PULSAR HELIUM INC

Management Discussion & Analysis

For the six months ended March 31, 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 six months ended March 31, 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 six months ended March 31, 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 July 31, 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.

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.

The Company is in the process of completing an Initial Public Offering ("IPO") and listing on the TSX Venture Exchange ("TSX-V").

The Company has three wholly owned subsidiaries, being Skyfire Ltd. ("Skyfire"), Invenir Ltd. ("Invenir"), and Keewaydin Resources Inc. ("Keewaydin"). Skyfire and Invenir were incorporated under the laws of the England and Wales and Keewaydin is a Minnesota corporation.

Keewaydin has an option agreement on the Topaz helium project in the USA and Skyfire holds the Tunu helium project in Greenland.

HELIUM EXPLORATION PROJECTS

Topaz Project, USA

In October 2021, Keewaydin entered into an option to lease non-hydrocarbon gases agreement to acquire the Topaz helium project in Minnesota, USA. In consideration, Keewaydin agreed to pay $78,311 on signing of the option agreement and pay $50,000 on each anniversary of the option agreement until October 4, 2024.

Cambrian Limited ("Cambrian"), a company controlled by Neil Herbert, a director of the Company, paid the $78,311 option payment on the behalf of Keewaydin on signing. In September 2022, Neil Herbert, a director of the Company, paid the $50,000 anniversary payment due on the Topaz project.

In February 2022, Phillip Larson, 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.

In February 2023, the Company exercised the option to acquire the Topaz project and entered into a lease agreement. In consideration, the Company paid $156,000 cash. In addition, the Company agreed to pay a production royalty of 20% of the gross sales price of the product sold.

Tunu Project, Greenland

In October 2021, Skyfire 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.

RESULTS OF OPERATIONS

The loss for the six months ended March 31, 2023 was $1,052,943 compared to only $48,957 for the six months ended March 31, 2022.

During the six months ended March 31, 2023, the Company paid or accrued consulting fees of $120,747 (2022 – $Nil) to executive officers of the Company.

During the six months ended March 31, 2023, the Company recorded exploration and evaluation expenditures of $275,268 (2022 – $Nil) to advance exploration on its Topaz project located in the USA and its Tunu project located in Greenland.

Investor relations for the six months ended March 31, 2023 were $399,044 compared to $Nil for the prior period. The Company intends to go public in 2023 and has significantly increased its investor relations activities.

Professional fees for the six months ended March 31, 2023 were $111,731 compared to $26,191 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 anticipated listing.

LIQUIDITY AND CAPITAL RESOURCES

During the six months ended March 31, 2023, the Company spent $1,049,247 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 March 31, 2023 with $682,053 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.

As at March 31, 2023, the Company had working capital of $691,880. Management estimates that its working capital 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

		Three months ended March 31,		Six months ended March 31,	
		2023	**2022**	**2023**	**2022**
Consulting fees					
Thomas Abraham-James	Chief Executive Officer	$ 45,000	$ -	$ 59,446	$ -
Golden Oak *		30,491	-	48,801	-
Neil Herbert	Executive Chair	12,500	-	12,500	-
		87,991	-	120,747	-
Director fees					
Jón Ferrier	Independent Director	7,500	-	7,500	-
Geoffrey Crow	Independent Director	6,250	-	6,250	-
		13,750	-	13,750	
		$ 101,741	$ -	$ 134,497	$ -

* 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.

As at March 31, 2023, the Company owed trade and other payables of $2,526 (September 30, 2022 - $7,005) to related parties, being $984 (September 30, 2022 - $5,860) to Thomas Abraham-James, the Chief Executive Officer of the Company, and $1,542 (September 30, 2022 - $1,145) to Golden Oak, both 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.

Obligation to issue shares

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 six months ended March 31, 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 six months ended March 31, 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	Special Warrants
Balance, March 31, 2023	50,085,628	13,258,802
Conversion of Special Warrants to common shares	13,258,802	(13,258,802)
Balance, the date of this MD&A	63,344,430	-

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments

Financial instruments are classified into one of the following categories: fair value through profit or loss (“FVTPL”); fair value through other comprehensive income (“FVTOCI”); or at amortized cost. The carrying values of the Company’s financial instruments are classified into the following categories:

		March 31, 2023	September 30, 2022
Cash	Amortized cost	$ 682,053	$ 92,264
Trade and other payables	Amortized cost	(122,802)	(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 at www.pulsarhelium.com.