ABASCA RESOURCES INC.

Management Discussion and Analysis
For the year ended April 30, 2024

This Management Discussion and Analysis ("MD&A") is intended to supplement the financial statements and notes of Abasca Resources Inc. (the "Company" or "Abasca") for the year ended April 30, 2024 with comparatives for the same period a year earlier. The financial statements including comparative figures have been prepared by the Company in accordance with International Financial Reporting Standards ("IFRS") applicable to preparation of financial statements. This MD&A should be read in conjunction with the Company's audited financial statements and accompanying notes for the year ended April 30, 2024, which are available on the Company's website (www.abasca.ca). This MD&A covers the most recently completed financial year end and the subsequent period up to July 31, 2024. The information is presented in Canadian dollars unless stated otherwise.

DESCRIPTION OF BUSINESS

Abasca Resources Inc. (formerly AMV Capital Corporation) ("Abasca" or the "Company") was formed by way of an amalgamation on January 31, 2019 under the Business Corporation Act (British Columbia). The Company's common shares trades on the TSX Venture Exchange on the Exchange under the symbol "ABA". on January 11, 2023. The address of the Company's corporate office and its principal place of business is suite 208, 4th Avenue North, Saskatoon, Saskatchewan.

On December 29, 2022 (the "Arrangement date"), Abasca and 101159623 Saskatchewan Ltd. ("Saskco") completed an arrangement whereby Saskco, the former owner of the Key Lake South Uranium Project ("KLS" or the "KLS Project"), received 25,639,288 common shares of Abasca for their 100% interest in the KLS Project (the "Arrangement"). The 25,639,288 common shares received by the former owner of the KLS Project comprised 66.7% of the issued and outstanding common shares of Abasca on the date of the Arrangement, and the management of the KLS Project continued as management of Abasca. As a result of the Arrangement, the ultimate parent company is Saskco. The Arrangement constitutes a "reverse takeover" under securities law (see note 1 and 2 of the April 30, 2024 audited financial statements for more details). On the Arrangement date, the Company raised gross proceeds of $3.74 million to advance the KLS Project and for general operations. In June and July 2023, the Company raised additional aggregate gross proceeds of $2,250,000 by way of flow-through private placements to further advance KLS.

The Company's principal business activities include the acquisition and exploration of mineral property assets. As of April 30, 2024, the Company holds an interest in an early-stage mineral exploration property and the Company had not yet determined whether the mineral exploration property contains a deposit of minerals that is economically recoverable. The recoverability of amounts incurred for exploration expenses is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development of and the future profitable production from the property or realizing proceeds from its disposition. The outcome of these matters cannot be predicted at this time and the uncertainties cast significant doubt upon the Company's ability to continue as a going concern.

The Company had an accumulated deficit of $10,575,637 as of April 30, 2024 (2023 - $8,168,762), which has been funded by the issuance of equity. The Company's ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs.

These financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these financial statements.

Trends
The financing, exploration and development of any properties the Company holds or may acquire in the future will be subject to a number of factors including the commodity prices for minerals, applicable laws and regulations, political conditions, currency fluctuations, the hiring of qualified people, and obtaining necessary services in jurisdictions where the Company operates. The current trends relating to these factors could change at any time and negatively affect the Company's operations and business.

Outlook
Abasca continues to focus its exploration activities at KLS and has planned a drill program for approximately 8,000 metres in the summer of 2024. The program continues the Company's methodical approach of testing prospective target areas on the property. Additionally, a systematic re-sampling program is planned for the 2016 drill cores from the Campbell target area to evaluate its graphite potential. The 2016 drilling intersected a wide, up to 40 metres, graphitic zone that extends for at least 2 km. Pulp samples from the 2016 program, stored at SRC Geoanalytical Laboratories, were analysed for graphite content at the end of 2023 and returned significant results which have led to the initiation of additional investigation into the area's graphite prospect, now referred to as the Loki Flake Graphite Zone (or the "Loki Zone"). Part of the summer 2024 drill program has been allocated to evaluate the Loki Zone.

