

USHA RESOURCES LTD.
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2023

The effective date of this report is November 29, 2023

Management Discussion & Analysis:

Management's discussion and analysis ("MD&A") provides a detailed analysis of the results and financial condition of Usha Resources Ltd. (the "Company" or "Usha") for the six months ended September 30, 2023. The following management discussion and analysis, prepared as of November 29, 2023, should be read together with the unaudited consolidated financial statements for the six months ended September 30, 2023 with the related notes attached thereto and the audited financial statements for the year ended March 31, 2023 with the related notes attached thereto, prepared in accordance with International Financial Reporting Standards ("IFRS"). The MD&A supplements, but does not form part of the financial statements. Management is responsible for the preparation of the financial statements and the MD&A for the six months ended September 30, 2023. News releases and previous filings may be found on SEDAR+ at www.sedarplus.ca.

Description of Business:

The Company was incorporated as a private company by Certificate of Incorporation issued pursuant to the provisions of the *Business Corporations Act* (British Columbia) on February 26, 2018. The Company was classified as a Capital Pool Company as defined in the TSX Venture Exchange ("TSX-V") Policy 2.4 and its Qualifying Transaction was approved by the regulatory authorities was approved by the TSX-V on December 6, 2019. The Company is listed for trading on the TSX Venture Exchange ("TSX-V") under the symbol USHA.V, on the OTCQB® under the symbol USHAF, and the Frankfurt Stock Exchange under the symbol JO0.

The consolidated financial statements include the financial statements of the Company and its wholly owned subsidiary, Usha Resources (USA) Corp, which was incorporated on June 1, 2020.

The Company's business is to acquire and explore interests in mineral properties located in North America and its portfolio includes Jackpot Lake, a lithium project in Nevada and White Willow, a lithium pegmatite project in Ontario that is the flagship among its growing portfolio of hard-rock lithium assets.

The Company's first acquisition was the Nicobat Project in Ontario, Canada. The company had an 85% interest that was subsequently spun-out into its former subsidiary, Formation Metals Inc. ("FMI"), whereby through an Arrangement Agreement (the "Arrangement"), USHA shareholders were issued one (1) share of FMI with respect to every five (5) shares of USHA owned on the share distribution record date (the "Share Distribution Record Date") of April 12, 2023. Pursuant to the arrangement agreement and on the payable date of April 20, 2023, USHA completed the transfer of the Property and distributed 9,480,476 common shares of FMI to the USHA shareholders on a pro rata basis.

The Company's second acquisition was the Lost Basin Project in Arizona, USA. The Company entered into a binding Letter of Intent with AJA Mining LLC and Gold Basin Mining EXP LLC (collectively, the "Optionors") on June 3, 2020, whereby the Optionors granted the Company the exclusive option (the "Option") to acquire (the "Acquisition") 100% interest in certain 133 mineral claims in exchange for annual lease payments of US\$25,000, issuance of 1,000,000 shares upon Exchange approval of the transaction, and within three years make a final payment of US\$3,000,000 in cash or common shares. The Company did not make the final payment, dropping

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the option, and recorded an impairment of \$501,714 for the acquisition and exploration expenditures related to the asset, reducing the value to \$nil.

The Company's third acquisition is the Jackpot Lake Lithium Brine Property located within Clark County, 35 kilometres northeast of Las Vegas, Nevada, and is comprised of 140 mineral claims (the "core claims") that total 2,800 acres (approximately 11.3 km²). The Company has also staked 302 claims totalling 5,914 acres surrounding the 140 optioned claims. The total footprint of the project now comprises 442 mineral claims with a total area footprint of approximately 35.3 square kilometres or 8,714 acres. The Company has exercised its option to acquire a 100% interest in the core claims, paying Ares Strategic Mining Inc. (the "Vendor") \$75,000 cash and a total of 3,077,165 shares valued at \$1,011,384, for total aggregate value of \$1,086,384, and is now the legal and beneficial owner of the core claims subject to a 1% Gross Overriding Royalty, which can be repurchased by the Company for \$1,000,000.

