



SURGE
BATTERY METALS

Management's Discussion and Analysis

Surge Battery Metals Inc.
(Formerly Surge Exploration Inc.)

For the Nine and Three Months Ended 30 September 2022

Surge Battery Metals Inc. (formerly Surge Exploration Inc.)
Management's Discussion and Analysis of Financial Results
For the Nine and Three Months Ended 30 September 2022

The following management discussion and analysis ("MD&A") should be read in conjunction with the consolidated interim financial statements and accompanying notes ("Financial Statements") of Surge Battery Metals Inc. (formerly Surge Exploration Inc.) (the "Company") for the nine and three Months Ended 30 September 2022 and the audited consolidated financial statements for the year ended December 31, 2021. Results have been prepared using accounting policies in compliance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All monetary amounts are reported in Canadian dollars unless otherwise indicated. This MD&A is dated 23 November 2022.

This MD&A contains forward-looking information. See "Forward-Looking Information" and "Risks and Uncertainties" for a discussion of the risks, uncertainties and assumptions relating to such information.

For further information on the Company reference should be made to the Company's public filings which are available on SEDAR website (www.sedar.com).

DESCRIPTION OF BUSINESS

Surge Battery Metals Inc. (formerly Surge Exploration Inc.), (“Surge” or the “Company”) was incorporated under the Company Act (British Columbia) on 19 June 1987 and continued to the jurisdiction of the Canada Business Corporation Act on 13 August 1997. The Company trades on the TSX Venture Exchange (the “Exchange”) under symbol NILI. The Company is an exploration stage company engaged in the acquisition, exploration and development of mineral properties.

The Company’s principal place of business is located at 3028 Quadra Court, Coquitlam, British Columbia, V3B 5X6 and the registered and records office is located at Suite 501, 3292 Production Way, Burnaby, British Columbia, V5A 4R4.

On 25 May 2020, the Company consolidated its share capital on a one (1) new common share without par value for every ten (10) existing common shares without par value. No fractional shares were issued as a result of the consolidation. Instead, all fractional shares equal or greater to one-half were rounded to the next whole share. The Company’s outstanding options and warrants were adjusted on the same basis. Unless otherwise stated, the number of shares, options, warrants and the exercise prices of options and warrants presented in these consolidated financial statements have been adjusted to include the effect of this share consolidation.

On 15 March 2021, the Company changed its name to “Surge Battery Metals Inc.”. The Company’s shares started trading under the new name and new trading symbol “NILI” (formerly “SUR”).

On 15 March 2020, several measures have been implemented in Canada and the rest of the world in response to the increased impact from the novel coronavirus (COVID-19). The Company continues to operate its business at this time. While the impact of COVID-19 is expected to be temporary, the current circumstances are dynamic and the impacts of COVID-19 on business operations cannot be reasonably estimated at the time. The Company anticipates this could have an adverse impact on its business, results of operations, financial position and cash flows.

On 31 August 2021, the Company’s common shares have begun trading on the OTCQB Venture Market under the stock symbol NILIF.

Unless the context suggests otherwise, references to the “Company” or “we”, “us”, “our” or similar terms refer to Surge Battery Metals Inc. (formerly Surge Exploration Inc.)

FORWARD-LOOKING STATEMENTS

This report may contain forward-looking statements that involve a number of known and unknown risks and uncertainties including statements regarding the outlook of Surge Battery’s business and results of operations. By their nature, these risks and uncertainties could cause actual results, performance and achievements to differ materially from those indicated. Such factors include, without limitation, risks inherent in mineral exploration, the Company’s history of operating losses and uncertainty of future profitability, uncertainty of access to additional capital, and environmental risks. Readers should not place undue reliance on these forward-looking statements which speak only as of the date the statements were made, and are also advised to consider such forward looking statements while considering the risks set forth below.

Surge Battery Metals Inc. (formerly Surge Exploration Inc.) disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise, except as is required by applicable securities regulations.

PROJECT OVERVIEW

Quatse Lake

On 17 October 2019 the Company entered into a property option agreement to acquire a 100-per-cent interest in three mineral claims known as the Caledonia, Cascade and Bluebell, subject to a 2-per-cent net smelter return (NSR). The claims are located in the Nanaimo mining district of northern Vancouver Island. Finder's fee of 80,000 shares (with a fair value of \$2,800) were issued.

The terms of the option agreement are:

- a) By making cash payments to the Optionor as follows:
 - i. \$10,000 upon Exchange approval (paid);
 - ii. \$10,000 on the first anniversary of Exchange approval (paid);
 - iii. \$15,000 on the second anniversary of Exchange approval (paid);
 - iv. \$20,000 on the third anniversary of Exchange approval; and
 - v. \$45,000 cash on the fourth anniversary of Exchange approval.

- b) Completing the issuance to the Optionor of 100,000 fully paid and non-assessable common shares in the capital of the Optionee (the "Consideration Shares") as follows:
 - i. 20,000 Consideration Shares upon receipt of Exchange approval (issued with a fair value of \$7,000);
 - ii. 20,000 Consideration Shares on or before the one (1) year anniversary of Exchange approval (200,000 issued with a fair value of \$16,000);
 - iii. 20,000 Consideration Shares on or before the two (2) year anniversary of Exchange approval (200,000 issued with a fair value of \$74,000);
 - iv. 20,000 Consideration Shares on or before the three (3) year anniversary of Exchange approval; and
 - v. 20,000 Consideration Shares on or before the four (4) year anniversary of Exchange approval.

- c) Incurring cumulative minimum expenditures of \$200,000 in exploration expenditures on the property on or before the (4) year anniversary of Exchange Approval.

On 1 November 2019, the Company entered into a purchase and sale agreement with John Malcolm Bell (Vendor) to acquire four mineral claims comprising 1,786 hectares located near Quatse Lake, in the Nanaimo Mining Division of British Columbia. The Company made cash payment of \$3,657 upon signing the agreement and issued the Vendor 100,000 fully paid and non-assessable common shares with a fair value of \$25,000 upon acceptance of the agreement by Exchange during the 2019 fiscal year.

