1055 West Georgia Street, 1500 Royal Centre, Vancouver, BC V6E 4N7 Canada

OVERVIEW

The following management discussion and analysis ("MD&A") is a review of results of operations, current financial position and outlook of Hertz Energy Inc. (formerly Hertz Lithium Inc.), together with its 100% subsidiary named Hertz Lithium USA LLC and Canuck Lithium Corp. (collectively, the "Company" or "Hertz") and should be read in conjunction with interim condensed consolidated financial statements for the three months ended October 31,2024 and the consolidated financial statements for the year ended July 31, 2024; including the notes thereto (the "Financial Statements"). The Financial Statements together with the following management discussion and analysis are intended to provide investors with a reasonable basis for assessing the financial performance of the Company as well as forward-looking statements relating to potential future performance.

Additional information related to the Company can be made available upon request from the Company's head office located at: 1055 West Georgia Street, 1500 Royal Centre, Vancouver, British Columbia, V6E 4N7, Canada.

Date of Report: December 23, 2024

QUALIFIED PERSON STATEMENT

All scientific and technical information contained in this MD&A has been reviewed and approved by Paul Ténière, P.Geo., Technical Advisor of Hertz Energy, who is considered a "Qualified Person" as defined in National Instrument 43-101 ("NI 43-101").

NATURE OF BUSINESS AND OVERALL PERFORMANCE

Hertz is a British Columbia based junior exploration company primarily engaged in the acquisition and exploration of mineral properties. The Company's mineral exploration projects include the AC/DC Lithium Project, Harriman Antimony Property, Lake George Antimony Property, and Agastya Lithium Property. The AC/DC Project is 26,500 hectares in size and located in the James Bay Lithium District in Québec, Canada, 26 km southeast of the Shaakichiuwaanaan Property (formerly known as the Corvette Project) owned by Patriot Battery Metals and is contiguous to Rio Tinto's Kaanaayaa project claims. The Harriman Antimony Property is located in the Gaspé region of Québec. The Lake George Antimony Property is located in the southwestern part of New Brunswick near the city of Fredericton, and the Agastya Lithium Property is also located in the James Bay Lithium District in Québec.

Currently, the Company does not own any operating mines and has no operating income from mineral production. Funding for operations is raised primarily through private and public share offerings. It is not known whether the Company's mineral properties contain reserves that are economically recoverable. The recoverability of amounts recorded by the Company for mineral property interests and related deferred exploration costs are dependent upon the discovery of economically recoverable reserves, the ability to raise funding for continued exploration and development, the completion of property option expenditures and acquisition requirements, and from proceeds from disposition.

On September 11, 2023, the Company filed a Short Form Base Shelf Prospectus (the "Prospectus") in each of the provinces of Canada. This Prospectus relates to the offering for sale of common shares, warrants and subscription receipts, or any combination of such securities by the Company from time to time, during the 25-month period that this Prospectus, including any amendments thereto, remains effective, in one or more series or issuances, with a total offering value of the securities, in the aggregate, of up to $15,000,000.

On September 15, 2023, the Company entered into a marketing agreement with Gold Standard Media ("GSM") to create landing pages, digital marketing, email marketing, influencer marketing services for a consideration of USD 500,000. As of October 31, 2024, all services have been completed by GSM.

On July 13, 2023, Canuck has entered into a marketing agreement with Future Money Trends ("FMT") and GSM to provide digital marketing services for a consideration of $125,000. As of October 31, 2024, all services have been completed.

In October 2023, the Company completed the acquisition of Canuck Lithium Corp. ("Canuck") pursuant to the terms and conditions of the share exchange agreement. Consequently, Hertz controls 100% of the AC/DC Project, located in the emerging hard rock lithium district in James Bay, Québec, Canada. There are approximately 135 historical references to pegmatite outcrops that have never been evaluated or sampled for their lithium potential on the property according to the Québec Government's SIGEOM Database.

On December 20, 2023, the Company closed a non-brokered private placement for gross proceeds of $2,537,400 and paid $23,545 as share issuance cost. The private placement consists of below:

a) 1,440,833 non-flow through units (the "Non-FT Units") at a price of $0.72 per Non-FT Unit for gross proceeds of $1,037,400, with each Non-FT Unit consisting of one flow through common share and one share purchase warrant; and Each warrant entitle the holder to purchase one additional common share ("Warrant Share") on or before December 20, 2025 at an exercise price of $1.60 per Warrant Share.
b) 937,500 flow-through units (the "Charity FT Units") at a price of $1.60 per Charity FT Unit, for gross proceeds of $1,500,000, with each Charity FT Unit consisting of one common share and one share purchase warrant. Each warrant entitles the holder thereof to purchase a Warrant Share on or before December 20, 2025 at an exercise price of $1.60 per share.

On March 15, 2024, the Company granted 37,500 incentive stock options to a director of the Company. The stock options can be exercised at a price of $0.80 per share for a period of five years from the date of grant.

In May 2024, the Company submitted applications for Uranium Exclusive Prospecting Licenses in Namibia. The application areas cover an area of 9,627.84 hectares located in Central Namibia in the Erongo Region which is known for numerous uranium deposits. The applications were filed by Odikwa Geoservices ("Odikwa"), which is a respected local geology company. In conjunction with filing of prospecting licenses, Odikwa conducted a geological desktop review to locate prospective ground within the region of Erongo. The Company anticipates receiving these licenses in the next few months and will provide clarity as more information is provided.

On September 3, 2024, the Company entered into a loan agreement with BullRun Capital Inc. ("BullRun") to receive $90,000. This loan bears interest at the rate of 5% annually and due for payment on September 3, 2025.

On November 4, 2024, the company entered into a loan agreement with Kulwant Malhi ("Malhi") to receive $40,000. This loan bears interest at the rate of 7% annually and due for payment on November 4, 2025. Also on December 5, 2024, the company entered into a loan agreement with Malhi to receive $60,000. This loan bears interest at the rate of 8% annually and due for payment on December 5, 2025.

On December 9, 2024, Canuck entered into an arm's length property purchase agreement with Prospectus Capital Inc. ("Prospectus"), to acquire a 60% interest in 209 mineral claims of Agastya Lithium Property in Québec. As consideration, the Company must issue 8,000,000 common shares in the capital of Hertz as directed by Prospectus and Hertz shall also grant a 2% Gross Metal Royalty to Prospectus. The consideration shares to be issued following Hertz's 4:1 share consolidation.

