

Targa Exploration Corp.

Management's Discussion and Analysis

For the three months ended June 30, 2023 and 2022

(Unaudited - Expressed in Canadian dollars)

MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis ("MD&A") of the financial position and results of Targa Exploration Corp. (the "Company") should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements and the accompanying notes thereto as at and for the three months ended June 30, 2023 and 2022 (the "financial statements").

The financial statements have been prepared by management in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee, applicable to the preparation of interim financial statements including International Accounting Standard 34 *Interim Financial Reporting*. All amounts are expressed in Canadian dollars unless otherwise stated. Other information contained in this document has been prepared by management and is consistent with the data contained in the financial statements.

In this MD&A, the "Company", or the words "we", "us", or "our", collectively refer to Targa Exploration Corp. The first, second, third and fourth quarters of the Company's fiscal years are referred to as "Q1", "Q2", "Q3" and "Q4", respectively.

This MD&A provides management's comments on the Company's operations for the three months ended June 30, 2023 and 2022, and the Company's financial condition as at June 30, 2023, as compared with the prior fiscal year-end.

The Company's Audit Committee and the Board of Directors provide an oversight role with respect to all public financial disclosures by the Company. The Board of Directors approve the financial statements and MD&A after the completion of its review and recommendation for approval by the Audit Committee, which meets periodically to review all financial reports, prior to filing.

All technical disclosure covering the Company's mineral properties was prepared under the supervision of Lorne Warmer, P.Geo. for the Company and a "Qualified Person" within the meaning of NI 43-101.

The effective date of this MD&A is August 29, 2023.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this document constitute "forward-looking statements". All statements other than statements of historical fact contained in this MD&A, including, without limitation, those regarding the Company's future financial position and results of operations, strategy, proposed acquisitions, plans, objectives, goals and targets, and any statements preceded by, followed by or that include the words "believe", "expect", "aim", "intend", "plan", "continue", "will", "may", "would", "anticipate", "estimate", "forecast", "predict", "project", "seek", "should" or similar expressions or the negative thereof, are forward-looking statements. These statements are not historical facts but instead represent only the Company's expectations, estimates and projections regarding future events. These statements are not guarantees of future performance and involve assumptions, risks and uncertainties that are difficult to predict. Therefore, actual results may differ materially from what is expressed, implied or forecasted in such forward-looking statements.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to risks associated with: geological risks; limited operating history; inability to generate earnings or pay dividends for the foreseeable future; no current assets other than cash, goods and services tax recoverable, and prepaid expenses; uncertain ability to raise additional funds when required; reliance on a small number of key managers lacking backup; potential conflicts of interest among directors and officers of the Company; lack of liquidity for shareholders of the Company; ability to secure needed permits, ability to physically access and work the Company's property assets due to poor weather, a potential lack of key contract personnel and services providers needed to execute elements of the Company's exploration plans, and market risk consisting of fluctuations in the Company's share price, metal prices, credit market conditions and investor appetite for early stage exploration companies. See "Risks and Uncertainties" section.

Management provides forward-looking statements because they believe such statements deliver useful guidance and information to readers when considering their investment objectives. Though management believes such statements to be as accurate as possible in the context of the information available to management at the time in which they are made, management cautions readers that the guidance and information contained in such statements may rapidly be superseded by subsequent events. Consequently, all the forward-looking statements made in this MD&A are qualified by these cautionary statements and other cautionary statements or factors contained herein, and there can be no assurance that the actual results or developments suggested by such forward-looking statement will be realized or, even if substantially realized, that they will have the expected results, or effects upon, the Company. These forward-looking statements are made as of the date of this MD&A and the Company assumes no obligation to update or revise them to reflect subsequent information, events or circumstances or otherwise, except as required by securities law.

The forward-looking statements in this MD&A are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Company will operate in the future, including assumptions regarding business and operating strategies.