The Company's fourth acquisition is the White Willow Lithium Pegmatite Property located within the Thunder Bay Mining Division near Atikokan, Ontario.

The initial acquisition comprised 712 unpatented mining claims totalling 15,510 hectares that were optioned through two (2) agreements, an Option Agreement ("Willow Option") and Assignment Agreement ("Willow Assignment") with 2758145 Ontario Ltd. ("Vendor") and Grid Metals Corp. ("Assignor"), respectively, whereby for total consideration of \$220,000 cash and 3,600,000 common shares of the Company as indicated in the table below it would acquire 100% interest in the claims:

| Payment | Vendor | | Assignor | | Total | |
|-----------------------------|---|----------------------|-----------------------|----------------------|-----------------------|------------------------|
| | Cash | Shares | Cash | Shares | Cash | Shares |
| Signing | \$50,000 ¹ | 500,000 ² | \$20,000 ¹ | 350,000 ² | \$70,000 ¹ | 850,000 ² |
| 1st Anniversary | \$50,000 | 500,000 ² | - | 500,000 ² | \$50,000 | 1,000,000 ² |
| 2 nd Anniversary | \$50,000 | 500,000 ² | - | 750,000 ² | \$50,000 | 1,250,000 ² |
| 3 rd Anniversary | \$50,000 | 500,000 ² | - | - | \$50,000 | 500,000 ² |
| Total | \$200,000 | 2,000,000 | \$20,000 | 1,600,000 | \$220,000 | 3,600,000 |
| Notes | 1. Payable within five (5) days from receipt of approval to the Agreements from the Exchange (the "Approval"). 2. Shares of the Company are to be issued at a deemed value based on the Discounted Market Price at the time of issuance. | | | | | |

On March 28, 2023, the Company completed its first payment of \$70,000 cash and issued 850,000 common shares to the Vendor and Assignor for the White Willow property.

Subsequently, the Company entered into a separate option agreement with 2758145 Ontario Ltd., Peter Gehrels and Allan George Onchulenko to acquire a 100% interest in the "Nym" group of claims comprising 8 unpatented claims within the centre of the White Willow Property by making payments of cash and common shares of the Company as follows:

| Payment | Cash | Shares |
|-----------------------------|---|----------------------|
| Signing | \$15,000 ¹ | 150,000 ² |
| 1st Anniversary | \$20,000 | 150,000 ² |
| 2 nd Anniversary | \$25,000 | 150,000 ² |
| 3 rd Anniversary | \$40,000 | 150,000 ² |
| Total | \$100,000 | 600,000 |
| Notes | 1. Payable within five (5) days from receipt of approval to the Agreements from the Exchange (the "Approval"). 2. Shares of the Company are to be issued at a deemed value based on the Discounted Market Price at the time of issuance. | |

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On April 26, 2023, The Company completed its first payment of \$15,000 cash and issued 150,000 common shares to the Vendor of the Nym Claims.

Subsequently, the Company entered into a separate option agreement with 2758145 Ontario Ltd., Peter Gehrels and Allan George Onchulenko to acquire a 100% interest in the “Rubidium Ridge” group of claims comprising 141 unpatented claims adjacent to the west of the White Willow Property by making payments of cash and common shares of the Company as follows:

| Payment | Cash | Shares |
|-----------------|---|----------------------|
| Signing | \$15,000 ¹ | 200,000 ² |
| 1st Anniversary | \$20,000 | 200,000 ² |
| 2nd Anniversary | \$25,000 | 200,000 ² |
| 3rd Anniversary | \$40,000 | 200,000 ² |
| Total | \$100,000 | 800,000 |
| Notes | 1. Payable within five (5) days from receipt of approval to the Agreements from the Exchange (the “Approval”). 2. Shares of the Company are to be issued at a deemed value based on the Discounted Market Price at the time of issuance. | |

On July 18, 2023, the Company completed part of the first payment for the Rubidium Ridge option, paying \$15,000 cash to the optionors. On August 22, 2023 the Company completed its first payment for the option by issuing 200,000 common shares to the optionors.

