



MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED JULY 31, 2024

(Expressed in Canadian Dollars)

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**Tactical Resources Corp.
Management's Discussion and Analysis
For the year ended July 31, 2024**

DATE

The following Management's Discussion and Analysis ("MD&A") of Tactical Resources Corp.'s ("Tactical" or the "Company") financial position and results of operations for the year ended July 31, 2024 is prepared as at November 28, 2024. This MD&A should be read in conjunction with the Company's audited financial statements for the year ended July 31, 2024 and the supporting notes. The audited financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All dollar figures included therein and in the following MD&A are quoted in Canadian dollars.

FORWARD-LOOKING INFORMATION

This MD&A contains forward-looking statements based on assumptions and judgments of management regarding events or results that may prove to be inaccurate as a result of exploration or other risk factors beyond its control. Actual results may differ materially from the expected results.

Except for statements of historical fact, this MD&A contains certain "forward-looking information" within the meaning of applicable securities law. Forward-looking information is frequently characterized by words such as "plan", "expect", "project", "intend", "believe", "anticipate", "estimate" and other similar words, or statements that certain events or conditions "may" or "will" occur. In particular, forward-looking information in this MD&A includes, but is not limited to, the discovery of new mineral resources, mineral resource estimates, the merits of the Company's mineral properties, future studies, and the Company's plans and exploration programs for its mineral properties, including the timing of such plans and programs. Such forward looking statements are subject to certain risks, uncertainties and assumptions of management, which are noted in the paragraph below. Although we believe that the expectations reflected in the forward-looking information are reasonable, there can be no assurance that such expectations will prove to be correct. We cannot guarantee future results, performance or achievements. Consequently, there is no representation that the actual results achieved will be the same, in whole or in part, as those set out in the forward-looking information.

Forward-looking information is based on the opinions and estimates of management at the date the statements are made, which are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those anticipated in the forward-looking information. Some of the risks, assumptions and other factors that could cause results to differ materially from those expressed in the forward-looking statements include, but are not limited to: general economic conditions in Canada, the United States and globally; industry conditions, including fluctuations in commodity prices; governmental regulation of the mining industry, including environmental regulation; the Company's limited operating history; the Company's negative operating cash flow and dependence on third party financing; the uncertainty of additional funding for the Company; there being no known mineral reserves or mineral resources with respect to the Sierra Blanca Quarry Project, and certain exploration risks; the Company may fail to obtain all necessary licenses and permits required to carry out its activities; and risks related to the business, operations, and financial condition of the Company arising from COVID-19; unanticipated operating events; stock market volatility, volatility in its share price and lack of a liquid market for its common shares; changes in tax laws and incentive programs relating to the mining industry; and the other factors described herein under "Risks and Uncertainties". Readers are cautioned that this list of risk factors should not be construed as exhaustive.

The forward-looking information contained in this MD&A is expressly qualified by this cautionary statement. We undertake no duty to update any of the forward-looking information to conform such information to actual results or to changes in our expectations except as otherwise required by applicable securities legislation. Readers are cautioned not to place undue reliance on forward-looking information.

COMPANY OVERVIEW

Tactical was incorporated under the Business Corporations Act of British Columbia on June 25, 2018. The principal business of the Company is exploration and development of Rare Earth Elements ("REE").

The Company's head office, principal address, registered address and records office is 1055 West Georgia Street, 1500 Royal Centre, PO Box 11117, Vancouver, BC V6E 4N7.

On June 13, 2022, the Company announced that its common shares are now eligible for electronic clearing and settlement through the Depository Trust Company ("DTC") in the United States. The Company's common shares are quoted in the United States on the OTC Markets under the symbol "USREF".

The Company's shares are listed on TSX Venture Exchange (under the symbol "RARE.V")

FINANCIAL REPORTING AND DISCLOSURE DURING ECONOMIC UNCERTAINTY

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. The Company has not been significantly impacted by the spread of COVID-19. However, the ongoing COVID-19 pandemic, inflationary pressures, rising interest rates, the global financial climate and the conflicts in Ukraine and the Middle East are affecting current economic conditions and increasing economic uncertainty, which may impact the Company's operating performance, financial position and the Company's ability to raise funds at this time.

DESCRIPTION OF BUSINESS

Norman Chow, P.Eng., is the designated Qualified Person (QP) under National Instrument 43-101 ("NI 43-101"), with respect to the disclosure of metallurgical scientific and technical reporting regarding the Peak project.

