

Foremost Lithium Resource & Technology Ltd. (CSE:FAT)

A Trip Down Lithium Lane

Initiating Coverage
March 20, 2023

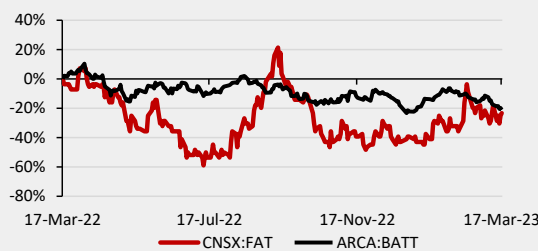
(Currency is C\$ unless noted otherwise)

Closing Price (C\$/sh)	\$0.22	
Rating	BUY (S)	
Target (\$/sh)	NA	
Return to Target	NA	
52 Week Low / High	\$0.12 / \$0.34	
CAPITALIZATION	Basic	Diluted
Shares Outstanding (M)	198.0	211.3
Market Capitalization (\$MM)	\$42.6	
Enterprise Value (\$MM)	\$40.9	
Cash and Cash Equivalents (\$MM)	\$2.6	
Total Debt (\$MM)	\$0.9	

STOCK CHART



RELATIVE PERFORMANCE



RELATIVE VALUATION

	EV (C\$M)
Foremost Lithium	\$40.9
Peers*	\$231.3

*S&P CapIQ Pro

MAJOR SHAREHOLDERS

Management (11.87%)

DISCLOSURE CODE:

3

(Please refer to the disclosures listed on the back page)

Source: RCS, Company Information, S&P Capital IQ

Company Description

Foremost Lithium is an exploration company focused on the development of battery and precious metal assets. The company has interests in five lithium properties in Manitoba (Peg North, Zoro, Jean Lake, Jol, and Grass River), as well as the Winston gold/silver project in New Mexico.

We are initiating coverage of Foremost Lithium Resource & Technology Ltd. (CSE:FAT) with a BUY (S) rating and no target price. Foremost is a hard-rock lithium explorer and developer focused on advancing several projects in Manitoba's Snow Lake mining district. **With >40,000 acres of prospective ground and ~40 pegmatite targets identified thus far, we believe Foremost has a respectable shot at discovery.**

- Paving a new "Lithium Lane" in Snow Lake.** Foremost's Jean Lake, Zoro, Grass River, Peg North, and Jol projects are located in Snow Lake, where mining major Hudbay Minerals (TSX:HBM, Not Rated) has been operating since 1958 and infrastructure is well developed. Jean Lake and Peg North are along trend of and bookend Snow Lake Lithium's (NASDAQ:LITM, Not Rated) Thompson Brothers project, host to ~11Mt at 1% Li₂O (ind+inf). The Zoro project, immediately east, has 16 spodumene-bearing pegmatites identified thus far, one of which has a starter resource and metallurgy. Further east is Grass River, where 17 pegmatites have been identified, waiting to be tested for lithium. These projects collectively make up >40,000 acres with ~40 known pegmatite occurrences.
- High-grade discovery potential at Jean Lake.** Jean Lake hosts two pegmatites with coarse-grained spodumene occurrences that have respectively sampled up to 5.17% Li₂O and 4.74% Li₂O. These pegmatites appear to be the extension of Snow Lake Lithium's Sherritt Gordon pegmatite cluster, where drilling on the neighboring claims returned 1.84% Li₂O over 6.32m. Foremost is currently wrapping up its maiden, ~3,000m drill program at Jean Lake; results are expected shortly.
- Starter resource at Zoro.** Zoro's Dyke 1 pegmatite inferred resource stands at ~1.1Mt at 0.91% Li₂O and remains open for expansion, particularly at depth. There are 15 other dykes that warrant follow-up at Zoro, some of which we expect to see drilled in Q4/23.
- Metallurgical testing indicates potential for high Li recoveries** into a ~6% Li₂O concentrate via dense media separation and flotation, which may then be converted into Li-hydroxide.
- Manitoba: home to Canada's only current Li producer.** The world-class Tanco Ta-Cs-Li mine has been operating since the '20s and is currently the only hard-rock Li producer in North America. Should FAT delineate additional resources, we believe an opportunity for low-cost, direct shipping ore (DSO) could be in order, given that Tanco is ~600km SE. The province appears supportive of developing its critical minerals industry and has awarded Foremost with C\$600k in grants thus far.
- Well funded and well supported.** Foremost is well funded with ~C\$2.6M in cash, having recently sold its Hidden Lake property for C\$3.5M and secured a grant from the Manitoba Mineral Development Fund (MMDF). Management & insiders hold a 15% equity stake.

Exploration success should drive a re-rating. We believe the existing Zoro resource does not do FAT justice and that the real potential likely remains to be drilled. **Upcoming catalysts:** 1) Zoro geochemical surveys (Q2-Q3/23), 2) Jean Lake drill results (H1/23), and 3) Maiden drill programs at Grass River and Peg North. **Mining/exploration is inherently risky** and Foremost is subject to various geopolitical, technical, corporate, and/or financial risks.

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Executive Summary

Foremost Lithium is an exploration and development hard-rock lithium company focused on advancing several of its projects in the Snow Lake District of Manitoba, Canada. These projects have nearby infrastructure including a power line servicing the town of Snow Lake (~5km from the area), the Snow Lake airport, all-weather gravel roads, and a rail link located at Wekusko siding. Zoro, the most advanced project, is host to an inferred resource, comprising 1.1Mt at 0.91% Li₂O. Foremost's other Snow Lake projects include Grass River, Peg North, Jean Lake, and Jol. Lastly, it is advancing the Winston Au-Ag property in Black Range, New Mexico, and plans to spin the project out to provide non-dilutive capital. **Foremost is an early-stage lithium exploration and development company with a sizeable land package and attractive pegmatite targets nearby to world-class infrastructure in mining-friendly Snow Lake.**

We are initiating coverage with a BUY (S) rating and no target price. In our view, it is too early to formulate a valuation for Foremost. We do not put too much weight on the existing resource at Zoro's Dyke 1; the resource is relatively small, and while the deposit is open, we believe it may be too costly to add significant scale. However, Foremost is focused on making new grassroots discoveries, and has no shortage of lithium-bearing pegmatites that warrant drilling. While high risk, we believe positive drill results from some of these other pegmatite targets could trigger an upward re-rating.

Upcoming catalysts for Foremost Lithium include:

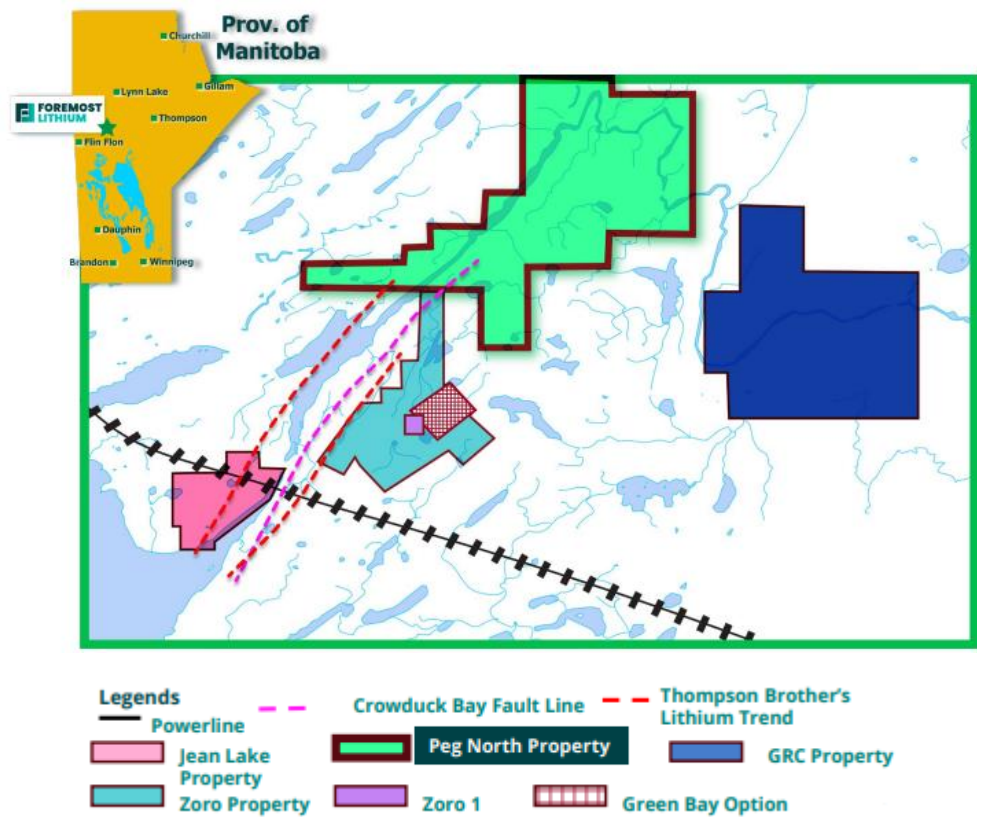
- **Zoro** – 1) prospecting, rock and soil sampling geochemical surveys (Q2-Q3/23) and 2) 2,000m drill program (Q4/23)
- **Jean Lake** – 1) completion of 24-hole (3,000m) drill program (H1/23), 2) prospecting, rock and soil geochemical surveys (Q2-Q3/23), and 3) 2,000m drill program (Q4/23)
- **Grass River** – 1) results from drone magnetic and Lidar surveys (H1/23), 2) prospecting and geo-chem work (Q2-Q3/23), and 3) 2,000m inaugural drill program (Q4/23)
- **Peg North** – 1) results from drone magnetic and Lidar surveys (H1/23), 2) prospecting and geo-chem work (Q2-Q3/23), and 3) 2,000m inaugural drill program (Q4/23)
- **Jol** – 1) prospecting, geo-chemistry work, and data interpretation (ongoing)
- **Winston** – 1) potential spin-out (2023)

Foremost's Manitoba lithium projects are located in the prolific Snow Lake-Flin Flon Greenstone Belt

Investment Thesis

Five hard-rock lithium projects in mining-friendly Manitoba. Foremost's lithium projects are situated within the historic mining jurisdiction of Snow Lake, Manitoba. These projects include the Zoro, Jean Lake, Grass River and Jol projects, and comprise a total land package of 17,414 ha. The Snow Lake-Flin Flon Greenstone Belt has had a total of ~5.5M oz Au produced to date, and includes major gold deposits such as the New Britannia, Puffy Lake and Tartan deposits, along with the producing Lalor Au-Cu-Zn mine operated by Hudbay Minerals (TSX:HBM, Not Rated). Of Canadian metal production, Manitoba accounts for 37% of the country's zinc, 7.1% of its nickel, 4.6% of its copper, and 10.5% of its silver (as of 2019). The province has abundant renewable power which is sourced from the provincial grid, with >98% of electricity generated using hydroelectricity and wind power. The province provides attractive tax incentives for exploration companies, and appears supportive of Foremost's activities, as evidenced by the two C\$300k grants (total C\$600k) to help drive exploration at its lithium projects.