In addition to White Willow, the Company has also acquired five (5) grassroots lithium pegmatite projects in Ontario that comprise the balance of its Ontario Lithium Portfolio. These projects were optioned on May 3, 2023 from 2758145 Ontario Ltd. of Atikokan, Ontario whereby the Company may acquire a 100% interest in the Lee Lake, Mead, Bluett, Gathering Lake and Triangle Lake projects by making payments of cash and common shares of the Company as follows:

| Property | Lee Lake | | Bluett | | Mead | | Gathering Lake | | Triangle Lake | |
|-----------------|------------------|----------------|-----------------|----------------|-----------------|----------------|-----------------|----------------|-----------------|----------------|
| | Cash | Shares | Cash | Shares | Cash | Shares | Cash | Shares | Cash | Shares |
| Signing | \$10,000 | 75,000 | \$5,000 | 50,000 | \$5,000 | 50,000 | \$12,000 | 50,000 | \$13,350 | 50,000 |
| 1st Anniversary | \$20,000 | 100,000 | \$12,500 | 75,000 | \$12,500 | 75,000 | \$12,500 | 75,000 | \$12,500 | 75,000 |
| 2nd Anniversary | \$40,000 | 125,000 | \$20,000 | 100,000 | \$20,000 | 100,000 | \$20,000 | 100,000 | \$20,000 | 100,000 |
| 3rd Anniversary | \$60,000 | 150,000 | \$25,000 | 187,500 | \$25,000 | 187,500 | \$25,000 | 187,500 | \$25,000 | 187,500 |
| Total | \$130,000 | 450,000 | \$62,500 | 412,500 | \$62,500 | 412,500 | \$69,500 | 412,500 | \$70,850 | 412,500 |

On June 6, 2023, the Company completed its first payment for each of the options, paying \$45,350 cash and issuing 275,000 common shares to the Vendor.

Forward Looking Statements:

This Management Discussion and Analysis contains certain forward-looking statements and information relating to Usha that is based on the beliefs of the Company, or management, as well as assumptions made by and information currently available to the Company or management. When used in this document, the words “anticipate”, “believe”, “estimate”, “expect”, “implied”, “intend” and similar expressions, as they relate to the Company or its management, are intended to identify forward-looking statements. Such statements reflect the current view of the Company regarding future events and are subject to certain risks, uncertainties and assumptions, including the risks and uncertainties noted and the recent outbreak of an epidemic or a pandemic, the novel coronavirus (COVID-19). Should one or more of these risks materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described herein as anticipated, believed, estimated, implied, expected or intended. In each instance, forward-looking

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information should be considered in the light of the accompanying meaningful cautionary statements herein. Usha cautions that forward-looking statements involve risk and uncertainty.

Overall Performance

During the six months ended September 30, 2023, the Company's loss for the six months ended September 30, 2023 was \$2,642,794 (2022: \$1,468,623). Working capital at September 30, 2023, was \$1,383,788.

As at September 30, 2023, there were 49,027,394 issued and outstanding common shares in the capital of the Company.

Summary of Exploration and Corporate Activities

As at September 30, 2023, the Company's portfolio included Jackpot Lake, a lithium brine project in Nevada; and six lithium pegmatite projects in Ontario: White Willow, Lee Lake, Mead, Bluett, Gathering Lake and Triangle Lake.

Jackpot Lake Lithium Brine Project, Nevada

On June 28, 2023, the Company announced the resumption of drilling, electing to advance JP23-02 as a "twin" of JP22-02.

