Management's Discussion & Analysis
For the year ended August 31, 2017

The following Management's Discussion & Analysis ("MD&A") of Lithion Energy Corp. (formerly "Barisan Gold Corporation"), (the "Company" or "Lithion") should be read in conjunction with the audited financial statements for the year ended August 31, 2017 and related notes attached thereto, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). This MD&A contains "forward-looking statements" that are subject to risk factors set out in a cautionary note contained herein. Except as otherwise disclosed, all dollar figures in this report are stated in Canadian dollars ("CAD"). The effective date of this report is December 27, 2017.

Company Overview

Lithion is a Canadian-based minerals exploration company listed on the TSX Venture Exchange under the symbol "LNC". The Company was previously engaged in the exploration, acquisition and development of mineral properties in Indonesia but has acquired the Railroad Valley Lithium Property located in Nevada, and the Black Canyon Lithium Property located in Arizona. Over the past year, the Company has undergone significant restructuring and sold its subsidiaries in Indonesia.

Darren Smith, M.Sc., P. Geol., is the Qualified Person as defined by National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101") for the Company and is responsible for the technical disclosure in this MD&A.

Highlights

During the year ended August 31, 2017 and to the date of report, key events of the Company included:

November 16, 2016	The Company announced the results of the company's Annual & Special General Meeting of shareholders held on November 14, 2016 in Vancouver. Change of name – from Barisan Gold Corporation to Lithion Energy Corp. Acquisition approved - Railroad Valley Lithium Property located in Nevada, and the Black Canyon Lithium Property located in Arizona and associated company restructuring once approval of the TSX Venture Exchange has been granted of such transactions. Share Consolidation approved - on the basis of one post-consolidation Common Share for every five pre-consolidation Common Shares New Board of Directors elected - The new board will be composed of 4 new members. Darren Smith, Shawn Westcott as well as two independent directors, Jenna Hardy, P. Geo, and Scott Eldridge. New Officers appointed - Darren Smith.as Vice President of Exploration and Karen Dyczkowski as Chief Financial Officer.
March 9, 2017	The Company entered into a Conditional Sales and Purchase Agreement ("CSPA") with a private Indonesian company whereby the private Indonesian company has agreed to purchase Lithion's 80% equity interest in each of PT Gayo Mineral Resources and PT Linge Mineral Resources. As per the terms of the CSPA, the private Indonesian company will pay the Company a total of US$1,000,000 (equivalent to approximately $1,300,000 Canadian dollars). Closing of the transaction is subject to final due diligence by the private Indonesian company, shareholder approval at a special general meeting a number of regulatory approvals in Indonesia and TSX Venture Exchange approval. The transaction is expected to close during the second calendar quarter of 2017. The proceeds will be used to finance the previously announced lithium projects, review additional technology metals properties and to evaluate potential corporate transactions. A finders' fee of $100,000 is to be paid to an arm's length company in association with the transaction.

April 28, 2017	The Company issued 12,546,370 (pre-consolidated) common shares at the deemed price of $0.05 per common share in settlement of outstanding debt of $627,319
May 1, 2017	At the Special meeting, the shareholders approved the conditional sale and purchase agreement with a private Indonesian company, whereby the private Indonesian company has agreed to purchase the Company's 80-per-cent equity interest in each of PT Gayo Mineral Resources and PT Linge Mineral Resources.
May 2, 2017	The Company completed the acquisition of the Railroad Valley Lithium Property located in south-central Nevada and the Black Canyon Lithium Property located in central Arizona for $100,000 and 4,133,723 common shares, with a deemed value of $413,372 for a 100% equity interest in both properties. The Company obtained a National Instrument 43-101 technical report on the Railroad Valley Lithium Property in Nye County, Nevada. Edward Lyons, P. Geo., a Qualified Person as defined by National Instrument 43-101 is the author of the NI 43-101 technical report. The report has been filed on www.sedar.com and on the Company's website. The Company completed the consolidation of issued and outstanding common shares on the basis of one post-consolidation common share for every five pre-consolidation common shares The Company completed a private placement of 7,500,000 units at a price of $0.10 per unit for gross proceeds of $750,000. Each unit comprises of one common share of the Company and one non-transferable common share purchase warrant. Each common share purchase warrant is exercisable to acquire one additional common share of the Company for a period of 24 months at a price of $0.15 per share purchase warrant.
June 26, 2017	The Company completed the sale of its 80% interest in each of PT Gayo Mineral Resources and PT Linge Mineral Resources. The Company received $1,252,901 (US$1,000,000) in gross proceeds.
November 20, 2017	The Company expanded its Railroad Valley Brine Project's land position in Nevada by 5,963 Acres (~2,413 ha), or by nearly 150%. The recently completed staking of 296 placer claims, over one contiguous block, brings the Company's total land holdings in the Railroad Valley Basin to 495 placer claims, totalling approximately 10,000 acres (~4,047 ha), spread over three separate claim blocks in close proximity.

