CPS

CANADIAN PREMIUM SAND INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three months ended December 31, 2025

This Management's Discussion and Analysis ("MD&A") dated March 2, 2026, should be read in conjunction with the Canadian Premium Sand Inc. (the "Company" or "CPS") unaudited interim condensed consolidated financial statements for the three months ended December 31, 2025, and the audited consolidated financial statements for the year ended September 30, 2025.

All financial information is reported in Canadian dollars unless stated otherwise and has been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

This MD&A contains "forward-looking statements" or "forward-looking information" within the meaning of applicable Canadian securities laws (collectively, "forward-looking statements") based on the Company's current expectations and projections. For information on the material risk factors and assumptions underlying such forward-looking statements, refer to the Forward-Looking Statements Section of this MD&A.

Any technical information contained in this MD&A related to the Company's Wanipigow reserves the ("Wanipigow Sand Quarry") *has been extracted or summarized based on the information contained in the Inferred Mineral Resource Report for the Wanipigow Sand Quarry dated April 9, 2025, reviewed and approved by Roy Eccles, P. Geol. of APEX Geoscience Ltd., who is independent of the Company and a "qualified person" under National Instrument 43-101 Standards of Disclosure for Mineral Projects (the "Technical Report"). Readers are cautioned not to solely rely on the summary of this information but should read the Technical Report in its entirety which is available for review on the Company's profile on SEDAR+ at www.sedarplus.ca.*

The term "Inferred Mineral Resource" used in the MD&A is a Canadian mining term as defined in accordance with NI 43-101 under the guidelines set out in the Canadian Institute of Mining, Metallurgy and Petroleum (the "CIM") Standards on Mineral Resources and Mineral Reserves, as may be amended from time to time by the CIM. Inferred Mineral Resources, which are not Mineral Reserves, do not have demonstrated economic viability. For a detailed discussion of the Company's resource and reserve estimates and related matters see the Company's Technical Report.

About Canadian Premium Sand Inc.

The Company was formed under the Business Corporations Act (Ontario) on September 21, 2005 by articles of incorporation and continued under the Canada Business Corporations Act in 2019. The Company is a "Venture Issuer" as defined in National Instrument 51-102 and trades under the trading symbol "CPS". The Company's head and principal office is located at Suite 2000, 715 – 5th Avenue S.W., Calgary, Alberta T2P 2X6.

The Company has 41 contiguous quarry leases located approximately 160 kilometers north of Winnipeg, Manitoba. These leases grant the Company exclusive rights to quarry silica sand, intended for industrial applications which includes use as a fracture proppant and feedstock for premium glass manufacturing.

Subsequent Events

(a) Convertible Debenture Offering

On March 2, 2026, the Company announced a non-brokered private placement (the "Offering") of secured convertible debentures (the "Convertible Debentures"). Pursuant to the Offering, the Company has received subscriptions for the Convertible Debentures totaling $1,003,000 from those who hold the Company's outstanding $1.975 million aggregate principal amount of secured debentures due February 26, 2027 (the "Outstanding Convertible Debentures") as well as from certain other strategic investors.

The Convertible Debentures bear interest at 12% per annum, compounded quarterly from the date of issuance and payable in arrears on maturity. The Convertible Debentures mature on February 26, 2027 (the "Maturity Date"). The principal amount and accrued interest thereon are convertible into common shares ("Common Shares"), at the holder's option, at a price of $0.15 per Common Share, subject to adjustment in certain events, at any time prior to the Maturity Date.

As a condition to the completion of the Offering, the Company has agreed to amend the conversion price of the Outstanding Convertible Debentures from $0.75 to $0.15 per Common Share and make certain other amendments such that the Outstanding Convertible Debentures will be on the same terms as the Convertible Debentures.

The Convertible Debentures are a secured obligation of the Company and rank equally with the Outstanding Convertible Debentures and senior to all present and future indebtedness that is not senior indebtedness, which will involve the grant by the Company, of a fixed and floating charge over all of its present and after acquired property.

