CANADIAN PREMIUM SAND INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the year ended September 30, 2024

Dated: January 9, 2025

This Management's discussion and analysis ("MD&A") dated January 9, 2025, should be read in conjunction with the audited financial statements of Canadian Premium Sand Inc. (the "Company" or "CPS") as at and for the year ended September 30, 2024.

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 Resource Estimate of Wanipigow Sand Quarry dated October 14, 2021, reviewed and approved by Roy Eccles, P. Geol. and Rachelle Hough, P.Geo. of APEX Geoscience Ltd., each of whom 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.sedar.com.*

About Canadian Premium Sand Inc. ("CPS" or the "Company")

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 presently 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 is developing North American manufacturing capacity for ultra-high-clarity pattern solar glass through multiple facilities, utilizing high-purity low-iron silica sand from its wholly owned Wanipigow quarry leases. The Company's low-carbon facility located in Selkirk, Manitoba will utilize renewable Manitoba hydroelectricity and produce 6GW of low-carbon solar glass. The Company's planned jointly owned facility located in the U.S. will produce 4GW of domestic solar glass. With 10GW of annual proposed solar glass manufacturing capacity, the Company is well positioned to become the largest and preferred supplier in North America.

The Company has 41 contiguous quarry leases located approximately 160 kilometers north of Winnipeg, Manitoba that grant the Company the exclusive right to quarry silica sand which the Company intends to use as feedstock for the pattern solar glass manufacturing facilities. Laboratory testing of this quartzite sand deposit has confirmed the sand to be of high-purity silica content with low iron contamination. This combination of physical properties makes the sand well suited for use as the base material to formulate low iron, pattern solar glass.

The Company's silica sand deposit is extensive as detailed in a National Instrument 43-101 ("NI 43-101") compliant Technical Report dated October 14, 2021. This report illustrates the Company could have more than 40 years of silica sand supply of the necessary physical characteristics to support the development of a company-owned pattern solar glass manufacturing facility.

Operational Highlights

The Company has devoted its time and resources during the three months ended September 30, 2024, to advancing its pattern solar glass manufacturing business strategy. Specifically, the Company:

- Submitted the detailed application for $100 million in non-dilutive financing through the Federal government's Strategic Innovation Fund.

- Worked with the Province of Manitoba to progress financial incentive packages to a contractual status.

- Continued discussions with certain debt and equity capital investors that have expressed interest in financing the project.

- Evaluated several shuttered manufacturing sites in the U.S. that met the technical and operational criteria to re-purpose to manufacture pattern solar glass.

- Selected a U.S. site with existing buildings, utility supply, logistics infrastructure and environmental permits to support establishing a pattern solar glass manufacturing operation and advanced discussions with a potential strategic glass manufacturing partner to jointly develop this U.S. site.

- Continued discussions with potential strategic partners interested in participating in the Company's vision to develop pattern solar glass manufacturing capacity in Canada and the U.S.

Subsequent Events

Subsequent to the period ended September 30, 2024:

(a) Stock options

In October 2024, 680,000 stock options were forfeited related to the departure of an executive officer, and 70,000 stock options were granted to key management personnel.

(b) Convertible debentures

The Company reached an agreement on November 15, 2024, with the holders of its outstanding convertible debentures to extend the maturity date by one year from February 26, 2025, to February 26, 2026.

(c) Share purchase warrants

In December 2024, the Company's insiders, including board members and management, as well as certain key strategic investors exercised 9,206,404 common share purchase warrants, at an exercise price of $0.40 per warrant, resulting in cash proceeds to the Company of $3,682,562.

