FORM 51-102F1
MANAGEMENT DISCUSSION AND ANALYSIS
FIRST PHOSPHATE CORP.
AUGUST 31, 2023 AND AUGUST 31, 2022

This management's discussion and analysis ("MD&A") covers the financial statements of First Phosphate Corp. (the "Company") For the period ended August 31, 2023 and for the comparable period ended August 31, 2022. This MD&A should be read in conjunction with the condensed interim financial statements and notes thereto for the period ended August 31, 2023 and August 31, 2022 (the "Interim Financial Statements"). The information contained in this report is current to October 30, 2023 and has been approved by the Company's board of directors (the "Board").

This discussion should be read in conjunction with the Company's audited annual financial statements for the years ended February 28, 2023 and February 28, 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 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 Company's certifying officers are responsible for ensuring that the condensed interim 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 condensed interim 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 approves the condensed interim 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 http://www.sedarplus.ca/.

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

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, exploring and developing igneous anorthosite rock mineral properties in the Saguenay-Lac-St-Jean Region of Quebec for the purposes of developing and producing apatite (phosphate) concentrate, ilmenite (titanium) concentrate and magnetite (iron) concentrate. The Company now holds over 1,500 sq. km of royalty-free district-scale land claims.

The Company's mining properties are located in Quebec, a North American electrification industry hub. The properties are strategically located in proximity to the City of Saguenay, Quebec's 6th largest city, with a skilled industrial workforce. Bagotville Airport is within vicinity, with daily flights to Montreal. The Company has access to the deep sea Port of Saguenay for international shipment of its concentrates as well as the ability to locate industrial facilities at the Port of Saguenay. Clean Quebec Hydro is present in the vicinity of many of the Company's mining claims as well as at the Port of Saguenay. The Company's flagship property of Lac à l'Orignal as well as Bégin-Lamarche are located on four season, heavy haul gavel roads connected to a paved provincial highway and to the Port of Saguenay. The Company has a formal memorandum of understanding (MOU) in place with the Port of Saguenay.

Through prudent downstream partnerships, the Company plants to vertically integrate from mine source to eventual production of purified phosphoric acid and LFP cathode active material for use in the manufacture of Lithium Iron Phosphate ("LFP") batteries for various industries such as energy storage, electric vehicles (EV) and other industries. To this effect, the Company has signed a formal MOU with Prayon SA ("Prayon") of Engis, Belgium, a producer of purified phosphoric acid ("PPA"). The Company has also signed an LFP production technology licensing agreement with Integrals Power Limited ("IPL") of Milton Keynes, United Kingdom.

The Company is preparing to position itself as a mineral development company fully dedicated to extracting and purifying phosphate for the eventual downstream production of cathode active material "CAM") for the LFP battery industry.

Industry Developments

The global LFP battery market size was USD 8.37 billion in 2020 and is projected to grow from USD 10.12 billion in 2021 to USD 49.96 billion by 2028 at a compound annual growth rate (CAGR) of 25.6%. Fortune Business Insights™ has mentioned these insights in its latest research report, titled, "*Global Lithium Iron Phosphate Battery Market, 2021-2028.*"

According to the study, robust demand for LifePO4 batteries across passenger cars and electric vehicles will boost industry growth. Lithium iron phosphate (LFP) battery packs have gained traction to offer high voltage, power density, long life cycle, less heating, and increased safety. Soaring demand for electric vehicles (EVs) will boost the popularity of LFP battery components. On August 16, 2022, President Biden signed the Inflation Reduction Act (IRA) into law, marking a significant action the US Congress has taken on clean energy and climate change.

Changes in Mineral Properties and Claims

During the six months ended August 31, 2023, there were no changes in plans for any of the mineral properties or claims, changes in the status of the plan or expenditures made with respect to the Company's projects except as disclosed herein:

Lac à l'Orignal Flagship Area*:* The Company's material exploration property is the Lac à l'Orignal Property, which is based on a technical report dated November 17, 2022 and entitled "Technical Report and Initial Mineral Resource Estimate of the Lac à l'Orignal Phosphate Property, Saguenay-Lac-Saint-Jean Region, Northern Quebec" (the "Technical Report") as prepared by Antoine Yassa, P. Geo, registered geologist of 3602 Rang des Cavaliers, Rouyn-Noranda, J0Z 1Y2. Preliminary Metallurgical Testwork on the property was performed by the Quebec division of SGS Canada Inc. ("SGS") and published on March 20, 2023. As well a Mineralogical Study by Queen's University was published on March 14, 2023. The Company announced a completed Preliminary Economic Assessment on this property on July 26, 2023.

On September 11, 2023, the Company filed on SEDAR+, its Preliminary Economic Assessment ("PEA") on the Lac à l'Orignal Property, Quebec, Canada. The PEA provides a viable case for developing the Property by open pit mining for the primary production of a phosphate concentrate and secondary recovery of magnetite and ilmenite concentrates.

The PEA is considered by P&E Mining Consultants Inc. to meet the requirements as defined in Canadian National Instrument 43-101 Standards of Disclosure for Mineral Projects. This PEA is preliminary in nature and includes Inferred Mineral Resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be classified as Mineral Reserves, and there is no certainty that the PEA will be realized. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. There is no guarantee that First Phosphate will be successful in obtaining any or all of the requisite consents, permits or approvals, regulatory or otherwise, for the project to be placed into production.

Having completed the PEA on July 26, 2023 and as for Phase 2, the decision as to whether to proceed with the Phase 2 at Lac à l'Orignal, and with which exact strategy, will be determined after more detailed drilling results are received from the Bégin-Lamarche property. The company needs to evaluate whether it would be more economically beneficial to orientate Phase 2 work at Lac à l'Orignal or at Bégin-Lamarche but only after a 43-101 report will be prepared at Bégin-

Lamarche. The Company will, at that point, decide how to conduct environmental baseline studies and commence deeper stakeholder engagement and consultations (Quebec BAPE will be considered). The baseline studies should focus on aquatic, terrestrial and hydrological monitoring and documentation. A formal community, government, and stakeholder consultation plan should be developed and implemented, and all activities documented. This Phase will also include pre-feasibility studies (whether internal or formalized) as well as advanced metallurgical studies, definition drilling activities all in view to moving to a formal feasibility study. The company will update as to the Phase 2 program (pre-feasibility and feasibility study) in the coming quarters after it is comfortable to have finalized drilling results at Bégin-Lamarche and fully understood the potential of this property vis-à-vis Lac à l'Orignal.