EXPLORATION ACTIVITIES

KEY LAKE SOUTH URANIUM PROJECT – SASKATCHEWAN, Canada

Project Overview

The Key Lake South Uranium Project comprises 12 mineral dispositions totaling 23,977 hectares. The project is located approximately 15 km south of Cameco's Key Lake Uranium Mill (former mine) and 185 km north of the community of Pinehouse Lake. The project area is accessed by provincial highway 914 which runs through the property.

Early regional exploration activities between the late 60s and throughout the 70s focused on ground prospecting, lake water geochemistry, and airborne radiometric and electromagnetic (EM) surveys as well as some shallow drilling. Although these early activities led to the discovery of the nearby Gaertner and Deilmann deposits that comprise Key Lake, no significant uranium mineralization was discovered over the current KLS Project area during that time. During the early 80s, anomalous radioactivity in pegmatites was discovered during ground prospecting surveys over the KLS Project area and shallow follow-up drilling was done during the mid-2000s with limited technical success.

Additional geological mapping and geochemical surface sampling were done in 2014 as well as a property-wide airborne HeliFalcon gravity survey, and together with historical data, culminated in 14 defined target areas. Two target areas, Mustang and Campbell, were drilled in 2016 for a total of 4,553 metres resulting in the discovery of minor anomalous radioactivity and alteration similar to that seen in recent basement-hosted uranium mineralization. The anomalous uranium intersection was up to 2,160 ppm U in a sample from drillhole KS-CC16-13. Additional geophysical compilation and re-processing was done in 2022, including 3D inversions of the airborne magnetic data and 2014 HeliFalcon gravity survey.

Winter and summer drill programs totaling 10,135 metres were conducted in 2023. The programs successfully tested prospective conductor corridors throughout the property and intersected localized alteration proximal to re-activated graphic fault zones. Additionally, the drilling intersected anomalous radioactivity in 9 drillholes and had a cumulative total core length of 13.85 m of anomalous uranium, including 10 cm up to 1260 ppm in the Mustang target area.

Following the summer drill program in 2023, the Campbell target area was re-evaluated for is graphite potential. The area is known to have a strongly graphitic fault zone that was intersected within the first 200 m from surface and extends at least 2 km with undefined depth extents. Representative samples from the 2016 drill program, stored at SRC Geoanalytical Laboratories in Saskatoon, were test for graphite content and returned up to 22.2% graphite with a median diameter passing percentage up to 214 μm determined by QEMSCAN.

Samples were sent to SRC Geoanalytical Laboratories in Saskatoon, Saskatchewan, an independent laboratory accredited under ISO/IEC 17025:2017 for preparation and ICP-MS multi-element analysis and Boron by fusion. The pulps from the samples are stored at SRC Geoanalytical Laboratories and samples from 2016 were analysed for graphite content and total sulphur by LECO. Samples were collected in accordance with industry-standard quality assurance / quality control practices and included the insertion of blanks, standard reference materials, and repeats into the sample stream at regular intervals; however, no graphite reference materials were used in 2016 as the program was focused on uranium exploration.

Qualified Person

The scientific and technical disclosures included in this MD&A have been reviewed by Brian McEwan, P.Geo., the Vice-President of Exploration for the Company, a registered member of the Professional Engineers and Geoscientists of Saskatchewan. Mr. McEwan is a Qualified Person as defined by National Instrument 43-101.

Access to Property

The Company's KLS property in Saskatchewan is accessible all year round.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS

The following table sets out the exploration expenses for the years ended April 30, 2024 and 2023.

	2024 **$**	2023 $
Mineral property and staking costs	14,247	-
Drilling	2,558,477	1,666,030
Geology	194,049	55,325
Geophysics	20,350	-
Government assistance	(50,000)	-
Amortization	22,703	-
Total	**2,759,826**	**1,721,355**

In addition to exploration at KLS, the Company incurred $10,241 (2023- $nil) in general exploration expenses during the year ended April 30, 2024.

REVERSE TAKEOVER ACQUISITION – RESTATEMENT

During the year ended April 30, 2024, the Company identified an error in the accounting for the Arrangement.