Business Outlook

Solar panel installations in North America are expected to grow 36% annually reaching 92 Gigawatts (GW) by 2027[1]. To support this growth, North America panel manufacturing capacity is set to reach between 70 and 82 GW by 2027growing from 29 GW in 2024[2]. Currently, all pattern solar glass for North American solar panel manufacturers is imported, the vast majority coming from suppliers located in China and Asia-Pacific. The current supply chain for pattern solar glass is a concern for North American solar panel manufacturers who experience challenges with unstable tariff structures, geo-political instability, fluctuating ocean freight costs, and 8 to 12-week delivery schedules. A further concern for North American solar panel manufacturers is the pressure from their customer base to onshore their supply chain to facilitate access to U.S. government incentive qualifications related to the Inflation Reduction Act passed by the U.S. government on August 16, 2022. In addition, there is a drive to lower the embodied carbon footprint of utility-scale solar power developments and onshoring the solar panel manufacturing supply chain has a meaningful impact on this initiative.

[1] Solar Energy Industry Association (SEIA) 30x30 forecast

[2] Company's market intelligence

This environment bodes well for the Company. The Selkirk facility will be able to supply the equivalent of 6 GW capacity or 20% of the 2024 demand and as little as 7% of the projected 2027 demand for North American manufacturers. Developing the Selkirk facility remains a priority for the Company and the Company continues to advance financing efforts for this facility. Recent developments in government policies in the U.S. have accelerated the Company's vision of playing a larger role in the pattern solar glass supply in North America. Investigations into U.S. based brownfield sites have led the Company to focus on a single site in the southern U.S. and to establish a partnership with the owner and former operator of the shuttered manufacturing site. Because the site was recently in operation, it has most of the infrastructure and environmental permits needed to facilitate the operation of a pattern solar glass manufacturing facility significantly reducing the capital required and time to build out the plant when compared to a greenfield site. To support the U.S. manufacturing project, the Company has applied to the U.S. Department of Energy's 48C investment tax credit program. If successful, the 48C program will have a meaningful positive impact on the net capital required for the U.S. brownfield project. The Company's Wanipigow silica sand deposit remains an anchor for the Company's development plans and is capable of decades of supply to both the Selkirk and the U.S. manufacturing operations that combined would produce 10GW equivalent of pattern solar glass annually.

As the U.S. brownfield opportunity is further developed by the Company and our potential partner, the Company will be in a position to provide more details on sequencing of the two projects. Having a partner to support the U.S. opportunity compliments the Company's efforts with significant resources and creates potential to develop both projects concurrently should financing be available and the Company deem concurrent development advisable. Ultimately, with both projects operating, the Company will be able to jointly market its products to its clients with two distinct product features; low embodied carbon solar glass from the Selkirk facility and, “Made in America” solar glass for those clients whose customers benefit from high U.S. content incentives in their solar installations. Both facilities would produce glass of equal technical quality providing an opportunity to backstop offtake contracts should an interruption in production occur at either facility.

In 2025 the Company will continue to pursue the financing required to commence construction of the pattern solar glass manufacturing facility in Selkirk and explore financing options for the U.S. pattern solar glass facility in coordination with our partner.

With 29 GW[2] of North American solar panel manufacturing capacity now established and a further 53 GW[2] set to be added by 2027, the market's capacity to purchase the Company's products has significantly increased over the last year. Increased geo-political uncertainty following the 2024 U.S. election has put an even greater focus on development of a North American supply chain for solar panel manufacturing and components.

Interest rate uncertainty and resulting macro economic outlook created an unfavourable environment for financing large projects over the past year. However, these conditions are improving and with the Company's progress in formalizing government financial support for the Selkirk project and development of a U.S. opportunity with a strategic

glass manufacturing partner, the Company expects to make significant strides in advancing both projects. Before the close of the first half of 2025, the Company expects to:

- Establish formal contribution agreements for federal and provincial financial incentives which are expected to be in place in Q2 2025.
- Receive a decision on the U.S. Department of Energy 48C tax credit.
- Finalize necessary working agreements with the potential U.S. strategic glass manufacturing partner.
- Progress the development of the selected U.S. site providing the Company with optionality of sequencing the Selkirk and U.S. projects with the goal of achieving commercial operations as soon as practical.

