The following Management's Discussion and Analysis ("MD&A") is prepared as at September 27, 2023 in accordance with National Instrument 51-102F1, and should be read together with the consolidated financial statements for the year ended May 31, 2023 and related notes, which are prepared in accordance with International Financial Reporting Standards ("IFRS"). Additional information regarding the Company will be available through the SEDAR+ website at www.sedarplus.com.

Certain information included in this MD&A may constitute forward-looking statements. Statements in this report that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements.

Forward-looking statements are statements about the future and are inherently uncertain, and actual achievements of the Company may differ materially from those reflected in forward-looking statements due to a variety of risks, uncertainties and other factors. The Company's forward-looking statements are based on the beliefs, expectations and opinions of management on the date the statements are made, and the Company does not assume any obligation to update forward-looking statements if circumstances or management's beliefs, expectations or opinions should change except as required by law. Although management believes that the expectations represented by such forward-looking information or statements are reasonable, there is significant risk that the forward-looking information or statements may not be achieved, and the underlying assumptions thereto will not prove to be accurate. For the reasons set forth above, investors should not place undue reliance on forward-looking statements.

Actual results or events could differ materially from the plans, intentions and expectations expressed or implied in any forward-looking information or statements, including the underlying assumptions thereto, as a result of numerous risks, uncertainties and other factors such as those described above and in "Risks and Uncertainties" below. The Company has no policy for updating forward-looking information beyond the procedures required under applicable securities laws.

All dollar figures are stated in Canadian dollars unless otherwise indicated.

Company Overview

AMMPOWER Corp. (the "Company" or "AmmPower") was incorporated on December 3, 2019 in British Columbia. On September 18, 2020, the Company received approval from the Canadian Securities Exchange ("CSE") for the listing of its common shares on the CSE, subject to the completion of customary requirements, including the receipt of all required documentation. The Company's shares commenced trading on the CSE under the symbol "SOLD" on October 6, 2020 which was subsequently changed to "AMMP". The Company is also listed on the Frankfurt stock exchange under "601A" and OTC under "AMMPF". The head office and principal address of the Company are located at 5 Hazelton Avenue, Toronto, Ontario, Canada, M5R 2E1. The Company's registered and records office is located at 2800 Park Place – 666 Burrard Street, Vancouver, BC V6C 2Z7.

On October 21, 2020, the Company announced a forward stock split on the basis of 2 new for 1 old effective October 26, 2020. The forward stock split has been retroactively presented.

On January 6, 2023, the Company acquired 50.05% of Progressus Clean Technologies Inc. ("Progressus"). As consideration, the Company issued 50,000,000 common shares of the Company.

Business Activities

The Company has an increasing focus on the production of green ammonia and is active in all facets of green ammonia technology, including the production of green fertilizers, carbon-free shipping fuel, moving of green hydrogen as ammonia, and "cracking" of ammonia back to hydrogen. AmmPower is developing proprietary technologies to produce green ammonia and green hydrogen at scale, including researching unique catalytic reactions to lower costs and to take advantage of carbon credits in the renewable energy space.

The Company has completed a demonstration unit capable of producing 50 kilograms of ammonia per day at its manufacturing and research and development facility in Michigan. The demonstration unit has run successfully since initiation and patents have been submitted for the Company's technologies. This same technology being scalable allowed the Company to begin its sales cycle for the four-metric-ton-per-day green ammonia production unit, the Independent Ammonia Making Machine (IAMM™).

The IAMM™ is an end-to-end clean production system that is efficient, mobile, and modularly scalable. Once in production, the IAMM™ units are expected to have a production capacity of four metric tonnes of green ammonia per day. The IAMM™ units can be utilized in industrial, commercial and agricultural markets with an emphasis on independent distributors and retailers in the agricultural market for nitrogen based fertilizer.

The Company continues to perform research and development activities on a cracking process to create a membrane separator to efficiently spit ammonia into nitrogen and ultra-high purity hydrogen. The Company aims to commercialize this technology as ammonia is a hydrogen carrier and ultra-high purity hydrogen can be used as a fuel source. Based on current results of our research and development, the Company has entered into an agreement with Blue Ocean Salt Corp. ("Blue Ocean") (formerly known as 'Clean Light Acquisition Corp') whereby the Company has granted Blue Ocean the licensing rights for North America, the United Kingdom and the European Union for a period of two years to use certain licensed technology bundled with Blue Ocean's products. The license will allow Blue Ocean to buy, use, sell modify, create derivative works of, and distribution of AmmPower's licensed technology only as a bundle with Blue Ocean's products. As consideration, the Company received US$200,000 and will receive 5% of the issued and outstanding common shares of Blue Ocean which will be subject to escrow. During the year ended May 31, 2023, the Company recognized as other income $92,197. The Company expects to recognize as revenue the remaining performance obligations represented by the deferred revenue balance of $162,863 as at May 31, 2023 in the next fifteen months. On April 4, 2023, Blue Ocean was acquired by Vortex Energy ("Vortex"). As part of the acquisition, Blue Ocean in a subsequent agreement agreed to issue 690,000 shares of Vortex between the date of the signed acknowledgment and the initial two-year licensing term. The shares will be issued with various hold periods in various tranches. As of May 31, 2023, the Company has not received the 690,000 shares. Blue Ocean has an option to extend the license for an additional three years for a total of five year for cash payment of US$500,000 and issue additional common shares of Blue Ocean as represents 9.99% of the then issued and outstanding common shares of Blue Ocean. Blue Ocean will have the option to extend in five year increments up to a total of twenty years for aggregate cash payments totalling US$22,500,000 and the term of the agreement may be extended for perpetuity by the Company for cash payment of US$25,000,000.

