1055 West Georgia Street, 1500 Royal Centre, Vancouver, BC V6E 4N7 Canada

OVERVIEW

The following management discussion and analysis ("MD&A") is a review of results of operations, current financial position and outlook of Hertz Energy Inc. (formerly Hertz Lithium Inc.), together with its 100% subsidiary named Hertz Lithium USA LLC and Canuck Lithium Corp. (collectively, the "Company" or "Hertz") and should be read in conjunction with the interim condensed consolidated financial statements for the six months ended January 31, 2024 and the consolidated financial statements for the year ended July 31, 2023; including the notes thereto (the "Financial Statements"). The Financial Statements together with the following management discussion and analysis are intended to provide investors with a reasonable basis for assessing the financial performance of the Company as well as forward-looking statements relating to potential future performance.

Additional information related to the Company can be made available upon request from the Company's head office located at: 1055 West Georgia Street, 1500 Royal Centre, Vancouver, British Columbia, V6E 4N7, Canada.

Date of Report: March 25, 2024

NATURE OF BUSINESS AND OVERALL PERFORMANCE

Hertz is a British Columbia based junior exploration company primarily engaged in the acquisition and exploration of mineral properties. The Company's mineral exploration projects include the Lucky Mica Lithium Project, the AC/DC Lithium Project, the Patriota Lithium Project, the Maskwa Properties and Pomie and Yon Claims. The Lucky Mica Project is 939 hectares located within the Arizona Pegmatite Belt in the Maricopa County of Arizona, USA. The AC/DC Project is 26,500 hectares located in the renowned James Bay Lithium District in Quebec, Canada, just 26kms southeast of the Covette Lithium Project owned by Patriot Battery Metals and is contiguous to Rio Tinto's Kaanaayaa project claims. The Patriota Lithium Project is 2,963 hectares located within the Eastern Brazilian Pegmatite Province in Minas Gerais, Brazil and host to similar geology as Sigma's "Green Lithium Mine". The Maskwa property located in Eeyou Istchee James Bay in Quebec. The Pomie and Yon Claims is 5,046.26 hectares located in Nunavut.

The Company is also working with Penn State University's College of Earth and Mineral Science department ("PSRF") to develop a novel patent-pending hard rock lithium extraction technology that utilizes a process for extracting lithium directly from alpha-spodumene.

Currently, the Company does not own any operating mines and has no operating income from mineral production. Funding for operations is raised primarily through private and public share offerings. It is not known whether the Company's mineral properties contain reserves that are economically recoverable. The recoverability of amounts recorded by the Company for mineral property interests and related deferred exploration costs are dependent upon the discovery of economically recoverable reserves, the ability to raise funding for continued exploration and development, the completion of property option expenditures and acquisition requirements, and from proceeds from disposition.

On May 20, 2022, Bullrun Capital Inc. ("Bullrun") entered into an option agreement (the "Option Agreement") with the PSRF, a non-profit organization situated at University Park, Pennsylvania, USA. Where, the PSRF owns, and controls certain innovative technology filed as University Invention Disclosure No. 2019-4998 titled "A Novel Process for Extraction of Lithium from Spodumene" (the "Technology"). As per this Option Agreement, PSRF granted Bullrun an exclusive option, to obtain an exclusive, remuneration bearing, license under the patent rights within the option field in the territory to make, have made, use, import, export, commercialize, offer for sale and licensed product. This Option Agreement provides an option under patent rights to explore joint funding opportunities to further develop. On August 30, 2022, the Company entered into an assignment and novation agreement with Bullrun and the PSRF (the "Assignment Agreement").

Pursuant to the Assignment Agreement, Bullrun assigned the Option Agreement to the Company in exchange for an assignment fee of USD$7,500 (paid $9,664). On November 15, 2022, the Option Agreement was amended, pursuant to which, the Company acquired the option to obtain a worldwide, remuneration-bearing, license under certain patent rights to make, have made, use, import, export, commercialize, offer for sale and sell products covered by such patent rights related to the Technology (the "PSRF Option").

On August 29, 2022, the Company adopted and approved a stock option plan (the "Option Plan") to provide the Company with a share related mechanism to encourage qualified directors, officers, employees and consultants to acquire common shares in the capital of the Company as long-term investment. The number of common shares which will be available for purchase pursuant to the options granted at any point in time will equal 10% of the outstanding common shares of the Company at the time the common shares are reserved for issuance.

On September 8, 2022, the Company closed a private placement and issued 3,795,000 units at a price of $0.125 for gross proceeds of $474,375. Each unit comprises of one common share and one share purchase warrant. Each share purchase warrant entitles its holder to acquire one common share of the Company at a price of $0.25 per share for a period of two years from the date of unit issuance. The Company has paid $4,617 in cash as share issuance cost in relation to this financing.

On September 30, 2022, the Company granted 1,700,000 stock options to officers, directors, and consultants of the Company. The stock options can be exercised at a price of $0.125 per share for a period of five years from the date of grant. 500,000 options were subsequently cancelled following the resignation of a former officer of the Company on November 21, 2022.

On October 24, 2022, the Company adopted and approved a rolling restricted share unit plan (the "RSU Plan") authorizing the grant of restricted share units to the directors, officers, employees and consultants of the Company. The maximum number of common shares available for issuance pursuant to the RSU Plan, together with any shares reserved for issuance pursuant to any other share compensation arrangement, including but not limited to the Option Plan, shall not exceed 20% of the issued and outstanding shares (on a non-diluted basis) immediately prior to the issuance of restricted share units.

On February 16, 2023, the Company filed a final long form prospectus in each of the provinces of Canada, except Quebec, with respect to its initial public offering (the "IPO", "Offering") of a minimum of 12,000,000 units of the Company ("Units") at a price of $0.125 per Unit (the "Offering Price") for aggregate gross proceeds of $1,500,000 (the "Minimum Offering") and a maximum of 16,000,000 Units at the Offering Price for aggregate gross proceeds of $2,000,000 (the "Maximum Offering"), and listing on the CSE. Each Unit shall be composed of one common share of the Company and one common share purchase warrant ("Warrant"), with each Warrant entitling the holder thereof to purchase one additional common share at a price of $0.25 for a period of 24 months following the date of closing of the IPO.

On April 6, 2023, the Company closed its Offering consisting of the sale of 12,852,000 Units for aggregate gross proceeds of $1,606,500. Canaccord Genuity Corp. (the "Agent") acted as the agent for the Offering. In connection with the Offering, the Company (i) issued the Agent an aggregate of 899,640 compensation warrants, each of which is exercisable into one common share at an exercise price of $0.125 for a period of two years from the date of issuance, and (ii) paid the Agent a corporate finance fee of $50,000 consist of $25,000 in cash and $25,000 in common shares. The Company has paid additional $271,149 as share issuance costs.

On April 10, 2023, the Company commenced trading on the Canadian Securities Exchange ("CSE") under the symbol "HZ".

On April 20, 2023, the Company commenced trading on the Frankfurt Stock Exchange ("FSE") under the symbol "QE2".

On July 13, 2023, the Company commenced trading on the OTCQB Venture Market in the US under the symbol "HZLIF" with Depository Trust Company (DTC) eligibility for electronic settlement.

On August 24, 2023, the Company entered into a field limited non-binding term sheet with PSRF and summarized business terms and conditions of the proposed agreement. On September 7, 2023, the Company executed the Sponsored Research Agreement (“SRA”) with Penn State University moving the technology into the next phase of development. The primary objectives of the research project are to optimize the process conditions to maximize the recovery of lithium in water leaching to eliminate the acid leaching process or reduce the chemical consumption as well as conduct a kinetic study to obtain the required data for pilot scale testing.

On September 11, 2023, the Company filed a Short Form Base Shelf Prospectus (the “Prospectus”) in each of the provinces of Canada. This Prospectus relates to the offering for sale of common shares, warrants and subscription receipts, or any combination of such securities by the Company from time to time, during the 25-month period that this Prospectus, including any amendments thereto, remains effective, in one or more series or issuances, with a total offering value of the securities, in the aggregate, of up to $15,000,000.

On September 15, 2023, the Company has entered into a marketing agreement with Gold Standard Media (“GSM”) to create landing pages, digital marketing, email marketing, influencer marketing services for a consideration of USD 500,000. The service period is 1 year starting September 15, 2023. Due to the unfavorable market conditions, both parties have agreed to extend the start date to March 1, 2024.

On July 13, 2023, the Company has entered into a marketing agreement with Future Money Trends to provide digital marketing services for a consideration of $62,500. Due to the unfavorable market conditions, both parties have agreed to extend the start date to March 1, 2024.

