**FORM 51-102F1**
**MANAGEMENT DISCUSSION AND ANALYSIS**
**FIRST PHOSPHATE CORP.**
**FOR THE YEARS ENDED FEBRUARY 29, 2024**
**AND FEBRUARY 28,2023**

This management's discussion and analysis ("MD&A") covers the financial statements of First Phosphate Corp. (the "Company") for the year ended February 29, 2024 and for the comparable year ended February 28, 2023. This MD&A should be read in conjunction with the annual financial statements and notes thereto for the years ended February 29, 2024 and February 28, 2023 (the "Financial Statements"). This MD&A has been prepared as June 27, 2024 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 29, 2024 and February 28, 2023, 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 as issued by the International Accounting Standards Board.

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 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 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 Chicoutimi – Jonquiere population centre, Quebec's 5th largest population centre, with a skilled industrial workforce. The Saguenay-Bagotville Airport is within approximately 77 kms from the Bégin-Lamarche Property, with daily flights to Montreal. The Company has road access to the deep sea Port of Saguenay for international shipment of its concentrates as well as the ability to build 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.

The Company is a mineral development company fully dedicated to extracting and purifying phosphate for the eventual downstream production of cathode active material ("CAM") for the Lithium Iron Phosphate ("LFP") battery industry. Through prudent downstream partnerships, the Company plans to vertically integrate from mine source to eventual production of purified phosphoric acid and LFP CAM for use in the manufacture of LFP batteries for various industries such as energy storage, electric vehicles (EV) and other industries.

### Industry Developments

The global LFP battery market size was USD 15.28 billion in 2023 and is projected to grow from USD 19.07 billion in 2024 to USD 124.42 billion by 2032 at a compound annual growth rate (CAGR) of 25.6%. Fortune Business Insights™ has mentioned these insights in its research report, titled, "*Global Lithium Iron Phosphate Battery Market, 2024-2032.*"

According to the study, demand for LFP batteries across passenger cars and electric vehicles will boost industry growth. LFP battery packs have gained traction by offering high voltage, power density, long life cycle, less heating, and increased safety conventional EV batteries.

Soaring demand for EVs is projected to boost the demand for LFP battery components. On November 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 which affects the demand for clean energy storage solutions.

**Changes in Mineral Properties and Claims**

During the year ended February 29, 2024, 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 by P&E Mining Consultants Inc. meets 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. 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 Company will determine if and when to proceed with Phase 2 as outlined in the PEA after additional drilling is completed on, and a NI 43-101 compliant report is received for the Bégin-Lamarche property. 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 would 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 year on the Lac à l'Orignal property have amounted to $289,603.

***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.

On April 29, 2024, the Company completed a 25,929 m drill program at the Bégin-Lamarche Property. A total of 99 drill holes drilled at 100-m spacing covered the entire length of the favorable phosphate horizon. Four phosphate bearing zones were discovered over a strike length of 2.5 km. The Phosphate Mountain Zone has been drilled for a total length of 250 m. This zone is beginning to merge (from the southwest) with the Northern zone where a 500 m thick phosphate mineralized envelope exists, one which has delineated up to 5 individual layers ranging from 60 m to 100 m in thickness starting at surface and continuing down to a depth of 300 m. The overall strike length of the Phosphate Mountain Zone and the Northern Zone is approximately 600 m. The Southern Zone has been drilled at 100 m spaced sections over a strike length of 1,700 m. Results to date from the Southern Zone show continuous widths in excess of 100 m of phosphate mineralization. The Northwestern zone has an average width of 40 m and a length of 700 m. All analyses have been received and a 43-101 resource estimate is now being prepared.

Expenditures for this year on the Bégin-Lamarche property have amounted to $3,708,978. Immediate expenditures for this property will be finalization of the drill program and the NI 43-101 resource estimate which is currently expected to occur in Q1 2025.

***Bluesky Property:*** The Bluesky Property consists 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 $72,268 for this year.

The Bluesky Property is fully impaired as the management has decided not to renew its claims as it is directing its resources to the other mineral properties. Management believes that technical feasibility and commercial viability would come demonstrably quicker for the other properties as opposed to the Bluesky Property.

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 the Lac à L'Orignal and Bégin-Lamarche properties.

**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.

(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 24, 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 24, 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 $36,218 with respect to the above private placements disclosed above.

(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 $600 and was reclassified upon exercise from contributed surplus to capital stock.

(h) On June 28, 2023, the Company settled $60,000 owed for services through the issuance of 179,104 common shares at $0.335 per share.

(i) On September 1, 2023, the Company settled $193,200 owed to its directors and officers through the issuance of 508,421 common shares at $0.38 per share. The Company also settled $296,676 owed for services through the issuance of 780,726 common shares at $0.38 per share.

(j) On November 30, 2023, the Company issued 450,001 common shares upon the exercise of RSUs for services received from its officers and directors. The Company also issued 143,827 common shares due to the exercise of RSUs for services received from consultants. The fair value of the RSUs on the grant date was computed as $216,315 and was reclassified upon exercise from contributed surplus to capital stock.

(k) On December 22, 2023, the Company issued 1,970,000 flow-through shares at $0.50 per share for gross proceeds of $985,000. The value of share capital of $788,000 was determined using the fair market value of the shares on the date of issuance after deducting a flow-through premium of $197,000. The Company paid $47,280 and issued 157,600 warrants as broker's fees. The warrants are exercisable at a price of $0.50 per common share of the Company until December 31, 2025. The fair value of the warrants was computed as $31,198 using Black Scholes pricing model and recorded to share issuance costs.

(l) On December 29, 2023, the Company issued 10,590,000 flow-through shares at $0.50 per share for gross proceeds of $5,295,000. The value of share capital of $4,236,000 was determined using the fair market value of the shares on the date of issuance after deducting a flow-through premium of $1,059,000. The Company paid $240,000, issued 369,840 common shares at $0.40 per share, and 1,021,800 warrants as broker's fees. The warrants are exercisable at a price of $0.50 per common share of the Company until December 31, 2025. The value of broker's shares issued of $147,936 was determined using the fair market value of the shares on the date of issuance and was recorded to share issuance costs. The fair value of the warrants was computed as $198,819 using Black Scholes pricing model and recorded to share issuance costs.