Review of Operations for the three months and year ended September 30, 2024

Overall Performance and Share Capital

	Three months ended September 30,		Year ended September 30,	
	2024	2023	**2024**	2023
Net loss and comprehensive loss	**$(1,506,048)**	$(1,567,871)	**$(4,158,983)**	$(8,534,393)
Net loss per share – basic and diluted	**$(0.02)**	$(0.02)	**$(0.05)**	$(0.11)
Weighted average number of shares outstanding – basic and diluted	**83,420,752**	78,583,930	**82,535,973**	78,086,396

The Company had a net loss and comprehensive loss of $1,506,048 or $0.02 loss per share for the three-months ended September 30, 2024 ($1,567,871 or $0.02 loss per share for the three-months ended September 30, 2023) and a net loss and comprehensive loss of $4,158,983 or $0.05 loss per share for the year ended September 30, 2024 ($8,534,393 or $0.11 loss per share for the year ended September 30, 2023). The net loss and comprehensive loss for the three-months and year ended September 30, 2024 decreased in comparison to prior period due to the deceleration of exploration and evaluation, and glass plant development activities as these initiatives were largely completed in the prior period. This decrease was partially offset by a net loss recognized in the period from the modification of financial instruments, including share-purchase warrants and convertible debentures.

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 a pattern solar glass manufacturing facility.

In the year ended September 30, 2024, the Company issued 4,747,692 common shares in connection with the exercise of 4,747,692 share purchase warrants for net cash proceeds of $1,899,042. Reflecting the fair value of the warrants exercised at $178,038 ($0.0375 per warrant), the fair value of the common shares issued in connection with these transactions was $2,077,080.

As at September 30, 2024, the issued and outstanding common shares are 83,420,752.

Exploration and Evaluation Expenditures

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 September 30,		Year ended September 30,	
	2024	2023	**2024**	2023
	$	$	**$**	$
Advance royalty payments	**-**	-	**100,000**	100,000
Acquisition and participation costs	**7,749**	8,030	**62,511**	55,281
Permitting and environmental	**-**	4,796	**281**	40,852
Silica sand feasibility	**-**	89,527	**55,593**	447,329
Field office expenses	**10,393**	9,375	**44,942**	62,805
Labour	**9,000**	9,000	**37,318**	89,253
Equipment rental and site supplies	**447**	643	**2,296**	47,129
Quarry design	**-**	84,070	**4,310**	583,134
Depreciation	**-**	-	**-**	2,885
Decommissioning	**1,957**	(9,480)	**5,700**	(10,572)
Total exploration and evaluation expenditures	**29,546**	195,961	**312,951**	1,418,096

The costs incurred during the three months and year ended September 30, 2024, decreased over the same periods in the prior year reflecting the Company's completion of pre-construction quarry design, permitting and silica sand feasibility activities.

The cumulative exploration and evaluation expenditures at September 30, 2024 are $22,445,488.

Glass Plant Development Expenditures

Expenditures incurred for the development of the pattern solar glass manufacturing facility are broken down as follows:

	Three months ended September 30,		**Year ended September 30,**	
	2024	2023	**2024**	2023
	$	$	**$**	$
Plant feasibility	**23,466**	25,360	**96,249**	256,693
Glass plant design	**14,114**	594,302	**71,415**	3,801,583
Permitting & environmental	**-**	4,867	**-**	78,497
Decommissioning	**34,455**	-	**34,455**	-
Total glass plant development expenditures	**72,035**	624,529	**202,119**	4,136,773

Expenditures related to the development of the pattern solar glass manufacturing facility for the three months and year ended September 30, 2024 decreased over the prior year periods largely due to the completion of pre-construction engineering, design and feasibility activities.

The cumulative glass plant development expenditures at September 30, 2024 are $7,092,736.