Expenditures for this period on the Lac à l'Orignal property have amounted to $568,638.

Begin - Lamarche Area*:* The Company's secondary exploration property is found at Bégin-Lamarche which is 75 km driving distance from the deep sea Port of Saguenay. On June 5, 2023, the Company announced the results of its 4,274 m drill program on the property which yielded the discovery of two main zones with multiple open pit accessible phosphate-bearing layers.

Management has decided on a second drill program to be planned for the Bégin-Lamarche property. The objective of this program will be to infill drill the known phosphate layers to a 100 x 100 m grid in order to decide whether to commission a 43-101 resource estimate. The next drill program at Bégin-Lamarche is scheduled for Q1-Q2 of 2024 and requires a prospection program and minimum drilling program of 1500 m.

Expenditures for this period on the Bégin-Lamarche property have amounted to $576,238. Immediate expenditures for this property will be on prospecting, assaying and drill program planning. The data obtained from these prospection activities will enable management to set the targets for the infill and drilling to occur in the next phase of development of the property.

Bluesky Property: The Bluesky Property consist of a series of staked claims areas within 250 km or less from the Port of Saguenay, Quebec. Ongoing surface sampling, prospecting and other forms of reconnaissance will occur on these properties in future quarters. These properties are to be considered as very early exploration.

The Company has incurred expenditures of $10,495 for this period.

All three exploration areas noted above have not generated revenue thus far. The Company is in the exploration phase at Lac à l'Orignal, in the advanced drilling phase at Bégin-Lamarche and at the early exploration phase in the Bluesky Property. The Company continues to determine the commercial feasibility of each location.

Changes in Management

On August 31, 2023 Peter Kent retired as President and Director of the Company. Mr. Kent will remain involved with the Company as a member of its advisory board. On August 31, 2023, Garry Siskos stepped down as COO/CFO of the Company to pursue fundraising opportunities in his private practice and will remain as a consultant to the Company. Bennett Kurtz, the predecessor CFO to Garry, will serve as the Company's CFO in addition to his roles as the Company's CAO, Corporate Secretary, and Director.

Changes in Share Capital

(a) On March 1, 2023, the Company issued 184,480 common shares, on the exercise of warrants and $68,257 was reclassified from shares to be issued to capital stock. On March 9, 2023, the Company issued 53,760 common shares at $0.25 per share, on the exercise of brokers' warrants, for total proceeds of $13,440. The fair value of warrants on the grant date was computed as $7,215 and was reclassified upon exercise from contributed surplus to capital stock.

(b) On March 10, 2023, the Company issued 27,173 common shares with a fair value of $22,825 for the purchase of 13 mineral claims in the Begin-Lamarche area (see note 8(a)).

(c) On April 24, 2023, the Company issued 1,205,217 units at $0.70 per unit for gross proceeds of $843,652. Each unit consisted 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 $1.25 until April 26, 2026. The value of share capital of $614,660 was determined using the fair market value of the shares on the date of issuance and the residual proceeds of $228,992 were allocated to warrants. The Company paid $22,760 as brokers' fees and issued 12,514 warrants as brokers' warrants with an exercise price of $1.25 per share which expire on April 24, 2026. The fair value of the broker warrants was computed as $2,900 using the Black Scholes pricing model and recorded as share issuance costs.

(d) On April 24, 2023, the Company issued 1,869,375 flow-through ("FT") units at $0.80 per unit for gross proceeds of $1,495,500. Each FT unit consists of one flow-through common 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 $1.25 until April 30, 2026. The value of share capital of $1,140,320 (before deduction of $186,938 flow-through premium) was determined using the fair market value of the shares on the date of issuance and the residual proceeds of $355,180 were allocated to warrants. The Company paid $60,384 as brokers' fees and issued 57,980 warrants as brokers' warrants with an exercise price of $1.25 per share which expire on April 24, 2026. The fair value of the warrants was computed as $13,438 using Black Scholes pricing model and recorded to share issuance costs.

(e) On April 30, 2023, the Company issued 42,857 shares as finder's fees for the above private placements with a fair value of $21,857. Additionally, the Company incurred legal fees of $27,994 with respect to the above private placements.

(f) On May 17, 2023, the Company issued 7,143 common shares at $0.50 per share for gross proceeds of $3,572, on the exercise of unit warrants. The fair value of warrants on the grant date was computed as $nil, accordingly no amount was reclassified upon exercise from contributed surplus to capital stock.

(g) On May 30, 2023, the Company issued 4,480 common shares at $0.25 per share, on the exercise of brokers' warrants, for total proceeds of $1,120. The fair value of warrants on the grant date was computed as $601 and was reclassified upon exercise from contributed surplus to capital stock.

(h) On June 28, 2023, the Company settled an amount owed for services through the issuance of 179,104 common shares at $0.335 per share.

Other Events

June 5, 2023: The Company announced that it obtained final winter program drill results at its Bégin-Lamarche property located in the region of Saguenay-Lac-St-Jean, Quebec, Canada. 20 holes were drilled for a total of 4,274 meters.

June 12, 2023: Isobel Sheldon, battery executive and entrepreneur, joined the Company's advisory board.