Proposed transaction

On August 22, 2024, the Company entered into a definitive business combination agreement (the "Business Combination Agreement") with Plum Acquisition Corp. III (NASDAQ: PLMJ) ("Plum"), a NASDAQ-listed special purpose acquisition company.

Pursuant to the terms of the Business Combination Agreement:

- (i) Plum will re-domicile in the Province of British Columbia and amalgamate with a newly formed company incorporated under the laws of the Province of British Columbia ("Pubco"), and
- (ii) immediately thereafter, a newly formed, wholly owned subsidiary of Plum incorporated under the laws of the Province of British Columbia will amalgamate with Tactical, such that, following the closing of the transactions contemplated by the Business Combination Agreement (the "Closing"), Tactical will continue as a wholly owned subsidiary of Pubco, which will be renamed "Tactical Resources Corp." or such other name as may be agreed to between the parties.

In the Proposed Business Combination, shares of the Company ("Company Shares") will be exchanged for newly issued shares of Pubco ("Pubco Shares") pursuant to an exchange ratio to be determined at the Closing. The exchange ratio is based on a pre-transaction equity value of Tactical Resources of US\$500 million. Specifically, the exchange ratio will be calculated by dividing:

- a) the quotient obtained by dividing:

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- (i) the sum of US\$500 million, the amount of any new equity financings and the aggregate exercise price of any in-the-money equity awards, by
- (ii) the number of issued and outstanding Company Shares on a fully diluted basis, and

b) US\$10 per share.

As of July 31, 2024, the Company has incurred \$1,628,631 in costs that were expensed which related to the proposed transaction, and a \$1,621,927 portion remained unpaid and is included in accounts payable and accrued liabilities.

Sierra Blanca Quarry Project

On July 14, 2021, the Company entered into an assignment and assumption agreement (the "SBQ Assignment Agreement") with Peak 6891 LLC ("Peak"). Peak is party to an agreement dated June 1, 2021 with Sierra Blanca Quarry, LLC ("SBQ LLC"), Dennis Walker and Becky Dean Walker (the "SBQ Offtake Agreement"), pursuant to which Peak was granted the rights to acquire certain crushed ore and tailings materials extracted by SBQ LLC from the Sierra Blanca Quarry, located in Hudspeth County in the State of Texas. Pursuant to the SBQ Assignment Agreement, on August 11, 2021, (the "SBQ Closing Date"), Peak assigned all of its rights and obligations under the SBQ Offtake Agreement to the Company.

The Peak project found within the Sierra Blanca Complex is located 68 miles southeast of El Paso, Texas. The project is located within the Sierra Blanca Quarry which is currently operational in the production of ballast material for the Union Pacific railway.

In consideration for the SBQ Assignment Agreement, on the SBQ Closing Date, the Company issued 1,000,000 common shares ("SBQ Consideration Shares") (issued with a fair value of \$200,000), which have been capitalized to deferred acquisition costs. As of July 31, 2024 and July 31, 2023, the Company has not completed the acquisition of crushed ore or tailings materials and accordingly the costs incurred are recorded as deferred acquisition costs.

As further consideration for the SBQ Assignment Agreement, following the SBQ Closing Date, the Company is committed to the following additional payments which will be satisfied through the issuance of common shares of the Company (collectively, the "SBQ Milestone Shares"):

- a) \$250,000 upon receipt by the Company or any affiliate of a building permit and completion of construction bid set, including applicable specifications for construction, execution, operation and commercial production, for a facility (a "SBQ Processing Facility") to process material acquired by the Company pursuant to the SBQ Offtake Agreement, or any successor agreement;
- b) \$156,250 for each US\$2,000,000 of government grants received by the Company or any affiliate, in connection with the development and operation of the SBQ Processing Facility, to a maximum of \$1,171,875 provided that the final payment will be reduced in the event the maximum threshold has been reached;
- c) \$50,000 for each US\$2,000,000 of government loan guarantees received by the Company or any affiliate, in connection with the development and operation of the SBQ Processing Facility, to a maximum of \$625,000, provided that the final payment will be reduced in the event the maximum threshold has been reached;
- d) \$500,000 upon the Company or any affiliate reaching a decision to commence commercial production of HREE oxides or other refined metals at the SBQ Processing Facility; and
- e) \$250,000 upon the Company or any affiliate entering into a binding agreement to acquire commercial offtake material produced by the SBQ Processing Facility.