In October 2023, the Company completed the acquisition of Canuck Lithium Corp. (“Canuck”) pursuant to the terms and conditions of the share exchange agreement. Consequently, Hertz controls 100% of the AC/DC Project, located in the emerging hard rock lithium district in James Bay, Quebec, Canada. There are approximately 135 historical references to pegmatite outcrops that have never been evaluated or sampled for their lithium potential on the property according to the Quebec Government’s SIGEOM Database.

On December 20, 2023, the Company closed a non-brokered private placement for gross proceeds of $2,537,400 and paid $23,545 as share issuance cost. The private placement consists of below:

a) 5,763,333 non-flow through units (the "Non-FT Units") at a price of $0.18 per Non-FT Unit for gross proceeds of $1,037,400, with each Non-FT Unit consisting of one flow through common share and one share purchase warrant; and Each warrant entitle the holder to purchase one additional common share (“Warrant Share”) on or before December 20, 2025 at an exercise price of $0.40 per Warrant Share.
b) 3,750,000 flow-through units (the "Charity FT Units") at a price of $0.40 per Charity FT Unit, for gross proceeds of $1,500,000, with each Charity FT Unit consisting of one common share and one share purchase warrant. Each warrant entitles the holder thereof to purchase a Warrant Share on or before December 20, 2025 at an exercise price of $0.40 per share.

On December 21, 2023, the Company (“Licensee”) has entered into a license agreement with PSRF (the “License Agreement”) to acquire a license to the novel process for extraction of lithium from hard rock sources and license to certain know how necessary to derive the benefits of the patent rights. The consideration payable to PSRF by the Company are as following:

a) <u>License Issue fees:</u> The Company shall pay a license fee of USD 20,000 upon execution of this agreement. (paid on March 1, 2024)
b) <u>Royalties:</u> The Company shall pay on a country-by-country basis either a running patent royalty or a Know-How royalty on annual net sales of licensed product as follows:
   - The licensee shall pay a royalty of 6% of net sales of licensed product.
   - The licensee shall pay a royalty of 5% of net sales of licensed product (the “Know-How Royalty”) until the expiry or termination of the License Agreement. On the fifteen-year anniversary of the date of the License Agreement, the Know-How Royalty shall be reduced to 3% of net sales of licensed product until the expiry or termination of this agreement. The Know-How Royalty shall not be due in countries where a Patent Royalty is due.

c) Additional Sublicensing Revenue: The Company shall pay a royalty of 22% of all additional sublicensing revenue received by the Company from sublicensees. Upon first commercial sale, the royalty associated with additional sublicensing revenue that is payable shall be reduced to 18% until the expiry or termination of the License Agreement. On the fifteen-year anniversary of the date of the License Agreement, the royalty associated with additional sublicensing revenue that is payable shall be reduced to 10% until the expiry or termination of this agreement.

d) Reimbursement for Past IP Expenses. Within 60 days of the date of the License Agreement, Licensee will reimburse PSRF for 100% of PSRF's out of- pocket expenses reasonably incurred prior to the date of the License Agreement for obtaining the patents rights.

e) Timing of Payments: Licensee must pay the royalties owed to PSRF, within 120 days after July 31 and 60 days after January 31 of each year during the term of this agreement covering the quantity of licensed product sold by Licensee, its affiliates, and any sublicensees during the preceding calendar half year. Upon termination or expiration of this agreement, Licensee shall make a final payment to PSRF of all unpaid royalties accrued prior to and including the effective date of termination or expiration of this agreement.

On February 2, 2024, the Company entered into a property purchase agreement with Bullrun to acquire certain mineral claims located in Nunavut. Where Bullrun is the beneficial holder and Aurora Geosciences Ltd. ("Aurora") is the legal and registered holder of 100% undivided right, title, and interest in and to 4 uranium mineral claims covering 5,046.25 hectares.
As consideration for the acquisition of an undivided 100% legal, beneficial, and registered interest in and to the property, the Company must:

a) Pay Bullrun cash consideration of $75,000 (As of the report date, this is yet to be paid)
b) Grant Bullrun the Royalty equal to 2% of net smelter returns received from production on the property following the commencement of Commercial Production.

Upon the Company making the cash payment as above, the Company will have acquired an undivided 100% beneficial interest in and to the property, subject to royalty and Bullrun will instruct Aurora to transfer title to the property to the Company as soon as permissible subject to completion of the Company's business registration in Nunavut.

In February 2024, the Company has entered into a consulting agreement with Lithium Consultants Australasia ("LCA") to advance the development of its hard rock lithium extraction process optimization technology being conducted at Penn State University ("PSU") as well as advance the Company's commercialization of the technology.

Management expects to be successful in arranging sufficient funding to meet operating commitments for the ensuing year. However, the Company's future capital requirements will depend on many factors, including the costs of exploring and developing its resource properties, operating costs, the current capital market environment, and global market conditions. As of January 31, 2024, the Company has a working capital surplus of $1,701,788 (July 31, 2023 - deficit of $473,963). For significant expenditures and resource property development, the Company will depend almost exclusively on outside capital. Such outside capital will include the issuance of additional equity shares. There can be no assurance that capital will be available, as necessary, to meet the Company's operating commitments and further exploration and development plans. The issuance of additional equity securities by the Company may result in significant dilution to the equity interests of current shareholders. If the Company is unable to obtain financing in the amounts and on terms deemed acceptable, the future success of the business could be adversely affected.

CORPORATE STRUCTURE

Hertz Energy Inc. (Formerly Hertz Lithium Inc.) was incorporated on February 15, 2019, in the province of British Columbia, Canada as Hybrid Ventures Inc. On January 24, 2022, the Company changed its name to Hertz Lithium Inc. The Company's head office and registered address is located at 1055 West Georgia Street, 1500 Royal Centre, Vancouver, British Columbia, V6E 4N7, Canada.

During the year 2024, the management decided to diversify its portfolio of mineral properties to include uranium. Consequently, on February 9, 2024, the Company changed its name from Hertz Lithium Inc. to Hertz Energy Inc.

On February 9, 2022, the Company incorporated its wholly owned subsidiary, Hertz Lithium USA LLC in the state of Utah to undertake exploration activities in the USA.

The Company's common shares are traded on below security exchanges:

- the Canadian Securities Exchange ("CSE") under the symbol "HZ",
- the Frankfurt Stock Exchange (the "FSE") under the symbol "QE2"
- the OTCQB Venture Market under the trading symbol "HZLIF"

On June 21, 2023 the Company's has received approval from CSE to list, as a supplemental listing on the CSE, a total of 12,802,000 common share purchase warrants (the "Warrants") of the Company as a single class. The Warrants trading under the symbol of "HZ.WT" on the CSE.

On October 23, 2023, the Company acquired 100% interest in Canuck Lithium Corp. ("Canuck") by issuing common shares of the Company.

FORWARD LOOKING STATEMENTS

Forward-looking statements are based on the opinions and estimates of management as of the date such statements are made and represent management's best judgment based on facts and assumptions that management considers reasonable, including that the demand for mineral deposits develops as anticipated, that operating and capital plans will not be disrupted by issues such as mechanical failure, unavailability of parts and supplies, labor disturbances, interruption in transportation or utilities, or adverse weather conditions, and that there are no material unanticipated variations in the cost of energies or supplies. The Company makes no representation that reasonably prudent people in possession of the same information would reach the same conclusions.

This MD&A may include certain "forward-looking statements" within the meaning of applicable Canadian securities legislation. All statements other than statements of historical facts, included in this MD&A that address activities, events or developments that the Company expects or anticipates will or may occur in the future, including such things as future business strategy, competitive, strengths, goals, expansion and growth of the Company's businesses, operations, plans and other such matters are forward looking statements. When used in this MD&A, the words "estimate", "plan", "anticipate", "expect", "intend", "believe" and similar expressions are intended to identify forward-looking statements.

These statements involve known and unknown risks, factors include, among others, risks related to the unavailability of capital and financing on acceptable terms, unfavorable market conditions, inherent risks involved in the exploration and development of mineral properties, uncertainties concerning reserve and resource estimates, results of exploration, inability to obtain required regulatory approvals, unanticipated difficulties or costs in any rehabilitation which may be necessary, market conditions and general business, economic, competitive, political and social conditions. These statements are based on several assumptions, including assumptions regarding general market conditions, timing and receipt of regulatory approvals, the ability of the Company and other relevant parties to satisfy regulatory requirements, the availability of financing for proposed transactions and programs on reasonable terms and the ability of third-party service providers to deliver services in a timely manner. Additional factors are discussed in the section titled "Risks".

Although the Company has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements.

Other than as required by applicable securities laws, the Company does not intend, and does not assume any obligation, to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made, or to reflect the occurrence of unanticipated events, whether as a result of new information, future events or results or otherwise. 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 the forward-looking statements.

ACQUISITION OF CANUCK LITHIUM CORP.