Exploration Activities

Railroad Valley and the Black Canyon

On May 2, 2017, the Company completed the acquisition from DG Resource Management Ltd. ("DGRM") and Arizona Lithium Company Limited ("ALCL") of the Railroad Valley Lithium Property located in south-central Nevada and consisting of 199 placer claims totalling 9,835 acres ("Railroad Valley") and the Black Canyon Lithium Property located in central Arizona and consisting of two exploration permit applications totalling 360 hectares ("Black Canyon"). Pursuant to the property purchase agreement among the Company, DGRM and ALCL dated July 15, 2016, the Company has paid $100,000 to DGRM), a further $44,197 in land transfer fees and issued 4,133,723 common shares, with a fair value of $516,715 in exchange for a 100% equity interest in both the Railroad Valley and Black Canyon properties. DGRM will retain a 2% Net Smelter Royalty on each property.

The Company obtained a National Instrument 43-101 technical report on the Railroad Valley lithium property in Nye County, Nevada. Edward Lyons, P. Geo., a Qualified Person as defined by National Instrument 43-101 is the author of the NI 43-101 technical report. The report has been filed on www.sedar.com and on the Company's website.

Selected Annual Information

The following table provides a brief summary of the Company's financial results. For more details, please refer to the audited financial statements.

		Year ended August 31, 2017		Year ended August 31, 2016		Year ended August 31, 2015
Total revenues	$	-	$	-	$	-
Income (loss) for the year		1,776,822		(1,250,423)		(18,819,849)
Basic and diluted loss per share		0.10		(0.10)		(0.44)
Total assets		2,276,761		494,942		751,225
Total long-term liabilities		-		-		-
Total cash dividends paid		-		-		-

Summary of Quarterly Results

($)	Three months ended August 31, 2017	Three months ended May 31, 2017	Three months ended February 28, 2017	Three months ended November 30, 2016
Total revenues	-	-	-	-
Income (loss) for the period	1,872,787	(29,232)	(26,641)	(40,092)
Basic and diluted income (loss) per share	0.10	(0.00)	(0.00)	(0.00)
Total assets	2,276,761	1,488,008	386,582	427,976
Total long-term liabilities	-	-	-	-

($)	Three months ended August 31, 2016	Three months ended May 31, 2016	Three months ended February 29, 2016	Three months ended November 30, 2015
Total revenues	-	-	-	-
Loss for the period	(996,647)	(50,091)	(104,126)	(99,559)
Basic and diluted loss per share	(0.01)	(0.00)	(0.00)	(0.00)
Total assets	494,942	1,057,419	1,106,322	1,165,318
Total long-term liabilities	-	-	-	-

Fluctuations in the Company's expenditures reflect the variations in the timing of exploration activities and general operations, and share-based payments during certain quarters, including, revaluation of exploration and expenditures at period ends.

Results of Operations

Overall, the Company recorded a consolidated net income of $1,776,822 ($0.10 per common share) for the year ended August 31, 2017 as compared to a consolidated net loss of $1,250,423 ($0.10 per common share) for the year ended August 31, 2016.