Acquisition of Progressus

On January 6, 2023, the Company entered into a share exchange agreement with two vendors to acquire 50.05% of the issued and outstanding common shares of Progressus Clean Technologies Inc. ("Progressus"). The acquisition of Progressus was an important step to acquire intellectual property that has the potential to directly improve the efficiency of ammonia production. The intellectual property of Progressus will enable the Company in achieving greater vertical integration and decreasing its system expenses. As consideration for the Progressus shares, the Company issued an aggregate of 50,000,000 common shares of the Company.

Concurrent with the acquisition, the vendors agreed to provide to the Company an aggregate convertible loans of $500,000 for working capital purposes as follows:

a) $250,000 on the closing of the transaction; and
b) $250,000 on the date that is 30 days following the closing of the transaction

The convertible loans will bear interest at 10 per cent per annum, mature 12 months from the date of agreement and be convertible into the Company's shares at a deemed conversion price equal to the trading price of the Company on the date of conversion. During the year ended May 31, 2023, the Company received a total of $500,000 in convertible loans.

At the date of acquisition, the Company determined that the Progressus assets did not constitute a business defined under IFRS 3, Business Combinations, and as such, the acquisition was accounted for as an asset acquisition. The acquisition is accounted for in accordance with IFRS 2 share-based payments whereby the Company issued shares in exchange for the net assets of Progressus.

The fair value of the 50,000,000 common shares issued ($17,250,000) was determined based on the share price of the Company on the acquisition date. The consideration was allocated to the assets acquired and liabilities assumed based on their estimated fair values at the date of acquisition. The purchase price was allocated as follows:

Fair value of consideration	$	17,250,000
Allocated to the fair value of net assets acquired:		
Cash	$	21,254
Prepaid expenses		13,486
Accounts payable and accrued liabilities		(91,760)
Intangible assets		34,522,554
Less: portion allocated to non-controlling interest		(17,215,534)
Total net assets acquired	$	17,250,000

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At the time of acquisition, the intangible assets were in an early stage of research and development, with significant uncertainties surrounding its future market demand, sales price and production costs, and as such, on January 6, 2023, the Company recognized an impairment loss of $34,522,554, utilizing a five-year discounted cash flow model ("DCF") using a strategic plan based on management's expectations of market growth, industry reports and trends, and historical cost. These projections are inherently uncertain due to the growth-oriented strategies of the Company and the emerging market. The DCF model included projections surrounding revenue, cost of sales expenses, discount rate and revenue terminal growth rates of 31%. As at January 6, 2023 the discount rate used to calculate the fair value of this investment was 33%, reflecting specific risks and market conditions.

The operating results of Progressus have been recognized in the consolidated statement of loss and comprehensive loss beginning January 6, 2023, the effective date of obtaining control. During the year ended May 31, 2023, the Company recorded net loss of $34,530,577 related to Progressus.

Property description

Klotz Lake Property (Titan Gold Property)

The Property consists of 34 mining claims totalling approximately 2,312.25 hectares land in Klotz Lake / Bicknell Lake Area, Thunder Bay Mining District of Northwestern Ontario, Canada. It is located about 365 kilometers to the northeast of Thunder Bay. The nearest town to the property is Longlac situated 55 km west of the Property.

Pursuant to the Property Agreement between the Optionor and AmmPower, dated May 7, 2020, AmmPower holds an option to acquire a 100% interest in the Property by making cash payments of $140,000 ($40,000 paid), issued 1,800,000 common shares and incur $360,000 in exploration expenditures.

The Purchase Agreement also provides for a royalty in the Optionor's favour equal to a 2% Net Smelter Return ("**NSR**") on the Property. The royalty will be payable to the Optionor for as long as AmmPower and/or its successors and assigns hold any interest in the Property. AmmPower will have the right to purchase from the Optionor 1% of the NSR for $500,000, thereby reducing the NSR to 1%.