Selling, General & Administrative Expenditures

The following table disaggregates the selling, general and administrative expenditures for the three months and year ended September 30:

	Three months ended September 30,		**Year ended September 30,**	
	2024	2023	**2024**	2023
	$	$	**$**	$
Employee compensation and benefits	**262,243**	243,668	**1,057,106**	984,426
Professional fees	**290,385**	257,683	**878,236**	1,047,214
Office	**33,807**	25,680	**115,867**	122,036
Depreciation	**11,236**	11,558	**45,910**	46,231
Shareholder information	**8,558**	7,330	**40,076**	38,975
Total selling, general and administrative expenditures	**606,229**	545,919	**2,137,195**	2,238,882

Selling, general and administrative expenses for the three-months ended September 30, 2024, increased from prior period due to employee compensation and audit fees offset by a decrease in investor relations and legal costs associated with the negotiation of the EPC agreement. For the year ended September 30, 2024, expenditures were lower than the prior year largely due to a decrease in professional fees partially offset by an increase in employee compensation. The decrease in professional fees is related to a reduction in capital market engagement, human resource recruitment, and legal costs for the EPC agreement offset by executive glass consulting fees and increased government and indigenous relations activities.

Share-Based Compensation

Share-based compensation expense was $105,306 for the three-months ended September 30, 2024 and $532,091 for the year ended September 30, 2024 ($117,271 for the three-months ended September 30, 2023 and $554,778 for the year ended September 30, 2023). Share-based compensation expense is based on the value and timing of grants of stock options.

Net Loss on Modification of Financial Instruments

Net loss on modification of financial instruments was $591,743 for the three-months and year ended September 30, 2024 ($nil for the three-months and year ended September 30, 2023). This amount was comprised of a gain on modification of the convertible debentures liability component of $34,846, a loss on modification of the convertible debentures equity component of $49,903, and a loss on modification of share purchase warrants of $576,686 related to extended maturity dates of these financial instruments.

Foreign Exchange Loss (Gain)

There was a foreign exchange gain of $9,146 for the three-months ended September 30, 2024 and a $10,721 foreign exchange loss for the year ended September 30, 2024 compared to a $10,245 foreign exchange loss for the three-months ended September 30, 2023 and a $14,126 gain for the year ended September 30, 2023. These foreign exchange fluctuations relate to US dollar denominated accounts payable and expenses.

Net Finance Costs

The Company had net finance costs of $110,333 and $379,995 for the three months and year ended September 30, 2024, compared to $73,947 and $212,790 for the three months and year ended September 30, 2023. The increase in net finance costs is primarily attributable to compounding interest on the convertible debentures and lower interest-bearing cash balances in the current periods.

Income Taxes

Deferred tax assets are recognized only to the extent that it is probable that those assets will be recoverable. At September 30, 2024, the Company had $45,617,000 (2023 - $42,621,000) of deductible temporary differences where no deferred tax asset was recognized. These deductible temporary differences include non-capital loss carry forwards of $27,835,000 which expire between 2026 and 2044 and tax pools of $15,871,000 that are available to reduce future taxable income.

Selected Quarterly Financial Data

	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023	December 31, 2022
	$	$	$	$	$	$	$	$
Revenue	**-**	-	-	-	-	-	-	-
Gross profit	**-**	-	-	-	-	-	-	-
Net loss	**(1,506,048)**	(816,449)	(832,172)	(1,004,315)	(1,567,871)	(1,624,317)	(1,852,643)	(3,489,563)
Net loss per share	**(0.02)**	(0.01)	(0.01)	(0.01)	(0.02)	(0.02)	(0.02)	(0.04)
Total assets[1]	**998,974**	1,435,537	2,077,637	2,703,319	2,070,388	2,753,505	3,679,783	5,958,014

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

Selected Annual Information

The following is a summary of certain financial information concerning the Company for each of the last three most recently completed financial years.

Years ended September 30,	2024	2023	2022
	$	$	$
Revenue	**-**	-	-
Gross profit	**-**	-	-
Net loss and comprehensive loss	**(4,158,983)**	(8,534,393)	(5,383,121)
Net loss per share - basic and diluted	**(0.05)**	(0.11)	(0.07)
Total assets	**998,974**	2,070,388	8,918,243

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

Liquidity, Capital Resources and Going Concern

The Company's financial statements for the years ended September 30, 2024 and 2023 have been prepared in accordance with IFRS Accounting Standards 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 September 30, 2024 the Company had a deficit of $48,138,486 (September 30, 2023 of $43,979,503), cash and cash equivalents of $736,746 (September 30, 2023 of $1,833,110), current liabilities of $4,779,157 (September 30, 2023 of $4,846,966) and participation agreements along with commitments for the acquisition of quarry leases and office lease for the twelve-month period to September 30, 2025 of $181,500. 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 the construction of the pattern solar glass manufacturing facility and future operations. 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.

