PULSAR HELIUM INC

Management Discussion & Analysis

For the nine months ended June 30, 2023

(Expressed in US dollars)

The following is management's discussion and analysis ("MD&A") of the results of operations and financial condition of Pulsar Helium Inc. (the "Company" or "Pulsar") for the nine months ended June 30, 2023, and up to the date of this MD&A, and has been prepared to provide material updates to the business operations, financial condition, liquidity and capital resources of the Company since its last management's discussion and analysis for the nine months ended September 30, 2022 (the "Annual MD&A").

This MD&A should be read in conjunction with the Annual MD&A and the audited consolidated financial statements for the nine months ended September 30, 2022, together with the notes thereto, and the accompanying unaudited condensed interim consolidated financial statements and related notes thereto for the nine months ended June 30, 2023 (the "Financial Report").

All financial information in this MD&A is derived from the Company's financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") and all dollar amounts are expressed in Unites States dollars unless otherwise indicated.

The effective date of this MD&A is August 29, 2023.

CORPORATE OVERVIEW AND OUTLOOK

Pulsar was incorporated under the laws of British Columbia, Canada on June 30, 2022. The corporate office and registered and records office of the Company is located at Unit 1 – 15782 Marine Drive, White Rock, BC, Canada, V4B 1E6.

Effective August 15, 2023, the Company's common shares commenced trading on the TSX Venture Exchange ("TSX-V") under the symbol PLSR.

The Company is engaged in the identification, acquisition, exploration and, if warranted, development of helium exploration projects in the United States of America ("USA") and Greenland.

Helium exploration and development is a nascent industry, brought into existence by a sudden and significant supply deficit that has persisted for over a decade and shows no sign of ending. Pulsar exists to develop its helium assets, with the objective of bringing stability via sustainable supply that is not associated with hydrocarbon production. Pulsar's assets include the flagship Topaz project in the USA with a helium content of 10.5%, positioning it among the world's highest-grade occurrences. Efforts are focused on fast-tracking activities at Topaz to realize its potential. Helium uses are abundant, the most significant being in superconducting magnets, semiconductor manufacturing, and as a pressuring agent in the fuel tanks of spacecraft.

IPO

On August 2, 2023, the Company filed its final prospectus for the Company's initial public offering ("IPO"). The Company became a reporting issuer in all provinces in Canada except Quebec as a result of the filing of its final prospectus.

On August 15, 2023, the Company completed its IPO through the issuance of 10,295,858 units at a price of C$0.30 per unit for gross proceeds of C$3,088,757. Each unit consists of one common share and one transferable common share purchase warrant. Each warrant entitles the holder to purchase one common share at a price of C$0.45 for a period of two years, subject to certain acceleration rights. If the volume weighted average price (VWAP) of the Company's common shares on the TSX-V is equal to or greater than C$0.60 per share for a period of twenty five (25) consecutive trading days, the Company may elect to accelerate the expiry date of the warrants to a date that is 30 calendar days from the date when written notice of such new expiry date is sent by the Company to the holders of the warrants.

The Company paid cash finder's fees of C$168,442 and issued 561,472 broker warrants. The broker warrants entitle the broker to purchase one common share at a price of C$0.30 for a period of two years and are not subject to the acceleration rights disclosed above. The Company also issued 500,000 finder's units valued at C$150,000. Finally, the Company incurred other share issuance costs of approximately C$225,000 of which C$75,000 (US$54,540) was recorded as deferred financing costs as at June 30, 2023.

The Company's shares commenced trading on the TSX-V on August 15, 2023 under the symbol PLSR.

HELIUM EXPLORATION PROJECTS

Topaz Project, USA

Acquisition

In October 2021, Keewaydin Resources Inc. ("Keewaydin"), a subsidiary of Pulsar, entered into a three-year option to lease non-hydrocarbon gases agreement (the "Topaz Option") on 3,132 net acres in Minnesota, USA compromising the Topaz helium project. In consideration, Keewaydin agreed to pay $78,311 on signing of the Topaz Option and pay $50,000 on each anniversary of the Topaz Option. A company controlled by a director of the Company paid the $78,311 option payment on the behalf of Keewaydin on signing and in September 2022, a director of the Company paid the $50,000 anniversary payment due on the Topaz Option.