(m) On December 29, 2023, the Company issued 3,090,438 units at $0.40 per unit for gross proceeds of $1,236,175. Each unit consisted of one share and one half of one common share purchase warrant. Each whole warrant is exercisable for one common share at a price of $0.50 until December 31, 2025. The value of share capital of $1,236,175 was determined using the fair market value of the shares on the date of issuance and the residual proceeds of $nil were allocated to warrants. The Company paid $43,600 as brokers' fees for the issuances. The Company incurred legal fees of $106,197.

(n) On December 29, 2023, the Company settled $511,918 owed for services through the issuance of 1,279,796 common shares at $0.40 per share.

(o) On January 5, 2024, the Company issued 84,616 common shares upon the exercise of RSUs for services provided by a consultant. The fair value of the RSUs on the grant date was computed as $33,000 and was reclassified upon exercise from contributed surplus to capital stock.

(p) On January 19, 2024, the Company issued 1,768,250 units at $0.40 per unit for gross proceeds of $707,300. Each unit consisted of one share and one half of one common share purchase warrant. Each whole warrant is exercisable for one common share at a price of $0.50 until December 31, 2025. The value of share capital of $671,935 was determined using the fair market value of the shares on the date of issuance and the residual proceeds of $35,365 were allocated to warrants. The Company paid $3,200 and issued 14,300 common share purchase warrants as brokers' fees for the issuances. The fair value of the warrants was computed as $2,545 using Black Scholes pricing model and recorded to share issuance costs.

(q) On February 28, 2024, the Company issued 450,001 common shares upon the exercise of RSUs for services received from its officers and directors. The Company also issued 158,545 common shares upon the exercise of RSUs for services received from consultants. The fair value of the RSUs on the grant date was computed as $225,333 and was reclassified upon exercise from contributed surplus to capital stock.

(r) On February 28, 2024, the Company settled $75,000 owed for services through the issuance of 250,000 common shares at $0.30 per share.

**Other 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 to the Company (500,000 options in aggregate) to purchase common shares 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 options are subject to time-based vesting such that increments of 25% vest every 6 months for 18 months with the first release vesting on the date of grant.

The Company announced the grant of 1,018,424 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 were subject to a statutory four month and one day hold period. Each vested RSU entitled the holder to receive one common share.

The Company engaged Laura Stein for Investor Relations Activities (as defined in the CSE 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 are anticipated to vest at 25% per quarter over 9 months with the first 25% of such Options vesting on September 1, 2023.

September 6, 2023: The Company announced that Prayon successfully transformed its apatite concentrate to a high quality Merchant Grade Phosphoric Acid.

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 LFP 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 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. Cliche 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 beginning October 5, 2023 and with an original expiry date of October 5, 2026.

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

November 29, 2023: The Company announced a non-binding memorandum of understanding (“MOU”) for the development of intermediates used for the manufacture of LFP CAM to support the developing North American battery market. Under this agreement, Sun Chemical is to use its qualified North America facilities to manufacture iron phosphate using the phosphate material of First Phosphate and its partners.

December 6, 2023: The Company signed an MOU with Lithium Australia Limited (ASX: LIT) (“LIT”) for the potential development of an LFP and lithium manganese iron phosphate (“LMFP”) CAM manufacturing plant in North America.

December 11, 2023: The Company signed an MOU with Ultion Technologies Inc (“Ultion”) of Las Vegas, Nevada for the purchase of a non-exclusive, perpetual license to technology for the production of LFP and LFMP CAM.

January 25, 2024: the Company entered into a multi-party agreement with American Battery Factory Inc. (“ABF”) of Utah, USA and Integrals Power Limited (“IPL”) of Milton Keynes, United Kingdom to produce LFP CAM and LFP battery cells in North America. The initiative (“LFP Project America”) is to support ABF’s eventual need for up to 40,000 tonnes of annual fully localized LFP CAM for LFP battery cell production in North America by 2028. LFP Project America aims to eventually localize the entire production supply chain of LFP CAM, LFF battery cells storage devices for the battery storage sector to North America.

January 29, 2024: the Company made a new high grade discovery 500 m from the existing northern zone of its Bégin-Lamarche project located in the region of Saguenay-Lac-St-Jean, Quebec, Canada. The original discovery was made in the fall of 2022 during a prospection campaign and was later confirmed by a 4,200 m drilling campaign in the winter of 2023. The Larouche area also continues to return high grade analyses with one sample grading as high as 39.45% P2O5 (phosphate) in an irregular layer of pure apatite (the host mineral which contains phosphate). At this level of purity, the mineral would be considered direct shipping ore ("DSO").

January 31, 2024: the Company announced that it would undertake a 25,000 m drill program at its Bégin-Lamarche Project. The drilling program followed the Company's recent financing raising gross proceeds of $8.2 million and is intended to lead to a maiden NI 43-101 compliant resource estimate followed by a PEA.

February 13, 2024: The Company announced that Prayon completed the second stage of the process to transform the MGA into PPA in conformity with the Prayon food grade / battery-grade specification.

February 15, 2024: The Company and IPL entered into a joint development agreement to undertake an initial phase of joint development of the technology needed to produce the iron phosphate precursor for LFP CAM. Research and development of this initiative will be carried out by IPL. To support the development, First Phosphate will pay USD $250,000 to IPL. The balance of the initial stage development costs will be funded by IPL. First Phosphate was granted a share purchase option to acquire 2.7% of the shares in the capital of IPL at a cost of £500,000 exercisable until March 1, 2026. First Phosphate agreed to pay a penalty of £25,000 if more than 75% of the option expires unexercised.

February 16, 2024: The Company and Jérôme Cliche mutually agreed to amend Mr. Cliche's role with the Company. Effective February 16, 2024, Mr. Cliche will ceased to act as Vice President, Business Development and through his personal corporation, LMC Communications Inc., continued as a consultant to First Phosphate until October 5, 2024.