On September 15, 2023, the Company entered into a share exchange agreement (the "Share Exchange Agreement") with Canuck Lithium Corp. ("Canuck") and common shareholders of Canuck, pursuant to which the Company acquired 100% of the issued and outstanding common shares in the capital of Canuck in exchange of 23,150,001 common shares of the Company. The sole director and officer of Canuck before acquisition is a close relative of a director and officer of the Company.

On October 23, 2023 (the "Completion Date"), the Company completed the acquisition pursuant to the terms and conditions of the Share Exchange Agreement and issued 23,150,001 common shares of the Company valued at a $6,019,000 based the Company's stock trading price at the Completion Date.

Canuck is a junior mining company registered in the province of Quebec, Canada. It owns AC/DC Project located in Quebec. Being an early-stage exploration company, the common shares of Canuck mostly derived its value from its flagship AC/DC project. Accordingly, Hertz intention to acquire Canuck was solely to obtain control over the AC/DC mineral claims. Therefore, as per *IFRS 3 – Business Combination,* the Canuck acquisition met the definition of an Asset Acquisition. Consequently, the fair value of assets acquired, and liabilities assumed is identified and recognized, and the difference was recorded as an addition to the exploration and evaluation assets.

The purchase price is allocated to the assets received at the Completion Date as follows:

	Purchase Price Allocation
Assets	
Cash	$ 186,831
Prepaid and deposits	125,000
Due from related party	30,000
Exploration and evaluation properties	6,002,791
Total Assets	**6,344,622**
Liabilities	
Due to related party	294,442
Accounts payable and accrued liabilities	31,180
Total Liabilities	**325,622**
Net Assets	6,019,000
Net consideration paid	$ 6,019,000

MINERAL PROPERTY INTERESTS

As at January 31, 2024, the Company has a total of $6,903,710 (July 31, 2023 – $542,901) in exploration and evaluation assets as follows:

	Lucky Mica Project, Arizona	Patriota Lithium Project, Brazil	ACDC and La Fleur, Quebec	Maskwa Properties, Quebec	Total
Balance July 31, 2022	**$ 76,490**	**$ -**	**$ -**	**$ -**	**$ 76,490**
Acquisition Cost:					
Shares issued	180,000	-	-	-	180,000
Cash payment	40,428	-	-	-	40,428
Foreign exchange translation	(10,277)	-	-	-	(10,277)
	210,151	-	-	-	210,151
Exploration and evaluation expenditures:					
Staking expense	21,176	-	-	-	21,176
Geological exploration	136,594	-	-	-	136,594
Testing and assaying	2,114	-	-	-	2,114
Prepayments	103,418	-	-	-	103,418
Foreign exchange translation	(7,041)	-	-	-	(7,041)
	256,260	-	-	-	256,260
Balance July 31, 2023	**$ 542,901**	**$ -**	**$ -**	**$ -**	**$ 542,901**
Acquisition Cost:					
Shares issued	-	-	6,002,791	-	6,002,791
Cash payments	-	198,300	-	100,000	298,300
Deposits written off*	-	-	(15,268)	-	(15,268)
Foreign exchange translation	1,764	-	-	-	1,764
	1,764	198,300	5,987,523	100,000	6,287,587
Exploration and evaluation expenditures:					
Consulting expenses	2,379	-	-	-	2,379
Claim maintenance fees	26,605	-	-	-	26,605
Geological exploration	36,432	14,879	86,281	-	137,592
Prepayments written off**	(103,418)	-	-	-	(103,418)
Foreign exchange translation	10,064	-	-	-	10,064
	(27,938)	14,879	86,281	-	73,222
Balance January 31, 2024	**$ 516,727**	**$ 213,179**	**$ 6,073,804**	**$ 100,000**	**$ 6,903,710**

*As of the acquisition of Canuck, Canuck has the deposit outstanding of $15,268 for exploration work in relation to AC/DC property, Quebec. Due to non recoverability of the deposit amount, the Company decided to write it off to the income statement.

**During the year ended July 31, 2023, the Company paid $200,000 for exploration work in relation to Lucky Mica Project, Arizona. As of January 31, 2024, the Company was able to utilize $116,791 of the deposit amount in the exploration work. Due to non recoverability of the remaining deposits, the Company decided to write off the remaining balance of $83,209 in the income statement.

Lucky Mica Project, Arizona

On April 21, 2022, the Company entered into a property purchase agreement (the "Property Purchase Agreement #1") with Utah Mineral Resources LLC ('UMR') and Bullrun Capital Inc. ("Bullrun") to acquire an undivided 100% beneficial interest in 112 mineral claims located in the State of Arizona, USA. UMR and Bullrun collectively referred as the Vendor #1. Bullrun is controlled by an officer who is also a director of the Company. Pursuant to the Property Purchase Agreement #1, the Company is required to make the following payments:

a) Payment of USD150,000 (outstanding) in cash within 12 months of the effective date (April 21, 2023). On June 29, 2023, the Vendor #1 agreed extend the payment date to July 31, 2024; and
b) Issue of 6,000,000 common shares (issued on August 29, 2022).

The Company also agreed to pay a 3% of Net Smelter Returns Royalty ("NSR Royalty") to the Vendor #1 upon commencement of commercial production from these claims. The NSR Royalty may be reduced at any time from 3% to 2% by paying $1,000,000 to UMR.

On June 8, 2022, the Company entered into another property purchase agreement (the "Property Purchase Agreement #2") with Marco Montecinos, Steve Hodges, and Jimmy Hodges (the "Vendor #2') to acquire an undivided 100% beneficial interest in 2 mineral claims located in the State of Arizona, USA in lieu of the following considerations:

a) Payment of USD30,000 (paid $38,965 on July 7, 2022) in cash on effective date;
b) Payment of USD30,000 (paid $40,428 on September 22, 2022) in cash within 6 months of the effective date; and
c) Issue 240,000 common shares of the Company on the date listing on stock exchange or electronic quotation system in Canada (issued on April 5, 2023).

The Company agreed to pay the Vendor #2 the NSR Royalty of 1% upon commencement of commercial production from these claims. The NSR Royalty may be extinguished at any time by paying $300,000 to the Vendor #2.

The above combined 114 mineral claims located in the State of Arizona, USA are known as Lucky Mica Project, Arizona.

On February 13, 2023, the Company entered a summer Phase-1 exploration agreement with an arm's length vendor with a budget cost of approximately $400,000 and paid $204,000 as deposit. As of January 31, 2024, the Phase-1 exploration activities have been completed and the remaining deposit of $85,825 have been recognized as an expense.

Following are the basic components of the summer exploration:

a) Remote sensing
b) Data compilation
c) Ongoing
d) Field mapping and prospecting
e) Trenching, mapping and sampling
f) Laboratory geochemical analysis
g) Geophysical/Lithostructural interpretation and targeting.

The Company completed the field exploration activities, general prospecting, mapping, sampling of pegmatite outcrops and structural mapping on the Lucky Mica Project in Arizona. Also, the exploration activities have identified an abundance of 'new' previously unmapped and sampled pegmatites in three clusters. In May and June 2023, a total of 286 samples have been collected from these clusters. These pegmatites are described to occur as 2-6m wide bodies potentially up to 50-100m long and appear to occur conformant with the local metamorphic foliation and may vary in dip from shallow to steeply dipping. The Company has been actively working with the local BLM office to obtain a permit to conduct a trenching program over the historical Lucky Mica showing. All environmental studies have been completed and the Company has been given the go ahead to submit the reclamation bond payment and notarized forms. The bond payment has been received by the local BLM office in Arizona. Once the notarized forms have been received and confirmed complete, the BLM office will be able to adjudicate the bond and provide final approval for the trenching permit. Further mapping and sampling will be conducted in the newly identified pegmatite clusters with particular attention to the areas showing some anomalous lithium in the rock chip samples.

On June 7, 2023, the Company provided an update on the field exploration activities at the Lucky Mica Lithium project. To date the field team has completed general prospecting, mapping and sampling of pegmatite outcrops and structural mapping on the property. The team has identified an abundance of 'new' previously unmapped and sampled pegmatites in three clusters northwest of the original Lucky Mica showing. Further exploration will be required to confirm the prospectivity of these new pegmatite clusters. The Company has engaged with Dahrouge Geological Consulting USA to complete the trenching program. The trenching program cannot commence until the permit has been approved by the BLM office in Arizona (see note above regarding status of the permit). Once approved the Company with determine the most appropriate time to initiate this work.