June 19, 2023: The Company commissioned a phosphate concentration pilot plant. A 15-tonne bulk sample was crushed to a diameter of 20 mm and sent to SGS. Based on 15 separate crushed rock specimens, the bulk sample assayed 7.6% P_2O_5 (phosphate) and 6.9% TiO_2 (titanium oxide). The pilot plant optimises the Company's metallurgical process for the production of a super high grade phosphate concentrate approaching 41% P_2O_5. The pilot plant has produced over 900 kilograms of apatite concentrate which have been sent to the facilities of Prayon for the production of battery-grade PPA. The battery-grade PPA produced will then be sent to Company partners for homologation into their LFP CAM production processes. The pilot plant also produces valuable, marketable recoveries of ilmenite and magnetite.

June 19, 2023: The Company announced the completion of a share purchase agreement with Glen Eagle Resources (GER"). Certain directors and officers of the Company acquired 2,700,000 Company shares from GER at $0.2185 per share, amounting to a total cash payment of $590,000, pursuant to a share purchase agreement dated May 10, 2023. These shares were originally issued on August 24, 2022, at $0.250 per share to GER under a purchase agreement for the Lac à l'Orignal property.

June 27, 2023: A consultant engaged by the Company as the capital markets consultant resigned from service. Of the 100,000 options issued to this consultant, 75,000 options were immediately cancelled pursuant to an option forfeiture agreement dated June 27, 2023, and 25,000 have vested and are exercisable until June 27, 2024. Additionally, the Company settled an amount owed to him for services through the issuance of 179,104 common shares of the Company, with such shares subject to a statutory four month and one day hold period.

July 5, 2023: Armand MacKenzie, First Nations mining executive, joined the First Phosphate Advisory Board.

July 18, 2023: The Company entered into MOU with Norfalco, a division of Glencore Canada, to secure supply of sulfuric acid. Under the terms of the MOU, and subject to the parties entering into a mutually agreeable definitive sulfuric acid supply agreement, the Company agreed that NorFalco will supply the sulfuric acid required for the Company's future PPA and other industrial facilities to be located in Quebec. The Company and Norfalco agreed to continue to work together over the term of the MOU.

July 25, 2023: The Company announced the results of the PEA for the Lac à l'Orignal property. The property would produce annual average of 425,000 tonnes of beneficiated phosphate concentrate at over 40% P2O5 content, 280,000 tonnes of magnetite and 97,000 tonnes of ilmenite over a 14.2 year mine life. The property generates a pre-tax internal rate or return (IRR) of 21.7% and an pre-tax net present value (NPV) of $795 million at a 5% discount rate at June 30, 2023 approximate 18 month trailing average phosphate price and long term consensus magnetite and ilmenite prices. The property generates an after-tax internal rate or return (IRR) of 17.2% and an after-tax net present value (NPV) of $511 million at a 5% discount rate at June 30, 2023 approximate 18 month trailing average phosphate price and long term consensus magnetite and ilmenite prices. The property would generate an after-tax cash flow of $567 million in years 1-5, resulting in a 4.9-year payback period from start of production.

August 25, 2023: The Company held its annual general and special meeting of shareholders where the sole special business conducted was the ratification of the Company’s Omnibus Equity Incentive Plan ("Omnibus Plan") by disinterested shareholders. The Omnibus Plan was approved and adopted by the Board on July 26, 2023.

The Omnibus Plan replaces the Company's stock option plan (the "Stock Option Plan") and restricted share unit plan ("RSU Plan"). The Omnibus Plan will provide the Company with the flexibility to grant diverse equity awards as part of its objective to attract, retain and motivate highly qualified directors, officers, employees and consultants, all granted under one plan which will allow such awards to be subject to the same administration and overall limits.

The Omnibus Plan is a "rolling" share-based compensation plan pursuant to which the aggregate number of Common Shares reserved for issue under the Omnibus Plan may not exceed twenty percent (20%) of the Common Shares issued and outstanding at the time of Option or RSU grant. The Omnibus Plan is a "rolling" maximum share plan, and any increase or reduction in the number of outstanding Common Shares will result in an increase or reduction, respectively, in the number of Common Shares that are available to be issued under the Omnibus Plan. The Omnibus Plan is considered an "eve Under the Omnibus Plan, eligible persons may (at the discretion of the Board) be allocated a number of restricted share units ("RSU") as the Board deems appropriate, with vesting provisions also to be determined by the Board, subject to a maximum vesting term of three (3) years from the end of the calendar year in which RSUs were granted. Upon vesting, eligible participants shall be entitled to receive Common Shares from treasury to satisfy all or any portion of a vested RSU award. The expiry date of Options granted pursuant to the Omnibus Plan is set by the Board, and must not be later than ten (10) years from the date of grant.

A full copy of the Omnibus Plan is available for viewing under the Company's profile on SEDAR+ at www.sedarplus.ca.

Subsequent Events

September 1, 2023: First Phosphate reported up to 36.5% Phosphate Assay Result at its Larouche Property in Saguenay-Lac-St-Jean, Quebec, Canada and Corporate Updates

Bennett Kurtz assumed the role of the Company's CFO in addition to his roles as the Company’s CAO, Corporate Secretary, and Director.

The Company approved the grant of 250,000 stock options (the "Options") to each of two advisors of the Company (500,000 Options in aggregate) to purchase common shares of the Company (the "Common Shares") to certain advisors of the Company, at an exercise price of $0.70 per share, with an expiry date of three years from the date of issuance (the "Option Grants"). The Options are subject to time-based vesting such that increments of 25% vest every 6 months for two years. The terms of the Options granted are in accordance with the Company's Omnibus Equity Incentive Plan as approved by disinterested shareholders at the Company's annual and special meeting of shareholders held on August 25, 2023. All securities issued are subject to a statutory hold period of four months plus one day from the date of issuance, in accordance with applicable securities legislation.

Officers of the Company were issued 718,947 common shares for settlement of all amounts owed to them as of August 31, 2023. Several vendors and consultants of the Company were issued 570,200 common shares for settlement of all amounts owed to them as of August 31, 2023.