Figure 1: Map showing Foremost's properties in the Snow Lake district

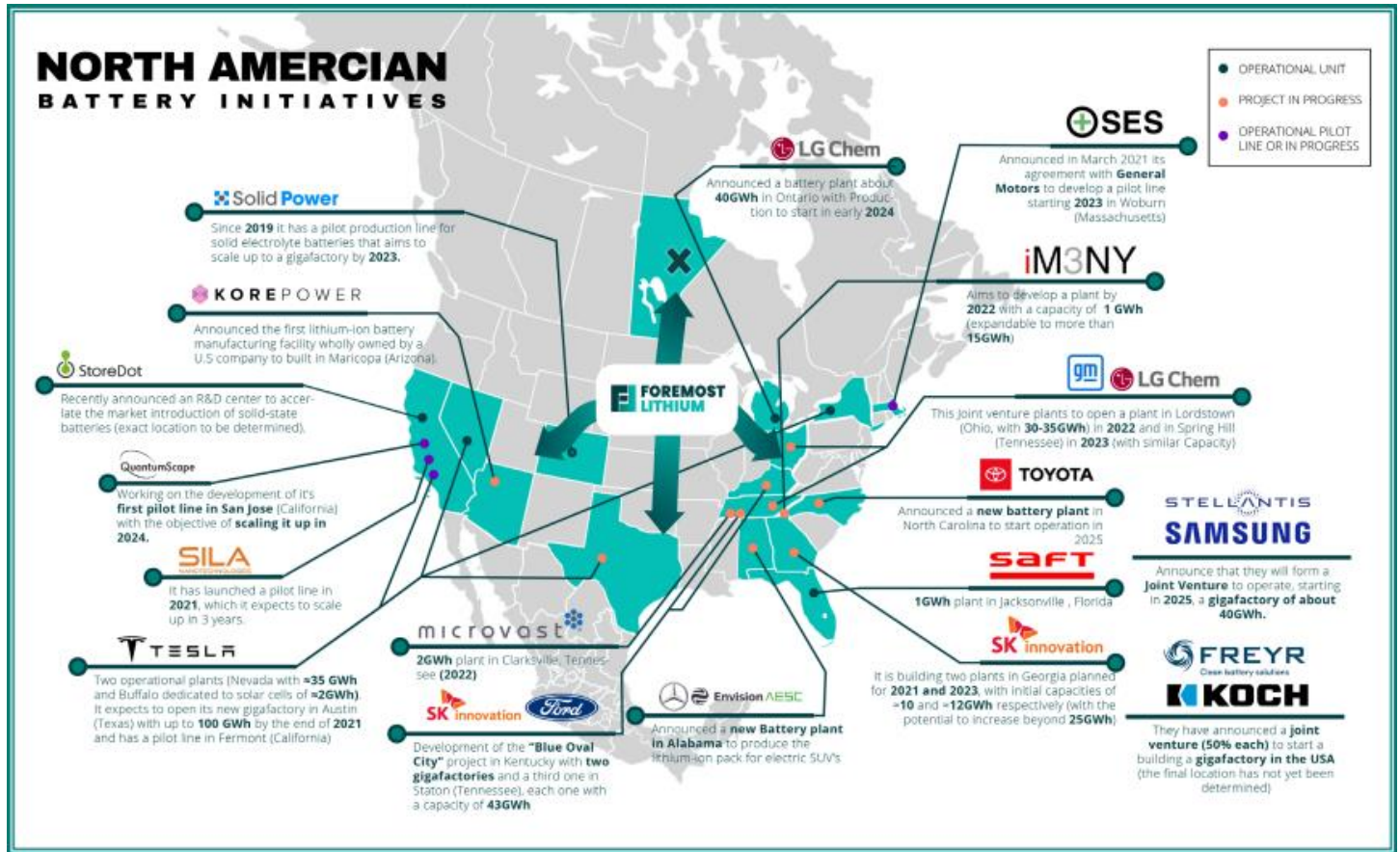


Source: Company Reports

Home of Lithium Lane. This area also neighbours Snow Lake Lithium's Thompson Brothers project, which includes an I+I resource of 11.1Mt at 1% Li₂O. Manitoba is also host to the world-class Tanco Li-Cs-Ta mine – Canada's only current lithium producer, which has been in production since the 1920s. Tanco is located ~600km SE of Foremost's properties – and its operator, Sinomine (SHE:002738, Not Rated), has signed MOUs with other Manitoban lithium explorers for potential toll milling.

Located near various EV battery and manufacturing centers. Foremost is strategically located near the NAFTA superhighway, which refers to certain existing and proposed highways intended to link Canada, Mexico, and the United States. This provides the company with easier access to North American battery and EV manufacturing sites. Several of these existing battery projects are close to Foremost's operations (Figure 2).

Figure 2: Strategic proximity to EV battery and manufacturing centres



Source: Company Reports

Jean Lake has sampled up to 5.17% Li₂O; maiden drill program underway

Focused on hard-rock Li discoveries. Hard-rock Li projects offer potential for a straightforward flowsheet and faster timelines to production when compared to the average Li-brine project. These projects are the preferred feedstock for Li-hydroxide, which are used in high-range EV cathodes. The company has no shortage of targets, ~40 pegmatites identified thus far, most of which remain to be properly drill tested. We are particularly keen on the pending results from Foremost's ongoing, 24-hole (3,000m) drill program at Jean Lake. This project is situated along the Thompson Brothers lithium trend, which is host to Snow Lake's Thompson Brothers deposit. Foremost recently released magnetic survey results that identified 14 structural targets on the northern part of the property ([read more](#)). Two of the targets (targets 10 and 11) appear to be very similar to the high-grade lithium and beryllium bearing dykes already identified on the property, while three targets (targets 5, 6 and 7) are on trend with Snow Lake Lithium's (NASDAQ:LITM, Not Rated) Sherritt Gordon and Grass River pegmatites where drilling has returned 1.84% Li₂O over 6.32m and 2% Li₂O over 16m. The B1 and B2 pegmatites on the Jean Lake property, which may represent the continuation of the Sherritt Gordon pegmatites, have sampled up to 5.17% Li₂O and 4.74% Li₂O, respectively.

Figure 3: Spodumene sample from the B2 pegmatite exposure at Jean Lake


Source: Company Reports

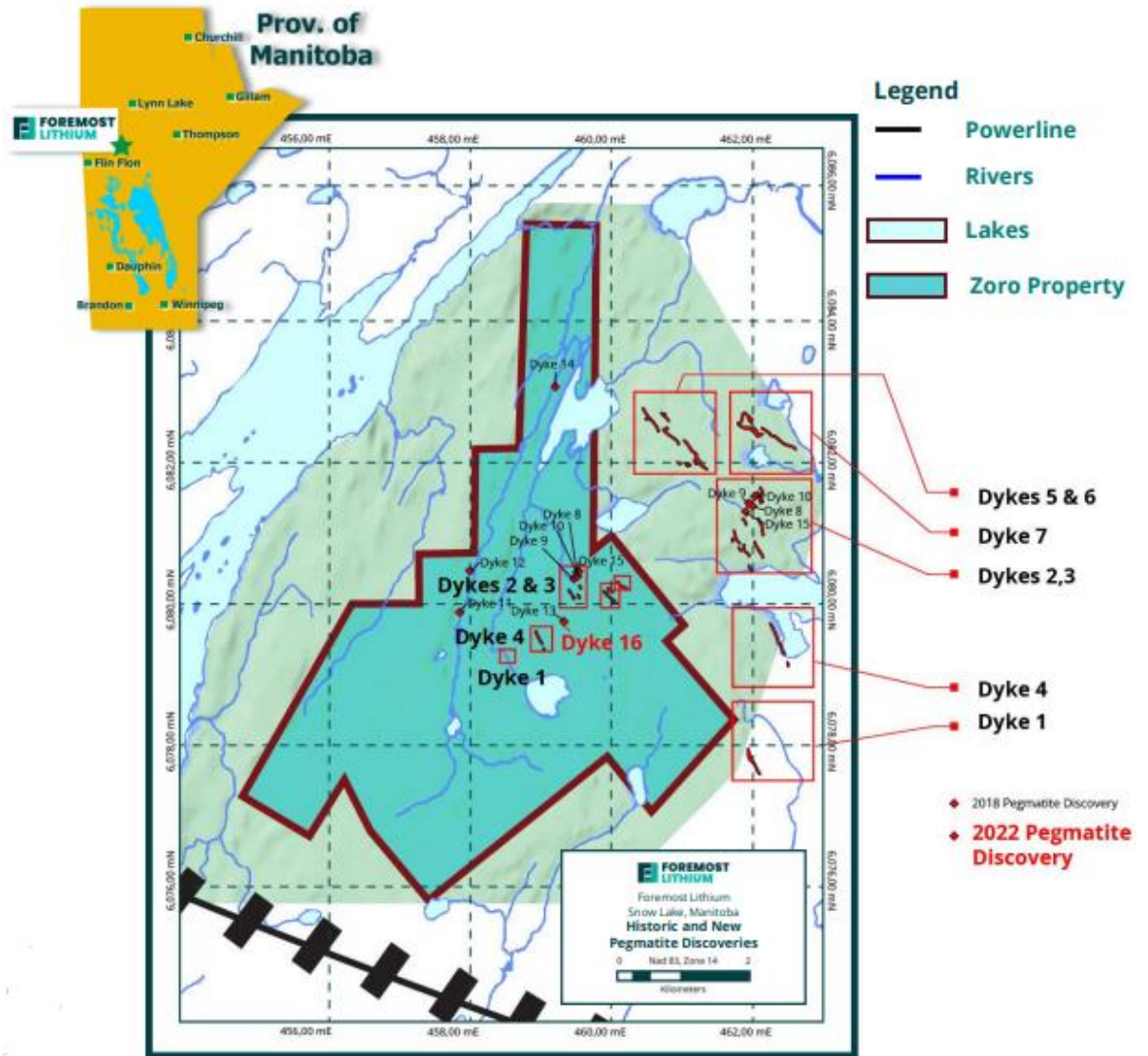
Zoro's has an inferred resource of 1.1Mt at 0.91% Li₂O at Dyke 1

Zoro resource is a nice plus, but that is not what excites us. Zoro is 100%-owned by Foremost and comprises 3,603 ha in total land size. To date, Foremost has invested ~C\$6M at Zoro, leading to 72 drillholes and the discovery of several spodumene-rich pegmatite dykes. Foremost reported an inferred resource of 1.1Mt at 0.91% Li₂O on Dyke 1 in 2018, within a pegmatite that extends for an ~800m strike and is at least ~320m deep. In our view, Dyke 1's relatively low grade may make it difficult to add significant resource growth unless Foremost embarks on a deeper, albeit more costly, drill program. However, Foremost continues to explore the remaining 15 dykes on the property. Most recently, drilling has continued at the Dyke 8 discovery with three intercepts of high-grade Li including 1.1% Li₂O over 12.3m ([read more](#)). Dyke 8 has also been defined to 120m in strike length, ~10m average width and 157m depth.