<u>Patriota Lithium Project, Brazil:</u>

On August 4, 2023 (the “Effective Date”), the Company entered into a property option assignment agreement (the “Assignment Agreement”) with Brascan Resources Inc. (“Brascan”, or “the Assignor”), BHBC Exploracao Mineral Ltda (“BHBC”), and RTB Geologia Mineracao Ltda (“RTB”) (where BHBC and RTB together referred as “the Optionors”) to acquire 100% beneficial interest in and to certain lithium prospects located in the state of Minas Gerais, Brazil. Pursuant to the Assignment Agreement, the Company agreed to:

a) Assume all of the Assignor’s responsibilities, liabilities and obligations under the option agreement entered between Brascan and Optionors on the “Effective Date”; and
b) Pay an aggregate of $148,300 (paid in full during the three-months ended October 31, 2023) in cash to the Assignor, as follows:
   - $3,300 as reimbursement of claim maintenance fee paid by the Assignor, within two business days of the Effective Date, (paid on August 8, 2023);
   - $15,000 within two business days of execution of the Agreement (paid on August 8, 2023);
   - $105,000 (in exchange for the Assignor issuing 3,000,000 common shares to the Optionors within five business days of confirmation of the Assignor issuing the shares; (paid on September 1, 2023); and
   - $25,000 on or by the date that is forty-five days from the Effective Date (paid on September 25, 2023)
c) Pay $103,300 to BHBC or a third party under BHBC’s order as follows:
   - $50,000 on or prior to September 20, 2023 (paid on October 13, 2023);
   - $3,300 to cover general mineral right taxes up to June 30, 2024; and
   - $50,000 on or prior to September 20, 2024.
d) Complete and report an investment on mineral exploration totaling $200,000 (Spent $12,379 as of January 31, 2024) to fund the work and development of the project, of which $100,000 on or before September 20, 2023 and $100,000 on or before September 30, 2024; and
e) Pay the Assignor $100,000 in cash within five (5) business days upon the confirmation of the existence of spodumene from surface sample assays results on the property grading minimum 1% lithium.

The Company is in negotiations with BHBC for the extension of mineral exploration commitment as per (d) above.

The Optionors will retain a 2% NSR with the Company having the option to repurchase 1% of the NSR for a cash payment of $500,000 for a period of two years after the commencement of commercial production.

ACDC and La Fleur Project, Quebec:

On January 31, 2023, Canuck entered into a property purchase agreement (the "Glenn Purchase Agreement) with Glenn Griesbach ("Glenn"), to acquire 100% beneficial interest in 58 mineral tenements located in Quebec, Canada, of which 33 claims made up the ACD property and 25 claims made up the La Fleur property Pursuant to the Glenn Purchase Agreement, Canuck agreed to make the following payments:

a) Cash payment of $15,000 to Glenn (paid on January 31, 2023);
b) Issue 150,000 common shares of Canuck with 7 days of execution of this agreement (issued on August 16, 2023);
c) Issue 250,000 common shares of Canuck upon surface samples results returning samples on the 58 claims returning in excess of 1% lithium;
d) Issue 250,000 common shares of Canuck upon drill results returning minimum of 25 meters with assays of 1% lithium or greater.

Canuck agreed to pay Glenn the NSR Royalty of 2% upon commencement of commercial production from these claims. The NSR Royalty may be reduced by 1% at any time by paying Glenn $500,000.

On March 31, 2023, Canuck entered into a property purchase agreement with Prospectus Capital Inc. ("Prospectus"), to acquire 100% beneficial interest in 336 mineral tenements located in Quebec, Canada, of which 121 claims were additions to the ACDC property and 215 claims were additions to the La Fleur property, in exchange for following considerations:

a) Cash payment of $100,000 on or before thirty days after obtaining a public stock market listing on a recognized stock exchange (vendor agreed not to claim until April 30, 2024); and
b) Issue 12,200,000 shares of Canuck to Prospectus or other persons as directed by Prospectus (issued on August 16, 2023).

Canuck agreed to pay Prospectus the NSR Royalty of 2% upon commencement of commercial production from these claims.

On July 4, 2023, Canuck entered into a property purchase agreement with Anna-Rosa Giglio and 9219-8845 QC. Inc. (collectively referred as the "Quebec Optionors"), to acquire 100% beneficial interest in 125 mineral tenements located in Quebec, Canada of which 52 claims were additions to ACDC property and 67 were additions to the La Fleur property in exchange of 3,000,000 common shares of Canuck (issued on August 16, 2023). Canuck agreed to pay the Quebec Optionors the NSR Royalty of 2% upon commencement of commercial production from these claims. The NSR Royalty may be reduced by 1% at any time by paying Anna-Rosa Giglio $500,000.

In October, 2023, the Company engaged with an some arm's length suppliers for maiden field program to follow up on the initial priority targets within the 12 zones identified on the property. The four-person crew has conducted prospecting, mapping, and sampling in an effort to locate spodumene and targeted some enriched mineralized zones on the property and completed initial prospecting over a 3.5-day period. The identification of multiple advanced pegmatites with lithium-associated minerals on the property is encouraging and provides the exploration teams strong confidence on the merits of the AC/DC project as well the adjoining Rio Tinto Kaanaayaa Lithium project which hosts similar geology as the AC/DC Lithium Project.

In February 2024, the Company has engaged with Arm's length suppliers to conduct additional field programs to follow up on the remaining targets at the AC/DC project. The timing of these field programs is currently unknown and will be scheduled as the summer exploration season draws closer.

Maskwa Property, James Bay, Quebec:

On December 21, 2023, the Company entered into an option agreement (the "Option") with Sirios Resources Inc. (the "Sirios") to acquire a 100% interest in 424 mineral claims of Maskwa property located in Eeyou lstchee James Bay in Quebec. In order to exercise the option, the Company must:

a) Pay Sirios $100,000 within three business days of the execution of the option agreement. (paid on December 21, 2023)

b) Pay Sirios $100,000 in cash plus $100,000 either in cash or in common shares upon the earlier of (i) receipt of the surface sampling results from the laboratory engaged by the Company to carry out the analysis of the surface samplings from the property, and (ii) December 20, 2024; and
c) Incur a total of $2,250,000 as exploration expenditure on the property as follows:
   - $500,000 in exploration expenditures on the property on or before December 31, 2024. (As of January 31, 2024, the Company has spent $Nil on the exploration).
   - $750,000 in exploration expenditures on the property on or before December 31, 2025.
   - $1,000,000 in exploration expenditures on the Property on or before December 31, 2026, exclusive of any tax.

Further, the Company must pay Sirios $250,000 either in cash or in common shares upon the successful confirmation of drilling results indicating a lithium concentration of one percent (1% Li_2O) or more over 25 meters on the property.

Upon the Company's exercise of the Option, it will also grant the vendor a 1.5% NSR royalty on the property. Additionally, the Company will grant the vendor an option to purchase 100% of the mining rights related to the non-critical minerals located on the property (the "Buy-Back Option"). In order to exercise the Buy-Back Option the vendor must reimburse the Company for all exploration expenditures incurred on the Property, up to a maximum of $2,000,000.

SUMMARY OF QUARTERLY FINANCIAL RESULTS

The following table provides a summary of the Company's eight quarterly results ending on January 31, 2024:

	January 31, 2024	October 31, 2023	July 31, 2023	April 30, 2023
Revenue	$ Nil	$ Nil	$ Nil	$ Nil
Net loss for the period	446,058	532,770	392,894	389,502
Loss per share	(0.01)	(0.02)	(0.010)	(0.02)

	January 31, 2023	October 31, 2022	July 31, 2022	April 30, 2022
Revenue	Nil	Nil	Nil	Nil
Net loss for the period	201,180	281,252	190,371	5,902
Loss per share	$ 0.01	$ (0.02)	$ (0.53)	$ 5,902

With the acquisition of mineral properties in the last quarter of the fiscal year 2022, the Company became operational and started managing its properties. The Company also appointed new officers and directors to the management team to oversee the exploration programs. As the Company started exploration activities on its properties and began investigation for potential acquisitions, the quarterly net loss started to increase. In order to support its exploration programs, the Company closed a few financings during the fiscal year 2023, which prompted the engagement of investor relations and marketing consultants. Accordingly, there was further increase in the net losses of the Company during the fiscal year 2023. During the first two quarters of the fiscal year 2024, the Company had multiple significant events including acquisition of Canuck, closing of private placements financing, acquisition of more mineral properties, and hiring of marketing consultants. Consequently, the Company reported the highest quarterly loss of $532,770 during the first quarter of fiscal year 2024. As the Company work towards expanding its portfolio of mineral properties, it has reported constant increase in its periodic expenses and resulting losses over the past eight fiscal quarters.

