GAMMA RESOURCES LTD. (FORMERLY GABO MINING LTD.)

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL RESULTS

For the year ended March 31, 2025

Dated: July 29, 2025

The following Management's Discussion and Analysis ("MD&A") is prepared as at July 29, 2025 and is intended to help the reader understand the accompanying audited consolidated financial statements of Gamma Resources Ltd. (formerly GABO Mining Ltd.) (the "Company" or "GAMA"). The information provided herein should be read in conjunction with the Company's audited consolidated financial statements and notes for the year ended March 31, 2025.

Management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures, and internal controls to ensure that information used internally or disclosed externally, including the accompanying unaudited consolidated interim financial statements and this MD&A, is complete and reliable.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This MD&A contains forward-looking statements within the meaning of applicable Canadian securities legislation and Section 27A of the United States Securities Act of 1933 and Section 21E of the United States Securities Exchange Act of 1934.

Except for statements of historical fact, certain information contained herein constitutes forward-looking statements. Forward-looking statements are usually identified by the use of certain terminology, including "will", "believes", "may", "expects", "should", "could", "seeks", "anticipates" or "intends" or by discussions of strategy or intentions. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the Company's actual results or achievements to be materially different from any future results or achievements expressed or implied by such forward-looking statements.

Forward-looking statements are statements that are not historical facts, and include but are not limited to, estimates and their underlying assumptions, statements regarding plans, objectives and expectations with respect to the effectiveness of the Company's business plan, future operations, the impact of regulatory initiatives on the Company's operations; general industry and macroeconomic growth rates; expectations related to possible joint and/or strategic ventures, the entering into of feedstock supply agreements and the ability of the Company to finance and advance one or more rare earth processing facility, and other statements regarding future performance.

Forward-looking statements used in this discussion are subject to various risks and uncertainties, including the risks of price fluctuations of rare earths, risks of obtaining required financing on suitable terms, or at all, risks of competition from larger, financially stronger competitors, and other mineral resource industry risks most of which are difficult to predict and generally beyond the control of the Company. If risks or uncertainties materialize, or if underlying assumptions prove incorrect, the Company's actual results may vary materially from those expected, estimated or projected. Forward looking statements in this document are not a prediction of future events or circumstances, and those future events or circumstances may not occur. Given these uncertainties, users of the information included herein, including investors and prospective investors, are cautioned not to place undue reliance on such forward-looking statements.

SUMMARY OF BUSINESS

The audited consolidated financial statements of the Company for the year ended March 31, 2025 have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The Company is incorporated in British Columbia, Canada and was formed on December 8, 1989 upon the amalgamation of Hera Resources Inc. and Talented Mines Ltd and changed its name to Medallion Resources Ltd. on February 10, 1998. Effective February 14, 2024, Medallion Resources Ltd. changed its name to GABO Mining Ltd. and began trading on the TSX Venture Exchange (the "Exchange") under the symbol GAB. Effective June 16, 2025, GABO Mining Ltd. changed its name to Gamma Resources Ltd. and began trading on the Exchange under the symbol GAMA.

The Company has two wholly owned subsidiaries, Medallion Research USA, Inc., a Delaware, USA corporation formed on February 9, 2021, and GAMMA Resources USA Inc., a Delaware, USA corporation formed on July 14, 2025. Medallion Innovations UK Limited, a UK corporation formed on October 10, 2022 was dissolved December 10, 2024.

From inception until 2009, the Company explored a portfolio of mineral projects. In September 2009 the Company announced it would explore for lithium, rare earth elements ("REEs") and other metals related to clean energy. In evaluating these opportunities, the Company recognized the need for REE processing technologies that comply with health, safety, and environmental best practice.

On April 16, 2025 GAMA announced its intention to expand its role in supplying the critical raw materials essential to both national security and global clean energy objectives by entering into a four-year lease (with exclusive option to purchase) two advanced stage uranium exploration projects located in Utah and New Mexica, United States.

GAMA believes there is a paradigm shift in the need for critical and clean energy materials required to accelerate the global energy transition from carbon to renewable sources.

Additional information relating to the Company is available on the SEDAR+ website: www.sedarplus.ca under "Gamma Resources Ltd."

All currency amounts are in Canadian dollars unless otherwise indicated.

DETAILED DESCRIPTION OF THE URANIUM BUSINESS

The two projects subject to the lease agreement with the vendor are described below. The Company's immediate focus will be on the Green River project.

Green River project -- Utah

- Located in Emery county's San Rafael mining district, the Green River project comprises 41 unpatented lode mining claims targeting uranium mineralization in the Salt Wash Member of the Morrison Formation.
- The project is adjacent to Western Uranium Vanadium Corp's San Rafael project and lies just 11 km from the Maverick Minerals uranium/vanadium processing plant.
- Uranium deposits held by third parties near the Green River project include Deep Gold, Down Yonder, 4484 deposit, North deposit and Jackrabbit. Historical data for these nearby deposits north of the Green River project described a combined total indicated resource of 3,404,593 pounds, and an inferred resource of 1,859,532 lb U3O8.
- Additionally, three nearby mines, the Snow, Lucky and Probe mines, produced a total of approximately one million lb U3O8 from the same host formation between 1973 and 1982.
- The reader is cautioned that mineralization similar to that known from adjacent project areas may not be indicative of mineralization that may be discovered on the Green River project.
- Claims are royalty-free and benefit from prior exploration infrastructure and data.
- Mineralization style and geology are supportive of potential ISR development.

