

**USHA RESOURCES LTD.**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED MARCH 31, 2023**

**The effective date of this report is July 31, 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. (individually or collectively with its subsidiaries, as applicable, the "Company" or "Usha") for the year ended March 31, 2023. The following management discussion and analysis, prepared as of July 31, 2023, should be read together with the audited consolidated financial statements for the year ended March 31, 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 year ended March 31, 2023. News releases and previous filings may be found on SEDAR at [www.sedar.com](http://www.sedar.com).

**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 subsidiaries, Usha Resources (USA) Corp which was incorporated on June 1, 2020 and Formation Metals Inc. which was incorporated on March 1, 2022.

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; White Willow, a lithium project in Ontario, Lost Basin, a gold-copper project in Arizona, and Nicobat, a nickel-copper-cobalt project in Ontario.

The Company's first project was acquired as part of its Qualifying Transaction and is the Nicobat Project in Ontario, Canada. The company initially had a 51% interest which was subsequently increased by 34% in an amendment to the initial property purchase agreement (the "Amendment Agreement") through the issuance of an additional 500,000 common shares of the Company (the "Shares") to the Vendor, bringing its total interest to 85%. The Amendment Agreement and issuance of the Shares was approved by the TSX-V on June 23, 2020. On March 10, 2022, the Company entered into an Arrangement Agreement (the "Arrangement") with Formation Metals Inc. ("FMI") to transfer the Nicobat property to FMI whereby USHA shareholders were to be 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"), which was determined by USHA's Board of Directors to be April 12, 2023. Pursuant to the arrangement agreement and on the payable

**USHA RESOURCES LTD.**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED MARCH 31, 2023**

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 project is 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's third project 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 that total 2,800 acres (approximately 11.3 km<sup>2</sup>). 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. On May 2, 2022, the Company received approval from the TSX-V for its mineral property option agreement with Ares Strategic Mining Inc. (the "Vendor") to acquire a 100% interest in 140 mineral claims located in Jackpot Lake, Clark County, Nevada for total consideration of \$75,000 cash and \$950,000 in shares over a 12-month period. The Company completed its first payment of \$75,000 cash and issued 1,678,062 common shares valued at \$570,541 to the Vendor on May 2, 2022. On September 14, 2022, the Company issued 745,033 common shares valued at \$225,000 pursuant to the Jackpot Lake agreement with Ares Strategic Mining Inc. as the second payment under the option agreement. On March 9, 2023, the Company issued 654,070 common shares valued at \$215,843 pursuant to the Jackpot Lake agreement with Ares Strategic Mining Inc. as the final payment under the option agreement and has, therefore, executed its option in full.

The Company's fourth project is the White Willow Lithium Pegmatite Property is located within the Thunder Bay Mining Division near Atikokan, Ontario and is comprised of 712 unpatented mining claims that total 15,510 hectares. On March 28, 2023, the Company received approval from the TSX-V for its Option Agreement and Assignment Agreement with 2758145 Ontario Ltd. ("Vendor") and Grid Metals Corp. ("Assignor"), respectively, whereby it may acquire a 100% interest for total consideration of \$220,000 cash and 3,600,000 common shares of the Company as indicated in the table below:

Payment	Vendor		Assignor		Total	
	Cash	Shares	Cash	Shares	Cash	Shares
<b>Signing</b>	\$50,000 <sup>1</sup>	500,000	\$20,000 <sup>1</sup>	350,000	\$70,000	850,000
<b>1st Anniversary</b>	\$50,000	500,000 <sup>2</sup>	-	500,000 <sup>2</sup>	\$50,000	1,000,000
<b>2nd Anniversary</b>	\$50,000	500,000 <sup>2</sup>	-	750,000 <sup>2</sup>	\$50,000	1,250,000
<b>3rd Anniversary</b>	\$50,000	500,000 <sup>2</sup>	-	-	\$50,000	500,000
<b>Total</b>	\$200,000	2,000,000	\$20,000	1,600,000	\$220,000	3,600,000
<b>Notes</b>	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.					