The 25,639,288 common shares of the Company received by the former owner of KLS comprised 66.7% of the issued and outstanding common shares of the Company on the date of the Arrangement, and the management of KLS continued as management of the Company. As a result of the Arrangement, the former owner of KLS became the controlling shareholder of the Company. The Arrangement therefore meets the definition of a reverse takeover transaction. The Company originally accounted for the Arrangement as an asset acquisition of the KLS Project in the financial statements for the year ended April 30, 2023.

On the Arrangement date, Abasca was not considered a business under IFRS 3, as Abasca did not have inputs and a substantive processes that could collectively contribute to the creation of outputs. As a result, the Company has accounted for the Arrangement in accordance with IFRS 2, *Share Based Payments*, as a reverse takeover, with KLS identified as the accounting acquirer and Abasca as the accounting acquiree. The financial statements are issued under the legal parent, Abasca Resources Inc., but are considered to be a continuation of the financial results of the KLS Project.

At the date of the Arrangement, the Arrangement was recorded as follows in these restated financial statements:

Fair value of consideration	**$**	
Common shares		4,577,978
Stock options		193,865
	$	4,771,843
Net assets (liabilities) acquired:		
Cash	$	11,724
Amounts receivable		15,851
Accounts payable and accrued liabilities		(327,437)
Net liabilities	$	(299,862)
Fair value of consideration and net liabilities assumed		5,071,705
Other transaction costs	$	130,264
Listing expenses	**$**	**5,201,969**

The fair value of the deemed consideration to the former owner of KLS totaled $4,771,843 and comprised of 12,819,644 common shares and 680,000 stock options that were outstanding at the time of closing the Arrangement. The options held by Abasca shareholders were fully vested at the date of the Arrangement, and as such the total fair value of $193,865 has been included in the total consideration.

The equity component of KLS includes advances from the parent and net losses incurred and is referred to as “net parent investment”. The difference between the consideration paid to acquire Abasca and the fair value of Abasca’s net assets was recorded as a listing expense in the statement of loss and comprehensive loss.

The following tables summarize the effects of the adjustments described above as at and for the year ended April 30, 2022

	As at April 30, 2022 (Previously reported)	Adjustments	As at May 1, 2022 (restated)
Statement of Financial Position			
Total current assets	102,758	(102,758)	-
Total assets	102,758	(102,758)	-
Total liabilities	5,462	(5,462)	-
Share capital	604,493	(604,493)	-
Net parent investment	-	75,286	75,286
Contributed surplus	122,500	(122,500)	-
Reserves	68,687	(68,687)	-
Accumulated Deficit	(698,384)	623,098	(75,286)

The following tables summarize the effects of the adjustments described above as at and for the year ended April 30, 2023:

	As at April 30, 2023 (Previously reported)	Adjustments	As at April 30, 2023 (restated)
Statement of Financial Position			
Total current assets	1,687,981	-	1,687,981
Total assets	1,759,595	-	1,759,595
Total liabilities	287,281	-	287,281
Share capital	5,894,172	1,839,752	7,733,924
Contributed surplus	122,500	(122,500)	-
Reserves	1,655,483	251,669	1,907,152
Accumulated Deficit	(6,199,841)	(1,968,921)	(8,168,762)
Statement of loss and comprehensive loss			
Exploration expenses	4,285,284	(2,563,929)	1,721,355
General administrative	2,965	116,385	119,350
Investor relations and promotion	21,543	(2,908)	18,635
Management fees and salaries	34,532	149,130	183,662
Professional fees	95,999	(32,822)	63,177
RTO Expenses	276,744	(276,744)	-
Transfer agent and regulatory	18,846	(12,816)	6,030
Loss before other items	5,719,413	(2,623,704)	3,095,709
Listing expense	-	5,201,969	5,201,969
Loss and comprehensive loss for the year	5,515,211	2,578,265	8,093,476
Weighted average number of common shares outstanding	23,955,980	8,534,721	32,490,701
Basic and diluted loss per share	0.23	0.02	0.25
Statement of cash flows			
Cash used in operating activities	(2,124,970)	(248,452)	(2,373,422)
Cash used in investing activities	(78,125)	(118,540)	(196,665)
Cash provided from financing activities	3,632,900	467,647	4,100,547

