

**Blast Resources Inc.**  
**Management's Discussion and Analysis**  
**For the Year Ended January 31, 2024**

## **General**

This management discussion and analysis of financial position and results of operations ("MD&A") is prepared as at May 31, 2024 and should be read in conjunction with the audited financial statements for the year ended January 31, 2024 and related notes of Blast Resources Inc. ("Blast" or the "Company"). The audited annual financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC").

Management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures and internal controls. Management is also responsible for ensuring that information disclosed externally, including the financial statements and Management Discussion and Analysis ("MD&A"), is complete and reliable.

All dollar amounts included therein and in the following MD&A are expressed in Canadian dollars except where noted. This discussion contains forward-looking statements that involve risks and uncertainties. Such information, although considered to be reasonable by the Company's management at the time of preparation, may prove to be inaccurate and actual results may differ materially from those anticipated in the statements made. Additional information on the Company is available for viewing on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

## **Description of Business**

The Company was incorporated pursuant to the BCBCA on June 22, 2021. The Company is listed on the Canadian Securities Exchange ("CSE") under the symbol BLST. Trading of the common shares commenced on September 18, 2023 ("Listing Date").

The head office of the Company is located at Suite 380 - 580 Hornby Street, Vancouver, British Columbia, V6C 3B6. The Company's registered and records office is located at Suite 1200 – 750 West Pender Street, Vancouver, British Columbia, V6C 2T8.

## **Business of the Company**

### *General Overview*

The Company is currently engaged in the business of exploration of mineral properties. The Company holds the option to earn a 100% interest in the Property located in the Property located near Vernon, Utah, United States in central Tooele County, Utah, United States. The Company's objective is to explore and, if warranted, develop the Property. The Company will evaluate opportunities to acquire interests in additional exploration stage mineral properties.

## Selected Annual Information

The following table sets forth selected audited financial information of the Company from the last three completed financial periods ended January 31:

	2024	2023	2022
	\$	\$	\$
Revenues	—	—	—
Net loss	(395,543)	(90,705)	(556)
Net loss per share, basic and diluted	(0.03)	(0.03)	(556)
Total assets	178,079	123,634	—

## Result of Operations

The net loss for the year ended January 31, 2024 was \$395,543 compared to \$90,705 for the previous comparable period. The variance of \$304,838 was primarily due to the following items:

- Consulting fees of \$115,000 (2023: \$27,000)
- Exploration costs of \$102,251 (2023: \$nil)
- Professional fees of \$142,949 (2023: \$18,754)
- Project investigation costs of \$nil (2023: \$40,635)
- Transfer agent and filing fees \$23,125 (2023: \$nil)

## Selected Quarterly Information

The following is a summary of the Company's financial results for the eight most recently completed quarters:

Quarter Ended	Net Loss for the Period	Net Loss Per Share (Basic and Diluted)
	\$	\$
January 31, 2024	(208,806)	(0.02)
October 31, 2023	(75,635)	(0.01)
July 31, 2023	(49,952)	(0.01)
April 30, 2023	(61,150)	(0.01)
January 31, 2023	(58,514)	(0.02)
October 31, 2022	(11,334)	0.00
July 31, 2022	(11,788)	(0.01)
April 30, 2022	(9,069)	0.00

## Liquidity and Capital Resources

The Company's working capital deficiency position as at January 31, 2024 was \$153,513, including cash of \$16,719 and current liabilities totaling \$170,777.

On August 4, 2023, the Company issued 3,511,866 common shares at \$0.10 each pursuant to the conversion of the Special Warrants. The Company has received total proceeds of \$351,187, for special warrants issued at \$0.10 per warrant. Each special warrant is exercisable into one common share of the Company for no additional consideration. In connection with this private placement, the Company incurred share issuance costs of \$30,231.

The Company does not currently have an active business generating positive cash flows. The Company is reliant on equity financing or shareholder loans to provide the necessary cash to acquire or participate in an active business. There can be no assurance that equity financings will be available to the Company in the future that will be obtained on terms satisfactory to the Company.

### **Exploration and Evaluation Assets**

Although the Company has taken steps to verify title to resource properties in which it has an interest, in accordance with industry norms for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

#### *Vernon Hills Project*

On December 31, 2022, the Company entered into an option agreement with Western Cobalt LLC ("Western") whereby the Company has the right to acquire a 100% interest in the mineral claims known as the Vernon Hills Project (the "Property"), located in Tooele County, Utah, USA.

To earn this interest, the Company is to make a cash payment of US\$50,000, issue a total of 1,000,000 common shares, and incur exploration expenditures of \$100,000 on the Property as follows:

Cash consideration to be paid:

- US\$50,000 to be paid within 15 business days of the Company becoming listed on the CSE (the "Listing Date"). (Paid)

Common shares to be issued:

- 100,000 shares within 15 business days of the Company becoming listed on the CSE (the "Listing Date") (issued);
- a further 400,000 shares on or before September 18, 2024; and
- a further 500,000 shares on or before September 18, 2025.

Exploration expenditures to be incurred:

- \$100,000 on or before the September 18, 2025.

The Company is also responsible for maintaining the claims comprising the Property in good standing.

During the year ended January 31, 2024, the Company paid \$63,825 to stake new mineral claims located in the area surrounding the Property.

#### *Wales Lake Property*

On March 7, 2024, the Company entered into a mineral option agreement to acquire 100% of the right, title, and interest in and to mineral titles located in Saskatchewan, Canada known as the Wales Lake Property.