Mesa Arc project -- New Mexico

- The Mesa Arc project includes 41 lode mining claims in northern New Mexico. Historical uranium production and mineralization are well documented across the district.
- Uranium mineralized bodies have been identified in prior drilling and were the subject of an internal resource estimate by Magnum Uranium Corp. in 2006.
- This historical (non-National Instrument 43-101 compliant) resource estimate suggested 2.5 to 3.0 million pounds of U3O8 on the Mesa Arc project claims.
- Potential for strike and down-dip extensions remains open.
- Claim consolidation and expansion initiatives under way.
- Phase exploration planned for Q2.

Further information is available in the Company's news release of April 14, 2025.

DETAILED DESCRIPTION OF REE BUSINESS

GAMA holds various technology and knowhow in the processing of rare earth elements.

GAMA expects consumption of critical materials will be driven by surging demand for EVs, consumer electronics, renewable power generation, and robotics (Figure 1).

The Covid pandemic and the conflict in the Ukraine have highlighted supply chain vulnerabilities. China mines approximately 60% of the world's REEs but currently handles more than 90% of each of the processing steps through to magnet production (Figure 2).

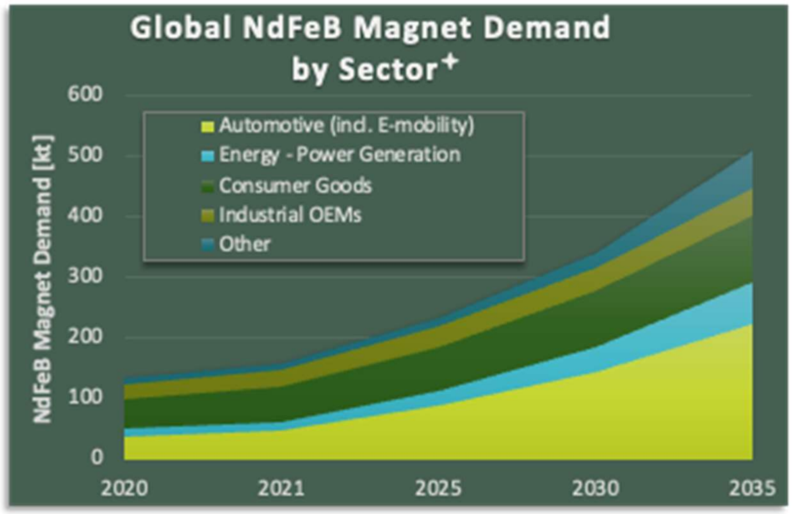

Figure 1: Forecasted Global NdFeB Magnet Demand by Sector (source - Adamas Intelligence)

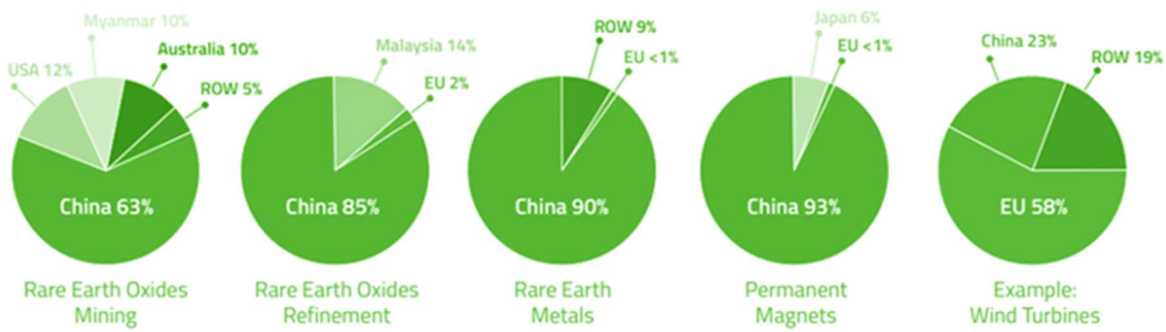

Figure 2: Share of market segment by country for key components of the rare earth supply chain (source - Adamas Intelligence)

GAMA's REE Technologies

GAMA currently owns intellectual property relating to an REE process technology, the Medallion Monazite Process ("MMP"), focused on extraction of magnetic REOs from mineral sand monazite.

GAMA previously invested in the patented Ligand Assisted Displacement ("LAD") Chromatography separation process that was developed by Purdue University to separate metals from raw material feed stocks excluding coal sources and recycled materials from manufacturing wastes and recyclates from battery and magnet sources. Medallion Research USA, Inc. held the Company's rights to LAD Chromatography. On October 17, 2023, the Company received notice of termination of the agreement with Purdue.