**USHA RESOURCES LTD.**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED MARCH 31, 2023**

On March 28, 2023, The Company completed its first payment of \$70,000 cash and issued 850,000 common shares valued at \$280,500 to the Vendor and Assignor.

**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 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**

The Company’s loss for the year ended March 31, 2023 was \$2,977,621 (2022: \$942,440). Working capital at March 31, 2023 was \$3,143,016.

During the year ended March 31, 2023, the Company issued 20,014,624 common shares pursuant to the private placement, exercise of warrants and stock option as stated below:

- i. 9,651,338 shares were issued in a non-brokered private placement at a price of \$0.30 per share.
- ii. 9,230,769 shares were issued in a non-brokered private placement at a price of \$0.325 per share.
- iii. 124,817 warrants were exercised at a price of \$0.30 per share.
- iv. 532,700 stock options were exercised at a price of \$0.20 per share.
- v. 75,000 stock options were exercised at a price of \$0.10 per share.
- vi. 200,000 stock options were exercised at a price of \$0.29 per share.
- vii. 200,000 stock options were exercised at a price of \$0.33 per share.

On April 4, 2022, the Company closed the first tranche of the non-brokered private placement, issuing an aggregate of 769,333 non-flow through units at \$0.30 per unit raising gross proceeds of \$230,800. On May 16, 2022, the Company closed the second tranche of the non-brokered private placement, issuing an aggregate of 2,934,998 non-flow through units at \$0.30 per unit raising gross proceeds of \$880,499. On May 18, 2022, the Company closed the third tranche of the non-brokered private placement, issuing an aggregate of 1,435,000 non-flow through units at \$0.30 per unit raising gross proceeds of \$430,500. On June 15, 2022, the Company closed the fourth and final tranche of the non-brokered private placement, issuing an aggregate of 4,512,007 non-flow

**USHA RESOURCES LTD.**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED MARCH 31, 2023**

through units at \$0.30 per unit raising gross proceeds of \$1,353,602. In total, Usha has raised gross proceeds of \$2,895,401 in all four tranches. Each Unit consisted of one common share in the capital of the Company and one-half of one transferable Share purchase warrant exercisable at \$0.45 per Share for a period of two (2) years from the closing date of the Private Placement.

On March 22, 2023, the Company closed the non-brokered private placement, issuing an aggregate of 9,230,769 non-flow through units at \$0.325 per unit raising gross proceeds of \$3,000,000. Each Unit consisted of one common share of the Company and one transferable common share purchase warrant exercisable at \$0.50 per Share for a period of three (3) years from the closing date of the Private Placement.

During the year ended March 31, 2023, 3,077,165 common shares valued at \$1,011,384 pursuant to the Jackpot Lake agreement with Ares Strategic Mining Inc, 500,000 common shares valued at \$165,000 to 2758145 Ontario Ltd. and 350,000 common shares valued at \$115,500 to Grid Metals Corp. pursuant to the White Willow Property Agreements.

Following the issuance of the shares, there were 47,087,394 issued and outstanding common shares in the capital of the Company.

As at March 31, 2023, there were nil (2022: 660,000) shares in escrow.

### **Summary of Exploration and Corporate Activities**

As at March 31, 2023, the Company's portfolio included Jackpot Lake, a lithium project in Nevada; White Willow, a lithium project in Ontario, Lost Basin, a gold-copper project in Arizona, and Nicobat, a nickel-copper-cobalt project in Ontario.

#### ***Nicobat Nickel Project***

The Company entered into an agreement dated March 7, 2019 with Emerald Lake Development Corporation (the "Emerald Lake") for the right to purchase an undivided 51% interest in a copper-nickel-cobalt-polymetallic sulphide deposit referred to as the Nicobat Nickel Project, located in the Dobie Township in the Kenora Mining Division, Ontario. The property consists of two combined surface and mining right patents which comprise 48 hectares. The purchase price of the property was the issuance of 1,500,000 common shares of the Company to Emerald Lake at a fair value of \$150,000; these shares were issued on December 6, 2019 and the Company acquired a 51% interest in the property. In addition, the Company and a third-party company that holds a 15% interest in the Property shall pay Emerald Lake a 2.0% net smelter returns royalty upon the commencement of commercial production from the property. The Company and the third-party company shall have the right at any time to acquire up to 1.5% of the royalty from Emerald Lake for the price of USD \$2,000,000.