Twenty-six of the Property claims were originally staked on ground by erecting physical posts as required by earlier claim staking regulations in Ontario. As part of the process to update the provincial *Mining Act*, Ontario has launched a new online, self-service claim staking system in 2018. The new electronic *Mining Lands Administration System* (MLAS) replaces the province's century-old traditional ground staking methods. All the mining claims in Ontario, which existed prior to the modernization (legacy claims in the new parlance), have been converted to what are now known as cell claims or boundary claims. A cell claim is a mining claim that relates to all the land included in one or more cells on the provincial grid. A boundary claim is a claim that is made up of only a part or parts of one or more cells. Due to current COVID 19 situation, Ontario Ministry of Mines has extended claims expiry dates and their status is defined as "Hold Special Circumstances Apply" on claim abstracts shown on MLAS). The remaining claims covering 1,640.25 hectares were staked in 2020 using online staking system and are active until May 2022.

During the year ended May 31, 2021, the Company advanced $118,041 for the phase 1 work program on the Titan property.

During the year ended May 31, 2022, the Company has decided to not proceed with the Titan Gold Property and has recorded an impairment of $40,000.

Whabouchi Property

On March 31, 2021, the Company completed the acquisition of all of the outstanding common shares of AmTek. As consideration, the Company issued 12,000,000 common shares of the Company fair valued at $0.95 per share and discounted using the average strike put-option model, which resulted in a present value of $8,753,000 on acquisition date. AmTek is the owner of the Whabouchi South lithium exploration property located in the James Bay/Eeyou Istche region of Quebec and is working on the development of a proprietary technology to produce green ammonia, a potential carbon-free energy source. The transaction was accounted for as an asset acquisition on the basis that AmTek does not meet the definition of a business as it had no ongoing business operations. Accordingly, the acquisition is accounted for in accordance with IFRS 2 Share-based payment whereby the Company issued shares in exchange for the net assets of AmTek. A fair value of $8,707 was allocated to the Whabouchi property as part of the purchase price allocation. The Company also issued 960,000 common shares as finders fee which was valued at $912,000.

On July 20, 2023, the Company entered into an asset purchase agreement with Consolidated Lithium Metals Inc.("Consolidated Lithium"), a company with common officers, whereby Consolidated Lithium acquires 100% of the Whabouchi Property. As consideration, Consolidated Lithium will pay $50,000 in cash (received). There is a 1% NSR of which Consolidated Lithium has the option to repurchase at any time for $250,000.

Selected Annual Financial Information

The table below sets out certain selected financial information regarding the operations of the Company for the period indicated. The selected financial information has been prepared in accordance with IFRS and should be read in conjunction with the Company's consolidated financial statements and related notes.

	Year ended May 31, 2023	Year ended May 31, 2022	Year ended May 31, 2021
Revenue	$ -	$ -	$ -
Net loss	$ 41,786,002	$ 20,518,786	$ 16,431,965
Loss per share	$ 0.20	$ 0.24	$ 0.42
Total assets	$ 2,830,949	$ 3,740,987	$ 2,779,110

During the year ended May 31, 2021, recorded a net loss of $16,431,965 which included an impairment of $1,580,000 on the Tuscarora property, $9,663,000 in seed research, development and technology expense. The Company also recognized $2,795,369 in share-based payments.

During the year ended May 31, 2022, the Company recorded a net loss of $20,518,786 which included $9,799,913 in share-based payments and $5,531,525 in investor relations. The Company's total assets for the year ended May 31, 2022 were $3,740,987 which is mainly made up of prepaid expenses and deposits of $1,029,977 and $1,450,843 in right of use asset.

During the year ended May 31, 2023, the Company recorded a net loss of $41,786,002 which included $34,522,554 in impairment of intangible asset, $3,030,484 in share-based payments and $2,019,488 in wages and benefits. The Company's total assets for the year ended May 31, 2023 were $2,830,949 which is mainly made up of prepaid deposits of $626,663 and $1,251,510 in right of use asset.

The Company has not declared any dividends since its incorporation and does not anticipate paying cash dividends in the foreseeable future on its common shares but intends to retain any future earnings to finance internal growth, acquisitions and development of its business. Any future determination to pay cash dividends will be at the discretion of the board of directors of the Company and will depend upon the Company's financial condition, results of operations, capital requirements and such other factors as the board of directors of deems relevant.

Selected Quarterly Financial Information

A summary of results for the most recent eight quarter are as follows:

	May 31, 2023 Qtr 4	February 28, 2023 Qtr 3	November 30, 2022 Qtr 2	August 31, 2022 Qtr 1
Revenue	$ -	$ -	$ -	$ -
Net loss	$ 18,311,306	$ 18,555,306	$ 3,166,351	$ 1,753,039
Comprehensive loss	$ 18,302,521	$ 18,554,981	$ 3,160,279	$ 1,724,965
Loss per share	$ 0.15	$ 0.14	$ 0.03	$ 0.03

	May 31, 2022 Qtr 4	February 28, 2022 Qtr 3	November 30, 2021 Qtr 2	August 31, 2021 Qtr 1
Revenue	$ -	$ -	$ -	$ -
Net loss	$ 3,936,164	$ 3,804,060	$ 4,541,781	$ 8,236,781
Comprehensive loss	$ 3,959,720	$ 3,813,028	$ 4,543,992	$ 8,227,125
Loss per share	$ 0.13	$ 0.04	$ 0.05	$ 0.11