The Convertible Debentures may be redeemed prior to their Maturity Date by the Company, in whole or in part, at any time the daily volume weighted average trading price is $0.24 per Common Share or more over a 30 consecutive trading day period. The Convertible Debentures may be redeemed for either a cash payment or by issuing Common Shares at a deemed price of $0.15 per Common Share that is equal to all outstanding principal and accrued interest up to the redemption date or any combination thereof, on not less than 30 days' notice to the Convertible Debenture holders. Upon a change of control of the Company prior to the Maturity Date, unless the holder elects to convert the Convertible Debentures into Common Shares, the Company is required to repay all outstanding principal and accrued interest in cash, together with a change of control premium equal to 3% of the outstanding principal amount.

Certain directors of the Company, being Lowell Jackson, John Assman, Glenn Leroux, and its significant shareholder, being Paramount Resources Ltd., directly or indirectly subscribed for an aggregate amount of $328,000 under the Offering. Accordingly, the Offering constitutes a "related party transaction" as defined under Multilateral Instrument 61-101.

The Offering is anticipated to be completed by the end of March 2026 and remains subject to the acceptance of the TSX Venture Exchange including the amendments to be made to the Outstanding Convertible Debentures. No Convertible Debenture proceeds had been received by the Company as at the date of this Management's Discussion and Analysis.

(b) Board Director Resignation

On January 29, 2026, Rodrigo Sousa resigned from the Company's Board of Directors. Mr. Sousa has been a director of the Company since 2018.

Business Outlook

Project Development

During the first quarter of fiscal year 2026, the Company focused its time and resources toward advancing the commercialization of its Wanipigow silica sand deposit for the production and sale of industrial silica sand, along with evaluating the potential to manufacture float glass at Selkirk. The Company continues to monitor the pattern solar glass market dynamics including policy changes that could influence its development strategy.

On April 09, 2025, the Company released its updated Inferred Mineral Resource Report announcing a substantial increase in its low-iron sand inferred resource, detailing a total of 24.4 million tonnes of solar grade low-iron glass sand. The Technical Report also references a previously defined measured and indicated resource of 42.3 million tonnes from the lower and upper black island formations, suitable for use as proppant in hydraulic fracturing applications.

In consideration of the near-term challenges facing the US solar industry and the resulting impact on the Company's ability to finance its pattern solar glass projects in both Selkirk and the US, the Company is prioritizing development of the silica sand resource with an initial focus on supplying fracture proppant to the oil and gas industry. In parallel, the Company continues to evaluate sales opportunities in the industrial and glass manufacturing silica markets.

Wanipigow Quarry Development

The Western Canadian Sedimentary Basin consumed approximately 8 million tonnes of fracture proppant in 2024, of which approximately 6 million tonnes were imported from the US[1]. Wanipigow silica sand competes directly with the technical quality of imported US fracture proppant and is superior to the existing domestic supply. The Company is assessing its ability to compete commercially across key segments of the Western Canadian market, with a focus on establishing strategic relationships that leverage existing logistics infrastructure to minimize landed costs in the Montney, Deep Basin and Duvernay markets.

Float Glass Manufacturing

In December 2025, the Company completed an internal market study that involved interviews with Canadian and US fenestration (window and door manufacturing) companies, the results of which were encouraging. Canada is the only G20 country without domestic float glass manufacturing capacity importing 100% of its float glass requirements, approximately 90% of which are sourced from the US[2].

Canada's reliance on imported float glass, together with the current federal government's focus on building domestic supply chain stability for critical infrastructure, presents a potential opportunity for the Company. Manufacturing float glass used for windows, doors and other architectural applications would leverage the Company's silica sand resource, existing Environmental Act Licenses and its option to purchase the 121 acre industrial land parcel in Selkirk, Manitoba.

Based on the Company's internal float glass market study and statistics published by Fenestration Canada, the Canadian market could support a float glass manufacturing facility with capacity of approximately 600 tonnes per day, which is well within the limits of the Company's Environmental Act Licenses for both Selkirk and Wanipigow. Engagement with the Province of Manitoba regarding the potential development of a float glass facility in Selkirk is positive. The Province recognizes that establishing glass manufacturing plays an enabling role in their vision of attracting other silica-based industries to the Province.