SELECTED FINANCIAL INFORMATION

	April 30, 2024	April 30, 2023 *Restated*	April 30, 2022 *Restated*
Interest Income	$53,395	$32,593	$-
Operating Expenses	$244,694	$390,854	$75,286
Exploration Expenses	$2,770,067	$1,721,355	$-
Loss	$2,406,875	$8,093,476	$75,286
Basic and Diluted loss per share	$0.05	$0.25	$0.00
Total Assets	$917,994	$1,759,595	$-

SELECTED QUARTERLY RESULTS

	April 2024	January 2024	October 2023	July 2023
	$	$	$	$
Total Assets	917,994	924,310	1,191,296	2,868,554
Current Assets	869,083	74,747	1,129,363	2,800,110
Non-current Assets	48,911	55,422	61,933	68,444
Total Accounts Payable	64,836	37,623	38,962	820,370
Interest Income	7,634	9,794	18,194	17,773
Loss	330,116	227,029	536,021	1,313,709
Loss Per Share (1)	0.00	0.00	0.01	0.03
(i) Loss per share remains the same on a diluted basis				

	April 2023	January 2023	October 2022	July 2022
	$	$	$	$
Total Assets	1,759,595	3,530,497	n/a (1)	- (1)
Current Assets	1,687,981	3,508,890	n/a (1)	- (1)
Non-current Assets	71,614	21,607	n/a (1)	- (1)
Total Accounts Payable	168,790	336,845	n/a (1)	- (1)
Interest Income	26,724	5,869	n/a (1)	- (1)
Loss	2,214,265	5,691,599	126,763	60,849
Loss Per Share (1)	0.09	0.22	0.00	0.00

(1) The comparative periods relate to the KLS Project which had no assets or liabilities.

RESULTS OF OPERATIONS

Year ended April 30, 2024

During the year ended April 30, 2024, the Company reported a loss of $2,406,875 (2023 – $8,093,476). The decrease of $5,686,601 is directly related to the following factors: **1.** Lower listing expenses of $5,201,969 as the RTO was completed during the year ended April 2023, combined with; **2.** higher non-cash flow-through share premium of $382,882 (2024 - $554,491 vs 2023 - $171,609) as the Company recognized higher income based on the exploration expenses during the year being funded by flow-through financings; **3.** lower stock-based compensation of $983,500 (2024 - $nil vs 2023 - $983,500) as no stock options were granted in the fiscal year ended April 30, 2024, offset by **4.** higher exploration expenses of $1,048,712 (2024 - $2,770,067 vs 2023 - $1,721,355) on drilling incurred at KLS.

LIQUIDITY AND CAPITAL RESOURCES

As at April 30, 2024, the Company had cash of $705,619 and working capital (excluding flow-through share premium liability) of $804,247 (April 30, 2023, $1,530,460 and $1,519,191, respectively). The Company's excess cash, when available, is deposited into interest-bearing bank accounts at Canadian chartered banks.

As at April 30, 2024, the Company had amounts receivable and prepaid expenses totaling $163,464 which included prepaid expenses of $63,069, government assistance receivable of $50,000, refundable deposit of $34,280 and GST and other receivables of $16,115.

The April 30, 2024, financial statements were prepared in accordance with accounting principles applicable to a going concern, which assumes that the Company will be able to realize its assets and discharge liabilities in the normal course of business. The Company's ability to continue as a going concern is always dependent on its ability to raise new funds to meet its obligations and continue its exploration activities.

Equity Financing

The Company's exploration projects are at an early stage and it has not yet been determined whether any of its properties contain economically recoverable ore. As a result, the Company has no current sources of revenue and has relied on the issuance of shares to generate the funds required to further its projects.

Private Placements

On June 21, 2023, the Company completed a non-brokered flow-through private placement of $1,000,000 by issuing 2,000,000 units at $0.50 per unit.

On July 28, 2023, the Company completed a non-brokered flow-through private placement of $1,250,000 by issuing 5,000,000 units at $0.25 per unit. The gross proceeds from the June and July 2023 private placements were directed towards exploration activities at KLS.

On June 27, 2024, the Company completed a non-brokered private placement private placement of $3.65 million and issued 21,875,000 flow-through units of the Company at a price of $0.16 and 1,071,428 non flow-through units at a price of $0.14 per unit.