On May 11, 2020, the Company entered into an amendment agreement (the "Amendment Agreement") with Emerald Lake to the mineral property purchase agreement dated March 7, 2019, whereby Emerald Lake granted the Company the right to acquire an additional 34% interest in the Nicobat Property located in Northwest Ontario, for a total interest of 85%, in exchange for the

**USHA RESOURCES LTD.**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED MARCH 31, 2023**

issuance of 500,000 common shares at a price of \$0.19 per shares (issued) of the Company. The Amendment Agreement and issuance of the Shares to Emerald Lake was approved by the TSX Venture Exchange on June 23, 2020.

On March 10, 2022, the Company entered into an Arrangement with Formation Metals Inc. to transfer the Nicobat property to FMI whereby USHA shareholders were to be 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”), which was determined by USHA’s Board of Directors to be April 12, 2023. Pursuant to the arrangement agreement and on the payable date of April 20, 2023, USHA completed the transfer of the Nicobat Property and distributed 9,480,476 common shares of FMI to the USHA shareholders on a pro rata basis.

***Lost Basin Gold-Copper Project***

On June 3, 2020, the Company entered into a binding Letter of Intent (“LB LOI”) with AJA Mining LLC and Gold Basin Mining EXP LLC (collectively, the “LB Optionors”) whereby the Optionors granted the Company the exclusive option (“LB Option”) to acquire (“LB 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; which can be made in cash or with separate Exchange approval in shares. The LOI was approved by the TSX Venture Exchange on August 19, 2020 and the shares were issued on August 26, 2020.

***Jackpot Lake Lithium Brine Project***

On March 17, 2022, the Company entered into an Option Agreement (“JP Option”) with Ares Strategic Mining Inc. (“JP Optionors”) to acquire a 100% interest in 140 mineral claims located in Jackpot Lake, Clark County, Nevada (“Jackpot Lake”). On April 25, 2022, the Company announced an amended JP Option following a preliminary review completed by the TSX Venture Exchange.

On May 2, 2022, the Company received approval from the TSX-V for its mineral property option agreement with Ares Strategic Mining Inc. (the “Vendor”) to acquire a 100% interest in 140 mineral claims located in Jackpot Lake, Clark County, Nevada for total consideration of \$75,000 cash and \$950,000 in shares over a 12-month period. The Company completed its first payment of \$75,000 cash and issued 1,678,062 common shares valued at \$570,541 to the Vendor on May 2, 2022.

On September 14, 2022, the Company issued 745,033 common shares valued at \$225,000 pursuant to the Jackpot Lake agreement with Ares Strategic Mining Inc. as the second payment under the option agreement. On March 9, 2023, the Company issued 654,070 common shares valued at \$215,843 pursuant to the Jackpot Lake agreement with Ares Strategic Mining Inc. as the final payment under the option agreement.

The Company is the legal and beneficial owner of the Vendor’s 100% interest in the Property pursuant to the final payment issued under the option agreement.

**USHA RESOURCES LTD.**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED MARCH 31, 2023**

***White Willow Property, Ontario***

On March 28, 2023, the Company received approval from the TSX-V for its Option Agreement and Assignment Agreement with 2758145 Ontario Ltd. and Grid Metals Corp., respectively, whereby it may acquire a 100% interest for total consideration of \$220,000 cash and 3,600,000 common shares in the capital of the Company as indicated in the table below:

On March 24, 2023, the Company executed the Option Agreement with 2758145 Ontario Ltd. (the “Vendor”), for the right to purchase an undivided 100% interest in the White Willow Lithium Pegmatite Property is located within the Thunder Bay Mining Division near Atikokan, Ontario and is comprised of 712 unpatented mining claims that total 15,510 hectares. To facilitate the acquisition, the Company entered into the Assignment Agreement with Grid Metals Corp. (the “Assignor”). The Company has granted to each of the Vendor and Assignor a 1.5% net-smelter returns royalty. The Company received Exchange approval to the Agreements and the transactions contemplated therein on March 28, 2023.