To earn this interest, the Company is to make payments totalling of \$60,000, issue a total of 1,175,000 common shares, and incur exploration expenditures of \$78,679 on the Property as follows:

Cash consideration to be paid:

- \$15,000 to be paid within 10 business days of acceptance by the CSE (“Acceptance Date”);
- an additional \$20,000 to be paid on or before one year from the Acceptance Date; and
- an additional \$25,000 to be paid on or before two years from the Acceptance Date.

Common shares to be issued:

- 375,000 common shares within 10 business days of the Acceptance Date;
- a further 375,000 common shares on or before one year from the Acceptance Date; and
- a further 375,000 common shares on or before two years from the Acceptance Date.

Exploration expenditures to be incurred:

- \$78,679 on or before September 7, 2024.

The optionor retain a 2.5% Net Smelter Royalty (“NSR”) on the property. The Company has the right to reduce the NSR to 1.5% for \$500,000 or to 2% for \$250,000 at any time.

*Acquisition costs:*

	\$
Balance, January 31, 2022 and 2023	–
Additions	160,815
Balance, January 31, 2024	160,815

*Mineral exploration costs:*

Year ended January 31, 2024:

	\$
Assays	15,750
Geological	83,898
Supplies	2,603
	102,251

### **Transactions With Related Parties**

- (a) As at January 31, 2024, the amount of \$12,255 (2023 - \$122) is owed to Derek Tam, the Chief Financial Officer of the Company which is included in accounts payable and accrued liabilities. During the year ended January 31, 2024, the Company incurred professional fees of \$12,000 (2023 - \$nil) to this officer.
- (b) As at January 31, 2024, the amount of \$35,000 (2023 - \$nil) is owed to Casey Forward, a director of the Company which is included in accounts payable and accrued liabilities. During the year ended January 31, 2024, the Company incurred consulting fees of \$35,000 (2023 - \$nil) and professional fees of \$8,000 (2023 - \$nil) to this director.
- (c) As at January 31, 2024, the amount of \$nil (2023 - \$22,715) is owed to Breanne Wong, a former director of the Company which is included in accounts payable and accrued liabilities. During the year ended January 31, 2024, the Company incurred consulting fees of \$nil (2023 - \$27,000) to this former director.

## **Off Balance Arrangements**

None.

## **Fourth Quarter**

See Summary of Quarterly Results.

## **Accounting Standards Issued But Not Yet Effective**

A number of new standards, and amendments to standards and interpretations, are not yet effective for the year ended January 31, 2024, and have not been early adopted in preparing the financial statements. These new standards, and amendments to standards and interpretations are either not applicable or are not expected to have a significant impact on the Company's financial statements.

## **Financial Instruments and Risk Management**

### *Fair Values*

Fair value measurements are classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - valuation techniques based on inputs other than quoted prices included in 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 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair values of financial instruments, which includes cash, accounts payable, and accrued liabilities, approximate their carrying values due to the relatively short-term maturity of these instruments.

### *Credit Risk*

Credit risk is the risk of potential loss to the Company if a counter party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash. The Company limits the exposure to credit risk by only investing its cash with high-credit quality financial institutions. The carrying amount of these financial assets represents the maximum credit exposure.

### *Interest Rate Risk*

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk as it does not have any liabilities with variable rates.

### *Liquidity Risk*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company raising debt or equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs.

The following amounts are the contractual maturities of financial liabilities as at January 31, 2024 and 2023:

2024	Total \$	Within 1 year \$	Within 2-5 years \$
<u>Accounts payable and accrued liabilities</u>	170,777	170,777	–
2023	Total \$	Within 1 year \$	Within 2-5 years \$
<u>Accounts payable and accrued liabilities</u>	68,745	68,745	–

#### *Foreign Exchange Rate Risk*

Foreign exchange risk is the risk that the Company's financial instruments will fluctuate in value as a result of movements in foreign exchange rates. The Company is not exposed to significant foreign exchange rate risk.

#### *Price Risk*

The Company's ability to raise capital to fund exploration activities is subject to risks associated with fluctuations in the market price of mineral resources. The Company closely monitors commodity prices to determine the appropriate course of actions to be taken.

#### **Additional Disclosure For Venture Issuers Without Significant Revenue**

An analysis of the material components of the Company's general and administrative expenses is disclosed in the audited financial statements for the year ended January 31, 2024.

#### **Outstanding Share Data**

##### *Share capital*

As of May 31, 2024, the Company had 13,536,864 common shares outstanding.

##### *Share Purchase Warrants*

As of May 31, 2024, the Company had 3,962,500 share purchase warrants exercisable at \$0.10 per common share outstanding.

#### **Officers and Directors of the Company**

As at January 31, 2024, the directors and officers of the Company were:

Gary Claytens – CEO and Director  
Derek Tam – CFO and Director  
Anish Pabari – Director  
Casey Forward - Director

## **Disclaimer**

The information provided in this document is not intended to be a comprehensive review of all matters concerning the Company. It should be read in conjunction with all other disclosure documents provided by the Company, which can be accessed at [www.sedar.com](http://www.sedar.com). No securities commission or regulatory authority has reviewed the accuracy or adequacy of the information presented herein.

## **Cautionary Statement on Forward Looking Information**

Certain statements contained in this document constitute “forward-looking statements”. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance, or achievements of the Company to be materially different from any future results, performance, or achievements expressly stated or implied by such forward-looking statements. Such factors include, among others, the following: evaluation and exploration asset costs and results, fluctuation in the prices of commodities for which the Company is exploring, foreign operations and foreign government regulations, competition, uninsured risks, recoverability of resources discovered, capitalization requirements, commercial viability, environmental risks and obligations, and the requirement for obtaining permits and license for the Company’s operations in the jurisdictions in which it operates.