equivalents of \$2,249,897);
- Non-current assets - \$169,066; and
- Current liabilities - \$31,629.

During the year ended July 31, 2023, as an inducement to enter into the JV Agreement, the Company issued to Zenith 4,000,000 common shares and 6,000,000 common share purchase warrants.

The Company is reviewing the commercial design construction proposals and costing, assessing the current Electric Vehicle market condition and commodity prices, and evaluating the viability of the joint venture.

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Mining Properties – Legacy Assets

The Company's business has evolved over time from its legacy business of being a mining exploration company to its present business as a battery materials company. As a result, the Company no longer has any mineral properties that are material to the Company. The Company holds a 100% interest in the following legacy mineral properties:

- The Rocher Deboile Property: a gold-silver-copper prospect approximately 1,348.73 hectares in size, located in the Omineca Mining Division of British Columbia, about eight kilometers south of the town of Hazelton. During the fiscal year ended July 31, 2023, management determined the carrying value of the property was impaired and the assets were written down to a nominal value.
- The Artillery Peak Property: a manganese prospect approximately 243 hectares in size, located in the Artillery Mountains of Mohave County in northwestern Arizona, about 170 kilometers northwest of the city of Phoenix. The Artillery Peak Property is subject to a 2% net smelter return royalty, and a pre-feasibility study was completed on it in 2012. Due to manganese prices being low, we have not proceeded with any further exploration or development for the project. As at July 31, 2019, the Company elected to write off the balance of the remaining costs down to a nominal value.
- The Lonnie-Virgil Property: a niobium and rare earth minerals prospect approximately 674.70 hectares in size, located in north central British Columbia, about three hours drive north of the town of Fort St. James. During the fiscal year ended July 31, 2022, management determined the carrying value of the property was impaired and the assets were written down to a nominal value.

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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 2022 to 2024 are stated in accordance with the International Financial Reporting Standards.

	<u>2024</u>	<u>2023</u>	<u>2022</u>
(a) Finance Income	\$ 771,606	\$ 878,789	\$ 101,879
(b) Net Income (Loss):			
i) In total	\$ (5,470,645)	\$ (9,680,554)	\$ (11,312,600)
ii) On a per share basis ⁽¹⁾	\$ (0.021)	\$ (0.038)	\$ (0.047)
(c) Total Assets	\$ 18,269,857	\$ 19,893,551	\$ 22,286,552
(d) Total Liabilities	\$ 79,217	\$ 164,586	\$ 198,452
(e) Total Accumulated Deficit	\$ (80,343,281)	\$ (74,872,636)	\$ (65,192,082)

(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, 2024 was \$5,470,645, compared to net loss of \$9,680,554 for the fiscal year ended July 31, 2023. 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 \$6,234,496 for the fiscal year ended July 31, 2024. 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 \$2,464,899 during the year ended July 31, 2024 (2023 – \$1,728,285). 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.

Analysis of income statement items for the fiscal year ended July 31, 2024

The Company recorded \$336,166 in consulting fees (2023 – \$260,658). \$126,000 was incurred for media and communications consulting services, and \$210,166 was incurred for non-management directors, management services and advisory committee consulting fees. The Company expects to see increasing amounts as the need to hire consultants and services to move the project forward.

Professional fees in the amount of \$186,088 (2023 – \$125,512) were recorded for the fiscal year that ended July 31, 2024. During the fiscal year ending July 31, 2024, the Company incurred increased legal expenses compared to the prior year's 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 the Annual Information Form for the annual general meeting were primary expenditures during the fiscal year.

The Company recorded expenses of \$1,203,957 for research and development (2023 – \$5,601,833). \$786,411 was incurred in the optimization of the RecycLiCo plant recycling model, and \$265,000 was incurred in relation to laboratory testing of third-party battery waste samples to validate the efficiency of the RecycLiCo process and quality of cathode precursor and lithium chemical production. \$152,546 was recorded for patent review and filing expenses.

During the fiscal year ended July 31, 2024, the Company recorded \$3,562,720 in share-based payments expense (2023 – \$2,982,584) due to the vesting of options granted during fiscal 2024, and 2023 and amendment of certain options previously granted. Additional detail on the financings is set out below under "Liquidity and Capital Resources".

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Analysis of balance sheet items – July 31, 2024

Cash and cash equivalents decreased from \$19,589,483 as at July 31, 2023, to \$17,124,584 as at July 31, 2024. The Company last major source of financing was a brokered private placement raising \$20,000,000 in October 2021. \$771,606 of interest income was recorded as part of cash on hand. 1,760,000 options with an average exercise price of \$0.21 were exercised for proceeds of \$369,600 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 \$35,015 were recorded during the fiscal ended July 31, 2024 (2023 - \$211,076). \$35,015 is for goods and services tax receivable is current and will likely be received by December 31, 2024.

Investment in joint venture of \$1,023,842 was recorded as part of the initial contribution to establishing the RecycLiCo Zenith Battery Materials Technology Co. in Taiwan,

Accounts payable and accrued liabilities decreased from \$164,586 as at July 31, 2023 to \$79,217 as at July 31, 2024. All amounts are current and primary includes accrued payable for research and development and trade payables.