Warrants

As part of the June 21, 2023 private placement, the Company issued 1,000,000 warrants to the subscriber. Each warrant is exercisable to acquire one additional common share at a price of $0.60 for a period of 24 months expiring June 21, 2025.

As part of the July 28, 2023 private placement, the Company issued 2,500,000 warrants to the subscribers. Each warrant is exercisable to acquire one additional common share at a price of $0.30 for a period of 24 months expiring July 28, 2025.

As part of the June 27, 2024 private placement, the Company issued 11,473,216 warrants to the subscribers. Each warrant is exercisable to acquire one additional common share at a price of $0.20 for a period of 24 months expiring June 27, 2026.

Stock Options

On June 9, 2024, 680,000 stock options at $0.10 expired unexercised.

COMMITMENTS AND CONTINGENCIES

Flow-through obligation
As at April 30, 2024, the Company has to incur $700,938 in qualifying exploration expenditures by December 31, 2024 to meet its flow-through commitments. At this time, management anticipates meeting that obligation and as a result, no additional provisions are required.

The flow-through agreements require the Company to renounce certain tax deductions for Canadian exploration expenditures incurred on the Company's mineral properties to flow-through participants. The Company indemnified the subscribers for any related tax amounts that become payable by the subscribers as a result of the Company not meeting its expenditure commitments.

Management contracts
The Company entered into agreements for the services of its key executives. Under the agreements, additional payments totalling $225,000 are to be made upon the occurrence of a change of control. As a triggering event has not taken place, the contingent payments have not been reflected in the financial statements. The commitment upon termination of the agreements is $15,000. The minimum commitment due within one year under the terms of the agreement is $225,000.

Environmental
The Company's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not entered into any off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

a) Remuneration of directors and officers was as follows:

	Years ended April 30, 2024	Years ended April 30, 2023
Fees, salaries and benefits	$ 279,988	$ 83,657
Stock option-based compensation	-	800,850
	$ 279,988	**$ 884,507**

For the year ended April 30, 2024, the salaries and benefits amount above includes $78,672 (2023 - $27,657) for fees invoiced by a corporation controlled by the CFO of the Company for his services. Included in accounts payable and accrued liabilities at April 30, 2024 is $1,000 (2023- $1,000) to directors and $5,978 (2023 - $5,650) owed to the CFO. The amounts payable are unsecured, non-interest bearing and have no fixed terms of repayment.

b*) Private Placement and Subscription Receipts*
As part of the flow-through private placement completed on June 21, 2023, a corporation controlled by a director of the Company subscribed for 2,000,000 flow-through units for gross proceeds of $1,000,000.

As part of the flow-through private placement completed on July 28, 2023, two directors subscribed for a total of 960,000 units and a corporation controlled by a director of the Company subscribed for 2,860,000 units for aggregate gross proceeds of $955,000.

As part of the flow-through private placement completed on December 29, 2022, directors, officers and corporations controlled by a director of the Company acquired an aggregate of 3,840,000 units in the private placement for total gross proceeds of $1,920,000.

As part of the subscription receipts issued on December 31, 2022, a corporation controlled by a director of the Company acquired 200,000 subscription receipts for a total of $90,000.

c*) Professional Fees*

The following table provide details of expenses included in professional and listing fees for the years ended April 30, 2024 and 2023.

	2024 $	2023 $
Professional fees - Accounting	nil	12,700
Legal and listing fees	36,009	380,098

Legal and listing expenses were incurred with a law firm in which a director is a partner and accounting fees were paid to a company controlled by the former Chief Financial Officer of the Company.

PROPOSED TRANSACTIONS

The Company continues to evaluate quality exploration projects and financing opportunities. There are no material transactions currently pending.

CRITICAL ACCOUNTING ESTIMATES

Refer to the audited financial statements for the year ended April 30, 2024 on www.sedarplus.ca for critical accounting estimates.

FINANCIAL INSTRUMENTS

International Financial Reporting Standards 7, *Financial Instruments: Disclosures*, establishes a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair Value of Financial Instruments

The Company's financial assets include cash and are classified as Level 1. The carrying value of these instruments approximates their fair values due to the relatively short periods of maturity of these instruments.