February 20, 2024: The Company updated the market on its plans for a purified phosphoric acid ("PPA") plant at the Port of Saguenay and the development of the North American lithium iron phosphate ("LFP") battery valley in the Saguenay-Lac-Saint-Jean Region of Quebec.

February 22, 2024: The company received a letter of support for its mining project and planned purified phosphoric acid plant from the Hon. Mario Simard, Member of Parliament (BQ) for the Riding of Jonquière, Québec. Mr. Simard, first elected to Canadian parliament in 2019, is the vice-chair of the Standing Committee on Natural Resources and is the critic for natural resources for the Bloc Québécois.

February 28, 2024: The company signed a memorandum of understanding ("MOU") with Craler Inc. ("Craler"), a division of TFI International Inc. ("TFI") (NYSE and TSX: TFII) for the development of the Company's global freight logistical competencies to and from the Saguenay-Lac-St-Jean region of Quebec, Canada.

## SUBSEQUENT EVENTS

March 4, 2024: The Company announced that it had received a mining research and innovation grant from the Quebec Ministry of Natural Resources and Forestry (“MRNF”). The grant provides financial support to the Company in the way of $315,236 to continue mineralogical study on its apatite, ilmenite and magnetite concentrates. The project also includes the processing of the Company’s mine tailings for re-use in the cement construction industry.

March 13, 2024: The Company signed a memorandum of understanding (“MOU”) with Groupe Goyette (“GG”) of Saint-Hyacinthe, Quebec for the accommodation of the Company’s logistical footprint at the Hébertville-Station intermodal facility in the Saguenay-Lac-St-Jean region of Quebec, Canada.

The Company announced that it appointed Armand MacKenzie as Vice President, Government Relations.

March 19, April 2, April 23, and May 14, 2024: On March 19, April 2, April 23, and May 14, 2024, the Company announced the first four sets of assay results from its 25,000m drill program at its Bégin-Lamarche Property. The Company’s 25,929 m drill program was completed ahead of schedule on April 29, 2024. A total of 99 drill holes drilled at 100-m spacing covered the entire length of the favorable phosphate horizon. Four phosphate bearing zones were discovered over a strike length of 2.5 km. The Phosphate Mountain Zone has been drilled for a total length of 250 m. This zone is beginning to merge (from the southwest) with the Northern zone where a 500 m thick phosphate mineralized envelope exists, one which has delineated up to 5 individual layers ranging from 60 m to 100 m in thickness starting at surface and continuing down to a depth of 300 m. The overall strike length of the Phosphate Mountain Zone and the Northern Zone is approximately 600 m. The Southern Zone has been drilled at 100 m spaced sections over a strike length of 1,700 m. Results to date from the Southern Zone show continuous widths in excess of 100 m of phosphate mineralization. The Northwestern zone has an average width of 40 m and a length of 700 m. All analyses have been received and a 43-101 resource estimate is now being prepared.

March 26, 2024: The Company announced two peer-reviewed publications in scientific journals and one research report have been published on its phosphate properties at Lac à l’Orignal, Mirepoix and Bégin-Lamarche in the Saguenay-Lac-St-Jean region of Quebec.

April 5, 2024 – The Company issued 84,616 common shares upon the exercise of RSUs for services received from a consultant. The fair value of the RSUs on the grant date was computed as $33,000.

April 9, 2024 – The Company and Pekuakamiulnuatsh Takuhikan signed a collaboration agreement with respect to its proposed phosphate mine and Lithium Iron Phosphate (LFP) cathode active material plant project in the Saguenay-Lac-Saint-Jean Region of Quebec, Canada. On April 16, 2024, the Company issued 200,000 common shares in accordance with the terms of the collaboration agreement.

April 16, 2024 : The Company announced the appointment of Gary Stanley to the advisory board of the Company. Gary Stanley has more than 40 years experience with the U.S. Department of Commerce (“DOC”) in Washington, DC. Mr Stanley has served under every U.S. President from Ronald Reagan to Joe Biden. During his tenure, Mr. Stanley worked with both public and private sector stakeholders to strengthen American supply chains and to enhance U.S. global competitiveness in critical minerals, metals, chemicals, and other materials industries. The Company granted Mr. Stanley 250,000 options exercisable at $0.40 per common share. The options vest as follows: (i) 25% on September 30, 2024, (ii) 25% on March 31, 2025, (iii) 25% on September 30, 2025, and (iv) 25% on March 31, 2026. These options expire three years from the grant date.

April 30, 2024: A consultant of the Company was granted 140,000 RSUs. 14,000 RSUs vest on May 31, 2024 and the remaining RSUs vest in increments of 42,000 on August 31, 2024, November 30, 2024 and February 28, 2025.

May 7, 2024: Two consultants of the Company were granted an aggregate of 290,000 RSUs. The RSUs vest as follows: (i) 116,000 on August 31, 2024, (ii) 87,000 on November 30, 2024, and (iii) 87,000 on February 28, 2025.

May 8, 2024: The Company entered into a partially binding letter of intent (“LOI”) with Rapid Building Systems Pty Ltd (“RBS”) of Adelaide, Australia for the development of a Rapidwall Manufacturing Plant in the Saguenay-Lac-St-Jean Region of Quebec, Canada. Upon acceptance of terms for the supply of a Rapidwall Manufacturing Plant by RBS, First Phosphate will be granted a license for the exclusive sales and marketing rights for Canada to RBS’s Rapidwall and Rapidseal products.

The Rapidwall Manufacturing System would allow First Phosphate to upcycle the clean phosphogypsum produced from its proposed purified phosphoric acid (“PPA”) plant into building material panels which could be used to support housing for rural and indigenous communities in North America.