The Company share capital increased from \$57,699,077 (261,234,127 shares) as at July 31, 2023 to \$58,393,965 (262,994,127 shares) as at July 31, 2024. Additional information on the share issuances is contained under "*Liquidity and Capital Resources*".

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SUMMARY OF 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:	30-Apr	31-Jan	31-Oct	31-Jul	31-Apr	31-Jan	31-Oct	31-Jul
Year:	2024	2025	2024	2024	2024	2024	2023	2023
Finance income	\$97,329	\$100,275	\$242,722	\$199,183	\$183,758	\$108,320	\$280,345	\$235,155
Net loss	(\$842,248)	(\$622,529)	(\$328,241)	(\$2,638,325)	(\$1,132,160)	(\$1,217,843)	(\$482,317)	(\$5,819,385)
Per share basis ⁽¹⁾	(\$0.003)	(\$0.002)	(\$0.0012)	(\$0.010)	(\$0.004)	(\$0.004)	(\$0.018)	(\$0.023)

(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 April 30, 2025

The net loss for the three-month period ending April 30, 2025, was \$842,248, compared to the net loss of \$1,132,160 for the prior year's three-month period.

The Company continued to manage expenses, and its net loss for the period ending April 30, 2025, was principally due to consulting fees, filing and transfer agent fees, shareholder communications, and share-based payments.

The following financial data are derived from our consolidated financial statements for the three- and nine-month periods ended April 30, 2025, and 2024.

Consulting fees (2025 – \$330,080; 2024 – \$85,459)

The Company incurred \$330,080 in consulting fees during the three months, up from \$85,459 in the same period last year. Of this, \$90,676 was spent on director fees and strategic marketing and scaling expertise to advance the Company's recycling operations. An additional \$55,000 was paid to a recruitment firm to seek technical personnel for hiring. \$24,000 was spent on the engagement of investor relations consulting services, and \$133,998 was incurred for a consulting firm to market and investigate RecycLiCo assets in the United States, aiming to drive strategic business growth and success. Given the six-month trend, we anticipate increased expenditure on consulting fees as we engage consultants to assist in progressing and developing business relationships in North America. The Company expects see an increasing trend in consulting fees as it seeks to strengthen their business development team.

Filing agent and transfer fees (2025 – \$9,000; 2024 – \$16,756)

During the three months ended April 30, 2025, we incurred \$9,000, down from \$16,756 in the same period last year. This primarily involved maintaining regulatory filings with US and Canadian exchanges, as well as exchange sustaining fees.

Professional fees (2025 – \$3,733; 2024 – \$2,959)

During the three months ended April 30, 2025, the company recorded \$3,733 in professional fees. The amount reflects \$1,659 in professional legal expenses towards the patent filing and \$2,074 towards business legal expenses. We expect the expenses to increase as the Company engages professional expertise to seek assistance in complex professional services and representation.

Shareholder communications (2025 – \$6,341; 2024 – \$41,583)

During the three months ended April 30, 2025, we incurred \$6,341, compared to \$41,583 during the same period in the prior year. This expenditure 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 online conferences for the battery recycling industry. These activities are crucial as they enhance our company's visibility 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.

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Research and development (2025 - \$39,154; 2024 –\$264,458)

The Company has effectively managed its R&D investments, reducing expenditures during the current three-month period compared to the same period last year. \$21,230 was spent on a plant design software system, and \$17,924 was allocated to filing, maintaining, and reviewing unity patents. The Company is focused on key initiatives, including the demonstration plant, cathode precursor material refinement, lithium chemical synthesis, and detailed planning for the plant's setup.

R&D spending is expected to increase to support the demonstration plant transition and the addition of technical personnel.

Share-based payments (2025 – \$200,117; 2024 – \$536,000)

The Company recorded \$200,117 in share-based payment expenses on newly issued options as per the Black Scholes model. Additional detail on the financings is set out below under “Liquidity and Capital Resources”.

Analysis of balance sheet items – April 30, 2025

Cash and cash equivalents decreased from \$17,124,584 as at July 31, 2024 to \$15,864,776 as at April 30, 2025. 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.

Amounts receivable decreased from \$35,015 as at July 31, 2024 to \$26,019 as at April 30, 2025. The amount relates to Goods and Services Input tax credits receivable as at April 30, 2025.

Prepaid expenses and advances decreased from \$71,213 as at July 31, 2024 to \$47,946 as at April 30, 2025. \$19,004 has been amortized for shareholder communications, and \$24,680 amortized for exchange sustaining fees. 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

Accounts payable and accrued liabilities amount decreased from \$79,217 as at July 31, 2024 to \$25,300 as at April 30, 2025. The amount includes current trade payable and audit services accrual at period end. All trade payables and amounts accrued are current liabilities.

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”.

