VVC EXPLORATION CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

for the Three and Nine Months Ended

October 31, 2022

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Form 51-102F1

VVC EXPLORATION CORPORATION ("VVC")

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MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE THREE AND NINE MONTHS ENDED OCTOBER 31, 2022

This Management's Discussion and Analysis ("MD&A") of VVC for the three and nine months ended October 31, 2022 (the "Period") was prepared on December 20, 2022 and should be read in conjunction with the Company's October 31, 2022 unaudited condensed consolidated financial statements and related notes, prepared in accordance with International Financial Reporting Standards ("IFRS"). All financial information disclosed in this report was prepared in accordance with IFRS unless otherwise disclosed.

All amounts herein are expressed in Canadian dollars unless otherwise indicated. The technical information regarding the mineral properties in the MD&A has been approved by Peter Dimmell, P.Geo. (NL, ON), a mineral exploration consultant and a director of VVC, who is a qualified person (QP) under National Instrument (NI) 43-101.

FORWARD LOOKING INFORMATION

This MD&A includes forward-looking statements that are subject to risks and uncertainties and other factors that may affect the actual results, performance or achievements expressed or implied by such forward-looking statements. Such factors include general economic and business conditions, which among other things, affect the price of metals, the foreign exchange rate, the ability of the Company to implement its business strategy, and changes in, or the failure to comply with government laws, regulations and guidelines. Unless otherwise required by applicable securities laws, VVC disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Additional information relating to VVC can be obtained from its News Releases and other public documents at the SEDAR website <www.sedar.com>.

BUSINESS OVERVIEW

The Company is a venture issuer reporting in Ontario, British Columbia, Alberta and Quebec. The Company's common shares trade on the TSX Venture Exchange under the symbol "VVC".

VVC is the process of rebranding itself to reflect its current operations in a diversified natural resources business. As such, we have a new logo, a new trade name or DBA "VVC Resources" and a new website <vvcresources.com>.

VVC is in the business of acquisition and exploration of resource properties in the mineral and petroleum sectors. Its principal business activity is the exploration and development of gold and base metal mineral properties both nationally and internationally, but principally in Mexico, and petroleum properties (natural gas and helium) in the USA. The Company, through its wholly owned subsidiary, Plateau Helium Corporation ("PHC")., is exploring for, and producing, Helium (He) and natural gas in Kansas and Colorado, USA. Throughout this document "the Company" refers to VVC and its wholly-owned subsidiaries, Camex Mining Development Group Inc ("Camex"), VVC Exploración de Mexico, S. de R.L. de C.V. ("VVC Mexico"), Samalayuca Cobre S.A. de C.V. and PHC.

(A) Samalayuca Cobre S.A. de C.V. ("SCSA")

Through its acquisition of Camex in 2013, VVC acquired 33.75% of the outstanding shares of SCSA ("SC Shares"). In November 2020, VVC acquired all the remaining shares of SCSA and SCSA is now a wholly owned subsidiary of VVC. VVC is still required to pay one of the vendors an aggregate of US$400,000 over a period of 19 months following the receipt of the first copper sales.

SCSA is the owner of the Kaity claim (the "Kaity Property"), which covers stratiform, sediment hosted, copper mineralization along the Samalayuca Sierra where the Gloria Copper Project is located. The Kaity Property, which covers the Gloria Copper Project, comprises one mining concession totaling 1623 ha located in Chihuahua State, approximately 40 km southwest of Juarez MX / El Paso, Texas. It is road accessible via Highway 45 and a number of unpaved roads/trails that extend around the Samalayuca Sierra. The Kaity Property covers stratiform, sedimentary hosted copper deposits in Permian age, chloritized sandstones, carrying significant silver and minor gold values over a mineralized trend at least 5 km long. The Samalayuca Sierra has been explored for copper since the early 1950's with small scale, artisanal mining from open pits carried out for a few years in the 1960's over a strike length of at least 4 km. Previous work by Camex included 395 mostly chip/channel samples, from the various deposits / showings along the trend, most of which gave copper values ranging from 0.1 to 0.8 %, with a number of values >1% copper. From east to west the zones include: Suerte, Zorra, Juliana, the Gloria deposits and Concha.

A National Instrument 43-101 report by Michel Boily, PhD, P.Geo, dated April 20, 2013, filed on SEDAR on October 7, 2013, describes the Kaity Property and mineralization as follows: "The mineralized rocks form part of a pluri-kilometer-thick sedimentary assemblage deposited in the Chihuahua trough from the Paleozoic through Early Cretaceous eras. This vast sedimentary trough is a right-lateral pull-apart basin that underwent important deformation during the Late Cretaceous-Early Tertiary Laramide orogeny. The sedimentary formations containing the Cu mineralization consist of a cyclic sequence of fine to coarse-grained sandstones (chloritized quartzites/arenites) with subordinate phyllitic and conglomeratic intervals which exhibit low grade regional metamorphism. The copper mineralization (1-10%) occurs as fine-grained primary and supergene copper sulphides, including digenite, chalcocite, covellite, bornite and chalcopyrite. Oxidized copper minerals such as malachite and azurite are common as coating and in fractures.

Metallurgical tests on heap leach and vat leaching processes for Cu-ore beneficiation determined that the optimum procedure is vat leaching using an ore granulometry of -3/8", a time of lixiviation of 30 days followed by a wash of eight days, with industrial grade sulfuric acid concentrations of 3.0%. Exploration work conducted since 2010 has consisted of geological and structural mapping of the key Cu-mineralized areas including the old artisanal open pits where channel sample values, taken perpendicular to the strike of all sandstone layers, were the basis for calculating an Inferred Resource of 4,100,281 t grading 0.47 wt. % Cu and 5.8 g/t Ag (Boily 2013).

2017-18 Exploration – The Kaity Property hosts significant stratiform copper mineralization over a 5 km strike length based on the old, shallow, artisanal open pits and VVC's drilling. Three drilling programs were carried in 2017 and 2018. Phase 1 drilling was started in late August 2017 and totalled 1477 m in 6 holes testing the Gloria zone only. Phase 2 drilling began in early November 2017 with holes 7 to 23 completed for a total of 1244 m, to test the Gloria, Gloria NW, Gloria Extension, Thor and Zorra copper zones. The drilling at Gloria and Gloria extension zones intersected significant mineralized zones with thicknesses up to 36 m and grades in the 0.3 to 0.6 % Cu range. Results included:

- SC17-022 - 0.51 % Cu / 27 m from 14.5 m downhole – approx. 27 m true width
- SC17-023 - 0.36 % Cu / 51 m from 10 m downhole – approx. 36 m true width.

Phase 3 drilling program began in May 2018 with 9 additional holes totalling 3,000 m in the Gloria Extension East, all of which intersected near surface copper mineralization. This program continued the evaluation of the main artisanal, previously mined, areas of Kaity Property to define the thickness and grade of the mineralized zones. The four goals for the Phase 3 program were:

- Definition of the significant, near surface, copper mineralization encountered in holes 22 and 23 on the Gloria Extension where drilling tested the 350-meter mineralized zone.
- Evaluation of the Concha zone along the 700-meter mineralized zone mined by artisanal miners.
- Testing the Zorra zone, the artisanal pit at the highest elevation on the Samalayuca Sierra, which gave the highest copper grades from chip sampling by VVC geologists over a 175 m strike length. Copper values of 1.19% over 4 m, 0.28% over 7 m, including 0.63% over 2 m, and 2.25% over 6.5 m were found. (*These results are chip samples and are not necessarily representative of the overall grade of the zone.)*
- Drilling additional holes in the Juliana, Suerte and Trinadad pit areas to evaluate the mineralized zones as well as to define any connections between them.

Highlights from the Phase 3 drilling were:

1. Extensive near surface mineralization, as defined in drilling in Phases 1 and 2, continues in the western third of the Gloria Extension zone.
2. Copper grades in the 0.2% to 0.6% range, with mineralized zones up to 30 meters plus in true width, were intersected.

The results from the first 3 holes (SC18-024-026), also in the Gloria Extension zone, adjacent to SC17-022 and SC17-023, provided further definition of the near surface copper mineralization. Results were summarized in a news release issued on August 2, 2018 with a plan map and a vertical section (525E) through the copper mineralization, showing the drill locations and results, which can also be viewed at: <http://globenewswire.com/NewsRoom/AttachmentNg/91ae9abc-fac4-478f-b706-83eb310da233/en>. Further results of the Phase 3 drilling were released in a news release dated August 17, 2018 with a Plan and Sections, showing the dimensions of the copper mineralization in the Gloria Extension Zone. The drilling shows the potential for significant stratiform copper mineralization, which has been traced for over 5 km based on the shallow artisanal mines and VVC's drilling. Further results were announced on October 11, 2018 with a map showing the drill locations with the final results presented on January 17, 2019 and a summary of results from the program presented in a news release issued on January 30, 2019.