Northern Nevada

The company owns a 100-per-cent interest in 95 mineral claims located in Elko County, Nevada. The Nevada North lithium project is in the Granite Range southeast of Jackpot, NV., about 73 km north-northeast of Wells, NV. The target is a Thacker Pass or Clayton Valley-type lithium clay deposit in volcanic tuff and tuffaceous sediments of the Jarbidge rhyolite package. The project area was first identified in public domain stream sediment geochemical data with follow-up sediment sampling and geologic reconnaissance returning assay results for lithium ranging from 29.1 ppm to 5,120 ppm. Significant results included 89 samples outlining a highly anomalous zone containing sample points greater than 1,000 ppm lithium. Currently, the zone of highly anomalous lithium values extends about 1,700 metres east-west in two bands each about 300 to 400 metres wide. The anomalous values appear to be in soils developed on air fall or water lain rhyolitic tuff overlain by welded ash flow tuff.

On 28 June 2021, the Company acquired 38 mineral claims in Northern Nevada. The terms of the mineral claim acquisition are:

- (a) Making a cash payment to the vendor in the amount of \$12,000 (U.S.) upon signing of the agreement (paid);
and

Surge Battery Metals Inc. (formerly Surge Exploration Inc.)
Management's Discussion and Analysis of Financial Results
For the Nine and Three Months Ended 30 September 2022

- (b) Issuing to the vendor 250,000 paid and non-assessable common shares in the capital of the Company upon acceptance of the agreement by the Exchange (issued with a fair value of \$63,750).

The Northern Nevada lithium project is located in the Granite Range about 34-line kilometres southeast of Jackpot, NV, about 73 line km north-northeast of Wells, NV. The target is a Thacker Pass or Clayton Valley-type lithium clay deposit in volcanic tuff and tuffaceous sediments of the Jarbidge rhyolite package. The project area was first identified in public domain stream sediment geochemical data with follow-up sediment sampling and geologic reconnaissance.

On September 14, 2022, the Nevada North lithium project has increased in size by 59 mining claims. This new area (493 hectares or 1,218 acres) was acquired to cover the projection of highly anomalous lithium values previously announced and brings the entire property position to 154 mineral claims that now covers about 794 hectares (1,926 acres or 7.84 square kilometres).

At the time of the claim staking, an additional 471 soil samples were collected from the new claims and adjacent ground to help direct future exploration. These samples have been shipped to the lab and results will be made available once received by the company, likely in the next several weeks. This sampling program will expand the area of previous sampling, where assay results for lithium ranged from 29.1 parts per million to 5,120 parts per million (0.51 per cent). Significant results included 89 samples outlining a highly anomalous zone containing sample points greater than 1,000 parts per million lithium.

Currently, the zone of highly anomalous lithium values extends about 1,700 metres east-west in two bands each about 300 metres to 400 metres wide. The anomalous values appear to be in soils developed on airfall or water-lain rhyolitic tuff overlain by welded ash flow tuff. Depending on results, Surge may expand both the claims and soil coverage based on positive results.

Samples were collected from the nominal B horizon with standard sampling methods, and both bagged and stored in the crew camp until they were transported to Elko for storage in the locked Rangefront warehouse in Elko. The Surge Battery Metals project geologist and qualified person retrieved the samples from the warehouse, inserted quality control samples into the sample stream and delivered the samples to the ALS Global sample preparation facility in Elko. These samples were screened to minus 180 microns (80 mesh) and analyzed by a four-acid digestion and ICP-MS (ALS method ME-MS61). Standards and blanks were inserted on about one per 20 samples (5 per cent). Results for the quality assurance/quality control samples were very good with a maximum of 6-per-cent variation from the mean.

Drilling is now under way on Surge Battery Metals Inc.'s 100-per-cent-owned Nevada North lithium project. The company has been approved by the Bureau of Land Management for a 15-hole drill program.

The drill program will test the area of previous sampling where assay results for lithium ranged up to 5,120 parts per million or 0.51 per cent Li. Significant results from sampling this summer included 89 samples outlining a highly anomalous zone containing sample points greater than 1,000 ppm lithium.

Currently, the zone of highly anomalous lithium values extends about 1,700 metres east-west in two bands each about 300 to 400 metres wide. The anomalous values appear to be in soils developed on air fall or water lain rhyolitic tuff overlain by welded ash flow tuff.

San Emidio

San Emidio Desert Lithium Project, located 60 miles Northeast of Reno in the San Emidio Desert, Washoe County, Nevada covers about 5,525 acres (2,235 Ha). The Company has a Property Option Agreement to earn an undivided 80% interest in 84 association placer claims covering 4,885 acres (1,975 Ha), subject to a 2% NSR, from Lithium Corporation (OTCQB: LTUM). The Company also recently completed a Property Option Agreement to earn an undivided 80% interest 16 minerals claims comprising 640 acres adjoining this property. The Company owns a 100% interest in 663 ha (1,640 acre) property in the Teels Marsh Playa Mineral County, Nevada.

Surge Battery Metals Inc. (formerly Surge Exploration Inc.)
Management's Discussion and Analysis of Financial Results
For the Nine and Three Months Ended 30 September 2022

On 16 September 2021 and approved by the Exchange on 23 September 2021 (the "Effective Date"), the Company entered into an option agreement with Lithium Corp., whereby the Company may earn an undivided 80-per-cent interest in the existing San Emidio Desert lithium project that consists of 35 mineral claims located northeast of Reno, Nevada, referred to as the San Emidio lithium property.