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In addition, on July 14, 2021, in connection with the SBQ Assignment Agreement, the Company entered into an agreement ("SBQ Finders' Fee Agreement") with Oasis SB Inc. ("Oasis" or the "Finder"). Oasis introduced the transaction contemplated by the SBQ Assignment Agreement and assisted the Company in facilitating the transaction. Pursuant to the SBQ Finders' Fee Agreement, the Company agreed to issue 50,000 common shares of the Company ("Oasis Finders' Shares") to Oasis for the services provided. The Oasis Finders' Shares were issued during the year ended July 31, 2022 with a fair value of \$10,000, which have been included in capitalized deferred acquisition costs.

The SBQ Consideration Shares and the Oasis Finders' Shares issued are subject to an escrow arrangement.

On July 30, 2021, the Company and SBQ LLC entered into a purchase and sale agreement ("SBQ P&S Agreement") to replace the SBQ Offtake Agreement. SBQ LLC owns and operates a surface metal mine that specializes in rhyolite, granite and other similar igneous rock, that is located in Sierra Blanca, Texas.

SBQ LLC has generated a stockpile located on the Surface Area that contains a minimum of 4 million tons of tailings (the "Tailings"). SBQ LLC has agreed to sell to the Company, the Tailings, in amounts selected by SBQ LLC, in its sole discretion, all on and subject to the terms and conditions of the SBQ P&S Agreement.

Delivery Schedule

- (i) A maximum of 45 days after commercial production decision and before November 30 of each calendar year, SBQ LLC shall advise the Company of the amount of Tailings that shall be available for purchase. The Company also has the option to purchase additional Tailings mined from the premises as and when the same become available on the same terms and conditions as set forth in the SBQ Agreement.
- (ii) A maximum of 15 days after the date set forth in Delivery Schedule (i) above, the Company shall advise SBQ LLC of the amount of Tailings the Company shall purchase for the remainder of the calendar year, or the upcoming calendar year, subject to the following maximum amounts:
 - o 600,000 tons in Calendar Year 2021,
 - o 1,300,000 tons in Calendar Year 2022,
 - o 1,300,000 tons in Calendar Year 2023, and
 - o 1,300,000 tons in Calendar Year 2024.

During the year ended July 31, 2024 and as of the date of this MD&A, no Tailings were purchased by the Company.

On May 13, 2022, the Company entered into an amendment of the SBQ Assignment P&S Agreement (the "Amended SBQ Assignment P&S Agreement") to provide an option to the Company to purchase all of the membership interest of SBQ LLC or partially of the membership interest of SBQ LLC with the consent of Dennis Walker and Becky Dean Walker on or before July 31, 2026. The purchase price of the membership interest of SBQ LLC will be determined by the Company and SBQ LLC based on the fair market value of SBQ LLC.

During the year ended July 31, 2024, the Company incurred \$304,795 in property investigation costs related to the Sierra Blanca Quarry Project (July 31, 2023 – \$424,724). These costs were incurred to evaluate the Sierra Blanca Quarry Project and to assess the potential of processing the Tailings into rare earth metals.

During the year ended July 31, 2024 and 2023, the Company incurred the following the project evaluation costs on Sierra Blanca Quarry Project:

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	For the years ended	
	July 31, 2024	July 31, 2023
	\$	\$
Field	-	6,302
Geological	-	9,710
Logistics	-	4,077
Project management	83,520	89,305
Sample analysis	-	163,121
Technical studies	220,000	149,732
Travel	1,275	2,477
	304,795	424,724

On March 20, 2024, the Company provided an update on its Phase 1 Technical Work Program at the Peak Project. Key highlights included:

- Bench-scale bottle roll leach testing completed, with data analysis and reporting underway;
- Ongoing progress in remaining programs; and
- Solidified stance as a key player in strengthening the U.S. Rare Earth supply chain, aligning with national strategic objectives.

On May 17, 2024, the Company announced the completion of the Vat-Leach testing, with ongoing data analysis and reporting to be completed on its Phase 1 Technical Work Program.

RESULTS OF OPERATIONS

Three Months Ended July 31, 2024 compared with the Three Months Ended July 31, 2023

The Company is in the exploration stage and has no revenue from operations. During the three months ended July 31, 2024, the Company recorded a net loss of \$2,146,760 compared to \$262,001 for the three months ended July 31, 2023. The increase in net loss was primarily a result of expenses incurred associated with the proposed transaction, as well as increases in cash and non-cash compensation including consulting fees, property investigation costs, professional fees, share-based payments, investor relations, travel, and accretion of interest.