Potential to produce a ~6% Li₂O concentrate

Aiming to produce battery-grade lithium chemicals. Foremost recently contracted Glencore Canada's Expert Process Solutions (XPS) to pilot SC6 spodumene concentrate and lithium hydroxide production from Dyke 1 at Zoro. Testwork thus far, including 1) initial metallurgical test work (2020), 2) Phase 1 test work (Dec/22) ([read more](#)), and 3) Phase 2 test work (Mar/23) ([read more](#)); has indicated potential to produce a high-grade (close to 6% Li₂O) lithium spodumene concentrate. Phase 2 testing, which contemplated dense media separation (DMS) and flotation, recovered 81.6% of the sample into a 5.88% Li₂O spodumene concentrate, which is high enough to be marketable to lithium chemical producers. This work may assist with attracting offtakes and strategic partners in the future.

Figure 4: Map of the 16 dykes located within the Zoro project



Source: Company Reports

Foremost grew its Snow Lake landholdings by nearly 300% in 2022

Aggressively acquiring more prospective ground. In Q1/22, Foremost announced that it expanded its land position by 6,018 ha with the acquisition of the Grass River claims, located 6.5km east of Zoro. Grass River hosts at least ten pegmatites exposed in outcrop and seven buried pegmatite dykes identified in historical drilling. Foremost picked up more proximal ground in Q2/22 with the acquisitions of the Jol (25 ha) and Peg North (6,757 ha) claims. Peg North is host to five historically mapped pegmatites that have yet to see follow up. The company is preparing inaugural drill programs for Grass River and Peg North, each planned for ~2,000m starting in Q4/23. We expect continued M&A activity in 2023.

Management and board is heavily aligned with shareholders. The team is led by Mr. Jason Barnard. He was previously a self-employed private investor that was directly involved in raising +\$500M for mining and exploration companies, with a focus on Canadian base metal companies. Mr. Barnard first started working with and financing Foremost (previously Far Resources) in 2016. He is the largest shareholder with over 10% holdings.

Management is supported with technical team that includes Dr. Mark Fedikow, VP of Exploration, who brings >40 years of experience in exploration geology. He is a past recipient of the Provincial Geologist gold medal, a Canadian national award for excellence in the geosciences. Collectively, management and insiders own ~15% of the stock.

Positive drill results could drive an upward re-rating

Catalysts

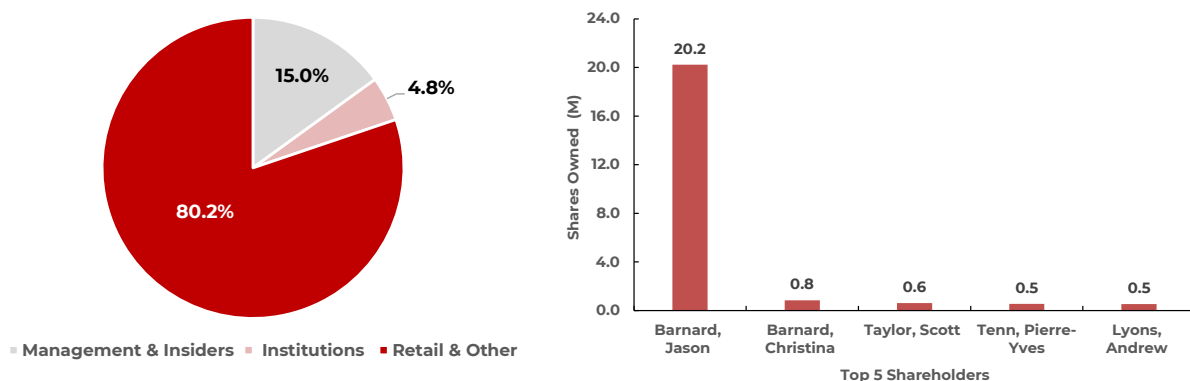
Positive drill results could drive a re-rating. The next key catalyst for Foremost is the pending drill results from its ongoing, inaugural 3,000m drill program at Jean Lake. Additional drill programs are tentatively planned for Q4/23 for Zoro and Jean Lake, as well as inaugural drill programs for Grass River and Peg North, with each program comprising ~2,000m. Depending on the results, each program may inform a potential follow-up program of resource definition drilling.

- **Zoro** – 1) prospecting, rock and soil sampling geochemical surveys (Q2-Q3/23) and 2) 2,000m drill program (Q4/23)
- **Jean Lake** – 1) completion of 24-hole (3,000m) drill program (H1/23), 2) prospecting, rock and soil geochemical surveys (Q2-Q3/23), and 3) 2,000m drill program (Q4/23)
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- **Peg North** – 1) results from drone magnetic and Lidar surveys (H1/23), 2) prospecting and geo-chem work (Q2-Q3/23), and 3) 2,000m inaugural drill program (Q4/23)
- **Jol** – 1) prospecting, geo-chemistry work, and data interpretation (ongoing)
- **Winston** – 1) potential spin-out (2023)

Financial Analysis

Funded with recent sale; a supportive retail shareholder base in place. Foremost currently has a cash balance of ~C\$2.6M and debt balance of C\$900k. Two recent events have contributed to an increase in its cash balance, including the sale of its 60% interest in the Hidden Lake Li project for C\$3.5M, as well as two grants totaling ~C\$600k from the Manitoba Mineral Development Fund (MMDF). The company's shareholder composition is split between three different groups including retail & other (80%), management & insiders (15%), and institutions (5%). One of Foremost's goals in 2023 is to expand its retail shareholder base towards more strategic and institutional investors.

Figure 5: Ownership structure and top five shareholders



Source: S&P Capital IQ, RCSI

Figure 6: Ownership structure and top five shareholders

Capital Structure	# of Shares (M)
Common Shares	198.5
Options	16.3
Warrants	1.2
Fully Diluted Shares	216.0

Source: S&P Capital IQ, RCSI

Foremost Lithium trades at a premium to peers on an EV/t LCE basis

Relative Valuation

Foremost trades at a heavy premium on an EV/t LCE basis at ~C\$1,689 versus its peer group average of ~C\$370, due to its relatively small starter resource at Zoro. However, we believe Foremost may be better compared to early-stage, pre-resource peers, given that the company is primarily focused on new discoveries rather than resource delineation. Foremost trades at an EV of ~C\$41M whereas its pre-resource, discovery-focused peers trade at ~C\$231M.

Figure 7: Comparable companies analysis

Company	Ticker	Price (C\$/sh)	YTD Perf.	Shares (M)	Mkt. Cap C\$M	Cash C\$M	Debt C\$M	EV C\$M	Resources LCE Mt	EV/t C\$	Consensus P/NAV
Foremost Lithium Resource & Technology Ltd.	CNSX:FAT	\$0.22	26%	198.0	\$42.6	\$2.6	\$0.9	\$40.9	0.02	\$1,689.4	NA
Norris Lithium Inc.	CNSX:CHCK	\$0.30	-33%	32.8	\$9.8	\$0.6	\$0.0	\$9.2	NA	NA	NA
Tearlach Resources Limited	TSXV:TEA	\$0.33	-86%	83.9	\$27.7	\$3.7	\$0.0	\$24.0	NA	NA	NA
Lithium One Metals Inc.	TSXV:LONE	\$0.52	4%	38.8	\$20.2	\$1.4	\$0.6	\$19.4	NA	NA	NA
Frontier Lithium Inc.	TSXV:FL	\$2.05	0%	226.4	\$464.1	\$30.2	\$0.2	\$434.2	1.67	\$260.0	0.4x
Critical Resources Limited	ASX:CRR	\$0.04	-17%	1594.8	\$57.2	\$7.9	\$0.2	\$49.4	NA	NA	NA
Winsome Resources Limited	ASX:WRI	\$1.42	15%	170.3	\$241.1	\$9.4	\$0.0	\$231.7	NA	NA	NA
Brunswick Exploration Inc.	TSXV:BRW	\$0.84	77%	183.8	\$154.4	\$4.3	\$0.7	\$150.8	NA	NA	NA
Rock Tech Lithium Inc.	TSXV:RCK	\$2.45	17%	96.8	\$237.1	\$41.3	\$1.0	\$196.8	0.36	\$546.7	0.4x
Patriot Battery Metals Inc.	TSXV:PMET	\$11.66	77%	96.9	\$1,129.5	\$19.3	\$0.0	\$1,110.2	NA	NA	0.7x
Snow Lake Resources Ltd.	NASDAQ:LITM	\$2.58	13%	17.9	\$46.3	\$23.8	\$0.2	\$22.7	0.27	\$84.0	NA
Critical Elements Lithium Corporation	TSXV:CRE	\$2.38	15%	217.7	\$518.0	\$31.6	\$0.0	\$486.4	0.83	\$588.0	0.4x
Power Metals Corp.	TSXV:PWM	\$0.32	2%	133.3	\$42.0	\$1.4	\$0.0	\$40.6	NA	NA	NA

Median	\$100.1	0.59	\$403.3	0.44x
Average	\$231.3	0.78	\$369.7	0.49x
Pre-Resource Peers Average	\$204.4	0.00	\$0.0	0.66x