The Company announced the grant of 1,018,424 restricted share units ("RSUs") of the Company to certain directors, officers, and consultants of the Company in lieu of cash compensation. Such RSUs will vest in 2 tranches after 3 and 6 months of issuance and will be subject to a statutory four month and one day hold period. Each vested RSU entitles the holder to receive one Common Share.

The Company entered into agreement to engage Laura Stein for Investor Relations Activities (as defined in the CSE's Policy) with the effective date of September 1, 2023. Ms. Stein's engagement is for an initial term of 12 months ending on September 1, 2024, during which the Company has issued, as compensation to Ms. Stein, 250,000 Options to vest over the course of the 12 month engagement, at the exercise price of $0.70 per Common Share, subject to minimum exercise price as set out in the CSE's Policy. The Options vest at 25% per quarter over 9 months with the first 25% of such Options vesting immediately.

September 6, 2023: The Company received successful results for the pilot production of Merchant Grade Phosphoric Acid (MGA) from its phosphate concentrate. As previously announced on June 19, 2023, a 900 kilogram sample of apatite concentrate was produced at the First Phosphate pilot plant facilities at SGS Québec and was sent to the facilities of Prayon Technologies SA ("Prayon") in Belgium for testing its suitability for the production of battery- grade purified phosphoric acid ("PPA"). Prayon has begun assessing product quality and process feasibility through pilot testing of the First Phosphate rock concentrate to determine the optimal process parameters for MGA production. The first initial report on the pilot testing for the production of MGA has been completed. The final report with any additional comments on the MGA production testing as well as details on the PPA production testing through membrane purification (next step) is expected to be available as planned during Q4 2023.

September 11, 2023: The Company filed on SEDAR+ its Preliminary Economic Assessment ("PEA") on the Lac à l'Orignal Property, Quebec, Canada. The PEA provides a viable case for developing the Property by open pit mining for the primary production of a phosphate concentrate and secondary recovery of magnetite and ilmenite concentrates.

The PEA is considered by P&E Mining Consultants Inc. to meet the requirements as defined in Canadian National Instrument 43-101 Standards of Disclosure for Mineral Projects. This PEA is preliminary in nature and includes Inferred Mineral Resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be classified as Mineral Reserves, and there is no certainty that the PEA will be realized. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. There is no guarantee that First Phosphate will be successful in obtaining any or all of the requisite consents, permits or approvals, regulatory or otherwise, for the project to be placed into production. The PEA has an effective date of July 25, 2023, and the report is dated September 11, 2023.

The results of the PEA were previously reported in the Company's news release dated July 26, 2023, and there are no differences in the PEA Technical Report from those results.

September 13, 2023: The Company announced that, it has entered into an agreement with American Battery Factory Inc. ("ABF") of Utah, USA to support production of up to 40,000 tonnes of annual fully North American manufactured lithium iron phosphate ("LFP") cathode active material ("CAM"). The initiative aims to bring production of LFP batteries for the battery storage sector to North America.

September 29, 2023: The Company announced that it received a letter of interest ("LOI") from the Export-Import Bank of the United States ("EXIM"), where EXIM express that it would be able to provide financing in the amount of up to USD $170,000,000.00 to the Corporation.

The LOI is in support of the procurement of U.S. goods and services by First Phosphate in Canada and is eligible for a maximum repayment term of 10 years and expires on October 14, 2024.

First Phosphate notes that the LOI does not represent a financing commitment and does not guarantee the Company's access to any or all financing from EXIM. EXIM is to conduct its standard due diligence prior to issuing a final commitment for this transaction. All final commitments must be in compliance with EXIM policies as well as program, legal and eligibility requirements.

October 5, 2023: The Company appointed Jérôme Cliche its Vice-President, Business Development. Mr. Cliche is experienced in the areas of corporate finance, strategic investment and corporate development. Mr. Cliché is the co-founder of Renmark Financial Communication, a Montreal based company offering a range of integrated services to small, medium, and large cap public companies trading on all major North American stock exchanges.

The Company granted 150,000 options exercisable at $0.70 per share to Jérôme Cliche. The options vest in increments of 33% every four months after October 5, 2023. These options expire on October 5, 2026.

On October 5, 2023, Jérôme Cliche was granted 338,462 restricted stock units. The units vest as follows: (i) 25% vested on October 5, 2023 (ii) increments of 25% every three months after October 5, 2023.

RESULTS OF OPERATIONS

For the three months ended August 31, 2023

The following analysis of the Company's operating results for the three months ended August 31, 2023 includes a comparison against the three months ended August 31, 2022.

Revenue:

The Company no active business operations that generate revenue.

Expenses:

Professional fees for the three months ended August 31, 2023 were $365,908 compared to $73,105 for the three months ended August 31, 2022. The professional fees comprise of the following:

	For the three months ended August 31, 2023 $	For the three months ended August 31, 2022 $
Legal fees	180,063	60,032
Accounting fees	122,735	5,000
Audit fee	63,110	8,073
	365,908	73,105

The increase in legal fees is reflective of filings and other general matters of the Company given the Company's recent public listing on the Canadian Securities Exchange (the "CSE"). The increase in accounting fees and audit fees is due to the increase in the level of activities.

Mining exploration and metallurgy for the three months ended August 31, 2023 were $145,499 compared to $240,404 for the three months ended August 31, 2022. The Company recently completed preliminary metallurgical testwork on the Lac à l'Orignal property as well as a detailed mineralogical study. The Company also recently commissioned its solventless concentration pilot plant and shipped a 900 kg sample of beneficiated phosphate rock to Prayon for the creation of test batches of PPA. The company also completed and filed its PEA report on SEDAR on September 11, 2023. The company also completed prospecting activities at the Bégin-Lamarche and Blue-sky areas. The Company's policy is to expense all mining exploration of metallurgy costs other than the acquisition of properties and claims.

Business development for the three months ended August 31, 2023 were $101,784 compared to $nil for the three months ended August 31, 2022. The increase in expense is due to the Company's recent public listing on the CSE and its need to gain visibility for the Company's activities and to attend international conferences to build various aspects of the business.