In February 2023, the Company partially exercised the Topaz Option to lease 1,040 acres for a period of five years. In consideration, the Company paid $156,000 cash and agreed to pay a production royalty of 20% of the gross sales price of the product sold.

The Company maintains the Topaz Option on the remaining 2,092 acres until October 2024.

In February 2022, a director of Keewaydin received a 0.5% royalty on the Topaz project. The Company has the right to repurchase half of the royalty (0.25%) upon payment of $100,000.

Ambient Noise Tomography (ANT) Survey

On August 21, 2023, the Company announced the commencement of an Ambient Noise Tomography (ANT) Survey by our local partners at the Topaz Project. The ANT survey is centered on the Topaz appraisal well location where the geophysical nodes will be in place for up to 4 weeks. ANT is commonly referred to as passive seismic as the technology utilises passive, naturally occurring seismic waves to record data on features in the subsurface. On retrieval of the geophysical nodes in mid to late September, the data will be delivered to our geophysical partner, Sisprobe, for processing, interpretation, and final reporting. Results from the passive seismic survey could significantly improve both the understanding of the depth and areal extent of the helium reservoir discovered in 2011.

Drilling of Appraisal Well

The Company will begin with finalizing the drill rig contract followed by drill pad and access track works for the drilling location in the third quarter of 2023. The drill rig is anticipated to be a super single equipped to safely handle the anticipated high gas pressure. The appraisal well collar location is proposed to be located 20m to the southwest of LOD-6 (the original discovery well) to avoid intersecting the previous wellbore, while also penetrating through a 'basement high' feature that is considered favorable geology for gas accumulation. The appraisal well is anticipated to take three weeks to complete, and drilling is scheduled to begin in Q4 2023. Permitting is in hand.

Acquisition of Additional Tenure in Minnesota

The Company intends to continue selectively pursuing strategic additional tenure in the vicinity of the Topaz Project. The additional tenure is likely to be via application for un-licenced mineral rights held by private industry, the Federal Government, and the State of Minnesota. The Company expects that the additional tenure will be a key component of its growth strategy for the foreseeable future.

The significant events that are to occur for the acquisition of additional tenure in Minnesota are the lodging of applicable applications and/or submissions of interest to the various government and private industry stakeholders. Applications have already been lodged with the State of Minnesota – the timeframe for approval/grant is unspecified. Applications have also been lodged with the US Federal Government for 12,000 acres – the Company has not yet paid an application fee, and this fee is anticipated to be $5 per acre, being approximately $60,000, and the timeframe for approval/grant is unspecified. Offers to acquire surface land from private landowners have been made.

Tunu Project, Greenland

Acquisition

In October 2021, Skyfire Ltd., a subsidiary of Pulsar, was granted two exploration licenses in Greenland known as the Tunu helium project. The Tunu project consists of a mineral exploration license, effective from November 22, 2021 until December 31, 2024, and a mineral prospecting license for areas in East Greenland, effective from November 22, 2021 until December 31, 2026.

Conduct geophysical and geochemical activities

The Company intends to acquire additional data at the Tunu Project in the form of gas geochemistry and geophysics. There are multiple un-tested hot springs within the project area that provide a favourable sample medium for gases from depth, emanating at surface. The samples are proposed to be collected in canisters and then sent to a laboratory for analysis with the intention of broadening the area of interest for primary helium migration. Contemporaneously, a passive seismic survey is proposed where seismic nodes are distributed in the field and left to acquire data over a period of approximately one month. The proposed survey location is Norrefjord, where hot springs were sampled in 2022, exhibiting active helium migration along faults.

RESULTS OF OPERATIONS

The loss for the nine months ended June 30, 2023 was $1,794,193 compared to only $106,362 for the nine months ended June 30, 2022.

During the nine months ended June 30, 2023, the Company paid or accrued consulting fees of $209,052 (2022 – $9,989) to executive officers of the Company.

During the nine months ended June 30, 2023, the Company recorded exploration and evaluation expenditures of $421,109 (2022 – $32,775) to advance exploration on its Topaz project located in the USA and its Tunu project located in Greenland.