Geology – The Kaity Property covers copper mineralisation in the Samalayuca Sierra, characterised as a "Stratiform Copper Deposit" type, as recognized by qualified persons, Michel Gauthier and Jocelyn Pelletier (2012), and Jacques Marchand and Michel Boily (2013). Fine disseminated chalcopyrite-bornite and associated oxide copper minerals, common to these deposits, are noted in a wide chloritized zone along the Sierra with mineralized zones from 3 to 36 m wide, true thickness, as defined in the old surface pits. The stratigraphy strikes NW and dips gently, approximately 25 degrees to the NE, although it is variable. Vertical faults can generate supergene copper enrichment when they cut the mineralised strata. The old mining works by the artisanal miners (gambusinos) targeted the higher grade, surface, copper zones, exploiting them by shallow (< 20 m deep) open pits and hand cobbing (selecting) the ore for direct shipping to the smelter.

2019 Resource Estimate – A National Instrument (NI) 43-101 Technical Report on the Kaity Property by Jacques Marchand P.Eng. Geology, dated April 21, 2019, filed on SEDAR on May 7, 2019, gives Indicated Resources of 9.6 million tonnes grading 0.282% Cu (59.5 million lbs) and Inferred Resources of 14.398 million tonnes grading 0.281% Cu (89.44 million lbs) using a cut-off grade of 0.15%. The Resource Estimate covers eight zones of the Kaity Property: Gloria, Gloria Extension, Concha, Gloria North, Juliana, Zorra, Trinidad and Suerte, which occur along a 5.5 km long by 0.5 km wide, northwesterly oriented ridge.

The 2 largest zones are:

- Gloria Extension, with Resources of 4.1 million tonnes at 0.26% copper Indicated and 2.5 million tonnes at 0.24% copper Inferred;
- Concha, with Resources of 3.2 million tonnes at 0.30% copper Indicated and 6.2 million tonnes at 0.27% copper Inferred.

The Gloria Extension and Concha zones are the most favorable areas for the delineation of Measured Resources. Gloria Extension lies near the top of the Sierra and dips shallowly along the northeast slope of the Sierra, an ideal situation for low-cost exploration and possible exploitation. Concha zone mineralization has good potential for more resources with good continuity demonstrated by drilling at depth. Consultant Jacques Marchand has proposed a linked two-phase drill program to define the economic potential of the more promising zones.

Due Diligence Sampling Verification – As required in a NI 43-101 report, historical results have to be verified. In June 2011, chip samples were taken from the Kaity Property either by Jacques Marchand directly or by J. Pelletier and A. Aragon under Jacques Marchand's supervision. The samples were analyzed for base metals using the ICP technique at the Chemex laboratory in Hermosillo, Sonora, MX. Only Cu gave anomalous values. The correlation with the historical sampling is highly variable (up to 100%) but is considered acceptable given that the sampling was done in areas where the Cu mineralization is both stratigraphic and remobilized.

Analytical Techniques **–** Rock and drill core samples were analyzed at the ALS Chemex laboratory in Chihuahua city, MX using their ICP21 and ICP 4-acid (ME-MS61) techniques. Standard QA/QC techniques, such as duplicates and blanks were used as required.

Metallurgical Testing – In June 2019, metallurgical bench testing of copper mineralized samples from the Gloria Zones were conducted using an on-site lab to evaluate the impact of crushing (ore size), acid flow rates and other leach related parameters, to determine the optimum requirements for the recovery of copper. The leach columns are 6 meters in height, matching the proposed thickness of the heap leach ore pads, to determine the optimum conditions for processing mineralized material from the Gloria Zones. After the ore is leached, copper recovery using electrowinning technology will be tested and considered for the proposed Gloria Pilot Mining Project.

Prior to the Covid-19 pandemic (the "Pandemic"), VVC conducted metallurgical test work to refine the reactant / water mixture to minimize the use of reactant and water, and to minimize costs. The objective was to decrease residence time, and increase recoveries, thereby reducing costs and hopefully increasing profitability. Results so far have been encouraging. Further testing has been delayed due to the onset of the Pandemic and resulting shut-down, however plans are to continue to refine the recovery process once permission is granted for a restart.

The metallurgical testing was carried out in-house under the supervision of Everardo Morga Monárrez, a Senior Metallurgist from Hermosillo, Mexico. If the metallurgical tests are successful and can be applied to the pilot mining / processing plan, a comprehensive 43-101 compliant report and news release will be issued to disclose the results and conclusions from the test work.

Pilot Mining Planning – SCSA worked with an environmental consulting and law firm for authorization from CONANP and SEMARNAT (Mexican government groups responsible for the environment) for the environmental and mining permits. The Project has been supported by the local community in this process.

The 2017-18 drilling program was carried-out to define specific areas with the best potential for a proposed pilot mining program and was focused on three mineralized areas, the Gloria Extension, Gloria Extension East and Gloria Zones in the central part of the Kaity Property, extending over a strike length of 2 kilometers. The Gloria Extension, a 350-meter zone at the center of the Kaity Property, had the highest average copper values and also the widest mineralized zones in the drilling. The Gloria Extension East, a 900-meter zone with similar copper grades to Gloria Extension, but narrower widths, is adjacent to, and southeast of, Gloria Extension, separated by a fault. The Gloria Zone, a 700-metre zone adjacent to, and northwest of Gloria Extension has significant copper mineralization which is accessible from an existing surface pit. The Company believes that these zones are excellent candidates for a proposed Gloria Pilot Mining Project and has begun a bulk sampling program to further define the copper values, mineralogy and metallurgy, to determine copper recoveries and to evaluate mining scenarios.

Some, previously mined material, hand cobbed by artisanal miners, is available on site for a heap leach pad planned for 2021 or later, as soon as the Pandemic permits work to begin again, to test and fine tune the heap leach system.

The Environmental Permit was received from the Mexican Government in November 2018 and Change of Land Use permit was received in early July 2019. The permits allow the Company to initiate mining operations in the Gloria Zones of the Kaity Claim (Gloria, Gloria Extension, Gloria East and Gloria NW). The receipt of the Environmental and Change of Land Use permits together marked a significant milestone for VVC. Once the permits were received, SCSA started mine preparation based on the exploration and the metallurgical test results. This included an evaluation of all aspects of the proposed Gloria Copper Pilot Mine and Processing facility in order to allow an informed decision regarding the start of a Pilot Mine in an environmentally and socially responsible manner, while generating positive economic and community impacts.

Pilot Mining Decision – In late July 2019, after receipt of the Permits, VVC's technical team in Mexico completed an assessment of the Kaity Property's potential for Pilot Mining, and proposed a mining, processing and reclamation plan for the Gloria Zones of the Kaity Property. Following a site visit and review of the technical team's proposed plan by VVC's technical directors and a subsequent Board meeting where the proposed project was discussed in detail, the Company announced that the Board had approved the start of a Pilot Mine and SX-EW Processing facility on the Gloria Zones of the Kaity Claim (Gloria, Gloria Extension, Gloria East and Gloria NW), now referred to as the "Gloria Pilot Mining Project" or the "Gloria Project". The plan envisions mining of the oxide copper resources using an open pit extraction process, heap leach (solvent extraction) processing of the ore, and recovery of the copper using an on-site electrowinning facility, known as SX-EW processing. It was anticipated that the plant would have an initial capacity to process approximately 2,000 tonnes per day of mineralized material, increasing to 4,000 tonnes per day, approximately 12 months after start-up. Construction of the facility was expected to take 6 to 9 months.

It should be noted that the decision to proceed to a pilot/test mining program does not constitute a decision to proceed to commercial production. No "independent" National Instrument 43-101 (NI 43-101) compatible Feasibility Study (FS), Pre-Feasibility Study (PFS), Preliminary Economic Assessment (PEA) or other economic assessment, relating to production or the metallurgical test work, has been carried out on the Gloria Project and therefore no NI 43-101 compliant Reserves have been defined and, there is no independent confirmation of copper recoveries or that the Gloria project will be economic. In addition, there is no certainty that the proposed operation will conform to the timing noted above.

In March/April, 2020, concerns over the impact of Covid-19 resulted in the Government of Mexico issuing a temporary work stoppage with mines in Mexico, including the Gloria Project. Both cities of El Paso, TX and Juarez MX located approximately 40 kilometers to the north of the Gloria project experienced significant issues with Covid outbreaks. The Village (ejido) of Samalayuca, which is near the Property, was very concerned with the Covid situation and didn't want outsiders travelling to their area. Throughout the Pandemic, VVC has, on a monthly basis, provided food and other supplies to the local community through the "Solidarity Pantries Campaign".

The Government has now allowed the reopening of mining projects and the Gloria Project is now allowed to reopen. The Company is committed to providing the safest possible working environment for its workers while continuing to support the most vulnerable in the local community.

Prior to the disruptions caused by COVID-19, the Company initiated a debt financing program to fund the start-up of Pilot Mining at Gloria. The project was suspended due to the risks posed by the pandemic and investors that had previously expressed interest in financing the Gloria Project backed away. We are now re-examining our financing options for the Pilot Mining.