Consulting Fees for the three months ended August 31, 2023 were $232,500 compared to $34,950 for the three months ended August 31, 2022. Consulting fees were incurred relating mostly to market research initiatives.

Management fees for the three months ended August 31, 2023 were $162,000 compared to $60,000 for the three months ended August 31, 2022. Management fees and increases relate to more robust scale-up of the executive management and staffing for the Company.

Directors' Fees for the three months ended August 31, 2023 were $43,200 compared to $13,500 for the three months ended August 31, 2022. Fees have been incurred for non-executive directors.

General administrative expenses for the three months ended August 31, 2023 were $32,141 compared to $35,761 for the three months ended August 31, 2022 and reflect the Company's administrative activities.

Regulatory filing fees for the three months ended August 31, 2023 were $17,162 compared to $28,763 for the three months ended August 31, 2022. The costs are reflective of various filings for the Company given its listing on the CSE.

Share based compensation for the three months ended August 31, 2023 were $146,847 compared to $3,927 for the three months ended August 31, 2022. Share based compensation was recorded for the issuance of stock options to management, directors and consultants of the Company with the scale-up of operations of the company.

Loss on amortization of flow through liability for the three months ended August 31, 2023 were $4,235 compared to $nil for the three months ended August 31, 2022.

Interest income for the three months ended August 31, 2023 were $8,701 compared to $nil for the three months ended August 31, 2022. This interest relates to bank deposits.

Loss for the period

The net loss for the three months ended August 31, 2023 was $1,242,574 as compared to $490,410 for the three months ended August 31, 2022. This represents an increase in net loss of $752,164 and is due to the items discussed above given the Company's scale-up of operations in the recent quarters.

For the six months ended August 31, 2023

The following analysis of the Company's operating results for the six months ended August 31, 2023 includes a comparison against the six months ended August 31, 2022.

Revenue:

The Company continues to have no active business operations that generate revenue.

Expenses:

Professional fees for the six months ended August 31, 2023 were $620,381 compared to $93,485 for the six months ended August 31, 2022. The professional fees comprise of the following:

	For the six months ended August 31, 2023 $	For the six months ended August 31, 2022 $
Legal fees	285,493	74,302
Accounting fees	261,778	7,500
Audit fee	73,110	11,683
	620,381	93,485

The increase in legal fees is reflective of filings and other general matters of the Company given the Company's recent public listing on the Canadian Securities Exchange (the "CSE") as well as the company's preparation of an AIF and base shelf prospectus. The increase in accounting fees and audit fees is due to the increase in the level of activities.

Mining exploration and metallurgy for the six months ended August 31, 2023 were $1,155,371 compared to $240,404 for the six months ended August 31, 2022. The Company recently completed preliminary metallurgical testwork on the Lac à l'Orignal property as well as a detailed mineralogical study. The Company also recently commissioned its solventless concentration pilot plant and shipped a 900 kg sample of beneficiated phosphate rock to Prayon for the creation of test batches of PPA. The company also completed and filed its PEA report on SEDAR on September 11, 2023. The company also completed prospecting activities at the Bégin-Lamarche and Blue-sky areas. The Company's policy is to expense all mining exploration of metallurgy costs other than the acquisition of properties and claims.

Business development for the six months ended August 31, 2023 were $589,370 compared to $nil for the six months ended August 31, 2022. The increase in expense is due to the Company's recent public listing on the CSE and its need to gain visibility for the Company's activities and to attend international conferences to build various aspects of the business.

Consulting Fees for the six months ended August 31, 2023 were $314,190 compared to $34,950 for the six months ended August 31, 2022. Consulting fees were incurred relating mostly to market research initiatives as the Company works to develop potential markets for its future mining products.

Management fees for the six months ended August 31, 2023 were $306,000 compared to $82,500 for the six months ended August 31, 2022. Management fees relate to the executive management and staffing for the Company as operations have been ramped-up.

Directors' Fees for the six months ended August 31, 2023 were $86,400 compared to $26,000 for the six months ended August 31, 2022. Fees have been incurred for non-executive directors.

General administrative expenses for the six months ended August 31, 2023 were $101,247 compared to $36,788 for the six months ended August 31, 2022 and reflect the increase in the Company's activities.

Regulatory filing fees for the six months ended August 31, 2023 were $93,483 compared to $32,318 for the six months ended August 31, 2022. The increase in costs is reflective of various filings for the Company given its listing on the CSE.

Share based compensation for the six months ended August 31, 2023 were $430,232 compared to $3,927 for the six months ended August 31, 2022. Share based compensation was recorded for the issuance of stock options to management, directors and consultants of the Company as the management team has been expanded out.

Gain on amortization of flow through liability for the six months ended August 31, 2023 was $103,446 compared to $nil for the six months ended August 31, 2022.

Interest income for the six months ended August 31, 2023 were $12,097 compared to $nil for the six months ended August 31, 2022. This interest relates to bank deposits

Loss for the period

The net loss for the six months ended August 31, 2023 was $3,581,131 as compared to $550,372 for the six months ended August 31, 2022. This represents an increase in net loss of $3,030,759 and is due to the items discussed above given the Company's scale-up of operations in the recent quarters.

SUMMARY OF QUARTERLY RESULTS

The following quarterly financial data is derived from the financial statements of the Company as at and for the six-month periods ended on the dates indicated below. The information should be read in conjunction with the Company's condensed interim financial statements and the accompanying notes thereto.

	Aug 31/23 $	May 31/23 $	Feb 28/23 $	Nov 30/22 $
Total assets	5,465,682	6,125,429	5,933,078	4,989,371
Working capital	663,345	1,699,072	1,695,036	71,610
Shareholders' equity	4,413,464	5,449,191	5,422,330	3,482,734
Net loss	(1,242,574)	(2,338,557)	(2,138,999)	(739,398)
Loss per share	(0.02)	(0.05)	(0.05)	(0.02)

	Aug 31/22 $	May 31/22 $	Feb 28/22 $	Nov 30/21 $
Total assets	3,509,510	52,437	-	-
Working capital (deficiency)	607,249	(169,902)	(72,678)	(56,963)
Shareholders' equity (deficiency)	3,368,132	(132,639)	(72,678)	(56,963)
Net loss	(490,410)	(59,961)	(15,715)	(10,391)
Loss per share	(0.03)	(0.10)	(0.11)	(0.02)

The total assets, working capital and shareholders' equity improved from August 31, 2022 to August 31, 2023 as the Company was able to secure additional financing and begin its current work program.