In December 2023, the Company's insiders, including board members and management, as well as certain key strategic investors exercised 4,747,692 common share purchase warrants, at an exercise price of $0.40 per warrant, resulting in net cash proceeds of $1,899,042.

In September 2024, the Company announced the Province of Manitoba and the Government of Canada intend to provide financial support for the Company's integrated pattern solar glass manufacturing facility in Selkirk. The Province of Manitoba intends to provide $72 million in non-dilutive financial support for the project consisting of a $32 million infrastructure investment and a $40 million low interest loan consisting of provisions for the Company to earn forgivable portions of up to 10% of the loan over time. The Company is working on formalizing elements of this support. The Government of Canada intends to provide non-dilutive financial support of up to $100 million towards this project. The Company has submitted the detailed federal application and is now entering the due-diligence phase. Further, up to $100 million investment will be sought by the Company facilitated through the federal Indigenous Loan Guarantee Program. The Company has been engaging with Manitoba Indigenous groups to explore investment in the project through the program. While management expects to receive government financial assistance, the timing and amount remains uncertain. This funding is expected to coincide with commencement of construction of the project in Selkirk.

Subsequent to September 30, 2024, the following financing initiatives were undertaken:

In November 2024, the Company reached an agreement with the holders of its outstanding convertible debentures to extend the maturity date to February 26, 2026.

In December 2024, the Company's insiders, including board members and management, and certain key strategic investors exercised 9,206,404 common share purchase warrants, at an exercise price of $0.40 per warrant, resulting in cash proceeds to the Company of $3,682,562.

While the Company has commenced the process of raising funds for the construction of the pattern solar glass manufacturing facility and related quarry infrastructure, significant challenges in raising new capital through the equity and debt markets exist, compounded by the volatile inflation rate and challenging business and political climate. It is uncertain how long these events will continue to impact the economy and the Company's ability to secure financing. As such, there is no assurance that the Company's financing efforts will be successful. If the Company is unsuccessful in obtaining additional sources of financing when needed and on acceptable terms, the going concern assumption may not be appropriate. These 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 September 30, 2024 are as follows:

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

Related party transactions during the three-months and years ended September 30, 2024 and 2023 are as follows:

- There were no related party transactions for the three-months ended September 30, 2024.
- During the year ended September 30, 2024, 1,177,000 options were granted under the existing stock option plan of which 1,065,000 of these options were granted to key management personnel defined as executive officers and directors.
- In November 2023, the maturity date of the convertible debentures was extended to February 26, 2025. All holders of convertible debentures are executive officers, directors, or key strategic investors in the Company.
- In December 2023, 4,747,692 common share purchase warrants were exercised. These warrants were exercised by executive officers, directors, or key strategic investors in the Company.
- There were no related party transactions for the three-months ended September 30, 2023. During the year ended September 30, 2023, 1,695,000 options were granted under the existing stock option plan of which 1,675,000 of these options were granted to key management personnel defined as executive officers and directors.

Commitments and Contingencies

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

As at September 30, 2024	Payments due by period Less than 1 year	 1-3 years	 4-5 years
	$	$	$
Quarry lease agreements[1]	58,500	175,500	117,000
Royalty and participation agreements[2]	100,000	275,000	-
Office lease	23,000	-	-
Total commitments	**181,500**	**450,500**	**117,000**

[1] Beyond five years, the Company is committed to annual quarry lease payments of $27 per hectare under lease.

[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 various 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 payments made to date, plus applicable accrued interest, are considered advance royalty payments which total $3,111,410 at September 30, 2024 ($2,828,817 at September 30, 2023) and 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 type of mineral extracted and the sale point end use. Due to the variability in the royalty and economic participation obligations, the Company's future commitment ranges from a maximum of $4.80 per tonne to a minimum of $3.80 per tonne.