On August 3, 2023, the Company announced that it had successfully expanded the basal sand and conglomerate zone to a depth of approximately 1,950 feet through drilling, increasing the previously identified zone from an interval of 273 feet to a total of 423 feet. Assessing this zone is a primary objective of the program at Jackpot Lake as it is a potentially pumpable aquifer into which fluids from the zones above should drain. Coarse-grained basal units are a primary focus for expansion at Albemarle's Silver Peak lithium brine mine, the only domestic supplier of lithium within the United States, and at Pure Energy's Clayton Valley project, where it identified a large volume of brine with superior grades.

The company is now working toward completing and developing a well for sampling.

White Willow Lithium Pegmatite Project, Ontario

On August 3 and September 14, 2023, the Company provided updates on the on-going fieldwork at its White Willow project.

The Company completed 5 weeks of fieldwork in the quarter, with data compilation complete for 618 samples. Assay highlights included:

- Lithium oxide (Li₂O) values up to 0.5%, with 76 samples containing very anomalous (>300 ppm) concentrations of lithium, including 14 above >1,000 ppm with a sample of the host rock which assayed 1,300 ppm indicating significant lithium-rich fluids are present within the system.
- Cesium (Cs) values up to 1,730 ppm, with 71 samples containing very anomalous (>100 ppm) concentrations including 10 which are >500 ppm, indicating the samples are being collected from the outer zone of a fertile LCT system, which is where spodumene, if present, will be identified.
- Tantalum (Ta) values up to 120,000 ppm Ta, with 82 samples containing very anomalous (>30 ppm) concentrations including 35 which are >60 ppm, indicative of the presence of a spodumene-bearing pegmatite.

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Of note, a high-grade showing of 14.64% Ta₂O₅ is present at the Maple Leaf Dyke; coarse-grained tantalite is only known to be found at one other locality in Ontario which is the North Aubrey pegmatite at Green Technology Metals (GT1) Seymour Lake Project where GT1 has identified a 9.9 Mt resource at 1.04% Li₂O.

- Rubidium values of up to 3,540 ppm, with 94 samples containing very anomalous (>1,000 ppm) concentrations including 24 >2,000 ppm.

Geochemical assessment also indicated the strong potential for spodumene-bearing dykes to be present at the property. Per Selway et al., potassium/rubidium ratios (K/Rb), are a key tool in identifying these types of dykes; K/Rb ratios of <30 are indicative of rare-earth pegmatites and <20 of spodumene-subtype pegmatites. To-date, 10 pegmatites have been identified with K/Rb ratios <30 with a low of 7.5. Values below 10 are often associated with economic spodumene pegmatites.

Each of these pegmatites are planned to be drilled as part of the maiden drill program scheduled to commence in Q1 of 2024.

The Company confirmed that it would resume fieldwork in October to complete additional prospecting and mapping after which it will proceed with geophysical surveys to outline structures prior to commencing the drill program.

The Company also announced an option agreement with 2758145 Ontario Ltd., Peter Gehrels and Allan George Onchulenko to acquire a 100% interest in the “Rubidium Ridge” group of claims comprising 141 unpatented claims adjacent to the west of the White Willow Property, thereby bringing the total claims comprising the White Willow project to 861.

Lee Lake, Mead, Bluett, Gathering Lake and Triangle Lake Projects, Ontario

No fieldwork was completed at these projects during the quarter. Further fieldwork is planned in FY2024 after the snow melts providing access to the projects.

Critical accounting policies and estimates

The preparation of the annual financial statements in accordance with International Financial Reporting Standards requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements. Actual results could differ from these estimates. A detailed description of these matters, as well as the significant accounting policies adopted by the Company are disclosed in the notes to the audited financial statements for the six months ended September 30, 2023.

Financial Instruments

IFRS 9 establishes three primary measurement categories for financial assets: fair value through profit and loss (“FVTPL”), fair value through other comprehensive income (“FVOCI”) and amortized cost. The basis for classification depends on the entity’s business model and the contractual cash flow characteristics of the instrument.