The Company's financial assets include cash of $705,619 and is classified as Level 1. The carrying value of these instruments approximates their fair values due to the relatively short periods of maturity of these instruments.

The fair value of the Company's financial instruments approximates their carrying value as at April 30, 2024 because of the demand nature or short-term maturity of these instruments.

The Company's financial instruments include cash and accounts payable. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

(i) *Currency risk*

The Company's expenses are denominated in Canadian dollars. The Company's corporate office is based in Canada and current exposure to exchange rate fluctuations is minimal.

The Company does not have any significant foreign currency denominated monetary liabilities. The principal business of the Company is the identification and evaluation of assets or a business and once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder approval and acceptance by regulatory authorities.

(ii) *Interest rate risk*

The Company is exposed to interest rate risk on the variable rate of interest earned on bank deposits. The fair value interest rate risk on bank deposits is insignificant as the deposits are short-term.

The Company has not entered into any derivative instruments to manage interest rate fluctuations.

(iii) *Credit risk*

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash. To minimize the credit risk the Company places these instruments with a high quality financial institution.

(iv) *Liquidity risk*

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities. The Company is exposed to liquidity risk through its accounts payable and accrued liabilities. As the Company's operations do not generate cash, financial liabilities are discharged using funding through the issuance of common shares as required. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at April 30, 2024, the Company had a cash balance of $705,619 (2023 - $1,530,460) to settle accounts payable and accrued liabilities of $64,836 (2023 - $168,790). All of the Company's financial liabilities generally have contractual maturities of less than 30 days and are subject to normal trade terms.

ADDITIONAL INFORMATION

Outstanding Shareholders' Equity Data

As of July 31, 2024, the following are outstanding:

Security	# outstanding	# escrowed
Common Shares	76,083,797	15,047,906
Stock Options	3,500,000	805,000
Warrants	19,042,320	909,000

Uncertainties and Risk Factors

An investment in the securities of the Company is highly speculative and involves numerous and significant risks. Such investment should be undertaken only by investors whose financial resources are sufficient to enable them to assume these risks and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the risk factors that have affected, and which in the future are reasonably expected to affect, the Company and its financial position.

In addition to the risks outlined below, Abasca has identified the extreme volatility occurring in the financial markets as a significant risk for the Company. As a result of the market turmoil, investors are moving away from assets they perceive as risky to those they perceive as less so. Companies like Abasca are considered risk assets and as mentioned above are highly speculative. The volatility in the markets and investor sentiment may make it difficult for the Company to access the capital markets to raise the funds required for its future expenditures.

Exploration, Development and Operating Risks

Mining operations generally involve a high degree of risk. The Company's operations are subject to all the hazards and risks normally encountered in the exploration, development and production of uranium, including unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Although adequate precautions to minimize risk will be taken, milling operations are subject to hazards such as equipment failure or failure of retaining dams around tailings disposal areas which may result in environmental pollution and consequent liability.

The exploration for and development of mineral deposits involves significant risks which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of a mineral-bearing structure may result in substantial rewards, few properties which are explored are ultimately developed into producing mines.

Major expenses may be required to locate and establish mineral reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the exploration or development programs planned by the Company will result in a profitable commercial mining operation. Whether a uranium deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as quantity and quality of mineralization and proximity to infrastructure; uranium prices which are highly cyclical; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of uranium and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in The Company not receiving an adequate return on invested capital.

There is no certainty that the expenditures made by the Company towards the search and evaluation of uranium or other minerals will result in discoveries of commercial quantities of uranium or other minerals.

Current Economic Conditions

There are significant uncertainties regarding the price of precious metals and other minerals and the availability of equity financing for the purposes of mineral exploration and development. The prices of precious metals and other minerals have fluctuated substantially over the past several years. The Company's future performance is largely tied to the development of its current mineral properties and the overall financial markets. Current financial markets are likely to be volatile for the remainder of the calendar year, reflecting ongoing concerns about the stability of the global economy and global growth prospects. As well, concern about global growth has led to sustained drops in the commodity markets for commodities other than gold. As a result, the Company may have difficulties raising equity financing for the purposes of mineral exploration and development, particularly without excessively diluting present shareholders of the Company. These economic trends may limit the Company's ability to develop and/or further explore its mineral property interests.

