Abasca Resources Inc.
Management Discussion and Analysis

January 31, 2025

This Management Discussion and Analysis ("MD&A") should be read in conjunction with the audited financial statements and notes thereto for the year ended April 30, 2024 (available at www.abasca.ca) of Abasca Resources Inc. ("Abasca" or "the Company") and with the condensed interim financial statements for the three and nine months ended January 31, 2025 which were prepared in accordance with International Financial Reporting Standards. This MD&A covers the most recently completed fiscal quarter and the subsequent period up to March 19, 2025. The information is presented in Canadian dollars unless stated otherwise.

DESCRIPTION OF BUSINESS

Abasca Resources Inc. was formed by way of an amalgamation on January 31, 2019 under the *Business Corporation Act* (British Columbia). In December 2022, Abasca acquired a 100% right, title and interest in the mineral claims that comprise the Key Lake South Project ("KLS" or the "KLS Project") located in the southeastern Athabasca Basin Region in northern Saskatchewan, Canada from 101159623 Saskatchewan Ltd. for 25,639,288 common shares of the Company (the "Transaction"). The Transaction constituted a "reverse takeover" ("RTO") pursuant to the policies of the TSX Venture Exchange. The address of the Company's corporate office and its principal place of business is Suite 208, 311 4th Avenue North, Saskatoon, Saskatchewan, Canada.

The Company acquires and explores mineral properties. Its current primary asset is the 23,977-hectare Key Lake South (KLS) Project in northern Saskatchewan's Athabasca Basin, located approximately 15 km south of the former Key Lake mine and current mill. The KLS Project hosts the Loki Flake Graphite Zone (Loki Zone). Since having identified the Loki Zone as a priority target, the Company has conducted further drilling to delineate the Loki Zone and collect data for mineral resource estimates and a potential economic valuation of the flake graphite deposit. The recoverability of exploration expenses is contingent upon several factors: discovering economically recoverable reserves, confirming the Company's interest in the mineral claims, securing necessary financing for development, and achieving profitable production or proceeds from asset disposition. These outcomes are currently uncertain, raising significant doubt about the Company's ability to continue as a going concern.

As of January 31, 2025, the Company had an accumulated deficit of $13,903,234 (compared to $10,575,637 on April 30, 2024), funded primarily by the issuance of common shares. The Company's ability to continue operations and realize its asset values depends on its success of securing additional financing.

These condensed interim financial statements do not reflect the potential impact of the Company being unable to continue as a going concern, which would require realizing assets and discharging liabilities outside the normal course of business and at different amounts.

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 actively explore at KLS and follow-up on its successful 2024 summer drill program with a winter drill program currently in progress. The objectives of Abasca's exploration activities are as follows: 1) to continue the Company's methodical approach of testing uranium prospective target areas on the property, and 2) to confirm the mineralization extension and quality of the Loki Zone. The current winter drill program at the Loki Zone applies the same drilling grid design as the 2024 summer drill program along the over 2 km graphite zone expected to be completed by mid-April 2025. The Company has received and released most of the lab results from the 2024 summer program and are working to complete an initial mineral resource estimation of the Loki Flake Graphite Zone. The Canadian Critical Minerals Strategy lists graphite as one of six priority critical minerals for its potential to spur Canadian economic growth. While Abasca continues its exploration for uranium at KLS, the Company is also dedicated to advancing the flake graphite project with a view to creating value and contributing to enhance North America's graphite supply chain and Saskatchewan's strategy of doubling the number of critical minerals being produced in the province.

EXPLORATION ACTIVITIES

Key Lake South Project – Saskatchewan, Canada

Project Overview

The Key Lake South Project comprises 12 mineral dispositions totaling 23,977 hectares. The project is located approximately 15 km south of Cameco's Key Lake 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 the 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 1,260 ppm in the Mustang target area.

Following the summer drill program in 2023, the Campbell target area was re-evaluated for its 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 tested for graphite content and returned up to 22.2% graphite with a median diameter passing percentage up to 214 µm determined by QEMSCAN.

2024 Summer Exploration

Regional Activities

A total of 7 drill holes totalling 3,593 m were completed along the Mustang-Seager Trend and the Loki Target area (north of the Loki Zone). Strong silicification along with local clay alteration, including illite, and oxide staining near fault zones were observed along the trend. The corridor remains largely untested with many prospective targets. The two holes in the Loki Target area identified a new prospective graphite zone. Graphite mineralization was observed in the drill cores with intersections up to approximately 40 m. These zones were comprehensively sampled, and the Company is waiting for lab results.

