



ATLAS SALT INC.

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

For the Period Ended September 30, 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’s main project is the development of the Great Atlantic Salt deposit into a mine.

Vulcan Minerals Inc. owns 30.52% of Atlas Salt as of September 30, 2023.

The Management Discussion and Analysis (“MDA”) should be read in conjunction with the unaudited condensed financial statements for the period ended September 30, 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 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 retained 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 September 30, 2023, the Company's ownership was diluted to 27.33%, resulting in a dilution gain of \$59,266 (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.

On August 4, 2023 Richard LaBelle was appointed new CEO and Director. The retiring CEO remains with the Company as Chairman.

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 November 28, 2023.

OVERALL PERFORMANCE

The Company reflected a loss of \$3,705,393 for the period ended September 30, 2023 (September 30, 2022 - \$2,806,447). The net loss consists of marketing and communications expenses of \$1,715,327 for the period compared to \$635,562 for the same period in 2022. In addition, share-based compensation of \$963,889 for the period compared to \$405,648 for the same period in 2022. In addition, there was a loss from the equity accounted investment of \$228,003 compared to \$10,508 for the same period in 2022. This is offset by an increase in interest income, gypsum revenue and dilution gain 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 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. SLR Consulting was selected in July 2021 to undertake the analysis 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. On August 28, 2023 results of the final feasibility study were received as below.

Technical Summary

Overview

The Feasibility Study (FS) considers developing Great Atlantic into an underground operating mine capable of producing 2.5 Mtpa of rock salt with key mine access and plant infrastructure designed for 4.0 Mtpa. Construction of the mine would occur over three years, with access to the deposit via twin declines. Extraction of rock salt would occur using the room and pillar method, with continuous mining equipment. Salt would be processed to a specific size and grade using a crushing and screening plant located within the underground mine, and then brought to surface via conveyor belts. An overland conveyor would transport the rock salt from the mine area to the existing Turf Point port for loading onto ships destined for Canadian and American markets. The FS builds upon the January 30, 2023 PEA and will form the basis for environmental licensing and permitting and the next phase of engineering design.

Mineral Resources

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 updated Mineral Resource currently includes 383 Mt of Indicated Mineral Resources plus 868 Mt of Inferred Resources. Table 1

provides a summary of the Great Atlantic Mineral Resource estimate prepared by SLR, with an effective date of May 11, 2023.

Table 1: Summary of Great Atlantic Mineral Resources

Category	Tonnage (Mt)	Grade (% NaCl)	Contained NaCl (Mt)
Indicated	383	96.0	368
Inferred	868	95.2	827

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. Mineral Resources are inclusive of Mineral Reserves.
6. Salt prices are not directly incorporated into the Mineral Resource MSO minimum target grades, however, the mean Mineral Resource grades exceed the 95.0% NaCl (± 0.5%) specification outlined in ASTM Designation D632-12 (2012).
7. Numbers may not add due to rounding.

Mining and Mineral Reserves

Mining designs, development plans, and schedules have been prepared for a fully electric, mechanized room and pillar mining operation. It is envisaged that salt will be mined using continuous miners and hauled by truck to a lump breaker and conveyor system to move material to a crushing and screening plant located underground. The FS is based upon the initial production of 2.5 Mtpa of rock salt product with key mine infrastructure capacity to expand to 4.0 Mtpa. A summary of Mineral Reserves, effective July 31, 2023, is shown in Table 2.

Table 2: Summary of Great Atlantic Mineral Reserves

Category	Tonnage (Mt)	Grade (% NaCl)	Contained NaCl (Mt)
Probable	88.1	96.0%	84.5

Notes:

1. CIM (2014) definitions were followed for Mineral Reserves.
2. All Mineral Reserves are classified as Probable Mineral Reserves, with extents limited to the Indicated Mineral Resource wireframe.
3. Salt prices are not directly correlated into the Mineral Reserve estimate, however the mean Reserve grades exceed the 95.0% NaCl ($\pm 0.5\%$) specification outlined in ASTM Designation D632-12 (2012) and based on a detailed salt market review to determine economic viability.
4. A minimum mining height of 5.0 m and width of 16.0 m were used for production rooms.
5. Sterilization zones 8.0 m below top of salt and 5.0 m above bottom of salt have been applied.
6. A mining extraction factor of 100% was applied to all excavations.
7. Bulk density is 2.16 t/m³.
8. Planned process recovery is 95%.
9. Numbers may not add due to rounding.

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

A summary of the Economic Results based on a 34 year cash flow at a production rate of 2.5mtpa are as below.

Economic Outcomes

The resulting economics of the Project including net present value (NPV) and internal rate of return (IRR) are presented below.