During the three months ended July 31, 2024, the Company incurred the following expenditures:

- Transactions costs were \$1,628,631 for the three months ended July 31, 2024 compared to \$nil for the three months ended July 31, 2023. The increase is related to legal and corporate advisory fees incurred in connection with the proposed transaction.
- Consulting fees were \$129,611 for the three months ended July 31, 2024 compared to \$118,913 for the three months ended July 31, 2023. The increase is related to increased consulting services provided by various consultants compared to the three months ended July 31, 2023 as operating activities increased relating to the proposed transaction.
- Property investigation costs were \$100,816 for the three months ended July 31, 2024 compared to \$87,441 for the three months ended July 31, 2023. The Company had an increase in operating activities during the three months ended July 31, 2024, as the Company progressed its Phase 1 Technical Work Program on the Sierra Blanca Quarry Project.

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- Professional fees were \$156,111 for the three months ended July 31, 2024 compared to \$47,405 for the three months ended July 31, 2023. There was an increase in accounting and audit fees during the three months ended July 31, 2024 as compared to the prior year due to expanded financial statement reporting and disclosures related to additional scope of work requested of the Company's auditors.
- Share-based payments were \$91,911 for the three months ended July 31, 2024 compared to \$nil for the three months ended July 31, 2023. The Company recognized share-based payments expense arising from the restricted share units granted during the three months ended July 31, 2024 of \$91,911.
- Investor relations were \$25,371 for the three months ended July 31, 2024 compared to \$14,184 for the three months ended July 31, 2023. The increase is related to increased advertising and promotional activities during the three months ended July 31, 2024 as compared to the prior year.
- Travel was \$23,420 for the three months ended July 31, 2024 compared to \$nil for the three months ended July 31, 2023. The increase is related to increased travel by management and Company personnel for meetings related to the proposed transaction during the three months ended July 31, 2024 as compared to the prior year.
- On July 1, 2023, the Company entered into agreements with various service providers to extend the due date of the outstanding payable with an amount of \$390,503 to September 1, 2024. On July 22, 2024, the due date was further extended to September 30, 2025. Additionally, on July 22, 2024, the Company entered into agreements with service providers to extend the due date of another outstanding payable amounting to \$79,750 to September 30, 2025. The extension of the accounts payable has been considered as an extension of debt and a gain on extinguishment of \$71,699 has been recognized during the year ended July 31, 2024. During the three months ended July 31, 2024, the Company recorded accretion expense of \$14,601 as finance costs
- Deferred income tax recovery of \$5,448 was recognized during the three months ended July 31, 2024 on the equity portion of the convertible debentures.

Year Ended July 31, 2024 compared with the Year Ended July 31, 2023

The Company is in the exploration stage and has no revenue from operations. During the year ended July 31, 2024, the Company recorded a net loss of \$3,592,499 compared to \$2,623,861 for the year ended July 31, 2023. The increase in net loss was a result of expenses incurred associated with the proposed transaction, as well as increases in professional fees, travel and share-based payments, which were offset by decreases in consulting fees, general and administrative expenses, property investigation costs, investor relations and impairment of exploration and evaluation assets.

During the year ended July 31, 2024, the Company incurred the following expenditures:

- Transactions costs were \$1,628,631 for the year ended July 31, 2024 compared to \$nil for the year ended July 31, 2023. The increase is related to legal and corporate advisory fees incurred in connection with the proposed transaction.
- Consulting fees were \$383,986 for the year ended July 31, 2024 compared to \$642,329 for the year ended July 31, 2023. The decrease is related to reduced consulting services provided by various consultants for the year ended July 31, 2024 as overall operating activities decreased.
- General and administrative were \$119,269 for the year ended July 31, 2024 compared to \$208,397 for the year ended July 31, 2023. The decrease is related to a decrease in general and administrative fees incurred during the year ended July 31, 2024 as overall operating activities decreased.