The terms of the acquisition are:

- (a) Making a cash payment to the vendor in the amount of \$50,000 (U.S.) (paid) and issuing 200,000 common shares upon signing of the agreement (issued with a fair value of \$68,000);
- (b) \$70,000 (U.S.) and \$30,000 (U.S.) in common shares on or before the first anniversary of the Effective Date;
- (c) \$70,000 (U.S.) and \$30,000 (U.S.) in common shares on or before the second anniversary of the Effective Date;
- (d) \$70,000 (U.S.) and \$50,000 (U.S.) in common shares on or before third anniversary of the Effective Date;
- (e) \$70,000 (U.S.) and \$70,000 (U.S.) in common shares on or before the fourth anniversary of the Effective Date;
- and
- (f) \$70,000 (U.S.) and \$90,000 (U.S.) in common shares on or before the fifth anniversary of the Effective Date.

On 20 September 2021, the Company issued 71,200 finder's shares valued at \$24,208 in relation to the San Emidio property.

On March 2, 2022, Surge Battery Metals Inc. has amended the property option agreement now dated March 23, 2022, with Paul Lechler, John Van de Sand, David White and Darren Howe, whereby the company may earn an undivided 80-per-cent interest in 16 mineral claims comprising 640 acres located within Nevada's San Emidio desert. These lithium exploration claims, referred to as the Galt claim group, adjoin the company's existing San Emidio desert lithium claims.

The proposed consideration for the undivided 80-per-cent interest in the Galt claim group is as follows:

- (a) \$20,000 (U.S.) to be paid upon exchange approval; (Paid)
- (b) One million vested restricted common shares of Surge to be issued upon exchange approval, which shares shall vest and be released as follows: 25 per cent released upon exchange approval and 25 per cent released each three-month period thereafter. The shares will be issued pro rata as to 25 per cent to each individual optionor; (issued)
- (b) Four million warrants, whereby each warrant will entitle the optionors to purchase one additional common share of Surge with an exercise price of 30 cents per share for a period of five years from exchange approval and vesting on the same schedule as the restricted shares; (issued)
- (c) \$10,000 (U.S.) each year on the anniversary of exchange approval of the transaction for five years.

All securities issued in connection with the transaction are subject to a four-month-and-a-day hold period in accordance with Canadian securities laws.

Expenditure and work commitment:

Incur a minimum in Expenditures for exploration and development work on the property of \$1 million (U.S.) as follows:

- (a) \$100,000 (U.S.) of expenditures to be incurred, or caused to be incurred, by the optionee on the property on or before the first anniversary of the effective date;
 - (b) A cumulative total of \$250,000 (U.S.) of expenditures to be incurred, or caused to be incurred, by the optionee on the property on or before the second anniversary of the effective date;
 - (c) A cumulative total of \$450,000 (U.S.) of expenditures to be incurred, or caused to be incurred, by the optionee on the property on or before the third anniversary of the effective date;
 - (d) A cumulative total of \$700,000 (U.S.) of expenditures to be incurred, or caused to be incurred, by the optionee on the property on or before the fourth anniversary of the effective date; and
 - (e) A cumulative total of \$1 million (U.S.) of expenditures to be incurred, or caused to be incurred, by the optionee on the property on or before the fifth anniversary of the effective date.
- (a) Expenditure and work commitment

Recent mineral exploration on the Galt claim group includes 51 playa sediment samples collected for chemical analysis at ALS Geochemistry in Vancouver, B.C. Results of aqua regia leaching of the samples show 68 parts per million to 852 parts per million lithium (mean 365 parts per million), 5.3 parts per million to 201 parts per million cesium (mean 72 parts per million) and 35 parts per million to 377 parts per million rubidium (mean 180 parts per million). Results from two seven-foot-deep auger holes show lithium, cesium and rubidium concentrations in the range of 143.5 parts per million to 773 parts per million lithium, 56.8 parts per million to 102.5 parts per million cesium and 155 parts per million to 272 parts per million rubidium.

Nickel Project

On July 7, 2021, the Company entered into an option agreement with Nickel Rock Resources Inc., whereby the Company can acquire an 80-per-cent interest in claims in the Mount Sidney Williams area, located in Northern British Columbia. The transaction is a related party transaction due to officers in common between Nickel Rock Resources Inc. and the Company.

Under the terms of the agreement, the Company will earn an 80-per-cent interest in the property by issuing five million shares on closing (issued with a fair value of \$1,075,000) and incurring \$200,000 in exploration expenditures over a two-year period. A portion of the property is subject to a pre-existing 2.0-per-cent NSR held by an arm's-length third party.

The Surge Nickel Project (Nickel North Project) consists of two non-contiguous mineral claims groups consisting of 6 mineral claims in the Mount Sidney Williams area (HN4) covering 1863 hectares immediately south of and adjacent to the Decar Project and the Mitchell Range area (N100) covering 8659 hectares, located in Northern British Columbia. Three of the claims are subject to 2% NSR, including the (HN4 claim and the two southernmost claims of the N100 claims).

The exploration stage project is in the Trembleur Lake area of central British Columbia, partially adjacent to FPX Nickel Corp.'s Decar Nickel Project, which is an advanced project targeting awaruite, a nickel-iron alloy mineral, hosted by serpentinized ultramafic intrusive rocks of the Trembleur Ultramafic Unit

On September 22, 2022 Surge Battery Metals Inc. has completed the first stage of a planned \$440,000 detailed geological mapping, soil and rock sampling survey on its 80-per-cent-owned nickel project.

The Surge geological team has collected 304 rock samples while conducting geological and structural mapping on the Ni100 block. Earlier in May and June, crews have collected approximately 600 soil and 190 rock samples from the HN4 mineral claim adjoining the southwest portion of the Decar nickel project of FPX Nickel Corp.

A four-person exploration team was on-site at the Ni100 claim group for approximately 14 days of helicopter accessed exploration from nearby camps. The work program targeted a dozen airborne magnetic anomalies that are coincident with mapped ultramafic units. Much of the rock samples consisted of the Trembleur Ultramafic sequence with varying degrees of serpentinization. Multiple minfiles exist across the property with numerous samples returning greater than 2,000 ppm (parts per million) nickel. Work undertaken in 2021 by Nickel Rock Resources included 54 rock samples taken, with 41 of the samples exceeding 1,500 ppm Nickel.