Review of Operations for the three months ended December 31, 2025

Overall Performance and Share Capital

Three months ended December 31,	**2025**	2024
Net loss and comprehensive loss	**$(775,253)**	$(848,583)
Net loss per share – basic and diluted	**$(0.01)**	$(0.01)
Weighted average number of shares outstanding - basic and diluted	**92,627,156**	84,692,543

The net loss and comprehensive loss for the three months ended December 31, 2025, decreased in comparison to the prior year period, primarily due to a net gain on modification of convertible debentures, foreign exchange gain, and lower selling, general and administrative expenses. These decreases were partially offset by higher exploration and evaluation, glass plant, and share-based compensation expenses.

The Company will continue to incur losses based on completing the required project development activities until it achieves commercial operations. As noted in the Liquidity, Capital Resources and Going Concern section of this MD&A, the Company remains dependent on external financing to fund its activities and will need to seek additional funding to complete the development and construction of its Wanipigow Sand Quarry.

[1] Rystad 2024 Canadian Fracture Proppant Report

[2] Fenestration Canada

Exploration and Evaluation

The exploration and evaluation expenditures relate to the development of the Wanipigow Sand Quarry and are broken down by category as follows:

Three months ended December 31,	2025	2024
	$	$
Advance royalty payments	50,000	50,000
Acquisition and participation costs	23,706	23,776
Field office expenses	9,974	10,356
Consulting	9,000	9,000
Equipment rental and site supplies	294	118
Quarry design	72,766	3,900
Decommissioning	(4,142)	(3,990)
Total exploration and evaluation	**161,598**	93,160

The costs incurred during the three months ended December 31, 2025 increased compared to the same period in the prior year, primarily due to silica sand processing design activities.

Glass Plant

Expenditures incurred for the development of the premium glass manufacturing facilities are broken down as follows:

Three months ended December 31,	2025	2024
	$	$
Plant feasibility	21,663	14,818
Glass plant design	21,761	-
Decommissioning	(2,897)	(2,072)
Total glass plant	**40,527**	12,746

For the three months ended December 31, 2025, costs increased compared to the same period in prior year due to the engagement of consultants to conduct a North American float glass market study and related business plan.

Selling, General and Administrative

The following table disaggregates the selling, general and administrative expenditures for the three months ended December 31:

Three months ended December 31,	2025	2024
	$	$
Employee compensation and benefits	271,768	200,283
Professional fees	154,024	288,512
Office	24,303	32,499
Depreciation	12,953	11,924
Shareholder information	4,965	5,578
Total selling, general and administrative	**468,013**	538,796

Selling, general and administrative expenditures for the three months ended December 31, 2025, decreased compared to the prior year period largely due to professional fees reflecting the reclassification of finance executive costs to employee compensation and benefits, reduced glass executive consulting fees, lower investor relations activity, and the absence of prior period professional services related to the 48C tax credit. These decreases were partially offset by higher employee compensation and legal fees.

Share-Based Compensation

Share-based compensation expense for the three months ended December 31, 2025 was $36,700 compared to ($22,290) in the prior year period. Share-based compensation expense is based on the value, forfeiture rates, and timing of grants of stock options.

Net (Gain) Loss on Modification of Financial Instruments

Net (gain) loss on modification of financial instruments for the three months ended December 31, 2025 was ($43,540) compared to $68,164 in the prior year period reflecting the extension of the maturity date of convertible debentures. The increase in the fair value of the equity component on modification was lower in the current period due to a lower stock price, resulting in a reduced loss in net (gain) loss on modification of financial instruments.

Foreign Exchange (Gain) Loss

Foreign exchange (gain) loss for the three months ended December 31, 2025 was ($9,958) compared to $56,159 in the corresponding prior year period. These foreign exchange fluctuations relate to US dollar denominated accounts payable and expenses.

Net Finance Costs

Net finance costs for the three months ended December 31, 2025 was $121,913 compared to $101,848 in the prior year period. The increase in net finance costs is primarily attributable to compounding interest on the convertible debentures.