Medallion Monazite Process (MMP)

The Company owns proprietary knowledge relation to the MMP technology. Monazite, a common by-product of heavy mineral sand processing and the primary ore at some primary REE deposits such as Lynas' Mt. Weld mine in Western Australia, is typically rich in neodymium and praseodymium, the most critical magnetic REOs.

GAMA conducted a suite of diagnostic analysis at the Australian Nuclear Science and Technology Organization ("ANSTO") in Sydney, Australia evaluating the potential to process monazite from operating and prospective heavy mineral sand operations in Australia using the MMP process.

The MMP process is designed to produce high-purity mixed REE as a chemical concentrate as well as byproduct trisodium phosphate ("TSP"), and radioactive materials in a form where they can be handled effectively for market or storage.

In May 2021, Simulus Engineers' completed a confidential techno-economic assessment ("TEA") of the MMP process that evaluated a commercial-scale facility processing 7,000 metric tons per year of monazite feedstock. Simulus estimated the capital cost at US$34 million including 15% contingency and annual operating costs of approximately US$21 million, excluding the cost of the monazite feedstock.

The TEA estimated the facility would produce approximately 870 tonnes per year of NdPr contained in a cerium-depleted mixed carbonate. At 2022 average prices, GAMA estimates the value of the contained NdPr produced each year by the proposed facility would be approximately US$115 million – note that a mixed concentrate is worth less than the value of the contained REOs.

Technology Deployment

GAMA has evaluated numerous samples of monazite from heavy mineral sand producers. GAMA continues to pursue related technologies and opportunities in the mining and metals sector.

On October 4, 2022 the Company announced that it had entered into a definitive agreement with ACDC Metals Ltd. whereby ACDC has the right to use the Company's proprietary MMP technology to extract rare earth elements from monazite sourced as a by-product of heavy mineral sand production.

ACDC has acquired interests in the Goschen Central Project, the Douglas Project, and the Watchem Project, located on the eastern edge of the Murray Basin, Victoria, Australia. The Goschen Central project has a mineral resource and economically positive scoping study which is compliant with the JORC Code. ACDC's business plan includes drilling the properties with the objective of establishing resources that comply with JORC and establishing a pilot processing facility to demonstrate the MMP and produce sample materials for evaluation by potential customers.

The Company will receive a 2% royalty on the sale of mixed REE compounds and other minerals produced by ACDC and processed using MMP.

The Company invested $31,746 of cash to purchase shares of ACDC at an early stage and, as of March 31, 2025 recorded the investment at a fair value of $193,774 based on subsequent arms' length IPO financings by ACDC. For further details regarding ACDC, please refer to Note 10 of the accompanying audited consolidated financial statements for the year ended March 31, 2025.

SUMMARY OF RECENT DEVELOPMENT AND OUTLOOK

Recent developments

- On April 26, 2022 the Company announced a new strategic plan focused on clean energy technologies, building on the Company's existing REE processing technologies.

- Part of the strategic plan was to up list to the Nasdaq Capital Market and delisting from the TSXV (the "Up List"). At the Annual General and Special Meeting of Shareholders held in Vancouver, BC on May 27, 2022 the shareholders approved resolutions authorizing the Board of Directors to take steps necessary to meet the Initial Listing Requirements of NasdaqCM and delist from the Tier 2 of the TSXV.

  Owing to adverse conditions in global equity markets, especially for micro-cap stocks, the Company subsequently decided to pursue alternative financing strategies and postpone seeking a listing on NasdaqCM until such time as the Company meets minimum listing requirements without needing to complete a significant financing simultaneously.

- On August 2, 2022 the Company issued US$1,150,000 principal amount unsecured convertible debentures due August 2, 2023 bearing interest at 5% to two US investors at an original issue discount of US$150,000 for proceeds to the Company of US$975,000 (CDN$1,285,400).

  On July 31, 2023, the Company entered into amendments with the holders of the unsecured convertible debentures (see Note 10) whereby the term was extended from August 2, 2023 to October 31, 2023, the convertibility features and any obligation for the Company to issue warrants to purchase shares of the Company associated with the unsecured convertible debentures were cancelled, in exchange for which the Company paid the Holders a loan bonus of US$100,000 (CDN$133,350).

  On December 14, 2023, the Company entered into the second amendments with the holders of the convertible debentures. The Company had to pay the Holders a mandatory default premium of US$264,593 (CDN$367,017); 20% of outstanding principal and interest on October 31, 2023. From October 31, 2023 to December 14, 2023, interest accrued to the Holders on the aggregate outstanding principal amount of this Note at the rate of 15% per annum and then there was no interest due for the period that began on December 15, 2023 and ended on June 30, 2024.

  On June 14, 2024, the Company entered into the third amendments with the Holders to extend the term and interest-free period to September 30, 2024, for no consideration. The amendment resulted in a modification gain of $94,277 using the original effective interest rate of 15% per annum. During the year ended March 31, 2025, the Company repaid US$180,731 ($250,269) of the promissory notes.

