The following Management's Discussion and Analysis ("MD&A") is prepared as at September 27, 2024 in accordance with National Instrument 51-102F1, and should be read together with the audited consolidated financial statements for the year ended May 31, 2024 and related notes, which are prepared in accordance with IFRS Accounting Standards ("IFRS"), as issued by the International Accounting Standards Board. Additional information regarding the Company will be available through the SEDAR+ website at www.sedarplus.ca.

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 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, 2024, the Company recognized as other income $135,708 (2023 – $92,197). The Company expects to recognize as revenue the remaining performance obligations represented by the deferred revenue balance of $26,526 as at May 31, 2024 in the next three 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, 2024, the Company has not received the 690,000 shares. The term of this agreement may be extended within 30 days of the initial two-year term, for an additional three years, in exchange for cash payments and share issuances. The extension expired unexercised on September 9, 2024.

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 valued at $17,250,000.

Property description

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 acquired 100% of the Whabouchi Property. As consideration, Consolidated Lithium paid $60,000 in cash (received). There is a 1% NSR of which Consolidated Lithium has the option to repurchase at any time for $250,000. During the year ended May 31, 2024, the Company recorded a gain of sale of exploration and evaluation assets for $51,293.

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 audited consolidated financial statements and related notes.

	Year ended May 31, 2024	Year ended May 31, 2023	Year ended May 31, 2022
Revenue	$ -	$ -	$ -
Net loss	$ 3,507,663	$ 41,786,002	$ 20,518,786
Net loss attributable to shareholders of the Company	$ 3,456,200	$ 24,537,979	$ 20,518,786
Loss per share	$ 0.02	$ 0.20	$ 0.24
Loss per share attributable to shareholders of the Company	$ 0.02	$ 0.20	$ 0.24
Total assets	$ 2,658,801	$ 2,830,949	$ 3,740,987
Non-current financial liabilities	$ 919,279	$ 1,196,669	$ 1,363,486

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.

During the year ended May 31, 2024, the Company recorded a net loss of $3,507,663 which included $616,830 in share-based payments and $1,367,905 in wages and benefits. The Company's total assets for the year ended May 31, 2024 were $2,658,801 which is mainly made up of prepaid deposits of $1,116,221 and $814,617 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, 2024 Qtr 4	February 29, 2024 Qtr 3	November 30, 2023 Qtr 2	August 31, 2023 Qtr 1
Revenue	$ -	$ -	$ -	$ -
Net loss	$ 886,620	$ 795,547	$ 751,908	$ 1,073,588
Net loss attributable to shareholders of the Company	$ 886,338	$ 793,147	$ 739,953	$ 1,036,762
Comprehensive loss	$ 894,245	$ 798,337	$ 769,617	$ 1,065,663
Loss per share	$ 0.01	$ 0.01	$ 0.00	$ 0.01
Loss per share attributable to the shareholders of the Company	$ 0.01	$ 0.01	$ 0.00	$ 0.01

	May 31, 2023 Qtr 4 (restated)	February 28, 2023 Qtr 3 (restated)	November 30, 2022 Qtr 2 (restated)	August 31, 2022 Qtr 1 (restated)
Revenue	$ -	$ -	$ -	$ -
Net loss	$ 878,214	$ 35,767,430	$ 3,137,738	$ 2,002,620
Net loss attributable to shareholders of the Company	$ 877,541	$ 18,520,080	$ 3,137,738	$ 2,002,620
Comprehensive loss	$ 868,743	$ 35,767,791	$ 3,131,666	$ 1,974,546
Loss per share	$ 0.01	$ 0.27	$ 0.03	$ 0.03
Loss per share attributable to the shareholders of the Company	$ 0.01	$ 0.14	$ 0.03	$ 0.03

During the quarter ended August 31, 2022, the Company recorded a net loss of $2,002,620 as compared to $3,936,164 for the previous quarter ended May 31, 2022. The decrease can be attributed to a decrease in consulting fees and marketing fees paid and accrued. During the quarter ended November 30, 2022, the Company recorded a net loss of $3,137,738 as compared to the net loss of $2,002,620 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 $35,767,430 as compared to the net loss of $3,137,738 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 $878,214 as compared to the net loss of $35,767,430 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. During the quarter ended August 31, 2023, the Company recorded a net loss of $1,073,588 as compared to the net loss of $878,214 for the previous quarter. The increase can be attributed to the recording of the share-based payments during the quarter. During the quarter ended November 30, 2023, the Company recorded a net loss of $751,908 as compared to the net loss of $1,073,588 for the previous quarter. The decrease can be attributed to the recording of the recovery of the share-based payments for the cancellation of stock options during the quarter and the recording of the gain on sale of asset in the previous quarter. During the quarter ended February 29, 2024, the Company recorded a net loss of $795,547 as compared to the net loss of $751,908 for the previous quarter. The increase can be attributed to the increase in consulting fees for the quarter. During the quarter ended May 31, 2024, the Company recorded a net loss of $886,620 as compared to the net loss of $795,547 for the previous quarter. The increase can be attributed to recording of the share-based payments and interest accrual on the promissory notes and convertible loans.