During the three months ended August 31, 2021, the Company recorded a net loss of $8,236,781 as compared to the net loss of $14,298,507 for the quarter ended May 31, 2021. The main expenses in the current quarter were consulting fees, marketing and share-based payments. During the three months ended November 30, 2021, the Company recorded a net loss of $4,541,781 as compared to the net loss of $8,236,781. The main decrease can be attributed to a decline in marketing and share-based payments. During the three months ended February 28, 2022, the Company recorded a net loss of $3,804,060 as compared to $4,541,781. The main decrease is in marketing expense. During the three months ended May 31, 2022, the Company recorded a net loss of $3,936,164 which is consistent to the net loss of $3,804,060 from the previous quarter. During the quarter ended August 31, 2022, the Company recorded a net loss of $1,753,039 as compared to $3,936,164 for the previous quarter. The decrease can be attributed to a decrease in consulting fees and marketing fees paid and accrued. In addition, the Company received US$200,000 in cash pursuant to a license agreement with Clean Light Acquisition Corp. During the quarter ended November 30, 2022, the Company recorded a net loss of $3,166,351 as compared to the net loss of $1,753,039 for the previous quarter. The increase can be attributed to the recognition of $1,927,690 in share-based payments as new stock options and RSUs were granted during the quarter. During the quarter ended February 28, 2023, the Company recorded a net loss of $18,555,306 as compared to the net loss of $3,166,351 for the previous quarter. The increase can be attributed to the recording of the impairment of intangible asset for $17,278,539. During the quarter ended May 31, 2023, the Company recorded a net loss of $18,311,306 as compared to the net loss of $18,555,306 for the previous quarter. The decrease can be attributed to the recording of an additional impairment of intangible asset for $17,244,015 in the current quarter and the decrease in share-based compensation and wages and benefits.

<u>Results of Operations</u>

For the year ended May 31, 2023:

The Company did not record any revenues in the year ended May 31, 2023, and incurred a net loss of $41,786,002 as compared to $20,518,786 for the comparable year ended May 31, 2022. An increase of approximately $21,267,216.

Total expenses for the year ended May 31, 2023, was $7,457,870 as compared to $20,648,082 for the comparable year a decrease of approximately $13,190,212.

The above decrease can be attributed to the following:

Consulting fees have decreased to $672,617 as compared to $1,727,271 for the comparable year. The comparable year balance was the result of numerous third parties for business and financial advisory; and administrative services as the Company continues to expand its operations. During the year, the Company did not hire new consultants. $240,000 in fees were paid to directors and officers of the Company, see related party section for details.

Investor relations have decreased to $214,644 down from $5,531,525 for the comparable year. The decrease can be attributed to the discontinuation of investor relations services provided by consultants in the comparable year.

Research, development and technology expense have decreased to $275,030 down from $746,721 for the comparable year as the advancement of its ammonia cracking technologies was slowed down due to cashflow issues.

Share-based payments have decreased to $3,030,484 for the current year as compared to $9,799,913 for the comparable year. During the year, the Company recognized $1,201,890 vested and accrued to May 31, 2023, for stock options. The remaining $1,828,594 in share-based payments are for vested and accrued restricted share units ("RSU"). Share-based payments is a non-cash transaction.

The above noted decreases were offset by increases in the following:

Wages and benefits have increased to $2,019,488 from $1,409,060 from the comparable year. The Company has increased the number of employees at its Michigan plant as research and development continues on the Company ammonia cracking technology as well as design work on the IAMMTM. Wages and benefits included the wages paid to the CEO and former CFO of the Company.

During the year ended May 31, 2023, the Company entered into three convertible loan agreements for an aggregate amount of $500,000. Pursuant to the convertible loans, the Company recorded $16,507 as interest expense during the year.

The Company continue to account the two existing leases under IFRS 16 and have recognized the right of use and lease liabilities on its statement of financial position. During the year, the Company recognized depreciation of $274,296 and interest accretion of $187,151.

The Company received US$200,000 in cash pursuant to a license agreement with Blue Ocean. During the year ended May 31, 2023, the Company recognized as other income $194,121 made up of licensing revenue and income from sublease. The Company expects to recognize as revenue the remaining performance obligations represented by the deferred revenue balance as at May 31, 2023 in the next fifteen months.

On January 6, 2023, the Company determined that the Progressus assets did not constitute a business as defined under IFRS3, Business Combinations, and as such, the acquisition was accounted for as an asset acquisition. During the year ended May 31, 2023, the Company recognized a $34,522,554 impairment of intangible asset.

Fourth Quarter

During the fourth quarter ended May 31, 2023, the Company incurred a net loss of $18,311,306 compared to $3,936,164 for the comparable quarter ended May 31, 2022.