The Company has an option to acquire 50% of the production royalty under one agreement for $1,500,000 within the first three years of achieving initial production. This option can be extended a further two years by increasing the payment to $2,000,000. This would reduce the maximum royalty per tonne to $4.30 and the minimum royalty per tonne to $3.55.

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 $3,111,410 at September 30, 2024, ($2,828,817 as at September 30, 2023). These semi-annual royalty payments will reduce future cash payments required under the royalty agreements, once production commences, and will continue 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 statement 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.

The Company analyzes financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

Level 1: Valuations based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2: Valuations based on directly or indirectly observable inputs in active markets for similar assets or liabilities, other than Level 1 prices, such as quoted interest or currency exchange rates; and
Level 3: Valuations based on significant inputs that are not derived from observable market data, such as discounted cash flow methodologies based on internal cash flow forecasts.

The convertible debenture fair value (level 3) is $3,383,419 as at September 30, 2024 ($3,019,564 as at September 30, 2023).

b) Credit 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 September 30, 2024 the Company holds interest-bearing cash balances of $689,227 (September 30, 2023 was $1,726,284). The Company has collected the trade and other receivables balance in full, subsequent to the period end.

The Company considers its other accounts receivable to be aged as follows:

As at September 30,	**2024**	2023
	$	$
Less than 30 days	**5,534**	-
31 to 60 days	**-**	30,632
Total trade and other receivables	**5,534**	30,632

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 September 30, 2024, the Company had cash and cash equivalents of $736,746 (September 30, 2023 - $1,833,110) to settle current liabilities of $4,779,157 (September 30, 2023 - $4,846,966) and commitments for the 12-month period to September 30, 2025 of $181,500. All the Company's accounts payable and accruals have contractual maturities of less than one year and are subject to normal trade terms. See Liquidity, Capital Resources and Going Concern.

The timing of undiscounted cash outflows relating to financial liabilities, including estimated interest payments, are outlined in the table below:

As at September 30, 2024	**Total**	**1 year**	**2-3 years**
	$	**$**	**$**
Accounts payable and accruals	**1,343,810**	**1,343,810**	**-**
Lease liabilities[1]	**93,099**	**51,928**	**41,171**
Convertible debentures[1]	**3,573,272**	**3,573,272**	**-**
Total	**5,010,181**	**4,969,010**	**41,171**

[1] *Principal and interest payments.*

d) Interest rate risk

The Company's interest rate risk relates to interest-bearing cash deposits. At September 30, 2024 the Company holds interest-bearing cash balances of $689,227 (September 30, 2023 - $1,726,284).

e) 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 year ended September 30, 2024, with other variables unchanged, a 10% weakening of the Canadian dollar against the US dollar and Euro would have increased net loss in aggregate by approximately $142,643 (September 30, 2023 - $186,851). Included in accounts payable and accruals at September 30, 2024 is USD $599,066 (September 30, 2023 - USD $599,487).

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Critical Accounting Estimates

The preparation of the financial statements in accordance with IFRS 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.

Estimates and assumptions are regularly evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the year in which the estimates are revised.

The following is a description of the accounting judgments, estimates and assumptions that are considered significant:

Exploration and evaluation expenditures

Exploration and evaluation expenditures are recognized as an expense until the determination of technical feasibility and commercial viability which is subject to judgment. Once commercial viability is reached and sufficient capital resources are raised, the Company will move out of the exploration and evaluation phase and into the project construction phase.

Glass plant development expenditures

Glass plant development expenditures are recognized as an expense until the determination of technical feasibility and commercial viability which is subject to judgment. Once commercial viability is reached and sufficient capital resources are raised, the Company will move out of the glass plant development phase and into the project construction phase.

Right-of-use assets and lease liabilities

Right-of-use assets ("ROU assets") lease terms consider the non-cancellable period along with facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Lease liabilities incremental borrowing rate is based on judgments about the economic environment in which the Company operates. Actual results could differ significantly as a result of these estimates and judgments.