Update – December 2022 – Field operations at the Gloria Copper Project, which are proximate to both El Paso TX and Juarez MX, were shut down in March 2020 since both cities had high numbers of Covid-19 cases. As the Pandemic has moderated VVC is gradually resuming operations on the site of the Gloria Project.

The Company's technical team in Mexico has been working on optimizing the Gloria mining plan and recovery methodology, to extract more copper from the mineralized rock more quickly, with the objective of creating significant cash flows sooner, to enhance the economics of the project.

SCSA received in August 2021, the Explosives Permit from the Mexican Authorities, a permit which is required before commencement of work on the Gloria Copper Project, and the Archeological Review has completed. VVC is now re-examining its mine plan, processing plan, financing, and staffing options for the start of Pilot Mining.

(B) Plateau Helium Corporation ("PHC")

On December 21, 2020, VVC acquired a minority 10% interest in PHC in consideration for US$100,000. Incorporated in Wyoming, US, PHC is focused on helium exploration and development, primarily in the western US.

Following completion of its due diligence and obtaining TSXV approval, VVC acquired the remaining 90% interest in PHC in consideration for the issuance of 21 million shares of VVC. Of these shares, 14 million were placed in escrow until released from escrow in January 2022. PHC is a wholly owned subsidiary of VVC.

At the time of acquisition by VVC, PHC had one project, the Syracuse Helium Project in Southwestern Kansas with a total of approximately 16,000 acres leased. Three (3) other projects were subsequently added, resulting in control of approximately 29,000 acres, with another 60,000 acres in currently in various stages of the acquisition process. Upon completion of the core leasing, the total acreage is expected to be over one hundred thousand (100,000) acres with the potential for over one thousand (600) well locations.

Syracuse Helium Project (Project 1)

PHC's owns a 100% working interest in its initial project, known as the Syracuse Helium Project (the "Syracuse Project"), is located in the State of Kansas and comprises 69 leases covering over 16,000 acres. The property (the "Syracuse Property") on which the Syracuse Project is located hosts more than 160 potential well sites, 80 in each of two zones which have shown potential. The present focus is on Chase zone which has 80 potential well sites. The acreage was previously explored with 5 wells, all of which either produced or tested positively for natural gas containing helium. Geologically, the Syracuse Project lies to the south of the Bradshaw and Byerly fields, to the west of the Hugoton and Panoma Fields, and to the north of the Greenwood Gas Area. Historically, these fields have collectively produced in excess of 27 trillion cubic feet of helium rich gas.

To assist with the financing of well drilling on the Syracuse Project, PHC did the following:

In 2020, PHC raised US$1.4 million in financing through Plateau Helium Syracuse LLP1 ("LLP1"), a limited liability partnership in the state of Wyoming. LLP1 purchased royalty interests in the first 10 wells of the Syracuse Project. Through LLP1, the limited partners are entitled to a royalty of 28% of the net revenue from the first 10 wells after the payment of a 17% Overriding Royalty related to the leasing of property and deduction of the costs of production (the "LP Interest").

In 2021, the Company raised US$3.4 million in financing through Plateau Helium Syracuse LLP2 ("LLP2"), a limited liability partnership in the state of Wyoming. LLP2 purchased royalty interests in the next 20 wells of the Syracuse Project. Through LLP2, the limited partners are entitled to a royalty of 34% after the payment of a 17% Overriding Royalty related to the leasing of property and deduction of the costs of production.

The Syracuse Project and all helium projects acquired by PHC are also subject to a 15% royalty held by a company controlled by the previous shareholders of PHC (the "15% Royalty") as well as a 1% royalty held by a third-party (the "1% Royalty"). The 15% Royalty and the 1% Royalty are payable on the net proceeds received by PHC after deduction of all costs of production and payment of all pre-existing royalties. One VVC insider holds 9.5% of the LP Interest as a result of investing US$100,000 in the limited partnership financing. Another insider of VVC holds a 16.67% interest in the 15% Royalty.

PHC will be entitled to approximately 48% and 44% of the net proceeds from the first 10 wells and the next 20 wells respectively on the Syracuse Project. All remaining wells on the Project will yield approximately 68% in net proceeds to Company.

Activity on the Syracuse Project

During 2021, PHC reworked a pre-existing well that had indicated good casing pressure. As a first step to proving reserves and generating cashflow, the Company connected the well to the Tumbleweed Pipeline which transports the helium rich gas to the Ladder Creek Helium plant. Historically (in 2008), based on a Shamrock Gas Analysis, the well produced gas with a 1.273% helium concentration, and is currently producing as expected although it has produced for more than 27 years and now produces at marginally profitable rates.

PHC had initially planned to rework/re-enter 5 other existing wells and return them to production. Following an on-site evaluation of the existing wells, it was determined that it would be more cost effective to drill new wells proximate the existing ones.

As of the date of the MD&A, 8 new wells have been drilled in Syracuse. Seven of them show the expected gas pressures and content and the Company expects to complete and connect them to the Syracuse internal gathering system in Q1 of 2023. The 8th well has to be connected to a water disposal system before it can be economically operated. The internal gathering system is already connected to the Tumbleweed Pipeline. Initial gas flow, helium and methane content of the gas stream from each of these wells can only be established after they are successfully producing, however historically, Chase zone wells in the area typically have initial gas flows of 400 mcf per day with 1.2% helium and low-grade methane. ***These historical results have not been verified by PHC, or any other independent party, and cannot not be relied upon.***

The Company has permits to drill another seven wells on the Syracuse Property with six well sites identified as the next targets. The Company expects to be generating revenue from the sale of helium and natural gas from at least the 7 new wells in the Syracuse Project in Q2 of 2023.

Monarch Project (Project 2)

In March 2021, PHC purchased from Monarch Petroleum ("MP") a helium and methane property, known as the Monarch Lease Property, at a nominal cost and a commitment to recommence production, with MP retaining a 3% royalty in the shallow well rights from surface to 3,100 feet (the "Shallow Rights") and a 50% non-operated working interest in the deep oil and gas rights below 3,100 feet (the "Deep Rights"). In addition to the 3% royalty, standard industry royalties of 12.5% are payable to arm's length land owners from the proceed of any production and the 15% Royalty is payable on the net proceeds received by PHC after deduction of all costs of production and payment of all pre-existing royalties.

The Monarch Lease Property, totalling over 1,700 acres, is located in the Byerly Field in Greely County, Kansas near the Syracuse Helium Project. It includes six formerly producing gas wells that are still connected to the Tumbleweed Midstream pipeline with all wells producing both methane and helium. After operating the wells in 2022, PHC concluded that without an efficient water disposal system these existing wells were not economic and they were all shut in.

PHC owns a 100% operating working interest in the Shallow Rights of the Monarch Lease and a 50% operating working interest in Deep Rights, subject to the underlying royalties. In the deep zone, MP will be required to contribute 50% of any development expenses. The focus in this Project however, is the 14 additional potential well locations which are conveniently located for connection to the Tumbleweed pipeline.

Syracuse Extension Kansas Project (Project 3)

The Company expects portions of the Syracuse Extension Kansas to be the primary focus of PHC’s production efforts in 2023. Leasing continues to acquire additional acreage in proximity to historical wells that tested helium rich natural gas. To-date, over 13,000 acres have been leased over 24 wells that were previously drilled, flowed gas that tested helium in excess of 2%, and then plugged as there was, at the time, no available market for the gas (ie no pipeline). PHC has defined 3 specific areas of Syracuse Extension Kansas where leased acreage is in place. The first of those areas is the Stockholm field where geology and planning work has been done prior to drilling the first 4 new wells. Once the 4 wells are drilled and tested the potential of this project will be better understood, however the expectation is a minimum of 12 and up to 40 wells in the Stockholm field with additional leasing adding to those totals. Work in the Stockholm field is expected to commence in Q1 of 2023.

Another two areas will be further defined by geological analysis and engineering, with the expectation of commencing drilling in Q2 or Q3 of 2023. Other acreage will be added Syracuse Extension Kansas as it becomes available.

Syracuse Extension Colorado Project (Project 4)

A 320-acre gas property located in Cheyenne County, Colorado, was purchased by PHC in April 2021, at a nominal cost with a commitment to commence production, with the seller retaining a 2% royalty. An additional

13,000 acres have now been leased, with a total of 26 historical wells drilled, that flowed gas, tested helium in excess of 2% and then were plugged as there was no available market for the gas (i.e. no pipeline) at that time.

In addition to the 2% royalty, standard industry royalties of 12.5% are payable to arm's length land owners from the proceeds of any production and the 15% Royalty is payable on the net proceeds received by PHC after deduction of all costs of production and payment of all pre-existing royalties. PHC owns a 100% operating working interest in the leases, subject only to the royalties.