June 10, 2024: the Ontario Securities Commission issued a receipt for a shelf prospectus dated June 6, 2024. The prospectus was filed in each of the provinces and territories of Canada and the receipt is deemed to be issued by the regulator in each of those jurisdictions if the conditions of Multilateral Instrument 11-202 *Passport System* have been satisfied. Under the shelf prospectus, the Company may issue and sell up to, in the aggregate, $20,000,000 of common shares, warrants, subscription receipts, units, debt securities, or any combination thereof, from time to time over a 25-month period that the Shelf Prospectus remains effective. The specific terms of any future offering of securities (if any) will be set forth in a prospectus supplement, which will be filed with the applicable Canadian securities regulatory authorities in connection with any such offering.

## RESULTS OF OPERATIONS

### For the three months ended February 29, 2024

The following analysis of the Company’s operating results for the three months ended February 29, 2024 includes a comparison against the three months ended February 28, 2023.

**Revenue:**

The Company has no active business operations that generate revenue.

**Expenses:**

**Professional fees** for the three months ended February 29, 2024 were $199,187 compared to $82,815 for the three months ended February 28, 2023. The professional fees comprise of the following:

| | For the three months ended February 29, 2024 $ | For the three months ended February 28, 2023 $ |
|---|---|---|
| Legal fees | 15,429 | 3,351 |
| Accounting fees | 46,538 | 65,616 |
| Audit fee | 137,220 | 13,848 |
| | 199,187 | 82,815 |

The increase in legal fees is reflective of filings and other general matters of the Company given the Company is now past its public listing process on the Canadian Securities Exchange (the "CSE"). The increase in audit fees is due to the increase in the level of activities. There's a decrease in accounting fees for the three-month period but an increase year on year.

**Mining exploration and metallurgy** for the three months ended February 29, 2024 were $2,309,584 compared to $1,179,556 for the three months ended February 28, 2023. The Company recently completed drilling activities at the Bégin-Lamarche property. 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 February 29, 2024 were $155,209 compared to $138,052 for the three months ended February 28, 2023. The increase in expense is due to the Company's 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.

**Research and development** for the three months ended February 29, 2024 were $433,799 compared to $nil for the three months ended February 28, 2023. The relates to the Joint Development Agreement with IPL to develop iron phosphate production technology.

**Consulting Fees** for the three months ended February 29, 2024 were $(7,072) compared to $32,563 for the three months ended February 28, 2023. There are negative consulting fees for the three month period as a portion is presented as prepaid in Q4 of fiscal year 2024.

**Management fees** for the three months ended February 29, 2024 were $nil compared to $148,000 for the three months ended February 28, 2023. Starting September 1, 2023, management fees are paid via the issuance of RSUs and is presented as share based compensation.

**Directors' fees** for the three months ended February 29, 2024 were $nil compared to $16,500 for the three months ended February 28, 2023. Fees have been incurred due to the scale-up of Company and director activities. Starting September 1, 2023, director fees are paid via the issuance of RSUs and is presented as share based compensation.

**General administrative expenses** for the three months ended February 29, 2024 were $46,029 compared to $124,523 for the three months ended February 28, 2023 and reflect consolidation and internalization of the Company's administrative activities.

**Regulatory filing fees** for the three months ended February 29, 2024 were $69,295 compared to $88,022 for the three months ended February 28, 2023. The costs are reflective of various filings for the Company given its listing on the CSE.

**Share based compensation** for the three months ended February 29, 2024 was $738,395 compared to $403,734 for the three months ended February 28, 2023. Share based compensation was recorded for the issuance of stock options, warrants and RSUs to management, directors and consultants of the Company as the management team has been expanded out. The increase is primarily due to the warrants that were granted to the officers and directors in consideration of the line of credit agreement signed with the Company.

**Gain on amortization of flow through liability** for the three months ended February 29, 2024 were $276,164 compared to $74,767 for the three months ended February 28, 2023. The increase is attributed to the utilization of flow-through funds during the three months ended February 29, 2024. The flow-through liability is created to indicate the Company's obligation to utilize the funds for Canadian Exploration Expenses and is amortized when such funds are utilized for the said purposes.

**Impairment on mineral property** for the three months ended February 29, 2024 was $109,325 compared to $nil for the three months ended February 28, 2023. The Bluesky properties is fully impaired as Management has decided not to renew its claims as it is directing its resources to the other mineral properties. Management believes that technical feasibility and commercial viability would be demonstrably quicker for the other properties as opposed to Bluesky Property.

**Financing expense** for the three months ended February 29, 2024 was $66,516 compared to $nil for the three months ended February 28, 2023. This relates to the amortized portion of the fair value of the warrants granted to the members of the management pursuant to the line of credit agreement between it and the Company.

**Foreign exchange loss on investments** for the three months ended February 29, 2024 was $4,157 compared to $nil for the three months ended February 28, 2023. This gain primarily relates to the currency fluctuation of the investment of £50,000 held in the shares of IPL.

**Fair value gain on investments** for the three months ended February 29, 2024 was $45,771 compared to $nil for the three months ended February 28, 2023. This gain relates to the revaluation of the investment of £50,000 held in the shares of IPL based on the fair value of the investee's shares as of February 29, 2024.

**Interest income** for the three months ended February 29, 2024 was $37,742 compared to $nil for the three months ended February 28, 2023. This interest relates to bank deposits.

**Loss for the period**

The net loss for the three months ended February 29, 2024 was $3,764,747 as compared to $2,213,766 for the three months ended February 28, 2023. This represents an increase in net loss of $1,550,981 and is due to the items discussed above.

**For the year ended February 29, 2024**

The following analysis of the Company's operating results for the year ended February 29, 2024 includes a comparison against the year ended February 28, 2023.

**Revenue:**

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

**Expenses:**

**Professional fees** for the year ended February 29, 2024 were $996,483 compared to $371,631 for the year ended February 28, 2023. The professional fees comprise of the following:

| | For the year ended February 29, 2024 $ | For the year ended February 28, 2023 $ |
|---|---|---|
| Legal fees | 444,532 | 249,416 |
| Accounting fees | 326,316 | 86,562 |
| Audit fee | 225,635 | 35,653 |
| | 996,483 | 371,631 |

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, SEC Registration Statement 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 year ended February 29, 2024 were $3,520,097 compared to $1,184,443 for the year ended February 28, 2023. The Company recently engaged in a 25,000 drill program at the Bégin-Lamarche property. 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 year ended February 29, 2024 were $854,242 compared to $377,387 for the year ended February 28, 2023. 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.