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- Property investigation costs were \$304,795 for the year ended July 31, 2024 compared to \$424,724 for the year ended July 31, 2023. As the Company had an overall reduction in operating activities during the year ended July 31, 2024, the Company reduced expenditures on the Sierra Blanca Quarry Project.
- Investor relations were \$146,181 for the year ended July 31, 2024 compared to \$791,932 for the year ended July 31, 2023. The decrease is related to overall reduced advertising and promotional activities during the year ended July 31, 2024 as compared to the prior year.
- Impairment of exploration and evaluation assets were \$nil for the year ended July 31, 2024 compared to \$282,260 for the year ended July 31, 2023. During the year ended July 31, 2023, the Company decided not to exercise the DIG Agreement with DIG to acquire the Lac Ducharme Project and terminated the DIG Agreement with DIG. As a result of the termination, the Company impaired the carrying value of the Lac Ducharme Project and recognized an impairment loss of \$282,260.
- Professional fees were \$554,269 for the year ended July 31, 2024 compared to \$234,400 for the year ended July 31, 2023. There was an increase in accounting, audit and legal fees during the year ended July 31, 2024 as compared to the prior year due to expanded financial statement reporting and disclosures related to additional scope of work requested of the Company's auditors.
- Share-based payments were \$283,595 for the year ended July 31, 2024 compared to \$19,850 for the year ended July 31, 2023. The Company recognized share-based payments expense arising from the stock options granted during the year ended July 31, 2024 of \$164,721. The Company also recognized share-based payments expense arising from the restricted share units granted during year ended July 31, 2024 of \$118,874.
- Travel was \$129,494 for the year ended July 31, 2024 compared to \$3,675 for the year ended July 31, 2023. The increase is related to increased travel by management and Company personnel for meetings related to the proposed transaction during the year ended July 31, 2024 as compared to the prior year.
- On July 1, 2023, the Company entered into agreements with various service providers to extend the due date of the outstanding payable with an amount of \$390,503 to September 1, 2024. On July 22, 2024, the due date was further extended to September 30, 2025. Additionally, on July 22, 2024, the Company entered into agreements with service providers to extend the due date of another outstanding payable amounting to \$79,750 to September 30, 2025. The extension of the accounts payable has been considered as an extension of debt and a gain on extinguishment of \$71,699 has been recognized during the year ended July 31, 2024. During the year ended July 31, 2024, the Company recorded accretion expense of \$54,775 as finance costs.
- Deferred income tax recovery of \$5,448 was recognized during the year ended July 31, 2024 on the equity portion of the convertible debentures.

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SUMMARY OF QUARTERLY INFORMATION

The quarterly results for the last eight quarters are summarized below:

	Three months ended			
	July 31, 2024	April 30, 2024	January 31, 2024	October 31, 2023
	\$	\$	\$	\$
Net revenue	Nil	Nil	Nil	Nil
Net loss	(2,146,760)	(727,225)	(252,033)	(461,033)
Basic and diluted loss per share	(0.06)	(0.02)	(0.01)	(0.01)

	Three months ended			
	July 31, 2023	April 30, 2023	January 31, 2023	October 31, 2022
	\$	\$	\$	\$
Net revenue	Nil	Nil	Nil	Nil
Net loss	(262,001)	(761,644)	(513,567)	(1,086,649)
Basic and diluted loss per share	(0.00)	(0.02)	(0.01)	(0.04)

None of the variations in net loss reported in the previous periods were unusual or indicative of any trend with respect to the future when the Company expects to have more involvement in revenue-generating operations. Fluctuations reported were the result of the level of activity of the Company in each given reporting period.

SELECTED FINANCIAL INFORMATION

	For the year ended		
	July 31, 2024	July 31, 2023	July 31, 2022
	\$	\$	\$
Finance income	-	-	-
Operating expenses	2,035,567	2,402,179	3,617,830
Net loss	(3,587,051)	(2,623,861)	(4,138,559)
Basic and diluted loss per share	(0.10)	(0.07)	(0.20)
As at:	July 31, 2024	July 31, 2023	July 31, 2022
	\$	\$	\$
Total assets	367,535	1,483,703	3,282,852
Long-term financial liabilities	395,416	Nil	Nil
Cash dividend per share	Nil	Nil	Nil

The fluctuation in operating costs and corporate costs is attributable to variations in various expense items, such as consulting fees, investor relations, general and administrative expenses, professional fees, and property investigations costs, which occur due to the administrative and fund-raising activities occurring during a particular

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period and to the availability of funds in those periods to pay for those activities. There is no seasonality to these variations, nor are they indicative of any trend. The decrease in total assets in the period presented above was mainly related to the cash spent on the operating expenses and property investigation costs. In comparing the net loss for the year ended July 31, 2023 to July 31, 2024, as the Company continued operational and property investigation activities, the related expenditures during the year ended July 31, 2024 and total assets as of July 31, 2024 decreased compared to July 31, 2023.

LIQUIDITY AND CAPITAL RESOURCES

Working capital and cashflow

The Company's activities have been funded through equity financings and the Company expects it will continue to be able to utilize this source of financing until it develops cash flow from future operations.