The initial acreage includes 2 gas wells drilled in 1989-1990 which were never put into production. It is adjacent to the Tumbleweed Midstream pipeline which is linked to the Ladder Creek Helium plant. Both wells are reported to contain methane and helium. At the time of drilling, one well tested over 2,000 mcf per day and the other, over 3,000 mcf per day, of helium rich gas. ***These historical results have not been verified by PHC, or any other independent party, and should not be relied upon*.**

No project work has commenced in Colorado because the State of Colorado issued new regulations for permitting natural gas wells in 2022 and as of the date of this MDA no permits have been issued under these new regulations. PHC has permit applications pending, but until this regulatory log jam is broken, the Company will not be able to drill in Colorado. Industry expectations are for the issues to be resolved in 2023

Additional Kansas and Colorado Acreage

PHC was negotiating a development contract with a major mineral owner for up to an additional 60,000 acres in the state of Colorado but that is on hold until the Colorado permitting issue is resolved. The company also has had exploratory discussions to take over a project with 15,000 acres of direct leases and another 60,000 acres of contracted acreage in Colorado, on hold due to the permitting issues in Colorado and is also evaluating the potential of a 35,000-acre project that is available in Kansas.

The Company continues to identify additional acreage in Kansas and Colorado where helium rich gas wells have been drilled, flowed, tested then plugged for lack of a market or access to markets via pipelines. These areas are expected to be comparable to the Syracuse Extension Kansas and the Syracuse Extension Colorado projects, with respect to percentage of helium, gas flow rates, pipeline connection availability and drilling costs, etc. However, data from previous wells on this new potential acreage tested at between 1% and 2% helium, compared to existing wells in the Syracuse Extension Colorado and the Syracuse Extension Kansas projects, having all tested above 2% helium.

Internal Gathering System and Pipeline Connection

In 2022, PHC completed the installation of a 14-mile-long internal gas gathering system pipeline (the "Internal Pipeline" for the Syracuse Project. The Internal Pipeline, which can support 100 wells, will seamlessly transport gas produced helium and natural gas to the Tumbleweed Midstream Ladder Creek Pipeline for delivery to the Ladder Creek Helium Processing Plant in Cheyenne Wells, Colorado, where it will be processed into helium, natural gas, and natural gas liquids. The system is expected to connect the over 30 wells planned to be drilled and can be expanded to provide convenient connector points for over 100 well sites in the Syracuse Project and adjacent areas. In addition, the system contains a waste water disposal system to re-inject reservoir water produced from the gas wells.

Operations Manager

PHC has engaged Foreland Operating LLC ("Foreland"), an experienced field management team, to manage the day-to-day natural gas and helium operations. Foreland's experience will allow PHC to expand its scope and scale, at a greatly accelerated pace.

Reserves Evaluation

VVC is required, pursuant to National Instrument 51-101 (NI 51-101), to report, on an annual basis, Reserves Data and Other Oil and Gas Information which are prepared by an independent Qualified Reserves Evaluator (QRE).

VVC has engaged Sproule Associates Limited ("Sproule") of Calgary, Alberta to prepare on annual basis the various reports required pursuant to National Instrument 51-101 (NI 51-101). Sproule is a global energy consulting firm recognized as having natural gas and helium expertise, that provides technical and commercial knowledge to its clients.

Sproule has worked closely with Foreland Operating, who is managing our gas operations in Kansas, to prepare an independent evaluation of the helium (He) and natural gas resources as required under NI 51-101. The required reports were filed on SEDAR at the same time as the Year End Financial Statements.

C) Other Mineral Properties in Mexico and Canada

Due to concentration on the Gloria Copper Project and the Covid-19 situation, no exploration has been carried out on any of the other projects including Cumeral and La Tuna Properties in Mexico or Timmins Township Properties in Canada since 2019. There are no material updates to prior disclosures related to any of these properties. It is not known when, or if, exploration will take place on these projects. These properties are described below.

Cumeral Property

Through its subsidiary, VVC Mexico, VVC owns a 100% interest in 685-hectare Cumeral gold mining project consisting of 3 mining concessions, known as the Cumeral Property located in Sonora State, MX. The property was optioned from 2 Mexican individuals subject to a 2 % NSR and all option payments have been completed. In addition, VVC Mexico acquired additional concessions from the Ministry of Mines. Over the years, the size of these concessions was reduced to 1,000 ha, for a current total property size of 1,685 ha. These additional concessions are 100% owned by VVC Mexico and are not subject to the NSR.

The Property is located approximately 140 kilometres south of the City of Tucson, Arizona / Nogales, MX and 200 kilometres north of the City of Hermosillo, MX. A network of gravel roads and paved highways provide excellent year-round access. The Cumeral Property is situated in the under-explored Sierra Madre Occidental along the well mineralized "Sierra La Jojoba" trend, approximately 15 km northeast of the Mina Lluvia de Oro and Mina La Jojoba deposits which host over 26 million tonnes of measured, indicated and inferred resources grading 0.525 to 0.741 g/T gold (over 500,000 ounces of gold). This area of Sonora is host to numerous other gold deposits and mines, including Fresnillo PLC's & Newmont Mining Company's La Herradura Gold Mine which in 2009 produced over 255,000 ounces of gold and has proven and probable reserves of 193 million tonnes grading 0.65 g/T gold (4.1 million ounces). Other deposits in the area include San Francisco (780,000 ounces of gold reserves) and La Colorada (605,000 ounces of measured and indicated gold resources).

Exploration has included geological mapping, prospecting and rock chip sampling over a 120-hectare area in the vicinity of the old pits and shallow shafts (Tularcito area). Regional sampling has given values as high as 12.65 g/T in selected grab samples, and has defined five areas of gold/silver mineralization (Areas A to E) associated with strong alteration (sericite and quartz veining) with associated pyrite and hematite, trending in a northwest-southeast direction. The host units are heavily oxidized quartz sericite to biotite/muscovite schists. The Company also completed 28 air track drill holes totalling 572 metres with 15 holes in Area B and 13 holes in Area C and 1,020 meters in 14 holes in 2013 in Area A (1); Area B (3); Area C (4); Area E (4); Area F (2) for extensions to the east, down dip, on the stratigraphy of the known mineralized structures.

Area B, the main area of artisanal (gambusino) workings, covers an area of 155 by 180 metres. Air track drilling returned values as high as 1.45 g/T gold and 6.74 g/T silver over 14 metres including 4.19 g/T gold over 4 metres. Other values varied from insignificant to 0.42 g/T gold and 14.56 g/T silver over 10 metres. Eight of the holes returned values of 0.1 to 0.4 g/T gold and 1 to 4 g/T silver over widths varying from 4 to 22 metres. Air track drilling on Area C which covered an area of 115 by 200 metres, also gave significant values including 0.44 g/T gold and 0.48 g/T silver over 10 metres, and 0.21 g/T gold and 0.53 g/T silver over widths varying from 6 to 26 metres. Area A which covers an area of 80 by 300 metres, in the northern part of the Cumeral Property, consists of quartz veins/veinlets carrying minor malachite and azurite. The north copper vein along the contact of a mafic dyke, gave a value of 2.2 g/T gold, 493 g/T silver and 3.73 percent copper from a grab sample. Area D which covers an area of 100 by 270 metres and Area E which covers 140 by 200 metres, located in the southern part of the Cumeral , also show good potential.

In 2011/12, exploration, including geological mapping, rock chip sampling and soil geochemistry was carried out by independent geological consultant Michel Boily, PhD, P.Geo. resulting in a National Instrument 43-101 report on the Cumeral Property prepared and filed on SEDAR on August 27, 2012. Combined results from the 2010-2012 mapping/rock sampling programs show high gold values (i.e 0.5 to >10 g/t) in hematized and pyritized quartz veins/veinlets associated with mylonitized, gently eastward-dipping, low angle (20º to 40º) faults. Geological mapping in the southern segment of the Cumeral Property has defined at least ten gold-mineralized structures generally confined to areas tested by the air track drilling program of 2010. The combined 2010 to 2012 rock assay results for 407 samples taken over an area of 3 km along strike by 1 km wide, gives 8 values from 10 to 40 g/t Au (2 %), 42 from 1 to 10 g/t (10 %), 31 from 0.5 to 1.0 g/t Au (8 %) and 64 from 0.1-0.5 g/t Au (16 %). Using these results, 36 % give gold values varying from a low of 0.1 to a high of 40 g/t with a little less than half in the lowest range. These samples are grab samples representing mineralized quartz veins, altered / mineralized units and altered units. Approximately 25 samples, mainly quartz-hematite-goethite±tourmaline veins, give Ba values > 0.1 %.

A second phase of reverse circulation (RC) drilling using an air track drill was carried out in the early summer of 2013 to test the theory that the gold bearing units dipped to the east. A total of 1,020 m in 14 holes tested five mineralized areas (Area A – one hole (14) – 100m; Area B – 3 holes (3,10,11) – 280 m; Area C – 4 holes (1,2,4,5) – 310 m; Area E – 4 holes (6-9) - 220 m; Area F – 2 holes (12,13) – 100 m) for extensions to the east, down dip, on the stratigraphy of the known mineralized structures. Intersection of the water table in some of the holes made the recovery of the rock unit fragments difficult in these areas. Results were not encouraging for a mineralized system dipping to the east along the stratigraphy and fault systems as the exploration team had hypothesized. No strong gold values over good widths were encountered.