Loki Flake Graphite Zone

The summer drilling at the Loki Flake Graphite Zone included 20 drillholes, totaling 5,499 m. The drilling, which was conducted on a 100 m x 100 m grid along a 600 m wide segment of the over 2 km Loki Flake Graphite Zone trend, focused on testing the continuity along strike and at depth. All holes successfully intersected graphite mineralization and samples were submitted to SRC Geoanalytical Laboratories in Saskatoon for analyses. Samples from one hole were also selected for metallurgical evaluation and those results are pending. Cores from 2016 we also resampled where they intersected the Loki Flake Graphite Zone, and their results are pending.

Results from the 20 drillholes have been received and released (available at www.abasca.ca). Highlights from these holes include:

- KLS-24-043: **60.0** m at 9.01 % Cg, ***including 7.5 m at 12.91 % Cg and 1.0 m at 21.05 % Cg***
- KLS-24-031**: 52.0 m** at 7.18 % Cg, ***including 8.5 m at 14.98 % Cg***
- KLS-24-049: **44.0** m at 9.34 % Cg, ***including 9.0 m at 13.57 % Cg***
- KLS-24-044: **43.5** m at 8.65 % Cg, ***including 5.5 m at 12.73 % Cg***
- KLS-24-026: **42.5** m at 7.36 % Cg, ***including 5.5 m at 15.10 % Cg***
- KLS-24-045: **49.0** m at 8.81 % Cg, ***including 4.5 m at 14.37 % Cg***
- KLS-24-037: **38.0** m at 8.48 % Cg, ***including 7.5 m at 14.55 % Cg***
- KLS-24-050: **33.5** m at 10.10 % Cg, ***including 5.5 m at 14.62 % Cg***
- KLS-24-033: **18.0** m at 7.06 % Cg, and **19.5** m at 7.65 % Cg
- KLS-24-030: **41.0** m at 7.20 % Cg
- KLS-24-032: **37.7** m at 7.27 % Cg
- KLS-24-039: **37.0** m at 7.60 % Cg
- KLS-24-027: 33.0 m at 7.28 % Cg, ***including 6.5 m at 14.01 % Cg***
- KLS-24-028: 30.3 m at 8.72 % Cg

Please refer to the Company's news releases of November 27, 2024 and March 3, 2025 for additional information about the drillholes.

Graphite mineralization was intersected at the overburden-basement contact and dips toward the southwest. The mineralization is hosted in metapelitic rocks of the Wollaston Domain along a northwest-trending fault zone in the north part of the property. Pegmatite and local calc-silicate rocks are commonly observed in the hangingwall interlayered with the metapelitic gneiss and also contain local graphite mineralization (see news releases for more details).

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, as well as 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, commodity-specific standard reference materials, and repeats into the sample stream at regular intervals.

2025 Winter Exploration

The 2025 winter drill campaign commenced mid-January and is focused on the continued delineation of the Loki Flake Graphite Zone along strike toward the southeast and northwest between known intersections of the zone. The program aims to expand the zone defined in the summer by 300 m along each side.

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 nine-month periods ended January 31, 2025 and 2024.

	2025 ($)	2024 ($)
Drilling	4,618,344	2,557,383
Geology	4,740	179,364
Depreciation	19,533	16,192
Acquisition and staking	-	14,246
General exploration	-	10,241
Total	**4,642,617**	**2,777,426**

SELECTED QUARTERLY RESULTS

	January 2025 ($)	October 2024 ($)	July 2024 ($)	April 2024 ($)
Total Assets	3,487,932	812,055	3,360,648	917,994
Current Assets	3,458,554	776,166	3,318,248	869,083
Non-current Assets	29,378	35,889	42,400	48,911
Total Accounts Payable	663,259	103,252	1,946,445	64,836
Interest Income	16,900	15,079	19,868	7,634
Loss	1,295,509	623,328	2,332,412	330,116
Loss Per Share (i)	0.02	0.01	0.04	0.00
(i) Loss per share remains the same on a diluted basis				

	January 2024 ($)	October 2023 ($)	July 2023 ($)	April 2023 ($)
Total Assets	924,310	1,191,296	2,868,554	1,759,595
Current Assets	74,747	1,129,363	2,800,110	1,687,981
Non-current Assets	55,422	61,933	68,444	71,614
Total Accounts Payable	37,623	38,962	820,370	168,790
Interest Income	9,794	18,194	17,773	26,724
Loss	227,029	536,021	1,313,709	2,214,265
Loss Per Share (i)	0.00	0.01	0.03	0.09
(i) Loss per share remains the same on a diluted basis				