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Analysis of Mineral Property Costs

The following table shows a breakdown of the Company's capitalized exploration and development costs for the period ended April 30, 2025, and years ended July 31, 2024, and 2023:

Rocher Deboile Property		Balance		Balance		Balance	
British Columbia		July 31, 2023	Expenditures	July 31, 2024	Expenditures	April 30, 2025	
Acquisition and staking	\$	169,105	\$ -	\$ 169,105	\$ -	\$ 169,105	
Assays & analysis		82,199	-	82,199	-	82,199	
Camp & supplies		64,254	-	64,254	-	64,254	
Drilling		270,826	-	270,826	-	270,826	
Geological and geophysical		711,287	-	711,287	-	711,287	
Travel and accommodation		44,855	-	44,855	-	44,855	
Freight and transport		168,262	-	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		(1,198,280)	-	(1,198,280)	-	(1,198,280)	
	\$	1	\$ -	\$ 1	\$ -	\$ 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	\$	3	\$ -	\$ 3	\$ -	\$ 3	

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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 April 30, 2025 the Company has \$15,864,776 cash and cash equivalents balance (July 31, 2024 - \$17,124,584) and working capital of \$15,913,441, compared to working capital of \$19,809,289 as at July 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.

As at July 31, 2024 the Company has \$17,124,584 cash and cash equivalents balance (July 31, 2023 - \$19,589,483) and working capital of \$17,151,595, 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 focused on maintaining a robust working capital given the current commodity and battery industry market conditions. The management believes that our ongoing research and development initiatives and to facilitate the exploration of additional commercial scale-up projects must align with our financial strategy 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 fiscal year ended July 31, 2024, 1,760,000 common shares were issued to options being exercised for total proceeds of \$369,600.

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 the 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.

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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.

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.

Excluding exploration and research and development costs, the Company's current general and administrative cash expenditures are approximately \$167,161 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.

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USE OF PROCEEDS FROM FINANCINGS

<u>Date of financing and planned use of proceeds</u>	<u>Actual use of proceeds</u>
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.	All funds committed as per plan to expedite the research and development
December 2020, Flow Through Financing \$125,040 The Company intends to use the proceeds to advance the Canadian mineral properties.	All funds committed as per plan to conduct spring and summer program.
October 2021, Financing \$20,000,000 The Company intends to use the proceeds to design and construct a commercial plant and general working capital.	All funds committed as per plan to expedite the development commercial plant and joint venture.

ISSUED AND OUTSTANDING SECURITIES

As at April 30, 2025, the Company had the following securities issued and outstanding:

Securities	TSXV Canada Symbol	Number	Shares Issuable	Exercise price per share	Expiry or Maturity
Common shares	AMY	262,994,127			
Stock Options		1,000,000	1,000,000	\$1.00	February 16, 2026
		2,000,000	2,000,000	\$1.00	February 17, 2026
		3,000,000	3,000,000	\$2.63	February 17, 2026
		400,000	400,000	\$0.80	October 22, 2026
		2,700,000	2,700,000	\$0.39	November 8, 2027
		600,000	600,000	\$0.35	May 25, 2028
		5,200,000	5,200,000	\$0.48	June 12, 2028
		12,500,000	12,500,000	\$0.19	February 7, 2029
		3,000,000	3,000,000	\$0.16	April 12, 2029
		500,000	500,000	\$0.13	March 03, 2030
			30,900,000		
Warrants	Unlisted	6,000,000	6,000,000	\$0.35	July 12, 2028
			6,000,000		

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Joint Venture Warrants

In connection with the Joint Venture, a total of 6,000,000 non-transferable Warrants were issued to Zenith and are outstanding. Each Warrant is exercisable into one Common Share at a price of \$0.35 per share until July 12, 2028. The Warrants will only become exercisable on the 30th day following the completion of construction on the Commercial Plant, provided that should the Company undergo a change in control the warrants shall become exercisable immediately.

In April 2025, the Company and its joint venture partner, Zenith Chemical Corporation ("Zenith"), have jointly determined to abandon the construction of a battery recycling facility in Taiwan and have entered into a definitive Mutual Release and Termination Agreement (the "Agreement") to unwind their previously established joint venture. The warrants issued will be cancelled and returned to the treasury after the dissolution process.

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:

		April 30, 2025		January 31, 2024
Short term benefits	\$	546,587	\$	249,000
Share-based compensation		-		317,392
	\$	546,587	\$	566,392

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.

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CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

Investments in joint ventures are accounted for using the equity method.

The equity method involves recording the initial investment at cost and subsequently adjusting the carrying value of the investment for the Company's proportionate share of the profit or loss, other comprehensive income or loss and any other changes in the joint venture's net assets.

The Company's proportionate share of the joint venture's profit or loss and other comprehensive income or loss is based on its most recent financial statements. Adjustments are made to align any inconsistencies between the Company's accounting policies and the joint venture's policies before applying the equity method. Adjustments are also made to account for depreciable assets based on their fair values at the acquisition date of the investment and for any impairment losses recognized by the joint venture.

If the Company's share of the joint venture's losses equals or exceeds the investment in the joint venture, recognition of further losses is discontinued. After the Company's interest is reduced to zero, additional losses will be provided for and a liability recognized only to the extent that the Company has incurred legal or constructive obligations to provide additional funding or make payments on behalf of the joint venture. If the joint venture subsequently reports profits, the Company resumes recognizing its share of those profits only after its share of the profits equals the share of losses not recognized.

At each statement of financial position date, management considers whether there is objective evidence of impairment in the joint ventures. If there is such evidence, management determines if there is a need to record an impairment in relation to the joint venture.

RISK AND UNCERTAINTIES

As a company, active in the battery recycling and materials production industry, RecycLiCo Battery Materials Inc. is exposed to numerous inherent risks. As such, the Company is subject to several financial, operational and political risks that could have a significant impact on its profitability and levels of operating cash flows. Although the Company assesses and minimizes these risks by applying high operating standards, including careful management and planning of its facilities, hiring qualified personnel, these risks cannot be eliminated.