In 2013, one selected grab sample was acquired by the QP from Area F where sampling in 2012 gave significant gold values in narrow quartz veins. The sample gave 6.37 g/T Au, 22 g/T Ag and 518 ppm Pb from a shallow dipping, 3 cm wide quartz vein, carrying euhedral pyrite, cutting sericite schists. Bright white sericite schist, assumed to be a potassic alteration of the original units, was noted in many of the areas drilled in 2013. This is considered to be evidence of strong fluid flow, required for significant gold deposition, although associated gold mineralization may be peripheral to the sericitic (potassic) alteration. Further exploration is required in these areas.

A compilation map showing the soil geochemical anomalies and gold mineralization is filed on SEDAR as part of the June 12, 2012 news release and at https://globenewswire.com/news-release/2012/06/12/1344386/0/en/VVC-Exploration-Discovers-4-km-Gold-Mineralized-Trend-on-Its-Cumeral-Property-Sonora-State-MX.html.

Based on the geological setting and known deposits in the area, it is believed that the Cumeral Property has the potential to host significant gold / silver deposits in the 500,000 to 1-million-ounce range. The Company has a systematic exploration program planned which includes drilling in all prospective areas on the Cumeral Property, however this plan has been put on hold due to the Pandemic and the limited cash resources available to the Company.

La Tuna Property

Through its subsidiary, VVC Mexico, VVC owns a 100% interest in the 3,533 hectare gold project known as the La Tuna Property, located in Municipality of Alamos, Sinaloa and Sonora States, Mexico, at the junction of the Rio Fuerte and Rio Baboyahui rivers. VVC Mexico, a subsidiary of the Company, acquired a 100% interest in the La Tuna Property in consideration of a one-time payment of US$40,000 plus applicable taxes, the issuance of 300,000 common shares of the Company and a 2% NSR Royalty on mineral production, with a buy-back option.

The Property has gold potential in: vein type deposits such as the "Perdida" and "Plomosa" showings, paleo placers (gold disseminated in bedrock), present day placers derived (eroded) from the paleo placers and possibly low sulphidation epithermal systems. The river placer deposit and the paleo-placer zones are located mainly along the Rio Baboyahui near the river junction extending to the Rio Fuerte, an area of approximately 500 by 500 meters.

2018 Exploration **–** The property was visited 3 times in 2018. Highlights of the first 2 visits include:

- A grab sample from the "Perdida" adit gave 61.1 g/t Au, 28.6% Fe, and 0.1% Bi.
  - Grab sample values ranged from 0.01 to 61.1 g/t with 13 >0.5 g/t and 7 >2 g/t Au. Au values were noted in sericite/pyrite mineralized zones with variable but significant, silver, lead, zinc, and copper associated.
  - Two chip samples over 1 m each, crosscutting the mineralized sericite/pyrite zone, assayed 2.8 and 4.13 g/t Au.
- Two grab samples from the "Plomosa" adit assayed 20.1 g/t Au, 0.1 % Cu, and 1.7% Pb, and 6.4 g/t Au, and 1.37% Pb.
  - High grade, gold mineralization, as disseminated galena-sphalerite-pyrite, gives chip sample values up to 32.4 g/t Au, 7.9% Pb, and 2.2% Zn over 30 cm with low values at <0.5 g/t over 20 cm. Au mineralization is associated with phyllic alteration with quartz veinlets, over a 3-6 m wide zone with significant to anomalous silver, lead, zinc, and copper.

A third visit to the Property by Jocelyn Pelletier, P.Geo. consultant, and Peter M. Dimmell, P.Geo., a director of the Company, took place in early May, 2018. The Perdida, and Plomosa areas in the northeast of the property and the Buena Vista area on the west side, were visited over a 3-day period. Artisanal workings, consisting of pits and excavated areas along the hillside, were located and sampled mainly in the Plomosa area, with 1 pit identified in the Perdida area. Mineralization consisting of pyrite/hematite, similar to Perdida, which is located approximately 400 m to the east, and quartz veining carrying copper mineralization (chalcopyrite) were noted to the north, down hill from the Plomosa adits and float of narrow (1 cm or less), banded, probable low sulphidation, quartz veining in rhyolite ignimbrite, was noted uphill, to the south of the adits during a 2-line soil survey to the east and west of the Plomosa adits. Grab samples of the mineralization and the 21 soil samples were taken. Highlights of the exploration program (from news release of August 20, 2018) are as follows:

1) The exploration, all in the Perdida (LPE) / Plomosa (LPL) areas, in the eastern part of the La Tuna Property, has defined four parallel to subparallel, mineralized trends, from north to south, LPE, PP1, PP2 and LPL (see Figures 1 and 2 filed on SEDAR) over 400 m along strike and 300 m across strike. LPE and LPL are defined by artisanal adits and pits while the two central ones are defined by artisanal pits and rock samples only. Based on the state of the pits and adits, which are overgrown by vegetation, including Saguaro cactus up to 50 cm across, it is estimated that the artisanal mining/exploration took place 40 to 50 years ago at least and there is no evidence of modern exploration, including drilling, in the area.

2) The gold / silver mineralization is associated with base metals and anomalous arsenic with samples with semi massive to massive pyrite / hematite giving the highest values of 61.1 g/t Au and 49.4 g/t Ag at Perdida and >25 g/t Au and 104 g/t Ag and another grading 0.42 g/t Au and 630 g/t Ag at Plomosa (see news release of February 27, 2018 for adit assay info). Pyrite/chalcopyrite in narrow (25 cm) quartz veins in the artisanal pits in the LPL area also give good Au values with a selected grab sample (JP-029) giving 3.1 g/t Au and 158 g/t Ag with 2230 ppm Cu, 9140 ppm Pb and associated As at 1710 ppm from a pit located on Line L2. Mineralization, variable in grade from background (<10 ppb Au) to the higher grade values, is associated with potassic alteration consisting of white micas (sericite), and pervasive pyrite/hematite.

3) Soil samples were taken to the east and west of the LPL adits, from the A/B horizon, by digging with a shovel until rock was encountered at approximately 10-25 cm depth with the sample taken above the rock, either talus or outcrop. Results (see Figure 2 on the website) show anomalous areas in Au, Ag and base metals on both lines, associated, but downhill, of the artisanal pits. Values range as follows: Au - background (< 10) to 789 ppb, with 8 > 50 ppb, Ag - background (0.2) to 4.36 ppm with 7 > 2 ppm, Cu - background (< 30) to 466 ppm with 4 > 200 ppm, Pb - background (< 50) to 2910 ppm with 5 > 500 ppm and Zn - background (< 200) to 1940 ppm with 3 > 1000 ppm. Background, determined empirically for all elements, is considered to be higher than usual, possibly indicating weaker mineralization is present through the area. The soil results fit well, although somewhat downhill, of the 2 new mineralized trends and the adit trend defined in the LPL area, mainly to the north of the artisanal adits.

4) Narrow (1 cm or less) low sulphidation (LS) style banded quartz veins (L1 LS veins) were noted in rhyolite ignimbrite float cobbles on the upper part of the hill on soil line L1. No outcropping ignimbrite units were noted and no anomalous values in gold or silver were found. Geological maps for the area show rhyolite units in contact with granodiorite further up the hill. Prospecting up hill, to the south of the float location was not carried out due to lack of time and the source remains unexplained.

Plans **–** The La Tuna Property is 100% owned, subject to the NSR, and has good exploration potential. Due to the Pandemic and other priorities, the Company placed this project on hold, and will re-evaluate if further exploration is warranted or if this project should be abandoned.

Analytical Techniques **–** Rock and soil samples for both Cumeral and La Tuna were sent to the ALS Chemex laboratories in Chihuahua, Zacatecas or Hermosillo, Mexico. All Au analyses were by Fire Assay with a gravimetric finish. All other assays were performed by ICP-AES or AAS methods. Samples with ore grade values (>100 ppm Ag, >10,000 ppm Cu) were re-analyzed by ICP-AES or AAS. Gold values in soil samples (at least 25g) were determined by ICP-MS following digestion in Aqua Regia.

Timmins Township Properties (Ontario)

In fiscal 2008, the Company staked a 9-claim unit property in Timmins Township of Ontario (the "Timmins Twp. Property"), located about 50 km to the southeast of Timmins, in the Abitibi Greenstone Belt of Northern Ontario. This area was deemed to be a prime base metals exploration target covering a northwest trending zone of strong airborne electromagnetic responses with associated anomalous high magnetism. An exploration program comprising line cutting and detailed geophysical surveys including magnetic, VLF and HLEM electromagnetic surveys was completed with 2 drill targets identified by a consultant. Exploration consisting of prospecting and a soil geochemical survey was carried out in October 2018 on 3 lines over the southern magnetic anomaly and associated EM, and prospecting over the area of the anomalies. The soil geochemistry did not give strong anomalies over the EM/mag anomaly, which may due to the depth of sand. One sub angular float boulder approximately 1.5 m by 1 m, carrying weak pyrite and possible chalcopyrite was noted however it gave insignificant values for Au, Ag and base metals. The claims were allowed to lapse on July 3, 2022.