  Subsequently, on July 11, 2025, the Company entered into the 4th amendments with the Holders of the promissory notes to extend the term and interest-free period to October 15, 2025. The principal sum of US$1,250,000 will be paid as follows:
  a. US$750,000 on or before August 15, 2025.

   b. US$250,000 on or before September 15, 2025.
   c. Either
      i. US$200,000 on or before September 15, 2025 (US$50,000 reduction for early payment) or
      ii. US$250,000 on or before October 15, 2025.

- On October 4, 2022 the Company entered into a definitive agreement with ACDC Metals Ltd (ACDC), an Australian exploration and development company focused on heavy mineral sand projects in southeast Australia, whereby ACDC has the right to use the Company's proprietary MMP monazite processing technology to extract REEs from monazite sourced primarily as a by-product of ACDC's potential heavy mineral sand production in Victoria, Australia. The definitive agreement replaced a previously-disclosed non-binding letter of intent between the Company and ACDC.

  ACDC holds the Goschen Central Project, the Douglas Project, and the Watchem Project located on the eastern edge of the Murray Basin, Victoria, Australia. The Company believes the projects are highly prospective for heavy mineral sand, REE and other materials based on past exploration results which are not compliant with the JORC Code or National Instrument 43-101.

  ACDC's business plan includes drilling the properties with the objective of establishing resources that comply with JORC and establishing a pilot processing facility to demonstrate the MMP and produce sample materials for evaluation by potential customers.

  The Company will receive a 2% royalty on the sale of mixed REE compounds and other minerals produced by ACDC and processed using MMP.

  The Company and ACDC have also agreed to collaborate on advancing a rare earth refinery to process mixed REE compounds to produce separated REOs using the LAD Chromatography process.

- ACDC completed allocation of shares issued at A$0.20 per share in its initial public offering and its shares began trading on the Australian Securities Exchange on January 17, 2023 under the ticker ADC.

  The Company holds 4,800,000 common shares, 2,500,000 performance rights that convert into common shares upon successful completion of a pilot plant incorporating the Medallion Monazite Process (MMP), and an additional 750,000 performance rights that convert into common shares upon commercial production. The Company owns approximately 7% of the issued shares of ACDC and, upon conversion of all performance rights to common shares; the Company would own 8,050,000 shares, or approximately 10.2% of the total 78,555,130 shares that would then be outstanding.

  Prior to the commencement of trading, the Company and ACDC entered into a Restriction Deed whereby the Company agreed that 4,650,000 of the ACDC common shares (the "Restricted Shares"), 2,500,000 Class C performance rights, 750,000 Class D performance rights, or any common shares issued upon conversion of performance rights, shall be escrowed for 24 months from the first trading day of the ordinary shares.

  ACDC raised A$8.0 million in the IPO.

- On March 30, 2023, the Company and Purdue Research Foundation signed an amended and restated Technology License whereby the Company's planned UK-based magnetic rare earth evaluation facility will be supported by continued research at Purdue. The Company intended to raise at least US$5 million by September 30, 2023 to accelerate commercialization of the displacement chromatography technologies. The Company was unable to raise the intended funds and the agreement with Purdue was terminated October 17, 2023.

- On August 28, 2023 the Company announced the appointment of Gabriel Alonzo-Mendoza as Interim CEO and the resignations of Mr. Alfredo Ramos Plasencia as Chief Executive Officer and Director and Dr Kurt Forrester as Chief Technical Officer and Director. Both Mr. Ramos and Dr Forrester will remain available to the Company in advisory roles.

- On October 17, 2023, the Company received a notice of termination of the agreement with Purdue.

- On October 27, 2023, the Company announced Rod McKeen and Andrew Morden resigned from the Board of Director and on November 18, 2023 Douglas Newby resigned from the Chief Financial Officer position. Mark Saxon, a current director, assumed the role of chair of the Board and Gabriel Alonzo-Mendoza assumed the role of interim Chief Financial Officer. The Company also announced the appointment of John C. ("JC") Cunningham as a director.

- Effective February 14, 2024, the Company changed its corporate identity and rebranding as Gabo Mining Ltd., consolidated its shares on the basis of one new post consolidation common share for every seven pre consolidation common shares, and began trading on the TSX Venture Exchange under the symbol GAB.

  Effective at the opening of the market on February 14, 2024, the common shares of the Company commenced trading on a post-consolidation basis under the new ticker symbol GAB (Cusip No.: 36269D101; ISIN: CA36269D1015). There were 70,194,437 common shares outstanding, and following the completion of the consolidation, the Company had 10,027,781 shares outstanding.

- On February 27, 2024, the Company announced a non-brokered private placement of up to 10 million units at a purchase price of $0.10 per unit for gross proceeds of up to $1 million. Each unit comprised of one common share and one non-transferable warrant and each warrant will entitle the holder to acquire one additional common share at an exercise price of $0.15 for a period of 36 months following the closing of the private placement. The financing will allow the Company to evaluate opportunities in the resource sector within the Americas and continue to progress the Company's efforts with respect to its proprietary rare-earth element (REE) extraction process currently licensed to ACDC Metals Ltd. (ASX: ADC) in Australia. Further, the Company announced that Robert Doyle assumed the role of Chief Financial Officer.