Summary of Economic Outcomes – Initial 34 Year Production Plan at 2.5 Mtpa

Metric	Units	Value
Pre-Tax Payback Period	yrs	4.2
Pre-Tax IRR	%	23%
Pre-tax NPV at 5% discounting	C\$ '000	1,900,081
Pre-tax NPV at 8% discounting	C\$ '000	1,017,038
Pre-tax NPV at 10% discounting	C\$ '000	681,292
Post-Tax Payback Period	yrs	4.8
Post-tax IRR	%	18.5%
Post-tax NPV at 5% discounting	C\$ '000	1,088,743
Post-tax NPV at 8% discounting	C\$ '000	553,094
Post-tax NPV at 10% discounting	C\$ '000	349,180

It is noted that all calculations of NPV and IRR assume an initial capital spending period of four years. The payback period calculations have a base date of the commencement of operations.

Expansion Case To 4 Million Tonnes Per Year Production

In addition to the FS Case of 2.5 Mtpa, SLR has prepared a Preliminary Economic Assessment for a scenario comprising expanded production at a rate of 4 Mtpa. The mine plan for the PEA is based upon extraction of 193 million tonnes, consisting of the Mineral Reserves defined in the FS plus Indicated and Inferred Mineral Resources from 320 level to 530 level. The mine life is 47.5 years, with significant unmined Inferred Resources remaining.

The mining designs contained in the PEA are based, in part, on Inferred Mineral Resources. Approximately 46% of the mine plan is based on Probable Mineral Reserves, with the remainder being Inferred Mineral Resources. Inferred Mineral Resources are considered too geologically speculative to have economic considerations applied to them that would enable them to be categorized as Mineral Reserves. There is no certainty that the production forecasts on which the PEA is based will be realized.

The major difference from the FS case is the addition of three more continuous miners (total of five plus a roadheader) and up to seven additional haul trucks. In the pre-production and early years of production, development is accelerated in order to access more workplaces.

The results of the PEA economic analysis are shown below.

Expansion Case Results Summary

Item	Units	Expansion Case
Reserve Tonnes Mined	Mt	88
Inferred Tonnes Mined	Mt	105
Total Tonnes Mined	Mt	193
NaCl Grade	%	95.5
Mine Life	Years	47.5
Total Net Revenue¹	C\$ millions	24,754
Total LOM Operating Cost¹	C\$ millions	4,885
LOM Unit Operating Cost	C\$/tonne	34.45
Initial Capital Cost	C\$ millions	480
Expansion Capital Cost	C\$ millions	101
Sustaining Capital	C\$ millions	1,446

Reclamation and Closure	C\$ millions	39
Total Capital	C\$ millions	2,063
Pre-Tax Cashflow	C\$ millions	17,803
Payback	Years	4.2
Pre-Tax IRR	%	28
Pre-tax NPV at 5%	C\$ millions	4,095
Pretax NPV at 8%	C\$ millions	2,015
Pretax NPV at 10%	C\$ millions	1,320

1. All costs and revenue are escalated from Q3/2023. Revenue is escalated at 4% per year to 2028 and 2% per year thereafter. Operating costs are escalated at 2% per year.

With the successful completion of the feasibility process, the company hired a new CEO, Mr. Rick LaBelle, to take the company to the next phase of its development. Mr. LaBelle brings a stellar track record of operational expertise and private equity success to the CEO position for Atlas Salt at a transformational moment in the Company's history. He has 40 years' experience in the mining sector (private equity and public markets), including 27 at the executive leadership level. He has delivered over \$5 billion (CDN) in mining consumables and services sales coupled with value creation through a series of game changing M&A transactions by effectively executing key strategic initiatives. Mr. LaBelle has partnered with the world's leading private equity firms and originated, negotiated and transformed some of the largest M&A deals in mine services, drilling services, commercial explosives, mining consumables and ground control/support. Most recently he was President and CEO of Dumas Mining from 2017 until his retirement in 2022. Mr. LaBelle was the leader who created the platform and the step change for Dumas' turnaround and subsequent sale to private equity. It is currently one of the largest and most respected underground mine builders in the world.

Shortly after Mr. LaBelle's appointment, he retained an elite core team consisting of Robert Booth, VP Engineering and Construction, Alasdair Federico, VP Corporate Affairs and Peter Newton as CFO. Mr. Booth, P.Eng, PMP, has successfully executed more than \$1.5 billion in large capital projects over the past 7 years, most recently with the world's largest gold mining company (Newmont). He is an engineer who has consistently demonstrated operational excellence and the highest standards of cost and quality control. Mr. Federico, is an experienced executive and lawyer who was Kirkland Lake Gold's Executive Vice-President, Corporate Affairs & Social Responsibility, between late 2016 and May 2021 during a period of exceptional growth for the company. The merger of Kirkland Lake Gold and Agnico Eagle Mines was announced September 28, 2021, with the merged entity valued at \$22.4 billion (U.S.) upon closing in early 2022. Mr. Newton, CPA, CA, is an accomplished financial executive with more than 30 years' experience in private equity and the capital markets. He is the former CFO of the Canadian division of Boart Longyear, the world's largest drilling company, where he was responsible for multiple foreign entities (17 countries, 4 continents) between 1992 and 2007.