(D) Segmented Expenditures per Property

As of October 31, 2022, the Company has spent the following on its active mineral and natural gas properties:

	Timmins	Samalayuca	Helium Properties	Other Properties	Total
Opening Balance	$ 458,729	$ 11,515,767	$ 6,143,618	$ 4,036,469	$ 22,154,583
Current Exploration	-	277,765	1,881,644	256,687	2,416,096
Balance	$ 458,729	$ 11,793,532	$ 8,025,262	$ 4,293,156	$ 24,570,679

(E) Investments

The Company acquired a 19% interest in Proton Green LLC ("Proton Green"), a limited liability Company in the State of Wyoming for $23,480. The Company does not have any control over Proton Green.

Proton Green acquired a large industrial gas lease holding that includes carbon dioxide (“CO_2“), nitrogen and helium. Proton Green's primary purpose is the collection and storage of produced CO_2 in an effort to aid in the reduction of US carbon emissions. The secondary focus will be the production and sale of helium.

The investment is measured at fair-value and will be re-measured periodically with gains or losses reflected in the consolidated statement of loss. Proton Green's value is not readily determinable because its value is not observable on a public market. It is determined that the value of Proton Green has not increased materially since it was acquired, therefore the investment in Proton Green remained at $23,480.

SELECTED ANNUAL INFORMATION

Set forth below is a summary of the financial data derived from the Company’s consolidated financial statements for the past 3 years:

	2022	**2021**	**2020**
Net loss for the year	**$ (8,405,207)**	**$ (14,742,000)**	**$ (1,839,545)**
Total assets	**3,951,392**	**3,263,105**	**6,344,334**
Mineral and natural gas properties expense	**5,369,656**	**12,733,152**	**293,727**
Stock-based compensation	**1,540,101**	**372,496**	**352,047**

SUMMARY OF QUARTERLY RESULTS

Set forth below is a summary of the financial data derived from the Company’s consolidated financial statements of the 8 most recently completed quarters:

	Oct 31/22 Q2 2023	**Jul 31/22 Q2 2023**	**Apr 30/22 Q1 2023**	**Jan 31/22 Q4 2022**	**Oct 31/21 Q3 2022**	**Jul 31/21 Q2 2022**	**Apr 30/21 Q1 2022**	**Jan 31/21 Q4 2021**
Sales	$ 12,521	$ 13,552	$ 10,190	$ 12,808	$ 9,900	$ -	$ -	$ -
Operating costs less mineral and natural gas property expenses	446,829	629,320	764,308	1,089,767	1,233,201	362,414	460,937	474,539
Interest income	-	-	-	-	-	-	-	-
Foreign exchange	-	-	-	(13,039)	20,085	-	-	(191,788)
Other	-	-	67,354	15,623	15,883	(11,082)	60,590	(528,563)
Mineral and natural gas properties expenses	(378,808)	(614,602)	(1,422,686)	(4,270,918)	(712,057)	(238,285)	(148,396)	(12,217,666)
Share of loss in equity investee	-	-	-	-	-	-	-	-
Net loss before taxes	(813,116)	(1,230,369)	(2,109,450)	(5,345,293)	(1,899,390)	(611,781)	(548,743)	(13,788,434)

RESULTS OF OPERATIONS – THREE MONTHS

During Q3 2023, the Company reported net helium sales of $12,521.

The Company had operating costs less mineral and natural gas properties expense ("Operation Costs") of $446,829 for Q3 2023 as compared to $1,233,201 in Q3 2022.

The $783,543 decrease from Q3 2022 to Q3 2023 was primarily a result of a decrease in non-cash stock-based compensation.

Non-cash stock-based compensation decreased by $755,668 from $859,132 in Q3 2022 to $103,464 in Q3 2023. The change in stock-based compensation from period to period is affected by the price of the stock on the open market, volatility of the stock and the prevailing interest rate and the time of the grant.

Professional fees decreased by $28,098 from $45,679 in Q3 2022 to $17,581 in Q3 2023. During Q3 2023, the Company did not expand its portfolio of natural gas properties, therefore it did not incur significant professional fees. In Q3 2022, the Company committed substantial resources to acquiring natural gas properties.

Investor relations decreased by $37,228 from $65,023 in Q3 2022 to $27,795 in Q3 2023. In the prior year, the Company retained the services of a firm to provide general market outreach and investor awareness. Compensation to the firm for its services included the issuance of common shares. The Company did not issue common shares to the service provider in Q3 2023 for its services.

While the Operation Costs in Q3 2023 was $446,829, the Company had a net loss of $813,116 as compared to net loss of $1,899,390 in Q3 2022. Mineral and natural gas properties expense in Q3 2023 was $378,808 compared to $714,886 in Q3 2022. The Company did not incur comparable natural gas property costs in Q3 2023 due to limited financial resources.

RESULTS OF OPERATIONS – NINE MONTHS

During the nine months ended October 31, 2022, the Company reported net helium sales of $36,263.

The Company had operating costs less mineral and natural gas property expenses ("Operation Costs") of $1,840,457 for the nine months ended October 31, 2022 (the "Period") as compared to $2,053,723 for the nine months ended October 31, 2021 ("prior period"). The significant factors that resulted in the decreased Operation Costs of $213,266 from the prior period are discussed below.

Management and consulting fees increased by $154,477 from $466,180 in the prior period to $620,657 in the period. With the acquisition of PHC in Q4 2021, the Company's management team expanded to include the executives of PHC and individuals experienced in natural gas operations. Additionally, the Company retained the services of certain consultants to provide strategic guidance.

Professional fees increased by $86,794 from $186,842 in the prior period to $273,636 in the period. The Company increased its portfolio of resource properties, legal and professional fees are incurred to ensure the Company's rights are protected and appropriately documented.

Stock-based compensation decreased by $457,059 from $993,533 in the prior period to $536,474 in the period. The change in stock-based compensation from period to period is affected by the price of the stock on the open market, volatility of the stock and the prevailing interest rate and the time of the grant.

While the Operation Costs for the Period were $1,840,457 the Company had a net loss of $4,152,935 as compared to net loss of $3,069,814 in the prior period. Mineral and natural gas property expense in the current period was $2,416,096 compared to $1,101,567 in the prior period. The increase in mineral and natural gas property cost is a result of drilling expenses in the prior period being allocated to the reduction of the Company's exploration obligation carried on the consolidated statements of financial position. As the Company drills wells, the cost of drilling is allocated against the obligation. The non-direct drilling costs and other exploration related costs are charged to mineral and natural gas property costs.

MATERIAL EVENTS OVER THE EIGHT MOST RECENT QUARTERS

Material differences between Q2 2023 and Q3 2023 were in the following areas:

During Q3 2023, the Company reported net helium sales of $12,521 compared to $13,552 in Q2 2022. All sales of helium were from formerly producing wells that were restored and reconnected to the pipeline in order to generate helium and take advantage of the current rates per mcf for helium.

Professional fees decreased by $161,265 from $178,846 in Q2 2022 to $17,581 in Q3 2023. During Q3 2023, the Company did not expand its portfolio of natural gas properties, therefore it did not incur significant professional fees. In Q2 2022, the Company increased its portfolio of resource properties, legal and professional fees are incurred to ensure the Company's rights are protected and appropriately documented.

Stock-based compensation decreased by $62,783 from $166,247 in Q2 2022 to $103,464 in Q3 2023. The change in stock-based compensation from period to period is affected by the price of the stock on the open market, volatility of the stock and the prevailing interest rate and the time of the grant.

Net loss in Q3 2023 was $813,116 compared to $1,230,369 in Q2 2022. The biggest driver for the decrease of $417,255 from Q2 2022 to Q3 2023 was the exploration costs which decreased by $235,794 from $614,602 to $378,808. The Company has an obligation to drill a number of wells to satisfy its obligation to limited partnership investors who purchased royalty interests in 30 wells. The Company committed substantial effort to both drill and connect wells to the pipeline in order to generate cash flow. The exploration costs were reduced in Q3 2023 due to limited funds.

Material differences between Q1 2023 and Q2 2023 were in the following areas:

During Q2 2023, the Company reported net helium sales of $13,552 compared to $10,190 in Q1 2022. All sales of helium were from formerly producing wells that were restored and reconnected to the pipeline in order to generate helium and take advantage of the current rates per mcf for helium.

Professional fees increased by $101,637 from $77,209 in Q1 2022 to $178,846 in Q2 2023. The Company increased its portfolio of resource properties, legal and professional fees are incurred to ensure the Company's rights are protected and appropriately documented.

Stock-based compensation decreased by $100,516 from $266,763 in Q1 2022 to $166,247 in Q2 2023. The change in stock-based compensation from period to period is affected by the price of the stock on the open market, volatility of the stock and the prevailing interest rate and the time of the grant.