RESULTS OF OPERATIONS

Operational Results:

Three months ended January 31, 2024 and 2023

During the three-months ended January 31, 2024, the Company had a net loss of $446,058 (January 31, 2023 - $201,180). Following are the significant expenses incurred by the Company:

Loss on deposit written off - $98,477 (2023 - $Nil)
Accounting fees - $85,795 (2023 - $15,396)
Management fees - $85,500 (2023 - $72,450)
Advertisement and marketing expenses - $75,872 (2023 - $7,864)
Transfer agent and filing fees - $34,691 (2023 - $47,500)
Stock based compensation - $2,404 (2023 - $23,410)

Loss on deposit written off – deposit of 98,477 (2023 - $Nil) consist of written off exploration deposit for Longford for Lucky Mica Project Arizona and ACDC and La Fleur, Quebec.

Accounting fees of $85,795 (2023 - $15,396) consist of fees for bookkeeping, financial reporting, French translation and review and audit services. The higher fee during the current period is mainly due to increased transactions and activities in the Company pursuant to the acquisition of mineral assets and multiple financing to fund those acquisitions.

Management fees of $85,500 (2023 - $72,450) include payments made and accrued to the companies controlled by the senior officers of the Company as discussed under the heading "Transactions with Related Parties. During the current period, the fees are higher compared to the previous period mainly due to recategorization of the CDO fees from director fee to management fee.

Advertisement and Marketing expenses of $75,872 (2023 - $7,864) consist of online publicity and business promotion expenses. During the period ended January 31, 2024, the increase in advertisement and marketing is mainly because of the engagement of some marketing consultants to establish brand awareness of the Company.

Transfer agent and filing fees of $34,691 (2023 - $47,500) primarily relates to the fees paid in relation to the shelf base prospectus filing. In the previous year, the cost was higher as the Company closed an initial public offering.

Stock based compensation of $2,405 (2023 - $23,410) relate to the vested value of the 1,612,500 issued and outstanding stock options to the directors, officers and consultants of the Company during the period ended January 31, 2024.

Six months ended January 31, 2024 and 2023

During the six-months ended January 31, 2024, the Company had a net loss of $978,828 (January 31, 2023 - $482,432). Following are the significant expenses incurred by the Company:

Advertisement and marketing expenses - $275,439 (2023 - $66,225)
Management fees - $171,000 (2023 - $115,500)
Legal fees - $158,210 (2023 - $29,975)
Accounting fees - $121,739 (2023 - $28,097)
Transfer agent and filing fees - $47,047 (2023 - $71,870)
Stock based compensation - $7,415 (2023 - $98,378)

Advertisement and Marketing expenses of $275,439 (2023 - $66,225) consist of online publicity and business promotion expenses. During the six months period ended January 31, 2024, the increase in advertisement and marketing is mainly because new engagement of some marketing consultants to establish brand awareness of the Company.

Management fees of $171,000 (2023 - $115,500) include payments made and accrued to the companies controlled by the senior officers of the Company as discussed under the heading "Transactions with Related Parties. During the current period, the fees are higher compared to the previous period due to the appointment of the CEO on September 13, 2022 and recategorization of CDO fees from director fees to management fee effective January 31, 2023.

Legal fees of $158,210 (2023 - $29,975) include fee for legal services in relation of general corporate matters, acquisitions, exchange compliance and financings. The increase during the current period is due to increased activities surrounding exchange compliance, property acquisitions, and financing.

Accounting fees of $121,739 (2023 - $28,097) consist of fees for bookkeeping, financial reporting, French translation, review and audit services. The higher fee during the current period is mainly due to increased transactions and activities in the Company pursuant to the acquisition of mineral assets and additional requirements due to shelf base prospectus.

Transfer agent and filing fees of $47,047 (2023 - $71,870) relate to the fees paid in relation to the shelf base prospectus filing. In the previous year, the cost was higher due to fees related to initial public offering.

Stock based compensation of $7,415 (2023 - $98,378) relates to the vested value of the 1,612,500 issued and outstanding stock options to the directors, officers and consultants of the Company during the six months period ended January 31, 2024.

CASH FLOWS:

Sources and Uses of Cash	**January 31, 2024**	January 31, 2023
Cash used in operating activities	**$ (1,233,030)**	$ (397,701)
Cash used in investing activities	**(444,667)**	(93,520)
Cash sourced from financing activities	**3,201,879**	558,038
Foreign currency translation	**(202)**	-
Total change in cash	**$ 1,523,980**	$ 66,817

A more detailed analysis is given in the section "Overall Performance and Operational Activities".

Operating activities:

For the six months ended January 31, 2024, cash used in operating activities was $1,233,030 (2023 - $397,701). Subsequent to the acquisition of mineral properties and listing of the Company on the stock exchange, the operating expenses have increased significantly during the current period compared to the corresponding period last year. The cash used in operating activities mainly consists of management fees, legal fees, accounting, consulting fees. expenses and prepaid related to advertisement and marketing,

Investing activities:

For the six months ended January 31, 2024, cash used in investing activities of $444,667 (2023 - $93,520) consists of the amount paid for acquisition and exploration expenditures incurred on the mineral properties.

Financing activities:

For the six months ended January 31, 2024, cash provided by financing activities totaled $3,201,879 (2023 - $558,038). The cash inflow is primarily attributed to proceeds from exercise of warrants and non-brokered private placement closed in December 2023. In the previous period, the cash flow is mainly from the private placement financing closed in September 2022.

CAPITAL DISCLOSURE

The Company considers its capital structure to include net residual equity of all assets, less liabilities. The Company's objectives when managing capital are to (i) maintain financial flexibility to preserve its ability to meet financial obligations and continue as a going concern; (ii) maintain a capital structure that allows the Company to finance its growth using internally generated cash flow and debt capacity; and (iii) optimize the use of its capital to provide an appropriate investment return to its shareholders commensurate with risk.

The Company's financial strategy is formulated and adapted according to market conditions in order to maintain a flexible capital structure that is consistent with its objectives and the risk characteristics of its underlying assets.
The Company manages its capital structure and adjusts it in light of changes in economic conditions and the risk characteristics of its underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, acquire or dispose of assets, or adjust the amount of cash and receivables.

LIQUIDITY & CAPITAL RESOURCES

As at January 31, 2024, the Company had a working capital surplus of $1,701,788 (July 31 2023 – $473,963) and cash balance of $2,104,045 (July 31, 2023 – $580,065). As the Company is an initial stage exploration company, it does not generate, nor does it anticipate generating any revenue until next fiscal year. The Company's mineral property interests do not currently generate cash flow from operations and, to continue operations and fund its expenditure commitments, it is dependent on equity financing through existing and new members, third party financing, and cost sharing arrangements to fund its work programs and operations.

The following table discloses the bifurcation of the balance of prepaid expenses as at January 31, 2024 and 2023:

Nature of expense	**January 31, 2024**	July 31, 2023
Advertisement and marketing*	**$ 831,662**	56,974
Transfer agent and filing fees	**13,165**	17,951
Others	**9,010**	7,614
Total	**$ 853,837**	82,539

*The advertisement and marketing are expected to be utilized within 6-12 months.

SHARE CAPITAL AND OUTSTANDING SHARE DATA

<u>Authorized:</u>

The Company has authorized share capital of an unlimited number of common shares and preferred shares without par value. Common and/or preferred shares are entitled to receive dividends if they are declared by the Board of Directors.

<u>Issued and Outstanding Common Shares</u>

As at January 31, 2024, there were 66,046,715 (July 31, 2023 – 30,629,181) common shares issued and outstanding.

Outstanding share data

The following table summarizes the outstanding share capital of the Company as at January 31, 2024, and the report date:

	January 31, 2024	**Report date**
Common shares	66,046,715	66,046,715
Warrants	24,253,593	24,253,593
Options	1,750,000	1,900,000
Total, Fully diluted	**92,050,308**	**92,200,308**

Share Capital Transactions

After the six-months period ended January 31, 2024:

The Company did not have any share capital transaction after period ended January 31, 2024.

During the six-month period ended January 31, 2024:

Pursuant to the exercise of warrants, the Company issued 2,754,200 common shares for gross proceeds of $688,325.

On October 23, 2023, pursuant to the share exchange agreement with Canuck, the Company issued 23,150,001 common shares to Canuck Shareholders.

On December 20, 2023, the Company closed a non-brokered private placement for gross proceeds of $2,537,400 and paid $23,545 as share issuance cost. The private placement consists of below:

a) 5,763,333 non-flow through units (the "Non-FT Units") at a price of $0.18 per Non-FT Unit for gross proceeds of $1,037,400, with each Non-FT Unit consisting of one common share and one share purchase warrant. Each Warrant entitles the holder thereof to purchase one additional common share (a "Warrant Share") on or before December 20, 2025 at an exercise price of $0.40 per warrant share.

b) 3,750,000 flow-through units (the "Charity FT Units") at a price of $0.40 per Charity FT Unit, for gross proceeds of $1,500,000. Part of the proceeds was recognized as Flow-through premium liability amounting to $656,250 and shall be recognized as income in the proportion of the FT exploration expenditures incurred on the property. Each Charity FT Unit consisting of one common share and one share purchase warrant. Each Warrant entitles the holder thereof to purchase a Warrant Share on or before December 25, 2025 at an exercise price of $0.40 per warrant share.

