FORM 51-102F1
MANAGEMENT DISCUSSION AND ANALYSIS
FIRST PHOSPHATE CORP.
FOR THE NINE MONTHS ENDED NOVEMBER 30, 2022 AND NOVEMBER 30, 2021

This Management's Discussion and Analysis ("MD&A") covers the financial statements of First Phosphate Corp. (the "Company") for the nine months ended November 30, 2022 and for the comparable period ended November 30, 2021. This MD&A should be read in conjunction with the audited annual financial statements and notes thereto for the years ended February 28, 2022 and February 28, 2021 (the "Annual Financial Statements"). The information contained in this report is current to January 30, 2023 and has been approved by the Company's board.

The following interim MD&A of the Company for the nine months ended November 30, 2022 has been prepared to provide material updates to the business operations, liquidity, and capital resources of the Company since its last annual MD&A for the fiscal year ended February 28, 2022 ("Annual MD&A").

This interim MD&A has been prepared in compliance with section 2.2 of Form 51-102F1, in accordance with National Instrument 51-102 – *Continuous Disclosure Obligations*. This discussion should be read in conjunction with the Company's Annual MD&A, audited annual financial statements for the years ended February 28, 2022 and February 28, 2021, together with the notes thereto, and unaudited condensed interim financial statements for the nine months ended November 30, 2022, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. The Company's financial statements and the financial information contained in the interim MD&A are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and interpretations of the IFRS Interpretations Committee. The unaudited condensed interim financial statements have been prepared in accordance with International Standard 34, Interim Financial Reporting.

The Company's certifying officers are responsible for ensuring that the Financial Statements and MD&A do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made. The Company's officers certify that the Financial Statements and MD&A fairly present, in all material respects, the financial condition, result of operations and cash flows, of the Company as the date hereof.

The Board of Directors approves the Financial Statements and MD&A and ensures that the Company's officers have discharged their financial responsibilities. The Board's review is accomplished principally through the Audit Committee, which reviews and approves all financial reports prior to filing.

Additional information related to the Company is available on SEDAR at www.sedar.com.

FORWARD LOOKING STATEMENTS

Information set forth in this MD&A may involve forward-looking statements under applicable securities laws. Forward-looking statements are statements that relate to future, not past, events. In this context, forward-looking statements often address expected future business and financial performance, and often contain words such as "anticipate", "believe", "plan", "estimate", "expect", and "intend", statements that an action or event "may", "might", "could", "should", or "will" be taken or occur, or other similar expressions. All statements, other than statements of historical fact, included herein are forward-looking statements. By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or other future events, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the following risks: the need for additional financing; reliance on key personnel; the potential for conflicts of interest among certain officers, directors, or promoters with certain other projects; the absence of dividends; competition; dilution; the volatility of our common share price and volume and the additional risks identified in the "Risk Factors" section of this MD&A or other reports and filings with applicable Canadian securities regulations. Forward-looking statements are made based on management's beliefs, estimates and opinions on the date that statements are made, and the Company undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change, except as required by applicable securities laws. Investors are cautioned against attributing undue certainty to forward-looking statements.

DESCRIPTION OF BUSINESS AND OVERVIEW

First Phosphate Corp. (the "Company") was incorporated in British Columbia on September 18, 2006. On June 29, 2022 the Company filed articles of amendment with the Province of British Columbia changing its name from First Potash Corp. to First Phosphate Corp. The address of the Company's corporate office and registered and records office is 1055 West Georgia Street, 1500 Royal Centre, P.O. Box 11117, Vancouver, British Columbia, V6E 4N7. Since May 2022 the Company has been in the business of acquiring and exploring igneous rock titanium and phosphate mineral properties in the Saguenay Region of Quebec for the purposes of developing and producing phosphate concentrate, titanium concentrate and iron concentrate and eventually phosphoric acid for use in lithium iron phosphate (LFP) batteries for the electric vehicle (EV) industry. Quebec is a North American EV industry hub with multiple government incentives. The Company seeks to utilize its access to clean hydro power, secure and ethical supply source, proximity to city, airport and international deep seaport to maximize its early mover advantage in the LFP battery segment. The Company operates in an industry with immense growth potential. The Global LFP market is projected to grow at CAGR of 25.6% in the next 5 years owing to rapid growth in demand for LFP batteries for EVs. Proposed US government EV credits require 40% of EV battery materials to be sourced in the US or in aligned free trade countries. Requirement rises to 80% by 2027. LFP value chain starts with high purity igneous rock deposits which the Company has access to and gives it a competitive advantage. The Company has submitted permit applications to begin drilling in 2023. Further, the Company has entered a partnership with Queen's University in Advanced formulation and process integration.