DESCRIPTION OF THE BUSINESS

The Company was incorporated under the Business Corporations Act of British Columbia on September 26, 2017, and changed its name from RCM Minerals Ltd. to Targa Exploration Corp. on July 20, 2021. The Company's registered office located at #700-1090 West Georgia Street, Vancouver, BC, V6E 3V7.

On September 27, 2022, the Company's common shares commenced trading on the Canadian Securities Exchange ("CSE") under the ticker symbol "TEX". On October 7, 2022, the Company's common shares commenced trading on the Frankfurt Stock Exchange under the ticker symbol "V6Y". On May 17, 2023, the Company's common shares commenced trading on the OTCQB Venture Market under the ticker symbol "TRGEF".

Targa is in the business of acquisition, exploration and development of mineral properties.

The business of exploration involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of exploration and evaluation expenditures is dependent upon several factors. These include the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development of these properties, and future profitable production or proceeds from disposition of mineral properties.

The Company's mineral property interests are comprised of mineral properties owned by the Company and rights to ownership of mineral properties, which the Company can earn through cash or share payments, incurring exploration expenditures or combinations thereof. The Company accounts for its mineral property interests by charging all acquisition and exploration costs to profit or loss as incurred and crediting all property sales and option proceeds to profit or loss. When the existence of a mineral reserve on a property has been established, future acquisition, exploration and development costs will be capitalized for that property, then amortized using the unit-of-production method following commencement of production.

The Company has not yet generated any revenue and operating cash flows. The ability of the Company to fulfil its obligations and pay for the ongoing operating as well as mineral properties expenditures depends on its success in raising external funds from debt and equity. Therefore, it is difficult to identify any meaningful trends or develop an analysis of cash flows.

ACQUISITION

On May 11, 2023, the Company entered into an agreement to acquire 100% of the issued and outstanding common shares of Pan Canadian Lithium (the "Pan Canadian Lithium Agreement").

On the closing date of the Pan Canadian Lithium Agreement (May 19, 2023), the Company issued 5,766,666 common shares to the former shareholders of Pan Canadian Lithium at a fair value of \$0.325 per share for a total fair value of \$1,874,166. The acquisition resulted in the Company acquiring 100% interest in certain mining claims in four lithium exploration projects located in the provinces of Saskatchewan and Ontario, Canada. In addition, the Company acquired Pan Canadian Lithium's positive cash position of \$234,403.

Following the closing of the acquisition, Cameron Tymstra, former Chief Executive Officer of Pan Canadian Lithium, has been appointed as the Company's new Chief Executive Officer and President. The Company's former CEO, Jon Ward, became the Vice President of Corporate Development and will remain as a director on the board.

SHANGHAI PROPERTY

On October 6, 2021, the Company entered into an option agreement (the "Agreement") with Shawn Ryan and Wildwood Exploration Inc. ("Wildwood"), the owners (70% and 30%, respectively), of the mineral claims situated in the Mayo Mining District, Yukon Territory, which are generally known and described as the Shanghai Property (the "Shanghai Property"). The 2,640-hectare project is located along the Robert Service Thrust fault in the western part of the prolific Selwyn basin. Pursuant to the agreement, the Company granted an option to acquire 100% right, title and interest in those mineral claims.

In accordance with the Agreement, the Company has the option to acquire a 100% undivided interest in the Shanghai Property in exchange for i) paying Wildwood an aggregate of \$750,000; ii) issuing an aggregate of 4,000,000 common shares to Shawn Ryan; and iii) incurring expenditures of \$2,850,000, over agreed installments and dates.

Under the Agreement, the Company is required to pay Shawn Ryan and Wildwood in accordance with their respective interests, a Net Smelter Returns royalty ("NSR") of 2.5%. The Company may reduce the NSR by 1.0% for a payment of \$2,000,000.

To date, the Company has paid \$150,000 to Wildwood, issued 1,000,000 common shares to Shawn Ryan and incurred \$310,366 of expenditures meeting its required installments.

As reported on November 8, 2022, fieldwork related to the phase 1 program at Targa Exploration Corp.'s Shanghai project located in the western part of the Selwyn basin in Yukon has been completed.