RESULTS OF OPERATIONS

For the nine months ended January 31, 2025, the Company reported a loss of $4,251,249 (2024 – $2,076,759). The increase of $2,174,490 is related to the following factors:

1. Higher exploration expenses of $1,865,191 (2025 - $4,642,617 vs 2024 - $2,777,426) as more drilling took place at KLS,
2. Higher stock-based compensation (non-cash) of $414,800 (2025 - $414,800 vs 2024 - $nil) as stock options were granted in December 2024; offset by;
3. Lower investor relations and promotion expenses of $35,145 (2025 - $1,895 vs 2024 - $37,040) as in 2024, the Company had expenses related to website development and an external investor relation consultant.

LIQUIDITY AND CAPITAL RESOURCES

As at January 31, 2025, the Company had cash and cash equivalents of $3,278,160 and working capital (excluding flow-through share premium liability) of $2,795,295 (April 30, 2024, $705,619 and $804,247, respectively). The Company's excess cash, when available, is deposited into interest-bearing bank accounts and/or term deposits at Canadian chartered banks.

As at January 31, 2025, the Company had amounts receivable and prepaid expenses totaling $180,394 which included GST receivable of $63,726, prepaid expenses of $109,190 and interest receivable of $7,478.

The January 31, 2025, condensed interim 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 27, 2024, the Company completed a non-brokered 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.

On December 20, 2024, the Company completed a non-brokered flow-through private placement of $3.2 million and issued 20,000,000 flow-through units of the Company at a price of $0.16 per unit.

Warrants

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.

As part of the December 20, 2024 flow-through private placement, the Company issued 10,000,000 warrants to the subscribers as well as 450,000 finders' warrants. Each warrant is exercisable to acquire one additional common share at a price of $0.20 for a period of 24 months expiring December 20, 2026.

On December 29, 2024, 4,069,104 warrants exercisable at $0.60 expired unexercised.

Stock Options

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

On December 27, 2024, the Company issued 3,050,000 stock options to officers and directors of the Company. The options are exercisable at $0.15 and expire on December 27, 2029.

COMMITMENTS AND CONTINGENCIES

Flow-through obligation

As at January 31, 2025, the Company has to incur $2,777,904 in qualifying exploration expenditures by December 31, 2025 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 $235,000 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 $235,000.

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

Remuneration of Directors and Officers

	2025 ($)	2024 ($)
Fees, salaries and benefits	230,847	218,247
Stock option-based compensation	414,800	-
Total	**645,647**	**218,247**

For the nine months ended January 31, 2025, the salaries and benefits amount above includes $64,789 (2024 - $63,672) for fees invoiced by a corporation controlled by the CFO of the Company for his services. Included in accounts payable and accrued liabilities at January 31, 2025 is $1,000 (2023- $1,000) owed to directors of the Company. The amounts payable are unsecured, non-interest bearing and are due on demand.

Private Placements

As part of the private placement completed on December 20, 2024, two corporations controlled by a director of the Company subscribed for 11,062,500 flow-through units and three directors of the Company subscribed for 187,500 flow-through units for aggregate gross proceeds of $1,800,000.

As part of the private placement completed on June 27, 2024, a corporation controlled by a director of the Company subscribed for 15,168,750 flow-through units and an officer of the Company subscribed for 312,500 flow-through units for aggregate gross proceeds of $2,477,000.

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.

Professional Fees

For the nine months ended January 31, 2025, the Company incurred $29,725 (2024 - $28,228) in legal services and expenses with a law firm in which a director is a partner.

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 and Financial Risks

The Company's financial assets include cash and cash equivalents 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 and cash equivalents of $3,278,160 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 January 31, 2025 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.

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.

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.

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.

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 January 31, 2025, the Company had a cash and cash equivalents balance of $3,278,160 (April 30, 2024 - $705,619) to settle accounts payable and accrued liabilities of $663,259 (April 30, 2024 - $64,836). 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 March 19, 2025, the following are outstanding:

Security	Outstanding (#)	Escrowed (#)
Common Shares	96,083,797	10,031,938
Stock Options	6,550,000	606,000
Warrants	25,423,216	-

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. The extreme volatility occurring in the financial markets is 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 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.

Please refer to the Annual MD&A for the year end April 30, 2024 for the full list of risk factors.

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 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 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 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.