During the year ended July 31, 2023:

On July 19, 2023, pursuant to the exercise of stock options, the Company issued 100,000 common shares for gross proceeds of $19,000.

On July 6, 2023, pursuant to the exercise of broker warrants, the Company issued 2,180 common shares for gross proceeds of $273.

On June 7, 2023, pursuant to the exercise of warrants, the Company issued 50,000 common shares for gross proceeds of $12,500. Additionally, the Company paid $378 in cash as share issuance costs.

On April 6, 2023, the Company closed an IPO pursuant to its prospectus dated February 16, 2023, filed with the securities commissions. Pursuant to the IPO, the Company issued 12,852,000 common shares at a price of $0.125 per share for gross proceeds of $1,606,500. In connection with the IPO, the Company issued 899,640 compensation warrants valued at $64,330 to the Agent and paid a corporate finance fee of $25,000 in cash and $25,000 by issue of 200,000 common shares. Additionally, the Company has paid $271,149 in cash as share issuance costs.

On April 5, 2023, pursuant to the property purchase agreement dated June 8, 2022, the Company issued 240,000 common shares for a total value of $30,000 based on the Company's per share price of the Offering.

On September 8, 2022, the Company closed a private placement and issued 3,795,000 common shares at a price of $0.125 for gross proceeds of $474,375 of which $86,250 was received before the year ended July 31, 2022. The Company has paid $4,229 in cash as share issuance cost related to this financing.

On August 29, 2022, pursuant to the property purchase agreement dated April 21, 2022, the Company issued 6,000,000 common shares at a deemed price of $0.025 per share for a total value of $150,000 and paid $388 in share issuance cost.

On August 16, 2022, the Company issued 250,000 common shares at a price of $0.025 per share for gross proceeds of $6,250.

Stock Options

After the six-months period ended January 31, 2024:

On March 15, 2024, the Company entered into a consulting agreement with Jamie L. Hogue to appoint him as the director of the Company effective March 15, 2024. Pursuant to the agreement, the Company has granted 150,000 stock options to purchase common shares in the capital of the Company at an exercise price of $0.20 per common share, for a period of 5 years from the date of grant. The options will vest over a period of two years.

During the six-months period ended January 31, 2024:

The Company did not have any stock options transactions during this period.

During the year ended July 31, 2023:

On August 29, 2022, the Company adopted and approved the Option Plan. The Option Plan provides that the aggregate number of shares issuable pursuant to options granted under the plan is limited to 10% of the Company's issued and outstanding common shares at the time the options are granted.

On September 30, 2022, the Company granted an aggregate of 1,700,000 incentive stock options to directors, officers and consultants as per the Company's Stock Option Plan, with an exercise price of $0.125 per share for a period of five years from the date of grant. Out of the total options granted, 631,250 options were fully vested immediately at the grant date and the remaining 1,068,750 options will vest over a period of two years. The stock options were valued at $0.10 per option using Black Scholes Option Pricing model ("Black Scholes") with the following assumptions: average risk-free rate – 3.32%; expected life – 5 years; expected volatility – 113.14%; forfeiture rate – Nil and expected dividends – $Nil. Volatility was estimated by using the historical volatility of other companies in the same industry during a similar period.

On December 21, 2022, 500,000 stock options cancelled and $2,419 stock-based compensation reversed due to resignation of the former president of the Company.

On April 20, 2023, the Company granted an aggregate of 750,000 incentive stock options to an officer and consultants as per the Company's Stock Option Plan, with an exercise price of $0.125 per share for a period of two years from the date of grant. All stock options vested immediately. The stock options were valued at $0.14 per option using Black Scholes with the following assumptions: average risk-free rate – 3.15%; expected life – 2 years; expected volatility – 158.02%; forfeiture rate – Nil and expected dividends – $Nil. Volatility was estimated by using the historical volatility of other companies in the same industry during a similar period.

On July 19, 2023, the Company forfeited 100,000 share options granted to the consultant due to termination of consulting agreement.

On July 19, 2023, pursuant to the options exercise, the Company issued 100,000 common shares to a consultant for gross proceeds of $19,000.

As of January 31, 2024, the Company has 1,750,000 incentive stock options outstanding (July 31, 2023 – 1,750,000).

A summary of the movements of the stock options is presented below:

	For the periods ended			
	January 31, 2024		July 31, 2023	
	Number of Options	**Weighted Average Exercise Price**	Number of Options	Weighted Average Exercise Price
Outstanding, beginning	**1,750,000**	**$ 0.15**	-	$ -
Granted	**-**	**-**	2,450,000	0.15
Exercised	**-**	**-**	(100,000)	0.19
Cancelled	**-**	**-**	(600,000)	0.13
Balance at January 31, 2024	**17,50,000**	**$ 0.15**	**1,750,000**	**$ 0.15**

A summary of the movements of the stock options reserve is presented below:

	For the periods ended			
	January 31, 2024		July 31, 2023	
	Number of Options	**Option Reserve**	Number of Options	Option Reserve
Outstanding, beginning	**1,750,000**	**$ 217,681**	-	$ -
Granted	**-**	**7,415**	2,450,000	234,248
Exercised	**-**	**-**	(100,000)	(14,148)
Cancelled	**-**	**-**	(600,000)	(2,419)
Balance at January 31, 2024	**1,750,000**	**$ 225,096**	1,750,000	$ 217,681

Restricted Stock Units

On October 24, 2022, the Company adopted and approved the RSU Plan authorizing the granting of restricted share units to the directors, officers, employees or consultants of the Company or subsidiaries of the Company. The maximum number of common shares available for issuance pursuant to the RSU Plan, together with any shares reserved for issuance pursuant to any other share compensation arrangement, including but not limited to the Option Plan, shall be determined from time to time by the directors of the Company, but in any case, shall not exceed 20% of the issued and outstanding shares (on a non-diluted basis) immediately prior to the issuance of RSUs. There are no RSUs issued and outstanding as at January 31, 2024 and July 31, 2023.

Warrants

As of January 31, 2024, the Company has 24,253,593 share warrants issued and outstanding (July 31, 2023 – 17,494,640). As of the date of this report, there were 24,253,593 incentive share warrants outstanding.

After the six months period January 31, 2024:

The company did not have any share warrants transactions during this period.

During the six months period January 31, 2024:

Pursuant to the exercise of warrants, the Company issued 2,754,200 common shares for gross proceeds of $688,325.

On December 20, 2023, pursuant to the closing of a non-brokered private placement, the Company issued 9,513,333 common share purchase warrants. Each warrant is exercisable by the holder to acquire one common share at a price of $0.40 per share on or before December 20, 2025.

During the year ended July 31, 2023:

On July 6, 2023, 2,180 of the outstanding broker warrants were exercised at a price of $0.125 per share for gross proceeds of $273.

On June 7, 2023, 50,000 of the outstanding share warrants were exercised at a price of $0.25 per share for a total value of $12,500.

On April 6, 2023, pursuant to the closing of the Offering, the Company issued 12,852,000 common share purchase warrants. Each warrant is exercisable by the holder to acquire one common share at a price of $0.25 per share for a period of two years from the date of issuance.

Additionally, pursuant to the agency agreement in relation to the Offering, the Company issued 899,640 broker warrants to the Agent with an exercise price of $0.125 for a period of 2 years from the date of issuance. The broker warrants were valued using Black Scholes with the following assumptions: average risk-free rate – 2.9%; expected life – 2 years; expected volatility – 108.99%; forfeiture rate – Nil and expected dividends – $Nil. Volatility was estimated by using the historical volatility of other companies in the same industry during a similar period.

On September 8, 2022, pursuant to the closing of a private placement, the Company issued 3,795,000 common share purchase warrants. Each warrant entitles its holder to acquire one common share of the Company at a price of $0.25 per share for a period of 24 months following the date of the issuance.

A summary of the movements of the share warrants is presented below:

	For the periods ended			
	January 31, 2024		July 31, 2023	
	Number of Warrants	**Weighted Average Exercise Price**	Number of Warrants	Weighted Average Exercise Price
Outstanding, beginning	**17,494,460**	**$ 0.24**	-	$ -
Granted	**9,513,333**	**0.40**	17,546,640	0.24
Exercised	**(2,754,200)**	**0.25**	(52,180)	0.24
Outstanding, end	**24,253,593**	**$ 0.31**	17,494,460	$ 0.24

A summary of the movements in the warrants reserve is presented below:

	For the periods ended			
	January 31, 2024		July 31, 2023	
	Number of Warrants	**Warrants Reserve**	Number of Warrants	Warrants Reserve
Outstanding, beginning	**17,494,460**	**$ -**	-	$ -
Granted	**9,513,333**	**64,174**	17,546,640	64,330
Exercised	**(2,754,200)**	**(300)**	(52,180)	(156)
Outstanding, end	**24,253,593**	**$ 63,874**	17,494,460	$ 64,174

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements other than reported in the accompanying notes to the Financial Statements.