Such risk factors could material affect the future operating results of the Company and could cause actual events to differ materially from those described in forward-looking statements relating to the Company.

The following is a summary of certain known risk factors related to the Company which prospective investors should carefully consider before deciding to purchase our securities. It is not an exhaustive list of the risks and uncertainties that we face and should be read in conjunction with the rest of the information in this AIF as well as our consolidated financial statements and related notes and related management's discussion and analysis. If any of these risks actually occur, our business, financial condition and results of operations could be materially adversely affected. This could cause the trading price of our securities to decline, perhaps significantly, and you may therefore lose all or part of your investment. Additional risks and uncertainties not currently known to us or which we currently consider to be immaterial may also have a material adverse effect on our business, financial condition and results of operations.

General Risks Related to the Company and our Business

Inability to Raise Capital and Going Concern Risk

The Company will require significant capital to achieve our business objectives, has not earned any significant revenue since commencing operations, and there is no assurance that we will be able to raise the necessary funds to do so or be able to secure financing on favourable terms or at all. The Company has incurred losses and negative operating cash flow during the Company's most recently completed financial year and for the current financial year to date. Accordingly, there is material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

The Company's ability to raise money depends on the state of capital markets, our attractiveness as a business compared to our competitors, the amount of funding that we are seeking, whether the Common Shares are listed on a stock exchange at the time and our ability to find financiers willing and able to provide such financing. Some of these variables are beyond our control. If the Company fails to raise the required amount of capital at a given time, we may be forced to discontinue certain products or operations, reduce or

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forego sales and marketing activities, and/or cut back on staff. Furthermore, not procuring sufficient capital may place our business as a going concern into jeopardy.

Even if the Company were able to raise the requisite amount of money when needed, such financings may have undesirable effects. If the Company were to raise money through equity financings, our shareholders' ownership interest will be diluted, and the terms of the equity securities may include liquidation or other preferences that may adversely affect our shareholders' rights. Debt financing, if available, may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends. If we raise additional capital through government or other third-party funding, marketing and distribution arrangements or other collaborations, strategic alliances or licensing arrangements with third parties, we may have to relinquish valuable rights to our products, future revenue streams, research programs or to grant licences on terms that may not be favourable.

Commercialization and Project Risks

The Company is in the research and development phase of our battery recycling business and does not have a history of commercial operations. Whether the Company reaches the commercialization stage is uncertain, given the considerable challenges of correctly identifying the right market strategy, completing the necessary research and development, constructing the Commercial Plant and other capital projects, developing business alliances and customer networks, plus raising enough money to perform these tasks. The scalability of our proprietary technology has yet to be tested.

The development of the Commercial Plant is subject to risks, including with respect to financing, engineering, permitting, procurement, construction, commissioning and ramp-up, as well as lithium-ion battery recycling industry risks, and potential liability which could result from, among other things, personal injury, environmental claims or property damage, some of which may not be insured or fully covered at any time by insurance. The Company cannot guarantee that the Commercial Plant will be completed in a timely manner or at all, that their costs will not be significantly greater than anticipated, or that the Commercial Plant, if and when completed, will meet expectations with respect to its productivity or anticipated specifications. It is relatively difficult to evaluate accurately the total funds that will be required to complete the Commercial Plant or other future projects. Our estimates of the amount of time and cost it will take to complete the Commercial Plant or other future projects are based on assumptions about the timing of engineering studies, financing and availability of financing, permitting, procurement, construction, commissioning and ramp-up, all of which can vary significantly from the time an estimate is made to the time of completion.

Although the Company has experience in recycling lithium-ion battery materials in its Pilot Plant and Demonstration Plant, its Joint Venture with Zenith has not yet resulted in the development or operation of the Commercial Plant on a commercial scale to produce and sell battery grade materials.

We anticipate that a significant portion of our business will be dependent on the operations of the Commercial Plant. To the extent that the Joint Venture experiences any operational risk events including, among other things, fire and explosions, severe weather and natural disasters (such as floods, windstorms, wildfires and earthquakes), failures in water supply, major power failures, equipment failures, a cyber-attack or other incident, failures to comply with applicable regulations and standards, labour force and work stoppages, including those resulting from local or global pandemics or otherwise, or if the Commercial Plant or future facilities become capacity constrained, the Company may be required to make capital expenditures or operational changes even though it may not have sufficient available resources at such time. Additionally, there is no guarantee that the proceeds available from any applicable insurance policies will be sufficient to cover such capital expenditures or operational changes. The Company's and/or the Joint Venture's insurance coverage and available resources may prove to be inadequate for events that may cause significant disruption to our operations. Any disruption to the Company's or the Joint Venture's recycling processes could result in delivery delays, scheduling problems, increased costs or production interruption, which in turn, may result in customers deciding to send end-of-life lithium-ion batteries and battery manufacturing scrap to our competitors.