On December 11, 2024, the Company consolidated the issued share capital on the basis of four (4) old common shares for one (1) new common share ("the Consolidation"). No fractional Common Shares will be issued upon the Consolidation. In the event a holder of Common Shares would otherwise be entitled to receive a fractional Common Share in connection with the Consolidation, the number of Common Shares to be received by such shareholder will be rounded down to the next whole number if that fractional Common Share is less than one half (1/2) of a Common Share, and will be rounded up to the next whole number of Common Shares if that fractional Common Share is equal to or greater than one half (1/2) of a Common Share. Effective at the opening of markets on December 11, 2024, the Common Shares commenced trading on the CSE on a post-Consolidation basis under the existing ticker "HZ". The new CUSIP number will be 42804X206 and the new ISIN number will be CA42804X2068. Outstanding stock options and warrants were adjusted by the Consolidation ratio. All Common Shares and per common share amounts in this MD&A have been retroactively restated to reflect the Consolidation.

In December 2024, the Company announced a non-brokered private placement for gross proceeds of up to $2,450,000. The private placement consists of below:

a) 5,000,000 non-flow through units at a price of $0.25 per unit for gross proceeds of up to $1,250,000, with each unit consisting of one common share and one share purchase warrant; and Each warrant entitle the holder to purchase one additional common share (“Warrant Share”) within 2 year from the date of issue at an exercise price of $0.45 per Warrant Share.
b) 4,000,000 Québec and Canadian national flow through units (the " FT Units") at a price of $0.30 per FT Unit, for gross proceeds up to $1,200,000, with each FT Unit consisting of one common share and one share purchase warrant. Each warrant entitles the holder thereof to purchase a Warrant Share within 24 months from the date of issue at an exercise price of $0.45 per share.

As of the date of the report, the Company has spent $1,500,000 of flow through funds in eligible exploration expenses and fulfilled flow through expenditure obligation related to financing as per Charity FT Units in December 2023.

Technology License:

The Company has also worked with Penn State University’s College of Earth and Mineral Science department (“PSRF”) to develop a novel ptent-pending hard rock lithium extraction technology that utilizes a process for extracting lithium directly from alpha-spodumene. On May 20, 2022, Bullrun Capital Inc. (“Bullrun”) entered into an option agreement (the “Option Agreement”) with the PSRF, Where, the PSRF owns, and controls certain innovative technology titled “A Novel Process for Extraction of Lithium from Spodumene” (the “Technology”). As per this Option Agreement, PSRF granted Bullrun an exclusive option, to obtain an exclusive, remuneration bearing, license under the patent rights within the option field in the territory to make, have made, use, import, export, commercialize, offer for sale and licensed product. On August 30, 2022, the Company entered into an assignment and novation agreement with Bullrun and the PSRF (the “Assignment Agreement”). Pursuant to the Assignment Agreement, Bullrun assigned the Option Agreement to the Company in exchange for an assignment fee of USD $7,500.

In August 2024, based on the due diligence and findings received, the Company decided not to pursue this technology any further and has relinquished its right to license the Lithium Extraction Technology back to Penn State.

Management expects to be successful in arranging sufficient funding to meet operating commitments for the ensuing year. However, the Company's future capital requirements will depend on many factors, including the costs of exploring and developing its resource properties, operating costs, the current capital market environment, and global market conditions. As of October 31, 2024, the Company has a working capital deficit of $42,396 (July 31, 2024 – surplus of $23,010). For significant expenditures and resource property development, the Company will depend almost exclusively on outside capital. Such outside capital will include the issuance of additional equity shares. There can be no assurance that capital will be available, as necessary, to meet the Company’s operating commitments and further exploration and development plans. The issuance of additional equity securities by the Company may result in significant dilution to the equity interests of current shareholders. If the Company is unable to obtain financing in the amounts and on terms deemed acceptable, the future success of the business could be adversely affected.

CORPORATE STRUCTURE

Hertz Energy Inc. (Formerly Hertz Lithium Inc.) was incorporated on February 15, 2019, in the province of British Columbia, Canada as Hybrid Ventures Inc. On January 24, 2022, the Company changed its name to Hertz Lithium Inc. The Company’s head office and registered address is located at 1055 West Georgia Street, 1500 Royal Centre, Vancouver, British Columbia, V6E 4N7, Canada.

The Company’s common shares are traded on below security exchanges:

- the Canadian Securities Exchange (“CSE”) under the symbol “HZ”,
- the Frankfurt Stock Exchange (the “FSE”) under the symbol “QE2”
- the OTCQB Venture Market under the trading symbol “HZLIF”
- On February 9, 2022, the Company incorporated its wholly owned subsidiary, Hertz Lithium USA LLC in the state of Utah to undertake exploration activities in the USA.

On June 21, 2023 the Company's has received approval from CSE to list, as a supplemental listing on the CSE, a total of 12,802,000 common share purchase warrants (the "Warrants") of the Company as a single class. The Warrants trading under the symbol of "HZ.WT" on the CSE.

On October 23, 2023, the Company acquired 100% interest in Canuck Lithium Corp. ("Canuck") by issuing common shares of the Company.
During 2024, the management decided to diversify its portfolio of mineral properties to include uranium. Consequently, on February 9, 2024, the Company changed its name from Hertz Lithium Inc. to Hertz Energy Inc.

On May 14, 2024, the Company incorporated its wholly owned subsidiary, Hertz Uranium Inc in the province of British Columbia which will be uranium focused.

FORWARD LOOKING STATEMENTS

Forward-looking statements are based on the opinions and estimates of management as of the date such statements are made and represent management's best judgment based on facts and assumptions that management considers reasonable, including that the demand for mineral deposits develops as anticipated, that operating and capital plans will not be disrupted by issues such as mechanical failure, unavailability of parts and supplies, labor disturbances, interruption in transportation or utilities, or adverse weather conditions, and that there are no material unanticipated variations in the cost of energies or supplies. The Company makes no representation that reasonably prudent people in possession of the same information would reach the same conclusions.

This MD&A may include certain "forward-looking statements" within the meaning of applicable Canadian securities legislation. All statements other than statements of historical facts, included in this MD&A that address activities, events or developments that the Company expects or anticipates will or may occur in the future, including such things as future business strategy, competitive, strengths, goals, expansion and growth of the Company's businesses, operations, plans and other such matters are forward looking statements. When used in this MD&A, the words "estimate", "plan", "anticipate", "expect", "intend", "believe" and similar expressions are intended to identify forward-looking statements.

These statements involve known and unknown risks, factors include, among others, risks related to the unavailability of capital and financing on acceptable terms, unfavorable market conditions, inherent risks involved in the exploration and development of mineral properties, uncertainties concerning reserve and resource estimates, results of exploration, inability to obtain required regulatory approvals, unanticipated difficulties or costs in any rehabilitation which may be necessary, market conditions and general business, economic, competitive, political and social conditions. These statements are based on several assumptions, including assumptions regarding general market conditions, timing and receipt of regulatory approvals, the ability of the Company and other relevant parties to satisfy regulatory requirements, the availability of financing for proposed transactions and programs on reasonable terms and the ability of third-party service providers to deliver services in a timely manner. Additional factors are discussed in the section titled "Risks".

Although the Company has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements.