- On June 26, 2024, the Company closed the first tranche of the non-brokered private placement. The first tranche resulted in the issue of 10,700,000 units at a price of $0.10 per unit for gross proceeds of $1,070,000. Each unit is comprised of one common share and one non-transferable warrant. Each warrant entitles the holder to purchase one common share until June 26, 2027 at an exercise price of $0.15 per warrant share. .

- On October 8, 2024, the Company closed the second tranche of the non-brokered private placement. The second tranche resulted in the issue of 1,050,000 units at a price of $0.10 per unit for gross proceeds of $105,000. Each unit is comprised of one common share and one non-transferable warrant. Each warrant entitles the holder to purchase one common share until October 8, 2027 at an exercise price of $0.15 per warrant share.

- On April 16, 2025, the Company announced that a wholly owned subsidiary of the Company (Medallion Research USA, Inc.) has entered into a lease agreement dated April 14, 2025 with C Bar B Properties Corporation, pursuant to which the Company has been granted a four-year lease, with exclusive option to purchase, two advanced-stage uranium exploration projects located in Utah and New Mexico, United States: Green River Project (Utah) and Mesa Arc Project (New Mexico). In connection with the transaction and to reflect its sharpened focus on uranium exploration and development, the Company also announced its intention to rebrand as Gamma Resources Ltd. The acquisition is subject to the final approval of the TSX Venture Exchange.

  Key terms of the lease agreement
  - Initial consideration:
    a) US$50,000 upon signing (paid subsequently);
    b) US$200,000 payable within 120 days of execution.
  - Annual lease payments:
    a) US$250,000 on each of the first, second and third anniversaries;
    b) Option to purchase:
  - Exclusive option to acquire a 100% interest in both project areas for a cash payment of US$1.8 million;
  - The initial consideration and all annual lease payments are creditable toward the purchase price;
  - Option exercisable at any time during the four-year lease term;
  - No royalty or minimum work obligation:
    a) No production royalty payable to the vendor;
    b) No exploration or development spending commitments.
  - Additional rights:
    a) Full ISR, mining, surface and subsurface rights granted;
    b) All exploration data generated remains the sole property of the Company;
    c) One-mile area of interest safeguarded, with two-year post-termination restriction on competing claims or acquisitions.

- On June 5, 2025, the Company announced the appointments of Mr. Stephen Goodman and Dr. John Carden as directors of the Company and accepted the resignation of Mr. John Cunningham as a director.

- Effective June 16, 2025, the Company changed its name to Gamma Resources Ltd. and commenced trading under the new ticker symbol "GAMA" on the TSX Venture Exchange. In connection with the name change, the Company's common shares have been assigned a new CUSIP number (36467U103) and ISIN (CA36467U1030).

- On July 11, 2025, the Company appointed Chad McMillan to serve as a strategic advisor to the Company. Mr. McMillan brings an extensive background within the mining sector having managed, financed and advanced several resource ventures throughout his career. His background exhibits corporate, technical and capital markets experience that will assist in guiding the company achieve its goals.

- On July 15, 2025, the Company announced the engagement of Momentum IR Corp for investor relations services. Their strategic approach to investor relations has consistently driven visibility, market rerating and growing shareholder support. With U.S. uranium gaining renewed attention, GAMA is well positioned to benefit from Momentum's expertise, leveraging their market reach to ensure GAMA's value proposition is clearly recognized by both institutional and retail investors

- On July 15, 2025, the Company granted 100,000 stock options to consultants of the Company at an exercise price of 11 cents, exercisable for a period of five years.

Outlook

GAMA is a resource company focused on critical minerals within the Americas. The Company is now advancing uranium assets in New Mexico and Utah.

To support the Company's strategy of exploring uranium assets certain consulting, travel, legal and other expenses have been incurred by the Company. The Company expects to continue to incur such expenses during the current year.

RESULTS OF OPERATIONS

The Company has no commercial production currently and accordingly the Company has no revenue from operations.

Three Months Ended March 31, 2025 Compared to the Three Months Ended March 31, 2024

The Company's loss for the three months ended March 31, 2025 was $241,258 (loss per share – $0.01) compared to a loss of $219,427 (loss per share – $0.00) for the three months ended March 31, 2024.

The expenses amounted to $201,472 (2024 – $168,799). The main factor that contributed to the increase in the expenses during the three months ended March 31, 2025 compared with the corresponding period in 2024 was:

- Share-based compensation for the three months ended March 31, 2025 were $126,494 compared to $Nil for the three months ended March 31, 2024. This is due to the grant of options during the current period.

Other items amounted to ($39,786) (2024 – ($50,628)). The factors that contributed to the change in the other items during the three months ended March 31, 2025 compared with the corresponding period in 2024 were:

- Interest and accretion expense of ($1,036) for the three months ended March 31, 2025 compared to $117,584 for the three months ended March 31, 2024.

- Fair value loss on investments of $41,582 for the three months ended March 31, 2025 compared to $61,310 for the three months ended March 31, 2024.