Samples have been sent to SGS Canada in Burnaby, with results expected for initial ICP analysis in Q3. Davis Tube Recovery (DTR) is a magnetic separation technique and will be applied to all rocks exceeding a threshold of 1,000 ppm Ni. These results are to follow within another three to four weeks post-ICP analysis.

Plans for phase 2 exploration are under way. Analytical results from the earlier HN4 program are expected imminently. Exploring the areas hosting the greatest DTR Ni results will be the focus of the phase 2 program and may include further prospecting and mapping, back pack and diamond drilling in Q3 and Q4.

Qualified Person Statement

“Project Overview” and “Subsequent Event” sections of this MD&A have been reviewed and approved for technical content by Bill Morton, P.Geo., an independent consulting geologist and a Qualified Person under the provisions of NI 43-101.

SELECTED ANNUAL AND QUARTERLY FINANCIAL INFORMATION

Selected Annual Financial Information

Unless otherwise noted, all currency amounts are stated in Canadian dollars. The following table summarizes selected financial data for Surge Battery Metals Inc. (formerly Surge Exploration Inc.) for each of the three most recently completed financial years. This information set forth below should be read in conjunction with the audited consolidated financial statements, prepared in accordance with IFRS, and related notes.

	Years Ended 31 December		
	2021	2020	2019
	\$	\$	\$
Total revenues	-	-	-
General and administrative expenses	2,817,251	371,351	877,658
Loss before other items in total	2,817,251	371,351	877,658
Net loss	2,153,331	382,634	1,577,579
Net loss per share – Basic & fully diluted	(0.03)	(0.04)	(0.19)
Total assets	6,066,856	270,735	531,470
Cash dividends declared per share	Nil	Nil	Nil

Selected Quarterly Financial Information

The following table sets out Surge Exploration’s summarized quarterly results for each of the eight most recently completed quarters. This financial data has been prepared in accordance with IFRS. All amounts are shown in Canadian dollars.

	30 Sep 2022	30 Jun 2022	31 Mar 2022	31 Dec 2021	30 Sep 2021	31 Jun 2021	31 Mar 2021	31 Dec 2020
	\$	\$	\$	\$	\$	\$	\$	\$
Net Sales / Revenue	-	-	-	-	-	-	-	-
Comprehensive Loss for the quarter	167,830	275,211	811,602	583,938	1,330,666	173,329	65,398	67,715
Diluted Income (Loss) per share	(0.00)	(0.00)	(0.01)	(0.01)	(0.11)	(0.005)	(0.00)	(0.01)

RESULTS OF OPERATIONS

For the three months ended 30 September 2022 compared to the three months ended 30 September 2021.

Comprehensive loss for the three months ended 30 September 2022 was \$167,830 as compared to \$1,330,666 for the same period in 2021. The decrease in comprehensive loss of \$1,162,836 was mainly attributable to the net effect of:

- Increase of \$28,147 in consulting fees, from \$76,520 in 2021 to \$104,667 in 2022.
- Decrease of \$30,685 in exploration expense, from \$30,685 in 2021 to \$Nil in 2022.
- Increase of \$69 in professional fees, from professional fee of \$6,981 in 2021 to \$7,050 in 2022.

Surge Battery Metals Inc. (formerly Surge Exploration Inc.)
Management's Discussion and Analysis of Financial Results
For the Nine and Three Months Ended 30 September 2022

- Decrease of \$101,638 in marketing and communications, from \$335,587 in 2021 to \$233,949 in 2022.
- Decrease of \$6,511 in office expenses, from \$23,247 in 2021 to \$16,736 in 2022.
- Increase of \$9,225 in rent, from \$4,500 in 2021 to \$13,725 in 2022.
- Decrease of \$1,027,005 in share-based payments, from share-based payments of \$797,957 in 2021 to reversal of share-based compensation of \$229,048 in 2022. The reversal is due to the revaluation of remaining stock options after cancelled shares and amendment.
- Increase of \$68 in service charges, from \$574 in 2021 to \$642 in 2022.
- Decrease of \$37,921 in transfer agent and regulatory fees, from \$48,324 in 2021 to \$10,403 in 2022.
- Increase of \$3,415 in foreign exchange loss, from \$6,291 in 2021 to \$9,706 in 2022.

For the nine months ended 30 September 2022 compared to the nine months ended 30 September 2021.

Comprehensive loss for the nine months ended 30 September 2022 was \$1,254,643 as compared to \$1,569,393 for the same period in 2021. The decrease in comprehensive loss of \$314,750 was mainly attributable to the net effect of:

- Increase of \$95,811 in consulting fees, from \$235,749 in 2021 to \$331,560 in 2022.
- Decrease of \$43,472 in exploration expense, from \$43,472 in 2021 to \$Nil in 2022.
- Increase of \$36,645 in professional fees, from \$22,085 in 2021 to \$58,730 in 2022.
- Increase of \$527,880 in marketing and communications, from \$428,775 in 2021 to \$956,655 in 2022.
- Increase of \$4,031 in office expenses, from \$29,963 in 2021 to \$33,994 in 2022.
- Increase of \$10,725 in rent, from \$12,000 in 2021 to \$22,725 in 2022.
- Decrease of \$1,616,485 in share-based payments, from share-based payments of \$1,387,437 in 2021 to reversal of share-based compensation of \$229,048 in 2022. The reversal is due to the revaluation of remaining stock options after cancelled shares and amendment.
- Increase of \$63 in service charges, from \$1,500 in 2021 to \$1,563 in 2022.
- Decrease of \$33,199 in transfer agent and regulatory fees, from \$86,063 in 2021 to \$52,864 in 2022.
- Increase of \$20,081 in travel, lodging, and food, from \$Nil in 2021 to \$20,081 in 2022.
- Increase of \$427 in foreign exchange loss, from \$6,168 in 2021 to \$6,595 in 2022.
- Decrease of \$84,655 in gain on write-off of accounts payable, from \$85,731 in 2021 to \$1,076 in 2022.
- Decrease of \$598,088 in gain from marketable securities, from \$598,088 in 2021 to \$Nil in 2022.