On March 26, 2021, the Alberta Securities Commission and British Columbia Securities Commission each issued an order revoking their previously issued cease trade orders in respect of the securities of the Corporation. The Company has not resumed trading despite revocation of the cease trade order and is an unlisted reporting issuer. The Company filed an application for listing with the Canadian Securities Exchange on November 15, 2022. The application is in process and has not been finalized as at the date of issuance of the financial statements.

The Company announced that on June 1, 2022, it completed a consolidation of the Company's issued and outstanding common shares on the basis of 1 post-consolidation common share for every 500 pre-consolidation common shares. The consolidation was approved by the Company's Board of Directors on May 27, 2022.

Accounting policy for exploration and evaluation assets

During the nine months ended November 30, 2022, the Company has adopted the following accounting policy for exploration and evaluation assets:

Acquisition costs and exploration and evaluation expenditures are capitalized until the viability of the exploration properties is determined.
Exploration and evaluation assets are tested for impairment if facts or circumstances indicate that impairment exists. Examples of such facts and circumstances are as follows:

- The period for which the Company has the right to explore in the specific area has expired during the period or will expire in the near future and is not expected to be renewed.
- Substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned.
- Exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area.
- Sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

After technical feasibility and commercial viability of the extraction of mineral resource are demonstrable, the Company stops capitalizing expenditures for the applicable block of claims or geological area of interest and tests the asset for impairment. The capitalized balance, net of any impairment recognized, is then reclassified to either tangible or intangible mine development assets according to the nature of the asset.

The Company recognizes liabilities for constructive or legislative and regulatory obligations, including those associated with the reclamation of mineral properties, when those obligations result from the acquisition, construction, development or normal operation of assets. Provisions are measured at the present value of the expected expenditures required to settle the obligation using a pre-tax discount rate reflecting the time value of money and risks specific to the liability. The liability is increased for accretion expense, representing the unwinding of the discount applied to the provision, and adjusted for changes to the current market-based risk-free discount rate, and the amount or timing of the underlying cash flows needed to settle the obligation. The associated restoration costs are capitalized as part of the carrying amount of the related long-lived asset and depreciated over the expected useful life of the asset or expensed in the period for closed sites.

Purchase of Mineral Property and Claims

Lac à l'Orignal flagship area

On June 17, 2022, the Company entered into an option agreement (the "Agreement"), which was subsequently amended, with an arm's length TSX Venture Exchange listed company (the "Optionor"), which provides the Company the right to acquire a 100% legal and beneficial interest, subject to an existing 1% net smelter return (NSR) royalty, in a phosphate exploration property in the Province of Quebec covering approximately 60.6 sq km of land. Pursuant to the Agreement, the Company acquired the interest in the Property by paying a total cash consideration of $1,491,000 as follows:

(i) $191,000 on June 17, 2022, which payment was made
(ii) $300,000 on or before July 7, 2022, which payment was made
(iii) $100,000 on or before July 25, 2022 (as amended), which payment was made
(iv) $400,000 on or before August 25, 2022 (as amended), which payment was made
(v) $250,000 on or before September 14, 2022 (as amended), which payment was made
(vi) $250,000 by issuing a non interest bearing promissory note with the maturity date of February 17, 2023, on or before September 14, 2022 (as amended), which was issued.

In addition, pursuant to the Agreement, the Company has issued to the Optionor 6,000,000 common shares of the Company at $0.25 per share for the purchase of mineral properties for total value of $1,500,000. The common shares are subject to a resale restriction with 10% of such shares being released on March 31, 2023 and 15% of such shares being released every three months thereafter.