Permitting Risks

The development of the Commercial Plant or future facilities may be subject to federal, state and local environmental, health and safety laws applicable to the development and operation of recycling lithium-ion battery materials. Depending on how any particular operation is structured, our operations and related facilities may have to obtain environmental permits or approvals to operate, including those associated with, among other things, air emissions, water discharges, waste management and storage in the related processing facilities. The Company may face opposition from local residents or public interest groups to the installation and operation of our facilities. Failure to secure (or significant delays in securing) the necessary approvals could prevent us from pursuing some of our planned operations and

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adversely affect our business. Additionally, there can be no certainty that current permits will be maintained, permitting changes will be approved, estimated permitting timelines will be met, estimated costs will be accurate, or additional or approvals required to carry out recycling, extraction and refining will be obtained. There is the risk that existing permits will be subject to challenges of regulatory administrative processes and similar litigation and appeal processes. Litigation and regulatory review processes can result in lengthy delays, with uncertain outcomes. Such issues could impact the expected timelines of the Company's projects and consequently have a material adverse effect on the Company's prospects and business.

Risks Relating to Storage and Handling of Lithium-Ion Battery Cells

Lithium-ion battery cells can rapidly release the energy they contain by venting smoke and flames in a manner that can ignite nearby materials as well as other lithium-ion battery cells. Negative public perceptions regarding the safety or suitability of lithium-ion battery cells for automotive applications, the social and environmental impacts of mining for critical minerals or incidents involving lithium-ion battery cells, such as a vehicle or warehouse fire, even if such incidents do not involve the Company or the Joint Venture directly, could have a negative impact on the market for lithium-ion batteries, reducing the number of batteries in the market and potential revenues.

In addition, the Company and the Joint Venture are subject to risks associated with storage and handling of lithium-ion battery cells, which could cause disruption to the operation of the Company's current or future facilities. Fires or safety issues could in the future disrupt the Company's or the Joint Venture's recycling operations. Any impact on potential revenues from the interruption of operations at the Company's or the Joint Venture's facilities, or resulting from reduced demand for lithium-ion batteries from actual or perceived safety or security issues could materially adversely affect the Company's business, results of operations and financial condition.

Risks Relating to International Operations and Geopolitical Risk

The Commercial Plant is being constructed in, and it is expected that the Joint Venture will operate from, Taiwan. Trade with foreign countries may be subject to risk factors such as impacts from pandemics (such as the recent COVID-19 pandemic), supply disruptions due to raw material and container shortages, changes in tariff rates, regulatory factors, the economic stability of the foreign country and the structure of its government, labour factors and supply factors.

Our operations, costs and timelines may be affected by global economic or geopolitical conditions, including recessions, slow economic growth, economic and pricing instability, inflation levels, increase of interest rates and credit market volatility, all of which could impact demand in the worldwide transportation industries or otherwise have a material adverse effect on our business, results of operations and financial condition. For example, Russia's invasion of Ukraine and the war in the Middle East have and may continue to disrupt the global supply chain. Shortages, price increases and/or delays in shipments of supplies, equipment and raw materials have occurred and may continue to occur in the future which may result in increased operational or construction costs or operational or construction slowdowns.

Operating internationally has certain inherent risks, including:

- political, civil and economic instability;
- risks of war and other hostilities;
- corruption risks;
- trade, customs and tax risks;
- currency exchange rates and currency controls;
- limitations on the repatriation of funds;
- insufficient infrastructure;
- economic sanctions;
- increase in working capital requirements related to long supply chains;
- changes in labour laws and regimes and disagreements with the labour force;
- difficulty in protecting intellectual property rights and complying with data privacy and protection laws and regulations; and
- different legal systems, some of which may be less established.

The likelihood of such risks materializing and their potential effect on our business and results of operations will vary from country to

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country and are unpredictable, but could have a material adverse effect on our ability to execute our strategy and, accordingly, on our business, results of operations and financial condition.

Strategic Alliances and Joint Venture Risks

The Company's ability to successfully implement our business strategy depends in part to our strategic alliances, both existing and prospective. Currently, there are a number of laboratories and government agencies with whom we collaborate to complete the research and development of our technology. There can be no assurance these relationships will continue on the same beneficial terms well into the future.

With respect to prospective strategic alliances, other than with respect to the Joint Venture, the Company has not been able to establish partnerships on acceptable terms with upstream or downstream players to facilitate the construction of a commercial production plant or to licence the technology in advance or to enter into an offtake arrangement. Although we remain positive that such relationships can be formed, this is not guaranteed.

The Company's operations via the Joint Venture in Taiwan are undertaken with partners that are classified as a non-controlling interest. The success of the Joint Venture's operations depends in part on the satisfactory performance of such partners in their obligations. The failure of our partners to perform their obligations could impose additional financial and performance obligations on the Company that could negatively impact our financial condition.

Supply Risks

The Company's and the Joint Venture's business is and will be, respectively, reliant on obtaining lithium-ion batteries and battery manufacturing scrap for recycling through contracts with third-party suppliers. The Company's cash flows are premised on the expectation that it will attract new suppliers by differentiating itself based on the sustainability of its process and the robustness of its technology, which in turn will enable the Company to offer competitive terms to suppliers. However, it is difficult to predict whether and when the Company or the Joint Venture will secure such commitments due to the current state of its business, competition for suppliers and the lengthy process of negotiating supplier agreements, which may be affected by factors that the Company does not control, such as market and economic conditions, the level of competition for feedstock, the Company's ability to differentiate itself from competitors, financing arrangements, commodity prices, environmental issues and governmental approvals. Suppliers may change or delay supply for any number of reasons, including force majeure or government approval factors that are unrelated to the Company or the Joint Venture.