Results of Operations

For the year ended May 31, 2024:

The Company did not record any revenues in the year ended May 31, 2024, and incurred a net loss of $3,507,663 as compared to $41,786,002 for the comparable year ended May 31, 2023. A decrease of approximately $38,000,000. During the comparable year, the Company recognized $34,522,554 impairment of intangible asset in pursuant to the acquisition of Progressus.

Total expenses for the year ended May 31, 2024, was $3,719,565 as compared to $7,457,870 for the comparable year ended May 31, 2023. A decrease of approximately $3,740,000.

The above decrease can be attributed to the following:

During the year, the Company recorded a share-based payments of $616,830 as compared to $3,030,484 for the comparable year. During the year, the Company recognized $215,564 granted and vested for stock options and the remaining $401,266 in share-based payments are for granted restricted share units ("RSU"). Share-based payments is a non-cash transaction.

Investor relations have decreased to $73,400 from $214,644 for the comparable year as the Company did not hire new consultants for investor relations.

Research, development and technology expense have decreased to $116,768 from $275,030 for the comparable year and wages and benefits have decreased to $1,367,905 from $2,019,488 for the comparable year as the Company the advancement of its ammonia cracking technologies was slowed down due to cashflow issues.

Fourth Quarter

During the fourth quarter ended May 31, 2024, the Company incurred a net loss of $886,620 comparable to $878,214 for the comparable quarter ended May 31, 2023.

Actual expenses for the fourth quarter decreased to $898,803 from $952,553. The main decrease in expense for the fourth quarter can be attributed to the decrease in consulting fees and professional fees as less work was performed during the last quarter. Fourth quarter included year-end adjustments for lease income and reversal of insurance expense.

Liquidity and Capital Resources

The Company's cash position as at May 31, 2024 was $4,393 (2023 – $58,554) with a working deficiency of $4,862,477 (2023 working capital deficiency – $2,308,425). Total assets as at May 31, 2024 was $2,658,801 (2023 – $2,830,949).

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.

Other Activities

During the year ended May 31, 2024, the Company issued 4,650,000 common shares to settle 4,650,000 RSU and transferred $290,000 from contributed surplus.

On July 26, 2023, pursuant to the exercise of stock options, the Company issued 1,500,000 common shares for total proceeds of $225,000 and transferred $180,000 from contributed surplus. On September 19, 2023, 1,500,000 shares were returned to treasury as the consultant cancelled the marketing agreement with the Company due to a conflict of interest, accordingly, the Company reversed the transaction.

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 the proceeds of $117,387 (US$85,000) to the CEO of the Company (the "Debt"). The promissory note is unsecured, bears interest at 8% per annum and compounded monthly and was due on February 20, 2024. During the year ended May 31, 2024, the Company and the CEO entered into an agreement to settle the Debt through the issuance of 1,723,674 common shares of the Company, resulting in a loss on debt settlement of $37,743.

On October 5, 2023, the Company entered into a convertible loan agreement with Aberdeen International Inc. for a principal amount of US$40,000 (CAD$54,547). The loan will mature on October 4, 2024, and bears interest at a simple rate of 10% per annum. Interest is payable annually in arrears commencing one year from October 5, 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. During the year ended May 31, 2024, the Company accrued interest of $3,572 (2023 – $Nil) and as at May 31, 2024, the Company accrued interest payable of $3,572 (2023 – $Nil). A former officer of the Company is also an officer of Aberdeen International Inc.

On December 19, 2023, the Company issued a promissory note for the proceeds of $30,266 (US$22,194) to the CEO of the Company. The promissory note is unsecured, bears interest at 8% per annum and compounded monthly and was due on June 17, 2024. As at May 31, 2024, the Company accrued interest payable of $1,101.

On December 21, 2023, the Company entered into a convertible loan agreement with Aberdeen International

Inc. for a principal amount of $49,874. The loan will mature on December 20, 2024, and bears interest at a simple rate of 10% per annum. Interest is payable annually in arrears commencing one year from December 21, 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. During the year ended May 31, 2024, the Company recorded $2,214 (2023 – $Nil) in interest expense and as at May 31, 2024, the Company accrued interest payable of $2,214 (2023 – $Nil). A former officer of the Company is also an officer of Aberdeen International Inc.

On January 24, 2024, the Company issued a promissory note for the proceeds of $88,640 (US$65,000) 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 23, 2024. As at May 31, 2024, the Company accrued interest payable of $2,506.

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 audited 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 10% 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 (Note 9), convertible loans (Note 10) and promissory notes (Note 13) have contractual maturities of 30 days or are due on demand and are subject to normal trade terms. As at May 31, 2024, the Company had a working capital deficiency of $4,862,477 (2023 working capital deficiency – $2,308,425).