**Research and development** for the year ended February 29, 2024 were $433,799 compared to $nil for the year ended February 28, 2023. The increase primarily relates to the Joint Development Agreement with IPL to develop iron phosphate production technology.

**Consulting Fees** for the year ended February 29, 2024 were $392,729 compared to $57,366 for the year ended February 28, 2023. Consulting fees were incurred relating mostly to market research initiatives as the Company works to develop potential markets for its future mining products as business activities scale-up.

**Management fees** for the year ended February 29, 2024 were $306,000 compared to $308,389 for the year ended February 28, 2023. Management fees relate to the executive management and staffing for the Company as operations have been ramped-up. Starting September 1, 2023, certain management fees are paid via the issuance of RSUs and are presented as share based compensation.

**Directors' Fees** for the year ended February 29, 2024 were $86,400 compared to $66,500 for the year ended February 28, 2023. Fees have been incurred for non-executive directors. Starting September 1, 2023, director fees are paid via the issuance of RSUs and is presented as share based compensation.

**General administrative expenses** for the year ended February 29, 2024 were $177,714 compared to $ 202,233 for the year ended February 28, 2023 and reflect the increase in the Company's activities.

**Regulatory filing fees** for the year ended February 29, 2024 were $184,735 compared to $159,254 for the year ended February 28, 2023. The increase in costs is reflective of various filings for the Company given its listing on the CSE.

**Share based compensation** for the year ended February 29, 2024 were $ 1,646,973 compared to $542,805 for the year ended February 28, 2023. Share based compensation was recorded for the issuance of stock options, warrants and RSUs 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 year ended February 29, 2024 was $383,218 compared to $74,767 for the year ended February 28, 2023. The increase is attributed to the utilization of flow-through funds during the year ended February 29, 2024. The flow-through liability is created to indicate the Company's obligation to utilize the funds for Canadian Exploration Expenses and is amortized when such funds are utilized for the said purposes.

**Impairment on mineral property** for the year ended February 29, 2024 was $109,325 compared to $nil for the year ended February 28, 2023. The Bluesky properties is fully impaired as the management has decided not to renew its claims as it is directing its resources to the other mineral properties. The management believes that technical feasibility and commercial viability would become demonstrable quicker for the other properties as opposed to Bluesky properties.

**Financing expense** for the year ended February 29, 2024 was $66,516 compared to $nil for the year ended February 28, 2023. This relates to the amortized portion of the fair value of the warrants granted to the members of the management pursuant to the line of credit agreement between it and the Company.

**Foreign exchange loss on investments** for the year ended February 29, 2024 was $4,157 compared to $nil for the year ended February 28, 2023. This gain primarily relates to the currency fluctuation of the investment of £50,000 held in the shares of IPL.

**Fair value gain on investments** for the year ended February 29, 2024 was $45,771 compared to $nil for the year ended February 28, 2023. This gain relates to the revaluation of the investment of £50,000 held in the shares of IPL based on the fair value of the investee's shares as of February 29, 2024.

**Interest income** for the year ended February 29, 2024 was $57,713 compared to $nil for the year ended February 28, 2023. This interest relates to bank deposits.

**Loss for the year**

The net loss for the year ended February 29, 2024 was $8,292,468 as compared to $3,188,364 for the year ended February 28, 2023. This represents an increase in net loss of $5,104,104 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 years ended on the dates indicated below. The information should be read in conjunction with the Company's financial statements and the accompanying notes thereto.

| | Feb 29/24<br>$ | Nov 30/23<br>$ | Aug 31/23<br>$ | May 31/23<br>$ |
|---|---|---|---|---|
| Total assets | 12,995,758 | 5,161,891 | 5,465,682 | 6,125,429 |
| Working capital | 4,889,979 | 740,477 | 663,345 | 1,699,072 |
| Shareholders' equity | 9,312,374 | 4,490,596 | 4,413,464 | 5,449,191 |
| Net loss | (3,764,747) | (946,590) | (1,242,574) | (2,338,557) |
| Loss per share | (0.07) | (0.02) | (0.02) | (0.05) |

| | Feb 28/23<br>$ | Nov 30/22<br>$ | Aug 31/22<br>$ | May 31/22<br>$ |
|---|---|---|---|---|
| Total assets | 5,933,078 | 4,372,481 | 3,509,510 | 52,437 |
| Working capital (deficiency) | 1,695,036 | 71,610 | 607,249 | (169,902) |
| Shareholders' equity (deficiency) | 5,422,330 | 2,865,844 | 3,368,132 | (132,639) |
| Net loss | (2,138,999) | (1,115,884) | (490,410) | (59,961) |
| Loss per share | (0.05) | (0.03) | (0.03) | (0.10) |

The total assets, working capital and shareholders' equity improved from February 28, 2023 to February 29, 2024 as the Company was able to secure additional financing and finalize its initial work program.

The total assets of the Company remained fairly consistent for the year as the Company completed its initial work program. Working capital and shareholders' equity improved slightly thanks to the financing activities of the Company.

The net loss for the year ended February 29, 2024, was $8,292,468 compared to a net loss for the year ended February 28, 2023 of $3,188,364. The larger loss in fiscal 2024 is primarily due to the increase in mineralogical, metallurgical and exploration related expenditures incurred during the year.

## 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. The Company currently does not generate revenue. It has incurred losses and negative cash flows from operations since inception. To maintain or adjust the capital structure, the Company may attempt to issue new shares. 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 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. See "Risk Factors" of this MD&A.

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 year ended February 29, 2024. The Company is not subject to externally imposed capital requirements.

As of February 29, 2024, the Company had cash of $7,496,238, restricted cash of $25,000 and $2,532,332 in financial 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 certain directors and management have agreed to not be compensated in non-cash consideration until February 28, 2026 to assist the Company with maintaining sufficient cash flow.