The Company determines the classification of its financial instruments at initial recognition. Upon initial recognition, a financial asset is classified as measured at: amortized cost, fair value through profit and loss (“FVTPL”), or fair value through other comprehensive income (loss) (“FVOCI”). The classification of financial assets is generally based on the business model in which a financial

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asset is managed and its contractual cash flow characteristics. A financial liability is classified and measured at amortized cost or FVTPL.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

An equity investment that is held for trading is measured at FVTPL. For other equity investments that are not held for trading, the Company may irrevocably elect to designate them as FVOCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has elected to measure them at FVTPL.

The Company classifies its financial instruments as follows:

| Asset or Liability | IFRS 9 Classification |
|--|--------------------------|
| Cash | Amortized cost |
| Receivables | Amortized cost |
| Accounts payable and accrued liabilities | Amortized cost |

Leases

The Company assesses whether a contract is or contains a lease, at inception of a contract. The Company recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For new leases, a right-of-use asset is initially measured at the amount of the liability plus any initial direct costs. After lease

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commencement, the lessee shall measure the right-of-use asset at cost less accumulated depreciation and accumulated impairment.

Selected Annual Information

The following table sets out certain audited financial information for the Company for each of the last three fiscal years.

| Fiscal year ended March 31 | 2023 | 2022 | 2021 |
|-----------------------------------|--------------|-------------|-------------|
| Loss and comprehensive loss | \$ 2,977,621 | \$ 942,440 | \$ 467,622 |
| Exploration & evaluation assets | 3,699,534 | 988,645 | 939,622 |
| Total assets | 6,944,172 | 2,387,040 | 1,201,488 |
| Deficit | 4,590,329 | 1,690,497 | 748,057 |

Summary of Quarterly Results & Results of Operations

The table below provides, for each of the last eight quarterly periods, a summary of corporate losses and is derived from unaudited quarterly financial statements prepared by management. The Company's condensed interim financial statements are prepared in accordance with IFRS applicable to interim financial statements and are expressed in Canadian dollars.

| | Loss per quarter | Loss per share share | Property costs |
|-------------------------------|-------------------------|---------------------------------|-----------------------|
| Jan. 1, 2021 - Mar. 31, 2021 | \$ 129,311.00 | \$ 0.01 | \$ 51,772.00 |
| Apr. 1, 2021 - Jun. 30, 2021 | 61,725.00 | - | 2,618.00 |
| Jul. 1, 2021 - Sep. 30, 2021 | 322,319.00 | 0.02 | 31,988.00 |
| Oct. 1, 2021 - Dec. 31, 2021 | 277,408.00 | 0.02 | - |
| Jan. 1, 2022 - Mar. 31, 2022 | 280,989.00 | 0.01 | 14,418.00 |
| Apr. 1, 2022 - Jun. 30, 2022 | 1,169,043.00 | 0.04 | 13,518.00 |
| Jul. 1, 2022 - Sep. 30, 2022 | 299,580.00 | 0.01 | 709.00 |
| Oct. 1, 2022 - Dec. 31, 2022 | 517,336.00 | 0.01 | 327,142.00 |
| Jan. 1, 2023 - Mar. 31, 2023 | 991,662.00 | 0.03 | 838,863.00 |
| Apr. 1, 2023 - Jun. 30, 2023 | 1,806,944.00 | 0.04 | 282,538.00 |
| July. 1, 2023 - Sep. 30, 2023 | 835,850.00 | 0.02 | 347,636.78 |

Discussion of Operations for the six months ended September 30, 2023

The Company had a net loss and comprehensive loss of \$2,642,794 for the six months ended September 30, 2023 (2022 – \$1,468,623). The Company's significant operating expenses included the following:

- Consulting and management fees of \$717,886 (2022 – \$1,154,143)
- Shareholder communications' expenses of \$635,812 (2022 – \$nil)
- Share-based payments of \$619,292 (2022 – \$150,735)
- Office and miscellaneous of \$62,677 (2022 - \$26,443)
- Professional fees of \$51,049 (2022 – \$59,536)
- Regulatory and filing fees of \$14,468 (2022 – \$29,146)

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- Travel expense of \$12,337 (2022 - \$6,474)

The overall expenses during the period were higher than the comparative period. The increase is mostly attributable to higher share-based compensation expense, and shareholder communications' expenses. The growth in expenses shows the Company's effort on market expansion for the six months ended September 30, 2023.