LIQUIDITY AND CAPITAL RESOURCES

As at 30 September 2022 the Company had \$1,981,607 in cash compared to \$3,969,954 as at 31 December 2021. Working capital of \$1,927,712 as at 30 September 2022 as compared to \$4,050,266 as at 31 December 2021.

During the nine months ended 30 September 2022, the Company had cash utilized through the operating activities in the amount of \$1,308,984 compared to \$1,176,205 in the nine months ended 30 September 2021.

During the nine months ended 30 September 2022, the Company had the cash used for investing activities of \$679,363 compared to the cash proceeds from investing activities of \$423,326 during the nine months ended 30 September 2021. The difference in the cash used for investing activities are due to the exploration and evaluation of property expenditures of 679,363 during the nine months ended 30 September 2022 compared to \$374,762 during the nine months ended 30 September 2021 and proceeds from the sale of marketable securities of \$Nil during the nine months ended 30 September 2022 compared to \$798,088 during the nine months ended 30 September 2021.

Surge Battery Metals Inc. (formerly Surge Exploration Inc.)
Management's Discussion and Analysis of Financial Results
For the Nine and Three Months Ended 30 September 2022

During the nine months ended 30 September 2022, the Company generated \$Nil from financing activities compared to \$3,293,400 during the nine months ended 30 September 2021. The decrease in cash in the period was due to the issuance of common shares during the previous period.

From time to time the Company works to raise additional capital through private placements and other forms of equity financing. Its ability to fund exploration projects is dependent upon its ability to obtain sufficient funding for operations and is ultimately dependent on the recoverability of the amounts capitalized to mineral exploration properties. The Company has not yet determined whether its mineral properties contain mineral reserves that are economically recoverable, and accordingly, the success of any further exploration or development prospects cannot be assured. Because the Company is not yet a producer, the primary source of future funds is through the sale of additional equity capital and optioning of resource properties. There is no assurance that the Company will be successful in raising sufficient capital to meet its obligations. If it is not successful in raising sufficient capital, it may have to curtail or otherwise limit operations. These material uncertainties cast significant doubt upon the Company's ability to continue as a going concern.

RELATED PARTY TRANSACTIONS

For the period ended 30 September 2022 and 2021, the Company had transactions with Nickel Rock Resources Inc. (formerly Nevada Energy Metals Inc.), a company with certain directors, officers, and former officers in common with the Company.

Key management personnel compensation

The remuneration of directors and other members of key management for the three and nine months ended 30 September 2022 and 2021 as follows:

	Three months ended 30 September 2022	Three months ended 30 September 2021	Nine months ended 30 September 2022	Nine months ended 30 September 2021
Short-term benefits – consulting, management, and legal fees	\$ 60,516	\$ 27,000	\$ 158,788	\$ 80,000
Share-based payments	222,864	797,957	222,864	1,387,437
Total related party expenses	283,380	824,957	381,652	1,467,437

Related party transactions for the three and nine months ended 30 September 2022 and 2021 summarized as follows:

	Three months ended 30 September 2022	Three months ended 30 September 2021	Nine months ended 30 September 2022	Nine months ended 30 September 2021
Consulting fees to CEO	\$ 18,592	\$ -	\$ 33,592	\$ -
Consulting fees to Company controlled by CFO	15,000	12,000	45,000	35,000
Consulting fees to the Corporate Secretary	25,000	15,000	61,000	45,000
Legal fees to Company controlled by director	1,924	-	19,196	-
Total related party expenses	60,516	27,000	158,788	80,000

The liabilities of the Company include the following amounts due to related parties:

Surge Battery Metals Inc. (formerly Surge Exploration Inc.)
Management's Discussion and Analysis of Financial Results
For the Nine and Three Months Ended 30 September 2022

As at	30 September 2022	31 December 2021
	\$	\$
Company controlled by director Nickel Rock Resources Inc.	1,343 13,349	- 13,349
Total amount due to related parties	14,692	13,349

These amounts are unsecured, interest-free and payable on demand.

OUTSTANDING SHARE DATA

The Company has an authorized share capital of an unlimited number of common shares with no par value. As at 30 September 2022 and the date of this MD&A, the Company had 95,655,820 common shares issued and outstanding (31 December 2021: 94,505,820).

The Company had 9,563,000 options and 20,151,387 warrants outstanding as at 30 September 2022 and as at the date of this MD&A.

Private Placements

- On 15 December 2021, the Company issued 5,138,890 flow-through (FT) units at \$0.18 per FT unit for gross proceeds of \$925,000. Each FT unit comprises one flow-through common share and one-half of one non-flow-through share purchase warrant. Each whole share purchase warrant entitles the holder to purchase one additional common share at \$0.22 per share for two years following the date of closing. The flow-through premium recognized as a liability is \$179,861. The Company issued 411,110 finders' warrants with a fair value of \$36,544 and paid cash share issuance costs of \$87,185. The finders' warrants are exercisable at \$0.18 per share for two years and were valued using the Black Scholes Option Pricing Model with the following assumptions: expected life of 2 years, volatility of 132%, risk-free interest rate of 0.49%, and dividend yield of 0%.
- On 4 February 2021, the Company issued 40,000,000 units at \$0.06 per unit for cash proceeds of \$2,400,000. Each Unit is comprised of one common share and one share purchase warrant which entitles the holder to purchase one additional common share at \$0.08 per share during the five years following the date of closing. The Company also paid finder fees in the amount of 3,950,000 common shares with a fair value of \$237,000 and 1,975,000 warrants with a fair value of \$213,675. The finders' warrants are exercisable at \$0.08 per share for five years and were valued using the Black Scholes Option Pricing Model with the following assumptions: expected life of 5 years, volatility of 160%, risk-free interest rate of 0.49%, and dividend yield of 0%.