Other than as required by applicable securities laws, the Company does not intend, and does not assume any obligation, to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made, or to reflect the occurrence of unanticipated events, whether as a result of new information, future events or results or otherwise. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on the forward-looking statements.

ACQUISITION OF CANUCK LITHIUM CORP.

On September 15, 2023, the Company entered into a share exchange agreement (the "Share Exchange Agreement") with Canuck Lithium Corp. ("Canuck") and common shareholders of Canuck, pursuant to which the Company acquired 100% of the issued and outstanding common shares in the capital of Canuck in exchange of 5,787,500 common shares of the Company. The sole director and officer of Canuck before acquisition is a close relative of a director and officer of the Company.

On October 23, 2023 (the "Completion Date"), the Company completed the acquisition pursuant to the terms and conditions of the Share Exchange Agreement and issued 5,787,500 common shares of the Company valued at a $6,019,000 based the Company's stock trading price at the Completion Date.

Canuck is a junior mining company registered in the province of Québec, Canada. It owns AC/DC Project located in Québec. Being an early-stage exploration company, the common shares of Canuck mostly derived its value from its flagship AC/DC Project. Accordingly, Hertz intention to acquire Canuck was solely to obtain control over the AC/DC mineral claims. Therefore, as per *IFRS 3 – Business Combination,* the Canuck acquisition met the definition of an Asset Acquisition. Consequently, the fair value of assets acquired, and liabilities assumed is identified and recognized, and the difference was recorded as an addition to the exploration and evaluation assets.

The purchase price is allocated to the assets received at the Completion Date as follows:

	Purchase Price Allocation
Assets	
Cash	$ 186,831
Due from related party	30,000
Exploration and evaluation properties	6,127,791
Total Assets	**6,344,622**
Liabilities	
Due to related party	294,442
Accounts payable and accrued liabilities	31,180
Total Liabilities	**325,622**
Net Assets	6,019,000
Net consideration paid	$ 6,019,000

MINERAL PROPERTY INTERESTS

As at October 31, 2024, the Company has a total of $6,635,598 (July 31, 2024 – $6,966,136) in exploration and evaluation assets as follows:

	AC/DC and La Fleur Project, Québec	Maskwa Property, Québec	Harriman Property QC	Lake George NB	Lucky Mica Project, Arizona	Patriota Lithium Project, Brazil	Pomie and Yon Project, Nunavut	Total
Balance July 31, 2023	**$ -**	**$ -**			**$ 542,901**	**$ -**	**$ -**	**$ 542,901**
Acquisition Cost:								
Shares issued	6,127,791	-	-	-	-	-	-	6,127,791
Cash payment	-	100,000	-	-	-	198,300	2,500	300,800
Foreign exchange translation	-	-	-	-	12,376	-	-	12,376
Impairment	-	-	-	-	(261,492)	(198,300)	(2,500)	(462,292)
	6,127,791	100,000	-	-	(249,116)	-	-	5,978,675
Exploration and evaluation expenditures:								
Staking and claim maintenance	-	-	-	-	28,984	-	-	28984
Geological exploration	411,433	179,912	-	-	35,266	14,879	1,152	642,642
Prepayments	107,000	40,000	-	-	-	-	2,000	149,000
Foreign exchange translation	-	-	-	-	21,875	-	-	21,875
Impairment	-	-	-	-	(379,910)	(14,879)	(3,152)	(397,941)
	518,433	219,912	-	-	(293,785)	-	-	444,561
Balance July 31, 2024	**$ 6,646,224**	**$ 319,912**	-	-	**$ Nil**	**$ Nil**	**$ Nil**	**$ 6,966,136**
Acquisition Cost:								
Impairment	-	(100,000)	-	-	-	-	-	(100,000)
	-	(100,000)	-	-	**-**	**-**	**-**	(100,000)
Exploration and evaluation expenditures:								
Staking and claim maintenance			-	4,438	-	-	-	4,438
Geological exploration	16,811	35,074	51,600	6,526	-	-	-	110,011
Prepayment	(90,000)	(40,000)	-	-	-	-	-	(130,000)
Impairment	-	(214,986)	-	-	-	-	-	(214,986)
	(73,189)	(219,913)	51,600	10,964	-	-	-	(230,538)
Balance October 31, 2024	**$6,573,036**	**$ Nil**	**$ 51,600**	**$ 10,964**	**$ Nil**	**$ Nil**	**$ Nil**	**$6,635,598**

CURRENT AND ACTIVE MINERAL PROJECTS:

AC/DC and La Fleur Project, Québec:

AC/DC and La Fleur Project consisting certain Lithium properties located in Québec and was acquired pursuant to the acquisition of Canuck.

On January 31, 2023, Canuck entered into a property purchase agreement (the "Glenn Purchase Agreement) with Glenn Griesbach ("Glenn"), to acquire 100% beneficial interest in 58 mineral tenements located in Québec, Canada, of which 33 claims made up the AC/DC property and 25 claims made up the La Fleur property Pursuant to the Griesbach Purchase Agreement, Canuck agreed to make the following payments:

a) Cash payment of $15,000 to Glenn (paid on January 31, 2023);
b) Issue 37,500 common shares of Canuck with 7 days of execution of this agreement (issued on August 16, 2023);
c) Issue 62,500 common shares of the Company upon surface samples results returning samples on the 58 claims returning in excess of 1% lithium;
d) Issue 62,500 common shares of the Company upon drill results returning minimum of 25 meters with assays of 1% lithium or greater.

Canuck agreed to pay Griesbach the NSR Royalty of 2% upon commencement of commercial production from these claims. The NSR Royalty may be reduced by 1% at any time by paying Griesbach $500,000.

On March 31, 2023, Canuck entered into a property purchase agreement with Prospectus Capital Inc. ("Prospectus"), to acquire 100% beneficial interest in 336 mineral tenements located in Québec, Canada, of which 121 claims were additions to the AC/DC property and 215 claims were additions to the La Fleur property, in exchange for following considerations:

a) Cash payment of $100,000 on or before thirty days after obtaining a public stock market listing on a recognized stock exchange (Prospectus agreed not to claim until July 31, 2025); and
b) Issue 3,050,000 shares of Canuck to Prospectus or other persons as directed by Prospectus (issued on August 16, 2023).

Canuck agreed to pay Prospectus the NSR Royalty of 2% upon commencement of commercial production from these claims.

On July 4, 2023, Canuck entered into a property purchase agreement with Anna-Rosa Giglio and 9219-8845 QC. Inc. (collectively referred as the "Québec Optionors"), to acquire 100% beneficial interest in 125 mineral tenements located in Québec, Canada of which 52 claims were additions to AC/DC property and 67 were additions to the La Fleur property in exchange of 750,000 common shares of Canuck (issued on August 16, 2023). Canuck agreed to pay the Québec Optionors the NSR Royalty of 2% upon commencement of commercial production from these claims. The NSR Royalty may be reduced by 1% at any time by paying Anna-Rosa Giglio $500,000.