Selected Quarterly Financial Data

	December 31, 2025	September 30, 2025	June 30, 2025	March 31, 2025	December 31, 2024	September 30, 2024	June 30, 2024	March 31, 2024
	$	$	$	$	$	$	$	$
Revenue	**-**	-	-	-	-	-	-	-
Gross profit	**-**	-	-	-	-	-	-	-
Net loss[1]	**(775,253)**	(826,101)	(739,910)	(961,242)	(848,583)	(1,506,048)	(816,449)	(832,172)
Net loss per share	**(0.01)**	(0.01)	(0.01)	(0.01)	(0.01)	(0.02)	(0.01)	(0.01)
Total assets[1]	**1,104,838**	1,893,563	2,320,859	2,993,190	3,998,405	998,974	1,435,537	2,077,637

[1]*The change in net loss and total assets quarter over quarter is primarily a result of the timing and amount of selling, general and administrative, exploration and evaluation, and glass plant expenditures incurred to progress the Company's business model.*

Liquidity, Capital Resources and Going Concern

The Company's unaudited interim condensed consolidated financial statements were prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards), including International Accounting Standard 34 (IAS 34), Interim Financial Reporting, on the basis of accounting principles applicable to a going concern, which assume the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

As at December 31, 2025 the Company had a deficit of $51,159,430 (September 30, 2025 of $50,384,177), cash and cash equivalents of $743,399 (September 30, 2025 of $1,523,812), current liabilities of $1,031,493 (September 30, 2025 of $4,941,437) and commitments associated with participation agreements, the acquisition of quarry leases, and an office lease for the twelve-month period to December 31, 2026 of $176,500. For further details see Commitments and Contingencies.

The Company's continued existence is dependent upon the preservation of its interest in the Company's quarry leases, and the successful pursuit of additional financing to fund its planned projects and future operations.

In December 2025, the Company reached an agreement with the holders of its outstanding convertible debentures to extend the maturity date to February 26, 2027.

Subsequent to period end, on March 2, 2026, the Company announced a non-brokered private placement of secured convertible debentures. The Company has received subscriptions for the convertible debentures totaling $1,003,000. The non-brokered private placement is anticipated to close by the end of March 2026 and remains subject to acceptance by the TSX Venture Exchange. No convertible debenture proceeds had been received as at the date of this Management's Discussion and Analysis. The proceeds will be used for general working capital purposes as the Company continues to advance strategic initiatives.

Significant challenges in raising new capital through the equity and debt markets exist and there is no assurance that the Company's financing efforts will be successful. These material uncertainties lend significant doubt as to the ability of the Company to meet its obligations as they come due and, accordingly, the appropriateness of the use of accounting principles applicable to a going concern. These interim condensed consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary if the Company was unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

Transactions with Related Parties

The related parties are directors and officers of the Company and entities over which executive management and directors have control or significant influence. The Company's Directors and Officers as at December 31, 2025 are as follows:

Lowell Jackson	Chairman & Director
Glenn Leroux	President & Chief Executive Officer and Director
Isha Kular	Chief Financial Officer
Alasdair Knox	Vice President of Project Engineering
Anshul Vishal	Vice President of Corporate Development
John Assman	Director
Todd Garman	Director
Theresa Jester	Director
Rodrigo Sousa	Director
Brad Virbitsky	Director

Related party transactions during the three months ended December 31, 2025, are as follows:

In December 2025, the maturity date of the convertible debentures was extended to February 26, 2027. All holders of convertible debentures are executive officers, directors, or key strategic investors in the Company.

Commitments and Contingencies

The Company is committed to payments under the terms of quarry leases, royalty and participation agreements, provincial statutes, and office lease as follows:

	Payments due by period		
As at December 31, 2025	**Less than 1 year**	**1-3 years**	**4-5 years**
	$	**$**	**$**
Quarry lease agreements[1]	58,500	175,500	117,000
Royalty and participation agreements[1,2]	100,000	525,000	200,000
Office lease	18,000	-	-
Total commitments	**176,500**	**700,500**	**317,000**

[1] Beyond five years, the Company is committed to annual quarry lease payments of $27 per hectare under lease and annual minimum production royalty payments of $100,000.

[2] Certain of the royalty and economic participation agreements require payments to be made prior to the commencement of commercial production. Once commercial production commences, royalty and participation payments are based on tonnes sold, less any reductions related to advanced royalty payments already made as described in further detail below.

a) Royalty and Economic Participation Agreement Commitments

The Company has economic participation agreements with respect to the Wanipigow Sand Quarry with Hollow Water First Nation and the Incorporated Community of Seymourville (together, the "Economic Participation Agreements"). The Company has also entered into contractual agreements relating to the acquisition of title for 18 of its quarry leases.