Source: RCSI, S&P Capital IQ

Foremost has evaluated the potential to produce a ~6% Li₂O spodumene concentrate at the Zoro project

Asset Overview

Zoro Project

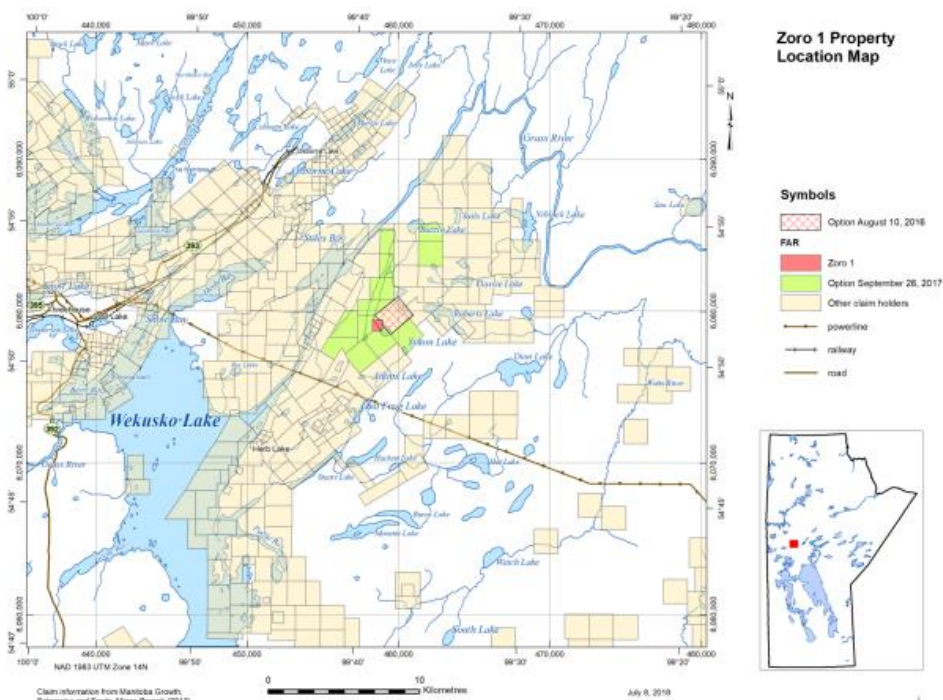
The Zoro lithium project comprises 16 claims covering a total of 3,603 ha. The project is host to an inferred resource on a portion of Dyke 1, which was previously reported at ~1.07Mt grading 0.91% Li₂O. Zoro is located at the east end of the Flin Flon-Snow Lake Greenstone Belt and is easily accessible with nearby infrastructure. Recent work has focused on assessing the viability of producing a 6% Li₂O spodumene concentrate and processing it into battery-grade Li-hydroxide that is marketable to potential strategic partners.

Location and Ownership

The Zoro Li project is located near the east shore of Wekusko Lake in west-central Manitoba, ~25km east of the mining town of Snow Lake, 249km southeast of Thompson and 571km north-northeast of Winnipeg. Provincial Road 393 occurs 39km to the northwest of the project area, and the pegmatite dykes are located northwest of the northwest corner of Johnson Lake, which is a small lake east of Wekusko Lake.

The Zoro project is 100% owned by Foremost. The property is subject to a 2% NSR, half of which can be repurchased for C\$1M.

Figure 8: Location map of the Zoro project



Source: Company Reports

Infrastructure, Accessibility and Resources

Nearby infrastructure includes a power line servicing the town of Snow Lake (located ~5km south of the property), the Snow Lake airport, an all-weather gravel road 11km west, and a rail link, 20km south of Herb Lake Landing. The nearest road link is a seasonal road on the east side of Wekusko Lake that can access the village of Herb Lake Landing and Provincial Highway 392 to the south. Helicopter flights from the Snow Lake airstrip take ~15 minutes to arrive at the project area. For exploration purposes, access to the property

Zoro is located nearby existing infrastructure and is easily accessible using provincial Highway 39

is possible using provincial Highway 39 and driving north to Bartlett's Landing where a boat can be launched from the shores of Wekusko Lake and winter drill roads during freeze-up. It remains close to a regional hospital, a newly built shopping centre, and all the necessary infrastructure to support the local town.

Figure 9: Available infrastructure in the area of the Zoro Li project

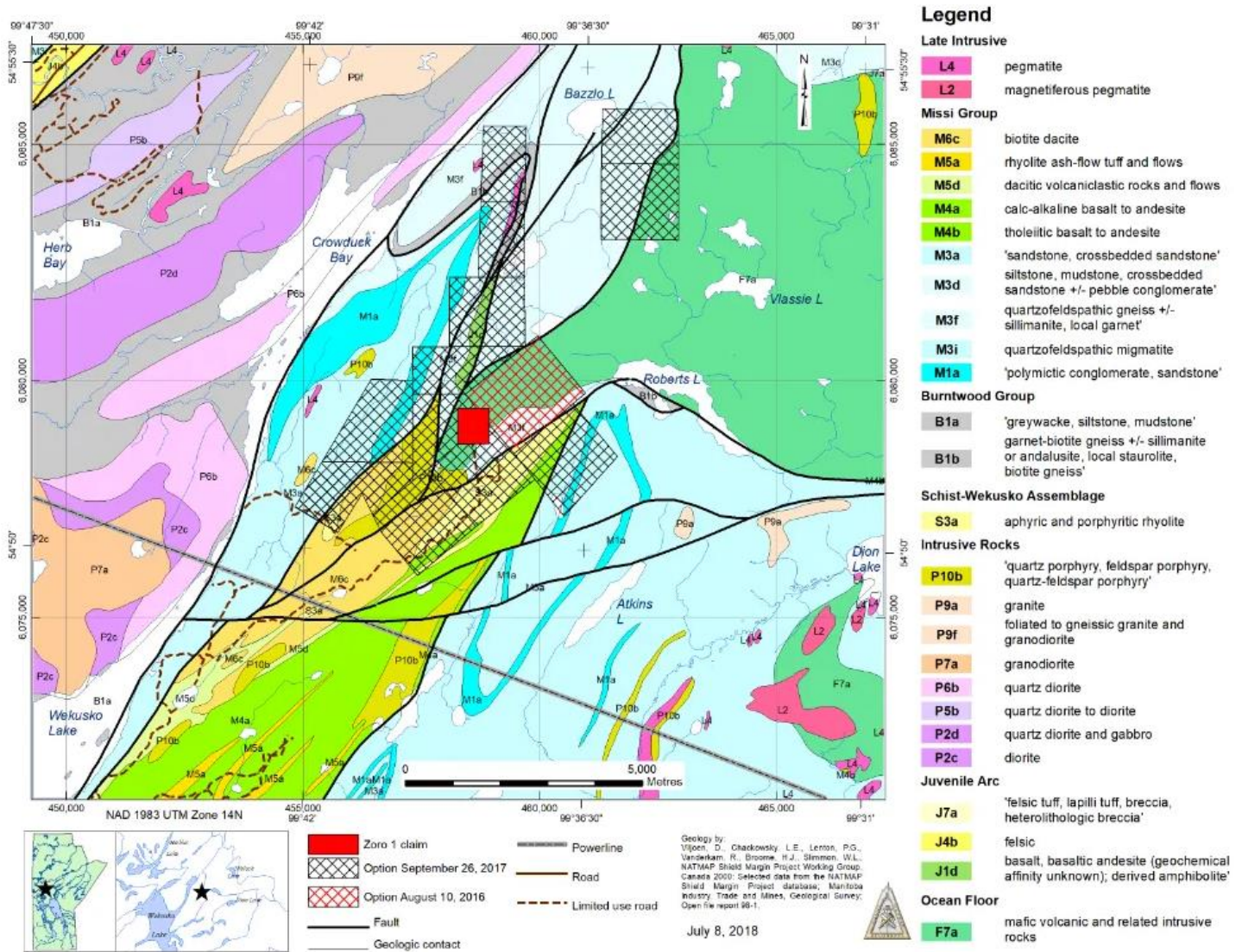


Source: Company Reports

Geology and Mineralization

Located in the Flin Flon-Snow Lake Greenstone Belt, Zoro is underlain by Ocean Floor volcanic rocks of the Roberts Lake allochthon and lesser amounts of Missi Group sedimentary rocks. The Ocean Floor rocks comprise of mafic volcanic rocks and intrusions, and the Missi Group consists of sandstone, siltstone, mudstone and quartz-feldspathic gneiss and migmatite. The Ocean Floor mafic volcanic rocks adjacent to the pegmatite dykes consist of a fine to medium grained strongly foliated dark green lithology. They are also locally interbedded with volcanoclastic sedimentary rocks and are intruded by a quartz-phyric granite intrusion. The spodumene-bearing pegmatite dykes on the property strike northwest with steep dips and crosscut the regional foliation at a low angle. Spodumene is concentrated in the core in the majority of dykes. Further, the general area is crosscut by a series of northeast and near-east trending structures including the major Berry Creek fault that extends along Crowduck Bay, to the west of the project area.

Figure 10: General geology in vicinity of the Zoro Li project with claim boundaries



Source: Company Reports

The Zoro project consists of 16 dykes, and the primary mineralization of interest is spodumene

The primary mineral of interest at the project is spodumene, which is a lithium aluminum silicate, comprising 8.0% Li₂O, 27.4% Al₂O₃, and 64.6% SiO₂ in its pure form. The Zoro project comprises a minimum of 16 lithium-bearing zoned pegmatite dykes that intrude Proterozoic Amisk Group volcanic and volcanoclastic rocks in a 2km zone trending ~55 degrees northwest. The dykes strike north and northwest and dip vertically. The main, most westerly dyke (Dyke 1) outcrops along the west of a ridge, 4.5m to 6m high, and intrudes siliceous metasedimentary rocks and amphibolite. It is up to 27m wide at surface and exposed to 16 historical cross-trenches over a length of 183m.

Figure 11: Coarse-grained bladed spodumene, trench muck sample, Dyke 1



Source: Company Reports

Exploration work initially commenced at Zoro in 1956

Exploration

Early in 1956, before drilling commenced, samples were reported to contain more than 2% Li_2O . Over 6,096m of diamond drilling was completed with at least 3,048m of this on the main dyke. Assays of 2.42% to 7.28% Li_2O were reported on Dyke 5.