Actual expenses for the fourth quarter have decreased to $954,926 from $3,936,164. The main decrease in expense for the fourth quarter can be attributed to the decrease in share-based payments. During the current quarter, the Company recognized $52,543 in share-based payments on stock options granted and/or RSU granted and vested in the quarter as compared to $2,279,080 for the comparable fourth quarter.

Research, development and technology expense have decreased to $5,610 down from $314,150 for the comparable quarter as the Company the advancement of its ammonia cracking technologies was slowed down due to cashflow issues.

Fourth quarter included year-end adjustments for impairment of intangible assets and recognizing deferred revenue for the license income.

Liquidity and Capital Resources

The Company's cash position as at May 31, 2023 was $58,554 (May 31, 2022 - $626,514) with a working deficiency of $2,308,425 (May 31, 2022 working capital – $731,563). Total assets as at May 31, 2023 was $2,830,949 (May 31, 2022 - $3,740,987).

The Company believes that the current capital resources are not sufficient to pay overhead expenses, and its research and development of its proprietary technology for the next twelve months and is in the process of raising additional funding. The Company will continue to monitor the current economic and financial market conditions and evaluate their impact on the Company's liquidity and future prospects.

Since the Company may not be able to generate cash from its operations in the foreseeable future, the Company will have to rely on the issuance of shares or the exercise of options and warrants to fund ongoing operations and investment. The ability of the Company to raise capital will depend on market conditions and it may not be possible for the Company to issue shares on acceptable terms or at all.

The Company manages its capital structure in order to ensure sufficient resources are available to meet operational requirements and safeguard its ability to continue as a going concern. There are no externally imposed capital requirements on the Company. Management considers the items included in shareholders' equity (deficit) and working capital as capital. The Company manages the capital structure and makes adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets. The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund the operation of the Company. To secure the additional capital necessary to pursue these plans, the Company intends to raise additional funds through equity or debt financing.

Private placement financing

On September 26, 2022, the Company closed its first tranche non-brokered private placement and issued 4,769,739 units at a price of $0.23 per unit for total proceeds of $1,097,040. Each unit consisted of one common share and one share purchase warrant entitling the holder to purchase one additional common share at a price of $0.31 per share expiring on September 26, 2024. In connection with the offering, the Company paid a cash finders fee of $62,750 and issued 342,396 finders' warrants. Each agents' warrant is exercisable into one common share at a price of $0.31 per share expiring on September 26, 2024. These agents' warrants were fair valued at $34,240 using the Black-Scholes Option Pricing Model with the following assumptions: risk-free interest rate of 3.75%; dividend yield of 0%; volatility of 95.95% and expected life of two years and a stock price of $0.23.

On October 24, 2022, the Company closed its second tranche non-brokered private placement and issued 772,174 units at a price of $0.23 per unit for total proceeds of $177,600. Each unit consisted of one common share and one share purchase warrant entitling the holder to purchase one additional common share at a price of $0.31 per share expiring on October 24, 2024. In connection with the offering, the Company paid a cash finders fee of $20,000. The Company also recognized an additional share issue cost of $28,928.

Other Activities

On September 14, 2022, the Company issued a promissory note for proceeds of $100,000 to the president of the Company. The promissory note is unsecured, bears interest at 5% per annum and compounded monthly and was due on March 14, 2023. Subsequent to May 31, 2023, the maturity date was extended to January 14, 2024.

On January 6, 2023, the Company acquired 50.05% of Progressus by issuing 50,000,000 common shares to Progressus for a total fair value of $17,250,000.

On January 6, 2023, the Company entered into a convertible loan agreement with Forbes & Manhattan, Inc. for a principal amount of $250,000. The note will mature on January 6, 2024, and bears interest at a simple rate of 10% per annum. Interest is payable annually in arrears commencing one year from January 6, 2023. At any time prior to the maturity date, the principal amount and the unpaid interest outstanding may be converted at the election of the holder into common shares of the Company at a deemed conversion price equal to the trading price of the Company on the date of conversion.

On February 3, 2023, the Company entered into a convertible loan agreement with Forbes & Manhattan, Inc. for a principal amount of $100,000. The note will mature on February 3, 2024, and bears interest at a simple rate of 10% per annum. Interest is payable annually in arrears commencing one year from February 3, 2023. At any time prior to the maturity date, the principal amount and the unpaid interest outstanding may be converted at the election of the holder into common shares of the Company at a deemed conversion price equal to the trading price of the Company on the date of conversion.

On March 10, 2023, the Company entered into a convertible loan agreement with Aberdeen International Inc. for a principal amount of $150,000. The note will mature on March 10, 2024, and bears interest at a simple rate of 10% per annum. Interest is payable annually in arrears commencing one year from March 10, 2023. At any time prior to the maturity date, the principal amount and the unpaid interest outstanding may be converted at the election of the holder into common shares of the Company at a deemed conversion price equal to the trading price of the Company on the date of conversion.

On March 20, 2023, the Company issued a promissory note for proceeds of $6,802 (US$5,000) to the CEO of the Company. The promissory note is unsecured, bears interest at 8% per annum and compounded monthly and was due on September 19, 2023. Subsequent to May 31, 2023, the loan and interest was repaid.