Net loss in Q2 2023 was $1,230,371 compared to $2,109,450 in Q1 2022. The biggest driver for the decrease of $879,079 from Q1 2022 to Q2 2023 was the exploration costs which decreased by $808,084 from $1,422,686 to $614,602. The Company has an obligation to drill a number of wells to satisfy its obligation to limited partnership investors who purchased royalty interests in 30 wells. The Company committed substantial effort to both drill and connect wells to the pipeline in order to generate cash flow. The exploration costs was reduced in Q2 2023 due to limited funds.

Material differences between Q4 2022 and Q1 2023 were in the following areas:

During Q1 2023, the Company reported net helium sales of $10,190 compared to $12,808 in Q4 2022. All sales of helium were from formerly producing wells that were restored and reconnected to the pipeline in order to generate helium and take advantage of the current rates per mcf for helium.

Net loss in Q1 2023 was $2,109,450 compared to $5,345,293 in Q4 2022. The biggest driver for the decrease of $3,235,843 from Q4 2022 to Q1 2023 was the exploration costs which decreased by $2,848,232 from $4,270,918 to $1,422,686. The Company has an obligation to drill a number of wells to satisfy its obligation to limited partnership investors who purchased royalty interests in 30 wells. The Company committed substantial effort to both drill and connect wells to the pipeline in order to generate cash flow in Q4 2022. While the expense in Q1 2023 was $1,422,686, the actual cash outflow on mineral and natural gas expenses was $2,313,737. The additional $891,051 was a reduction of the exploration obligation payable.

Material differences between Q3 2022 and Q4 2022 were in the following areas:

During Q4 2022, the Company reported net helium sales of $12,808 compared to $9,900 in Q3 2022. All sales of helium were from formerly producing wells that were restored and reconnected to the pipeline in order to generate helium and take advantage of the current rates per mcf for helium.

Net loss in Q4 2022 was $5,345,293 compared to $1,899,390 in Q3 2022. The biggest driver for the increase of $3,445,903 from Q3 2022 to Q4 2022 was the exploration costs which increased by $3,558,861 from $712,057 to $4,270,918. The Company has an obligation to drill a number of wells to satisfy its obligation to limited partnership investors who purchased royalty interests in 30 wells. The Company has committed substantial effort to both drill and connect wells to the pipeline in order to generate cash flow.

Material differences between Q2 2022 and Q3 2022 were in the following areas:

During Q3 2022, the Company reported net helium sales of $9,900.

Net loss in Q3 2022 was $1,899,390 compared to $611,781 in Q2 2022. The biggest driver for the increase of $1,287,609 from Q2 2022 to Q3 2022 was the increase in non-cash stock-based compensation which increased by $810,062 from $49,070 to $859,132. The change in stock-based compensation from period to period is affected by the price of the stock on the open market, volatility of the stock and the prevailing interest rate and the time of the grant.

Mineral and natural gas property properties expense increased by $473,772 in Q3 2022 to $712,057 from $238,285 in Q2 2022. As COVID-19 restriction begin to ease, the Company is now expending more effort on SCSA. Expanded effort includes costs incurred in obtaining explosives permits in Mexico. Additionally, the Company is reporting drilling and exploration costs on Helium properties in the United States.

Listing and transfer agent fees decreased by $15,456 to $5,197 in Q3 2022 from $20,653 in Q2 2022. The Company incurred increased regulatory fees due to the preparation of its annual general meeting and the issuance of common shares from the exercise of warrants in Q2 2022.

Material differences between Q2 2022 and Q1 2022 were in the following areas:

Net loss in Q2 2022 was $611,781 compared to $548,743 in Q1 2022. The biggest driver for the increase of $63,038 from Q1 2022 to Q2 2022 was the increase in mineral and natural gas properties expense which increased by $89,889 in Q2 2022 to $238,285 from $148,396 in Q1 2022. As COVID-19 restriction begin to ease, the Company is now expending more effort on SCSA.

Professional fees decreased by $48,155 in Q2 2022 to $46,504 from $94,659 in Q1 2022. While the Company is still involved in raising financing for its helium projects, most professional fees related to this matter were addressed in Q1 2022.

Listing and transfer agent fees increased by $19,501 to $20,653 in Q2 2022 from $1,152 in Q1 2022. The Company incurred increased regulatory fees due to the preparation of its annual general meeting and the issuance of common shares from the exercise of warrants.

Material differences between Q1 2022 and Q4 2021 were in the following areas:

Net loss in Q1 2022 was $548,743 compared to $13,788,434 in Q4 2021. Due to the acquisition of SCSA and PHC in Q4 2021, mineral and natural gas property cost was $12,593,544 compared to $148,396 in Q1 2022. The Company's accounting policy is to expense all exploration costs. As such, $10,681,526 and $2,046,853 relating the acquisition of SCSA and PHC were respectively expensed in Q4 2021.

The Company had a loss on debt extinguishment of $416,475 in Q4 2021 compared to nil in Q1 2022. The Company settled $449,038 of debt by modifying to conversion feature to encourage the debenture holders to settle their convertible debentures prior to maturity. To encourage early conversion, the Company issued shares and warrants with a fair value that exceeded the amount due to the debenture holders on the date of conversion. This non-cash excess amount was accounted for as a loss on debt extinguishment.

Management and consulting fees increased by $79,194 from $68,789 in Q4 2021 to $147,983 in Q1 2022. With the acquisition of PHC in Q4 2021, the Company's management team expanded to include the executives of PHC. Management and consulting fees include compensation paid to those executives in Q1 2022.

LIQUIDITY AND CAPITAL RESOURCES

As at October 31, 2022, the Company had a working capital deficit of $7,292,939 compared to working capital deficit of $3,933,991 at January 31, 2022. The working capital deficit includes non-cash obligations of $4,737,594 (2022 - $5,596,120) related to the Company's commitment to drill 30 wells. As the Company drills these wells, the related obligation will be used to off-set drilling costs. In order to meet future expenditures and cover administrative costs, the Company will need to raise additional financing. Although the Company has been successful in raising funds to date, there can be no assurance that adequate funding will be available in the future, or available under terms favourable to the Company. The working capital is not considered sufficient to settle the Companies current liabilities and pay for its operating activities over the next 12 months.

These circumstances create material uncertainty that may indicate significant doubt in the ability of the Company to meet its obligations as they come due and, accordingly, the appropriateness of the use of accounting principles applicable to a going concern.

At October 31, 2022, the Company had current assets of $776,111 (January 31, 2022 - $3,663,089) compared to current liabilities of $8,069,050 (January 31, 2022 - $7,597,080). To manage working capital, the Company did the following:

(a) Since 2016, the Company has issued certain notes payable, which are carried at amortized cost are as follows:

	January 31, 2022	January 31, 2021
Convertible Debenture	**$ -**	$ 166,104

On November 30, 2016, the Company raised US$885,000 (CA$1,168,200) from the issuance of convertible debentures. The debentures mature 5 years from the date of issue and bear interest at 12% per year. The debentures are convertible into shares at a price of CA$0.05 per share any time after six months from issuance until November 30, 2017 and thereafter at CA$0.10 per share until maturity ($710,000 of the convertible debentures was converted into common shares of the Company on November 30, 2017). Additionally, the Company issued 17,700,000 warrants to the debenture subscribers. The warrants entitle the holder to purchase one common share of the Company at a price of CA$0.05 per share at any time from issuance until November 30, 2021. This debt matured and was paid during 2022.

On March 15, 2017, the Company issued convertible debentures for US$103,241 (CA$140,758) maturing five years after the date of issue and bearing interest at 12% per annum, compounded quarterly and payable at maturity. The debentures are convertible into common shares of the Company at a price of CA$0.05 per unit in the first year and thereafter at CA$0.10 per unit until maturity. The Company also issued 2,064,820 detachable warrants with each warrant exercisable at CA$0.05 per share for 5 years.

On March 15, 2022, the debentures matured. The debenture holders converted the maturing debentures into 1,311,161 common shares of the Company. Accrued interest of $42,167 was paid to the debenture holders on maturity.

During the period, the Company raised US$1,500,000 (CA$2,059,070) through a short-term loan facility provided by the Chairman of the Company's Board of Directors. The loan is due on November 30, 2022 and bears interest at an annual rate based on the Secured Overnight Financing Rate plus 2.75%. The loan is secured by a 1% interest in the Company's interest in Proton Green. Interest of CA$36,713 is accrued on the loan and is included in accounts payable and accrued liabilities.

Additionally, the Company engage in a campaign to encourage shareholders with expiring warrants to exercise their in-the-money warrants prior to expiry. During the period, 17,788,470 warrants were exercised resulting in cash receipts of $1,047,655, and subsequent to the period, an additional 7,255,520 additional warrants were exercised for $435,331.

SUBSEQUENT EVENTS

None

OFF-STATEMENTS OF FINANCIAL POSITION ARRANGEMENTS

There are no off-statement of financial position arrangements.

IMPACT OF COVID-19

The global outbreak of COVID-19, has had a significant impact on businesses through restrictions put in place by the United States, Canadian and Mexican governments regarding travel, business operations and isolations/quarantine orders. At this time, it is still unknown if the COVID-19 outbreak will continue to have an impact on the Company, as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. While the extent of the impact is unknown, it is management's assessment that the outbreak caused significant delays in our exploration activities in Mexico and the United States, evidenced by supply chain disruptions and staff shortages. While the COVID-19 outbreak appears to be waning, there may still be long-term effects, including residual restrictions and disruptions in certain regions where the Company is doing business.