Consulting and management fees of \$717,886 (2022 – \$1,154,143) relate to fees paid to consultants for the Company's business advisory, management (see "Transaction with Related Parties"), and corporate compliance services. These general consulting expenses cannot be directly attributed to any particular project and relate to the Company's activity; therefore, they have been expensed as general consulting. The management has been actively involved in investigating potential procurement of new mineral properties and engaging new consultants for the exploration activities.

Shareholder communications' expense of \$635,812 (2022 – \$nil) consist of payments for corporate development and payments to consultants for various marketing and promotional activities of the Company and its projects. With the increased level of exploration activities and to procure additional funding to support those exploration activities, the management has been putting more efforts in corporate promotion and to increase the market presence of the Company. Accordingly, there was a significant increase in the business promotion expense during the current period as compared to the corresponding period in the last year.

Share-based payments of \$619,292 (2022 – \$150,735) relates to the vested fair value of the share options issued to consultants, officers, and directors of the Company pursuant to the Company's Share Option Plan. The significant increase in the share-based payment expense belongs to the stock options granted and vested during the six months ended September 30, 2023.

Office and miscellaneous expense of \$62,677 (2022 - \$26,443) relate to office expenses. The increase over prior year is reflective of the increased activity at the company as it increases its exploration activity.

Professional fees of \$51,049 (2022 – \$59,536) consist of the legal, financial reporting, and audit expenses.

Regulatory and filing fees of \$14,468 (2022 – \$29,146) relates to expenditures in connection with share capital activities and reporting of the Company.

Travel expenses of \$12,337 (2022 - \$6,474) relate to expenditures in connection to site visits for management. The increase over prior year is reflective of the increased exploration activity undertaken in the current year.

During the six months ended September 30, 2023, the Company granted 4,575,000 stock options (2022 – 1,388,000) and 3,050,000 restricted share units (2022 – nil) having a total fair value of \$619,292 (2022 - \$150,735) and a weighted average grant-date value of \$0.19 (2022 – \$0.30) per option. The Company recognized share-based compensation of \$619,292 (2022 – \$150,735) relating to options vested during the period.

The fair value of options and restricted share units granted was estimated on the date of grant using the Black-Scholes option pricing model, with the following weighted average assumptions:

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| | September 30, 2023 | September 30, 2022 |
|---------------------------------|--------------------|--------------------|
| Risk-free interest rate | 9.78% | 2.88% |
| Expected dividend yield | Nil | Nil |
| Expected stock price volatility | 140.13% | 75.92% |
| Expected life | 4.57 years | 2.14 years |
| Expected forfeiture rate | Nil | Nil |

During the six months ended September 30, 2023, 1,300,000 of the outstanding stock options were exercised. The corresponding amount of \$137,392 was transferred from reserves to share capital.

During the six months ended September 30, 2023, 2,170,000 of the outstanding stock options were cancelled or expired. The corresponding amount of \$239,622 was transferred from reserves to deficit.

Rent and administration charges of \$36,000 (2022: \$32,500) were paid to a private company that has a director in common with the Company and \$21,000 (2022: \$15,000) accounting fee paid to the officer of the Company (see related party transactions).

Liquidity, Capital Resources and Capital Expenditures

At September 30, 2023, the Company's working capital, defined as current assets less current liabilities, was \$1,383,788 (March 31, 2023: \$3,143,016).