On March 22, 2023, the Company issued a promissory note for proceeds of $27,206 (US$20,000) to the president of the Company. The promissory note is unsecured, bears interest at 8% per annum and compounded monthly and was due on September 21, 2023. Subsequent to May 31, 2023, the maturity date was extended to March 21, 2024.

On May 25, 2023, the Company issued a promissory note for proceeds of $68,015 (US$50,000) to the CEO of the Company. The promissory note is unsecured, bears interest at 8% per annum and compounded monthly and is due on July 19, 2023, and can be extended 90 days to October 17, 2023.

On March 30, 2023, the Company issued 60,267 common shares to settle debt of $13,259 resulting in a gain on debt settlement of $301.

On August 16, 2023, the Company issued a promissory note for proceeds of $10,500 to the president of the Company. The promissory note is unsecured, bears interest at 8% per annum and compounded monthly and is due on February 15, 2024.

On September 21, 2023, the Company issued a promissory note for proceeds of US$85,000 to the CEO of the Company. The promissory note is unsecured, bears interest at 8% per annum and compounded monthly and is due on February 20, 2024.

During the year ended May 31, 2023, the Company issued 2,000 common shares for total proceeds of $200 pursuant to the exercise share purchase warrants.

During the year ended May 31, 2023, pursuant to the RSU Plan the Company issued 4,701,302 common shares to settle the RSU and transferred $1,628,516 from contributed surplus.

Off Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements.

Financial Instruments

The Company's risk exposures and the impact on the Company's consolidated financial statements are summarized below.

Credit risk

Financial instruments that potentially expose the Company to credit risk is cash. To minimize the credit risk on cash the Company places the instrument with a high credit quality financial institution. The maximum exposure to loss arising from these advances is equal to their total carrying amounts.

Interest rate risk

The Company pays interest on its convertible notes at a fixed rate of 10% per annum and pays interest on its promissory notes at a fixed rate of 5% and 8% per annum. The Company does not have any material variable interest rates and is not exposed to any material interest rate risk on its debt instruments.

Liquidity risk

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

The Company monitors its cash flows to meet the Company's normal operating requirements on an ongoing basis and its planned capital expenditures. All of the Company's financial liabilities except for lease liabilities, convertible loans and promissory notes have contractual maturities of 30 days or are due on demand and are subject to normal trade terms. As at May 31, 2023, the Company had a working capital deficiency of $2,308,425 (May 31, 2022 working capital – $731,563).

The maturity analysis of the undiscounted contractual balances of the lease liabilities is as follows:

Maturity analysis	**May 31, 2023**	**May 31, 2022**
Less than one year	$ 400,253	$ 375,326
One to three years	1,139,821	1,168,453
Four to seven years	362,844	633,727
Total undiscounted lease liabilities	1,902,918	2,177,506
Amount representing implicit interest	(457,563)	(608,387)
Lease liabilities	$ 1,445,355	$ 1,569,119

Foreign Currency Risk

The Company may be exposed to foreign currency risk on fluctuations related to cash, accounts payable and accrued liabilities and lease liabilities that are denominated in a foreign currency. As at May 31, 2023, the Company held cash denominated in US dollars of US$42,383 (May 31, 2022 – US$9,718), accounts payable and accrued liabilities of US$961,183 (May 31, 2022 – US$458,177), due to related parties of

US$75,000 (May 31, 2022 – US$Nil) and lease liabilities of US$772,873 (May 31, 2022 – US$857,360) translated at US$1 for every $1.36. These factors expose the Company to foreign currency exchange rate risk, which could have a material adverse effect on the profitability of the Company. A 10% change in the exchange rate would change other comprehensive income/loss by approximately $240,000.

The Company currently does not plan to enter into foreign currency future contracts to mitigate this risk.

Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of lithium and other precious and base metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

Fair Values

The Company's financial instruments include cash, accounts payable and accrued liabilities, due to related parties, convertible loans and lease liabilities. The carrying amounts of these financial instruments are a reasonable estimate of their fair values because of their nature.

Fair Value Hierarchy

The Company classifies its fair value measurements in accordance with the three-level fair value hierarchy as follows:

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities; and

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Related Party Transactions

Related party transactions are comprised of services rendered by directors and/or officers of the Company or by a company with a director and/or officer in common. Related party transactions are in the ordinary course of business and are measured at the exchange amount.

