



ATLAS SALT INC.

**MANAGEMENT DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS**

For the Period Ended March 31, 2023

This discussion includes certain statements that may be deemed “forward-looking statements”. All statements in this discussion, other than statements of historical facts, that address exploration, drilling, exploration activities and events or developments that Atlas Salt Inc. (the “Company”) expects are forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in the forward-looking statements include market prices, exploration and exploration successes, continued availability of capital and financing and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and those actual results or developments may differ materially from those projected in the forward-looking statements.

GENERAL BUSINESS

The Company was listed on the TSX Venture Exchange on August 17, 2012 as a result of a corporate reorganization of Vulcan Minerals Inc. (“Vulcan”), whereby Vulcan transferred its 100% working interest in its Bay St. George mineral assets to the Company. The Company’s common shares commenced trading under the stock symbol “SALT” on September 1, 2021. The Company is engaged in mineral exploration and development on industrial mineral properties in Newfoundland and Labrador. The Company is currently producing gypsum from its Ace Gypsum mine and is undergoing a feasibility analysis of its Great Atlantic Salt Deposit.

Vulcan Minerals Inc. owns 31.13% of Atlas Salt as of March 31, 2023.

The Management Discussion and Analysis (“MDA”) should be read in conjunction with the unaudited condensed financial statements for the period ended March 31, 2023 and accompanying notes.

On July 25, 2022, Atlas Salt announced that it entered into a definitive arrangement agreement with Triple Point Resources Ltd. (“Triple Point”) with respect to the spin-out of Atlas Salt’s Fischell’s Brook Salt Dome Property and related mineral licenses comprising 226 sq. km in southwest Newfoundland.

On September 22, 2022, Atlas Salt closed the Triple Point spin-out through a Plan of Arrangement (the “Arrangement”). As part of the Arrangement, Atlas Salt distributed 23,747,026 common shares of Triple Point that it received under the Arrangement to holders of common shares of Atlas Salt on a pro rata basis, such that Atlas Salt shareholders as of the Record Date received one share of Triple Point for every 3.68 shares owned of Atlas.

Atlas received 27,452,974 shares of Triple Point as a result of this spin-out. At that date the Company's ownership in Triple Point was 36.00% resulting in the Company's share of the net fair value of Triple Point exceeding its cost. Accordingly, the initial investment was recorded at \$1,288,108 resulting in a gain on the spin-out of \$739,049 which was recorded in the statement of loss and comprehensive loss in 2022. As of March 31, 2023, the Company's ownership was diluted to 27.33%, resulting in a dilution gain of \$57,013 (December 31, 2022 - \$409,620).

Management has determined that its investment in the common shares of Triple Point along with some common directors, gives it significant influence over Triple Point. As a result, the Company applied the equity method of accounting for its investment in Triple Point.

Atlas recognizes environmental, social and governance ("ESG") best practices as key components to a responsible mineral exploration and mining sector. The Company's exploration programs are conducted to meet or exceed environmental regulations, while respecting the communities and environments in which we operate. Atlas strives to earn its social license wherever it is active, endeavoring to meet regularly with local communities, regulators and other concerned parties before, and during, exploration work to understand issues important to local and Indigenous communities. Atlas's approach is based on transparency, open communication, inclusivity and respect, to better enable social and economic benefit for communities as well as value for investors.

The date of this MDA is May 30, 2023.

OVERALL PERFORMANCE

The Company reflected a loss of \$1,017,740 for the period ended March 31, 2023 (March 31, 2022 - \$384,840). The net loss consists mainly of share-based compensation of \$681,616 for the period compared to \$227,080 for the same period in 2022. In addition, there were marketing and communications expenses of \$150,267 versus \$58,077 in 2022. Investor relations was \$71,500 compared to \$28,500 in 2022. Conferences and travel increased in 2023 due to increased travel with the lifting of Covid-19 restrictions and attendance at conferences. In addition, there was a loss from the equity accounted investment of \$55,021 vs. \$nil for the same period in 2022. Office and Other expenses increased to \$108,720 from \$24,138. These expenses were offset by a dilution gain on the investment in associate of \$57,013, with no corresponding amount in the prior year as well as an increase in interest income for the period. Other income in 2022 of \$72,015 related to the issuance of flow-through shares in 2021 and is \$nil in 2023.

RESULTS OF OPERATIONS

Mineral Properties – Background

Great Atlantic Salt

The Company acquired a 100% working interest in mineral licences covering a portion of the northern Bay St. George Basin in western Newfoundland in August 2012, as a result of a corporate re-organization of Vulcan Minerals Inc. The licences included the mineral rights to lands that have potential for salt, gypsum, potash, and other mineral deposits. The Company pursued the exploration for salt and potash since 2013 and has delineated a significant salt resource.