Use of Proceeds Assuming No Additional Financing

As of the date of this MD&A, the Company intends to use its financial resources for the advancement of the objectives and milestones outlined below over the next 12 months.

| Category | Expense |
|---|---|
| Exploration & Metallurgical Activities[1] | $578,736 |
| Mineral Resource & Other Studies[2] | $750,000 |
| Audit and Accounting | $166,500 |
| Public Company Costs | $114,100 |
| Public Relations and Business Development | $90,200 |
| Marketing, Conferences and Travel | $66,000 |
| Legal | $72,000 |
| General and Administration | $237,600 |
| **Total** | **$2,075,136** |

1. Drilling and exploratory expenses related to the Bégin-Lamarche property as well as investment in complementary technologies and funding the ongoing costs of other properties owned by the Company. This budgeted amount is comprised of $422,000 for metallurgy; $108,736 for Geological Reconnaissance and Prospecting; and $48,000 for geology and claims renewals. As at the date of this Prospectus, no additional drilling is budgeted in the next 12 months.
2. Expenses related to proving out the mineral resource estimate at the Bégin-Lamarche property. This budgeted amount is comprised of $545,000 for preliminary economic assessment work; $105,000 for university studies; and $100,000 for environmental studies.

At a meeting of the Company's board of directors, and as subsequently extended by resolution, the Company determined to compensate certain directors and management in non-cash consideration until February 28, 2026 to assist the Company with maintaining sufficient cash flow. Parties subject to this arrangement provided written agreement to the arrangement. By adhering to the planned operating budget as set forth in the table above, the Company projects that it has the financial resources to maintain operations beyond May 2025. This projection relies on, as of the date of the MD&A, cash available of approximately $1.72 million, government receivables of approximately $0.66 million, and $2.10 million available under the Credit Agreement, if necessary.

The Company has arrived at these estimated cash requirements based on the following significant, general factors and assumptions: (i) the Company will not generate any revenue; and (ii) the Company will maintain its personnel that are essential to the development of its stated programs in accordance with their current financial terms.

As of the date of the MD&A, the Company had working capital of approximately $1.68 million, and cash in the amount of approximately $1.72 million. In addition, the Company has access to an additional $2.10 million via the Credit Agreement which is a credit commitment made jointly by three of the Company's directors, John Passalacqua, Bennett Kurtz and Laurence W. Zeifman. Funds advanced under the Credit Agreement are subject to interest payable at a rate equal to the greater of 8% per annum and the Bank of Canada prime rate plus 2%, per annum, payable quarterly in arrears and on the termination date of December 31, 2025. As at the date of this MD&A, no funds have been advanced under the Credit Agreement. No funds will be advanced pursuant to this line of credit unless the Company requests a draw-down on such funds.

The Company incurred negative operating cash flow since inception. The Company expects to use the net proceeds from the sale of Securities in pursuit of objectives set out in this MD&A. However, to the extent that the Company has negative operating cash flows in future periods, it may need to deploy a portion of the net proceeds from the sale of securities and/or its existing working capital to fund such negative cash flow. In addition, the funds raised pursuant to any sale of securities may not be sufficient to fund the Company's objectives as set out above. See "Risk Factors".

## 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 February 29, 2024, the Company had 73,786,772 common shares issued and outstanding. As at the date of this MD&A, the Company has 74,867,570 common shares outstanding. There are no preferred shares issued or outstanding.

## 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 or 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 10,143,000 common shares reserved for issuance pursuant to options grants and 2,623,500 common shares pursuant to RSU grants. In aggregate, the Company has 12,766,500 common shares reserved for issuance pursuant to options and RSUs granted and outstanding, representing 14.4% of the common Shares outstanding on a partially diluted basis.

As of the date of this MD&A, the Company is authorized to issue up to 2,207,016 options or RSUs.

Restricted Share Units

The following details the changes in outstanding RSUs for the year ended February 29, 2024:

| | Number of RSUs |
|---|---|
| Outstanding, February 28, 2023 | - |
| Granted during the year | 4,361,286 |
| Vested and exercised during the year | (1,286,988) |
| Outstanding, February 29, 2024 | 3,074,298 |

The following is a summary of RSUs outstanding and exercisable as of February 29, 2024:

| Expiry date | Number of RSUs outstanding | Number of RSUs exercisable |
|---|---|---|
| December 15, 2026 | 2,273,898 | **-** |
| December 15, 2027 | 800,400 | **-** |
| | **3,074,298** | - |

For the year ended February 29, 2024, the Company recorded $758,807 of share based compensation related to the vesting of RSUs (2023 - $nil).

As at February 29, 2024, 4,361,286 RSUs were granted under the Omnibus Plan.

As at the date of the MD&A, the Company has 2,623,500. RSUs outstanding.

Options

The following details changes in options outstanding for the years ended February 29, 2024 and February 28, 2023:

| | Number of Options | Weighted Average Exercise Price |
|---|---|---|
| Outstanding, February 28, 2022 | 400 | 35 |
| Issued during the year | 6,725,000 | 0.28 |
| Expired during the year | (400) | 35 |
| Exercised during the year | (500,000) | 0.02 |
| Outstanding, February 28, 2023 | 6,225,000 | 0.30 |
| Issued during the year | 4,842,000 | 0.51 |
| Forfeited during the year | (1,099,000) | 0.60 |
| Cancelled during the year | (75,000) | 0.23 |
| Outstanding, February 29, 2024 | 9,893,000 | 0.37 |

On March 31, 2023, an officer of the Company resigned. Of the 300,000 options issued to this consultant, 225,000 options were forfeited and 75,000 vested options were cancelled.

On June 27, 2023, a consultant engaged by the Company resigned. Of the 100,000 options issued to this consultant, 75,000 options were immediately forfeited and 25,000 have vested and are exercisable until June 27, 2024. These options were cancelled subsequent to year-end.

On September 30, 2023, an officer of the Company resigned. Of the 732,000 options issued to this consultant, 549,000 options were immediately forfeited and 183,000 have vested and are exercisable until September 30, 2024.