In October 2023, the Company engaged with arm's length suppliers for maiden field program to follow up on the initial priority targets within the 12 zones identified on the property. The four-person crew has conducted prospecting, mapping, and sampling in an effort to locate spodumene and targeted some enriched mineralized zones on the property and completed initial prospecting over a 3.5-day period. The identification of multiple advanced pegmatites with lithium-associated minerals on the property is encouraging and provides the exploration teams strong confidence on the merits of the AC/DC project as well the adjoining Rio Tinto Kaanaayaa Lithium project which hosts similar geology as the AC/DC Lithium Project.

In July 2024, the Company completed field activities to evaluate the potential for spodumene mineralization within pegmatitic dykes on the property. A total of 171 observations points and 81 rock samples were collected along several traverses with samples not returning any significant assay results. The Company is evaluating further exploration programs for the property in 2025.

Harriman Antimony Property, Québec:

On August 29, 2024, Canuck entered into an option agreement with prospector Glenn Griesbach ("Griesbach"), to acquire a 100% interest in 49 mineral claims of Harriman Antimony Property, located in the Gaspé region of Québec. To exercise the Option, the Company must:

(a) Pay $20,000 in cash to Griesbach within seven business days of execution. (paid on November 5, 2024)
(b) Issue 1,000,000 common shares of Hertz as following:
- 250,000 common shares upon execution of the agreement and upon receipt of the approval of the TSXV.
- 375,000 common shares on or before 12 months anniversary of the agreement date.
- 375,000 common shares on or before 24 months anniversary of the agreement date.

Upon the Company's exercise of the Option, it will also grant Griesbach a 2.5% NSR royalty on the property. The NSR royalty may be reduced to 1% by Canuck by paying $1,500,000 to Griesbach

The Harriman Property is an exploration stage antimony project and the Company completed a program of geological mapping and prospecting in fall 2024. Assay results from this exploration program are expected in early 2025.

Lake George Antimony Property, New Brunswick:

On September 9, 2024, Canuck staked 93 claims surrounding the past-producing Lake George antimony mine located in the southwestern part of New Brunswick, approximately 30 km southwest of the city of Fredericton. These claims are royalty-free and not subject to any agreement. The property surrounds the past-producing Lake George Antimony Mine and is considered an exploration stage Antimony-Gold (Sb-Au) prospect located immediately along strike to the southwest and northeast, as well as downdip to the north of the historical mine. Hertz plans to commence exploration of these 93 claims in early 2025.

The Lake George antimony mine is currently under care and maintenance within an active mining lease and is owned by the Province of New Brunswick. Hertz has had several discussions with New Brunswick government officials within the NB Department of Natural Resources and Energy Development about a possible tendering process for the mine lease in the coming months. The Company awaits a formal decision by the Minister on next steps to acquire the mining lease and exploring and developing the Lake George antimony mine.

PAST AND INACTIVE MINERAL PROJECTS:

Maskwa Property, James Bay, Québec:

On December 20, 2023, the Company entered into an option agreement (the "Option") with Sirios Resources Inc. ("Sirios") to acquire a 100% interest in 424 mineral claims of Maskwa property located in Eeyou lstchee James Bay in Québec. In order to exercise the option, the Company must:

a) Pay Sirios $100,000 within three business days of the execution of the option agreement. (paid on December 21, 2023)
b) Pay Sirios $100,000 in cash plus $100,000 either in cash or in common shares upon the earlier of (i) receipt of the surface sampling results from the laboratory engaged by the Company to carry out the analysis of the surface samplings from the property, and (ii) December 20, 2024; and
c) Incur a total of $2,250,000 as exploration expenditure on the property as follows:
    - $500,000 in exploration expenditures on the property on or before December 31, 2024. (As of October 31, 2024, the Company has spent $224,986 on the exploration).
    - $750,000 in exploration expenditures on the property on or before December 31, 2025.
    - $1,000,000 in exploration expenditures on the Property on or before December 31, 2026, exclusive of any tax.

Further, the Company must pay Sirios $250,000 either in cash or in common shares upon the successful confirmation of drilling results indicating a lithium concentration of one percent (1% Li_2O) or more over 25 m on the property.

Upon the Company's exercise of the Option, it will also grant the vendor a 1.5% NSR royalty on the property. Additionally, the Company will grant the vendor an option to purchase 100% of the mining rights related to the non-critical minerals located on the property (the "Buy-Back Option"). In order to exercise the Buy-Back Option the vendor must reimburse the Company for all exploration expenditures incurred on the Property, up to a maximum of $2,000,000.

In June 2024, the Company completed field activities on the property targeting pegmatitic dykes, known mineral occurrences, and areas with the potential for spodumene mineralization. The exploration team completed nineteen traverses across prospective zones within the project boundaries, a total of 389 observations and 95 rock samples were collected – 77 for lithium and 18 for gold.

As of October 31, 2024, Due to lack of significant results from its prospecting and sampling program, the Company decided to discontinue this project and recognized a loss on impairment of $314,986 (2023 - $Nil).

Lucky Mica Project, Arizona

On April 21, 2022, the Company entered into a property purchase agreement (the "Property Purchase Agreement #1") with Utah Mineral Resources LLC ('UMR') and Bullrun Capital Inc. ("Bullrun") to acquire an undivided 100% beneficial interest in 112 mineral claims located in the State of Arizona, USA. UMR and Bullrun collectively referred as the Vendor #1. Bullrun is controlled by an officer who is also a director of the Company. Pursuant to the Property Purchase Agreement #1, the Company is required to make the following payments:

a) Payment of USD150,000 (outstanding) in cash within 12 months of the effective date (April 21, 2023). On June 29, 2023, the Vendor #1 agreed extend the payment date to July 31, 2024; and
b) Issue of 6,000,000 common shares (issued on August 29, 2022).

The Company also agreed to pay a 3% of Net Smelter Returns Royalty ("NSR Royalty") to the Vendor #1 upon commencement of commercial production from these claims. The NSR Royalty may be reduced at any time from 3% to 2% by paying $1,000,000 to UMR.

On June 8, 2022, the Company entered into another property purchase agreement (the "Property Purchase Agreement #2") with Marco Montecinos, Steve Hodges, and Jimmy Hodges (the "Vendor #2') to acquire an undivided 100% beneficial interest in 2 mineral claims located in the State of Arizona, USA in lieu of the following considerations:

a) Payment of USD30,000 (paid $38,965 on July 7, 2022) in cash on effective date;
b) Payment of USD30,000 (paid $40,428 on September 22, 2022) in cash within 6 months of the effective date; and
c) Issue 240,000 common shares of the Company on the date listing on stock exchange or electronic quotation system in Canada (issued on April 5, 2023).