- Foreign exchange loss of ($760) for the three months ended March 31, 2025 compared to $51,541 for the three months ended March 31, 2024.

- Impairment of technology license and equipment of $Nil for the three months ended March 31, 2025 compared to $5,433 for the three months ended March 31, 2024.

The decrease was offset by the following:

- Modification of debt of $Nil for the three months ended March 31, 2025 compared to $185,240 for the three months ended March 31, 2024.

Year ended March 31, 2025 Compared to the Year ended March 31, 2024

The Company's loss for the year ended March 31, 2025 was $894,567 (loss per share – $0.05) compared to a loss of $1,771,777 (loss per share – $0.18) for the year ended March 31, 2024.

The expenses amounted to $669,966 (2023 – $466,645). The factors that contributed to the increase in the expenses during the year ended March 31, 2025 compared with the corresponding period in 2024 were:

- Consulting fees for the year ended March 31, 2025 were $288,636 compared to $67,719 for the year ended March 31, 2024 as a result of the increase in marketing activities and in-person conference participation;

- Share-based compensation for the year ended March 31, 2025 were $126,494 compared to $Nil for the year ended March 31, 2024 as the Company has granted share options during the current period.

Other items amounted to ($224,601) (2024 – ($1,305,132)). The factors that contributed to the change in the other items during the year ended March 31, 2025 compared with the corresponding period in 2024 were:

- Fair value loss on investments of $47,350 for the year ended March 31, 2025 compared to $324,220 fair value loss for the year ended March 31, 2024.

- Default premium of $Nil for the year ended March 31, 2025 compared to $367,017 for the year ended March 31, 2024.

- Write down of the technology license and equipment of $Nil for the year ended March 31, 2025 compared to $394,143 for the year ended March 31, 2024.

SUMMARY OF ANNUAL RESULTS

	2025	2024	2023
Total revenues	$ -	$ -	$ -
Loss for the year	$ (894,567)	$ (1,771,777)	$ (2,093,058)
Basic and diluted loss per share	$ (0.05)	$ (0.18)	$ (0.03)
Total assets	$ 460,875	$ 257,192	$ 1,210,201
Total long-term financial liabilities	$ -	$ -	$ -
Cash dividend declared - per share	N/A	N/A	N/A

LIQUIDITY AND CAPITAL RESOURCES

Fiscal Year ended March 31, 2025

As at March 31, 2025, the Company had working capital deficiency of $1,744,435 compared to working capital deficiency of $2,133,934 as at March 31, 2024, a decrease of $389,499. The working capital increase is due to the share issuance during the year ended March 31, 2025.

Cash consists of $240,392 (March 31, 2024 - $2,003) available in the bank accounts of the Company at March 31, 2025.

Reserves totalled $5,442,667 as at March 31, 2025 (March 31, 2024 - $4,803,809).

Debt Agreements:

On August 2, 2022 the Company issued US$1,150,000 principal amount unsecured debentures due August 2, 2023 bearing interest at 5% to two US investors at an original issue discount of US$150,000 for proceeds to the Company of US$975,000(CDN$1,285,400). The Company entered into two amendments to the notes during the year ended March 31, 2024. For further details, please refer to Note 11 of the accompanying audited consolidated financial statements for the year ended March 31, 2025. Further, On June 14, 2024, the Company entered into the third amendments with the Holders to extend the term. The amendment resulted in a modification gain of $94,277 using the original effective interest rate of 15% per annum.

Subsequently, on July 11, 2025, the Company entered into the 4th amendments with the Holders of the promissory notes to extend the term and interest-free period to October 15, 2025. The principal sum of US$1,250,000 will be paid as follows:

d. US$750,000 on or before August 15, 2025.
e. US$250,000 on or before September 15, 2025.
f. Either
    i. US$200,000 on or before September 15, 2025 (US$50,000 reduction for early payment) or
    ii. US$250,000 on or before October 15, 2025.

On September 25, 2024, the Company repaid USD$200 ($269) of the promissory notes.

On October 1, 2024, the Company repaid USD$91,683 ($125,000) of the promissory notes.

On November 8, 2024, the Company repaid USD$88,848 ($125,000) of the promissory notes.

TRANSACTIONS WITH RELATED PARTIES

Related party transactions are as follows:

a) During the year ended March 31, 2025, $Nil (2024 - $12,485) was incurred in management fees and salaries to the former Chief Executive Officer of the Company. At March 31, 2025 $Nil (March 31, 2024 – $ Nil) was owed to this person.

b) During the year ended March 31, 2025, the Company incurred $74,850 (2024 - $10,000) of accounting and consulting fees to a company of which the Company's CFO, Mr. Doyle is a shareholder. At March 31, 2025 $32,658 (March 31, 2024 – $37,522) was owed to this company, $32 (March 31, 2024 – $7,815) was owed to Mr. Doyle.

c) During the year ended March 31, 2025, $272,743 (2024 - $63,369) was charged by a private company controlled by a director of the Company, Gabriel Alonso-Mendoza, for marketing and consulting fees. At March 31, 2025 $Nil (March 31, 2024 – $41,559) was owed to this company.

d) During the year ended March 31, 2025, $65,050 (2024 - $82,500) was incurred to independent directors for director fees. At March 31, 2025 $13,284 (March 31, 2024 – $84,019) was owed to directors and $16,569 (March 31, 2024 – $Nil) was owed to former directors.

e) During the year ended March 31, 2025, $124,385 (2024 - $Nil) was incurred to independent directors and CFO as share-based compensation.

f) At March 31, 2025, $Nil (March 31, 2024 - $3,900) was owed to a company controlled by a former director.

g) During the year ended March 31, 2025, the Company borrowed $Nil (2024 - $102,768) from a private company controlled by a former director and Chief Technology Officer of the Company. The Company repaid the loan within the year ended March 31, 2024.