The phase 1 program followed on from soil sampling programs (2004 to 2021) that indicated anomalous silver, lead and zinc in soils over areas of known polymetallic silver-lead-zinc veins and the indication of anomalous gold in soil values associated with Tombstone suite intrusions along the trace of the Robert Service thrust fault.

The fieldwork completed by the Company at the Shanghai project included:

- Collection of 1,297 soil samples; and
- Completion of 19-line-kilometre magnetometer and very-low-frequency electromagnetic (VLF) geophysical survey along 28 survey lines tracking 1,978 readings at 10-metre station spacing.

On April 26, 2023, the Company announced the results of the phase 1 soil sampling and ground VLF survey at its Shanghai Property. The results of the phase 1 program include:

- The discovery of a new, extremely high tenor gold ("Au") in soil anomaly over 700m in length at the center of the 27.48km² property.
- Gold in soil values grading up to 6.1 grams per tonne ("g/t") and 2.0 g/t Au from this newly discovered zone, representing the highest-grade gold in soil sampled collected on the Shanghai Project to date.
- Of the 1297 samples collected in 2022, 388 samples returned values over 10ppb Au, 14 samples returned values greater than 0.1 g/t Au, and 2 samples greater than 1g/t Au.

The field work completed has provided valuable insights into the area and will allow the Company to focus their efforts on further defining these anomalies. The gold in soil anomaly is thought to coincide with second order mineralized fluid pathways between the Robert Service Thrust and Tombstone Thrust, two major structural features of the region. Next steps will include detailed infill soil sampling and high-resolution geophysics focused on the newly discovered gold in soil anomaly.

LITHIUM PROJECTS

On December 12, 2022, the Company entered into an agreement (the "Kenorland Agreement") with Kenorland Minerals North America Ltd. ("Kenorland") who owns a 100% interest in two lithium exploration projects. The project situated in the James Bay region of northern Quebec is generally known and described as the Opinaca Project (the "Opinaca Project"), and the project located in eastern Manitoba is generally known and described as the Superior Project (the "Superior Project"), together known as the "Lithium Projects".

On January 25, 2023, in accordance with the Kenorland Agreement, the Company acquired a 100% undivided interest in the Lithium Projects, in exchange for 4,377,375 common shares (issued) of the Company, a payment of \$100,000 (paid) in cash, and a 3% NSR. In addition, the Company is required to issue 9.9% of the issued common shares to Kenorland when the Company has raised an aggregate of \$5,000,000 in funding through future common share issuances.

On February 26, 2023, the Company entered into an operator services agreement with Kenorland, pursuant to which Kenorland has agreed to provide technical advice and perform certain operations with respect to the Opinaca Project and the Superior Project. In accordance with the agreement, Kenorland will conduct all operations and incur all exploration expenses which will be funded by the Company. Exploration expenses will incur based on a work program and a budget prepared by Kenorland and approved by a technical committee. The technical committee will consist of two members appointed by Kenorland and two members appointed by the Company.

Opinaca Project

The Opinaca Project covers 43,595 hectares and 40 kilometers of strike length within the Opinaca sub-province in the James Bay region of northern Quebec. The project covers a discrete cluster of highly anomalous and coincident regional lithium and cesium lake sediment geochemical anomalies which potentially suggest the presence of Li-Cs-Ta pegmatite mineralisation.

Superior Project

The Superior Project includes two mineral exploration licenses totalling 19,029 hectares, located in eastern Manitoba, which cover the Red Sucker Lake and Red Cross Lake lithium-bearing pegmatite occurrences.

PEGMATITE LITHIUM PROJECTS

On May 11, 2023, the Company acquired a 100% interest in the Leaf River lithium project (the "Leaf River Project"), the Raglan South lithium project (the "Ungava Project"), and the Musquaro Lake lithium project (the "Musquaro Lake Project" and, collectively with the Leaf River Project and the Ungava Project, the "Pegmatite Lithium Projects") from a syndicate of sellers consisting of Shawn Ryan, Wildwood, Isaac Fage, Callum Ryan, Simon Cash and Adam Fage (collectively, the "Sellers").