Further, as part of the transaction, the Company paid finders an aggregate of 700,000 common shares of the company at $0.02 per share for total value of $14,000.
The Company purchased the 1% NSR royalty relating to the above property for $50,000.

In the event, the Company has more than 85,000,000 shares issued and outstanding on a fully diluted basis at the time of completing its listing on the Canadian Securities Exchange (the CSE), the Company is committed to issue additional shares to the optionor computed as:

(a) 8.95% multiplied by; (b) the number of issued and outstanding shares on a fully diluted basis at the time of completing the CSE Listing; (c) less 6,000,000 shares already issued to the optionor.

On the date of the financial statements, Management does not expect the total number of issued and outstanding on a fully diluted basis at the time of completing its listing to be more than 85,000,000.

The Company also purchased two mineral claims representing approximately one sq km of land originally owned by three individuals in the proximity of the Property for $15,000 paid in cash.

The Company entered into another option agreement with 2 individuals, to acquire 11 mineral claims representing approximately 5.6 sq km of land in the Province of Quebec in the proximity of the Lac `a l'Orignal property. A total consideration of $90,000 has been paid in cash for the acquisition of claims.

On September 12, 2022, the Company entered into an agreement to purchase 7 mining claims in this region of the Province of Quebec for total consideration of $21,000 comprised of $7,000 settled by issuing 28,000 shares at $0.25 per share and $ 14,000 in cash.

Further, the Company has incurred and capitalized $510,599 in camp, consulting and surveying expenses in the flagship area.

Begin - Lamarche area

On July 27, 2022, the Company purchased 24 mining claims in this region of the Province of Quebec for a total consideration of $222,500 which comprised of $12,500 settled by issuing 50,000 shares at $0.25 per share and $210,000 in cash. The Company has incurred and capitalized $106,291 in consulting and surveying expenses in the property.

Bluesky area

On September 12, 2022, the Company purchased 23 mining claims in this region of the Province of Quebec for total consideration of $50,000 which comprised of $40,000 settled by issuing 160,000 common shares at $0.25 per share and $10,000 in cash. Further, the Company has paid in cash $190,734 for claim staking during the nine months ended November 30, 2022

Changes in Management

On June 23, 2022, the Company announced that Laurence W. Zeifman joined the board of directors, in addition, Bennett Kurtz has resigned as CEO, while remaining as CFO, and John Passalacqua has been appointed as CEO. On September 28, 2022, the Company announced that Peter Kent has been appointed to lead the Company as President. Mr. Kent joined the Company's board as a director at its annual meeting in August.

Changes in Share capital

On June 28, 2022, the Company completed a non-brokered private placement of 19,300,000 common shares in the capital of the Company at a price of $0.02 per share for aggregate gross proceeds of $386,000. Legal fees of $11,655 have been incurred by the Company relating to the private placements and has been recorded as share issuance costs. Also, 700,000 shares at $0.02 per share for total value of $14,000 were issued as finder's fee for mineral properties on the same date.

On July 11, 2022, 500,000 options were exercised at the exercise price of $0.02 per share for gross proceeds of $10,000. The fair value of options on grant date was computed as $3,927 and was subsequently reclassified from contributed surplus to capital stock.

On August 23, 2022, the Company issued 7,035,000 common shares at $0.25 per share for gross proceeds of $1,758,750. As broker's fee for the private placement, the Company made cash disbursements of $67,560 and recorded as share issuance costs.

The Company also issued 6,050,000 shares at $0.25 per share under purchase agreements for exploration assets for total value of 1,512,500 on the same date. Further, The Company issued 188,000 shares at $0.25 per share for mineral claims with a value of $47,000 on September 12, 2022.

On August 31, 2022, the Company issued 1,594,000 shares at $ 0.25 per share for gross proceeds of $398,500. The Company made cash disbursements of $13,280 as broker's fee and recorded as share issuance costs. On the same date, the company issued 323,360 warrants as broker's fee for the private placements. The fair value of warrants on grant date was estimated as $43,245 and recorded as share issuance costs.

As at November 30, 2022, the Company had received $431,451 towards share subscriptions and recorded as shares to be issued.