The Company has no revenue-producing operations. As at July 31, 2024, the Company had accumulated losses of \$11,320,300 (July 31, 2023 – \$7,733,249). As at July 31, 2024, the Company had a working capital deficiency of \$1,901,209 (July 31, 2023 – working capital of \$1,147,696), including cash of \$45,115 (July 31, 2023 – \$1,125,043). Except for property expenditures on the Sierra Blanca Quarry Project, the Company does not have any commitments for capital expenditures.

The Company's business objectives using the available funds are to evaluate the existing tailings at the Sierra Blanca Quarry and acquire an exclusive option to purchase all or part of the membership interest of the Peak project.

The Company is dependent on external financing, including equity issuances and debt financing, to fund its activities. Management will determine whether to accept any offer for financing, weighing such factors as the financing terms, the results of exploration, share price at the time and current market conditions, among others. Circumstances that could impair the Company's ability to raise additional funds include general economic conditions, and the other factors set forth below under "*Risk Factors*".

On an ongoing basis, management evaluates and adjusts its planned level of activities, including planned, exploration and committed administrative costs, to maintain adequate levels of working capital.

There can be no assurances the Company will be successful in its endeavors. If such funds are not available or other sources of financing cannot be obtained then the Company will be forced to curtail its activities to a level for which funding is available or can be obtained.

On May 17, 2024, the Company completed a non-brokered private placement of unsecured convertible debentures (the "Debentures") in the principal amount of \$200,000 with an arm's length lender (the "Private Placement").

Operating activities

Cash outflows of \$1,265,932 were recorded from operating activities during the year ended July 31, 2024. This is primarily due to outflows relating to consulting fees, general and administrative, investor relations, professional fees, property investigation costs, transfer agent, regulatory and listing fees and travel.

Financing activities

On May 17, 2024, the Company completed a non-brokered private placement of a 2-year, 10% unsecured convertible debentures (the "Debentures") in the principal amount of \$200,000 with an arm's length lender (the "Private Placement"). Any accrued and unpaid Interest may, in the Company's sole discretion, be paid in cash or in Units at a conversion price equal to the last closing market price of the Shares on the TSXV immediately prior to such

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conversion date, subject to the policies of the TSXV. The Debentures have a maturity date of May 17, 2026 (the "Maturity Date")

The Debentures may be converted into units of the company ("Units") at any time from the date of issuance until the Maturity Date with a conversion price of \$0.10 per Unit. Each Unit consists of one common share of the company and one share purchase warrant. Warrants are exercisable into additional common shares of the company with an exercise price of \$0.15 for a period of 3 years.

Debentures and warrants issued upon conversion are subject to the following blocker provisions:

- **10% blocker:** Prevents conversion if it would result in the securityholder holding 10% or more of the issued and outstanding shares.
- **20% blocker:** Restricts exercise of warrants if it exceeds 20% ownership.

OUTSTANDING SHARE DATA

At July 31, 2024, the Company had 35,674,480 common shares issued and outstanding (July 31, 2023 – 35,674,480) with a value of \$7,410,662 (July 31, 2023 – \$7,410,662).

Escrow shares

Certain common shares and warrants issued by the Company are subject to either an escrow agreement entered into on February 28, 2022 (the "Escrow Agreement"), or contractual restrictions on transfer. Those common shares and warrants will be released from escrow as follows:

- For the 13,800,000 common shares issued in connection with the non-brokered private placement financing completed on August 3, 2020, 13,371,580 common shares which are held by non-related parties of the Company are subject to a 12-month escrow, with 20% of such common shares released from escrow on the Listing Date, with an additional 20% of the Common Shares released from escrow every three months thereafter.

428,150 common shares which are held by related parties of the Company are subject to a 36-month escrow pursuant to the Escrow Agreement, with 10% of such common shares released from escrow on the Listing Date, with an additional 15% of the Common Shares released from escrow over the 36-months following the Listing Date.

- Shares issued through the exercise of the 13,800,000 warrants issued in connection with the non-brokered private placement financing completed on August 3, 2020, 13,372,475 warrants which are held by non-related parties of the Company are subject to an escrow arrangement for four months from the Listing Date, with 20% of the securities released from escrow on the Listing Date and an additional 20% every month thereafter.

427,525 warrants which are held by related parties of the Company are subject to a 36-month escrow pursuant to the Escrow Agreement, with 10% of such common shares released from escrow on the Listing Date, with an additional 15% of the Common Shares released from escrow over the 36-months following the Listing Date.