Convertible debentures

The fair value of the liability component of the convertible debentures utilizes observable market data, including interest rates. As a result of changes in key assumptions, actual amounts may vary significantly from estimated amounts.

Decommissioning liabilities

The amounts recorded for decommissioning liabilities are based on the Company's exploration and evaluation activities and management's assessment as to when a legal or constructive obligation has occurred as well as the estimated costs to reclaim the land, the estimated time period in which these costs will be incurred in the future and the discount and inflation rates. Any changes to these estimates could change the amount of the decommissioning liability and associated exploration and evaluation expenditures.

Share-based compensation and share purchase warrants

The fair value of share-based compensation is estimated at the grant date using the Black-Scholes option pricing model, which includes underlying assumptions related to volatility, interest rates, dividend yields, and expected life of the options. By their nature, these inputs are subject to measurement uncertainty and require management to exercise judgment.

Income taxes

The amounts recorded for deferred income taxes are based on estimates as to the timing of the reversal of temporary differences and tax rates substantively enacted. Tax regulations and legislation are subject to change and differing interpretations require management judgment. Income tax filings are subject to audits, reassessments and changes in facts, circumstances and interpretations of the standards and may result in a material change in the Company's provision for income taxes. As such, income taxes are subject to measurement uncertainty. The Company follows the liability method for calculating deferred taxes. Assessing the recoverability of deferred tax assets requires the Company to make significant estimates related to the expectations of future cash flows from operations and the application of existing tax laws. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the deferred tax assets and liabilities could be impacted. Additionally, changes in tax laws could limit the ability of the Company to obtain tax deductions in the future. Deferred tax assets are recognized only to the extent that it is probable that taxable profit will be available against which the unused temporary differences can be utilized. Future projected income and future tax rates could be affected a number of factors and as circumstances change, the Company would reassess its ability to record any increase or decrease in its deferred income tax asset. To the extent that actual outcomes differ from management's estimates, taxation charges or credits may arise in future periods.

Going concern

Management has considered the Company's current activities, funding position and financial obligations for the period of at least twelve months from the date of approval of the financial statements, in determining the ability of the Company to adopt the going concern basis in preparing the financial statements for the year ended September 30, 2024. The assessment of the Company's ability to meet its financial obligations involves judgment.

Significant Accounting Policies

The Company's significant accounting policies are those that affect its financial statements and are summarized in Note 3 of the financial statements for the year ended September 30, 2024.

Changes in Accounting Standards

In February 2021, the International Accounting Standards Board (IASB) issued amendments to IAS 1 Presentation of Financial Statements. The amendments require disclosure of material accounting policies rather than significant accounting policies. The Company adopted the amendments on the effective date January 1, 2023, and there was no material impact to the financial statements.

In February 2021, the IASB issued amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. The amendments added the definition of accounting estimates and clarified that the effects of a change in an input or measurement technique are changes in accounting estimates, unless resulting from correction of prior period errors. The Company adopted the amendments on the effective date January 1, 2023, and there was no material impact to the financial statements.

Future Accounting Pronouncements

In April 2024, the 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 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 retroactively, with certain transition provisions. The Company is currently evaluating the impact of adopting IFRS 18 on the 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 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 a pattern solar glass manufacturing facility.

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 pattern solar glass manufacturing facility. 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.

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 facility, dependence on key personnel, raw material input prices, product sales prices, 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

The development of the pattern solar glass manufacturing facility and associated quarry 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 pattern solar glass manufacturing facility and associated quarry 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, revisions to processing plant plans, production waste, quality and other characteristics of the glass 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 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, 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, 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 Company has not sought formal title opinions on its quarry lease interests in Canada. 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 condensed interim 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 condensed interim 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 pattern solar glass manufacturing facility and associated sand quarry; the ability to transport raw materials to the pattern solar glass manufacturing facility 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 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 pattern solar glass manufacturing facility and associated sand quarry; no material capital project and financing cost overrun or delay related to the construction of the facility; 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 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 pattern solar glass manufacturing and sand quarry 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]

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[1] Solar Energy Industry Association (SEIA) 30x30 forecast

[2] Company's market intelligence