Subsequent Events

The Company issued 600,000 flow-through (FT) units at $0.40 per FT unit and 685,716 units at $0.35 per unit on December 1, 2022 for gross proceeds of $240,000 and $240,001 respectively. Each FT unit consists of one flow-through share and one half of one common share purchase warrant. Each whole warrant is exercisable for one additional non-flow through share at a price of $0.50 until December 31, 2025. Each unit consists of one share and one half of one common share purchase warrant. Each whole warrant is exercisable for one additional share at a price of $0.50 until December 31, 2025. The Company issued 102,857 warrants as broker's fees for the private placement.

On December 22, 2022, the Company issued 3,647,362 units at $0.35 per unit and 1,472,000 FT units at $0.40 per FT unit for gross proceeds of $1,276,577 and $588,800 respectively. $431,451 advance subscriptions related to these issuances were received as at November 30, 2022 (see Note 8). Each FT unit consists of one flow-through share and one half of one common share purchase warrant. Each whole warrant is exercisable for one additional non-flow through share at a price of $0.50 until December 31, 2025. Each unit consists of one share and one half of one common share purchase. Each whole warrant is exercisable for one additional share at a price of $0.50 until December 31, 2025. The Company issued 104,200 warrants as broker's fees for the private placement. Further, the Company issued 100,000 shares in settlement of debt of $94,500.

On December 30, 2022, the Company issued 1,250,000 FT units at $0.40 per FT unit for gross proceeds of $500,000. Each FT unit consists of one flow-through share and one half of one common share purchase warrant. Each whole warrant is exercisable for one additional non-flow through share at a price of $0.50 until December 31, 2025.

On January 17, 2023, the Company issued 1,574,784 units at $0.35 per unit for gross proceeds of $551,174. Each unit consists of one share and one half of one common share purchase warrant. Each whole warrant is exercisable for one additional share at a price of $0.50 until December 31, 2025. The Company issued 75,040 warrants as broker's fees for the private placement.

On December 23, 2022, the Company issued 1,800,000 options at $0.35 per share to its Directors and 1,350,000 options at $0.35 per share to its consultants. The options vest as follows: (i) 25% vest when the common shares commence trading on a stock exchange in Canada (the “Listing”), and (ii) increments of 25% vest every six months after the listing. These options expire three years from the date of the Listing.

(b) **Investment and purchase of license**

On January 10, 2023, the Company entered into an investment and licensing option agreement with Integrals Power Limited (“IPL”), a UK company, under the terms of which the Company acquired 7,386 IPL shares for £50,000 and an option to acquire a license to use IPL technology for a further payment of £950,000. The Company is committed to a 1.5% royalty per kilogram of LFP cathode active material sold from the facility which uses IPL technology.

RESULTS OF OPERATIONS

<u>For the three months ended November 30, 2022</u>

The following analysis of the Company’s operating results in the three months ended November 30, 2022, includes a comparison against the previously completed three months ended November 30, 2021.

Revenue:

The company has no revenue, as there are no active business operations.

Expenses:

Professional fees for the three months ended November 30, 2022 were $195,331 compared to $9,771 for the three months ended November 30, 2021. The professional fees comprise of the following:

	For the three months ended November 30, 2022	For the three months ended November 30, 2021
	$	$
Legal fees	171,763	8,271
Accounting fees	13,446	1,500
Audit fee	10,122	-
	195,331	9,771

The increase in legal fees is reflective of filings and other general matters of the company. The increase in accounting fees and audit fees is reflective of accruals for accounting services and annual audit respectively.

Consulting Fees for the three months ended November 30, 2022 were $237,936 compared to $nil for the three months ended November 30, 2021. Consulting fees were incurred relating to market research, website development and website audit.

Management fees for the three months ended November 30, 2022 were $70,000 compared to $nil for the three months ended November 30, 2021. Management fees relates to the Company's President, CEO and CFO services.

Director's Fees for the three months ended November 30, 2022 were $16,500 compared to $nil for the three months ended November 30, 2021. Directors fees have been incurred for two directors of the company.