Investor relations for the nine months ended June 30, 2023 were $593,128 compared to $Nil for the prior period. The Company went public in August 2023 and significantly increased its investor relations activities in the lead up to its IPO.

Professional fees for the nine months ended June 30, 2023 were $325,929 compared to $33,963 in the prior period. Professional fees are legal, audit and accounting fees incurred by the Company and its subsidiaries. The increase over the prior period is primarily related to increased legal fees related to the Company’s IPO.

LIQUIDITY AND CAPITAL RESOURCES

During the nine months ended June 30, 2023, the Company spent $1,621,618 on operating activities, net of working capital changes, spent $206,000 on investing activities, and received $1,845,036 from financing activities, to end at June 30, 2023 with $109,682 cash.

In December 2022 and January 2023, the Company completed, in three tranches, a non-brokered private placement through the issuance of 12,373,665 special warrants ("Special Warrants") at a price of C$0.225 per Special Warrant for gross proceeds of $2,049,288 (C$2,784,075). The Company also issued 400,000 Special Warrants to settle prepaid investor relations expenses of $67,134 (C$90,000) and 151,110 Special Warrants to settle investor relations expenses and $25,362 (C$34,000). The Company paid $29,713 cash and issued 334,027 Special Warrants valued at $55,269 in satisfaction of finder's fees on the private placement. In April and May 2023, all of the Special Warrants automatically converted to 13,258,802 common shares of the Company.

As at June 30, 2023, the Company had working capital deficiency of $49,370. Subsequent to June 30, 2023, the Company completed its IPO for gross proceeds of $3,088,757 (as described above). However, management estimates that its working capital and IPO proceeds may not provide the Company with sufficient financial resources to carry out currently planned operations and exploration through the next twelve months. Additional financing may be required by the Company to complete its strategic objectives and continue as a going concern. There is no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be on terms acceptable to the Company. These material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern.

RELATED PARTY TRANSACTIONS

Related party transactions

	Three months ended June 30,		Nine months ended June 30,	
	2023	**2022**	**2023**	**2022**
Consulting fees				
Chief Executive Officer	$ 45,000	$ 4,995	$ 104,677	$ 4,995
Golden Oak *	30,805	-	79,375	-
Executive Chair	12,500	-	25,000	-
Former directors of subsidiaries	-	4,994	-	4,994
	88,305	9,989	209,052	9,989
Director fees	13,750	-	27,500	-
Interest expense	-	4,995	-	4,995
	$ 102,055	$ 14,984	$ 236,552	$ 14,984

* Golden Oak Corporate Services Ltd. ("Golden Oak") is a consulting company controlled by Dan O'Brien, the Chief Financial Officer of the Company, and Ben Meyer, the Corporate Secretary of the Company. Golden Oak provides the services of a Chief Financial Officer, Corporate Secretary, and accounting and administrative staff to the Company.

Related party balances

As at June 30, 2023, the Company owed trade and other payables of $553 (September 30, 2022 - $7,005) to related parties, being $553 to Golden Oak for the reimbursement of expenditures.

In September 2022, Neil Herbert, a director of the Company, paid the $50,000 anniversary payment due on the Topaz project on behalf of Keewaydin. This amount was included in trade and other payables as at September 30, 2022. This amount was repaid in January 2023.

In December 2021, Cambrian loaned Keewaydin $41,689 and paid the $78,311 option payment due on the Topaz project on the behalf of Keewaydin. These amounts total $120,000 and were unsecured, interest free and due February 28, 2023. This amount was recorded as related party loan as at September 30, 2022. This loan was repaid in January 2023.

Director agreements

Effective January 1, 2023, the Company entered into a consulting agreement with Neil Herbert, the Executive Chair of the Company, whereby the Company agreed to pay the Executive Chair an annual fee of $50,000 payable quarterly through the issuance of common shares of the Company. During the nine months ended June 30, 2023, the Company recorded consulting fees of $12,500 which amount was credited to trade and other payables. No shares have been issued to date.