Key Management Compensation

Key management personnel are those having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, and include the Company's executive officers and members of the Board of Directors. Key management compensation consisted of the following:

	Relationship	2023	2022
Consulting fees			
Soumi Holdings Inc.	Rene Bharti, President	$ 240,000	$ 115,000
695809 B.C. Ltd.	Robert Krause, Former Director	-	8,000
Arthur Brown	Former Director	-	7,000
1196016 B.C. Ltd.	Faizaan, Lalani, Former CFO	-	110,000
		240,000	240,000
Wages and benefits			
Gary Benninger	CEO	320,540	182,849
Christopher Lilla	Former CFO	181,628	20,485
		502,168	203,334
Share-based payments			
Gary Benninger	CEO	1,189,755	2,179,020
Rene Bharti	President	300,000	-
Luisa Moreno	Director	97,814	51,240
Alia Comai	Director	92,204	51,240
Christopher Lilla	Former CFO	311,071	10,929
Faizaan Lalani	Former CFO	-	550,649
Arthur Brown	Former Director	-	89,080
Robert Krause	Former Director	-	89,080
		1,990,884	3,021,238
		$ 2,733,012	$ 3,464,572

Included in accounts payable and accrued liabilities as at May 31, 2023 was $473,340 (May 31, 2022 – $5,650) in unpaid consulting fees and wages to directors and officers and the former CFO of the Company and to companies controlled by directors or officers of the Company. The amount is unsecured, non-interest bearing and payable on demand.

<u>Due to related parties</u>

Included in due to related parties at May 31, 2023 was $6,707 (May 31, 2022 – $6,707) owed to former directors of AmTek. The amount is unsecured, non-interest bearing and payable on demand.

On September 14, 2022, the Company issued a promissory note for proceeds of $100,000 to the president of the Company. The promissory note is unsecured, bears interest at 5% per annum and compounded monthly and was due on March 14, 2023. Subsequent to May 31, 2023, the maturity date was extended to January 14, 2024. During the year ended May 31, 2023, the Company accrued interest of $3,618.

On March 20, 2023, the Company issued a promissory note for proceeds of $6,802 (US$5,000) to the CEO of the Company. The promissory note is unsecured, bears interest at 8% per annum and compounded monthly and was due on September 19, 2023. Subsequent to May 31, 2023, the loan and interest was repaid.

On March 22, 2023, the Company issued a promissory note for proceeds of $27,206 (US$20,000) to the president of the Company. The promissory note is unsecured, bears interest at 8% per annum and compounded monthly and was due on September 21, 2023. Subsequent to May 31, 2023, the maturity date was extended to March 21, 2024.

On May 25, 2023, the Company issued a promissory note for proceeds of $68,015 (US$50,000) to the CEO of the Company. The promissory note is unsecured, bears interest at 8% per annum and compounded monthly and is due on July 19, 2023 and can be extended 90 days to October 17, 2023.

Subsequent Events

Subsequent to May 31, 2023,

On June 5, 2023, the Company granted 2,000,000 RSU to employees of the Company. The granted RSU shall vest 50% on June 5, 2023 and the remaining 50% shall vest on June 1, 2024. On June 8, 2023, 1,000,000 common shares were issued to settle the vested RSU.

On July 1, 2023, the Company granted 100,000 stock options to a consultant of the Company. The stock options entitle the holder thereof the right to purchase one common share for each option at $0.165 per share expiring on June 30, 2028. The stock options vest at 50,000 on July 1, 2023 and the remaining 50,000 on July 1, 2024, respectively.

On July 1, 2023, the Company granted 100,000 RSU to a consultant of the Company. The granted RSU shall vest 50% on November 2, 2023 and the remaining 50% shall vest on November 2, 2024.

On July 20, 2023, the Company entered into a property option agreement with Consolidated Lithium Metals Inc.("Consolidated Lithium"), a company with a common officer, whereby Consolidated Lithium acquires 100% of the Whabouchi Property. As consideration, Consolidated Lithium will pay $50,000 in cash (received). There is a 1% NSR of which Consolidated Lithium has the option to repurchase at any time for $250,000.

On July 24, 2023, the Company granted 1,500,000 stock options to a consultant of the Company. The stock options entitle the holder thereof the right to purchase one common share for each option at $0.15 per share expiring on July 24, 2024. The stock options vest on grant date. On July 26, 2023, 1,500,000 were exercised. On September 19, 2023, 1,500,000 shares were returned to treasury.

On July 24, 2023, pursuant to the RSU Plan, the Company issued 150,000 common shares to settle the RSU.

On August 16, 2023, the Company issued a promissory note for proceeds of $10,500 to the president of the Company. The promissory note is unsecured, bears interest at 8% per annum and compounded monthly and is due on February 15, 2024.

On September 21, 2023, the Company issued a promissory note for proceeds of US$85,000 to the CEO of the Company. The promissory note is unsecured, bears interest at 8% per annum and compounded monthly and is due on February 20, 2024.

Subsequent to May 31, 2023, 2,938,693 share purchase warrants and 189,560 agents' warrants were expired unexercised.

Subsequent to May 31, 2023, the CFO of the Company loaned $78,008 for advances on working capital. These amounts are non-interest bearing, unsecured and payable on demand.