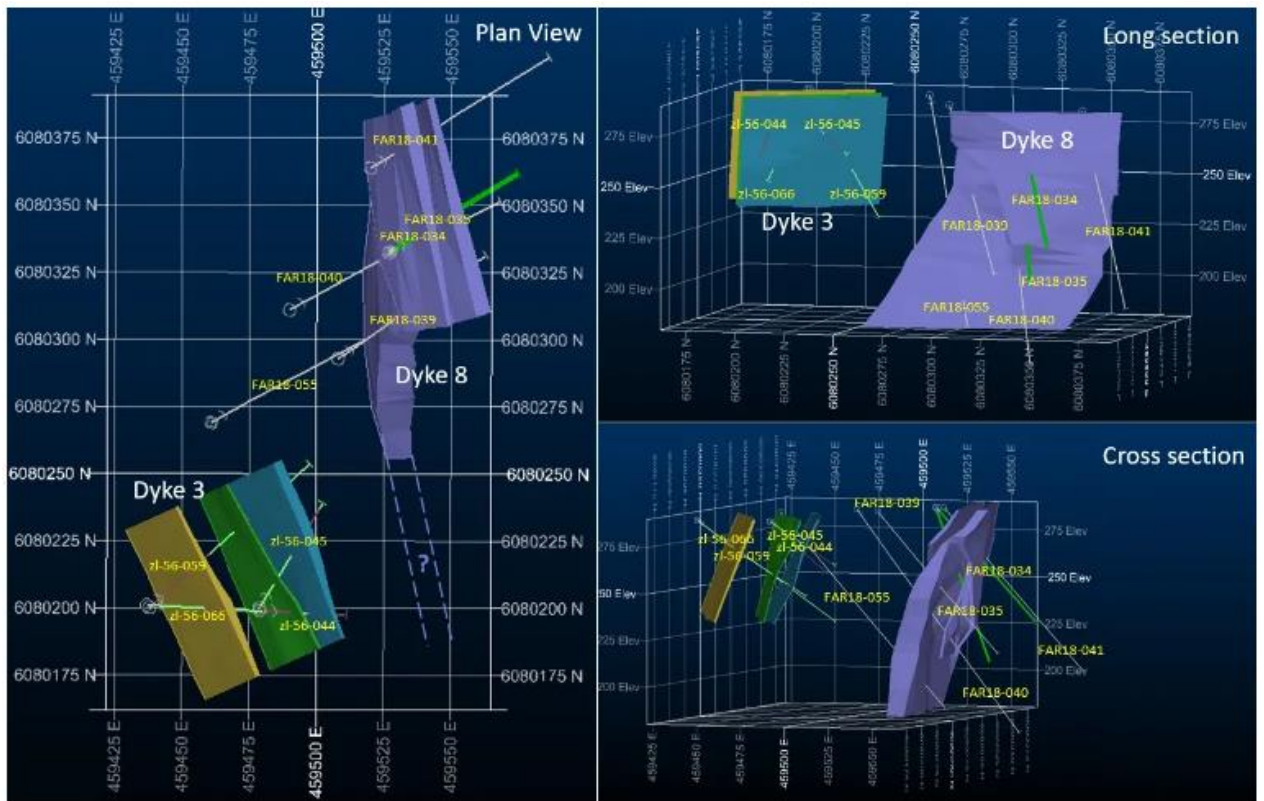
In mid-March, a historical reserve estimate of 1.815Mt grading 1.4% Li_2O was reported. In 1957, this estimate was revised to 1.72Mt averaging 1.3% Li_2O or 2.72Mt at 1.0% Li_2O in Dyke 1. By March 1958, 12 different tonnage estimates had been made.

Several airborne surveys were completed in the area between 1948 and 1973, including 1) an aeromagnetic survey by Inco in 1948, 2) an airborne electromagnetic survey by Canadian Nickel in 1957, 3) a helicopter borne electromagnetic and radiometric survey by Hudson Bay Exploration and Development in 1965, and 4) an airborne electromagnetic and magnetic survey by Falconbridge Nickel Ltd. in 1973.

The '80s saw further sampling and mapping, however, the project was relatively inactive until Force Energy Ltd. optioned the property in 2011. Force Energy defaulted in 2012 and the claim was then optioned to Far Resources Ltd. (now Foremost) in 2016. Foremost then acquired the ZORO1 mineral claim in May 2017.

In 2018, Dyke 8 was discovered on the Zoro property and a Mobile Metal Ions (MMI) soil geochemical anomaly was drill tested. Drill hole Far18-35 intersected 36.5m of spodumene-bearing pegmatite. Assays comprised of three separate intercepts of high-grade lithium including 1.1% Li_2O over 12.3m, 1.2% Li_2O over 4.4m, and 1.5% Li_2O over 2.2m.

Figure 12: Plan view, long section and cross section of Dyke 3 and Dyke 8



Source: Company Reports

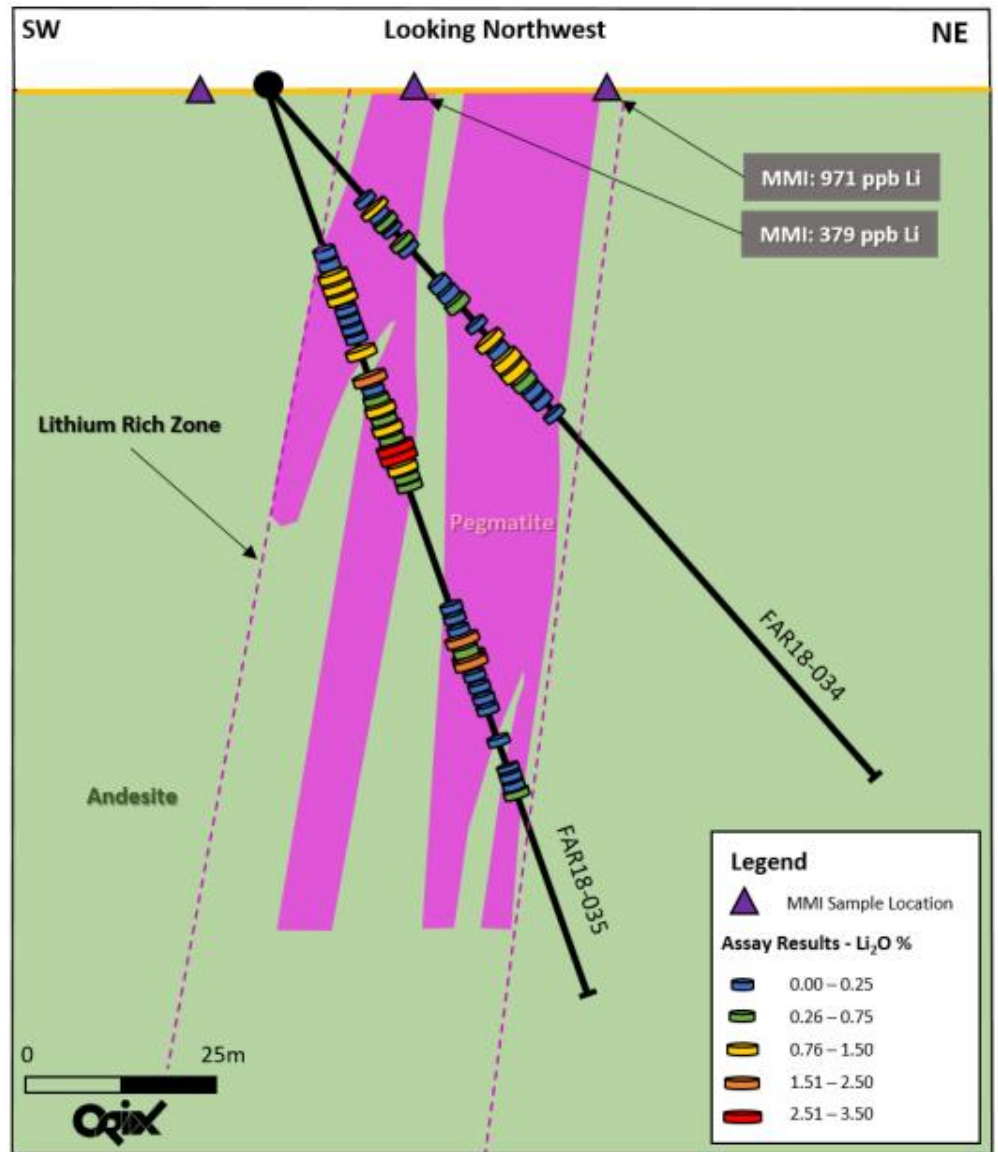
Recent drilling testing at Zoro has returned results from two pegmatites: Dyke 8 and Dyke 16.

In 2022, a ten-hole (1,509m) drill program was undertaken to test Mobile Metal Ion (MMI) soil geochemical anomalies and assess the deeper levels of high-grade spodumene pegmatite Dyke 8 discovered in 2018. Hole-DDHFM22-71 undercut the original 2018 pegmatite discovery and intersected two discrete pegmatites. A spodumene-bearing pegmatite was intersected between 70.45m and 75.89m and a second between 84.4m and 86.65m. Assays from the first pegmatite intersection varied from 0.05%-0.86% Li₂O in five core samples over 4.71m and 0.05% Li₂O in each of two core sample over 2.25m from the second pegmatite intersection.

Foremost previously reported that Dyke 8 has drill-indicated dimensions of 120m in strike length, average width of 10m and was drilled to a depth of 157m.

Results were also recently returned for the sixteenth spodumene-bearing pegmatite dyke on the Zoro property which was intersected and discovered by two holes. This dyke intersected up to 5m of 15% light green spodumene. A total of 8.28m of spodumene-bearing pegmatite was intersected. The highlight result returned 1.33% Li₂O over 1m.