In accordance with the agreement, the Company acquired a 100% interest in the Pegmatite Lithium Projects, in exchange for 7,500,000 common shares of the Company ("Consideration Shares") with a fair value of \$2,400,000, a payment of \$315,000 in cash to Wildwood (paid) and a 1% NSR granted to Shawn Ryan. In addition, the Sellers have agreed to a voluntary escrow arrangement whereby one-third of the Consideration Shares will be released from escrow every four months after May 1, 2023, with the first such release date to occur on September 1, 2023.

The Pegmatite Lithium Projects are located in northern and eastern regions of Quebec and comprise of 3,488 active claims, covering an area of approximately 165,916 hectares. The Company believes that the Pegmatite Lithium Projects hold potential for spodumene-bearing lithium pegmatites.

Leaf River Project

The Leaf River Project consists of two individual claim blocks that include 564 active claims totaling 25,636 hectares within the Nunavik region of northern Quebec and 140km from the community of Tasiujaq located on the western side of the Ungava Bay. The claim blocks were staked to cover highly anomalous lake sediment geochemistry in lithium, caesium, and rubidium. Both claim blocks hold many samples that are over the 99th percentile for all three elements in the Quebec wide lake sediment dataset.

Ungava Project

The Ungava Project in the Raglan South District consists of 1,529 active claims totaling 63,865 hectares and is located within the Nunavik region of northern Quebec in the Ungava peninsula with the closest town of Salluit located 120 km northwest of the project and the Raglan Nickel Mine 75 km northeast of the claim block. The claim block was staked to cover a cluster of anomalous LCT lake sediment anomalies, exhibiting significant enrichment in lithium, caesium, and rubidium, with numerous samples displaying values well above the 99th percentile for all elements in the Quebec government data base.

Musquaro Lake Project

The Musquaro Lake Project consists of three individual claims blocks with 1,395 active claims totaling 76,415 hectares located within the Côte-Nord region of eastern Quebec. The Musquaro Project is situated 60 km northeast of the Natashquan community. The project area is characterized by the presence of over 96 mapped individual pegmatites and were staked to cover a highly anomalous population of lake sediment geochemistry anomalies in lithium, caesium, and rubidium.

On June 13, 2023, the Company announced the commencement of its exploration program with a field crew mobilized at the Musquaro Lake Project to conduct a phase one mapping, sampling and traversing across the project. To help plan and execute the phase on exploration, the Company contracted GroundTruth Exploration ("GroundTruth"). GroundTruth has provided a team of 15 geologists and prospectors, equipped with the latest in field exploration equipment, to conduct the phase one work and will access Musquaro Lake Project via helicopter. Crews are conducting traverses across the three claim blocks that make up the Musquaro Lake Project to provide a more detailed geological map of the area and potentially identify new pegmatite occurrences. Geology teams will be investigating the 96 known pegmatite occurrences at Musquaro Lake Project, of which none have been previously sampled for their Lithium-Cesium-Tantalum potential.

PAN CANADIAN LITHIUM

On May 19, 2023, the Company completed the acquisition of a 100% of the issued and outstanding shares of Pan Canadian Lithium Corp. ("Pan Canadian Lithium") pursuant to a share exchange agreement where the Company issued 5,766,666 common shares to the shareholders of Pan Canadian Lithium at a fair value of \$0.325 per share for a total fair value of \$1,874,166. The acquisition resulted in the Company acquiring 100% interest in certain mining claims in four lithium exploration projects located in the provinces of Saskatchewan and Ontario, Canada. In addition, the Company acquired Pan Canadian Lithium's positive cash position of \$234,403.

Pan Canadian Lithium, now a wholly owned subsidiary of the Company, holds the mining claims to highly prospective lithium projects located in Saskatchewan and Ontario, Canada. The claims cover a total of 49,248 hectares and were identified using regional lake sediment samples obtained from provincial geochemical data that were highly anomalous with lithium pathfinder elements. The Company believes that the projects display significant potential for lithium bearing pegmatites.