Pursuant to the Option and Assignment Agreements (collectively, the “Agreements”), the Company may acquire a 100% interest in the Property by paying a total of \$220,000 and issuing an aggregate of 3,600,000 common shares in the capital of the Company as indicated in the table below:

Payment	Vendor		Assignor		Total	
	Cash	Shares	Cash	Shares	Cash	Shares
Signing	\$50,000 <sup>1</sup>	500,000	\$20,000 <sup>1</sup>	350,000	\$70,000	850,000
1st Anniversary	\$50,000	500,000 <sup>2</sup>	-	500,000 <sup>2</sup>	\$50,000	1,000,000
2nd Anniversary	\$50,000	500,000 <sup>2</sup>	-	750,000 <sup>2</sup>	\$50,000	1,250,000
3rd Anniversary	\$50,000	500,000 <sup>2</sup>	-	-	\$50,000	500,000
<b>Total</b>	<b>\$200,000</b>	<b>2,000,000</b>	<b>\$20,000</b>	<b>1,600,000</b>	<b>\$220,000</b>	<b>3,600,000</b>
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.					

The Company completed its first payment of \$70,000 cash and issued 850,000 common shares valued at \$280,500 to the Vendor and Assignor on March 28, 2023.

**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 year ended March 31, 2023.

**USHA RESOURCES LTD.**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED MARCH 31, 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 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:

**USHA RESOURCES LTD.**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED MARCH 31, 2023**

Asset or Liability	IFRS 9 Classification
Cash and cash equivalents	Amortized cost
Receivables	Amortized cost
Accounts payable and accrued liabilities	Amortized cost

A fuller description of financial instrument is provided in Note 3 to the audited consolidated financial statements for the year ended March 31, 2023.

### **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 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 consolidated financial information for the Company for each of the last three fiscal years.

<b>Fiscal year ended March 31</b>	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 were prepared in accordance with IFRS applicable to interim financial statements and are expressed in Canadian dollars.

**USHA RESOURCES LTD.**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED MARCH 31, 2023**

	Loss per quarter	Loss per share share	Property costs
Oct. 1, 2020 - Dec. 31, 2020	\$ 177,892.00	\$ 0.01	372,825.00
Jan. 1, 2021 - March 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
April 1, 2022 - June 30, 2022	1,169,043.00	0.04	13,518.00
July 1, 2022 - September 30, 2022	299,580.00	0.01	61,376.00
October 1, 2022 - December 31, 2022	517,336.00	0.01	327,142.00
Jan 1, 2023 - Mar 31, 2023	991,662.00	0.03	838,863.00

**Discussion of Operations for the year ended March 31, 2023**

The Company had a net loss and comprehensive loss of \$2,977,621 for the year ended March 31, 2023, (2022 – \$942,440). The Company’s significant operating expenses included the following:

- Consulting and management fees of \$1,134,629 (2022 – \$646,849)
- Shareholder communications’ expenses of \$896,213 (2022 – \$nil)
- Share-based payments of \$348,876 (2022 – \$161,854)
- Office and miscellaneous of \$286,995 (2022 - \$21,615)
- Professional fees of \$152,595 (2022 – \$71,569)
- Regulatory and filing fees of \$38,115 (2022 – \$31,686)
- Travel expense of \$20,220 (2022 - \$11,495)

Consulting and management fees of \$1,134,629 (2022 – \$646,849) 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 which led to a significant increase in the consulting and management fees.

Shareholder communications’ expense of \$896,213 (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,

**USHA RESOURCES LTD.**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED MARCH 31, 2023**

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 \$348,876 (2022 – \$161,854) 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 year ended March 31, 2023.