The Company agreed to pay the Vendor #2 the NSR Royalty of 1% upon commencement of commercial production from these claims. The NSR Royalty may be extinguished at any time by paying $300,000 to the Vendor #2.

The above combined 114 mineral claims located in the State of Arizona, USA are known as Lucky Mica Project, Arizona.

On February 13, 2023, the Company entered a summer Phase-1 exploration agreement with an arm's length vendor with a budget cost of approximately $400,000 and paid $204,000 as deposit. As of October 31, 2024, the Phase-1 exploration activities have been completed and the remaining deposit of $85,825 has been recognized as an expense.

Following are the basic components of the summer exploration:

a) Remote sensing
b) Data compilation
c) Ongoing

d) Field mapping and prospecting
e) Trenching, mapping and sampling
f) Laboratory geochemical analysis
g) Geophysical/Lithostructural interpretation and targeting.

The Company completed the field exploration activities, general prospecting, mapping, sampling of pegmatite outcrops and structural mapping on the Lucky Mica Project in Arizona. Also, the exploration activities have identified an abundance of 'new' previously unmapped and sampled pegmatites in three clusters. In May and June 2023, a total of 286 samples were collected from these clusters. These pegmatites are described to occur as 2-6m wide bodies potentially up to 50-100m long and appear to occur conformant with the local metamorphic foliation and may vary in dip from shallow to steeply dipping. The Company has been actively working with the local BLM office to obtain a permit to conduct a trenching program over the historical Lucky Mica showing. All environmental studies have been completed and the Company has been given the go ahead to submit the reclamation bond payment and notarized forms. The bond payment has been received by the local BLM office in Arizona. Once the notarized forms have been received and confirmed complete, the BLM office will be able to adjudicate the bond and provide final approval for the trenching permit. Further mapping and sampling will be conducted in the newly identified pegmatite clusters with particular attention to the areas showing some anomalous lithium in the rock chip samples.

On June 7, 2023, the Company provided an update on the field exploration activities at the Lucky Mica Lithium project. To date the field team has completed general prospecting, mapping and sampling of pegmatite outcrops and structural mapping on the property. The team has identified an abundance of 'new' previously unmapped and sampled pegmatites in three clusters northwest of the original Lucky Mica showing. Further exploration will be required to confirm the prospectivity of these new pegmatite clusters. The Company has engaged with Dahrouge Geological Consulting USA to complete the trenching program. The trenching program cannot commence until the permit has been approved by the BLM office in Arizona (see note above regarding status of the permit). Once approved the Company with determine the most appropriate time to initiate this work.

As of July 31, 2024, a potential discovery within Lucky Mica showing was not considered prospective at this time and the company decided to impair the property and recognized loss on impairment of mineral property of USD392,733 ($542,708), (2023 - $Nil).

Patriota Lithium Project, Brazil:

On August 4, 2023 (the “Effective Date”), the Company entered into a property option assignment agreement (the “Assignment Agreement”) with Brascan Resources Inc. (“Brascan”, or “the Assignor”), BHBC Exploracao Mineral Ltda (“BHBC”), and RTB Geologia Mineracao Ltda (“RTB”) (where BHBC and RTB together referred as “the Optionors”) to acquire 100% beneficial interest in and to certain lithium prospects located in the state of Minas Gerais, Brazil. Pursuant to the Assignment Agreement, the Company agreed to:

a) Assume all of the Assignor’s responsibilities, liabilities and obligations under the option agreement entered between Brascan and Optionors on the “Effective Date”; and
b) Pay an aggregate of $148,300 (paid in full during the three-months ended October 31, 2023) in cash to the Assignor, as follows:
    - $3,300 as reimbursement of claim maintenance fee paid by the Assignor, within two business days of the Effective Date, (paid on August 8, 2023);
    - $15,000 within two business days of execution of the Agreement (paid on August 8, 2023);
    - $105,000 (in exchange for the Assignor issuing 3,000,000 common shares to the Optionors within five business days of confirmation of the Assignor issuing the shares; (paid on September 1, 2023); and
    - $25,000 on or by the date that is forty-five days from the Effective Date (paid on September 25, 2023)
c) Pay $103,300 to BHBC or a third party under BHBC’s order as follows:
    - $50,000 on or prior to September 20, 2023 (paid on October 13, 2023);
    - $3,300 to cover general mineral right taxes up to June 30, 2024; and
    - $50,000 on or prior to September 20, 2024.
d) Complete and report an investment on mineral exploration totaling $200,000 (Spent $14,879 as of July 31, 2024) to fund the work and development of the project, of which $100,000 on or before September 20, 2023 and $100,000 on or before September 30, 2024; and

e) Pay the Assignor $100,000 in cash within five (5) business days upon the confirmation of the existence of spodumene from surface sample assays results on the property grading minimum 1% lithium.

The Optionors will retain a 2% NSR with the Company having the option to repurchase 1% of the NSR for a cash payment of $500,000 for a period of two years after the commencement of commercial production.

As of July 31, 2024, Hertz conducted a field exploration program this year and the early results do not warrant further exploration, hence the Company has elected to relinquish this project and recognized loss on impairment of mineral property of $213,179. (2023 – $Nil)

Pomie and Yon Claims, Nunavut:

On February 2, 2024, the Company entered into a property purchase agreement with Bullrun to acquire 100% interest in certain mineral claims of uranium located in Nunavut. Where Bullrun is the beneficial holder and Aurora Geosciences Ltd. ("Aurora") is the legal and registered holder of 100% undivided right, title, and interest in and to 4 uranium mineral claims covering 5,046.25 hectares. Bullrun is controlled by an officer who is also a director of the Company.

As consideration for the acquisition of an undivided 100% legal, beneficial, and registered interest in and to the property, the Company must:

a) Pay Bullrun cash consideration of $75,000 (As of the report date, this is yet to be paid)
b) Grant Bullrun the Royalty equal to 2% of net smelter returns received from production on the property following the commencement of Commercial Production.

Upon the Company making the cash payment as above, the Company will have acquired an undivided 100% beneficial interest in and to the property, subject to royalty and Bullrun will instruct Aurora to transfer an undevided 100% legal and registered interest in and to the property to the Company as soon as permissible subject to completion of Hertz business registration in Nunavut subject to the royalty.

On May 8, 2024, the Company entered into a property purchase agreement with Mike Magrum ("Magrum") to acquire 100% interest in and to certain uranium mineral claims, located in Nunavut, Canada. As consideration for the acquisition of the mineral claims, the company will make the following payments to Magrum:

a) Pay cash consideration of $2,500 (paid on May 10, 2024);
b) Issue 150,000 shares within seven business days of confirmation of title in good standing on the Property with the Nunavut Mining Recorder;
c) Issue 100,000 shares of the Company at the twelve-month anniversary of title confirmation. In the event that the property is not in good standing and title cannot be verified, this agreement shall terminate at the twelve-month anniversary or upon verification of non-title status upon restoration of Nunavut Mining Recorder Title Maintenance Systems; and
d) Upon drill results on the Property confirming assays of minimum 0.15% Uranium(U3O8), Hertz Energy shall issue 150,000 shares to Magrum.