Figure 13: Assays from testing a Mobile Metals Ions Li soil geochemical anomaly



Source: Company Reports

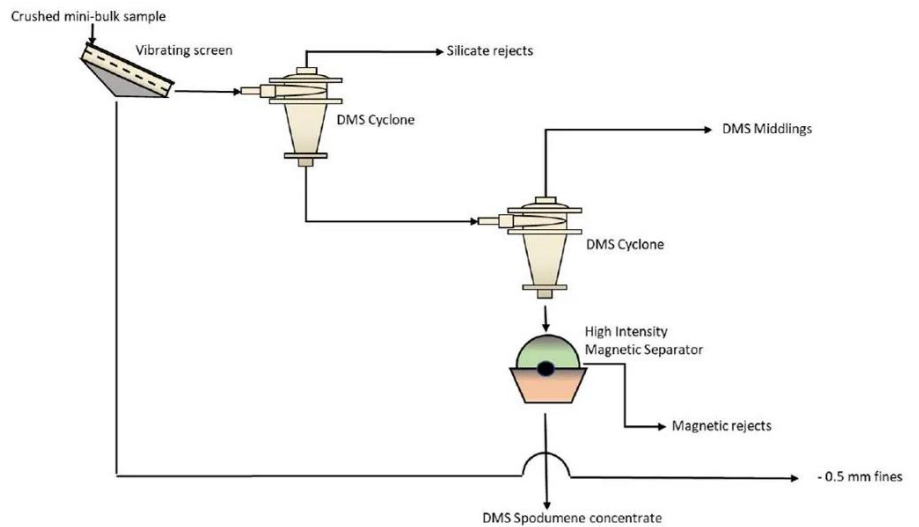
Metallurgical testing from Dyke 1 indicates that a high-grade 6% Li_2O concentrate can be produced

Metallurgy

In December 2022, Foremost reported sample testwork on Dyke 1 that was based on heavy liquid separation (HLS), dense media separation (DMS), and dry magnetic separation. The bulk sample was processed on a DMS lab pilot plant that produced a final spodumene concentrate of 5.93% Li_2O , at a recovery of 66.9%, in 26.5% mass after magnetic separation. The iron content in the spodumene concentrate returned 1.23% Fe_2O_3 , slightly higher than the targeted 1%, but appropriate for hydrometallurgical processing.

The DMS step is expected to reject ~50% of the coarse waste rock at an early stage of processing, and therefore reduce ore transportation and handling costs for a future plant. The DMS process would include a magnetic separation step to remove iron-rich material.

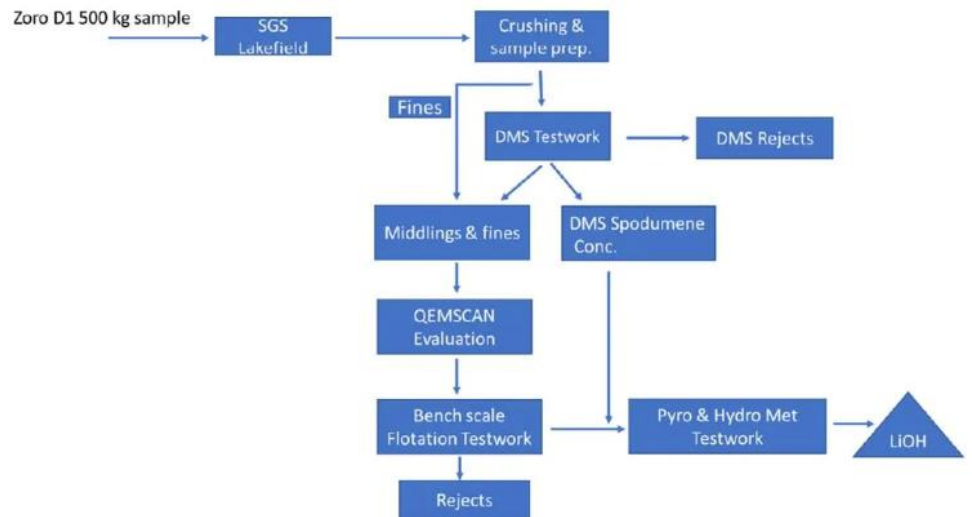
Figure 14: DMS flowsheet



Source: Company Reports

Phase 2 testing, which included a flotation step, recovered 81.6% of the sample into a 5.88% Li₂O spodumene concentrate, which is high enough to be marketable to lithium chemical producers ([read more](#)).

Figure 15: Proposed flowsheet for LiOH production



Source: Company Reports

Mineral Resources

An inferred mineral resource estimate was previously reported at the Zoro project but covers only a portion of material within Dyke 1. A cut-off of 0.3% was chosen as the base case to determine the resource estimate. Dyke 1 contains 1,074,567 tonnes at 0.91% Li₂O, 182 ppm Be, 198 ppm Cs, 51 ppm Ga, 1,212 Rb, and 43 ppm Ta.

Figure 16: Inferred resource grade-tonnage table for Dyke 1

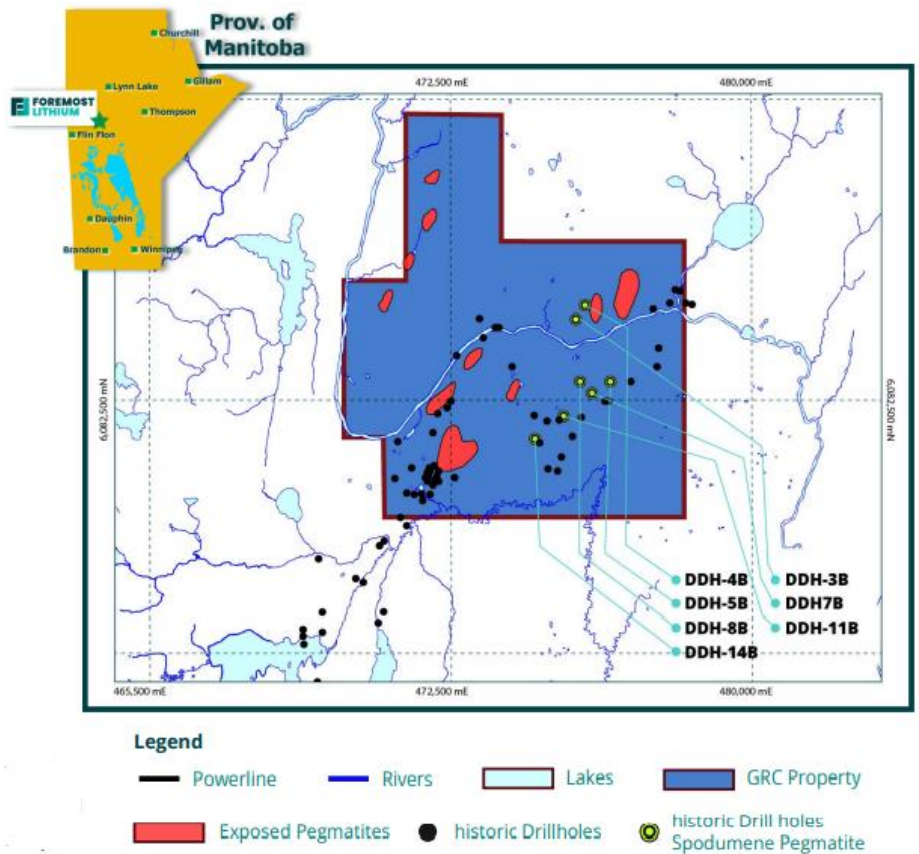
Li2O (%) Cut-off	Tonnes	Li2O (%)	Be (ppm)	Cs (ppm)	Ga (ppm)	Rb (ppm)	Ta (ppm)
0.3	1,074,567	0.91	182	198	51	1,212	43
0.4	946,402	0.99	180	201	51	1,203	43
0.5	881,815	1.03	179	203	51	1,197	43
0.6	780,350	1.09	180	207	52	1,196	42
0.7	721,660	1.13	179	208	52	1,190	42
0.8	629,578	1.18	181	210	52	1,174	42
0.9	515,652	1.26	183	211	53	1,152	43
1.0	419,961	1.33	188	212	54	1,135	43

Source: Company Reports

Grass River Project

The Grass River project comprises 27 claims covering 6,018 ha, 30km east of the historic town of Snow Lake, and 6.5km east of the Zoro project. The project hosts ten pegmatites exposed in outcrop and seven drill-indicated spodumene-bearing pegmatite dykes. These pegmatites show similar trends to those of the Thompson Brothers lithium trend, which are known to be associated with lithium-enriched pegmatite dyke clusters.

Figure 17: Compilation of pegmatites exposed in surface outcrop and drill intersected spodumene-bearing pegmatite on the Grass River Li property



Source: Company Reports

The Grass River project is host to multiple pegmatite dykes, with similarities to those in the Thompson Brothers lithium trend

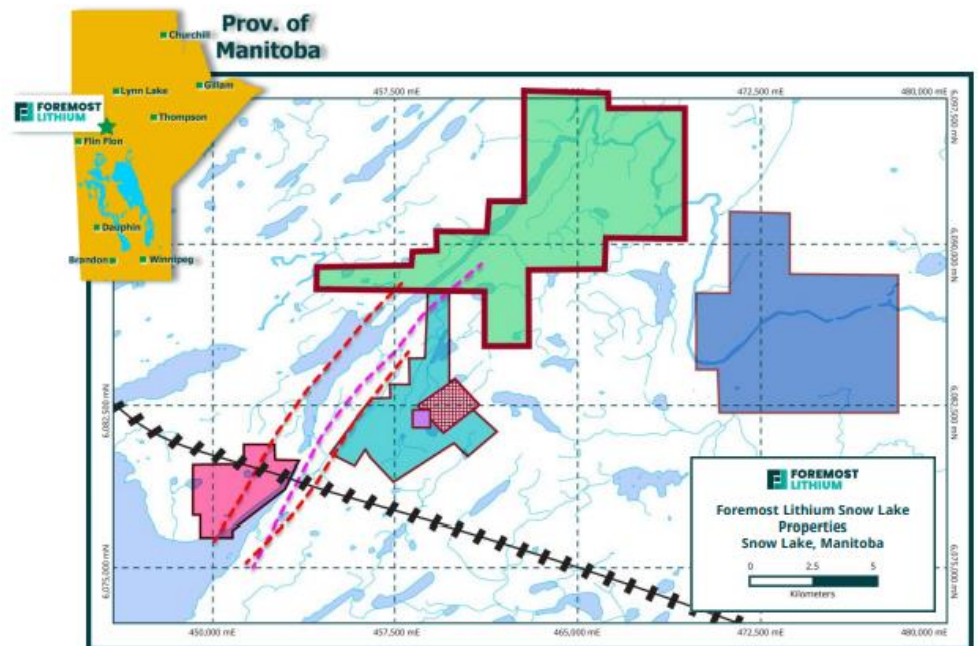
Foremost acquired the Peg North claims project at the beginning of 2022

Peg North Project

Foremost Lithium acquired the Peg North project at the beginning of 2022. The Peg North project is located in the historic mining district of Snow Lake, Manitoba, and consists of 28 claims spanning 6,757 ha. It hosts at least five known pegmatite dykes and extends alongside the entire northern extension of the Crowduck Bay Fault, which is known for its association with lithium-enriched pegmatite dyke clusters.