General administrative expenses for the three months ended November 30, 2022 were $67,995 compared to $nil for the three months ended November 30, 2021. The expenses include bank service charges, travel expenses, couriers and postage.

Regulatory filing fees for the three months ended November 30, 2022 were $23,369 compared to $620 for the three months ended November 30, 2021. The increase in costs is reflective of various filings for the Company.

Share based compensation for the three months ended November 30, 2022 were $135,144 compared to $nil for the three months ended November 30, 2021. Share based compensation was recorded for issuance of stock options to Directors and consultants of the Company.

Gain on recognition of fair value of loan for the three months ended November 30, 2022 were $6,877 compared to $nil for the three months ended November 30, 2021. The benefit of below market interest rate on the loan was recorded as gain on recognition of fair value of loan.

Loss for the period
The net loss for the three months ended November 30, 2022 was $739,398 as compared to $10,391, for the three months ended November 30, 2021. This represents an increase in net loss of $729,007 and is primarily due to the items discussed above.

<u>For the nine months ended November 30, 2022</u>

The following analysis of the Company's operating results for the nine months ended November 30, 2022, includes a comparison against the nine months ended November 30, 2021.

Revenue:

The company has no revenue, as there are no active business operations.

Expenses:

Professional fees for the nine months ended November 30, 2022 were $288,815 compared to $39,876 for the nine months ended November 30, 2021. The professional fees comprises of the following:

	For the nine months ended November 30, 2022 $	For the nine months ended November 30, 2021 $
Legal fees	246,064	26,862
Accounting fees	20,946	11,125
Audit fees	21,805	1,889
	288,815	39,876

The increase in legal fees is reflective of filings and other general matters of the company. The increase in accounting fees and audit fees is reflective of accruals for accounting services and annual audit respectively.

Consulting Fees for the nine months ended November 30, 2022 were $272,886 compared to $nil for the nine months ended November 30, 2021. Consulting fees were incurred relating to market research, website development and website audit.

Management fees for the nine months ended November 30, 2022 were $145,000 compared to $nil for the nine months ended November 30, 2021. Management fees relates to the Company's President, CEO and CFO services.

Director's Fees for the nine months ended November 30, 2022 were $50,000 compared to $nil for the nine months ended November 30, 2021. Directors fees have been incurred for two directors of the company.

General administrative expenses for the nine months ended November 30, 2022 were $104,783 compared to $nil for the nine months ended November 30, 2021. The expenses include bank service charges, travel expenses, couriers and postage.

Regulatory filing fees for the nine months ended November 30, 2022 were $55,687 compared to $8,926 for the nine months ended November 30, 2021. The increase in costs is reflective of filings for the Company.

Share based compensation for the nine months ended November 30, 2022 were $139,071 compared to $nil for the nine months ended November 30, 2021. Share based compensation was recorded for issuance of stock options to Directors and consultants of the Company.

Gain on recognition of fair value of loan for the nine months ended November 30, 2022 were $6,877 compared to $nil for the nine months ended November 30, 2021. The benefit of below market interest rate on the loan was recorded as gain on recognition of fair value of loan.

Loss for the period
The net loss for the nine months ended November 30, 2022 was $1,049,365 as compared to $48,802, for the nine months ended November 30, 2021. This represents an increase in net loss of $1,000,563 and is primarily due to the items discussed above.

SUMMARY OF QUARTERLY RESULTS

The following quarterly financial data is derived from the unaudited condensed interim financial statements of First Phosphate Corp. for the three-month periods ended on the dates indicated below. The information should be read in conjunction with the Company's annual audited financial statements and the accompanying notes thereto.

	Nov 30/22	Aug 31/22	May 31/22	Feb 28/22
	$	$	$	$
Total assets	4,989,371	3,749,914	52,437	-
Working capital (deficiency)	71,610	607,249	(169,902)	(72,678)
Shareholders' equity	3,482,734	3,608,536	(132,639)	(72,678)
Net loss	(739,398)	(250,006)	(59,961)	(15,715)
Loss per share	0.02	0.02	0.10	0.11

	Nov 30/21	Aug 31/21	May 31/21	Feb 28/21
	$	$	$	$
Total assets	-	-	1,950	26,181
Working capital (deficiency)	(56,963)	(46,572)	(25,183)	(8,161)
Shareholders' equity	(56,963)	(46,572)	(25,183)	(8,161)
Net loss	(10,391)	(21,389)	(17,022)	(65,661)
Loss per share	$0.02	$0.04	$0.03	$0.37

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not utilize off-balance sheet transactions.