DISCLOSURE OF OUTSTANDING SHARE DATA

The authorized share capital of the Company consists of an unlimited number of common shares without par value. The following is a summary of the Company's outstanding share data as at March 31, 2025 and July 29, 2025:

	Issued and outstanding	
	March 31, 2025	July 29, 2025
Common shares outstanding	21,777,781	21,777,781
Stock options	2,059,284	1,957,142
Warrants	11,750,000	11,750,000
Fully diluted common shares outstanding	35,587,065	35,484,923

OFF BALANCE SHEET ARRANGEMENTS

The Company has not entered any off-balance sheet transactions.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Significant estimates and assumptions include those related to the valuation allowance on deferred income taxes and share-based compensation valuations. Actual results could differ from these estimates. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

FINANCIAL INSTRUMENTS

Year ended March 31, 2025

The following table sets forth the levels in the fair value hierarchy in which the Company's financial assets and liabilities are measured and recognized in the statement of financial position. Assets are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

	Quoted prices in active markets for identical instruments (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Balance March 31, 2025
Investments - trading shares	$ 193,774	$ -	$ -	$ 193,774

The fair value of the Company's accounts payables and accrued liabilities and amounts due to related parties approximates their carrying values due to the short-term nature of these instruments. The Company's financial instruments are exposed to certain financial risks including credit risk, liquidity risk, and commodity-price risk.

a) Credit risk
The Company's cash is held in a major Canadian financial institution. The Company does not have any significant exposure to credit risk.

b) Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure. Accounts payable and accrued liabilities are due within the current operating period.

c) Commodity price risk
The ability of the Company to develop its business and the future profitability of the Company are directly related to the market price of several commodities. The Company has not hedged any potential future commodity sales. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company.

d) Sensitivity analysis
The Company has, for accounting purposes, designated its cash and short-term investments as held-for-trading, which are measured at fair value. Accounts payable and accrued liabilities are classified as other financial liabilities which are measured at amortized cost. As of March 31, 2025, the carrying and fair value amounts of the Company's financial instruments are the same.

Based on management's knowledge and experience of the financial markets and the fact that interest to be accrued and paid on the debentures is at a fixed rate, management does not believe that the Company's current financial instruments will be affected significantly by interest rate risk. The debentures are denominated in US dollars and therefore the Company's current financial instruments do result in a foreign currency risk, which the Company seeks to mitigate by holding cash in US dollars. Commodity price risk could, however, affect the Company. In particular, the Company's future profitability and viability of development depends upon world markets for natural resources.

As of March 31, 2025, the Company was not a producing entity. As a result, commodity price risk could affect the completion of future equity transactions such as equity offerings and the exercise of stock options and warrants. The Company closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken.

MANAGEMENT OF CAPITAL

The Company manages its cash, common shares, stock options, and warrants as capital. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its mineral processing technologies and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may look to issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash. In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. In order to maximize ongoing technology development, the Company does not currently pay out dividends. The Company's investment policy is to invest its short-term excess cash in highly liquid short-term interest-bearing investments issued by a major Canadian chartered bank.

There has been no change in the Company's management of capital risk during the year ended March 31, 2025.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROL OVER FINANCIAL REPORTING

In connection with National Instrument 52-109, Certification of Disclosure in Issuer's Annual and Interim Filings ("NI 52-109") adopted in December 2008 by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to financial information contained in the unaudited interim financial statements and the audited annual financial statements and respective accompanying Management's Discussion and Analysis. The Venture Issuer Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI52-109.

Disclosure controls and procedures

The Company's management is responsible for establishing and maintaining disclosure controls and procedures to provide reasonable assurance that: (a) material information relating to the Company is made known to management so as to allow for timely decisions to be made regarding disclosure, and (b) information required to be disclosed by the Company is recorded, processed, summarized and reported within the time periods specified in applicable securities legislation.

The CEO and CFO of the Company have evaluated, or caused to be evaluated under their supervision, the effectiveness of the Company's disclosure controls and procedures as at March 31, 2025. Based on this evaluation, the CEO and CFO of the Company have concluded that the Company's disclosure controls and procedures in place during the year ended March 31, 2025 and 2024 are effective to provide reasonable assurance that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted by the Company under securities legislation is recorded, processed, summarized and reported within the time periods specified in the securities legislation and that such information is accumulated and communicated to the Company's management, including the CEO and CFO, as appropriate to allow for timely decisions regarding required disclosure.