Pan Canadian Lithium owns a 100% interest in four exploration projects with two located in each of the provinces of Saskatchewan and Ontario.

White Metal Project

The White Metal Project, located 40km north of Stony Rapids in northern Saskatchewan, consists of eight contiguous mineral concessions totalling 38,765 hectares. The claims cover the highest concentration in Saskatchewan of regional lake sediment samples from the Geological Survey of Canada dataset that are anomalous for cesium, rubidium, and tantalum, elements considered pathfinders for lithium mineralization. With historical exploration activities in the region primarily focused on uranium, the White Metal Project represents a district-scale opportunity to explore for lithium mineralization in a mining-friendly jurisdiction.

Prince Albert Project

The Prince Albert Project, located in northeast Saskatchewan, covers 2,895 hectares of prospective geology including a band of metasediments and metavolcanic rocks in close proximity to a granite intrusion. Boulders with lithium contents over 3,400ppm have been found several kilometers to the southwest by other explorers, potentially in the down-ice glacial direction from Prince Albert. The Prince Albert Project is adjacent to other active lithium exploration projects held by ACME Lithium and ALX Resources.

Slim Jim and Sky Lake Projects

The Slim Jim and Sky Lake Projects are located in the Quetico Subprovince in northwestern Ontario. The Quetico Subprovince is host to several known lithium pegmatite deposits and occurrences, most notably the Georgia Lake and Jackpot deposits and the Wisa Lake and Hearst/Lowther occurrences. Both the Slim Jim and Sky Lake Projects have good local infrastructure with year-round road access from the nearby provincial highway and are near a rail line.

The Slim Jim Project covers 4,746 hectares of mostly metasediments along the boundary of a muscovite-bearing granite intrusive with noted pegmatite. Local lake sediment samples across the Slim Jim Project have elevated values of lithium, cesium, rubidium, and tantalum. Several faults run through the Slim Jim Project and could present favorable pathways for pegmatite intrusion.

The Sky Lake Project is located about 16 kilometers east of Slim Jim and is 2,842 hectares in size. The Sky Lake Project is centered on a cluster of lake sediment samples with anomalous lithium, cesium, rubidium, and tantalum and has a fault structure running north-south through the project. Sky Lake is covered with a network of logging roads, making for easy access and low-cost future exploration work.

FINANCIAL CONDITION

As at June 30, 2023, current assets were \$435,711 (March 31, 2023 - \$653,155) and current liabilities were \$264,099 (March 31, 2023 - \$38,878), resulting in working capital of \$171,612 (March 31, 2023 - \$614,277). The decrease in working capital is mainly the result of an increase in cash payments made in relation to the acquisition costs for the Pegmatite Lithium Projects and cash payments for field work related to the Shanghai Property.

As at June 30, 2023, the Company had total assets of \$435,711 (March 31, 2023 - \$653,155), which is comprised of cash, goods and services tax recoverable and prepaid expenses, which are expected to be received within the next twelve months.

As at June 30, 2023, the Company had total liabilities of \$264,099 (March 31, 2023 - \$38,878) comprising of accounts payable and accrued liabilities.

As at June 30, 2023, shareholders' equity was comprised of share capital of \$7,933,124 (March 31, 2023 - \$3,656,958), reserves of \$728,115 (March 31, 2023 - \$46,800), and a deficit of \$8,489,627 (March 31, 2023 - \$3,089,481) for a total shareholders' equity of \$171,612 (March 31, 2023 - \$614,277).

The number of common shares outstanding as at June 30, 2023 was 58,067,291 (March 31, 2023 - 44,780,625).

The total number of securities held in escrow as at June 30, 2023 was 7,876,875 common shares and 375,000 warrants (March 31, 2023 - 376,875 common shares and 375,000 warrants).

LIQUIDITY, CAPITAL RESOURCES AND GOING CONCERN

The Company has not yet generated any revenue and thus cash flow from operations. Its only source of funds since incorporation has been from the issuance of common shares and units.