Operating Expenses

The operating expenses were $420,362 for the year ended August 31, 2017 as compared to $756,223 for the year ended August 31, 2016. Significant expenses consisted of the following:

- Investor relations of $16,016 (2016 - $44,733) and consulting fees of $28,223 (2016 - $57,441) were paid to consultants for corporate development activity on the new project located in Nevada.
- Office and administration of $42,863 (2016 - $167,473), travel and accommodation of $2,584 (2016 - $13,550) professional fees of $66,858 (2016 - $21,383) and transfer agent and regulatory costs of $29,734 (2016 - $28,945) relate to general corporate and legal matters; and
- Share-based payments of $125,870 (2016 - $35,527)

Fourth Quarter - Results of operations

- For the three months ended August 31, 2017, the Company recorded a consolidated net income of $1,872,787 ($0.10 income per share) compared to a net loss of $996,647 ($0.01 loss per share) for the three months ended August 31, 2016. The loss is comprised of general and administrative expenses of $241,687 (2016 - $502,446), forgiveness of trade payables of $665,533 (2016 - $2,000), gain on sale of subsidiaries of $1,476,292 (2016 - $nil), gain on debt settlement of $55,359 (2016 - $nil) and write down of exploration and evaluation assets of $nil (2016 - $496,200).

- The general and administrative expenses for the three months ended August 31, 2017 decreased due to less corporate activity during the current year as compared to the previous period.

Exploration and Evaluation Assets

During the year ended August 31, 2016, the terms of the preliminary agreement were not fulfilled. Given the uncertainty regarding the Company's request for extension of the Exploration IUPs, the Company wrote off Linge and Gayo to the statement of loss.

During the year ended August 31, 2017, the Company completed the sale of its 80% interest in PTLMR and PTGMR. The Company received $1,252,901 (US$1,000,000) less fees and settlements of $208,534 for a net consideration received of $1,044,367. . Prior to the sale of the subsidiaries, the Company issued shares with a fair value of $258,300 in connection with $516,600 in trade payables and accrued liabilities recorded in Gayo.

During the period ending August 31, 2017, the Company completed the acquisition of the Railroad Valley Lithium Property located in south-central Nevada and the Black Canyon Lithium Property located in central Arizona for $100,000 (of which $25,000 was paid as a deposit during the year ended August 31, 2016), a further $44,197 in land transfer fees and issued 4,133,723 common shares, with a fair value of $516,715, in exchange for a 100% equity interest in both the Railroad Valley and Black Canyon properties.

Liquidity & Capital Resources

The Company's cash position at August 31, 2017 was $1,363,167 (August 31, 2016 - $256,551) and the Company's working capital was $1,587,155 (August 31, 2016 - deficiency of $1,445,552). The Company has no long-term debt obligations.

Net cash used in operating activities for the year ended August 31, 2017 was $557,128 (2016 - $229,151). The cash used in operating activities for the period consists primarily of general and administrative expenses of $420,362 (2016 - $756,223), share-based payments of $125,870 (2016 - $35,527), write-down of exploration and evaluation assets of $nil (2016 - $496,200), write-off of trade payables of $665,533 (2016 - $2,000), gain on debt settlement of $55,359 (2016 - $nil) gain on sale of subsidiaries, $1,476,292 (2016 - $nil) and net change in non-cash working capital items during the period of $262,556 (2016 - $491,545).

Net cash provided by investing activities for the year ended August 31, 2017 was $914,544 (2016 – used in $22,359). The cash used in investing activities was the net change in non current receivables of $nil (2016- $2,641), net proceeds on sale of subsidiaries of $1,044,367 (2016 - $nil), exploration and evaluation assets $122,276 (2016 - $nil) and reclamation bond of $7,547 (2016 - $nil)

Net cash provided by financing activities for the year ended August 31, 2017 was $749,200 (2016 - $466,358). The cash provided by financing activities was from a private placement net of finder's fees.

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through rights offerings and private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

Financial Instruments

International Financial Reporting Standards 7, *Financial Instruments: Disclosures*, establishes a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

As at August 31, 2017, the carrying values of cash, receivables, and trade payables approximate their fair values due to their short terms to maturity.