Certain of the royalty and participation agreements entered into, required payments to be made prior to the commencement of commercial production as noted in the table above. A portion of the royalty payments made to date, plus applicable accrued interest, are considered advance royalty payments which total $3,514,672 at December 31, 2025 ($3,410,437 at September 30, 2025) which can be offset against specified future royalty payments owing when commercial production commences.

Once commercial production commences, the royalty and participation agreements combined with the royalty due under Manitoba Provincial statutes, have varying future payments based on a number of factors including the rate, location, and the sale point end use. Due to the variability in the royalty and participation obligations, the Company's future commitment ranges from a maximum of $4.80 per tonne to a minimum of $3.80 per tonne.

b) Reduction in Future Cash Royalty Payments

The Company is required to make semi-annual advance royalty payments of $50,000 under one of its royalty agreements and under another agreement, prepaid a lump sum of $1.3 million which accrues interest at 9% per annum. The total accrued interest plus cash payments is $3,514,672 at December 31, 2025 ($3,410,437 as at September 30, 2025).

These semi-annual royalty payments will reduce future cash payments required under the royalty agreements, once production commences, and are expected to reduce cash payments for a number of years, depending on the annual mineral extraction rate.

Financial Instruments and Management of Financial and Other Risks

(a) Fair value

The fair values of cash and cash equivalents, trade and other receivables, and accounts payable and accruals included in the interim condensed consolidated statements of financial position approximate their carrying amount due to the short-term maturity of these instruments.

The fair value of the lease liabilities, and the liability component of the convertible debentures is determined based on discounted cash flows, including interest at current rates for similar instruments.

Management's best estimate is that the carrying value of the debt component of the convertible debentures approximates its fair value as at December 31 ,2025 and September 30, 2025, given its short maturity and the absence of observable market data for comparable instruments.

(b) Credit and interest rate risk

The Company's credit risk is primarily attributable to cash and cash equivalents and trade and other receivables included in current assets. Cash and cash equivalents consist of bank deposits, which are held by a Canadian chartered bank.

At December 31, 2025, the Company holds interest-bearing cash balances of $640,234 (September 30, 2025 - $1,395,241). The Company has collected the trade and other receivables balance in full, subsequent to the period end.

(c) Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due and ensuring an adequate supply of funds to enable the Company to carry out its intended programs. As at December 31, 2025, the Company had cash and cash equivalents of $743,399 (September 30, 2025 - $1,523,812) to settle current liabilities of $1,031,493 (September 30, 2025 - $4,941,437) and commitments for the 12-month period to December 31, 2026 of $176,500. All the Company's accounts payable and accruals have contractual maturities of less than one year and are subject to normal trade terms. The Company's principal source of liquidity is funding from key strategic investors. The Company monitors its liquidity position on an ongoing basis and manages liquidity risk by regularly evaluating operating budgets and forecasting cash flows to meet financing requirements. See Liquidity, Capital Resources and Going Concern.

(d) Foreign currency risk

The Company is exposed to foreign currency exchange risk as the Company undertakes certain transactions in US dollars.

The Company has not entered into any derivative financial instruments to manage exposures to currency fluctuation.

For the three months ended December 31, 2025, with other variables unchanged, a 10% strengthening (weakening) of the Canadian dollar against the US dollar would have decreased (increased) net loss in aggregate by approximately $97,557. Included in accounts payable and accruals at December 31, 2025 is USD $612,585 (September 30, 2025 - USD $630,501).

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Critical Accounting Estimates

The preparation of the interim condensed consolidated financial statements in accordance with IFRS Accounting Standards, requires management to make judgments, estimates, and assumptions that affect the reported assets, liabilities, revenues, expenses and the disclosure of contingencies. Actual results may differ significantly from these estimates.

A description of the significant accounting judgments, estimates and assumptions are set out in the annual audited financial statements for the year ended September 30, 2025.

Future Accounting Pronouncements

In April 2024, the International Accounting Standards Board (IASB) issued IFRS 18, Presentation and Disclosure in Financial Statements, which will replace IAS 1 Presentation of Financial Statements. The new standard will establish a revised structure for the consolidated statements of comprehensive loss and improve comparability across entities and reporting periods. IFRS 18 is effective for annual periods beginning on or after January 1, 2027. The standard is to be applied retrospectively, with certain transition provisions. The Company is currently evaluating the impact of adopting IFRS 18 on the consolidated financial statements.

