PULSAR HELIUM INC

Management Discussion & Analysis

For the nine months ended September 30, 2022

For the years ended December 31, 2021 and 2020

(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 September 30, 2022, and up to the date of this MD&A. This MD&A should be read in conjunction with the accompanying audited consolidated financial statements for the nine months ended September 30, 2022, together with the notes thereto (the "Financial Report").

All financial information in this MD&A is derived from the Company's consolidated 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").

On July 7, 2022, the Company changed its name from 1369886 B.C. Ltd. to Pulsar Holdings Inc. On October 24, 2022, the Company changed its name from Pulsar Holdings Inc. to Pulsar Helium Inc.

On August 23, 2022, the Company completed a reverse take-over transaction whereby the Company acquired 100% of the shares of Invenir Ltd. ("Invenir") and Skyfire Ltd. ("Skyfire"). Invenir owns 100% of Keewaydin Resources Inc. ("Keewaydin") which Invenir acquired on February 7, 2022 through a reverse take-over transaction.

Invenir was incorporated under the laws of the England and Wales on December 3, 2021. Skyfire was incorporated under the laws of the England and Wales on April 30, 2021. Keewaydin was originally formed as Keewaydin Resources LLC pursuant to the laws of the State of Minnesota on June 8, 2017 and converted to a business corporation on November 2, 2021.

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.

ACQUISITION OF INVENIR AND SKYFIRE

On August 23, 2022, the Company completed a reverse take-over transaction whereby the Company acquired 100% of the shares of Invenir and Skyfire (companies had certain directors and shareholders in common). In consideration, the Company issued 33,333,333 common shares to the former Invenir shareholders and 16,666,667 common shares to the former Skyfire shareholders.

Invenir owns 100% of Keewaydin, which has an option agreement on the Topaz helium project in the USA, and Skyfire holds the Tunu helium project in Greenland.

On completion of the transaction, the former shareholders of Invenir own more shares of the Company than the former shareholders of Pulsar and the former shareholders of Skyfire. Accordingly, the transaction has been treated as a reverse take-over transaction with the accounts of Invenir being the continuing accounts of the Company and Pulsar and Skyfire being the companies acquired.

ACQUISITION OF KEEWAYDIN

On February 7, 2022, Invenir and Keewaydin completed a reverse take-over transaction whereby Invenir acquired 100% of the shares of Keewaydin for no consideration. All of the Keewaydin shareholders were also shareholders of Invenir.

Pursuant to the transaction, Phillip Larson, a director of Keewaydin, received a 0.5% royalty on the Topaz project.

On completion of the transaction, Keewaydin is considered to have acquired Invenir by virtue of the fact that Keewaydin shareholders obtained control of Invenir. Accordingly, the transaction has been treated as a reverse take-over transaction with the accounts of Keewaydin being the continuing accounts of the Company and Invenir being the company acquired.

SELECTED ANNUAL INFORMATION

	Nine months ended September 30, 2022	**Year ended December 31, 2021**	**Year ended December 31, 2020**
Statement of Loss:			
Net revenues	**$Nil**	**$Nil**	**$Nil**
Net loss	**$(465,865)**	**$(14,551)**	**$(5,700)**
Basic and diluted loss per share	**$(0.07)**	**$(14.55)**	**$(5.70)**
Financial Position:			
Total assets	**$245,694**	**$109,665**	**$1,329**
Total liabilities	**$276,649**	**$139,637**	**$16,750**

RESULTS OF OPERATIONS

The loss for the nine months ended September 30, 2022 was $465,865 compared to only $14,551 for the year ended December 31, 2021 and $5,700 for the year ended December 30, 2020.

During the nine months ended September 30, 2022, the Company paid or accrued consulting fees of $9,989 (years ended December 31, 2021 and 2020 - $Nil) to individuals and companies related to directors of the Company and its subsidiaries.

During the nine months ended September 30, 2022, the Company recorded exploration and evaluation expenditures of $247,012 (years ended December 31, 2021 and 2020 - $Nil) to advance exploration on its Topaz project located in the USA and its Tunu project located in Greenland.

Professional fees for the nine months ended September 30, 2022 were $121,076 compared to $11,461 for the year ended December 31, 2021 and $5,700 for the year ended December 31, 2020. Professional fees are legal, audit and accounting fees incurred by the Company and its subsidiaries. The increase over the period is related to the Company’s restructuring and overall advancement during the period.

During the nine months ended September 30, 2022, a company controlled by a former director of a subsidiary of the Company forgave an amount of $11,000 that was owing by the Company. Accordingly, the Company recorded a gain on forgiveness of trade and other payables of $11,000.

SUMMARY OF QUARTERLY RESULTS

The Company is a private company and accordingly has not prepared financial information on a quarterly basis, so a summary of quarterly results has not been presented.

LIQUIDITY AND CAPITAL RESOURCES

During the nine months ended September 30, 2022, the Company spent $394,003 on operating activities, net of working capital changes, received $149,010 from investing activities, and received $305,903 from financing activities, to end at September 30, 2022 with $92,264 cash.

As at September 30, 2022, the Company had a working capital deficiency of $170,933.