In January 2016 Apex Geoscience Ltd. of Edmonton, Alberta completed a National Instrument 43-101 compliant Mineral Resource Assessment report on the halite (rock salt) deposit located at the Captain Cook (now known as the Great Atlantic Salt) project in western Newfoundland. The report is based primarily on the Company's drilling results from 2013 and 2014, related geophysical data and historical information. This was the first mineral resource assessment of the Great Atlantic Salt deposit.

During 2021, the Company raised funds through equity financings to initiate and complete a feasibility study on the Great Atlantic salt deposit project. A request for proposals to carry out the feasibility study was released on April 23, 2021 to qualified engineering/geological firms. SLR Consulting was selected in July 2021 to undertake the feasibility analysis and that process is nearing completion with the objective of producing a bankable feasibility study. As part of the feasibility analysis SLR delivered a positive Preliminary Economic Assessment on January 30, 2023. Part of the assessment was an updated Resource Estimate based on new drilling carried out on the project in 2022. The updated Resource Estimate is as follows:

Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Definition Standards for Mineral Resources and Mineral Reserves (CIM (2014) definitions) were used for Mineral Resource classification. The table below provides a summary of the Mineral Resource Estimate by SLR, with an effective date of January 6, 2023.

Mineral Resource Estimate – January 6, 2023
Atlas Salt Inc. – Great Atlantic Salt Project

Category	Horizon	Tonnage (Mt)	Grade NaCl%	Contained NaCl (Mt)
Indicated	1-Salt	-	-	-
	2-Salt	75	96.2	73
	3-Salt	112	96.5	108
	Total	187	96.4	180
Inferred	1-Salt	160	95.0	152
	2-Salt	358	95.9	344
	3-Salt	481	95.6	460
	Total	999	95.6	956

Notes:

1. CIM (2014) definitions were followed for Mineral Resources.
2. Mineral Resources are estimated without a reporting cut-off grade. Reasonable Prospects for Eventual Economic Extraction were instead demonstrated by reporting within Mineable “Stope” Optimised (MSO) shapes, with a minimum height of 5 m, minimum width of 20 m, length of 40 m, and minimum grade of 90% NaCl, with a 5 m minimum pillar width between shapes.
3. Bulk density is 2.16 t/m³.
4. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.
5. Salt prices are not directly incorporated into the Resource MSO minimum target grades, however, the mean Resource grades exceed the 95.0% NaCl (± 0.5%) specification outlined in ASTM Designation D632-12 (2012).
6. Numbers may not add due to rounding.

The Qualified Person is not aware of any environmental, permitting, legal, title, taxation, socio-economic, marketing, political, or other relevant factors that could materially affect the Mineral Resource estimate.

A summary of Economic Results based on a 30 year cash flow analysis assuming a production rate of 2.5 mm tonne per year is as below:

Considering the Project on a stand-alone basis, the undiscounted pre-tax cash flow totals \$4,642 million over the initial 30-year mine life. A summary of economic results (both pre-tax and post-tax) are presented in the table below.

Summary of Economic Results
Atlas Salt Inc. – Great Atlantic Salt Project

Metric	Units	Value
Pre-Tax Payback Period	yrs	4.2
Pre-Tax IRR	%	22.1%
Pre-tax NPV at 5% discounting	C\$ '000	1,627,736
Pre-tax NPV at 8% discounting	C\$ '000	909,338
Pre-tax NPV at 10% discounting	C\$ '000	620,247
After-Tax Payback Period	yrs	5.0
After-tax IRR	%	17.3%
After-tax NPV at 10% discounting	C\$ '000	920,320
After-tax NPV at 8% discounting	C\$ '000	481,900
After-tax NPV at 10% discounting	C\$ '000	304,935

Additional value is recognizable beyond 30 years and with an expanded annual production rate. The full Preliminary Economic Assessment is filed on SEDAR and available on the company's website at www.atlassalt.com.

Gypsum – Ace Deposit

The Company evaluated the gypsum potential of its mineral licences in the dormant Flat Bay gypsum mines approximately 3km southwest of the Great Atlantic salt deposit. Gypsum was mined by open pit quarry in this area since the 1950's with reported historical production estimated at approximately 15,000,000 tonnes. Production ceased in 1990 but extensive gypsum resources are known to remain as the deposits were not exhausted.