On February 16, 2024, a consultant was terminated, and 250,000 options issued to him were immediately forfeited.

The following is a summary of options outstanding and exercisable as at February 29, 2024:

| Expiry date | Number of options outstanding | Number of options exercisable | Exercise price $ | Life remaining |
|---|---|---|---|---|
| June 27, 2024 | 25,000 | 25,000 | 0.70 | 0.33 |
| September 30, 2024 | 183,000 | 183,000 | 0.70 | 0.58 |
| February 22, 2026 | 3,075,000 | 2,306,250 | 0.25 | 1.98 |
| February 22, 2026 | 2,850,000 | 2,137,500 | 0.35 | 1.98 |
| September 1, 2026 | 750,000 | 187,500 | 0.70 | 2.50 |
| December 29, 2026 | 310,000 | - | 0.40 | 2.83 |
| December 29, 2028 | 2,700,000 | - | 0.40 | 4.83 |
| | **9,893,000** | **4,839,250** | | |

For the year ended February 29, 2024, the Company recorded $888,166 of share based compensation related to the vesting of options (2023 - $542,805). The fair value of options was determined based on the Black Scholes pricing model, with the following weighted average inputs:

| **Weighted Averages** | |
|---|---|
| Share price | $0.41 |
| Dividend yield | Nil |
| Exercise price | $0.51 |
| Risk free interest rate | 3.58% |
| Expected volatility | 1.00 |
| Expected expiry | 4.12 |

As at the date of the MD&A, the Company has 10,143,000 options outstanding of which 5,064,250 options are exercisable.

**Warrants**

On December 29, 2023, in consideration for the provision of a Credit Facility by members of its management team and board of directors, the Company granted 5,250,000 warrants. 2,625,000 warrants vested upon issue and are exercisable at $0.40 per common share until December 31, 2028. The remaining warrants vest by dividing the amount of any advance under the credit facility by the exercise price of the warrants. The fair value of the vested warrants was estimated to be $798,188 and was capitalized as a prepaid financing expense.

The 3,966,639 warrants issued as part of units are valued using the residual method, with a value of $619,537 for the year ended February 29, 2024 (2023 - $Nil). The fair value of the 1,264,194 finders' warrants issued in relation to the private placements that took place during the year was estimated to be $248,900 at the grant date.

| | Number of warrants | Weighted Average Exercise Price $ |
|---|---|---|
| Outstanding, February 28, 2022 | 124,224 | 0.32 |
| Issued during the year | 6,731,957 | 0.49 |
| Cancelled during the year | (124,224) | 0.32 |
| Exercised during the year | (184,480) | 0.25 |
| Outstanding, February 28, 2023 | 6,547,477 | 0.49 |
| Issued during the year | 10,480,833 | 0.56 |
| Exercised during the year | (65,383) | 0.28 |
| Outstanding, February 29, 2024 | 16,962,927 | 0.54 |

The following is a summary of warrants outstanding and exercisable as at February 29, 2024:

| Expiry date | Number of warrants outstanding | Number of warrants exercisable | Exercise price $ | Weighted average life remaining |
|---|---|---|---|---|
| August 23, 2024 | 80,640 | 80,640 | 0.25 | 0.48 |
| December 31, 2025 | 10,024,498 | 10,024,498 | 0.50 | 1.84 |
| April 24, 2026 | 1,607,789 | 1,607,789 | 1.25 | 2.15 |
| December 31, 2028 | 5,250,000 | 2,625,000 | 0.40 | 4.83 |
| | **16,962,927** | **14,337,927** | | |

The 3,966,639 warrants issued as part of units are valued using the residual method, with a value of $619,537 for the year ended February 29, 2024 (2023 - $Nil, 2022 - $Nil). The fair value of the 1,264,194 finders' warrants issued in relation to the private placements that took place during the year was estimated to be $248,900 at the grant date.

The fair value of finders' and loan commitment warrants was estimated based on the Black Scholes pricing model with the following weighted average inputs:

| **Weighted Averages** | |
|---|---|
| Share price | $0.40 |
| Dividend yield | Nil |
| Exercise price | $0.43 |
| Risk free interest rate | 3.76% |
| Expected volatility | 100% |
| Expected expiry | 4.43 |

As at the date of the MD&A, the Company has 16,962,927 warrants 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 ("CEO") and Director |
| Peter Kent | Former President and Former Director(1) |
| Laurence W. Zeifman | Chairman and Independent Director |
| Bennett Kurtz | Chief Administrative Officer ("CAO"), Chief Financial Officer ("CFO"), Corporate Secretary, and Director(2) |
| Garry Siskos | Former CFO and Former Chief Operating Officer ("COO")(2) |
| Marc Branson | Independent Director |
| Jérôme Cliche | Former Vice President, Business Development(3)(4) |
| Gilles Laverdiere | Chief Geologist(3) |

(1) On August 31, 2023, Mr. Kent resigned as a director and president of the Company.
(2) On September 1, 2023, Mr. Siskos stepped down as COO/CFO of the Company with Mr. Kurtz, the predecessor CFO to Mr. Siskos, serving as the Company's CFO in addition to his CAO, Corporate Secretary and Director positions.
(3) These are considered related parties under securities law and not under IAS 24.
(4) On February 16, 2024, Mr. Cliche ceased to be an officer of the Company.

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

| | For the year ended February 29, 2024 $ | For the year ended February 28, 2023 $ |
|---|---|---|
| Share based compensation | 1,216,035 | 372,111 |
| Management fees | 306,000 | 308,389 |
| Professional Fees | 125,000 | - |
| Director's fees | 86,400 | 66,500 |
| Mining exploration and metallurgy | 84,936 | 85,365 |
| Financing fees | 798,188 | - |
| Consulting Fees | 63,000 | 13,524 |
| | 2,679,559 | 845,889 |

**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 year ended February 29, 2024, ExpoWorld Ltd. (with John Passalaqua as principal) received $772,856 in fees comprised of $144,000 for management services (February 28, 2023 - $97,500) in their capacity as a CEO, $nil directors fees (February 28, 2023 - $12,500), $266,063 (February 28, 2023 - $nil) finance fee pursuant to a line of credit agreement with the Company and $362,793 (February 28, 2023 - $103,901) in share based compensation comprised of options and RSUs. Mr. Passalaqua is the CEO and director of the Company.