In May 2024, the IASB issued amendments to IFRS 9, Financial Instruments, and IFRS 7, Financial Instruments: Disclosures. The amendments include clarifications on the derecognition of financial liabilities and the classification of certain financial assets. The amendments are effective for annual periods beginning on or after January 1, 2026, and will be applied retrospectively. The Company is currently evaluating the impact of the amendments on the consolidated financial statements.

Risks and Uncertainties

General Risks/No History of Operations

The Company is a development stage company and does not hold any interest in any property which is in commercial production nor does it have a history of operations. As such, the Company is dependent on further external financing to continue to advance its business model. In order to carry out the planned development and pay for administrative costs, the Company will spend its existing working capital and attempt to raise additional funds as needed.

The Company’s viability lies in its ability to develop, finance, construct and generate future revenue, profits and cash flow from its planned projects under development.

There is no assurance that the Company will be successful in its development activities and the Company's likelihood of success must be considered in light of its early stage of operations.

Capital Risk

The development and construction activities of the Company required to achieve commercial operations will require substantial additional financing. Failure to obtain sufficient financing may result in delaying or indefinite postponement of its planned projects. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financings will be favorable to the Company.

Risks Associated with Uncertainty Surrounding US Tariffs and Counter Tariffs

The Company is exposed to business risk arising from ongoing tariff and counter-tariff measures between the US, Canada, and other international trading partners. The extent and duration of tariffs may (i) materially adversely affect the prices received by the Company for its products, (ii) decrease the available markets for the Company's products, (iii) drive reductions in projected production, (iv) increase the cost of equipment, raw materials and supplies required to produce the Company's products, and (v) increase volatility in foreign exchange rates for the Canadian and US projects. While the Company currently does not engage in sales to US customers or import goods from the US at volumes that would materially affect its financial condition, evolving trade policies could have a material adverse impact on the Company's future business, financial condition, results of operations, and cash flows.

The Company continues to monitor developments and will assess the impact of tariff-related measures on its operations and planned projects. At present, the financial impact of these tariffs cannot be quantified.

Industry Risks

The Company is subject to numerous risk factors that may affect its business prospects in the future. These include risks inherent to the development and operation of the sand quarry and pattern solar glass manufacturing facilities, dependence on key personnel, raw material input prices, product sales prices, tariffs, availability of capital, environmental, regulatory and permitting risks, acquisition risks, competition and potential risks relating to land titles. There are other risk factors that could have material effects on the Company that are not quantifiable at present due to the nature of the Company's stage of operation, industry segment and other considerations.

Development Risks

Development of the sand quarry and pattern solar glass manufacturing facilities involves a high degree of risk. There is no assurance that the Company's development activities will result in successful operations. The long-term profitability of the Company's operations will be in part directly related to the cost and success of its development program. The development of the sand quarry and pattern solar glass manufacturing facilities is premised on future production and capital cost estimates. If commercial production commences, actual production and costs may vary from the estimates for a variety of reasons such as estimates of raw materials input costs, labour costs, energy costs, revisions to processing plant plans, production waste, quality and other characteristics of the products produced, risks and hazards associated with the operations, unexpected labor shortages or strikes, equipment failures and other interruptions in production capabilities. Production costs may also be affected by inflation and fluctuations in currency exchange rates. Failure to achieve production targets or cost estimates could have a material adverse impact on the Company's future cash flow and overall financial performance.

Business Risk

The success of the operations and activities of the Company is dependent to a significant extent on the efforts and abilities of its management, outside contractors, experts and other advisors. Investors must be willing to rely on management's discretion and judgment as well as the expertise and competence of the outside contractors, experts and other advisors. The Company does not have a formal program in place for succession of management and training of management. The loss of one or more of the key employees or contractors, if not replaced on a timely basis, could adversely affect the Company's operations and financial performance.

Price Risk

The price of the Company's common shares, its financial results, and development activities have been, or may in the future be, adversely affected by changes in the price of raw materials and energy used in manufacturing and the external market price of the products produced and sold. These prices fluctuate and are affected by numerous factors beyond the Company's control, such as expectations of inflation or deflation, currency exchange fluctuations, interest rates, tariffs, global or regional consumptive patterns, international supply and demand, market speculation activities, improved production methods, international economic and political trends and the entrance of new competitors in the business. The effect of these factors on the input costs and price of the Company's products, and therefore the economic viability of the Company, are speculated but cannot accurately be predicted.