As of July 31, 2024, The Company has encountered issues with obtaining permits to conduct exploration at above Nunavut mineral claims and does not foresee an easy path to obtaining exploration permits to advance the project. Based on these permitting issues, the Company has elected to relinquish Pomie and Yon Project and the respectively agreement with Bullrun and Magrum was terminated. The Company recognized a loss on impairment of $5,652 (2023 - $Nil) during the year ended July 31, 2024

SUMMARY OF QUARTERLY FINANCIAL RESULTS

The following table provides a summary of the Company's eight quarterly results ending on October 31, 2024:

	October 31, 2024	July 31, 2024	April 30, 2024	January 31, 2024
Revenue	$ Nil	$ Nil	$ Nil	$ Nil
Net loss for the period	409,657	884,395	816,992	446,058
Loss per share	$ (0.02)	$ (0.01)	$ (0.01)	$ (0.01)

	October 31, 2023	July 31, 2023	April 30, 2023	January 31, 2023
Revenue	$ Nil	$ Nil	$ Nil	$ Nil
Net loss for the period	532,770	392,894	389,502	201,180
Loss per share	$ (0.02)	$ (0.1)	$ (0.02)	$ (0.01)

With the acquisition of mineral properties in the last quarter of the fiscal year 2022, the Company became operational and started managing its properties. The Company also appointed new officers and directors to the management team to oversee the exploration programs. As the Company started exploration activities on its properties and began investigation for potential acquisitions, the quarterly net loss increased. In order to support its exploration programs, the Company closed financings during the fiscal year 2023, which prompted the engagement of investor relations and marketing consultants. Accordingly, there was further increase in the net losses of the Company during the fiscal year 2023. During the fiscal year 2024, the Company had multiple significant events including acquisition of Canuck, closing of private placements financing, acquisition of more mineral properties, and hiring of marketing consultants and termination of 3 mineral properties. Consequently, the Company reported the highest quarterly loss of $884,395 during the fourth quarter of fiscal year 2024. As the Company works towards expanding its portfolio of mineral properties, it has reported increases in its periodic expenses and resulting losses over the past seven fiscal quarters. During the quarter ended October 31, 2024, the net loss reduced due to reduction in legal fees and termination of advertising agreements.

RESULTS OF OPERATIONS

Operational Results:

Three months ended October 31, 2024 and 2023

During the three-months ended October 31, 2024, the Company had a net loss of $409,657 (October 31, 2023 - $532,770). Following are the significant expenses incurred by the Company:

Loss on impairment of mineral property $314,986 (October 31, 2023 - $Nil)
Advertisement and marketing expenses - $59,839 (October 31, 2023 - $199,567)
Management fees - $82,500 (October 31, 2023 - $85,500)
Legal fees - $5,839 (October 31, 2023 – 109,770)
Accounting fees - $19,500 (October 31, 2023 - $35,944)
Stock based compensation - $59,716 (October 31, 2023 - $5,011)

Loss on impairment of mineral property $314,986 ((October 31, 2023 - $Nil) includes loss recognized due to termination of Maskwa Property, QC during the period.

Advertisement and marketing expenses - $59,839 (October 31, 2023 - $199,567) consists of online publicity and business promotion expenses. During the period ended October 31, 2024, the decrease in advertisement and marketing is mainly because of the termination of some marketing agreements.

Management fees - $82,500 (October 31, 2023 - $85,500) includes payments made and accrued to the companies controlled by the senior officers of the Company as discussed under the heading "Transactions with Related Parties". During the current period, the fees remained consistent with the previous period.

Legal fees - $5,839 (October 31, 2023 - $109,770) includes fees for legal services in relation of general corporate matters, acquisitions, exchange compliance and financings. The decrease during the current period is due to decreased activities surrounding exchange compliance and financing.

Accounting fees - $19,500 (October 31, 2023 - $24,350) consists of fees for bookkeeping, financial reporting, French translation and review and audit services. The lower fee during the current period is mainly due to decreased transactions and financing activities.

Stock based compensation - $59,716 (October 31, 2023 - $5,011) relates to the vested value of the issued and outstanding stock options to the directors, officers and consultants of the Company during the period ended October 31, 2024 and 2023.

CASH FLOWS:

Sources and Uses of Cash	**October 31, 2024**	October 31, 2023
Cash used in operating activities	**$ 246,663**	$ 676,227
Cash used in investing activities	**15,552**	239,663
Cash sourced from financing activities	**Nil**	535,525
Foreign currency translation	**18**	22461
Total increase /(decrease) in cash	**(231,093)**	(357,904)

A more detailed analysis is given in the section "Overall Performance and Operational Activities".

Operating activities:

For the three-months ended October 31, 2024, cash used in operating activities was $246,663 (2023 - $676,227). The operating expenses have reduced significantly during the current period compared to the corresponding period last year. The cash used in operating activities mainly consists of advertisement and marketing, management fees, legal fees, accounting and consulting fees.

Investing activities:

For the three-months ended October 31, 2024, cash received from investing activities of $15,552 (2023 – $239,663) consists of the amount returned from retainer paid for exploration expenditures on the mineral properties.

Financing activities:

For the three-months ended October 31, 2024, cash provided by financing activities totaled $Nil (2023 - $535,525). In the previous period, the cash inflow is primarily attributed to proceeds from exercise of warrants.

CAPITAL DISCLOSURE

The Company considers its capital structure to include net residual equity of all assets, less liabilities. The Company's objectives when managing capital are to (i) maintain financial flexibility to preserve its ability to meet financial obligations and continue as a going concern; (ii) maintain a capital structure that allows the Company to finance its growth using internally generated cash flow and debt capacity; and (iii) optimize the use of its capital to provide an appropriate investment return to its shareholders commensurate with risk.

The Company's financial strategy is formulated and adapted according to market conditions in order to maintain a flexible capital structure that is consistent with its objectives and the risk characteristics of its underlying assets.
The Company manages its capital structure and adjusts it in light of changes in economic conditions and the risk characteristics of its underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, acquire or dispose of assets, or adjust the amount of cash and receivables.

LIQUIDITY & CAPITAL RESOURCES

As at October 31, 2024, the Company had a working capital deficit of $42,396 (July 31 2023 – $23,010) and cash balance of $1,024,342 (July 31, 2024 – $1,255,435). As the Company is an initial stage exploration company, it does not generate, nor does it anticipate generating any revenue in the next fiscal year. The Company's mineral property interests do not currently generate cash flow from operations and, to continue operations and fund its expenditure commitments, it is dependent on equity financing through existing and new members, third party financing, and cost sharing arrangements to fund its work programs and operations.