As at June 30, 2023, the Company had cash of \$260,086 (March 31, 2023 - \$604,316) and a net working capital of \$171,612 (March 31, 2023 - \$614,277).

The Company's cash flows from operations are negative as it is an exploration stage company. During the three months ended June 30, 2023, the Company used cash of \$580,633 in operating activities (2022 - \$29,804) attributed to the operating expenses for the period, in particular acquisition cash payments included in exploration and evaluation expenditures associated with the Pegmatite Lithium Projects.

During the three months ended June 30, 2023, cash provided by investing activities of \$234,403 (2022 - \$nil) related to the Company acquiring Pan Canadian Lithium's positive cash flow.

During the three months ended June 30, 2023, cash provided by financing activities of \$2,000 related to proceeds received from exercise of warrants, while cash provided by financing activities in the comparable period of \$5,000 related to the collection of subscription receivable outstanding as at March 31, 2023.

While the information in the financial statements has been prepared in accordance with IFRS on a going concern basis, which presumes the realization of assets and discharge of liabilities in the normal course of business for the foreseeable future, there are conditions and events that cast significant doubt on the validity of this presumption. The Company's ability to continue as a going concern is dependent on the Company's ability to obtain additional debt or equity financing to successfully advance the exploration and development of mineral property interests in its exploration portfolio and to be able to derive material proceeds from the sale or divestiture of those properties and/or other assets. While the Company is making its best efforts in this regard, the outcome of these matters cannot be predicted at this time.

SHARE CAPITAL HIGHLIGHTS

During Q1 2024, the Company had the following share capital transactions:

- On May 11, 2023, the Company issued 7,500,000 common shares at a share price of \$0.320 per share for the total fair value of \$1,874,166 as payment to acquire the Pegmatite Lithium Projects.
- On May 19, 2023, pursuant to the closing of the Pan Canadian Lithium Agreement, the Company issued 5,766,666 common shares to the former Pan Canadian Lithium shareholders at a share price of \$0.325 per share for the total fair value of \$2,400,000 as payment to acquire Pan Canadian Lithium.
- On June 23, 2023, the Company issued 20,000 common shares at a share price of \$0.10 per share from the exercise of warrants for gross proceeds of \$2,000.

During the year ended March 31, 2023, the Company had the following share capital transactions:

- On September 22, 2022, the previously issued 6,650,000 special warrants were automatically converted into 6,650,000 units for no additional consideration. Each unit consists of one common share of the Company and one warrant. Each warrant entitles the holder to purchase one common share of the Company at a price of \$0.20 per share for a period of five years until September 22, 2027. The total fair value of the common shares is \$665,000. The warrants were accounted for using the residual value method. As the fair value of the common shares issued exceeded the cash proceeds, there was \$nil residual value allocated to the warrants.
- On October 7, 2022, the Company issued 500,000 common shares at \$0.50 per share for the total fair value of \$250,000 to Shawn Ryan in connection with the Shanghai Property agreement.
- On December 21, 2022, the Company issued 50,000 common shares from the exercise of warrants for proceeds of \$10,000.
- On January 25, 2023, the Company issued 4,377,375 common shares at \$0.44 per share for the total fair value of \$1,926,045 as a payment to acquire the Lithium Projects.
- On February 21, 2023, the Company issued 15,000 common shares from the exercise of warrants for gross proceeds of \$1,500.