Historical production occurred in three main pits over an area covering approximately 3 square kilometers. The company has obtained a mining lease from the government of Newfoundland and Labrador to reinstate mine at the Ace Deposit covering a starter area of 12 hectares. The project was registered pursuant to the provincial environmental review process on December 13, 2017 and released from further review on February 21, 2018. The company retained an external engineering firm to prepare a mine development plan which was submitted to the Department of Natural Resources (DNR) on April 6, 2018. On July 19, 2018, the mine development plan was approved by DNR. The Company initiated operations on July 20, 2018 on a seasonal basis with a shut down over the winter months. Thus for the quarter ended March 31, 2023, the Company had sales of nil tonnes amounting to net proceeds of \$nil.

The Company has also advanced its proposal to recover gypsum from historic waste piles by way of a physical screening process. The project was registered with the Department of Environment and Climate Change on February 25, 2021 and released from full environmental review on May 10, 2021. The Company is now preparing a Development and Rehabilitation Plan for submission to the Department of Industry,

Energy and Technology for final permitting. Various operational delays, partly a result of Covid-19 impacts on the regulatory process, has delayed projected field activities.

Nepheline Syenite Property

In July 2016, the Company acquired, by staking, the Black Bay nepheline property in southern Labrador. The property consists of a surface occurrence of nepheline syenite along the southern Labrador highway. The project is located approximately 6 kilometers from tide water. The Blanc Sablon, QC airport is a 90-minute drive from the property.

Nepheline occurs in an alkali feldspar syenite unit up to 200m wide and in excess of 2,000m in length based on field work carried out by the Newfoundland and Labrador Department of Natural Resources and field mapping by the Company. Previous work on the property included the analysis of grab samples, which indicated that the chemistry of the syenite unit has the potential to meet the specifications for industrial uses. Nepheline is an industrial mineral and a source of aluminum (Al_2O_3), sodium (Na_2O) and potassium (K_2O) used primarily in the manufacture of glass, ceramics, extenders and fillers. Commercial nepheline deposits are rare with only one mine in production in North America at Blue Mountain in Ontario which produces about 1,000,000 tonnes per year. Though feldspar is used as a substitute for nepheline because of nepheline's limited supply, nepheline generally a preferred material over feldspar due to its higher concentration of potassium and sodium resulting in significant energy savings in industrial uses. The world feldspar market is approximately 20,000,000 tonnes per year. In 2016 the Company carried out a mapping and sampling program at the nepheline occurrence to outline the mineralogical variation within the deposit to better evaluate its chemistry. Results from the sampling indicate that the alumina and alkali content of the rock is comparable to other commercial nepheline deposits and that beneficiation results meet industrial specifications. In 2017 the Company obtained, through surface channel sampling, in excess of 3 tonnes of material to scale up the geochemical and beneficiation analysis. Preliminary geochemical analysis is similar to the initial 2016 sampling which is encouraging. Beneficiation work on the composite bulk sample has confirmed encouraging results comparable to the 2016 analysis. Further work is being designed to fully quantify the material's mineralogical characteristics and evaluate the potential tonnage through drilling.

Fischell's Brook Salt Dome

In 2019, the Company reported that pursuant to a "Request for proposals on the Fischell's Brook Salt Property Exempt Mineral Land" issued by the Government of Newfoundland and Labrador, the Company was the successful bidder and was awarded the mineral rights to the Fischell's Brook Salt property in western Newfoundland. The property is situated 15 kilometers south of the Company's Great Atlantic Salt Project. The Fischell's deposit was discovered in 1968 when a geophysical anomaly was drilled for potash. Follow up work has established that it is a substantial salt dome. Subsequent investigations evaluated the deposit as a source of rock salt and a potential

cavern storage facility for natural gas. The Company carried out a detailed compilation of all previous work and data in respect to this salt dome. In October/November 2021, the Company completed a ground gravity survey on the property. Results from the survey and geophysical modelling of the dome suggest a dome of aerial size exceeding 5km² which is larger than anticipated based on historic drilling. This is the first digital database for the deposit and will assist in further geotechnical evaluations. The prospects for the salt dome, subject to government approvals, as a potential storage facility are being pursued in light of the growing demand for storage in conjunction with alternative energy applications. The Company completed, on September 22, 2022, a Plan of Arrangement to create Triple Point Resources Inc. as a new public company to pursue developments at the Fischell's Brook and related mineral licences (see page 2).

Plans 2023/2024

In 2021 the Company closed four financings for a total of \$8,449,988. In addition, another financing was closed in January 2023 for a total of \$10,000,000. The proceeds of the financings are being used to complete a Feasibility Study for Atlas Salt's Great Atlantic Salt project, for mineral exploration and development activities in Newfoundland and Labrador, and for general working capital purposes. The Feasibility analysis work is ongoing and nearing completion.