Exploration and Evaluation Property Acquisition

- On 25 March 2022, the Company issued 1,000,000 restricted common shares which shall vest and be released as follows: 25 per cent released upon exchange approval and 25 per cent released each three-month period thereafter. The shares will be issued pro rata as to 25 per cent to each individual optionor (Note 7).
- On 18 November 2021, the Company issued 5,000,000 common shares valued at \$1,075,000 in relation to the Nickel Project.
- On 25 October 2021, the Company issued 200,000 common shares valued at \$74,000 in relation to the Quatse Lake property.
- On 20 September 2021, the Company issued 200,000 common shares valued at \$68,000 and 71,200 finder's shares valued at \$24,208 in relation to the San Emidio property (Notes 7 and 13).
- On 16 July 2021, the Company issued 250,000 common shares valued at \$63,750 in relation to the Northern Nevada property.
- On 1 January 2021, the Company issued 200,000 common shares valued at \$16,000 in relation to the Quatse Lake property.

Service agreement

- On 25 March 2022, the Company issued shares in relation to service agreement entered into on 3 November 2021. The Company issued \$33,000 in Shares of the Company at a deemed value of \$0.33 per share and the Company also issued \$7,500 in Shares at a deemed value of \$0.15 per share as these services have now been performed. These shares represent the initial share payment and the second share payment under the terms of the Amended Agreement.

The remaining share payments will be paid after the services have been performed and Notice has been given to the Exchange as follows:

- \$7,500 in Shares on or about May 30, 2022, issued at the deemed price per share less applicable discount to market; (paid)
- \$7,500 in Shares on or about August 30, 2022, issued at the deemed price per share less applicable discount to market; and
- \$7,500 in Shares on or about November 30, 2022 to be issued at the deemed price per share less applicable discount to market.

Issuance and Exercise of Options

During the period ended 30 September 2022, the Company granted the following stock options:

- 4,500,000 stock options on 17 August 2022 exercisable at \$0.05 for 5 years.
- 220,000 stock options on 7 September 2022 exercisable at \$0.06 for 5 years.

During the year ended 31 December 2021, the Company granted the following stock options:

- 850,000 stock options on 8 January 2021 exercisable at \$0.06 for 5 years;
- 4,000,000 stock options on 9 February 2021 exercisable at \$0.105 for 5 years;
- 390,000 stock options on 13 April 2021 exercisable at \$0.19 for 5 years;
- 2,500,000 stock options on 13 August 2021 exercisable at \$0.165 for 5 years; and
- 500,000 stock options on 10 September 2021 exercisable at \$0.21 for 5 years.

The granted stock options of 2,500,000 on 13 August 2021 were cancelled and the company's board of directors has amended the exercise price and expiry dates of the remaining 4,843,000 stock options in accordance with the option plan. Of the amended stock options, 1,040,000 options were granted to directors and officers of the company, and 3,803,000 options were granted to consultants, all for a period of five years. The amended options are summarized as follows:

	Original stock options expiry date	New expiry date	Original exercise price	New exercise price
Options Granted			\$	\$
33,000	11 December 2022	07 September 2027	0.70	0.06
120,000	10 January 2023	07 September 2027	0.70	0.06
3,800,000	9 February 2026	07 September 2027	0.105	0.06
390,000	13 April 2026	07 September 2027	0.19	0.06
500,000	10 September 2026	07 September 2027	0.21	0.06
4,843,000	4.91	3.34	0.14	0.06

Issuance and Exercise of Warrants

- On 25 March 2022, the Company granted 4,000,000 purchase warrants at an exercise price of \$0.30 per share for a period of five years from the Exchange approval of the property option agreement and shall vest and be released as follows: 25 per cent released upon exchange approval and 25 per cent released each three-month period thereafter.
- During the year ended 31 December 2021, the Company issued 28,804,166 common shares related to the exercise of 28,804,166 warrants at exercise price of \$0.08 for proceeds of \$2,304,400. The weighted average share price on the dates of exercise was \$0.22.

CONTROLS AND PROCEDURES

The Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") are responsible for designing internal controls over financial reporting in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Company's consolidated financial statements for external purposes in accordance with IFRS. The design of the Company's internal control over financial reporting was assessed as of the date of this MD&A.

Based on this assessment, it was determined that certain weaknesses may exist in internal controls over financial reporting. As indicative of many small companies, the lack of segregation of duties and effective risk assessment were identified as areas where potential weaknesses existed. The existence of these potential weaknesses is to be compensated for by senior management monitoring, which exists. The officers will continue to monitor very closely all financial activities of the Company and increase the level of supervision in key areas. It is important to note that this issue would also require the Company to hire additional staff in order to provide greater segregation of duties. Since the increased costs of such hiring could threaten the Company's financial viability, management has chosen to disclose the potential risk in its filings and proceed with increased staffing only when the budgets and work load will enable the action. The Company has attempted to mitigate these weaknesses, through a combination of extensive and detailed review by the CFO of the financial reports. In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certificate of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), Surge Exploration utilizes the Venture Issuer Basic Certificate which does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal controls over financial reporting ("ICFR"), as defined in NI 52-109.

In particular, the certifying officers filing a Venture Issuer Basic Certificate do not make any representations relating to establishment and maintenance of:

- i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP ("IFRS").

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

Investors should be aware that inherent limitations on the ability of Surge Battery's certifying officers to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided securities legislation.

RISK FACTORS

The mineral industry involves significant risks. In addition to the risk factors described elsewhere in this MD&A, the risk factors that should be taken into account in considering Surge Battery's business include, but are not limited to, those set out below. Any one or more of these risks could have a material adverse effect on the future prospects of the Company and the value of its securities.