Other sources of funds potentially available to the Company are through:

- Exercise of 150,000 stock options granted to directors and officers at a price of \$0.20 per share expiring five years from the grant date (until September 17, 2025);
- Exercise of 185,227 stock options granted to directors and officers at a price of \$0.20 per share expiring five years from the grant date (until July 5, 2026);
- Exercise of the non-flow through warrants to purchase up to 1,017,915 common shares at a price of \$0.30 per share expiring on October 20, 2023;
- Exercise of the non-flow through warrants to purchase up to 50,000 common shares at a price of \$0.30 per share expiring on November 22, 2023;
- Exercise of the non-flow through warrants to purchase up to 119,903 common shares at a price of \$0.30 per share expiring on December 1, 2023;
- Exercise of the flow through warrants to purchase up to 243,500 common shares at a price of \$0.35 per share expiring on December 1, 2023;
- Exercise of the non-flow through warrants to purchase up to 1,483,834 common shares at a price of \$0.45 per share expiring on November 12, 2023;
- Exercise of the non-flow through warrants to purchase up to 223,333 common shares at a price of \$0.45 per share expiring on December 17, 2023;
- Exercise of the non-flow through warrants to purchase up to 384,667 common shares at a price of \$0.45 per share expiring on April 1, 2024;

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- Exercise of the non-flow through warrants to purchase up to 1,467,499 common shares at a price of \$0.45 per share expiring on May 13, 2024;
- Exercise of the non-flow through warrants to purchase up to 717,500 common shares at a price of \$0.45 per share expiring on May 17, 2024;
- Exercise of the non-flow through warrants to purchase up to 2,256,004 common shares at a price of \$0.45 per share expiring on June 14, 2024; and
- Exercise of the non-flow through warrants to purchase up to 9,230,769 common shares at a price of \$0.50 per share expiring on March 22, 2026.

Off-balance sheet arrangements

The Company has no off-balance sheet arrangements.

Financial risk factors

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

Credit risk

Financial instruments that potentially subject the Company to a significant concentration of credit risk consist primarily of cash and interest receivable. The Company limits its exposure to credit loss by placing its cash and G.I.C.'s with major financial institutions.

Liquidity risk

All of the Company's financial liabilities are classified as current and are anticipated to mature within the next fiscal year. The Company intends to settle these with funds from its positive working capital position.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates and commodity and equity prices.

a) *Interest rate risk*

The Company is exposed to interest rate risk to the extent that the cash maintained at the financial institutions is subject to a floating rate of interest. The interest rate risks on cash and on the Company's obligations are not considered significant.

b) *Foreign currency risk*

The Company is exposed to foreign currency risk on fluctuations related to cash, receivables and accounts payable and accrued liabilities that are denominated in a foreign currency.

c) *Price risk*

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. The Company closely monitors individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company.

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Related Party Transactions

The aggregate amount of expenditures paid or payable to key management personnel consisting of directors, former directors or companies with common directors was as follows:

| Name of the Key management personnel | Company's Name | Nature of Transaction | Six months ended September 30, 2023 | Six months ended September 30, 2022 |
|--|--|---------------------------------------|--|--|
| Deepak Varshney, CEO | Castello Q Development Corporation | Management fees | \$ 90,000 | \$ 90,000 |
| Navin Varshney, Director | N.K.V. Engineering & Consulting Ltd | Rent and administration charges | 36,000 | 32,500 |
| Khalid Naeem, CFO | Aterna Advisors Inc. | Accounting fees | 21,000 | 15,000 |

These transactions were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Outstanding Share Data

Authorized Capital

Unlimited common shares with no par value and unlimited preferred shares with no par value.

Issued and Outstanding Capital

49,027,394 common shares were issued and outstanding at September 30, 2023.