Outstanding Share Capital Information

Below is the summary of the Company's share capital as at May 31, 2023 and as of the date of this report:

	As at	
Security description	May 31, 2023	MD&A
Common shares – issued and outstanding	154,742,546	155,892,546
Warrants issued in private placements	20,835,114	17,896,421
Agents' warrants	1,110,413	920,853
Share purchase options granted	10,375,000	10,475,000
Restricted shares units	1,912,500	2,862,500
Common shares – fully diluted	188,975,573	188,047,320

Critical Accounting Estimates and Judgments

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements within the next financial year are discussed in note 4 to the consolidated financial statements.

Business and Industry Risks

Operating History

The Company was incorporated on December 3, 2019 and has not commenced commercial operations. The Company has no history of earnings or paid any cash dividends, and it is unlikely to produce earnings or pay dividends in the immediate or foreseeable future.

Manufacturing Risk

For the successful development of the Company's IAMM™, the Company will source key components that are subject to global supply constraints, hire and retain managerial personnel and skilled labor, and maintain of desirable levels of production. There can be no assurance that the Company will be able to achieve and sustain these goals. If the Company cannot do so, it may be unable to achieve and sustain profitability. The Company's ability to achieve expected production capacity is subject to significant risks and uncertainties, including the following: (a) delays and unexpected costs as a result of a number of factors, many of which may be beyond the Company's control, such as its ability to secure successful contracts with suppliers, (b) ability to hire and retain skilled labor, (c) unavailability of manufacturing inputs; and (d) failure to increase production as orders are received.

Product Price and Margin

Operating results are and will be dependent upon product prices and margins on the IAMM™, which is in turn partially dependent on ammonia commodity pricing. Demand and pricing of ammonia can be affected by several factors including natural gas prices, global supply constraints, outlook for crop nutrient prices and farmer economics, governmental policies, and build-up of inventories in distribution channels. Ammonia prices are also significantly influenced by large scale ammonia producers that change overall industry production capacity, such as decisions to build or close production plants, changes in utilization rates, and pricing decisions.

Additional Funding Required

Further development and production of the IAMM™ or other research and development projects undertaken by the company may require significant additional financing. Accordingly, the continuing development of the Company's IAMM™ and other projects will depend upon the Company's ability to obtain financing through equity financing, debt financing, the joint venturing of projects or other external sources. Failure to obtain sufficient financing may result in a delay or an indefinite postponement of the development or production on any or all of the Company's products and research and development activities, or have a material adverse impact on the Company's future cash flows, earnings, results of operations and financial condition. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favorable to the Company. If the Company was required to arrange for debt financing it could be exposed to the risk of leverage, while equity financing may cause existing shareholders to suffer dilution. There can be no assurance that the Company will be successful in overcoming these risks or any other problems encountered in connection with such financings. Failure to raise capital when needed would have a material adverse effect on the Company's business, financial condition, and results of operations.

The Company has and will continue to have negative operating cash flow until it begins serial production of its IAMM™ and can sustain continued production at anticipated margins.

Volatility of Electricity Prices

The Company's ability to sell IAMM™ will be dependent on the market prices of electricity. The market rates of electricity may be affected by changes in regulations and government policy and in demand and capacity supply, including cyclical changes, as well as the overall economy. Green electricity is a key input in the production of clean ammonia from the IAMM™ and electricity markets are subject to regulatory oversight and may impact the availability and cost within the jurisdictions in which the Company operates (or intends to operate). This volatility may have a material adverse effect on Company's business and financial condition.

Market Price of Common Shares

The trading price of the common shares is likely to be significantly affected by short term changes in its financial condition or results of operations as reflected in its quarterly earnings reports. Other factors unrelated to the Company's performance that may have an effect on the price of the common shares include the following: the extent of analytical coverage available to investors concerning the Company's business; the lessening in trading volume and general market interest in the Company's securities may affect an investor's ability to trade significant numbers of common shares; and the price of the common shares and size of the Company's public float may limit the ability of some institutions to invest in the Company's securities.

As a result of any of these factors, the market price of the common shares at any given point in time may not accurately reflect the Company's long-term value. Securities class action litigation often has been brought against companies following periods of volatility in the market price of their securities. The Company may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

War in Ukraine

The Company's business may be affected by changes in political and market conditions, such as interest rates, availability of credit, inflation rates, changes in laws, and national and international circumstances. Recent geopolitical events, including, relations between NATO and Russian Federation regarding the situation in Ukraine, and potential economic global challenges such as the risk of the higher inflation and energy crises, may create further uncertainty and risk with respect to the prospects of the Company's business.

Resale of Common Shares

The continued operation of the Company will be dependent upon its ability to generate operating revenues and to procure additional financing. There can be no assurance that any such revenues can be generated or that other financing can be obtained. If the Company is unable to generate such revenues or obtain such additional financing, any investment in the Company may be lost. In such event, the probability of resale of the Common Shares by any investor of the Company would be diminished.

Price Volatility of Publicly Traded Securities

In recent years, the securities markets in Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. It may be anticipated that any quoted market for the Common Shares will be subject to market trends generally, notwithstanding any potential success of the Company in executing on its business plan, creating revenues, cash flows or earnings. The value of the Common Shares will be affected by such volatility.