CAPITAL STOCK

The authorized capital stock of the company is an unlimited number of common shares and an unlimited number of preferred shares issuable in series. As at November 30, 2022, the Company had 35,965,718 common shares outstanding with a paid up capital of $12,922,573 and as at February 28, 2022, the Company had 598,718 common shares outstanding with a paid-up capital of $8,927,636. The Company approved and completed a consolidation of the issued and outstanding common shares based on 1 post-consolidation common share for every 500 pre-consolidation common shares on May 27, 2022. As at the date of MD&A, the Company has 45,295,580 common shares outstanding.

Options

The Company adopted a Stock Option Plan (the "Plan") on August 25, 2022 (the "effective date") under which the Company is authorized to grant stock options entitling option holders to purchase up to that number of common shares that is equal to 20% of the issued and outstanding common shares of the Company as at the effective date of the Plan. The Company is authorized to issue up to 6,836,750 options.

The Board of Directors (the "Board") shall fix the exercise price of any stock option when such stock option is granted, which shall be no lower than the exercise price permitted by the CSE. A stock option shall be exercisable during a period established by the Board, which shall commence on the date of the grant and shall terminate no later than ten years after the date of the grant of the award or such shorter period as the Board may determine. Vesting conditions will be determined by the Board at each grant date except in the case of stock options issued to consultants engaged in investor relations activities which will vest in nine months in quarterly intervals beginning on the grant date.

On July 4, 2022, the Company issued 500,000 options to a Director, at an exercise price of $0.02 per share, which were exercised during the period.

On September 14, 2022 the Company issued 1,800,000 options at $0.25 per share to Directors and 800,000 options at $0.25 per share to consultants. Further, on November 1, 2022, the Company issued 475,000 options at $0.25 per share to consultants. The options vest as follows: (i) 25% vest when the common shares commence trading on a stock exchange in Canada (the "Listing"), and (ii) increments of 25% vest every six months after the listing. These options expire three years from the date of the Listing.

	Number of Options	Weighted Average Exercise Price $
Outstanding, February 28, 2022	400	35
Issued during the period	3,575,000	0.21
Expired during the period	(400)	35
Exercised during the period	(500,000)	0.02
Outstanding as at November 30, 2022	3,075,000	0.25

The following is a summary of options outstanding as at November 30, 2022:

Expiry date	Number of options	Exercise price $	Weighted average life remaining
Three years from listing date	3,075,000	0.25	3.21

As at November 30, 2022, no options were exercisable.

During the nine months ended November 30, 2022, the Company recorded $139,071 of share based compensation related to the vesting of options (November 30, 2021 - $nil). The fair value of options was based on the Black Scholes pricing model, using the following assumptions:

	Options granted on July 4, 2022	Options granted on September 14, 2022	Options granted on November 1, 2022
Number issued	500,000	2,600,000	475,000
Share price	$0.02	$0.25	$0.25
Expected dividend yield	Nil	Nil	Nil
Exercise price	$0.02	$0.25	$0.25
Risk-free interest rate	3.15%	3.72%	3.92%
Expected volatility	100%	100%	100%
Expected forfeiture rate	0%	0%	0%
Expected expiration (years)	1.00	3.42	3.29

As at the date of MD&A, the Company has 6,225,000 options outstanding comprised of 3,075,000 options at $0.25 per share and 3,150,000 options at $0.35 per share.

Warrants

During the nine months ended November 30, 2022, the company issued 323,360 warrants at exercise price of $0.25 per share as broker fees for private placements. The fair value of warrants issued as at issue date was $43,245 and was recorded as share issuance costs. As at February 28, 2021, there were 124,224 warrants outstanding with weighted average exercise price of $0.32. The Company did not have any warrant activity during the nine months ended November 30, 2021. As at the date of MD&A, there are 5,220,387 warrants outstanding.