In December 2022 and January 2023, the Company completed in three tranches of a non-brokered private placement through the issuance of 12,924,775 special warrants ("Special Warrants") at a price of C$0.225 per Special Warrant for gross proceeds of $2,141,784 (C$2,908,074). The Company paid $29,713 cash and issued 334,027 Special Warrants 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.

However, management estimates that its working capital and the subsequent financing 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

During the nine months ended September 30, 2022, the Company paid or accrued consulting fees of $9,989 (years ended December 31, 2021 - $Nil) as follows: $4,995 to Thomas Abraham-James, a director of the Company; $2,497 to Archean Pty. Ltd., Trustee for the Bluett Family Trust, a company controlled by a former director of a subsidiary of the Company; and $2,497 to Frontier Resources International Inc., a company controlled by a former director of a subsidiary of the Company.

During the nine months ended September 30, 2022, the Company recorded interest expense of $4,995 (year ended December 31, 2021 - $Nil) related to a one-time interest payment on the $120,000 related party loan disclosed below. This interest expense was settled in shares of the Company.

During the nine months ended September 30, 2022, Archean Holdings Inc., a company controlled by Thoms Abraham-James and Neil Herbert, both directors of the Company, forgave an amount of $11,000 that was owing by the Company. Accordingly, the Company recorded a gain on forgiveness of trade and other payables of $11,000.

Related party balances

As at September 30, 2022, the Company owed $7,005 (December 31, 2021 - $19,312) for the reimbursement of expenditures, being $5,860 to Thomas Abraham-James, the Chief Executive Officer of the Company, and $1,145 to Golden Oak Corporate Services Ltd., a company controlled by the Chief Financial Officer of the Company.

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.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

The components of exploration and evaluation assets are described in Note 6 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, September 30, 2022	50,000,000	-
Issuance of shares for trade and other payables	85,628	-
Special Warrant financing	-	13,258,802
Conversion of Special Warrant 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:

		September 30, 2022	December 31, 2021	December 31, 2020
Cash	Amortized cost	$ 92,264	$ 31,354	$ 1,329
Trade and other payables	Amortized cost	(156,649)	(19,637)	(16,750)
Related party loan	Amortized cost	(120,000)	(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 consolidated financial instruments are classified as financial assets and liabilities at amortized cost and are reported at amortized cost.

Risk management

The Company’s risk exposures and the impact on the Company’s financial instruments are summarized as follows:

Credit Risk

Credit risk is the risk of potential loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company’s credit risk is primarily attributable to its liquid financial assets, including cash and receivables. The Company limits the exposure to credit risk in its cash by only investing its cash with high credit quality financial institutions in business and savings accounts and guaranteed investment certificates which are available on demand by the Company for its programs.

Liquidity Risk

Liquidity risk is the risk that the Company will not have the resources to meet its obligations as they fall due. The Company manages this risk by closely monitoring cash forecasts and managing resources to ensure that there is sufficient capital in order to meet short-term business requirements. The Company's cash is primarily on deposit in Canadian business accounts or guaranteed investment certificates which are available on demand.

Interest Rate Risk

The Company is exposed to interest rate risk to the extent that its cash balances bear variable rates of interest. The interest rate risk on cash is not considered significant.

Foreign Currency Risk

The Company's functional and presentation currency is the US dollar. Foreign currency risk arises from transactions denominated in currencies denominated in currencies other than US dollars, as some costs are denominated in Canadian dollars and Great British Pounds. Management believes the foreign exchange risk related to currency conversions are minimal and therefore, does not hedge its foreign exchange risk. The effect of a 10% change in the foreign exchange rate on balances in foreign currencies at September 30, 2022 would be $2,000.

MANAGEMENT OF CAPITAL

Capital is comprised of the Company's shareholders' deficiency. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the acquisition of exploration and evaluation assets and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. The Company is not subject to externally imposed capital requirements.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets, or adjust the amount of cash.

In order to facilitate the management of its capital requirements, the Company prepares expenditure forecasts that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. In order to maximize ongoing exploration efforts, the Company does not pay out dividends.

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.

Determining if an acquisition is a business combination or an asset acquisition

Invenir and Keewaydin completed a reverse take-over transaction, prior to the Pulsar reverse take-over transaction, whereby Invenir acquired 100% of the shares of Keewaydin. The Company determined that Keewaydin was the acquirer for accounting purposes, and that the acquisition should be accounted for as an asset acquisition. Management has determined that Invenir did not include all the necessary components of a business. Accordingly, the acquisition of Invenir has been recorded as an acquisition of Invenir's net assets, consisting of Invenir's working capital.

In addition, the Company completed a reverse take-over transaction whereby Pulsar acquired 100% of the shares of Invenir and Skyfire. The Company has determined that consolidated Invenir is the acquirer for accounting purposes. As required by IFRS 3 Business Combinations ("IFRS 3"), the Company is required to determine whether the acquisition should be accounted for as a business combination or an asset acquisition. Under IFRS 3, the components of a business must include inputs, processes and outputs. Management has determined that Pulsar and Skyfire did not include all the necessary components of a business. Accordingly, the acquisition of Pulsar and Skyfire has been recorded as an acquisition of Pulsar and Skyfire's net assets pursuant to IFRS 2 Share-based payments ("IFRS 2").

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 is the United States dollar.

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.