On April 25, 2023, the Company completed a private placement for gross proceeds of $2,339,152.

The Company recently completed preliminary metallurgical testwork on the Lac à l'Orignal property as well as a detailed mineralogical study. The Company also recently commissioned its solventless concentration pilot plant and shipped a 900 kg sample of beneficiated phosphate rock to Prayon for the creation of test batches of PPA. The Company also completed and filed its PEA report on SEDAR on September 11, 2023. The Company also completed prospecting activities at the Bégin-Lamarche and Blue-sky areas. The Company's policy is to expense all mining exploration of metallurgy costs other than the acquisition of properties and claims.

The total assets, working capital and shareholders' equity of the Company remained fairly consistent for the period as the company continues forward on its work program and to incur associated expenses.

The net loss for the period ended August 31, 2023, was $3,581,131 compared to a net loss for the period ended August 31, 2022 of $550,372. The larger loss in fiscal 2023 is due to the recapitalization of the company and expenses incurred due to the restart of the Company's work program and the expensing of mineralogical, metallurgical and exploration related expenditures.

LIQUIDITY AND CAPITAL RESOURCES

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares. Although the Company has been successful at raising funds in the past through the issuance of capital stock, it is uncertain whether it will continue this method of financing due to the current difficult market conditions.

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

Management reviews the capital structure on a regular basis to ensure that the above objectives are met. There have been no changes to the Company's approach to capital management during the period ended August 31, 2023. The Company is not subject to externally imposed capital requirements.

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. See "Risk Factors" of this MD&A.

As of August 31, 2023, the Company has cash of $1,124,545, government HST receivable of $261,869 and $1,052,218 in current liabilities. The Company intends to raise capital by future financings. There is no guarantee that additional financing will be available or that it will be available on terms acceptable to management of the Company.

The Company's directors and management have agreed to not be paid cash salaries until February 2025 to assist the Company with maintaining sufficient cash flow. Directors and managers have agreed to be paid in registered share units (RSUs).

As of October 30, 2023, the Company has cash of $977,365, government HST receivable of $261,869 and $198,000 in current liabilities. As of October 30, 2023, the Company budgets a cash requirement of $946,650 for the subsequent 15 month period ending January 31, 2025,

Use of Proceeds Assuming No Additional Financing

As of October 26, 2023, the Company intends to use its non-contingent financial resources for the advancement of the objectives and milestones outlined below for the next 15 months.

Category	Expense	Specific Factors and Assumptions
PEA final work	$22,000	This expense represents the funds that the Company has spent on completing its PEA.
Drilling / prospecting	$330,000	Prospecting, assaying, drilling work with respect to the Company's material properties with a view to determining further drilling actions.
PR & Business Development	$64,500	Consists of agreed-upon fees with service providers and conference attendance.
Insurance & Miscellaneous	$60,950	Represents premiums on existing D&O insurance policy.
Travel	$30,000	Represents employee travel for operations and client, supplier meetings
Legal	$75,000	Represents fees based on estimates.
Accounting/Audit	$191,500	Represents fees based on estimates.
Public company expenses	$172,700	Represents fees based on estimates and historical payments.
Total	**$946,650**	

By adhering to planned operating and solely focusing on milestones that use non-contingent financial resources, as set forth in the table above, the Company can maintain operations until January 2025.

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 August 31, 2023, the Company had 51,892,311 Common Shares. As at the date of this MD&A, the Company has 53,181,458 common shares outstanding.

FIRST PHOSPHATE

Omnibus Equity Incentive Plan

On July 26, 2023, the Omnibus Equity Incentive Plan (the "**Omnibus Pla**n") was approved and adopted by the Board, which was implemented on August 25, 2023. The Omnibus Plan replaces the Company's stock option plan (the "**Legacy Stock Option Plan**") and restricted share unit plan ("**Legacy RSU Plan**"). The Omnibus Plan provides the Company with the flexibility to grant diverse equity awards as part of its objective to attract, retain and motivate highly qualified directors, officers, employees and consultants, all granted under one plan which will allow such awards to be subject to the same administration and overall limits. The Omnibus Plan was approved by disinterested shareholders at the Company's annual and special meeting of shareholders held on August 25, 2023.

No further grants of Options are to be made under the Legacy Stock Option Plan and awards of RSUs under the Legacy RSU Plan.

The Omnibus Plan is a "rolling" share-based compensation plan pursuant to which the aggregate number of common shares reserved for issue under the Omnibus Plan may not exceed twenty percent (20%) of the common shares issued and outstanding at the time of option or RSU grant. Outstanding options under the Legacy Stock Option Plan continue to be governed by the Legacy Stock Option Plan. The Company had no RSUs issued and outstanding at the time of disinterested shareholder approval for the Omnibus Plan. The Company currently has 7,108,000 common shares reserved for issuance pursuant to options grants and 1,356,886 common shares pursuant to RSU grants. In aggregate, the Company has 8,464,886 common shares reserved for issuance pursuant to options and RSUs granted and outstanding, representing 15.92% of the Common Shares outstanding.

As of the date of this MD&A, the Company is authorized to issue up to 10,636,291 options or RSUs.

The following details changes in options outstanding for the six months ended August 31, 2023 and 2023:

	Number of Options	Weighted Average Exercise Price
Outstanding, February 28, 2023	6,225,000	0.30
Issued during the period	832,000	0.70
Cancelled during the period	(849,000)	0.61
Outstanding as at August 31, 2023	6,208,000	0.31

On March 31, 2023, a consultant engaged by the Company as Vice President Public and Legal Affairs of the Company resigned from service. Of the 300,000 options issued to this consultant, 225,000 options were immediately cancelled and 75,000 have vested and are exercisable until March 31, 2024.