Effective January 1, 2023, the Company agreed to pay Jón Ferrier and Geoffrey Crow, the two independent directors of the Company, an annual fee of $25,000. In addition, Jón Ferrier is to be paid an additional $5,000 as Chair of the Audit Committee. Like the Executive Chair, these shares will be settled in common shares of the Company on a quarterly basis. During the nine months ended June 30, 2023, the Company recorded director fees of $13,750 which amount was credited to trade and other payables. No shares have been issued to date.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

The components of exploration and evaluation assets are described in Note 4 to the Financial Report.

OUTSTANDING SHARE DATA AS AT THE DATE OF THIS MD&A

Authorized: an unlimited number of common shares without par value.

	Number of Shares	**Number of Warrants**
Balance, June 30, 2023	63,344,430	-
IPO	10,795,858	11,357,330
Balance, the date of this MD&A	74,140,288	11,357,330

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments

Financial instruments are classified into one of the following categories: fair value through profit or loss; fair value through other comprehensive income; or at amortized cost. The carrying values of the Company's financial instruments are classified into the following categories:

			June 30, 2023		September 30, 2022
Cash	Amortized cost	$	109,682	$	92,264
Trade and other payables	Amortized cost		(232,820)		(156,649)
Related party loan	Amortized cost		-		(120,000)

The Company's financial instruments recorded at fair value require disclosure about how the fair value was determined based on significant levels of inputs described in the following hierarchy:

Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and value to provide pricing information on an ongoing basis.

Level 2 - Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the market place.

Level 3 - Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

The carrying values of cash, trade and other payables, and related party loan approximate their fair values due to their short-term nature. These financial instruments are classified as financial assets and liabilities at amortized cost and are reported at amortized cost.

Risk management

The Company's risk management objectives and policies are consistent with those disclosed by the Company for the period ended September 30, 2022.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported expenses during the period. Actual results could differ from these estimates.

Carrying value and recoverability of exploration and evaluation assets

Management has determined that acquisition costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including geologic and other technical information, scoping and feasibility studies, accessibility of facilities and existing permits.

Going concern assumption

In the determination of the Company's ability to meet its ongoing obligations and future contractual commitments management relies on the Company's planning, budgeting and forecasting process to help determine the funds required to support the Company's normal operations for a period of one year. Changes in estimated cash use may alter the Company's ability to meet its ongoing obligations and future contractual commitments and could result in adjustments to the amounts and classifications of assets and liabilities should the Company be unable to continue as a going concern.

Determination of functional currency

The functional currency for each of the Company's subsidiaries is the currency of the primary economic environment in which the entity operates. Management has determined that the functional currency of the parent company as well as the functional currency of the Company's three wholly owned subsidiaries.

NEW ACCOUNTING PRONOUNCEMENTS

There are no new standards that will have any significant effect on the Company.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This MD&A includes "forward-looking statements", within the meaning of applicable securities legislation, which are based on the opinions and estimates of management and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. While these forward-looking statements, and any assumptions upon which they are based, are made in good faith and reflect our current judgment regarding the direction of our business, actual results will almost always vary, sometimes materially, from any estimates, predictions, projections, assumptions, or other future performance suggested herein.

Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar words suggesting future outcomes or statements regarding an outlook. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. These forward-looking statements include but are not limited to statements concerning:

- The Company’s ability to identify, successfully negotiate and/or finance an acquisition of a new business opportunity
- The Company’s success at completing future financings
- The Company’s strategies and objectives
- General business and economic conditions
- The Company’s ability to meet its financial obligations as they become due
- The positive cash flows and financial viability of new business opportunities
- The Company’s ability to manage growth with respect to a new business opportunity
- The Company’s tax position, anticipated tax refunds and the tax rates applicable to the Company

Readers are cautioned that the preceding list of risks, uncertainties, assumptions and other factors are not exhaustive. Events or circumstances could cause actual results to differ materially from those estimated or projected and expressed in, or implied by, these forward-looking statements. Due to the risks, uncertainties, and assumptions inherent in forward-looking statements, investors in securities of the Company should not place undue reliance on these forward-looking statements.

ADDITIONAL INFORMATION

Additional information relating to the Company is available for viewing on SEDAR+ and at the Company’s website www.pulsarhelium.com.