Current Global Financial Condition

Current global financial conditions have been subject to increased volatility and turmoil. These factors may affect Surge Battery's ability to obtain equity financing in the future or, if obtained, to do so on terms favourable to the Company. If these increased levels of volatility and market turmoil continue, the Company's operations as well as the trading price of its common shares could be adversely affected.

Industry and Mineral Exploration Risk

Mineral exploration is highly speculative in nature, involves many risks and frequently is non-productive. There is no assurance that the Company's exploration efforts will be successful. At present, Surge Battery's projects do not contain any proven or probable reserves. Success in establishing reserves is a result of a number of factors, including the quality of the project itself. Substantial expenditures are required to establish reserves or resources through drilling, to develop metallurgical processes, and to develop the mining and processing facilities and infrastructure at any site chosen for mining. Because of these uncertainties, no assurance can be given that planned exploration programs will result in the establishment of mineral resources or reserves.

The Company may be subject to risks that could not reasonably be predicted in advance. Events such as labour disputes, environmental issues, natural disasters or estimation errors are prime examples of industry related risks. Surge Battery attempts to balance these risks through insurance programs where required and ongoing risk assessments conducted by its technical team.

Commodity Prices

Surge Battery is in the business of exploring for base and precious metals, the market prices of which can fluctuate widely. Metal prices ultimately depend on demand in the end markets for which metals are used. Demand is affected by numerous factors beyond the Company's control, including the overall state of the economy, general level of industrial production, interest rates, the rate of inflation, and the stability of exchange rates, any of which can cause significant fluctuations in metals prices. Such external economic factors are in turn influenced by changes in international investment patterns, monetary systems and political developments. The price of metals has fluctuated widely in recent years and there are no assurances as to what will be the future prices of base and precious metals. In the course of its current operations, the Company does not enter into price hedging programs.

Environmental

Exploration projects and operations are subject to the environmental laws and applicable regulations of the jurisdiction in which Surge Battery operates. Environmental standards continue to evolve and the trend is to a longer, more complete and rigid process. The Company reviews environmental matters on an ongoing basis. If and when appropriate, the Company will make appropriate provisions in its financial statements for any potential environmental liability.

Reliance upon Key Personnel

The Company is dependent upon a number of key management and operational personnel, including the services of certain key employees. Its ability to manage activities, and hence its success, will depend in large part on the efforts of these individuals. During times when metals prices are strong, the Company faces intense competition for qualified personnel, and there can be no assurance that Surge Battery will be able to attract and retain such personnel at any time. Surge Battery

does not maintain "key person" life insurance. Accordingly, the loss of the services of one or more of such key management personnel could have a material adverse effect on the Company.

Insurance

Surge Battery's insurance will not cover all the potential risks associated with its operations. In addition, although certain risks are insurable, it might be unable to maintain insurance to cover these risks at economically feasible premiums. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration is not generally available to Surge Battery or to other companies in the mining industry on acceptable terms. The Company might also become subject to liability for pollution or other hazards that may not be insured against or that it may elect not to insure against because of premium costs or other reasons. Losses from these events may cause the Company to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

Requirements to Obtain Government Permits

Government approvals and permits are currently required in connection with Surge Battery's exploration activities, and further approvals and permits may be required in the future. The duration and success of the Company's efforts to obtain permits are contingent upon many variables outside of its control. Obtaining government permits may increase costs and cause delays depending on the nature of the activity to be permitted and the interpretation of applicable requirements implemented by the permitting authority. There can be no assurance that all necessary permits will be obtained and if obtained, that the costs involved will not exceed Surge Battery's estimates or that it will be able to maintain such permits. To the extent such approvals are required and not obtained or maintained, the Company may be prohibited from proceeding with planned exploration or development of mineral properties.

Joint Ventures

From time-to-time Surge Battery may enter into one or more joint ventures. Any failure of a joint venture partner to meet its obligations could have a material adverse effect on such joint ventures. In addition, the Company might be unable to exert influence over strategic decisions made in connection with properties that are involved in such joint ventures.

Exploration Risks

The exploration for and development of mineral deposits involves significant risks. Few properties that are explored are ultimately developed into producing mines. Whether a mineral deposit will be commercially viable depends on a number of factors, including: the particular attributes of the deposit, such as size, grade and proximity to infrastructure; metal prices, which are highly cyclical; and government regulation, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection.

Even if the Company identifies and acquires an economically viable ore body, several years may elapse from the initial stages of development until production. As a result, it cannot be assured that Surge Battery's exploration or development efforts will yield new mineral reserves or will result in any new commercial mining operations.

Mineral Property Title Risk

The acquisition of title to mineral properties is a very detailed and time-consuming process. Title to mineral concessions may be disputed. Although the Company believes it has taken reasonable measures to ensure proper title to its properties, there is no guarantee that title to any of the properties will not be challenged or impaired. Third parties may have valid claims underlying portions of Surge Battery's interests, including prior unregistered liens, agreements, transfers or claims, including aboriginal land claims, and title may be affected by, among other things, undetected defects or unforeseen changes to the boundaries of Surge Battery's properties by governmental authorities. As a result, the Company may be constrained in its ability to operate its properties or unable to enforce its rights with respect to its properties. An impairment to or defect in the title to the Company's properties could have a material adverse effect on its business, financial condition or results of operations. In addition, such claims, whether or not valid, would involve additional cost and expense to defend or settle.

Potential for Conflicts of Interest

Certain of the Company's directors and officers may also serve as directors or officers of other companies involved in natural resource exploration and development or other businesses and consequently there exists the possibility for such directors and officers to be in a position of conflict. Surge Battery expects that any decision made by any of such directors and officers involving Surge Battery will be made in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interests of Surge Battery and its shareholders, but there can be no assurance in this regard. In addition, each of the directors is required to declare and refrain from voting on any matters in which such director may have a conflict of interest or which are governed by the procedures set forth in applicable law.