On June 27, 2023, a consultant engaged by the Company as the capital markets consultant resigned from service. Of the 100,000 options issued to this consultant, 75,000 options were immediately cancelled pursuant to an option forfeiture agreement dated June 27, 2023, and 25,000 have vested and are exercisable until March 1, 2026.

On August 31, 2023, of the 732,000 options issued to an officer, 549,000 options were immediately cancelled and 25,000 have vested and are exercisable until August 31, 2024.

The following is a summary of options outstanding as at August 31, 2023:

Expiry date	Number of options outstanding	Number of options exercisable	Exercise price $	Life remaining
February 22, 2026	3,075,000	1,537,500	0.25	2.48
February 22, 2026	2,925,000	1,500,000	0.35	2.48
April 24, 2026	208,000	208,000	0.70	2.65
	6,208,000	**3,245,500**		

For the six months ended August 31, 2023, the Company recorded $430,232 of share based compensation related to the vesting of options (six months ended August 31, 2022 - $3,927).

The fair value of the 832,000 options issued during the six months ended August 31, 2023, of $242,956, to be recognized over the vesting period, was determined based on the Black Scholes pricing model, with the following weighted average inputs:

Weighted Averages	
Share price	$0.51
Dividend yield	Nil
Exercise price	$0.70
Risk free interest rate	3.60%
Expected volatility	100%
Expected expiry	3.00

As at the date of the MD&A, the Company has 7,108,000 options outstanding and of which 3,189,250 options are exercisable.

Warrants

During the six months ended August 31, 2023, the Company issued 70,494 warrants with an exercise price of $1.25 per share as broker fees for private placements. 1,537,295 warrants were issued at an exercise price of $1.25 per share as part of a private placement that took place during the six months ended August 31, 2023.

	Number of warrants	Weighted Average Exercise Price $
Outstanding as at February 28, 2022	124,224	0.32
Issued during tranche 1	270,240	0.25
Issued during tranche 2	53,120	0.25
Cancelled during the period	(124,224)	0.32
Outstanding as at August 31, 2022	323,360	0.25
Outstanding as at February 28, 2023	6,547,477	0.49
Issued during the period	1,607,789	1.20
Exercised during the period	(65,383)	0.28
Outstanding as at August 31, 2023	8,089,883	0.65

The following is a summary of warrants outstanding as at August 31, 2023

Expiry date	Number of warrants	Exercise price $	Weighted average life remaining
August 23, 2024	80,640	0.25	0.98
December 31, 2025	6,401,454	0.50	2.33
April 24, 2026	1,607,789	1.25	2.65
	8,089,883		

Warrants issued as part of units are valued using the residual method in accordance with the Company’s accounting policy, with a value of $584,172 for the six months ended August 31, 2023 (six months ended August 31, 2022 - $Nil) for the 1,537,295 granted. The fair value of the 70,494 broker warrants granted was estimated to be $16,338 at the grant date, based on the Black Scholes pricing model, with the following weighted average inputs:

Weighted Averages	
Share price	$0.51
Dividend yield	Nil
Exercise price	$1.25
Risk free interest rate	3.60%
Expected volatility	100%
Expected expiry	3.00

As at the date of the MD&A, the Company has 8,089,883 warrants outstanding.

RSUs

As at August 31, 2023, no RSUs have been granted under the Omnibus Plan.

As at the date of the MD&A, the Company has 1,356,886 RSUs outstanding.

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 and corporate officers. They are listed below:

Related party	Relationship
John Passalacqua	Chief Executive Officer and Director
Peter Kent	Prior President and Prior Director(1)
Laurence W. Zeifman	Chairman
Bennett Kurtz	Chief Administrative Officer, Chief Financial Officer, Corporate Secretary, and Director(2)
Garry Siskos	Prior Chief Financial Officer and Prior Chief Operating Officer(2)
Marc Branson	Independent Director
Gilles Laverdiere	Chief Geologist(4)
Jérôme Cliché	Vice-President, Business Development(3)(4)

Notes:

(1) On August 31, 2023, Peter Kent resigned as a director and president of the Company.
(2) On September 1, 2023, Garry Siskos stepped down as COO/CFO of the Company with Bennett Kurtz, the predecessor CFO to Garry, serving as the Company's CFO in addition to his CAO, Corporate Secretary, CFO, and Director positions.
(3) Mr. Cliche was appointed on October 5, 2023.
(4) These are considered related parties under securities law and not under IAS 24

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

For the six months ended August 31, 2023

	2023 $	2022 $
Share based compensation	285,987	3,927
Management fees	306,000	82,500
Professional Fees	125,000	-
Director's fees	86,400	26,000
Consulting Fees	30,000	-
	833,387	112,427

Director and Management Services Agreements

The Company has director and management service agreements with each of its directors and officers that allow for termination without cause so long as 30 day prior written notice is provided by either party. Under each agreement, the consultant is entitled to a monthly payment in cash but the Company has the option to issue Common Shares as payment in lieu.

For the six months ended August 31, 2023, ExpoWorld Ltd. (with John Passalaqua as principal) received $221,516 in fees comprised of $144,000 for management services (August 31, 2022 $45,000) in their capacity as a Chief Executive Officer, $nil directors fees (August 31, 2022 $nil), and $77,516 (August 31, 2022 $nil) in share base compensation comprised of Options. John Passalaqua is the CEO and director of the Company.

For the six months ended August 31 2023, Peter Kent Investments Inc. (with Peter Kent as principal) received $110,758 in fees comprised of $72,000 for management services (August 31, 2022 $7,500) in their capacity as President, $nil directors fees (August 31, 2022 $nil), and $38,758 (August 31, 2022 $nil) share based compensation comprised of Options. As of August 31, 2023, Peter Kent stepped down as President and director of the Company.