Environmental Risk

All phases of the Company's operations are subject to various federal, provincial/state, municipal, and international laws and statutory instruments governing the use of lands and protection of the environment, which may be modified from time to time. These laws, among other things, govern air and water quality standards, land reclamation requirements, transportation, storage and the disposal of hazardous waste. Environmental legislation may, over time, require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors, and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. To the Company's knowledge, there are no material liabilities to date which relate to environmental risks or hazards.

Regulatory Risks

The Company and its prospective customers are subject to extensive environmental, health and safety regulations that impose, and will continue to impose, significant costs and liabilities. In addition, future regulations, or more stringent enforcement of existing regulations, could increase those costs and liabilities, which could adversely affect the Company's results of operations.

Land Title Risk

The lands on which the Company's project is situated are owned by the Crown in Right of Manitoba who has issued the Company 41 contiguous quarry leases that grant the Company the exclusive right to mine quarry minerals on the property. Due to this Crown land ownership and the Company's 100% ownership of the legal interests in all 41 quarry leases together with its understanding that all of such quarry leases are active and in good standing, the Company has not sought formal title opinions on its quarry lease interests in Canada at this time. Accordingly, title to and the area of the quarry leases may be disputed. Any of the Company's properties may be subject to prior unregistered agreements or transfers or Indigenous land claims and title may be affected by undetected defects. The Company has no present knowledge of any material defect in the title of any of the properties in which the Company has or may acquire an interest.

Limitation of Controls and Procedures

Management has established processes to provide them sufficient knowledge to support representations that they have exercised reasonable diligence that (i) the unaudited interim condensed consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the financial statements, and (ii) the unaudited interim condensed consolidated financial statements fairly present in all material respects the financial condition, financial performance and cash flow of the Company, as of the date of and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109, *Certification of Disclosure in Issuers' Annual and Interim Filings* ("NI 52-109"), the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing this certificate do not make any representations relating to the establishment and maintenance of:

(i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

(ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's generally accepted accounting principles (IFRS).

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in the certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Forward-Looking Statements

Certain statements contained in this MD&A constitute forward-looking statements relating to, without limitation, expectations, intentions, plans and beliefs, including information as to the future events, results of operations and the Company's future performance (both operational and financial) and business prospects. In certain cases, forward-looking statements can be identified by the use of words such as "expects", "estimates", "forecasts", "intends", "anticipates", "believes", "plans", "seeks", "projects" or variations of such words and phrases, or state that certain actions, events or results "may" or "will" be taken, occur or be achieved. Such forward-looking statements reflect the Company's beliefs, estimates and opinions regarding its future growth, results of operations, future performance (both operational and financial), and business prospects and opportunities at the time such statements are made, and the Company undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions or circumstances should change. Forward-looking statements are necessarily based upon estimates and assumptions made by the Company that are inherently subject to significant business, economic, competitive, political and social uncertainties and contingencies. Forward-looking statements are not guarantees of future performance. In particular, this MD&A contains forward-looking statements pertaining, but not limited, to: the statements made under the heading "Business Outlook"; the design and operation of the quarry and pattern solar glass manufacturing facilities; the ability to transport processed sand to markets, raw materials to the pattern solar glass manufacturing facilities and the ultimate products sold; the benefits to be derived from the Economic Participation Agreements including anticipated economic and social benefits and opportunities, including employment, contracting and training initiatives; the plans with respect to financing ongoing operating activities; the timing and approval or permitting process; the intention to use cash on hand and proceeds from future equity issuances to fund the Company's operations and future development plans; industry activity levels; industry conditions pertaining to industrial sand customers and the pattern solar glass manufacturing industry; the ability of and manner by which the Company expects to meet its capital needs and remain a going concern basis; and the Company's objectives, strategies and competitive strengths.

By their nature, forward-looking statements involve numerous current assumptions, known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to differ materially from those anticipated by the Company and described in the forward-looking statements.