TRANSACTIONS WITH RELATED PARTIES AND EXECUTIVE COMPENSATION

Related party transactions are in the normal course of operations and measured at the exchange amount, which is the amount of consideration established and agreed by the related parties. Amounts due to or from related parties are non-interest bearing and unsecured. As at January 31, 2024, due to related parties amounted to $412,513 (July 31, 2023 - $184,852).

Following table depicts the amounts payable to the related parties as at January 31, 2024 and 2023:

	January 31, 2024	July 31, 2023
Current		
Company controlled by the Chief Executive Officer ('CEO') – Kal Malhi	**$ 12,000**	$ 62,000
Loan payable to a company controlled by the CEO	**272,115**	-
Company controlled by the Chief Financial Officer ('CFO') – Zara Kanji	**2,238**	10,000
Company controlled by the Corporate Development Officer ('CDO') - Milan Malhi	**14,525**	-
Director – Robert Barker	**5,984**	5,936
Company controlled by a director - Bala Pratap Reddy	**-**	3,000
Non-Current		
Company controlled by the CEO	**105,651**	103,916
	$ 412,513	$ 184,852

Amounts due to related parties, except loan payable, are non-interest bearing, unsecured and due on demand; except for the balance in the amount of $105,651 (July 31, 2023 - $103,916) owed to a company controlled by the CEO, who is also a director of the Company, agreed not to demand the repayment before July 31, 2025.

Canuck has entered a loan agreement with Coloured Tie Capital Inc. ("TIE") for $265,000 dated May 5, 2023. This loan bears interest rate of 4% annually and is due on December 31, 2023. A director and officer of TIE is also the director and officer the Company. On December 31, 2023, both parties agreed to extend the maturity date of loan to December 31, 2024, through an amendment to loan agreement. As of January 31, 2024, the Company has accrued $5,344 (July 31, 2023 - $1,771) as interest payable towards this loan.

During the six-months period ended January 31, 2024, and 2023, the Company incurred the following amounts through transactions with the related parties:

	Six months ended	
	January 31, 2024	January 31, 2023
Management fees	**$ 171,000**	$ 115,500
Share based payments	**6,045**	95,133
Directors fees	**16,207**	35,642
Accounting fees	**8,000**	21,596
Consulting fees	**-**	10,500
	$ 201,252	$ 278,371

The management fees consisted of following:

	Six months ended	
	January 31, 2024	January 31, 2023
Company controlled by the CEO	**$ 120,000**	$ 96,600
Company controlled by the CFO	**30,000**	18,900
Company controlled by the CDO	**21,000**	-
	$ 171,000	$ 115,500

Following table depicts the stock options granted and fair value vested as at January 31, 2024 and January 31, 2023 for the stock options granted to the related parties of the Company:

		Six months ended			
		January 31, 2024		January 31, 2023	
Name	Position	**Number of Options Outstanding**	**Value Vested**	Number of Options Outstanding	Value Vested
Kal Malhi	CEO	**200,000**	**$ 28,297**	-	-
Zara Kanji	CFO	**250,000**	**25,285**	250,000	18,146
Milan Malhi	CDO	**425,000**	**43,071**	425,000	33,971
Brad Kitchen	Former president	**-**	**-**	500,000	12,668
Robert Barker	Director	**250,000**	**25,336**	250,000	16,937
Pratap Reddy	Director	**200,000**	**20,176**	200,000	13,379
		1,325,000	**$ 142,165**	1,625,000	$ 95,101

[(1)]On December 21, 2022, 500,000 stock options cancelled due to resignation of a former president of the Company.

The directors' fees consisted of following:

	Six months ended	
	January 31, 2024	January 31, 2023
Company controlled by a director – Milan Malhi	**$ -**	$ 19,500
Director – Robert Barker	**12,207**	10,142
Company controlled by a director – Bala Pratap Reddy	**4,000**	6,000
	$ 16,207	$ 35,642

For the six-months period ended January 31, 2024, accounting fees of $8,000 (2023 – $21,596) were charged by a company controlled by the CFO.

For the six-months period ended January 31, 2024, consulting fees of $Nil (2023 - $7,000) was charged by the former president of the Company.

COMMITMENTS

Ms. Zara Kanji ("the Consultant") entered into a consulting agreement with the Company dated February 8, 2022 (the "Kanji Consulting Agreement"). Pursuant to the Kanji Consulting Agreement, the Consultant has agreed to provide her services as Chief Financial Officer at a remuneration of $3,000 per month commencing on February 8, 2022. Effective May 1, 2023, the monthly remuneration was revised to $5,000. The Consultant may also be entitled to certain incentive bonuses from time to time, to be determined at the sole discretion of the board. The term of this agreement commences from the date of execution and will remain in force until terminated in accordance with its terms. If this Agreement is terminated by the Company other than for a just cause or if this agreement is terminated by the Consultant for a good reason, then the Company will pay to the Consultant an amount equal to two (2) times the monthly base fee in effect at the date of termination for each complete year of services provided by the Consultant.

Eminere Ventures Inc, a company controlled by Milan Malhi, entered into a consulting agreement with the Company dated May 1, 2022, as revised on September 1, 2022 (the "MM Consulting Agreement"). Pursuant to the MM Consulting Agreement, Mr. Milan Malhi has agreed to provide his services as a consultant to the Company at a remuneration of $2,000 per month commencing on May 1, 2022, and further increased to $3,500 per month effective September 1, 2022. Mr. Milan Malhi may also be paid a bonus depending on his performance and the financial circumstances of the Company. Mr. Milan Malhi is also entitled to participate in the Company's option plan. The term of this consulting agreement is for two years and will remain in force until termination by written notice at least 30 days in advance by either party. If this Agreement is terminated by the Company other than for a just cause or if this Agreement is terminated by the Consultant for good reason, then the Company will pay to Mr. Milan Malhi an amount equal to three (3) times the base fee in effect at the date of termination.

Bullrun Capital Inc., an entity controlled by Kal Malhi ("Mr. Malhi"), entered into a consulting agreement with the Company dated September 13, 2022 (the "KM Consulting Agreement"). Pursuant to the KM Consulting Agreement, Mr. Kal Malhi has agreed to provide his services as CEO of the Company at a remuneration of $20,000 per month (the "Base Fee"). Mr. Kal Malhi is also entitled to receive a bonus equal to (i) $150,000 upon the Company achieving a market capitalization of $20,000,000 on the CSE or another recognized stock exchange, and (ii) $250,000 upon the Company achieving a market capitalization of $40,000,000 on the CSE or another recognized stock exchange. The term of this agreement commences from the date of execution and will remain in force until termination by written notice at least thirty (30) days in advance by either party. Mr. Malhi may terminate this agreement in connection with any change in control by providing 30 days' notice in writing to the Company within 90 days after the change in control has been effected; provided, however, that the Company may waive or abridge any notice period specified in such notice in its sole and absolute discretion. If Mr. Malhi terminates this agreement as a consequence of a change in control, the Company will pay to him an amount equal to twenty-four (24) times the Base Fee in effect at the date of termination.

FINANCIAL INSTRUMENTS

The Company's financial instruments are comprised of cash and cash equivalents, accounts payable, due to related parties, and due from related parties.

Financial assets and liabilities measured at fair value on a recurring basis are classified in their entirety based on the lowest level of input that is significant to their fair value measurement. Certain non-financial assets and liabilities may also be measured at fair value on a non-recurring basis. There are three levels of the fair value hierarchy that prioritize the inputs to valuation techniques used to measure fair value, with Level 1 inputs having the highest priority. The levels and the valuation techniques used to value financial assets and liabilities are described below.

Level 1 - Quoted Prices in Active Markets for Identical Assets
Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities. Cash and cash equivalents are valued using quoted market prices in active markets. Accordingly, it is included in Level 1 of the fair value hierarchy.

Level 2 - *Significant Other Observable Inputs*
Quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability. Due from related party, accounts payable, and due to related parties are expected to be settled in the short term. Therefore, these have also been categorized as Level 2.

Level 3 - Significant Unobservable Inputs
Unobservable (supported by little or no market activity) prices.

There are no items in Level 3 of the fair value hierarchy.