For the six months ended August 31, 2023, POF Capital Corp. (with Bennett Kurtz as principal) received $128,758 in fees comprised of $90,000 for management services (August 31, 2022 $30,000) in their capacity as a Chief Administrative Officer, $nil directors fees (August 31, 2022 $nil), and $38,758 (August 31, 2022 $nil) share based compensation comprised of Options. As of September 1, 2023, Bennett Kurtz was appointed CFO of the Company. He also serves as a director and CAO, Corporate Secretary, and Director of the Company.

For the six months ended August 31, 2023, Capwest Investments Inc. (with Marc Branson as principal) received $111,958 in fees comprised of $nil for management services (August 31, 2022 $nil), $43,200 directors fees (August 31, 2022 $ 15,000), $30,000 consulting fees (August 31, 2022 $nil) comprised of cash payment, and $38,758 (August 31, 2022 $3,927) share based compensation comprised of Options. Marc Branson serves as an independent director of the Company.

For the six months ended August 31, 2023, Z Six Financial Corporation (with Laurence W. Zeifman and his spouse as the shareholders) received $81,958 in fees comprised of $nil for management services (August 31, 2022 $nil), $43,200 directors fees (August 31, 2022 $6,000) comprised of cash payment, and $38,758 share based compensation (August 31, 2022 $nil) comprised of Options. Laurence Zeifman serves as Chairman and independent director of the Company.

For the six months ended August 31, 2023, Siskos & Associates Inc. (with Garry Siskos as principal) received $178,439 in fees comprised of $nil for management services (August 31, 2022 $nil), $nil for directors fees (August 31, 2022 $nil), $125,000 for accounting services (August 31, 2022 $nil) comprised of cash payment, and $53,439 share based compensation (August 31, 2022 $nil) comprised of Options. Garry Siskos serves as the CFO of the Company. As of September 1, 2023, Garry Siskos resigned as CFO of the Company.

Due to related parties

As of August 31, 2023, $284,847 (February 28, 2023, $79,290) was included in accounts payable as amount due to key management personnel for services received during the period.

Breakdown of amounts due to related parties

	31-Aug-23	31-May-23	28-Feb-23
ExpoWorld Ltd.(1)	$83,100	$7,500	$27,500
POF Capital Corp(2)	$56,700	$0	$29,950
Peter Kent Investments Inc.(3)	$33,600	$4,200	$10,540
Capwest Investments Inc.(4)	$25,767	$3,087	$5,000
Z Six Financial Corporation(5)	$22,680	$0	$6,300
Siskos & Associates Inc.	$63,000	$0	$0
Total	$284,847	$14,787	$79,290

Notes:

(1) Passalaqua is also the trustee of Shpirtrat Trust. ExpoWorld and Shpirtrat Trust may be considered joint actors with John Passalacqua.
(2) With principal of Bennett Kurtz, current CFO, CAO, Corporate Secretary, and Director of the Company.

(3) With principal of Peter Kent, whom resigned from his President and Director positions on August 31, 2023.
(4) With principal of Marc Branson, the current independent Director of the Company.
(5) With principals of Laurence Zeifman and his spouse. Mr. Zeifman is the current Chairman and independent Director of the Company.
(6) In addition to the amounts disclosed above, the Company paid $48,240 to Gilles Laverdiere. Gilles Laverdiere and Jérôme Cliche are considered related parties under securities law but not under IAS 24

FINANCIAL INSTRUMENTS

Financial instruments are agreements between two parties that result in promises to pay or receive cash or equity instruments. The Company classifies its financial instruments as follows: cash and investments at FVTPL and restricted cash and accounts payable at amortized cost. The carrying values of these instruments approximate their fair values due to their short term to maturity.

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 following table sets forth the Company's financial assets measured at fair value by levels within the fair value hierarchy:

As at August 31, 2023

	Level 1 $	Level 2 $	Level 3 $	Total $
Cash	1,124,545	-	-	1,124,545
Investments	-	-	83,060	83,060
	1,124,545	-	83,060	1,207,605

The investments in Level 3 include the investment in IPL that is not quoted on an exchange. The cost approximates the fair value as there is insufficient more recent information available to measure fair value.

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 exposed to credit risk and its maximum exposure relates to cash and restricted cash balances totaling $1,159,545.

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 at August 31, 2023, has $ 1,124,545 in cash and $35,000 in restricted cash and $877,393 in financial liabilities, which represents the Company's maximum exposure to liquidity risk.

The following are the contractual maturities of financial liabilities.

As at August 31, 2023

	Carrying amount $	**Contractual cash flows $**	**Less than 1 year $**	**1-3 years $**
Accounts payable	686,186	686,186	686,186	-
Accrued liabilities	191,207	191,207	191,207	-
	877,393	**877,393**	**877,393**	**-**

As at August 31, 2023, the Company has sufficient working capital to satisfy its financial liabilities.

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 August 31, 2023 and August 31, 2022, the Company's financial instruments are primarily denominated in Canadian dollars, its significant 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 phase 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. The company holds an investment in privately held companies that are not quoted on an exchange and therefore have minimal exposure to price risk.

RISK FACTORS

Financing

The forward-looking information contained in this MD&A is based on the opinions, assumptions and estimates of management set out herein, which management believes are reasonable as at the date the statements are made. Those opinions, assumptions and estimates are inherently subject to a variety of risks and uncertainties and other known and unknown factors that could cause actual events or results to differ materially from those projected in the forward-looking information.

The risks and uncertainties affecting the forward-looking information contained in this MD&A are described in greater detail in the Company's Annual MD&A and the Annual Information Form dated September 14, 2023 for the year ended February 28, 2023, both available on the Company's profile on SEDAR+ www.sedarplus.ca.

For the six months ended August 31, 2023, there have been no changes to the risks and uncertainties that have materially affected, or are reasonably likely to materially affect, the Company's forward-looking information.