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

Maturity analysis	**2024**	**2023**
Less than one year	$ 420,601	$ 400,253
One to three years	1,007,943	1,139,821
Four to seven years	89,066	362,844
Total undiscounted lease liabilities	1,517,610	1,902,918
Amount representing implicit interest	(309,575)	(457,563)
Lease liabilities	$ 1,208,035	$ 1,445,355

Foreign Currency Risk

The Company may be exposed to foreign currency risk on fluctuations related to financial instruments that are denominated in a foreign currency. The functional currency of the Company and its subsidiaries are disclosed in note 2(b) to the consolidated financial statements. As at May 31, 2024, there were no material financial instruments that were denominated in a currency other than each entity's functional currency, therefore the Company has minimal exposure to this risk.

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	2024	2023
Consulting fees			
Soumi Holdings Inc.	Rene Bharti, President	$ 240,000	$ 240,000
Wages and benefits			
Gary Benninger	CEO	320,729	320,540
Christopher Lilla	Former CFO	–	181,628
		320,729	502,168
Share-based payments			
Gary Benninger	CEO	33,241	1,189,755
Rene Bharti	President	–	300,000
Luisa Moreno	Director	1,557	97,814
Alia Comai	Director	1,557	92,204
Christopher Lilla	Former CFO	–	311,071
		36,355	1,990,884
		$ 597,084	$ 2,733,012

Included in accounts payable and accrued liabilities as at May 31, 2024 was $1,194,238 (2023 – $473,340) 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 amounts are unsecured, non–interest bearing and payable on demand.

Due to related parties

Included in due to related parties at May 31, 2024 was $136,475 (2023 – $6,707) to a company where the former CFO is also an officer of the company, an officer of the Company, a Company controlled by the president and a former director of AmTek for advances on working capital. 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 January 14, 2024. The promissory note was extended to July 14, 2024. As at May 31, 2024, the Company accrued interest payable of $8,935 (2023 – $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. During the year ended May 31, 2024, the loan and interest was repaid.

On March 22, 2023, the Company issued a promissory note for proceeds of $27,274 (US$20,000) to the president of the Company. The promissory note is unsecured, bears interest at 8% per annum and compounded monthly and is due on March 21, 2024. As at May 31, 2024, the Company accrued interest payable of $2,612 (2023 – $Nil).

On May 25, 2023, the Company issued a promissory note for proceeds of $68,185 (US$50,000) to the CEO of the Company. The promissory note is unsecured, bears interest at 8% per annum and compounded monthly and was due on July 19, 2023, and was extended 90 days to October 17, 2023. As at May 31, 2024, the Company accrued interest payable of $5,575 (2023 – $Nil).

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 was due on February 15, 2024.

On September 21, 2023, the Company issued a promissory note for the proceeds of $117,387 (US$85,000) to the CEO of the Company (the "Debt"). The promissory note is unsecured, bears interest at 8% per annum and compounded monthly and was due on February 20, 2024. During the year ended May 31, 2024, the Company and the CEO entered into an agreement to settle the Debt through the issuance of 1,723,674 common shares of the Company, resulting in a loss on debt settlement of $37,743.

On December 19, 2023, the Company issued a promissory note for the proceeds of $30,266 (US$22,194) to the CEO of the Company. The promissory note is unsecured, bears interest at 8% per annum and compounded monthly and was due on June 17, 2024. As at May 31, 2024, the Company accrued interest payable of $1,101.

On January 24, 2024, the Company issued a promissory note for the proceeds of $88,640 (US$65,000) 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 23, 2024. As at May 31, 2024, the Company accrued interest payable of $2,506.

An aggregate of $353,612 in promissory notes(2023 – $Nil) are past due and in default as at May 31, 2024.

Subsequent Events

On August 5, 2024, the Company repaid USD $145,410 to settle loans from the CEO of the Company, which includes USD $137,194 of principal and USD $8,216 of accrued interests.

On August 14, 2024, the Company and the president of the Company entered into a debt settlement agreement to settle an aggregate debt of $614,697 through the issuance of 4,997,533 common shares of the Company. The shares were issued on August 30, 2024.

On September 3, 2024, the Company granted 5,000,000 RSU to directors, consultants and employees of the Company. The granted RSU shall vest immediately. On September 9, 2024, 5,000,000 common shares were issued to settle 5,000,000 RSU.

Subsequent to May 31, 2024, the Company issued 1,000,000 common shares relating to settlement of RSU.

Subsequent to May 31, 2024, 4,769,739 share purchase warrants and 342,396 agents' warrants expired unexercised.

Outstanding Share Capital Information

Below is the summary of the Company's share capital as at May 31, 2024 and as of the date of this report:

	As at	
Security description	May 31, 2024	MD&A
Common shares – issued and outstanding	161,116,220	172,113,753
Warrants issued in private placements	12,684,771	7,915,032
Agents' warrants	913,825	571,429
Share purchase options granted	10,475,000	10,475,000
Restricted shares units	2,862,500	1,862,500
Common shares – fully diluted	188,052,315	192,937,714

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 audited 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.

Wars

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, the escalation of war between Israel and Hamas in Gaza 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.