Financial Instrument Risks

The Company's financial instruments are exposed to certain financial risks, including credit risk, interest rate risk, market risk, liquidity risk and currency risk.

Credit risk
Credit risk is the risk of financial loss to the Company if a counter party to a financial instrument fails to meet its contractual obligation. The Company is exposed to credit concentration risk by holding cash. This risk is minimized by holding the investments in large Canadian financial institutions. The Company has no accounts receivable exposure.

Interest rate risk
Interest rate risk is the risk that future cash flows will fluctuate because of changes in market interest rates. The Company is exposed to minimal interest rate risk. Fluctuations in market interest rates do not have a significant impact on the Company's operations.

Market risk
Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The market risk may arise from changes in market factors such as foreign exchange rates, interest rates, commodity and equity prices.

Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The key to success in managing liquidity is the degree of certainty in the cash flow projections. If future cash flows are uncertain, the liquidity risk increases.

The Company's objective is to ensure that it has sufficient cash on demand to meet expected operational expenses. To achieve this objective, the Company prepares annual capital expenditure budgets which will be regularly monitored and updated as necessary. The Company monitors its risk of shortage of funds by monitoring the maturity dates of existing trade and other accounts payable.

As at January 31, 2024, the Company had cash and cash equivalent balance of $2,104,045 (July 31, 2023 - $580,065) and a working capital surplus of $1,701,788 (July 31, 2023 – $473,963). Being in the preliminary stage of exploration, the Company does not have any revenue generating mineral properties. In the past, the Company has funded its operations through equity financing, and it is expected to do the same to settle accounts payable and accrued liabilities of $384,993 (July 31, 2023 - $111,521) and the amounts due to the related parties of $306,862 (July 31, 2023 - $80,936) which fall due for payment within twelve months of the statement of financial position date.

Foreign Currency risk
Foreign currency risk is the risk that a variation in exchange rates between the Canadian dollar and United States dollar or other foreign currencies will affect the Company's operations and financial results. The Company is exposed to currency risk to the extent that monetary assets and liabilities held by the Company are not denominated in Canadian dollars. The Company has not entered into any foreign currency contracts to mitigate this risk.

The Company is exposed to currency risk through the following monetary assets and liabilities denominated in foreign currencies:

	January 31, 2024	July 31, 2023
Cash denominated in USD at head office	**$ 6,108**	$ 28,142
Accounts payable and accrued liabilities denominated in USD at head office	**24,580**	30,196
Due to related party	**$ 3,000**	$ -

Based on the above net exposures and if all other variables remain constant, a 10% change in the value of the foreign currency against the Canadian dollar would result in an increase or decrease of $2,877 (July 31, 2023 – $403) in net income/loss from operation.

PROPOSED TRANSACTIONS

There are no proposed transactions as of January 31, 2024, and on the date of this report.

CRITICAL ACCOUNTING ESTIMATES

For a detailed summary of the Company's significant accounting estimates, the readers are directed to Note 3 of the notes to the consolidated financial statements for the years ended July 31, 2023, and 2022.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

For a detailed summary of the Company's significant accounting policies, the readers are directed to Note 3 of the Notes to the consolidated financial statements for the years ended July 31, 2023, and 2022.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

A detailed listing of exploration expenditures and a breakdown of general and administrative expenses are provided in the consolidated financial statements for the years ended July 31, 2023, and 2022.

OTHER MATTERS

Legal proceedings

The Company is not aware of any legal proceedings.

Contingent liabilities

At the date of the report, management was unaware of any outstanding contingent liability relating to the Company's activities.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

In connection with Exemption Orders issued in November 2007 by each of the securities commissions across Canada, the CEO and CFO of the Company will file a Venture Issuer Basic Certificate with respect to the financial information contained in the unaudited interim financial statements and the audited annual financial statements and respective accompanying MD&A.

In contrast to the certificate under National Instrument ("NI") 52-109 (Certification of Disclosure in Issuer's Annual and Interim Filings), the Venture Issuer Basic Certification includes a 'Note to Reader' stating that the CEO and CFO do not make any representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financing reporting, as defined in NI 52-109.

RISKS

The Company is engaged in the exploration for and development of mineral deposits. These activities involve significant risks which careful evaluation, experience and knowledge may not, in some cases, eliminate. The commercial viability of any material deposit depends on many factors, not all of which are within the control of management. Some of the factors that affect the financial viability of a given mineral deposit include its size, grade, proximity to infrastructure, Government regulation, taxes, royalties, land tenure, land use, environmental protection and reclamation and closure obligations.

The discovery, development and acquisition of mineral properties are in many respects, unpredictable events. Future metal prices, capital equity markets, the success of exploration programs and other property transactions can have a significant impact on capital requirements.

The Company has entered into a service agreement to verify title to its exploration properties, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfer and title may be affected by undetected defects.

The Company's current operations do not generate any positive cash flow and it is not anticipated that any positive cash flow will be generated for some time. The Company has limited financial resources and the mining claims, which impose financial obligations on the Company. There can be no assurance that additional funding will be available to allow the Company to fulfill such obligations.

Further exploration and development of the various mineral properties in which the Company holds interests depends upon the Company's ability to obtain financing through joint venture of projects, debt financing, equity financing or other means. Failure to obtain additional financing on a timely basis could cause the Company to forfeit all or part of its interests in some or all of its Resource Properties and reduce or terminate its operations.

The Company's properties are in the exploration stages only and are without known bodies of commercial mineralization and have no ongoing mining operations. Mineral exploration involves a high degree of risk and a few properties which are explored are ultimately developed into producing mines. Exploration of properties may not result in any discoveries of commercial bodies of mineralization. If the Company's efforts do not result in any discovery of commercial mineralization, the Company could be forced to look for other exploration projects or cease operations.

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of the properties and properties in which it has previously had an interest. The Company conducts its mineral exploration activities in compliance with applicable environmental protection legislation. The Company is not aware of any existing environmental problems related to its current properties that may result in material liability to the Company.

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Annual losses are expected to continue until the Company has an interest in a mineral property that produces revenues. The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon the continued support of its shareholders, obtaining additional financing and generating revenues sufficient to cover its operating costs. The Company's accompanying financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying financial statements.

Any forward-looking information in this MD&A is based on the conclusions of management. The Company cautions that due to risks and uncertainties, actual events may differ materially from current expectations. With respect to the Company's operations, actual events may differ from current expectations due to economic conditions, new opportunities, the changing budget priorities of the Company and other factors.

DIRECTORS/OFFICERS

Certain directors/officers of the Company are also directors, officers and/or shareholders of other companies that are similarly engaged in the business of acquiring, developing and exploring natural resource properties. Such associations may give rise to conflicts of interest from time to time. The directors/officers of the Company are required to act in good faith with a view to the best interests of the Company and to disclose any interest which they may have in any project opportunity of the Company. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his/her interest and abstain from voting in the matter(s). In determining whether the Company will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at the time.

On February 15, 2019, Kulwant Malhi was appointed as the President and Secretary of the Company. On February 1, 2022, Kulwant Malhi resigned from his position as Secretary and on April 26, 2022, Kulwant Malhi resigned from his position as President.

On February 1, 2022, Zara Kanji was appointed as the CFO of the Company.

On February 1, 2022, Bala Pratap Reddy was appointed as a director of the Company.

On February 1, 2022, Milan Malhi was appointed as a director and CDO of the Company.
On February 1, 2022, Jason Bahnsen was appointed as a director and CEO of the Company and effective August 22, 2022, Jason Bahnsen resigned from both above positions in the Company.

On September 13, 2022, Kulwant Malhi was appointed as CEO of the Company.

On September 13, 2022, Brad Kitchen was appointed as the president of the Company and effective November 22, 2022, Brad Kitchen resigned from his position in the Company.

On September 16, 2022, Bala Pratap Reddy and Kulwant Malhi were appointed as members and Robert Barker was appointed as the chair of the audit committee of the Company.

On December 19, 2022, Zara Kanji was appointed as corporate secretary of the Company.

On March 15, 2024, Robert Barker resigned as Director and Audit Chair and Jamie Hogue was appointed as a director of the Company.

On March 25, 2024, Jamie Hogue was appointed as a Audit Chair of the Company.

List of current director/officers of the Company is as follows:
Kal Malhi - CEO and director
Zara Kanji – CFO and corporate secretary
Milan Malhi – CDO and director
Jamie Hogue – director
Bala Pratap Reddy – director

OUTLOOK

The Company's primary focus for the foreseeable future will be on reviewing its financial position, raising funds to support exploration and operational activities, continuing exploration activities on its mineral properties and financing business ventures in the mineral resource industry.

ADDITIONAL INFORMATION

Additional information related to the Company can be made available by requesting further information from the Company's head office in the province of British Columbia, Canada.

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