In December 2024, the Company announced a non-brokered private placement for gross proceeds up to $2,450,000 from flow through and non-flow through units financing expected to close in January 2024.

The following table discloses the bifurcation of the balance of prepaid expenses as at October 31, 2024 and 2023:

Nature of expense	**October 31, 2024**	July 31, 2024
Advertisement and marketing	**$ 5,000**	$12,633
Transfer agent and filing fees	**14,276**	19,630
Others	**14,636**	10,508
Total	**$ 33,912**	$ 42,771

SHARE CAPITAL AND OUTSTANDING SHARE DATA

Authorized:

The Company has authorized share capital of an unlimited number of common shares and preferred shares without par value. Common and/or preferred shares are entitled to receive dividends if they are declared by the Board of Directors.

Issued and Outstanding Common Shares

As at October 31, 2024, there were 16,511,678 (July 31, 2024 – 16,511,678) common shares issued and outstanding.

Outstanding share data

The following table summarizes the outstanding share capital of the Company as at October 31, 2024, and the report date:

	October 31, 2024	**Report date**
Common shares	16,511,678	16,511,678
Warrants	5,114,648	5,114,648
Options	725,000	725,000
Total, fully diluted	**22,351,326**	**22,351,326**

Share Capital Transactions

During the year ended July 31, 2024:

Pursuant to the exercise of warrants, the Company issued 688,550 common shares for gross proceeds of $688,325.

On October 23, 2023, pursuant to the share exchange agreement with Canuck, the Company issued 5,787,500 common shares to shareholders of Canuck.

On December 20, 2023, the Company closed a non-brokered private placement for gross proceeds of $2,537,400 and paid $23,545 as share issuance cost. The private placement consists of below:

a) 1,440,833 non-flow through units (the "Non-FT Units") at a price of $0.72 per Non-FT Unit for gross proceeds of $1,037,400, with each Non-FT Unit consisting of one common share and one share purchase warrant. Each Warrant entitles the holder thereof to purchase one additional common share (a "Warrant Share") on or before December 20, 2025 at an exercise price of $1.60 per warrant share.

b) 937,500 flow-through units (the "Charity FT Units") at a price of $1.60 per Charity FT Unit, for gross proceeds of $1,500,000. Part of the proceeds was recognized as Flow-through premium liability amounting to $656,250 and shall be recognized as income in the proportion of the FT exploration expenditures incurred on the property. Each Charity FT Unit consisting of one common share and one share purchase warrant. Each Warrant entitles the holder thereof to purchase a Warrant Share on or before December 25, 2025 at an exercise price of $1.60 per warrant share.

Stock Options

On August 29, 2022, the Company adopted and approved the Option Plan. The Option Plan provides that the aggregate number of shares issuable pursuant to options granted under the plan is limited to 10% of the Company's issued and outstanding common shares at the time the options are granted.

During the three-month period ended October 31, 2024:

On September 6, 2024, the Company granted an aggregate of 250,000 stock options to consultants as per the Company's Stock Option Plan, with an exercise price of $0.34 per share for a period of two years from the date of grant. All stock options vested immediately. The stock options were valued at $0.23 per option using Black Scholes Option Pricing model with the following assumptions: stock price - $0.32 per share, risk-free rate – 3.05%; expected life – 2 years; expected volatility – 151.57%; forfeiture rate – Nil and expected dividends – $Nil. Volatility was estimated by using the historical volatility of other companies in the same industry during a similar period.

During the year period ended July 31, 2024:

On March 15, 2024, the Company granted 37,500 incentive stock options to a director as per the Company's Stock Option Plan, with an exercise price of $0.80 per share for a period of five years from the date of the grant. The stock options will vest over a period of two years. The stock options were valued at $0.44 per option using Black Scholes Option Pricing model ("Black Scholes") with the following assumptions: average risk-free rate – 3.62%; expected life – 5 years; expected volatility – 147.20%; forfeiture rate – Nil and expected dividends – $Nil. Volatility was estimated by using the historical volatility of other companies in the same industry during a similar period.

As of October 31, 2024, the Company has 725,000 incentive stock options outstanding (July 31, 2024 – 475,000).
A summary of the movements of the stock options is presented below:

	For the Periods ended			
	October 31, 2024		July 31, 2024	
	Number of Options	**Weighted Average Exercise Price**	Number of Options	Weighted Average Exercise Price
Outstanding, beginning	**475,000**	**$ 0.60**	437,500	$ 0.60
Granted	**250,000**	**0.12**	37,500	0.80
Balance at July 31, 2024	**725,000**	**$ 0.51**	**475,000**	**$ 0.60**

A summary of the movements of the stock options reserve is presented below:

	For the Periods ended			
	October 31, 2024		July 31, 2024	
	Number of Options	**Option Reserve**	Number of Options	Option Reserve
Outstanding, beginning	**475,000**	**$ 233,631**	437,500	$ 217,681
Granted	**250,000**	**59,715**	37,500	15,950
Balance at July 31, 2024	**725,000**	**$ 293,346**	475,000	$ 233,631

Restricted Stock Units

On October 24, 2022, the Company adopted and approved the RSU Plan authorizing the granting of restricted share units to the directors, officers, employees or consultants of the Company or subsidiaries of the Company. The maximum number of common shares available for issuance pursuant to the RSU Plan, together with any shares reserved for issuance pursuant to any other share compensation arrangement, including but not limited to the Option Plan, shall be determined from time to time by the directors of the Company, but in any case, shall not exceed 20% of the issued and outstanding shares (on a non-diluted basis) immediately prior to the issuance of RSUs. There are no RSUs issued and outstanding as at October 31, 2024 and July 31, 2024.

Warrants

As of October 31, 2024, the Company has 5,114,648 share warrants issued and outstanding (July 31, 2024 – 6,063,398). As of the date of this report, there were 5,114,648 incentive share warrants outstanding.

During the three-month period ended October 31, 2024:

On September 8, 2024, 948,750 share warrants excisable at $1 expired unexcised.

During the Year period July 31, 2024:

Pursuant to the exercise of warrants, the Company issued 688,550 common shares for gross proceeds of $688,325.

On December 20, 2023, pursuant to the closing of a non-brokered private placement, the Company issued 2,378,333 common share purchase warrants. Each warrant is exercisable by the holder to acquire one common share at a price of $1.60 per share on or before December 20, 2025.