- The 9,772,020 warrants issued on April 16, 2021 are subject to an escrow arrangement for a period of twelve months from the Listing Date, during which time the warrants, and any common shares issued upon

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the exercise of the warrants, may not be traded, transferred, assigned or otherwise encumbered without the prior consent of the CSE.

- The 1,000,000 SBQ Consideration Shares and the 50,000 Oasis Finders’ Shares are subject to a contractual escrow arrangement such that 20% of such shares will be released on August 11, 2022 and an additional 20% every three months thereafter.

During the year ended July 31, 2024:

- No share issuances occurred.
- The expiry of 2,856,500 warrants was extended from March 14, 2024 to May 13, 2026.
- No warrants were issued, exercised or cancelled.
- 2,395,000 options were granted.
- No options were exercised or cancelled.
- 3,565,000 restricted share units (“RSU’s”) were granted.
- 25,000 RSUs granted to one of the consultants on March 5, 2024 were forfeited.

Subsequent to July 31, 2024:

- No share capital transactions occurred.

As of the date of this MD&A, the Company had:

- 35,674,480 common shares issued and outstanding;
- 2,856,500 warrants outstanding;
- 2,395,000 stock options outstanding; and
- 3,540,000 RSU’s outstanding.

RELATED PARTY TRANSACTIONS

The Company has determined that key management personnel consist of executive and non-executive members of the Company’s Board of Directors and corporate officers. The following table discloses the total compensation incurred to the Company’s key management personnel during the years ended July 31, 2024 and 2023:

Related Party	Relationship
Ranjeet Sundher	CEO and Director
Alnesh Mohan	CFO
Matt Chatterton	Director
Kuljit (Jeet) Basi	Director
J. Garry Clark	Director
Mark Mukhija	Director
1323552 BC Ltd.	A company in which the CEO is a principal
Quantum Advisory Partners LLP	A partnership in which the CFO is a partner
Number Eight Management Ltd.	A company in which a director is a principal
SVK Metrix Inc.	A company in which a director is a principal

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The Company entered into the following transactions with related parties during the years ended July 31, 2024 and 2023:

	For the years ended	
	July 31, 2024	July 31, 2023
	\$	\$
Ranjeet Sundher, CEO and Director		
Consulting fees ⁽¹⁾	120,000	120,000
Share-based payments	21,954	-
	141,954	120,000
Alnesh Mohan, CFO		
Professional fees ⁽²⁾	173,420	104,260
Share-based payments	7,993	-
	181,413	104,260
Kuljit (Jeet) Basi, Director		
Consulting fees ⁽³⁾	120,000	120,000
Share-based payments	24,482	-
	144,482	120,000
Matt Chatterton, Director		
Consulting fees ⁽⁴⁾	-	12,000
Share-based payments	12,901	-
	12,901	12,000
Mark Mukhija, Director		
Share-based payments	7,519	9,925
Garry Clark, Director		
Share-based payments	2,407	9,925
TOTAL	490,676	376,110

(1) Paid to 1323552 BC Ltd.

(2) Paid to Quantum Advisory Partners LLP. Fees consist of CFO, financial reporting and accounting support services.

(3) Paid to SVK Metrix Inc.

(4) Paid to Number Eight Management Ltd.

All related party transactions are carried out in the normal course of operation and are recorded at fair value.

The carrying value due to the Company's directors and officers included in accounts payable and accrued liabilities were \$209,150 of which \$164,290 was classified as non-current as at July 31, 2024 (July 31, 2023 - \$127,699 of which \$98,673 was classified as non-current), including amounts owed to the following:

- SVK Metrix Inc.: \$105,052 (July 31, 2023 - \$78,942)
- Quantum Advisory Partners LLP: \$19,110 (July 31, 2023 - \$3,276)
- 1323552 BC Ltd.: \$84,988 (July 31, 2023 - \$45,481)

The amounts due to related parties are unsecured, non-interest bearing and payable on demand.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not utilize off-balance sheet arrangements.

CRITICAL ACCOUNTING ESTIMATES

These financial statements, including comparatives, have been prepared using accounting policies consistent with IFRS issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their fair value. In addition, these Financial Statements have been prepared using the accrual basis of accounting except for cash flow information. Refer to Note 2 of the audited financial statements for the year ended July 31, 2024 for details on critical accounting estimates and judgments.

NEW ACCOUNTING PRONOUNCEMENTS

The Company has not identified any new accounting pronouncements that are likely to have a material impact on the unaudited condensed interim financial statements.

There were no recently adopted accounting standards with a material impact to the financial statements during the year ended July 31, 2024.