COMMITMENTS AND CONTINGENCIES

As at 30 September 2022, the Company has \$336,924 (31 December 2021: \$950,000) remaining to be spent on qualifying Canadian exploration expenditures under the terms of the flow-through share agreements.

As at 30 September 2022, the Company owns exploration and evaluation properties. Management does not consider that any amounts related to decommissioning liabilities are payable although there is no assurance that a formal claim will not be made against the Company for some or all of these obligations in the future.

The Company has indemnified the subscribers of flow-through shares of the Company issued in prior years against any tax related amounts that may become payable as a result of the Company not making eligible expenditures.

The Company's exploration activities are subject to various Canadian federal and provincial laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

SUBSEQUENT EVENTS

On 20 October 2022, the company announced an amendment to services agreement with TD Media LLC, doing business as Life Water Media LLC, to provide on-line marketing awareness to Surge Battery Metals Inc. The amended terms are that the company will pay an additional \$200,000 (U.S.) to Life Water Media and extend the term of the agreement by one month. All other terms of the agreement remain the same.

On 19 October 2022, the company confirmed high grade lithium discovery in first drill hole at Northern Nevada Lithium Project. The first hole of an eight-hole reverse circulation drill program has confirmed the potential for a high-grade lithium deposit existing at Surge Battery Metals Inc.'s Nevada North lithium project located north of Wells, NV.

Six representative and randomly selected samples of silty clay, taken from varying depths in drill hole NN22-01, range from a low of 1,790 parts per million to a high of 4,500 ppm lithium (average 3,093 ppm lithium). Full drill results will be announced once received from the lab, expected in two to three weeks.

Lithium sample results vertical drill hole NN22-01, total depth of 82.3 metres (270 feet):

- 3,170 ppm from three m to 4.6 m (10 ft to 15 ft); tan clay with fine tuff sand;
- 4,500 ppm from 9.1 m to 10.7 m (30 ft to 35 ft); blue-green silty clay;
- 1,790 ppm from 16.8 m to 18.3 m (55 ft to 60 ft); blue-green silty clay;
- 1,990 ppm from 59.5 m to 61 m (195 ft to 200 ft); dark blue-grey silty clay;
- 2,980 ppm from 61 m to 62.5 m (200 ft to 205 ft); dark blue-grey silty clay;

4,130 ppm from 62.5 m to 64 m (205 ft to 210 ft); dark blue-grey silty clay.

Initial results from drill hole NN22-01 confirm that significant surface lithium soil values of up to 5,120 ppm lithium also continue to a depth of over 64 m (200 ft). Drilling in all holes encountered similar silty clay units ranging in drilled depths of up to 91.5 m (300 ft) in most holes and up to a depth of 160 m (525 ft) in drill hole NN22-07.

Surge Battery Metals Inc. (formerly Surge Exploration Inc.)
Management's Discussion and Analysis of Financial Results
For the Nine and Three Months Ended 30 September 2022

The maiden drilling program was implemented to test an area of about 1,700 metres east-west occurring in two bands, each about 300 to 400 metres wide, that outlined a highly anomalous zone containing abundant sample points greater than 1,000 ppm lithium.

On 20 October 2022, Surge Battery Metals Inc. has expanded its claim holdings, as well as provided an update on this summer's exploration progress on the 100-per-cent-owned Nevada North lithium project (NNLP), Elko County, Nevada.

Prior to commencement of a maiden eight-hole reverse circulation drill program, work this summer included expansion of the soil grid with the collection of another 472 sites, in addition to the previously reported 1,026 sample programs. The new grid was designed to test extensions to anomalous lithium in soil anomalies to the south, southeast and north of the previous grid. Samples were collected on 100-metre spacing along lines spaced at either 100-metre or 200-metre intervals. Samples were delivered to the ALS Global sample preparation laboratory in Elko, NV., and a compilation of these results will be announced in an upcoming news release.

Surge Battery Metals added to the property position at the NNLP project, adding 59 additional lode mining claims, thereby expanding the property position by about 493 hectares; this brings the entire property position to 154 lode mining claims covering about 794 hectares (ha). The claims were staked to cover the projection of significant lithium in soil anomalies previously announced.

On 02 November 2022, Surge Battery Metals Inc. has entered into a corporate advisory and investment banking agreement with Network 1 Financial Securities Inc. Network 1 provides capital raising, market-making, M&A (mergers and acquisitions), and corporate advisory services, in addition to traditional retail and institutional brokerage services to its clients in North America, Asia, Australia and the United Kingdom.

On 09 November 2022, the company also announces drilling at Hard Nickel Four Project in Decar District, Central BC. Three diamond drill holes are planned for a total of 900 metres of coring. At the time of writing, hole 1 (HN4-22-01) has been completed to a total depth of 300 metres.

Preliminary analysis of core from HN4-22-01 indicates drilling has successfully intersected strongly serpentine altered peridotite exhibiting strong magnetic response and elevated nickel (Ni) as indicated by portable XRF (X-ray fluorescence). Core will be analyzed using Davis Tube magnetic separation to test for the presence of awaruite -- a magnetic iron-nickel alloy which forms the main ore mineral at the nearby Decar project operated by FPX Nickel Corp. The second drill hole, hole HN4-22-02, is currently being collared to test the continuity of the nickel-bearing ultramafic unit encountered in HN4-22-01 and in field sampling programs.

Previous fieldwork by geological crews in 2021 and 2022 highlighted elevated nickel in serpentinized peridotite of the Trembleur ultramafic suite associated with a regional magnetic anomaly where grab samples of this unit returned up to 2,361 parts per million (ppm) Ni (see Surge press release dated July 5, 2022). Follow-up exploration of magnetic anomalies returned up to 0.0647 per cent Davis Tube recoverable (DTR) nickel (sample F00070721).

The 2022 drill campaign by Surge Battery Metals is designed to target coincident elevated DTR nickel in grab samples and magnetic highs.