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 obtained a mining lease from the government of Newfoundland and Labrador to reinstate mining 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. For the period ended September 30, 2023, the Company had sales of 70,311 tonnes amounting to net proceeds of \$298,822.

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 has prepared a Development and Rehabilitation Plan and has submitted this plan to the Department of Industry, Energy and Technology for final permitting and approval.

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 (Al₂O₃), sodium (Na₂O) and potassium (K₂O) 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 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 were 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 completed with positive results and a qualified team of technical persons has been

hired to move forward on development as described above. Detailed engineering work towards mine development and associated permitting are ongoing.

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 regulatory permitting are ongoing.

MINERAL EXPLORATION AND EVALUATION ASSETS

The major components of mineral exploration and evaluation assets on September 30, 2023 are as follows:

Acquisition costs – licenses	1,054,365
Mineral licenses and license renewals	85,496
Asset retirement obligation	137,994
Drilling, geological, geophysical and related costs	4,418,031
Share-based compensation	209,380
Feasibility Study	3,210,667
Gypsum sales	(1,665,312)
Government grants	(274,164)
Balance	7,176,457

SUMMARY OF QUARTERLY RESULTS

Quarter	Total Income	Net (Loss) Income	Net (Loss) Income Per Share
	\$	\$	\$
September 30, 2023	306,708	(360,207)	(0.004)
June 30, 2023	293,693	(2,327,446)	(0.025)
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)

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. September 30, 2023 and June 30, 2023 revenue also includes a dilution (loss) / gain on its investment in Triple Point as well as gypsum revenue. 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 September 30, 2023 and June 30, 2023 is primarily due to an increase in marketing and communication expenses, share-based compensation expense as well as a loss from equity accounted investment. The loss for March 31, 2023 also includes increased share-based compensation expenses. The loss for March 31, 2022 is primarily due to share-based compensation. The loss for December 31, 2021 is mainly due to increased marketing and communications and investor relations expenses as well as share-based compensation. Income from the Ace gypsum mine was considered pre-production income and therefore \$1,665,312 was netted against the exploration and evaluation assets up to the value of the related mineral exploration and evaluation assets. In 2023, \$298,822 of the gypsum sales is shown as revenue.

LIQUIDITY, CAPITAL RESOURCES, AND GOING CONCERN

The Company had current assets of \$13,790,708 on September 30, 2023 including cash of \$13,408,648 and Accounts Receivable of \$355,696. The Company had accounts payable and accrued liabilities of \$410,343 resulting in positive working capital of \$13,380,365. 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 September 30, 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.

TRANSACTIONS WITH RELATED PARTIES

The Company incurred expenditures of \$255,521 for the period ended September 30, 2023 (December 31, 2022 – \$361,241) 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 \$18,000 for the period ended September 30, 2023 (December 31, 2022 – \$12,000) to a private company owned and controlled by a Director of the Company.

Accounts payable and accrued liabilities include \$42,338 owing to Vulcan Minerals Inc. at September 30, 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.

RESTRICTED SHARE UNITS (“RSUs”) AND PERFORMANCE SHARE UNITS (“PSUs”)

Subject to TSX Venture Exchange approval and shareholder approval, the Company granted restricted share units and performance share units in the share capital of the Company to officers and consultants of the Company.

- 800,000 RSUs and 1,400,000 PSUs were granted effective July 26, 2023
- 90,000 RSUs and 160,000 PSUs were granted effective August 28, 2023
- 72,000 RSUs and 128,000 PSUs were granted effective October 1, 2023
- 25,500 RSUs and 49,500 PSUs were granted effective October 6, 2023
- 72,000 RSUs and 128,000 PSUs were granted effective October 10, 2023

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 activity, safety and environmental concerns, access to cost effective contract services, escalating industry costs and timelines for contracted services and equipment, product marketing and hiring and retaining qualified employees.

The Company is subject to financial risk as exploration and development 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 development 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 September 30, 2023 the Company had a cash balance of \$13.4 million and a positive working capital of \$13.38 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 development 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 and development programs is also indirectly subject to commodity prices.

SHARE CAPITAL

The Company has issued and outstanding common shares of 94,668,785 as at the date of this MDA. 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 6,125,000 stock options outstanding as at the date of this MDA. As outlined below, there were 6,125,000 options exercisable and there were 2,875,000 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	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
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	Dec 16, 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
April 9, 2019	25,000	0.25	Share Purchase Warrants	April 9, 2024

ADDITIONAL INFORMATION

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