Limited Operating History

The Company has a limited history of operations, is in the early stage of exploration and must be considered a start-up company. As such, the Company is subject to many risks common to such enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and lack of revenues. It is common in new mining operations to experience unexpected problems and delays. In addition, delays in the commencement of mineral production often occur. There is no assurance that the Company will be successful in achieving a return on shareholders' investment or successfully establish mining operations and the likelihood of success must be considered in light of its early stage of operations.

Insurance and Uninsured Risks

The Company's business is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to The Company's properties or the properties of others, delays in mining, monetary losses and possible legal liability.

Although the Company may in the future maintain insurance to protect against certain risks in such amounts as it considers to be reasonable, its insurance will not cover all the potential risks associated with a mining company's operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to the Company or to other companies in the mining industry on acceptable terms. The Company might also become subject to liability for pollution or other hazards which may not be insured against or which the Company may elect not to insure against because of premium costs or other reasons. Losses from these events may cause the Company to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

Environmental Risks and Hazards

All phases of the Company's operations are subject to environmental regulation in the jurisdictions in which it operates. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Environmental legislation is evolving in a manner which will 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. Environmental hazards may exist on the properties on which the Company holds interests which are unknown to the Company at present and which have been caused by previous or existing owners or operators of the properties.

Government approvals and permits are currently and may in the future be required in connection with the Company's operations. To the extent such approvals are required and not obtained, the Company may be curtailed or prohibited from continuing its exploration or mining operations or from proceeding with planned exploration or development of mineral properties.

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

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

Infrastructure
Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants, which affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Company's operations, financial condition and results of operations.

Land Title
No assurances can be given that there are no title defects affecting property or any other property interests of the Company. Title insurance generally is not available, and the Company's ability to ensure that it has obtained secure claim to individual mineral properties or mining concessions may be severely constrained. Furthermore, the Company has not conducted surveys of the claims in which it holds an interest and, therefore, the precise area and location of such claims may be in doubt. Accordingly, the Company's mineral properties may be subject to prior unregistered liens, agreements, transfers or claims, including native land claims, and title may be affected by, among other things, undetected defects. In addition, the Company may be unable to operate its properties as permitted or to enforce its rights with respect to its properties.

Competition
The mining industry is competitive in all of its phases. The Company faces strong competition from other mining companies in connection with the acquisition of properties producing, or capable of producing, uranium. Many of these companies have greater financial resources, operational experience and technical capabilities than the Company. As a result of this competition, the Company may be unable to maintain or acquire additional attractive mining properties on terms it considers acceptable or at all. Consequently, the Company's revenues, operations and financial condition could be materially adversely affected.

Additional Capital
The development and exploration of the Company's properties will require substantial additional financing. Failure to obtain sufficient financing may result in the delay or indefinite postponement of exploration, development or production on any or all of the Company's properties or even a loss of property interest. The primary source of funding available to the Company consists of equity financing. 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 financing will be favourable to the Company.

Commodity Prices
The price of the Company's common shares, the Company's financial results and exploration, development and mineral development activities may in the future be significantly adversely affected by declines in the price of uranium. The price of uranium fluctuates widely and is affected by numerous factors beyond the Company's control such as the sale or purchase of commodities by various central banks and financial institutions, interest rates, exchange rates, inflation or deflation, fluctuation in the value of the United States dollar and foreign currencies, global and regional supply and demand, the political and economic conditions of major mineral-producing countries throughout the world, and the cost of substitutes, inventory levels and carrying charges. Future serious price declines in the market value of uranium could cause development of and commercial production from the Company's properties to be impracticable. Depending on the price of uranium, cash flow from mining operations may not be sufficient and the Company could be forced to discontinue production and may lose its interest in, or may be forced to sell, some of its properties. Future production from the Company's mineral exploration properties is dependent upon the prices of uranium being adequate to make these properties economic.

In addition to adversely affecting the Company's future resource or reserve estimates, if any, and its financial condition, declining commodity prices can impact operations by requiring a reassessment of the feasibility of a particular project. Such a reassessment may be the result of a management decision or may be required under financing arrangements related to a particular project. Even if the project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed.