RESULTS OF OPERATIONS

A summary of the Company's results of operations for the three months ended June 30, 2023 and 2022 is as follows:

	Q1 2024	Q1 2023	Change
	\$	\$	\$
Operating expenses			
Exploration and evaluation expenditures	4,596,774	6,822	4,589,952
Filing and transfer agent fees	9,270	-	9,270
General and administrative	17,235	101	17,134
Marketing and investor relations	30,628	-	30,628
Legal and professional fees	37,741	-	37,741
Management and consulting fees	27,183	14,175	13,008
Share-based compensation	681,315	46,800	634,515
Net loss and comprehensive loss	5,400,146	67,898	5,332,248

Q1 2024 compared to Q1 2023

The Company had a net loss of \$5,400,146 compared to \$67,898 in the prior year comparable period. The primary drivers of this increase in net loss were as follows:

- Exploration and evaluation expenditures increased to \$4,596,774 compared to \$6,822 in the prior year comparable period. The current period expenditures are primarily a result of the issuance of 5,766,666 common shares at a fair value of \$1,874,166 for the acquisition of the Pan Canadian Lithium Projects and the issuance of 7,500,000 common shares at a fair value of \$2,400,000 for the Pegmatite Lithium Projects, while in comparison the expenditures in the prior year comparable period were due to the field work conducted for the Shanghai Property;
- Filing and transfer agent fees increased to \$9,270 compared to \$nil in the prior year comparable period due to the Company listing on the stock exchange during September 2022;
- General and administrative expenses increased to \$17,235 compared to \$101 in the prior year comparable period as a result of additional expenses for office rent and office services in the current period while the prior year comparable period expenses related solely to bank charges;
- Marketing and investor relations expense increased to \$30,628 compared to \$nil in the prior year comparable period as a result of the Company listing on the CSE in September 2022 which resulted in increased marketing and communication services required in the current period;
- Legal and professional fees increased to \$37,741 compared to \$nil in the prior year comparable period resulting from increased legal fees related to the Company's public listings and accounting advisory services in the current period;
- Management and consulting fees increased to \$27,183 compared to \$14,175 in the prior year comparable period due to increased management fees paid to the CEO and the addition a CFO as a result of the Company listing on the CSE in September 2022; and
- Share-based compensation increased to \$681,315 as a result of the issuance and immediate vesting of 2,150,000 stock options granted to key management personnel at a fair value of \$681,315 compared to 1,425,000 stock options at a fair value of \$46,800 in the prior year comparable period.

QUARTERLY FINANCIAL INFORMATION

The following summarizes quarterly financial results of the Company for the last eight most recently completed quarters:

	Q1 2024	Q4 2023	Q3 2023	Q2 2023
	\$	\$	\$	\$
Net loss and comprehensive loss	5,400,146	2,140,539	451,460	193,009
Basic and diluted loss per share	0.10	0.05	0.01	0.00

	Q1 2023	Q4 2022	Q3 2022	Q2 2022
	\$	\$	\$	\$
Net loss and comprehensive loss	67,898	64,768	82,180	87,460
Basic and diluted loss per share	0.00	0.00	0.00	0.00

The quarterly trend in loss for the period and loss per share is primarily driven by the Company's operating expenses.

During Q1 2024, the net loss and comprehensive loss increased significantly from the prior quarters due to an increase in exploration and evaluation expenditures related to the acquisition of the Pan Canadian Lithium Projects and the Pegmatite Lithium Projects, as well as share-based compensation as a result of the immediate vesting of stock options granted to key management personnel during the period. During Q4 2023, the net loss and comprehensive loss increased from prior quarters due to an increase in exploration and evaluation expenditures as the Company issued common shares and made a cash payment in accordance with the Lithium Projects acquisition agreement. During Q3 2023 and Q2 2023, the net loss and comprehensive loss increased from prior quarters due to exploration and evaluation field work expenses as well as additional common share issuances and cash payment made in relation to the Shanghai Property agreement.

RELATED PARTY TRANSACTIONS

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

During the three months ended June 30, 2023, the Company incurred management and consulting fees of \$12,183 (2022 - \$nil) to the Chief Executive Officer ("CEO"), \$3,000 (2022 - \$2,000) to the Chief Financial Officer ("CFO") and \$12,000 (2022 - \$5,000) to the former CEO; and recorded share-based compensation of \$514,948 (2022 - \$36,126) related to the vesting of stock options granted to the key management personnel.