	Number of warrants	Weighted Average Exercise Price $
Outstanding as at February 28, 2022	124,224	0.32
Issued during the period	323,360	0.25
Cancelled during the period	(124,224)	0.32
Outstanding as at November 30, 2022	323,360	0.25

The following is a summary of warrants outstanding as at November 30, 2022

Expiry date	Number of warrants	Weighted Average Fair Value	Weighted Average life remaining
August 23, 2024	270,240	36,134	1.73
August 31, 2024	53,120	7,111	1.75

The fair value of warrants was estimated to be $43,245 at the grant date, based on Black Scholes pricing model, using the following assumptions:

	Warrants issued on August 23, 2022	Warrants issued on August 31, 2022
Number issued	270,240	53,120
Share price	$0.25	$0.25
Expected dividend yield	Nil	Nil
Exercise price	$0.25	$0.25
Risk-free interest rate	3%	3.02%
Expected volatility	100%	100%

RELATED PARTY TRANSACTIONS

Related parties and related party transactions impacting the accompanying financial statements are summarized below and include transactions with the following individuals or entities:

Key management personnel

Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

Remuneration attributed to key management personnel can be summarized as follows:

	For the nine months ended	
	November 30, 2022	**November 30, 2021**
	$	**$**
Management fees	145,000	9,625
Director's fees	50,000	-
Share based compensation	89,006	-
	284,006	9,625

Due to related parties

As at November 30, 2022, $7,500 (February 28, 2022, $58,617) was included in accounts payable as due to a director of the Company. On November 30, 2022, the Company issued a promissory note payable to Expoworld Ltd., a corporation owned by the CEO of the Company, of $850,000 (February 28, 2022 - $ nil). The maturity date of the promissory note is February 28, 2024. The Company is required to pay interest of 8% per annum. Upon the maturity date, the principal plus accrued and unpaid interest, is due and payable and accordingly the promissory note is classified as non-current.

Advances to related parties

As at November 30, 2022, $17,500 (February 28, 2022, $nil) was included in deposits and prepaids which pertains to payments made in advance to officers of the Company.

FINANCIAL INSTRUMENTS

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 – Inputs that are not based on observable market data.

The Company measures its cash and cash equivalents using unadjusted quoted prices in active markets for identical assets or liabilities. The Company measures its restricted cash, accounts payable and loans payable at amortized cost.

The Company is exposed in varying degrees to a variety of financial instrument related risks:

Credit risk
Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company is not exposed to significant credit risk as its maximum exposure relates to cash and restricted cash balances totaling $518,791.

Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

The Company as of November 30, 2022, has $483,791 in cash, $35,000 in restricted cash, $216,914 in accounts payable, $ 246,250 in loans payable and $850,000 in promissory note payable and represents the Company's maximum exposure to liquidity risk.

The following are the contractual maturities of financial liabilities.

As at November 30, 2022

	Carrying amount $	Contractual cash flows $	Less than 1 year $	1-3 years $
Accounts payable	216,914	216,914	216,914	-
Loans payable	246,250	250,000	250,000	-
Promissory note payable	850,000	969,622		969,622

The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing. If the Company is not successful in raising sufficient capital, the Company may have to curtail or otherwise limit its operations. From time to time the Company works to raise additional capital through private placements or other equity financing. The Company does not currently have any operations generating cash. The Company is therefore dependent upon debt and equity financing to carry out its plans. There can be no assurance that such financing will be available to the Company.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and equity prices.

a) Interest rate risk

   Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

   The risk that the Company will realize a loss as a result of a change in the interest rate is low, as the Company has no investments or liabilities with variable interest rates.

b) Foreign currency risk

   As at November 30, 2022 and February 28, 2022, the Company's expenditures are in Canadian dollars, and any future equity raised is expected to be in Canadian dollars. As a result, the Company believes its currency risk to be minimal.

c) Price risk

   Price risk is related to equity and commodity price risks. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. As the Company holds no equity or commodity related investments or assets, the Company has no exposure to price risk. The Company has not started extraction process and has not generated any revenue. As a result, is not exposed to risks due to changes in phosphate prices but that may impact future operations.