As well, the Company has been evaluating further mine development opportunities in the historic Flat Bay mines to complement the Ace Mine. This includes the reclamation of gypsum tailings left over from historic operations as previously reported. Technical work and permitting is ongoing.

MINERAL EXPLORATION AND EVALUATION ASSETS

The major components of mineral exploration and evaluation assets on March 31, 2023 are as follows:

Acquisition costs – licenses	1,049,608
Mineral licenses and license renewals	79,571
Asset retirement obligation	139,326
Drilling, geological, geophysical and related costs	4,137,131
Share-based compensation	209,380
Feasibility Study	1,298,377
Gypsum sales	(1,665,312)
Government grants	(228,714)
Balance	5,019,367

SUMMARY OF QUARTERLY RESULTS

Quarter	Total Income	Net (Loss) Income	Net (Loss) Income Per Share
	\$	\$	\$
March 31, 2023	203,896	(1,017,740)	(0.011)
December 31, 2022	1,466,581	353,387	0.004
September 30, 2022	51,846	(1,498,979)	(0.018)
June 30, 2022	29,185	(922,630)	(0.012)
March 31, 2022	81,251	(384,838)	(0.005)
December 31, 2021	63,018	(422,375)	(0.005)
September 30, 2021	7,736	(394,790)	(0.005)
June 30, 2021	3,338	(1,122,745)	(0.019)

Revenue for each quarter is represented by interest income, except for June 30, 2022, March 31, 2022 and December 31, 2021 which is made up of flow-through share income and interest income. March 31, 2023 revenue also includes a dilution gain on its investment in Triple Point. December 31, 2022 revenue includes interest income, dilution gain and gain on disposal of mineral exploration and evaluation assets. The loss for each quarter is represented primarily by general and administrative expenses. The loss for March 31, 2023 also includes increased share-based compensation expenses. The loss for June 30, 2021, September 30, 2021 and December 31, 2021 is mainly due to increased marketing and communications and investor relations expenses as well as share-based compensation. The loss for March 31, 2022 is primarily due to share-based compensation. Income from the Ace gypsum mine is considered pre-production income and therefore \$1,665,312 total to March 31, 2023 is netted against the exploration and evaluation assets until such time that the mine is technically feasible and commercially viable.

LIQUIDITY, CAPITAL RESOURCES, AND GOING CONCERN

The Company had current assets of \$17,595,338 on March 31, 2023 including cash of \$17,417,408 and Accounts Receivable of \$158,840. The Company had accounts payable and accrued liabilities of \$239,593 resulting in positive working capital of \$17,355,745. The Company completed a financing in January 2023 for \$10,000,000.

The Company has no long-term debt and as such is not sensitive to interest rate fluctuation on debt instruments. The Company has no contingent liabilities that could materially affect its financial position.

The Company carries out exploration on mineral licences in Newfoundland and Labrador. These tenure instruments require work obligations to maintain ownership. Failure to fulfill work obligations would result in loss of ownership interest. The Company originally held 13 mineral licences represented by 36,375 hectares. From 2013 to 2019, in addition to the acquisition of additional mineral licences, the Company

regrouped several of its original mineral licences, resulting in the Company holding 20 mineral licences at March 31, 2023, representing approximately 8,025 hectares in the Bay St. George region of Western Newfoundland and in Black Bay, Labrador. The Company's current mineral licences are in good standing in respect of ongoing work obligations.

The Company's only immediate revenue stream is expected from the production of gypsum, the magnitude of which is uncertain at this time, given the startup stage of the mining operation.

TRANSACTIONS WITH RELATED PARTIES

The Company incurred expenditures of \$153,178 for the period ended March 31, 2023 (March 31, 2022 – \$55,097) in transactions with Vulcan Minerals. Vulcan provided project management, technical services, and field operation services to the Company. These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

The Company incurred premises rent in the amount of \$6,000 for the period ended March 31, 2023 (March 31, 2022 – \$3,000) to a private company owned and controlled by the CEO of the Company.

Accounts payable and accrued liabilities include \$110,747 owing to Vulcan Minerals Inc. at March 31, 2023 (December 31, 2022 – \$117,807).

STOCK OPTIONS

The Company granted stock options in 2023 and 2022 as follows:

- June 8, 2022 the Company issued 125,000 stock options to consultants. These options are exercisable at \$2.25 for a period of one year.
- November 3, 2022 the Company issued 375,000 stock options to a director, and employees. These options are exercisable at \$2.35 for a period of five to ten years
- November 3, 2022 the Company issued 600,000 stock options to consultants. These options are exercisable at \$2.35 for a period of one to two years.
- November 22, 2022 the Company issued 800,000 stock options to directors. These options are exercisable at \$2.35 for a period of ten years.