A summary of the Company's related party transactions for the three months ended June 30, 2023 and 2022 is as follows:

	Q1 2024	Q1 2023
	\$	\$
Management and consulting fees	27,183	7,000
Share-based compensation	514,948	36,126
	542,131	43,126

As at June 30, 2023, no accounts payable and accrued liabilities were attributable to the CEO and CFO (March 31, 2023 - \$5,050).

USE OF ESTIMATES AND SIGNIFICANT ACCOUNTING POLICIES

Preparing financial statements requires management to make estimates and assumptions that affect the reported results. The estimates are based on historical experience and other assumptions believed to be reasonable under the circumstances. Critical accounting policies are disclosed in the audited annual financial statements for the years ended March 31, 2023 and 2022.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements as at June 30, 2023 or at the date of this MD&A and does not contemplate having them in the foreseeable future.

PROPOSED TRANSACTIONS

The Company has no undisclosed transactions as at June 30, 2023 or at the date of this MD&A.

CAPITAL EXPENDITURE

Other than the expenditures, payments and share issuances required under the Shanghai Property agreement, Lithium Project agreement and the Pegmatite Lithium Projects agreement, the Company has no commitments for capital expenditure as at the date of this MD&A.

OUTSTANDING SECURITY DATA

A summary of the number of the Company's issued and outstanding equity instruments is as follows:

	June 30, 2023	Date of this MD&A
	#	#
Common shares ⁽¹⁾	58,067,291	61,112,374
Warrants ⁽²⁾	29,065,000	30,587,542
Stock options	3,575,000	3,575,000

(1) Common shares include 7,876,875 common shares held in escrow.

(2) Warrants include 375,000 warrants held in escrow.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair value

As at June 30, 2023, the fair value of the financial instruments cash and accounts payable and accrued liabilities are classified and measured at amortized cost. The carrying value of cash and accounts payable and accrued liabilities approximate the fair value due to the relatively short-term maturity of these instruments.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to fulfill its contractual obligations. The Company's credit risk relates primarily to cash. The Company minimizes its credit risk related to cash by placing cash with major financial institutions.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company is exposed to liquidity risk through accounts payable and accrued liabilities but controls liquidity risk by ensuring that it has sufficient cash resources to pay for its financial obligations.

As at June 30, 2023, the Company had sufficient cash on hand to discharge its accounts payable and accrued liabilities as they become due. As the Company's operations does not generate cash, financial liabilities are discharged using funding through the issuance of common stock or debt as required, the Company may need to seek a combination of debt and equity to meet the spending requirements under the Shanghai Property option agreement.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and foreign exchange rates. The Company is not exposed to significant interest rate risk on the basis that its financial liabilities bear no interest or interest at fixed rates. The Company does not carry financial assets or liabilities that are denominated in a foreign currency and is therefore not exposed to significant foreign exchange rate risk.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

The significant components of operating expenses are presented in the financial statements. Significant components of mineral property expenditures are included in the section Results of Operations.

ADDITIONAL INFORMATION

Additional information relating to the Company is available at www.SEDARPLUS.ca.

SUBSEQUENT EVENT

On August 15, 2023, the Company closed the first tranche of its non-brokered private placement for aggregate gross proceeds of \$1,330,300. In connection with the private placement, the Company issued 1,641,750 units at a price of \$0.40 per unit for gross proceeds of \$656,700 and 1,403,333 super flow-through units at a price of \$0.48 per super flow-through unit for gross proceeds of \$673,600. Each unit and super-flow through unit comprises of one common share and one-half of one common share purchase warrant. Each whole common share purchase warrant is exercisable into one additional common share for 24 months from the closing date until August 15, 2025 at an exercise price of \$0.70 per share. In connection, the Company paid a cash finders' fee of \$32,086 and issued 63,375 finder's warrants. Each finders' warrant entitles the holders to purchase one common share of the Company at an exercise price of \$0.70 per share and has an expiry date of August 15, 2025.

RISKS AND UNCERTAINTIES

For a detailed listing of the risk factors faced by the Company, please refer to the Company's MD&A for the years ended March 31, 2023 and 2022.