Inflation Risks

Inflation can also adversely affect us by increasing the costs of labour, materials and other costs required to manage and grow our business. This may affect our capital projects, including the Commercial Plant, which could increase our capital costs, which could reduce our profit margins and returns. In addition, inflation is often accompanied by higher interest rates. The potential impact of high interest rates and uncertainty regarding future rate increases, may increase uncertainty and volatility in the global financial markets. In addition, the possibility of high inflation and an extended economic downturn could reduce our ability to incur debt or access capital and adversely impact our business, results of operations, and financial condition. If current global market and political conditions continue or worsen, the Company's business, results of operations and financial condition could be materially adversely affected.

Inaccurate Forecasts

The Company cannot forecast revenues and expenses with accuracy, due to the fact that predictions are inherently difficult to make. Moreover, since we are proposing to commercialize our recycling process, for which we have no prior sales experience, it is challenging for us to forecast revenues for this business with a high degree of accuracy. Many factors may affect the actual revenues to be earned, including but not limited to the terms of the agreement that we enter into with a potential partner, economic conditions, actual demand for lithium-ion battery recycling, the effectiveness of marketing by ourselves or our partners and actions taken by our competitors. Many other factors also affect the actual expenses we incur, including but not limited to a sharp increase in inflation or raw material prices, changes in interest rates, unexpected breakdown of equipment, unanticipated delays in our supply chain or any other unforeseen expenditures. If our actual revenues or expenses differ significantly from our forecasts, we may experience a cash shortage or be forced to reallocate resources to remedy any problems arising from the variance, either of which may have a material adverse effect on our financial condition and profitability.

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Intellectual Property Protection

The Company's success will depend in part on our ability to obtain and enforce patents, protect our trade secrets and operate without infringing the exclusive rights of other parties. Although we have obtained patents for our technology in several countries, there is no guarantee that such patents will provide any competitive advantage to us. The laws of some nations may provide weak or no protection for intellectual property, notwithstanding the registration of patents. The patents themselves may not be approved, may be contested by third parties, and competitors may either circumvent the patents or independently develop processes similar to our technology without infringing our patents. Furthermore, patent enforcement is an expensive endeavour usually requiring legal action which would then divert much needed resources away from our business.

Although we do not believe that our technologies infringe the proprietary rights of any third parties, there can be no assurance that infringement or invalidity claims will not be asserted against us. Moreover, we have entered into agreements with a number of United States government laboratories and agencies to collaborate on the development of battery recycling technologies. The terms of these agreements provide certain intellectual property rights to our counterparties. Although we do not believe these rights pertain to our proprietary intellectual property, these rights may be triggered in an unexpected manner.

With respect to trade secrets, we rely on the confidentiality provisions of agreements signed with collaborators, advisors, consultants and employees to protect trade secrets. Further, we disclose our proprietary information on a "need to know" basis. Nevertheless, our trade secrets may be disclosed to unintended parties either through an inadvertent leak or a deliberate breach of confidentiality agreements. Such a disclosure would be deleterious to our business as it depends on the protection of our trade secrets to maintain our competitive advantage.

RecycLiCo's success depends largely on its proprietary technology. RecycLiCo relies on various intellectual property rights, including patents, copyrights, trademarks, and trade secrets, as well as confidentiality provisions and contractual arrangements, and other forms of statutory and common law protection to protect its proprietary rights. If RecycLiCo does not protect and enforce its intellectual property rights adequately and successfully, its competitive position may suffer, which could materially adversely affect the Company's business, prospects, financial condition and results of operations

Not all countries offer the same types, standards for registrability or level of protection for the Company's intellectual property as Canada and the United States, and RecycLiCo may not pursue the same intellectual property filings or obtain the intellectual property registrations of the same scope in all of its commercially-relevant markets. As RecycLiCo expands its international activities, its exposure to unauthorized copying and use of its technology and proprietary information will likely increase. Effective intellectual property protection may not be available to RecycLiCo in every country in which it operates. In addition, many countries limit the enforceability of patents against certain third parties, including government agencies or government contractors, or make patents subject to compulsory licences to third parties under certain circumstances. In these countries, patents may provide limited or no benefit.

Fluctuations in Mineral and Metal Prices

The profitability of electric vehicle battery recycling depends in part on the potential revenues generated from selling the minerals recovered from the batteries, such as lithium, cobalt, manganese and nickel. Therefore, mineral and metal prices greatly affect our operating margins. The numerous factors influencing these prices are beyond our control and, in recent years, their fluctuations have proven difficult to predict. A sharp or sustained decline in the price of certain minerals or metals may prove detrimental to our profitability and there is no assurance that such a decline will not occur.