FINANCIAL INSTRUMENTS AND RISKS

The Company's financial instruments include cash, accounts receivable, and accounts payable and accrued liabilities. The fair value of each approximates the carrying value due to their short-term nature. The Corporation is exposed to various risks resulting from its operations. The Corporation's main risk exposure and its risk management policies are as follows:

Business Risks

The Company is a junior exploration company principally involved in mineral exploration which is an inherently high-risk activity. The business of exploring for, developing, acquiring, producing minerals is subject to many risks and uncertainties, several of which are beyond the control of the Company. These risks are operational, financial, legal, and regulatory in nature.

Operational risks include unsuccessful exploration and development drilling activity, safety and environmental concerns, consequences of the Covid-19 pandemic, access to cost effective contract services, escalating industry costs for contracted services and equipment, product marketing and hiring and retaining qualified employees.

The Company is subject to financial risk as exploration is capital intensive. The Company has potential sources of funding including equity financing and joint venture financing arrangements. Production at its Ace gypsum mine also provides cash flow to mitigate some of these risks. Only the skills of management and staff in mineral exploration and exploration financing serve to mitigate these risks.

The Company is subject to a variety of regulatory risks that it does not control. Government and Securities regulations are monitored to ensure the Company continues to comply.

Financial Risk Factors

The Company has exposure to credit risk, liquidity risk and market risk. The source of risk exposure and how each is managed is outlined below:

Credit risk is the risk of loss associated with counterparty's inability to fulfil its payment obligation. The Company is exposed to credit risk on its cash and accounts receivable. Cash is maintained on deposit with a major Canadian chartered bank. The Company believes its credit risk with respect to cash and accounts receivable is not significant.

Liquidity risk is the risk that the Company will not be able to meet its obligations as they come due. As of March 31, 2023 the Company had a cash balance of \$17.4 million and a positive working capital of \$17.4 million.

Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates, and commodity prices will affect the Company's net loss or the value of its financial instruments.

Commodity price risk

The value of the Company's mineral exploration and evaluation assets is partially related to the market price of metals and industrial minerals. The Company does not hedge this exposure to fluctuations in commodity prices. The Company's ability to continue with its exploration program is also indirectly subject to commodity prices.

SHARE CAPITAL

The Company has issued and outstanding common shares of 94,497,528 as at May 30, 2023. The Company's share capital consists of an unlimited number of voting common shares, and an unlimited number of preferred shares of which there are none outstanding.

The Company has 6,600,000 stock options outstanding as at the date of this MDA. As outlined below, there were 6,300,000 options exercisable and there were 3,251,640 warrants outstanding as of the date of this MDA.

Date Issued	Number	Exercise Price	Details	Expiry Date
Stock Options Outstanding		\$		
Nov 22, 2022	800,000	2.35	Directors' Options	Nov 3, 2032
Nov 3, 2022	350,000	2.35	Consultant Options	Nov 3, 2023
Nov 3, 2022	250,000	2.35	Consultant Options	Nov 3, 2024
Nov 3, 2022	50,000	2.35	Employee Options	Nov 3, 2027
Nov 3, 2022	325,000	2.35	Directors' and Officers' Options	Nov 3, 2032
June 8, 2022	125,000	2.25	Consultant Options	June 8, 2023
Dec 15, 2021	200,000	1.65	Consultant Options	Dec 15, 2023
April 9, 2021	1,700,000	0.50	Directors' Options	April 9, 2026
Dec 16, 2020	1,100,000	0.10	Directors' Options	Dec16, 2025
Dec 30, 2019	600,000	0.10	Directors' Options	Dec 30, 2024
May 6, 2019	100,000	0.10	Directors' Options	May 6, 2024
Mar 16, 2016	1,000,000	0.10	Directors' Options	Mar 16, 2026

Warrants				
Jan 19, 2023	1,425,000	2.40	Share Purchase Warrants	Jan 19, 2025
Jan 16, 2023	1,425,000	2.40	Share Purchase Warrants	Jan 16, 2025
June 29, 2021	376,640	1.05	Share Purchase Warrants	June 29, 2023
April 9, 2019	25,000	0.25	Share Purchase Warrants	April 9, 2024

ADDITIONAL INFORMATION

All corporate disclosure documents are filed on www.sedar.com. Additional information regarding the Company's projects and activities are available at www.atlassalt.com.