Office and miscellaneous expense of \$286,995 (2022 - \$21,615) 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 \$152,595 (2022 – \$71,569) consist of the legal, financial reporting, and audit expenses. The increase pertains to the increased fee for financial reporting and secretarial services incurred during the current period.

Regulatory and filing fees of \$38,115 (2022 – \$31,686) relates to expenditures in connection with share capital activities and reporting of the Company. This increase pertains to the exchange approval, listing and reporting of the additional financing completed during the current period.

Travel expenses of \$20,220 (2022 - \$11,495) 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.

The overall expenses during the period were higher than the comparative period. The increase is mostly attributable to higher share-based compensation expense, consulting and management fees, and shareholder communications' expenses. The growth in expenses shows the Company's effort on market expansion for the year ended March 31, 2023.

During the year ended March 31, 2023:

The Company granted 250,000 incentive stock options vesting as to ¼ every three months from the date of grant over a period of not less than 12 months with a fair value of \$29,262 during the year ended March 31, 2023 using Black-Scholes graded-vesting option pricing model.

The Company granted 100,000 incentive stock options with a fair value of \$12,540 using the Black-Scholes option pricing model assuming a life expectancy of two years, a risk free interest rate of 2.37%, a forfeiture rate of nil, and volatility of 74.96%.

The Company granted 50,000 incentive stock options with a fair value of \$5,588 using the Black-Scholes option pricing model assuming a life expectancy of two years, a risk free interest rate of 2.52%, a forfeiture rate of nil, and volatility of 75.14%.

**USHA RESOURCES LTD.**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED MARCH 31, 2023**

The Company granted 471,000 incentive stock options with a fair value of \$56,986 using the Black-Scholes option pricing model assuming a life expectancy of two years, a risk free interest rate of 2.67%, a forfeiture rate of nil, and volatility of 75.96%.

The Company granted 437,000 incentive stock options with a fair value of \$56,846 using the Black-Scholes pricing model assuming a life expectancy of two years, a risk free interest rate of 2.55%, a forfeiture rate of nil, and volatility of 75.90%.

The Company granted 30,000 incentive stock options with a fair value of \$3,501 using the Black-Scholes pricing model assuming a life expectancy of two years, a risk free interest rate of 3.79%, a forfeiture rate of nil, and volatility of 77.24%.

The Company granted 50,000 incentive stock options with a fair value of \$5,496 using the Black-Scholes pricing model assuming a life expectancy of two years, a risk free interest rate of 3.89%, a forfeiture rate of nil, and volatility of 77.67%.

The Company granted 1,150,000 incentive stock options with a fair value of \$118,234 using the Black-Scholes pricing model assuming a life expectancy of two years, a risk free interest rate of 4.06%, a forfeiture rate of nil, and volatility of 71.42%.

The Company granted 235,547 incentive stock options with a fair value of \$28,896 using the Black-Scholes pricing model assuming a life expectancy of two years, a risk free interest rate of 3.96%, a forfeiture rate of nil, and volatility of 71.06%.

The Company granted 50,000 incentive stock options with a fair value of \$6,208 using the Black-Scholes pricing model assuming a life expectancy of two years, a risk free interest rate of 4.32%, a forfeiture rate of nil, and volatility of 70.91%.

The Company granted 200,000 incentive stock options with a fair value of \$25,319 using the Black-Scholes pricing model assuming a life expectancy of two years, a risk free interest rate of 3.50%, a forfeiture rate of nil, and volatility of 69.89%.

The Company expensed \$348,876 as share-based compensation for stock options. The Company cancelled 271,000 of the outstanding stock options. The corresponding amount of \$8,590 was transferred from reserves to deficit. 350,000 of the outstanding stock options were expired. The corresponding amount of \$69,198 was transferred from reserves to deficit.

Rent and administration charges of \$66,000 (2022: \$45,000) were paid to a private company that has a director in common with the Company and \$30,000 (2022: \$18,500) accounting fee paid to the officer of the Company (see related party transactions).