Demand for Electric Vehicles

The profitability of electric vehicle battery recycling depends in part on the demand for electric vehicles. The Company has studied in great detail the many industry reports on electric vehicles, and believes that the future prospects for these automobiles are positive. However, there can be no assurance that demand for electric vehicles will be of a sufficient magnitude to warrant the kind of EV battery recycling contemplated by us. Demand for electric vehicles is driven by numerous factors beyond our control, including but not limited to consumer tastes and expectations, the availability of infrastructure to support electric vehicles, government subsidies, environmental regulations and the attractiveness of non-electric vehicles. As at the date hereof, electric vehicles are still not considered to be mainstream when compared to automobiles fueled by gasoline or diesel, and there are fewer manufacturers to choose from when buying an electric vehicle. Growth in the EV market may also occur in nations where we may not be able to enter or operate successfully.

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Alternative Battery Technology Risk

The development and adoption of alternative battery technologies could materially and adversely impact our prospects and future revenues. Current and next generation high energy density lithium-ion batteries for use in products such as EVs use nickel and cobalt as significant inputs. Cobalt and nickel tend to be in lower supply and therefore command higher prices than other raw materials. Alternative chemical makeups for lithium-ion batteries or battery alternatives are being developed and some of these alternatives could be less reliant on cobalt and nickel or use other lower-priced raw materials such as lithium-iron phosphate chemistries, which contain neither cobalt nor nickel. A shift in the production to batteries using lower-priced raw materials could affect the value of the end products produced by us, lowering our revenues and negatively impacting our results of operations.

Loss of Key Personnel

The Company may not be able to attract or retain employees necessary to carry out certain key functions for the Company. Although we strive to provide competitive compensation packages to our employees, it may not be enough to recruit the right candidates or keep employees from terminating their employment with the Company at any time. It takes time to find and train replacements for vacated positions, and consultants are not necessarily affordable or available to fill the gap. Any loss of key personnel will force us to reallocate resources in order to recruit and train replacements for the departed employees, which may cause the Company to suffer financial losses or impede our growth. If we are unable to find suitable candidates for key personnel, the unfilled positions could affect our ability to produce and market our products and services effectively.

Competition Risks

Although we are one of the first companies to patent a hydrometallurgical process for lithium-ion battery recycling in the world, there are a number of other competitors in this industry segment. Some of these competitors are already in commercial operations, while others claim to have achieved milestones ahead of us. Notwithstanding the actual status of our competitors, we compete with them for capital, employees, customers, business partners and other resources. Such competition means we will not be able to command the kind of operating margins or market share that we would be able to in the absence of competitors. Moreover, some competitors are far more well-funded than we are or have other resources and capabilities which give them an advantage such as greater financial and workforce resources, more extensive recycling infrastructure, stronger existing customer relationships, greater name recognition or longer operating histories. Moreover, national or global competitors could enter the markets in which the Company does business and could focus their substantial resources on developing a more efficient recovery solution than the Company's. Such competitive pressures may have a material adverse effect on us, including by putting pressure on our contract prices and gross margins. If the Company is unable to meet these competitive challenges, it could lose potential market share to competitors and experience a material adverse impact to its business, financial condition and results of operations.

Environmental Regulation

Environmental laws which require that lithium-ion batteries be recycled have been proposed by the European Commission and China. Although the global trend is to adopt stricter requirements with respect to recycling, there is no assurance that environmental laws in the countries pertinent to our business will ever require EV battery recycling. In recent years, some political administrations around the world have advocated for the relaxation of environmental regulations in order to promote economic growth. Without legislation compelling the recycling of EV batteries, we face greater challenge in persuading EV manufacturers to enter a business relationship with the Company.

Environmental regulations, conversely, may have an adverse impact on our operations. Although we do not expect any difficulty in obtaining environmental permits or approvals for the construction of a commercial recycling plant, nor do we anticipate any difficulty in complying with environmental laws in general, there is no assurance that future legislation will not prove to be onerous or overly restrictive.

Force Majeure Events

The Company may be negatively affected by force majeure events, which are incidents that are beyond our control or reasonable foresight. Examples of force majeure events include, but not limited to, an act of God or natural disasters, acts of terrorism, voluntary or involuntary compliance with any regulation, law or order of any government, acts of war (whether war be declared or not), labour strike or lock-out, civil commotion, epidemic, failure or default of public utilities or common carriers, destruction of production facilities or materials by fire, earthquake, storm or like catastrophe. These events may prevent us from carrying on business, restrict our access to

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supplies or customers, or inflict damage on our assets.

An outbreak of infectious disease, a pandemic or similar public health threat, or a fear of any of the foregoing, could cause operating, supply chain and project development stoppages and delays and disruptions, labour shortages, reduced product demand, travel and shipping disruption and shutdowns (including as a result of government regulation and prevention measures). The possibility of a global recession arising from a public health threat and attempts to control it may impact demand and prices and could reduce available liquidity options. This can lead to a material adverse effect on the financial performance, liquidity and results of operations.

Foreign Currency Risk

The Company intends to sell our products and services in other countries, and we may source certain raw materials from abroad. Therefore, the strengthening or weakening of the Canadian dollar versus other currencies will affect the translation of our net revenues generated in these foreign currencies into Canadian dollars, and similarly, we may be forced to pay higher prices for certain ingredients that we import if the Canadian dollar weakens against the currency of the exporting country.

Litigation Risk

From time to time in the ordinary course of our business, we may be sued or be involved in various legal proceedings, be it commercial, securities, employment, class action and other claims, or be subject to governmental or regulatory investigations and proceedings. Such matters can be expensive, difficult, time-consuming and unpredictable. Moreover, should we be unsuccessful in such legal proceedings, we may be compelled to pay monetary damages. Any of the foregoing events may have a material adverse effect on our financial condition and profitability.