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for accounting periods beginning on or after August 1, 2024. The Company does not expect that any new or amended standards or interpretations that are effective for annual periods beginning on or after August 1, 2024 will have a significant impact on the Company's future results of operations or financial position.

FINANCIAL INSTRUMENTS

In the normal course of business, the Company is inherently exposed to certain financial risks, including market risk, credit risk and liquidity risk, through the use of financial instruments. The timeframe and manner in which the Company manages these risks varies based upon management's assessment of the risk and available alternatives for mitigating risk. The Company does not acquire or issue derivative financial instruments for trading or speculative purposes. All transactions undertaken are to support the Company's operations. These financial risks and the Company's exposure to these risks are provided in various tables in note 12 of our audited financial statements for the year ended July 31, 2024. For a discussion on the significant assumptions made in determining the fair value of financial instruments, refer also to note 2 of the financial statements for the year ended July 31, 2024.

OTHER MD&A REQUIREMENTS

Management's responsibility for financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Risks and uncertainties

- **Financing risks**

Additional funds may be required in the future to finance exploration and development work. The Company has access to funds through the issuance of additional equity and borrowing. There can be no assurance that such funding will be available to the Company under current economic conditions. Furthermore, even if such financing is successfully completed, there can be no assurance that it will be obtained on terms favourable to the Company or that it will provide the Company with sufficient funds to meet its objectives, which could adversely affect the Company's business and financial condition.

- **Title to properties**

The Company will diligently investigate all title matters concerning the ownership of all mining claims and plans to do so for all new claims and rights to be acquired. The Company's options to acquire mining properties may be affected by undetected defects in title, such as the reduction in size of the mining titles and other third-party claims affecting the Company's interests. Maintenance of such interests is subject to ongoing compliance with the terms governing such mining titles. Mining properties sometimes contain claims or transfer histories that examiners cannot verify. Upon the exercise of its option, a successful claim that the Company does not have title to any of its mining properties could cause the Company to lose any rights to explore, develop, and extract any ore on that property, without compensation for its prior expenditures relating to such property.

- **Permits and licenses**

The operations of the Company will require licences and permits from various governmental and non-governmental authorities. The Company will obtain all necessary licences and permits required to carry on with activities which it proposes to conduct under applicable laws and regulations. However, such licences and permits are subject to changes in regulations and in various operating circumstances. There can be no assurance that the Company will be able to obtain all necessary licences and permits required to carry out exploration, development, and extraction operations on its mining properties.

- **Environmental and other regulatory requirements**

Environmental and other regulatory requirements will affect the future operations of the Company, including exploration and development activities and commencement of production on the Company's mining properties. Such projects will require permits from various federal and local governmental authorities and such operations are and will be governed by laws and regulations governing exploration, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety, and other matters. The Company believes it is in substantial compliance with all material laws and regulations which currently apply to its activities. Companies engaged in the development and operation of mines and related facilities often experience increased costs, and delays in production and other schedules as a result of the need to comply with applicable laws, regulations, and permits.

Additional permits and studies, which may include environmental impact studies conducted before permits can be obtained, may be necessary prior to operation of the Company's mining properties and there can

be no assurance that the Company will be able to obtain or maintain all necessary permits that may be required to commence construction, development, or operation of ore extraction facilities at the Company's mining properties on terms which enable operations to be conducted at economically justifiable costs.

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining exploration activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and environmental laws.

Amendments to current laws, regulations, and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or production costs or reductions in levels of production at producing properties or require abandonment or delays in development of new mining properties.

- **SBQ Agreement**

The Company has not yet completed a work program on the tailings acquired pursuant to the SBQ Agreement, and there is no guarantee that such tailings will have economically recoverable REEs.

- **Risk of global outbreaks and contagious diseases**

The risk of global outbreaks, including COVID-19, have the potential to significantly and adversely impact the Company's operations and business. On March 11, 2020, the World Health Organization recognized COVID-19 as a global pandemic. The Company is continuously evaluating the uncertainty and impact of the outbreak on the Company and its ability to operate due to employee absences, the length of travel and quarantine restrictions imposed by governments of affected countries, disruption in the Company's supply chains, information technology constraints, government interventions, market volatility, overall economic uncertainty and other factors currently unknown and not anticipated.

There can be no certainty that COVID-19, or other infectious illness, and the restrictive measures implemented to slow the spread of the virus will not materially impact the Company's operations or personnel in the coming weeks and months. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business, results of operations or ability to raise funds at this time.