The Peg North claims include the northeast extension of host rocks and structure to the Thompson Brothers Li deposit where spodumene-mineralized pegmatite dykes associated with the regionally extensive Crowduck Bay Fault are being aggressively explored by Snow Lake Lithium. Additional lithium-bearing pegmatites that are northeast, east and southeast of the property, underscore the highly prospective nature of the Peg North property for repetitions of lithium-bearing pegmatite dykes.

Figure 18: Map showing Peg North property and other properties in the Snow Lake District



Source: Company Reports

Jean Lake's project location is known to host world-class gold, and gold-rich base metal deposits

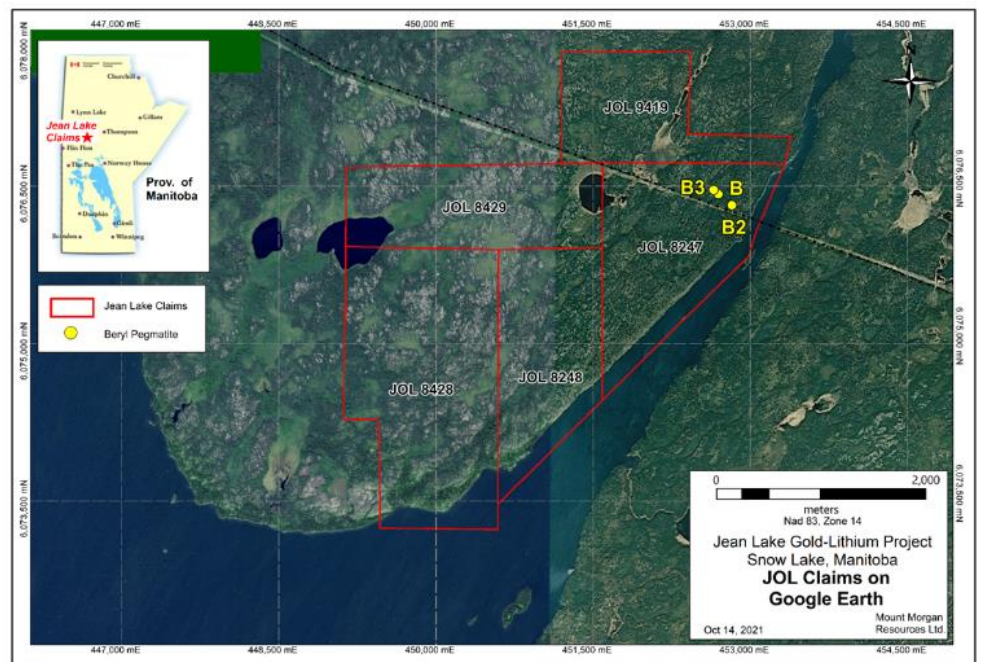
Jean Lake Project

The Jean Lake Li and Au property is situated in west-central Manitoba, 15km east of the historic town of Snow Lake, and comprises five claims that cover 1,002 ha. Jean Lake has year-round access, power access through the property, an airstrip located 5km to the northwest, highway access within 11km, and rail access 35km to the south.

The property hosts the historical west-northwest striking Beryl lithium pegmatites rediscovered in August 2021 in blasted trenches beneath 80 years of organic deadfall and glacial sediment. The 270-degree trending dykes are characterized by coarse grained light green spodumene crystals in a matrix of potassium feldspar, quartz, and muscovite. The host rocks are porphyritic gabbro.

The property also hosts the shear zone-hosted Sparky Au occurrence discovered in 1918. The gold mineralization is associated with disseminated and near-solid fracture fillings consisting of fine-grained to blocky arsenopyrite with lesser pyrite and chalcopyrite hosted within sheared and silicified massive basalt and gabbro.

Figure 19: Location of the claims and Beryl pegmatites (B1 and B2) at Jean Lake



Source: Company Reports

Exploration

A Fall 2021 sampling program identified two significant spodumene beryl pegmatites. Assays returned up to 5.17% Li₂O at B1 and 4.74% Li₂O at B2.

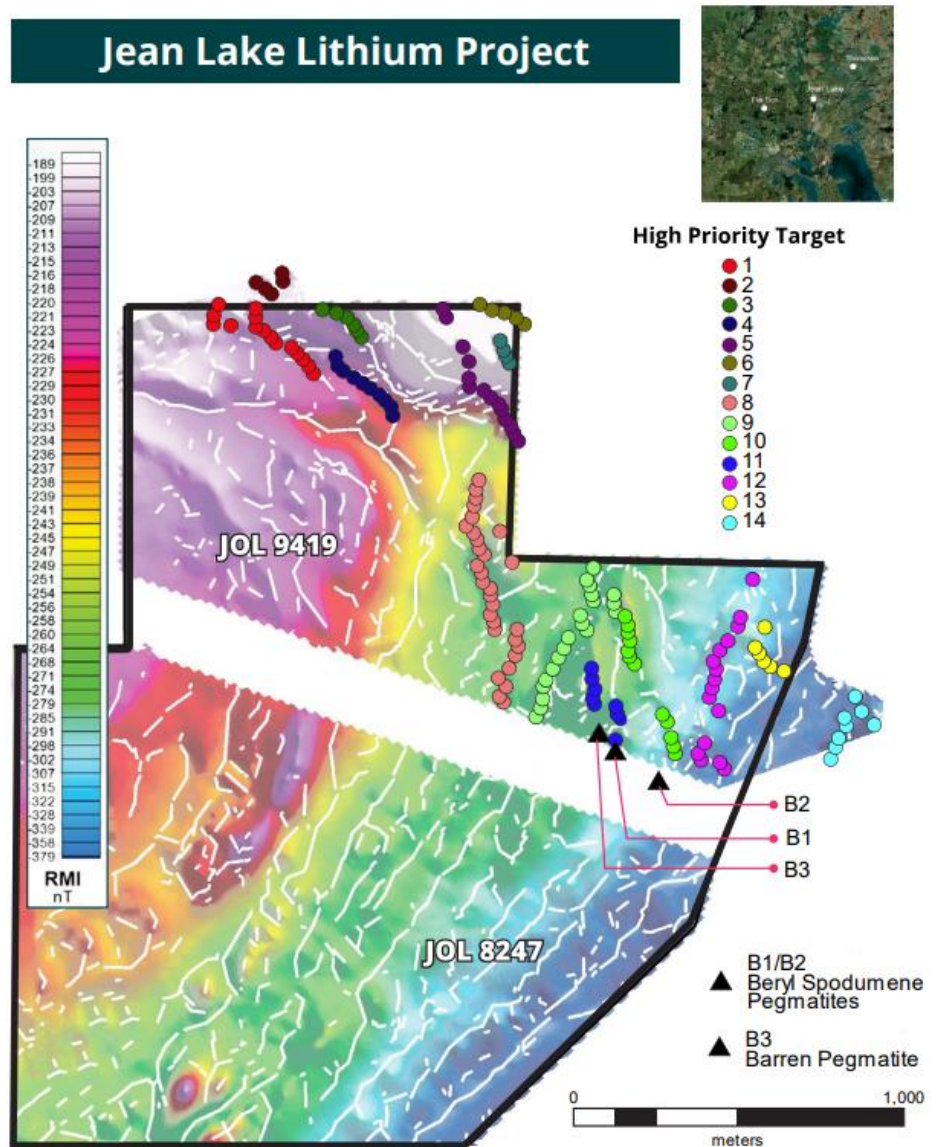
In December 2022, Foremost commenced a 24-hole diamond drill program in proximity to Snow Lake Lithium's ~11Mt inferred and indicated resource. Drill targets are on trend with the Sherritt Gordon and Grass River pegmatites on Snow Lake Lithium's property.

The B1 and B2 pegmatites appear to be an extension of the Sherritt Gordon and Grass River pegmatites being drilled by Snow Lake Lithium

Regarding the project's historical gold results, fifteen representative rock chip samples from the Sparky occurrence returned results with an average sample grade of 5.25 g/t Au and maximum contents of 20.9 g/t Au. All but one sample returned >1 g/t Au. Grab samples of mineralization were exposed in outcrop and collected from pervasively silicified wall rock containing brecciated and mineralized quartz veins.

Figure 20: Location of the claims and Beryl pegmatites (B1 and B2) at Jean Lake

A ~3,000m, 24-hole diamond drill program is currently ongoing at Jean Lake



Source: Company Reports

Foremost is advancing Jol through prospecting work, as well as geochemical and geophysics work

Jol Project

In June 2022, Foremost announced that it acquired an additional 25 ha land parcel situated north from Jean Lake and west of Zoro. The company plans to explore for Li-bearing pegmatites on the project through: 1) first pass prospecting of outcrop, 2) EarthEx drone-assisted magnetic survey, and 3) surficial geochemical assays including Mobile Metal Ions technology.

Winston Project

The Winston Au-Ag project consists of three mines – Little Granite, Ivanhoe, and Emporio – with contiguous landholdings covering ~2,800 acres. These claims are targeted along a footprint of mineralization extending for more than 8km of strike. The company noted that it is planning to spin this project out in the near-term.

Geology and Mineralization

The Winston project, situated in the historic Black Range Mining District of southwestern New Mexico, covers 108km² of the northern portion of the Chloride District. High-grade silver and gold deposits were discovered in 1880 and the area was a major producer until the 1893 crash in the Ag price.

The mineralization is of epithermal type, common throughout the Cordillera of North and South America. Volcanic host rocks were likely formed at the same time as the mineralization. Individual mines and prospects show strong controlling geological structures, typically with north-south high-angle faulting associated with Rio Grande Rift, extending for >1,200km from northern Mexico to central Colorado.

Summary of 2021 Sampling and Exploration

Historical sampling has confirmed the occurrence of high-grade material at all three of the historic mines. These samples were deemed successful and produced many high-grade samples including 41.5 g/t Au and 4,610 g/t Ag on newly staked claims, where no modern exploration efforts were systematically assessed in the northern portion of the Chloride District.

Figure 21: Samples identified from Winston property – Part 1



Source: Company Reports

Figure 22: Samples identified from Winston property – Part 2



Source: Company Reports

Additional samples from these mines returned peak values of 66.5 g/t Au and 2,940 g/t Ag from Little Granite, 26.8 g/t Au and 1,670 g/t Ag from Ivanhoe, and 46.1 g/t Au and 517 g/t Ag from Emporio.