Changes in Economy

We are affected by changes in the broader economy, including but not limited to changes in interest rates, the unemployment rate, stock market volatility, availability of credit, government spending and consumer confidence. Such changes may lead to difficulty in obtaining capital, increases in debt costs, lower product sales, delays in payments, increases in raw material prices, and/or fewer business opportunities for the Company in terms of acquisitions, collaborations or expansions. The severity and duration of an economic downturn or deteriorating financial market conditions are unknown and beyond our control. Any change in the broader economy or in global financial markets may have a material adverse effect on our financial condition and profitability.

Changes in Law

As laws and regulations in the jurisdictions in which we do or seek to do business evolve, we may be negatively affected by certain changes in legislation. The scope of laws applicable to the Company is extensive and include but is not limited to laws regarding mining, environmental protection, intellectual property, securities, employment standards and taxation. Any amendments or enactments of laws and regulations relating to the development, production, marketing and distribution of our products and services will have a significant impact on our finances. We may be required to modify our product or service specifications; implement measures to enhance safety, efficacy, or transparency; comply with increased documentation or governance procedures; or pay additional tariffs or taxes. We would be facing similar risks with respect to changes in securities laws. The cost of compliance with laws and regulations includes not just the actions necessary to comply with the legislation, but also to the expense of understanding and interpreting the legislation.

Our exposure to risk arising from changes in law increases with doing business in other countries. The laws of foreign nations may be different from those in Canada and sometimes unclear. We may encounter difficulties in interpreting such laws and we may be less able to anticipate any upcoming changes due to our unfamiliarity with another legal regime. Considerable expense may be incurred to comply with foreign laws and regulations.

Uninsured or Uninsurable Risks

The Company may become subject to risks which are uninsurable or against which we may elect not to insure due to the high cost of insurance premiums or other factors. If such risks result in a liability for us, payment of the liability will reduce our cash flow and may have a material adverse effect on our financial condition and profitability.

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Risks Related to the Common Shares

Volatility of Share Price

The market price of the Common Shares is subject to volatility. The factors influencing stock prices are numerous – including but not limited to general socio-economic conditions, industry outlook, consumer trends and weather – many of which are beyond our control. Fluctuations in the stock price can have a dramatic impact on our finances and hamper our ability to raise capital.

Risks of Dilution

We may issue additional Common Shares or other equity securities (or securities convertible into Common Shares) in the future in connection with, among other things, capital raises, future acquisitions, repayment of outstanding indebtedness or grants under our Omnibus Plan without shareholder approval in a number of circumstances. If we raise additional funds through the issuance of equity securities, our existing shareholders could suffer significant dilution (which could decrease the relative ownership, per share results, voting power and market price of holders of Common Shares), and any new equity securities we issue could have rights, preferences, and privileges superior to those of holders of Common Shares.

No History of Dividends

We currently intend to retain our future earnings, if any, to finance the further development and expansion of our business and do not intend to pay cash dividends in the foreseeable future. Any future determination to pay dividends will be at the discretion of the Board and will depend on our financial condition, results of operations, capital requirements and future agreements and financing instruments, business prospects and such other factors as our Board deems relevant. As a result, a shareholder's ability to achieve a return on their investment in Common Shares will depend on the appreciation in the price of our Common Shares, which cannot be assured.

Unfavourable Research Reports

The trading market for the Common Shares may be influenced by the research and reports that industry or securities analysts may publish about it, its business, its market or its competitors. If securities or industry analysts do not cover the Company, its share price would likely be lower than that which would be obtained if it had such coverage and the liquidity or trading volume of the Common Shares may be limited, making it more difficult for a shareholder to sell shares at an acceptable price or volume. If securities or industry analysts do cover the Company, their projections may vary widely and may not accurately predict the results the Company actually achieves. The Company's share price may decline if its actual results do not match the projections of analysts covering it. Similarly, if one or more of the analysts who write reports on the Company downgrades its shares or publishes inaccurate or unfavourable research about its business, its share price could decline. If one or more of these analysts cease coverage of the Company or fails to publish reports on it regularly, its share price or trading volume could decline.

Write-downs and Impairments

The Company may be forced to write down or write off assets, restructure its operations, or incur impairment or other charges that could result in losses. Unexpected risks may arise and previously known risks may materialize. Even though these charges may be non-cash items and not have an immediate impact on the Company's liquidity, the fact that it may report charges of this nature could contribute to negative market perceptions about the Company or its securities. In addition, charges of this nature may cause the Company to be unable to obtain future financing on favourable terms or at all.

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DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

Disclosure controls and procedures and internal controls over financial reporting have been designed to provide reasonable assurance that all material information related to the Company is identified and communicated on a timely basis.

At April 30, 2025, the Company was listed on the TSXV. TSXV listed companies are not required to provide representations in their annual and interim filings relating to the establishment and maintenance of DC&P and ICFR, as defined in Multinational Instrument 52-109. In particular, the Chief Executive Officer and the Chief Financial Officer certifying officers do not make any representations relating to the establishment and maintenance of (a) 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 (b) processes to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with the issuer's GAAP.