### **Liquidity, Capital Resources and Capital Expenditures**

At March 31, 2023, the Company's working capital, defined as current assets less current liabilities, was \$3,143,016 (March 31, 2022: \$1,307,885).

**USHA RESOURCES LTD.**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED MARCH 31, 2023**

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

- Exercise of 370,000 stock options granted to directors and officers at a price of \$0.10 per share expiring five years from the grant date (until October 12, 2023);
- Exercise of 502,700 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 365,227 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 180,000 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 252,700 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, 2026);
- Exercise of the non-flow through warrants to purchase up to 1,032,915 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;
- 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.

### **Contractual obligations**

On June 3, 2020, the Company entered into a binding Letter of Intent with AJA Mining LLC and Gold Basin Mining EXP LLC (collectively, the “LB Optionors”) whereby the Optionors granted the Company the exclusive option to acquire 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; which can be made in cash or with separate Exchange approval in shares. The LOI was approved by the

**USHA RESOURCES LTD.**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED MARCH 31, 2023**

TSX Venture Exchange on August 19, 2020 and the shares were issued on August 26, 2020. The first and second annual lease payments have been completed. The final payment of US\$3,000,000 is due by August 19, 2023.

On March 17, 2022, the Company entered into an Option Agreement with Ares Strategic Mining Inc. (the “Optionors”) whereby the Optionors granted the Company the exclusive option (the “Option”) to acquire (the “Acquisition”) 100% interest in certain 140 mineral claims forming part of the Jackpot Lake property in exchange for cash consideration of \$75,000 and issuance of \$500,000 shares upon Exchange approval of the transaction, \$225,000 in cash or shares on or before six months of signing the agreement and a final \$225,000 in cash or shares on or before twelve months of signing the agreement. During the year ended March 31, 2023, the Company satisfied all payments for the option through the issuance of 3,077,165 common shares valued at \$1,011,384 and payment of \$75,000 cash and is now the legal and beneficial owner of the Vendor’s 100% interest in the Property.

On March 24, 2023, the Company entered into an Option Agreement and Assignment Agreement with 2758145 Ontario Ltd. and Grid Metals Corp., respectively, whereby it may acquire a 100% interest for total consideration of \$220,000 cash and 3,600,000 common shares in the capital of the Company. The Company completed its first payment of \$70,000 cash and issued 850,000 common shares valued at \$280,500 to the Vendor and Assignor on March 28, 2023; the next payment is due on March 28, 2024 and is for \$50,000 cash and 1,000,000 common shares.

#### **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*

**USHA RESOURCES LTD.**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED MARCH 31, 2023**

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.

**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	Year ended March 31, 2023	Year ended March 31, 2022
Deepak Varshney, CEO	Castello Q Development Corporation	Management fees	\$ 180,000	\$ 99,000
Navin Varshney, Director	N.K.V. Engineering & Consulting Ltd	Rent and administration charges	66,000	45,000
Khalid Naeem, CFO	Aterna Advisors Inc.	Accounting fees	30,000	18,500

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.

**USHA RESOURCES LTD.**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED MARCH 31, 2023**

**Outstanding Share Data**

Authorized Capital

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

Issued and Outstanding Capital

47,087,394 common shares were issued and outstanding at March 31, 2023 and 48,127,394 at July 31, 2023.

Stock Options & Warrants Outstanding (at March 31, 2023):