For the year ended February 29, 2024, Peter Kent Investments Inc. (with Peter Kent as principal) received $110,758 in fees comprised of $72,000 for management services (February 28, 2023 - $53,889) in their capacity as President, $nil directors fees (February 28, 2023 - $nil), and $38,758 (February 28, 2023 - $51,951) share based compensation comprised of options. As of September 1, 2023, Mr. Kent stepped down as President and director of the Company.

For the year ended February 29, 2024, POF Capital Corp. (with Bennett Kurtz as principal) received $580,294 in fees comprised of $90,000 for management services (February 28, 2023 - $79,000) in their capacity as a CAO, $nil directors fees (February 28, 2023 - $nil), $266,063 (February 28, 2023 - $nil) finance fee pursuant to a line of credit agreement with the Company and $224,231 (February 28, 2023 - $51,951) share based compensation comprised of options and RSUs. As of September 1, 2023, Mr. Kurtz was appointed CFO of the Company. He also serves as a director and CAO, Corporate Secretary, and Director of the Company.

For the year ended February 29, 2024, Capwest Investments Inc. (with Marc Branson as principal) received $243,835 in fees comprised of $nil for management services (February 28, 2023 $nil), $43,200 directors fees (February 28, 2023 $30,000), $30,000 consulting fees (February 28, 2023 $nil), and $170,635 (February 28, 2023 $59,951) share based compensation comprised of Options and RSUs. Mr. Branson serves as an independent director of the Company.

For the year ended February 29, 2024, LMC Communications Inc. (with Jérôme Cliche as principal) received $154,317 in fees comprised of $33,000 for consulting services (February 28, 2023 - $nil) and $121,317 (February 28, 2023 - $nil) share based compensation comprised of Options and RSUs. On October 5, 2023, Mr. Cliche was appointed Vice President, Business Development of the Company. On February 16, 2024, he ceased to act as Vice President, Business Development and, through his personal corporation, continues as a consultant to the Company till October 5, 2024.

For the year ended February 29, 2024, Z Six Financial Corporation (with Laurence W. Zeifman and his spouse as the shareholders) received $479,898 in fees comprised of $nil for management services (February 28, 2023 - $nil), $43,200 directors fees (February 28, 2023 - $24,000) comprised of cash payment, $266,063 (February 28, 2023 - $nil) finance fee pursuant to a line of credit agreement with the Company and $170,635 share based compensation (February 28, 2023 - $51,951) comprised of options and RSUs. Mr. Zeifman serves as Chairman and independent director of the Company.

For the year ended February 29, 2024, Siskos & Associates Inc. (with Garry Siskos as principal) received $178,439 in fees comprised of $nil for management services (February 28, 2023 - $nil), $nil for directors fees (February 28, 2023 - $nil), $125,000 for professional fees (February 28, 2023 - $nil) comprised of cash payment, and $53,439 share based compensation (February 28, 2023 - $nil) comprised of options. Mr. Siskos served as the CFO and COO of the Company. As of September 1, 2023, Mr. Siskos resigned as CFO of the Company.

For the year ended February 29, 2024, 166693 Canada Inc. (with Gilles Laverdiere as principal) received $159,163 in fees comprised of $nil for management services (February 28, 2023 - $nil), $nil for consulting fees (February 28, 2023 - $nil), $84,936 for mining exploration and metallurgy expenses (February 28, 2023 - $98,889) comprised of cash payment, and $74,227 share based compensation (February 28, 2023 - $51,951) comprised of options. Mr. Laverdiere serves as the Chief Geologist of the Company.

**Due to related parties**

As of February 29, 2024, $nil (February 28, 2023 - $79,290) was included in accounts payable as amounts due to key management personnel for services received during the year then ended.

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 February 29, 2024**

| | **Level 1 $** | **Level 2 $** | **Level 3 $** | **Total $** |
|---|---|---|---|---|
| Cash | 7,496,238 | - | - | 7,496,238 |
| Long-term investments | - | - | 132,988 | 132,988 |
| | **7,496,238** | **-** | **132,988** | **7,629,226** |

The investments in Level 3 include the investment in privately held companies that are not quoted on an exchange. Management believes that the price of the shares in the investee's most recent private placement approximates the 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 a significant credit risk as its maximum exposure relates to cash and restricted cash totaling $7,521,238. The Company mitigates the credit risk of cash by depositing with only reputable financial institutions. The Company also assesses the credit quality of counterparties, taking into account their financial position, past experience and other factors.

*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 February 29, 2024, has $7,496,238 in cash and cash equivalents and $25,000 in restricted cash and $2,532,332 in financial liabilities, which represents the Company's maximum exposure to liquidity risk.

The Company has no financial liabilities with a contractual maturity greater than one year. As at February 29, 2024, the Company has sufficient working capital to satisfy its financial liabilities.

*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

Foreign currency risk is the risk that the fair value of future cash flows of the Company's financial instruments will fluctuate as a result of changes in foreign exchange rates. As of February 29, 2024, a portion of the Company's financial assets, comprising long-term investments, are held in GBP. 1% change in the exchange rate would result in a change of net loss or gain by $1,330. The impact of fluctuations in foreign exchange rates is not significant and, accordingly, a sensitivity analysis has not been provided.

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 has some exposure to price risk as it holds investments in the equity of a private company. 1% change in the share price would result in a change of net loss or gain by $1,330. The impact of fluctuations in the share price is not significant and, accordingly, a sensitivity analysis has not been provided.

**RISK FACTORS**

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 November 29, 2023 for the year ended February 28, 2023, both available on the Company's profile on SEDAR+ www.sedarplus.ca.

For the year ended February 29, 2024, 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.