Financial risks

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

Credit risk

Credit risk is the risk of potential loss to the Company if counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets, including cash and receivables. The Company has limited the exposure to credit risk by only depositing its cash with high credit quality financial institutions, which are available on demand.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations when they become due. The Company has ensured, as far as reasonably possible, it will have sufficient capital in order to meet short term business requirements, after taking into account cash flows from operations and the Company's holdings of cash.

Historically, the Company's primary source of financing has been the issuance of equity securities for cash, through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity financing.

As at August 31, 2017, there are no other significant contractual obligations other than those included in trade payables and accrued liabilities disclosed in note 9.

Interest and foreign exchange risk

The Company is subject to normal risks including fluctuations in foreign exchange rates and interest rates. While the Company manages its operations in order to minimize exposure to these risks, it has not entered into any derivatives or contracts to hedge or otherwise mitigate this exposure. At August 31, 2017, the Company was not exposed to significant interest rate risk.

The Company has historically had significant operating expenditures which are denominated in United States dollars ("USD") and Indonesian Rupiah ("IDR"). The Company's exposure to exchange rate fluctuations arises mainly on foreign currencies against the Canadian dollar functional currency of the relevant business entities.

Financial assets and liabilities:

At August 31, 2017, the Company did not have any financial assets or liabilities denominated in a foreign currency.

The Canadian dollar equivalent of the amounts denominated in foreign currencies is as follows:

August 31, 2016		USD		IDR		Total
Cash	$	4,891	$	124	$	5,015
Receivables		-		196,979		196,979
	$	4,891	$	197,103	$	201,994

August 31, 2016		USD		IDR		Total
Trade payables and accrued liabilities	$	635,975	$	103,068	$	739,043

Sensitivity analysis:

The Company is exposed to foreign currency risk on fluctuations related to cash, trade payables that are denominated in USD and IDR. As at August 31, 2017, net liabilities totaling $nil (August 31, 2016 - $537,049) were held in USD and IDR. Based on the above net exposure as at August 31, 2017 and assuming all other variables remain constant, a 2% depreciation or appreciation of the USD and IDR against the Canadian dollar would result in an increase or decrease of approximately $nil (2016 - $11,000) in the Company's loss and comprehensive loss.

Related Party Transactions

The compensation of key management personnel and related parties were as follows:

		Year ended August 31, 2017		Year ended August 31, 2016
Fees and short-term benefits - management	$	30,000	$	331250
Fees and short-term benefits - directors		12,000		36,000
Share-based payments		98,840		27,682
	$	140,840	$	410,932

Related party balances

Included in trade payable and accrued liabilities at August 31, 2016 was $682,759, of which $626,759 was due to officers or companies controlled by officers of the Company $56,000 was due to directors of the Company. These amounts were unsecured, non-interest bearing and have no fixed terms of repayment. The total amount of $572,040 is included in forgiveness of trades payable during the year ended August 31, 2017 and $110,719 was settled through the issuance of common shares (Note 10).

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

Capital Commitments

The Company has no commitments for equipment expenditures for 2017. The Company has forecasted that any property and equipment expenditures based on future needs will be funded from working capital and/or from operating or capital leases.

Off Balance Sheet Arrangements

The Company has no off balance sheet arrangements.

Future Accounting Policy Changes

A number of new standards, amendments to standards and interpretations are not yet effective as of the date of this report, and were not applied in preparing the financial statements. None of these are expected to have a material effect on the condensed consolidated interim financial statements of the Company.

Critical Accounting Estimates

The preparation of financial statements in accordance with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported revenues and expenses during the period. Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may vary from these estimates.

The impacts of such estimates could result in material adjustment to the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions 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.

Significant accounts that require estimates as the basis for determining the stated amounts include: fair value of stock options and warrants, income taxes, and recoverability of exploration and evaluation assets.

Outstanding Share Data

The Company has the following common shares, stock options, and share purchase warrants outstanding:

<u>Common Shares</u>

The Company's authorized capital consists of an unlimited number of voting common shares without par value.