Internal control over financial reporting

Management is responsible for establishing and maintaining an adequate system of internal control over financial reporting. The CEO and CFO of the Company have evaluated, or caused to be evaluated under their supervision, the effectiveness of the Company's internal control over financial reporting during the year ended March 31, 2025 and 2024. Based on this evaluation, the CEO and CFO have concluded that as at March 31, 2025 the Company's internal control over financial reporting continues to be effective in providing reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

The CEO and CFO of the Company have identified that due to the size of the Company there is limited segregation of duties. Companies of a similar size often have this limitation. Although it is possible, management of the Company does not believe that this lack of segregation of duties will lead to a material misstatement in the financial statements. Steps have been taken to minimize this risk such as ensuring that two senior officers or directors sign all cheques and outgoing wire transfer requests. In addition, senior management and the directors of the Company review quarterly and year-end financial statements on a regular basis.

There was no change in the Company's internal control over financial reporting during the year ended March 31, 2025 and 2024, that materially affected, or was reasonably likely to materially affect, the Company's internal control over financial reporting.

RISKS AND UNCERTAINTIES

The Company is developing mineral processing technologies and is exposed to a number of risks and uncertainties that are common to other companies in the same business. Some of these risks have been discussed elsewhere in this document. Additional risks include: access to necessary financing on an ongoing basis, volatility of prices of publicly traded securities, current and future political environment in areas where projects are being pursued, uncertainty regarding current and future environmental regulations that may affect existing and future projects, uncertainty regarding the REE market in the future, competition from other companies undertaking similar business strategies, requirements to acquire licenses and permits to develop projects and loss of key members of management of the Company.

The Company's assets are comprised of the shares in ACDC (see Note 10 to the Financial Statements), its proprietary Medallion Monazite Process, and its lease agreement with C Bar B Properties Corporation.

The Company carries its shares of ACDC at fair value however, there is no assurance that the Company could realize that value.

The lease with C Bar B Properties Corporation is subject to the final approval of the TSX Venture Exchange and there is no assurance that the Company will receive final approval nor any assurance that the Company will realize future value from the project.

The Company had entered into a Technology License on February 17, 2021 and an amended and restated Technology License with Purdue on March 30, 2023 that included modifications to milestones, including that the Company agreed to raise US$5 million in equity, debt, or government grants tied to matching non-grant funding, by September 30, 2023. If the Company failed to raise such funds, Purdue had the right to issue notice of default. On October 17, 2023, the Company received a notice of termination of the agreement with Purdue and therefore the balance of the Technology License was fully impaired.

The holders of the unsecured debentures (see Note 10 to the Financial Statements) originally due on August 2, 2023 have agreed in principle to extend the maturity of the debentures and to accept US$1,250,000 principal as full repayment, subject to receipt of payments as below. There is no assurance that the Company will be able to secure funding to enable it to repay the cash on or before the due date.

On July 31, 2023, the Company entered into amendments with the holders of the unsecured convertible debentures whereby the term was extended from August 2, 2023 to October 31, 2023, the convertibility features and any obligation for the Company to issue warrants to purchase shares of the Company associated with the unsecured convertible debentures were cancelled, in exchange for which the Company accrued to the Holders a loan bonus of US$100,000. On July 31, 2023 the convertible debentures were extinguished, and the new "promissory notes" were added as a replacement of the convertible debentures.

On December 14, 2023, the Company entered into the second amendments with the Holders to extend the term to June 30, 2024. The Company also accrued a mandatory default premium of $367,017 (US$264,556) (20% of outstanding principal and interest as at October 31, 2023). From October 31, 2023 to December 14, 2023, interest accrued to the Holders on the aggregate outstanding principal amount of the promissory note at the rate of 15% per annum and thereafter an interest free period that began on December 15, 2023 and ended on June 30, 2024.

On June 14, 2024 the Company entered into the third amendments with the Holders to extend the term and interest free period to September 30, 2024 in consideration of the issuance of warrants subject to the approval of TSXV, which approval was not received and therefore the warrants were not issued.

Subsequently, on July 11, 2025, the Company entered into the 4th amendments with the Holders of the promissory notes to extend the term and interest-free period to October 15, 2025. The principal sum of US$1,250,000 will be paid as follows:

g. US$750,000 on or before August 15, 2025.
h. US$250,000 on or before September 15, 2025.
i. Either
    i. US$200,000 on or before September 15, 2025 (US$50,000 reduction for early payment) or
    ii. US$250,000 on or before October 15, 2025.

Subsequent Events

DISCLAIMER

The information provided in this document is not intended to be a comprehensive review of all matters concerning the Company. The users of this information, including but not limited to investors and prospective investors, should read it in conjunction with all other disclosure documents provided including but not limited to all Company documents filed on SEDAR+ (www.sedarplus.ca). No securities commission or regulatory authority has reviewed the accuracy or adequacy of the information presented herein.

BY ORDER OF THE BOARD

"Gabriel Alonso-Mendoza"

GABRIEL ALONSO-MENDOZA