Stock Options, Restricted Share Units & Warrants Outstanding (at September 30, 2023):

| | Number | Exercise Price | Expiry Date |
|--------------------------|-----------|----------------|--------------------|
| Directors' stock options | 150,000 | \$0.20 | September 17, 2025 |
| Directors' stock options | 185,227 | \$0.20 | July 5, 2026 |
| Agent's stock options | 100,000 | \$0.30 | April 5, 2024 |
| Agent's stock options | 400,000 | \$0.29 | May 10, 2024 |
| Agent's stock options | 237,000 | \$0.29 | May 27, 2024 |
| Agent's stock options | 30,000 | \$0.30 | September 16, 2024 |
| Agent's stock options | 50,000 | \$0.25 | September 27, 2024 |
| Agent's stock options | 235,547 | \$0.30 | February 7, 2025 |
| Agent's stock options | 100,000 | \$0.29 | April 12, 2025 |
| Agent's stock options | 375,000 | \$0.30 | May 8, 2025 |
| Agent's RSUs | 50,000 | \$ - | February 28, 2026 |
| Agent's stock options | 1,175,000 | \$0.16 | August 3, 2025 |
| Agent's stock options | 700,000 | \$0.16 | August 16, 2025 |
| Agent's stock options | 500,000 | \$0.20 | August 28, 2025 |

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| | | | |
|---------------------------|-----------|--------|-------------------|
| Agent's stock options | 200,000 | \$0.16 | August 29, 2025 |
| Agent's stock options | 100,000 | \$0.18 | September 6, 2025 |
| Agent's RSUs | 3,000,000 | \$ - | February 28, 2026 |
| Agent's warrants | 5,250 | \$0.30 | October 21, 2023 |
| Agent's warrants | 2,100 | \$0.30 | December 2, 2023 |
| Agent's warrants | 5,250 | \$0.35 | December 2, 2023 |
| Agent's warrants | 134,237 | \$0.45 | November 12, 2023 |
| Agent's warrants | 10,500 | \$0.45 | December 17, 2023 |
| Agent's warrants | 49,200 | \$0.45 | April 1, 2024 |
| Agent's warrants | 75,800 | \$0.45 | May 13, 2024 |
| Agent's warrants | 114,800 | \$0.45 | May 17, 2024 |
| Agent's warrants | 46,427 | \$0.45 | June 14, 2024 |
| Agent's warrants | 510,302 | \$0.50 | March 22, 2026 |
| Flow-through warrants | 243,500 | \$0.35 | December 2, 2023 |
| Non-flow-through warrants | 1,017,915 | \$0.30 | October 21, 2023 |
| Non-flow-through warrants | 50,000 | \$0.30 | November 23, 2023 |
| Non-flow-through warrants | 119,903 | \$0.30 | December 2, 2023 |
| Non-flow through warrants | 1,483,834 | \$0.45 | November 12, 2023 |
| Non-flow through warrants | 223,333 | \$0.45 | December 17, 2023 |
| Non-flow through warrants | 384,667 | \$0.45 | April 1, 2024 |
| Non-flow through warrants | 1,467,499 | \$0.45 | May 13, 2024 |
| Non-flow through warrants | 717,500 | \$0.45 | May 17, 2024 |
| Non-flow through warrants | 2,256,004 | \$0.45 | June 14, 2024 |
| Non-flow through warrants | 9,230,769 | \$0.50 | March 22, 2026 |

Subsequent Events

On October 17, 2023, the Company issued 1,300,000 common shares at a price of \$0.16 per share pursuant to stock option exercises.

On October 20, 2023, the Company successfully completed a non-brokered private placement, raising \$249,999.96 through the issuance of 1,785,714 flow-through shares at \$0.14 per share. The funds will be used for Canadian exploration expenses on Ontario projects by December 31, 2023.

On November 3, 2023, the Company settled \$100,000 of the debt owed by Formation Metals Inc. for 2,000,000 shares at a price of \$0.05 per share.

On November 8, 2023, the Company successfully completed a non-brokered private placement, raising \$595,000 through the issuance of 5,950,000 non flow-through shares at \$0.10 per share.

On November 23, 2023, the Company granted 50,000 stock options to a consultant at an exercise price of \$0.20 per shares with an expiry date of November 9, 2025.