As at August 31, 2017 and December 29, 2017 (date of report), there were 28,175,233 issued and outstanding common shares.

<u>Stock Options</u>

As at August 31, 2017, there were 2,034,000 stock options outstanding and 109,000 exercisable, with weighted-average exercise prices of $0.16 and $0.66 respectively.

As at December 29, 2017 (date of report), there were 2,034,000 stock options outstanding and 590,250 exercisable, with weighted-average exercise prices of $0.16 and $0.23 respectively.

<u>Warrants</u>

At August 31, 2017 and July 31, 2017 (date of report), there were 12,500,000 share purchase warrants outstanding at a weighted average exercise price of $0.19.

Risk and Uncertainties

The Company's principal activity is mineral exploration and development. Companies in this industry are subject to many and varied kinds of risks, including but not limited to, environmental, fluctuating metal prices, social, political, financial and economics. Additionally, few exploration projects successfully achieve development due to factors that cannot be predicted or foreseen. While risk management cannot eliminate the impact of all potential risks, the Company strives to manage such risks to the extent possible and practicable.

The risks and uncertainties described in this section are considered by management to be the most important in the context of the Company's business. The risks and uncertainties are not limited to but include risks associated with our dependence on the Lithium properties and the Company's limited operating history; geological exploration and development; changes in law, and the availability of additional funding as and when required; infrastructure; inflation; governmental regulation; environmental; hazards, insurance; uninsured risks; competition; currency fluctuations; labour and employment; joint ventures; contract repudiation; dependence on key management personnel and executives; and litigation risks.

Forward-Looking Information

Statements contained in this MD&A that are not historical facts are forward-looking statements (within the meaning of Canadian securities legislation and the U.S. Private Securities Litigation Reform Act of 1995) that involve risks and uncertainties. This MD&A contains forward-looking statements, such as estimates and statements that describe the Company's future plans, objectives or goals, including words to the effect that the Company or management expects a stated condition or result to occur. Examples of forward-looking statements in this MD&A include statements with respect to:

The Company's exploration program at its projects in Nevada, Arizona and possible related discoveries of new mineralization or identification of mineral resources; the impact to the Company of future accounting standards and discussion of risks and uncertainties around the Company's business; and the adequacy of the Company's capital resources and its ability to raise additional financing and continue as a going concern.

In general, forward-looking statements include, but are not limited to, statements with respect to the future price of metals; the estimation of mineral reserves and resources; the realization of mineral reserve estimates; the timing and amount of estimated future production, costs of production, and capital expenditures; costs and timing of the development of new deposits; success of exploration activities, permitting time lines, currency fluctuations, requirements for additional capital, government regulation of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims, limitations on insurance coverage and the timing and possible outcome of pending litigation. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such risks and other factors include, among others, risks related to the integration of acquisitions; risks related to operations; risks related to joint venture operations; actual results of current exploration activities; actual results of current reclamation activities; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; future prices of metals; possible variations in ore reserves, grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities, as well as those factors discussed in the sections entitled "*Risks and Uncertainties*" in this MD&A.

Although the Company has attempted to identify important factors that could affect the Company and may cause actual actions, events or results to differ, perhaps materially, from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The forward-looking statements in this MD&A speak only as of the date hereof. The Company does not undertake any obligation to release publicly any revisions to these forward-looking statements to reflect events or circumstances after the date hereof to reflect the occurrence of unanticipated events.

Forward-looking statements and other information contained herein concerning the mining industry and general expectations concerning the mining industry are based on estimates prepared by the Company using data from publicly available industry sources as well as from market research and industry analysis and on assumptions based on data and knowledge of this industry which the Company believes to be reasonable. However, this data is inherently imprecise, although generally indicative of relative market positions, market shares and performance characteristics. While the Company is not aware of any misstatements regarding any industry data presented herein, the industries involve risks and uncertainties and the data is subject to change based on various factors.

Additional Information

Additional information about the Company is available under the Company's profile on SEDAR at www.sedar.com and on the Company's website at www.lithionenergycorp.com.