Figure 23: Highest grade sample from each mine

Mine	Au ppm	Ag ppm
Little Granite	66.5	2940
Ivanhoe	26.8	940
Emporio	44.9	517
Prospecting Best	41.5	4610

Source: Company Reports

The Winston project consists of three mines – Little Granite, Ivanhoe and Emporio

Little Granite Mine

Little Granite Mine is a past-producing, high-grade silver-gold mine hosted in Tertiary volcanics. The gold-silver mineralization in the region is known as epithermal, with previous mineralization hosted by quartz and carbonate veins in altered volcanic rocks. This style of mineralization is known worldwide and hosts some of the highest-grade Au-Ag mines such as Hishikari in Japan, Fruta del Norte in Ecuador and Midas in Nevada.

The overall controlling geological feature is known as the Rio Grande Rift and extends into northern Mexico, which is host to several past and present silver mines. The main vein has been traced for >200m by past drilling and underground workings. It also remains open along strike to both the north and south, and at depth. Historical drill reports suggest the primary vein widens to more than 4m true width, at depth.

Ivanhoe – Emporia Mines

Ivanhoe – Emporia is a past-producing Au-Ag mine. Its main shaft is to a 384 ft depth with a 370 ft decline. It has potential for large tonnage of lower grade, stockwork veins surrounding high grade veins mined in the past. Soil geochemistry and geophysical anomalies are expected to be defined for follow up, as favorable structural conditions persist along the bends and jobs of the Paymaster fault.

Figure 24: Highest grade sample from each mine



Source: Company Reports

Past preparatory work for drilling has included data compilation of historic and recent work, along with the acquisition of high-resolution LiDAR satellite imagery to follow construction of an accurate terrane model. Notably, the property has had little or no modern exploration since the early 1980's. As a result, drilling and true resource potential has not been realized.

Risks

Mining operations and projects (exploration and development) are inherently risky investments given the large initial expenses that are required in advance of any potential revenue. Our view is based on publicly available information and conversations with management. We note that our estimates and view are not without political, social, technical, geological, or financing risks typical for junior mining and exploration-stage companies. For Foremost Lithium Resource & Technology Corp., these risks may include:

1. **Geopolitical/jurisdictional risks** – Some of these risks may be out of the control of the company, including royalty and taxation levels, land agreement liabilities, regulatory, environmental and permit requirements and timing, global trade wars and political instability. We note that Foremost is operating in Manitoba's Snow Lake region which has a long history of mining and resource development.
2. **Technical risks** – This covers a wide variety of issues that we see associated with the project including exploration, development and exploitation strategies and methods. It would cover such issues as accuracy of geological interpretation, resource/reserve estimates and economic studies and inputs such as commodity prices, cost and grade fluctuations, assay reconciliation, metallurgical issues, and exploration success. Our view relies on using existing technical data, recent exploration results and to a limited extent, expected results from future drilling. Future results may differ and negatively impact our assumptions.
3. **Corporate risks** – These may include project execution by management, investor relations effectiveness, or market sentiment. Management pedigree and performance are paramount, and market sentiment may also be an issue. While we expect the current lithium market to remain robust in the near future, our estimates may be negatively impacted by a change in market sentiment.
4. **Financial risks** – These may occur at the operational, project or corporate level, including variation in valuation parameters or metrics, commodity price or foreign exchange fluctuations, access to credit including debt, equity financing or potential for shareholder dilution.

As new information becomes available, we may refine our estimates and forecasts.

Appendix: Management & Directors

Jason Barnard – CEO and President

Mr. Barnard has over 31 years of experience in capital markets. Since 2004, he was self-employed as a private investor, where he was involved in raising +\$500M for mining and exploration companies with an expertise in Canadian base metal companies. Mr. Barnard started his career with McDermid St. Laurence Securities in 1991 as a stockbroker, with a primary focus in mining and mining exploration companies. Mr. Barnard then worked at Canaccord Genuity from 1997 until 2004. He began working with and financing Foremost Lithium, with founder, and President Keith Anderson in 2016 and is the company's largest shareholder.

Michael McLeod – Chairman of the Board

Mr. McLeod has over 40 years of experience in the corporate financial services industry. He has been a long-term member of the Canadian Investor Relations Institute and Governance Professionals of Canada. Mr. McLeod has served as a global advisor and counseled many boards of directors and management teams. He also currently serves as a senior director to Morrow Sodali.

Andrew Lyons – Director

Mr. Lyons has over 30 years of experience in program and project management in the public markets, financial and technology sectors. He holds a BSc (CS) and BBA from the University of New Brunswick, an MBA from the University of Ottawa and a PMP from the Project Management Institute. Mr. Lyons is well versed in corporate governance of organizations in the private, public and non-profit, and has worked with private, public companies and governments, involving scope, budgeting, capital funding, and project management. He has previously consulted with several mining companies, working with senior management and boards, and consulted on the use of proceeds. Mr. Lyons was on the advisory board of Lida Resources before it went public and is currently on the advisory board of Lakestone Resources.

Johnathan A. More – Director

Mr. More brings over 28 years of experience in global capital markets focused primarily on natural resource industries. His distinguished tenure at Canaccord Genuity included many significant achievements and he retired in 2008 as Vice President and Advisor at the Company. Mr. More successfully transitioned from the capital markets to the public company sector where he has been responsible for numerous successful transactions in the Canadian marketplace and continues to identify and create new opportunities. He currently serves as Chairman & CEO of Starr Peak Mining Ltd, a Canadian company focused on gold exploration. Mr. More is also Chairman and CEO of Power Metals Corp., a Canadian company focused on Lithium, Cesium and Tantalum exploration.

Christopher MacPherson – Director

Mr. MacPherson has 25 years' experience in finance, banking and entrepreneurial enterprises in the North American markets with extensive experience in capital markets. He was responsible for finance and marketing activities, funding and acquisition opportunities, as well as assisting in strategic and tactical matters. Previously, Mr. MacPherson served as Chief Financial Officer of Bathurst Metals Corp., Chief Financial Officer and Director of Sterling Group Ventures Inc., and had roles at

Bathurst Metals, and Sterling Group Ventures. Mr. MacPherson was Vice President at CIBC World Markets and has on a number of boards, including BR Hydro and Westech.

Mark Fedikow, PhD, P. Geo, CPG – VP of Exploration

Dr. Fedikow has over 40 years of experience as an exploration geochemist and a mineral deposits geologist working in both private and public sectors. Dr. Fedikow has served on numerous industry-related committees. He also pioneered the application of regional multimedia geochemical and mineralogical surveys in support of base and precious metals and diamond exploration in Manitoba. In 2001, he received Provincial Geologists gold the Provincial Geologists gold medal, a Canadian national award for excellence in the geosciences. He is currently registered as P.Eng and P.Geo with Engineers Geoscientists Manitoba, P.Geo with the Northwest Territories and Nunavut Association of Professional Engineers and Geoscientists (NAPEG) and as a Certified Professional Geologist (C.P.G) with the American Institute of Professional Geologists (AIPG), Westminster, Colorado, U.S.A.

Cyrus Driver – Chief Financial Officer and Corporate Secretary

Mr. Driver was appointed CFO and Corporate Secretary in January 2023. Mr. Driver is a Chartered Accountant and was founding partner of Driver Anderson since inception in 1981. While providing general public accounting services to a wide range of clients, he specializes in servicing TSX Venture Exchange-listed companies and members of the brokerage community. He also serves on the board of several listed companies, including as a Director on Power Metals Corp. and Starr Peak Mining Ltd.

Christina Barnard – Vice President of Operations

Ms. Barnard was appointed Vice President of Operations in December 2022 and has been part of the organization since August 2020. Mrs. Barnard brings over 20 years' experience in business management, media and marketing where she spent over ten years working as a senior marketing and media advisor. She previously worked with several public companies, including roles in corporate communications and strategist.

Lindsay Bottomer, P. Geo – Geoscientific Advisor

Mr. Bottomer has over 45 years of experience in international mining exploration and development, most recently focused on epithermal gold and porphyry copper-gold exploration in the American Cordillera and Central Asia. He recently retired from Entrée Gold after 10 years as VP acquisitions/Corporate Development, with major involvement in exploration of the You Tolgoi North and South concessions in Mongolia, leading to the discovery of the Hugo North Extension Cu-Au porphyry deposits. He also led the acquisition of the Ann Mason Cu-Mo porphyry deposit in Nevada.

Victor Cantore – Advisor

Mr. Cantore has more than 20 years of advisory and leadership experience having begun a career in 1992 as an investment advisor and then moving into management roles at both public and private companies. He is currently the President and CEO, Director of Amex Exploration. During his career, he has organized and structured numerous equity and debt financings, mergers and acquisitions, joint venture partnerships and strategic alliances. Mr. Cantore serves on the boards of various companies both private and public companies.

Michael Feinstein, CPG, PhD – Qualified Person (QP)

Dr. Feinstein is an Arizona-based Economic Geologist and Consultant with more than 15 years of experience leading mineral exploration projects for clients in the USA, Mexico, and Canada. As founder and primary of MineOro Explorations, he has managed the exploration/evaluation of more than 40 properties. He also has significant experience with Tertiary Volcanics and Low-Sulphidation Epithermal Vein Systems.

Raymond Strafehl – Advisor

Mr. Strafehl has over 20 years of experience as a former stock exchange trader, investment advisor and registered Commodity Trading Advisor. Over the past 15 years, Mr. Strafehl has served several public mining companies in roles as president, director, and in corporate relations. He also negotiated the \$170M takeover transaction of Valley High Ventures Ltd. Currently, he is a Director at Tearlach Resources, where he recently stepped down as President and CEO.

Koby Kushner | Mining Analyst
Alina Islam | Senior Research Associate
Daniel Kozielowicz | Research Associate
Shikhar Sarpal | Research Associate
Patrick Smith | Research Associate
Surya Sankarasubramanian | Research Associate

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Disclosure Statement

Updated March 17, 2023

Recommendation / Target Change			Red Cloud Securities has this percentage of its universe assigned as the following:	
Date	Rating	Target	Status	%
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2023-03-06	NA	NA	BUY (S)	23%
			HOLD	0%
			TENDER	0%
			NA	1%
			UNDER REVIEW	3%

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Company Name	Ticker Symbol	Disclosures
Foremost Lithium Resource & Technology Corp.	CSE:FAT	3

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