	Number	Exercise Price	Expiry Date
Directors' stock options	295,000	\$0.10	Oct. 12, 2023
Directors' stock options	150,000	\$0.20	Sep. 17, 2025
Directors' stock options	185,227	\$0.20	July 5, 2026
Directors' and Agent's stock options	25,000	\$0.335	Oct 7, 2026
Agent's stock options	50,000	\$0.355	Nov 11, 2026
Agent's stock options	75,000	\$0.29	Jan 07, 2024
Agent's stock options	100,000	\$0.31	Feb 09, 2024
Agent's stock options	250,000	\$0.375	Apr 4, 2024
Agent's stock options	100,000	\$0.30	Apr 5, 2024
Agent's stock options	50,000	\$0.30	Apr 19, 2024
Agent's stock options	400,000	\$0.285	May 10, 2024
Agent's stock options	237,000	\$0.29	May 27, 2024
Agent's stock options	30,000	\$0.30	Sep 16, 2024
Agent's stock options	50,000	\$0.25	Sep 27, 2024
Agent's stock options	1,150,000	\$0.25	Dec 30, 2024
Agent's stock options	235,547	\$0.30	Feb 7, 2025
Agent's stock options	50,000	\$0.32	Mar 7, 2025
Agent's warrants	5,250	\$0.30	Oct 21, 2023
Agent's warrants	2,100	\$0.30	Dec 2, 2023
Agent's warrants	134,237	\$0.45	Nov 12, 2023
Agent's warrants	5,250	\$0.35	Dec 2, 2023
Agent's warrants	10,500	\$0.45	Dec 17, 2023
Agent's warrants	49,200	\$0.45	Apr 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	Mar 22, 2026
Non-flow-through warrants	1,032,915	\$0.30	Oct 21, 2023
Non-flow-through warrants	50,000	\$0.30	Nov. 23, 2023
Non-flow-through warrants	119,903	\$0.30	Dec. 2, 2023
Flow-through warrants	243,500	\$0.35	Dec. 2, 2023

**USHA RESOURCES LTD.**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED MARCH 31, 2023**

Non-flow through warrants	1,483,834	\$0.45	Nov 12, 2023
Non-flow through warrants	223,333	\$0.45	Dec 17, 2023
Non-flow through warrants	384,667	\$0.45	Apr 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	Mar 22, 2026

**Subsequent Events and Proposed Transactions**

Subsequent to March 31, 2023, the Company:

The Company granted stock options to consultants to acquire 400,000 common shares exercisable at \$0.29 expiring April 12, 2025, of which 300,000 stock options were exercised on April 12, 2023.

On April 14, 2023, 250,000 stock options exercisable at \$0.375 granted to a consultant were expired.

On April 20, 2023, the shareholders of the Company were issued 9,480,476 common shares in Formation Metals Inc. pursuant to the Arrangement and the Company completed the transfer of the Nicobat Property to FMI.

The Company granted stock options to consultants to acquire 600,000 common shares exercisable at \$0.30 expiring May 8, 2025.

The Company entered into an option agreement with 2758145 Ontario Ltd., Peter Gehrels and Allan George Onchulenko of Atikokan, Ont., to acquire a 100% interest in eight unpatented mining claims located in the Thunder Bay mining division of Ontario (the Nym property). The Company can acquire a 100% interest in the property by making payments of cash and common shares of the Company as follows:

	Cash Payment	Common shares
May 23, 2023 (paid)	\$ 15,000	150,000
May 23, 2024	20,000	150,000
May 23, 2025	25,000	150,000
May 23, 2026	40,000	150,000
	\$ 100,000	600,000

The Company entered into an option agreement with 2758145 Ontario Ltd. of Atikokan, Ont., to acquire a 100% interest in five lithium pegmatite projects located in Ontario: the Lee Lake, Mead, Bluett, Gathering Lake and Triangle Lake projects. The Company can acquire a 100% interest in the property by making payments of cash and common shares of the Company as follows:

**USHA RESOURCES LTD.**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED MARCH 31, 2023**

	Cash Payment	Common shares
June 6, 2023 (paid)	\$ 45,350	275,000
June 6, 2024	70,000	400,000
June 6, 2025	120,000	525,000
June 6, 2026	160,000	900,000
	\$ 395,350	2,100,000

The Company granted stock options to consultants to acquire 300,000 common shares exercisable at \$0.26 expiring June 8, 2025. These stock options were exercised on June 23, 2023.

The Company granted restricted share units to consultants to acquire 50,000 common shares expiring December 31, 2026.