With respect to the forward-looking statements contained in this MD&A, assumptions have been made regarding, among other things: the ability to obtain the necessary stakeholder, regulatory and environmental approval and external funding to advance the development of the quarry operation and pattern solar glass manufacturing facilities; no material capital project and financing cost overrun or delay related to the construction of the facilities; the ability to continue to consult with, and address feedback received from interested stake holders including the Hollow Water First Nation and surrounding communities; environmental risks and regulations; future global economic and financial conditions; future raw material input cost prices; product market prices, operating costs; that the regulatory environment in which the Company operates will be maintained in the manner currently anticipated by the Company; future exchange and interest rates; the recoverability and consistent quality of the Company's silica sand; the accuracy and veracity of information and projections sourced from third parties respecting, among other things, future industry conditions; demand for the Company's glass products; the Company's ability to obtain qualified staff and equipment in a timely and cost-efficient manner; the regulatory framework governing royalties, taxes and environmental matters in the jurisdictions in which the Company conducts its business and any other jurisdictions in which the Company may conduct its business in the future; future capital expenditures to be made by the Company; future sources of funding for the Company's capital program; the Company's future debt levels; the impact of competition on the Company; the supply and demand and future projected growth of the markets in which the Company operates and the Company's ability to obtain financing on acceptable terms.

A number of factors, risks and uncertainties could cause results to differ materially from those anticipated and described herein including, among others: the effects of competition and pricing pressures; effects of fluctuations in the price of industrial sand, glass products, and raw materials input costs; risks related to indebtedness and liquidity, including the Company's capital requirements; risks related to interest rate fluctuations and foreign exchange rate fluctuations; changes in general economic, financial, market and business conditions in the markets in which the Company operates; the Company's ability to obtain, maintain and renew required permits, licenses and approvals from regulatory authorities; the stringent requirements of and potential changes to applicable legislation, regulations and standards; the ability of the Company to comply with unexpected costs of government regulations; liabilities resulting from the Company's operations; the results of litigation or regulatory proceedings that may be brought against the Company; uninsured and underinsured losses; risks related to the transportation of the Company's products, including potential rail line interruptions or a reduction in rail car availability; the geographic and customer concentration of the Company; the ability of the Company to retain and attract qualified management and staff in the markets in which the Company operates; labor disputes and work stoppages and risks related to employee health and safety; general risks associated with the sand quarry and pattern solar glass manufacturing industries, loss of markets, consumer and business spending and borrowing trends; limited, unfavorable, or a lack of access to capital markets; uncertainties inherent in estimating quantities of products; processing problems; and the use and suitability of the Company's accounting estimates and judgments.

Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in its forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will materialize or prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. The forward-looking statements contained in this MD&A are expressly qualified by this cautionary statement. Readers should not place undue reliance on forward-looking statements. These statements speak only as of the date of this MD&A. Except as may be required by law, the Company expressly disclaims any intention or obligation to revise or update any forward-looking statements or information whether as a result of new information, future events or otherwise.

Any financial outlook and future-oriented financial information contained in this MD&A regarding prospective financial performance, financial position or cash flows is based on assumptions about future events, including economic conditions and proposed courses of action based on management's assessment of the relevant information that is currently available. Projected operational information contains forward-looking information and is based on a number of material assumptions and factors, as are set out above. These projections may also be considered to contain future oriented financial information or a financial outlook. The actual results of the Company's operations for any period will likely vary from the amounts set forth in these projections and such variations may be material. Actual results will vary from projected results. Readers are cautioned that any such financial outlook and future-oriented financial information contained herein should not be used for purposes other than those for which it is disclosed herein. The forward-looking information and statements contained in this document speak only as of the date hereof and the Company does not assume any obligation to publicly update or revise them to reflect new events or circumstances, except as may be required pursuant to applicable laws.

Market, Independent Third Party and Industry Data

Certain market, independent third-party and industry data contained in this MD&A is based upon information from government or other independent industry publications and reports or based on estimates derived from such publications and reports. Government and industry publications and reports indicate that they have obtained their information from sources believed to be reliable, but the Company has not conducted its own independent verification of such information. This MD&A also includes certain data derived from public filings made by independent third parties. While the Company believes this data to be reliable, market and industry data is subject to variations and cannot be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any statistical survey. The Company has not independently verified any of the data from independent third-party sources referred to in this MD&A or ascertained the underlying assumptions relied upon by such sources[1,2].