Government Regulation
The development and mineral exploration activities of the Company are subject to various laws governing prospecting, development, production, taxes, labour standards and occupational health, mine safety, toxic substances, land use, water use, land claims of local people and other matters. In addition, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not otherwise be applied in a manner which could limit or curtail production or development in any of the jurisdictions in which the Company operates. Amendments to other current laws and regulations governing mineral exploration and development or more stringent implementation thereof could also have a substantial adverse impact on the Company.

Dividend Policy
No dividends on the common shares have been paid by the Company to date. Payment of any future dividends will be at the discretion of the Company's board of directors after taking into account many factors, including the Company's operating results, financial condition and current and anticipated cash needs.

Dilution to the Company Common Shares
As of July 31, 2024, the Company had 76,083,797 common shares and 22,542,320 convertible securities issued and outstanding. The increase in the number of securities issued and outstanding and the possibility of sales of such shares may have a depressive effect on the price of the common shares. In addition, as a result of such additional securities, the voting power of the existing shareholders in the Company will be diluted.

Key Executives
The Company is dependent on the services of key executives, including the directors of Abasca and a small number of highly skilled and experienced executives and personnel. Due to the relatively small size of the Company, the loss of these persons or the Company's inability to attract and retain additional highly skilled employees may adversely affect its business and future operations.

Conflicts of Interest

Certain directors and officers of the Company also serve as directors and/or officers of other companies involved in natural resource exploration and development and consequently there exists the possibility for such directors and officers to be in a position of conflict. Any decision made by any of such directors and officers involving Abasca should be made in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interests of Abasca and its shareholders. In addition, each of the directors is required to declare and refrain from voting on any matter in which such directors may have a conflict of interest in accordance with the procedures set forth in the *British Columbia Canada Business Corporations Act* and other applicable laws.

FORWARD-LOOKING INFORMATION

This MD&A contains forward-looking information (as such term is defined under applicable Canadian securities laws) ("forward-looking information") which reflects the current expectations of the management of the Company regarding the Company's future operations, performance and business prospects and opportunities. Forward-looking information can often be identified by words such as "may", "would", "could", "will", "anticipate", "believe", "plan", "expect", "intend", "estimate" and similar expressions suggesting future outcomes. Forward-looking information reflects management's current beliefs with respect to future events and is based on information currently available to management. Forward-looking information involves significant risks, uncertainties and assumptions. An example of such forward-looking information in the MD&A includes, but is not limited to, the expected timing of completion of the drill program on the Key Lake South Uranium Project.

The forward-looking information contained in the MD&A involves known and unknown risks, uncertainties and other factors beyond the Company's control which may cause actual results to differ materially from those anticipated in such statements. These risks, uncertainties and factors include without limitation: the impact of general business and economic conditions; risks related the exploration activities to be conducted on the Key Lake South Uranium Project, including risks related to government and environmental regulation; actual results of exploration activities; industry conditions, including uranium price fluctuations, interest and exchange rate fluctuations; the influence of macroeconomic developments; business opportunities that become available or are pursued; title, permit or license disputes related the Key Lake South Uranium Project; litigation; fluctuations in interest rates; and other factors. The factors identified above should be considered carefully and prospective investors should not place undue reliance on the forward-looking information. Such factors are not intended to represent a complete list of the factors that could affect the Company. In addition, the forward-looking information is based on several assumptions which may prove to be incorrect, including, but not limited to, assumptions about the availability of qualified employees and contractors for the Company's operations and the availability of equipment.

Should one or more of these factors materialize, or should assumptions underlying the forward-looking information prove incorrect, actual results, performance or achievements may vary materially from those expressed or implied by the forward-looking information contained in the MD&A. Although the forward-looking information contained in the MD&A is based upon what management of the Company currently believes to be reasonable assumptions, the Company cannot assure prospective investors that actual results, performance or achievements will be consistent with this forward-looking information. The forward-looking information contained herein speaks only as of the date of this MD&A and the Company assumes no responsibility to update such forward-looking information, other than as may be required by applicable securities laws.