The Company’s operations in Mexico were most severely affected by Covid-19 since business activity was curtailed by the authorities. As a result, operations at Samalayuca were placed on hold until the authorities permitted us the access the facilities to continue with our planned exploration/development programs. Through a sense of corporate community responsibility, the Company has participated in relief efforts to deliver food, water and other supplies to the most affected and needy residents in the area.

Our operations in the United States were slowed due to lock-down restrictions or limited staff availability for many of our vendors and government offices with which we interact. These restrictions have resulted in delays in obtaining the required permits. As restrictions were slowly lifted and we began ramping our activity in the field, wait times improved, but we encountered supply chain issues and lack of available subcontractors.

Our Canadian operations were not substantially impacted by the restrictions and lock-downs as the Canadian operations are primarily administrative.

We continue to encourage our employees to follow the guidelines of the authorities which include the washing of hands, social distancing and wearing masks as appropriate.

We will continue to update our shareholders on the impact of Covid-19 on the Company’s operations.

RELATED PARTY TRANSACTIONS

Compensation to key management personnel were as follows:

October 31,	**2022**	**2021**
Compensation	$ 389,543	$ 301,910
Share-based payments (1)	397,321	250,004
Total	$ 786,864	$ 551,914

(1) Share-based payments are the fair value of options granted to key management personnel and expensed during the period.

Included in accounts payable and accrued liabilities is $177,613 (January 31, 2022 - $18,000) payable to key management personnel.

During the nine months ended October 31, 2022, the Company paid or accrued $4,500 (October 31, 2021 - $4,500) in fees to a firm controlled by a director for legal services.

Directors are also focused on ensuring that sufficient cash is available to manage the projects. They are not paid for their services.

OUTSTANDING SHARE DATA

a) Outstanding Common Shares

	Number of shares
Balance, October 31, 2022	565,212,010
Balance, December 20, 2022	572,681,815

b) Warrants and Stock Options

There were 129,529,795 and 115,066,200 warrants outstanding and exercisable at various prices ranging from $0.06 to $0.10 at October 31, 2022 and December 20, 2022 respectively.

There were 69,275,000 stock options outstanding at a weighted average price of $0.07 as at October 31, 2022 and December 20, 2022.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments are as follows:

	October 31, 2022	January 31, 2022
Fair value through profit or loss (FVTPL):		
Conversion feature on convertible debt	**$ -**	$ 67,356
Loans and receivable, measured at amortized cost:		
Investment	**$ 23,480**	$ 23,480
Cash	**$ 757,929**	$ 3,629,705
Helium and gas receivables	**$ 5,331**	$ 5,200
Other liabilities, measured at amortized cost:		
Accounts payable and accrued liabilities	**$ 1,272,386**	$ 1,767,500
Loan payable	**$ 2,059,070**	$ -
Notes payable	**$ -**	$ 166,104
Payable on asset purchase	**$ 272,752**	$ 239,391

Interest Rate and Credit Risk

It is management's opinion that the Company is not exposed to significant interest rate or credit risks arising from its financial instruments given their short-term nature.

Price Risk

The Company is exposed to price risk with respect to commodity and equity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company is exposed to the variability of copper prices.

Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company.

Liquidity Risk

The Company has no income and relies on equity financing to support its exploration programs. Management prepares budgets and ensures funds are available prior to commencement of any such program. As at October 31, 2022, the Company does not have sufficient capital to fund its operations over the next twelve months. As at October 31, 2022, the Company had a cash balance of $757,929 (January 31, 2022 - $3,629,075) to settle current liabilities of $8,069,050 (January 31, 2022 - $7,597,080).

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and commodity and equity prices.

Currency Risk

The Company engages in significant transactions and activities in currencies other than its reported currency. The Company's exploration activities are primarily in Mexico and the United States of Ameria; accordingly, the resulting assets and liabilities are exposed to foreign exchange fluctuations.

The Company is exposed to foreign currency risk on fluctuations of financial instruments related to cash, deposits and other receivables and accounts payable and accrued liabilities that are denominated in US Dollars and Mexican Pesos. Sensitivity of closing balances to a plus or minus 10% change in foreign exchange rates, with all other variables held constant, would affect net loss by approximately $170,000 (January 31, 2022 - $225,000).

BUSINESS RISKS

The Company's business of exploring for mineral and natural gas resources involves a variety of operational, financial and regulatory risks that are typical in the natural resource industry, and the same applies to the oil and industry for the drilling of gas wells. For mining sector, these factors include the inherent risks involved in the exploration and development of mineral properties, the uncertainties involved in interpreting drilling results and other geological data, fluctuating metal prices, the possibility of project cost overruns or unanticipated costs and expenses, uncertainties relating to the availability and costs of financing needed in the future and other factors. For the gas sector, these factors include inherent risks involved in reopening old wells, drilling new wells and putting them into production. In addition, to those risks there also risks related to the supply chain, subcontractor availability, the geological environment, gas price fluctuation risks, and sale contracts, etc. Because of the existence of previously drilled wells on both Syracuse Extension Projects, the exploration risk is much less than the normal risk for gas projects in areas not-previously drilled. Also, because helium sale prices can be contracted for up to 10 years, helium price fluctuations risks can be mitigated substantially.

The Company attempts to mitigate these risks and minimize their effect on its financial performance, but there is no guarantee that the Company will be profitable in the future, and the Company's common shares should be considered speculative.

The recoverability of financial amounts shown as mining interests and equipment or as oil and gas interests, are dependent upon a number of factors including environmental risks, legal and political risks, the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying assets, the ability of the Company to obtain necessary financing to complete the development, and future profitable production or proceeds from the disposition thereof.

There can be no assurance that any funding required by the Company will become available to it, and if so, that it will be offered on reasonable terms, or that the Company will be able to secure such funding through third party financing or cost sharing arrangements. Furthermore, there is no assurance that the Company will be able to secure new mineral properties or natural gas properties or projects, or that they can be secured on competitive terms.

INVESTMENT IN SAMALAYUCA COBRE S.A. DE C.V. (SCSA)

Prior to the Pandemic, the Company had invested majority of its cash inflows in SCSA and much of its focus had been directed to this project. To-date, this investment has not produced any returns and it is still uncertain when SCSA will be able to generate cash flows so that the Company may recover its investment. We cannot assure you that we will be able to extract copper from the identifiable reserves at rates that are commercially feasible. Further, the price of copper is dictated by factors beyond the control of the Company, such prices will determine the ultimate viability of the Company's investment in SCSA.

THE COVID-19 OUTBREAK MAY STILL ADVERSELY AFFECT OUR RESULTS OF OPERATIONS

The global outbreak of Covid-19 (the "Pandemic") resulted in Canada, Mexico and most countries in the world halting, or sharply curtailing, the movement of people, goods and services which negatively affected many businesses, including those operating in our sector, with the long-term economic impact still remaining uncertain. Although the Pandemic appears to be ending, albeit slowly, we believe that long-term effects and new issues could continue to have a material adverse impact on our business, operating results and financial condition.

OUTLOOK

Prior to the Covid Pandemic, the Company's primary focus was on preparation for Pilot Mining and Processing on the Gloria Copper Project located on the Kaity Property in Chihuahua State, Mexico. Developing the Gloria Project is dependent upon the Company's ability to raise significant funding through (i) a private placement financing; (ii) a Debt Financing that had been contemplated in March 2020, (iii) cash flow from PHC, and/or other sources. Due to the Pandemic, the potential investors for the Gloria Project backed away in March-April 2020. With limited access to the Gloria Project over the last 2 years, the Company's technical team in Mexico worked on optimizing the Gloria pilot mining plan and recovery methodology, in order to speed up and maximize the potential recovery, with the objective of creating significant cash flows sooner and enhance the economics of the Gloria Project. When the optimizing of the Gloria pilot mining plan and recovery methodology has been finalized, we will have a better feel for the timing of the reopening of the Gloria Project. We will also be re-examining our financing options for the development of the Gloria Copper Project.

In January 2021, the Company acquired PHC which has Helium Projects in western US. PHC completed limited partnership financing in fiscal 2021 and 2022, in order to cover the costs of reworking existing wells and/or drilling an additional 30 wells. This schedule was readjusted due to delays in obtaining the necessary permits during the Pandemic and also due to unexpected technical difficulties with reworking the existing wells, drilling the new wells and building a gathering system to connect the wells to the Tumbleweed Pipeline.

The Cumeral Property in Sonora and the La Tuna Property in Sinaloa / Sonora MX, projects are in good standing and are located in areas of Mexico where exploration is increasing and opportunities for good projects are limited. With our limited cash resources earmarked for the Gloria Copper Project, the Company is exploring other alternatives that could include joint venture opportunities with companies looking to acquire projects in Mexico.

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