A summary of the movements of the share warrants is presented below:

	For the Periods ended			
	October 31, 2024		July 31, 2024	
	Number of Warrants	**Weighted Average Exercise Price**	Number of Warrants	Weighted Average Exercise Price
Outstanding, beginning	**6,063,398**	**$ 1.24**	4,373,615	$ 0.96
Granted	**-**	**-**	2,378,333	1.60
Exercised	**-**	**-**	(688,550)	1.00
Expired	**(948,750)**	**1.00**	-	-
Outstanding, end	**5,114,648**	**$ 0.70**	6,063,398	$ 1.24

A summary of the movements in the warrants reserve is presented below:

	For the Periods ended			
	October 31, 2024		July 31, 2024	
	Number of Warrants	**Warrants Reserve**	Number of Warrants	Warrants Reserve
Outstanding, beginning	**6,063,398**	**$ 63,874**	4,373,615	$ 64,174
Granted	**-**	**-**	2,378,333	-
Exercised	**-**	**-**	(688,550)	(300)
Expired	**(948,750)**	**-**	-	-
Outstanding, end	**5,114,648**	**$ 63,874**	6,063,398	$ 63,874

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements other than reported in the accompanying notes to the Financial Statements.

TRANSACTIONS WITH RELATED PARTIES AND EXECUTIVE COMPENSATION

Related party transactions are in the normal course of operations and measured at the exchange amount, which is the amount of consideration established and agreed by the related parties. Amounts due to or from related parties are non-interest bearing and unsecured. As at October 31, 2024, due to related parties amounted to $737,680 (July 31, 2024 - $561,324).

Following table depicts the amounts payable to the related parties as at October 31, 2024 and July 31, 2024:

	October 31, 2024	July 31, 2024
Current		
Company controlled by the Chief Executive Officer ('CEO') – Kal Malhi	**$ 179,185**	$ 12,000
Loan payable to a company controlled by the CEO	**280,072**	277,401
Loan payable to a company controlled by the relative of CEO	**155,630**	151,848
Company controlled by the Chief Financial Officer ('CFO') – Zara Kanji	**7,875**	3,500
Company controlled by the Corporate Development Officer ('CDO') - Milan Malhi	**3,675**	3,675
Director – Jamie Hogue	**1,500**	3,000
Company controlled by a director - Bala Pratap Reddy	**-**	1,000
Non-Current		
Company controlled by the CEO	**109,743**	108,900
	$ 737,680	$ 561,324

Amounts due to related parties, except loan payable, are non-interest bearing, unsecured. The balance in the amount of $109,743 (July 31, 2024 - $103,916) owed to a company controlled by the CEO, who has agreed not to demand the repayment before July 31, 2025.

Canuck has entered a loan agreement with Coloured Tie Capital Inc. ("CTI") for $265,000 dated June 1, 2023. This loan bears interest rate of 4% annually and is due on December 31, 2023. A director and officer of CTI is also the director and officer the Company. On December 31, 2023, both parties agreed to extend the maturity date of loan to December 31, 2024. The total interest accrued on the loan as of October 31, 2024 was $15,072 (October 31, 2023 - $4,443).

On June 17, 2024, the Company entered into a loan agreement with Flowing Lithium Exploration Inc ("FLE") for $150,000. This loan bears interest at the rate of 10% annually and due for payment on June 17, 2025. The total interest accrued on the loan as of October 31, 2024, was $5,630 (October 31, 2023 - $Nil).

On September 3, 2024, the Company entered into a loan agreement with Bullrun to receive $90,000. This loan bears interest at the rate of 5% annually and due for payment on September 3, 2025. The total interest accrued on the loan as of October 31, 2024 was $727 (October 31, 2023 - $Nil).

During the three months period ended October 31, 2024, and 2023, the Company incurred the following amounts through transactions with the related parties:

	Three Months ended	
	October 31, 2024	October 31, 2023
Management fees	**$ 82,500**	$ 85,500
Directors' fees	**6,500**	11,252
Accounting fees	**12,000**	-
Share based payments	**2,263**	4,167
	$ 103,263	$ 100,919

The management fees consisted of following:

	Three Months ended	
	October 31, 2024	October 31, 2023
Company controlled by the CEO	**$ 60,000**	$ 60,000
0Company controlled by the CFO	**12,000**	15,000
Company controlled by the CDO	**10,500**	10,500
	$ 82,500	$ 85,500

Accumulated fair value recognized in profit and loss as at October 31, 2024 and October 31, 2023 for the stock options granted to the related parties of the Company:

		Three Months Ended			
		October 31, 2024		October 31, 2023	
Name	Position	**Number of Options Outstanding**	**Value Vested**	Number of Options Outstanding	Value Vested
Kal Malhi	CEO	**50,000**	**$ 28,297**	50,000	$ 28,297
Zara Kanji	CFO	**62,500**	**25,336**	62,500	24,345
Milan Malhi	CDO	**106,250**	**43,071**	106,250	43,071
Robert Barker	Director	**62,500**	**25,336**	62,500	25,336
Jamie Hogue	Director	**37,500**	**9,807**	-	-
Pratap Reddy	Former director	**50,000**	**20,269**	50,000	19,238
		368,750	**$ 152,116**	331,250	$ 140,287

The directors' fees consisted of following:

	Three Months Ended	
	October 31, 2024	October 31, 2023
Company controlled by a director – Milan Malhi	**$ -**	$ 3,000
Former director – Robert Barker	**-**	8,252
Director – Jamie Hogue	**4,500**	-
Company controlled by a former director – Bala Pratap Reddy	**2,000**	-
	$ 6,500	$ 11,252

For the three-months period ended October 31, 2024, accounting fees of $12,000 (July 31, 2024 – $Nil) were charged by a company controlled by the CFO.

COMMITMENTS

Bullrun Capital Inc., an entity controlled by Kal Malhi ("Mr. Malhi"), entered into a consulting agreement with the Company dated September 13, 2022 (the "KM Consulting Agreement"). Pursuant to the KM Consulting Agreement, Mr. Kal Malhi has agreed to provide his services as CEO of the Company at a remuneration of $20,000 per month (the "Base Fee"). Mr. Kal Malhi is also entitled to receive a bonus equal to (i) $150,000 upon the Company achieving a market capitalization of $20,000,000 on the CSE or another recognized stock exchange, and (ii) $250,000 upon the Company achieving a market capitalization of $40,000,000 on the CSE or another recognized stock exchange. The term of this agreement commences from the date of execution and will remain in force until termination by written notice at least thirty (30) days in advance by either party. Mr. Malhi may terminate this agreement in connection with any change in control by providing 30 days' notice in writing to the Company within 90 days after the change in control has been effected; provided, however, that the Company may waive or abridge any notice period specified in such notice in its sole and absolute discretion. If Mr. Malhi terminates this agreement as a consequence of a change in control, the Company will pay to him an amount equal to twenty-four (24) times the Base Fee in effect at the date of termination.

Ms. Zara Kanji ("the Consultant") entered into a consulting agreement with the Company dated February 8, 2022 (the "Kanji Consulting Agreement"). Pursuant to the Kanji Consulting Agreement, the Consultant has agreed to provide her services as CFO at a remuneration of $3,000 per month commencing on February 8, 2022. Effective May 1, 2023, the monthly remuneration was revised to $5,000. The Consultant may also be entitled to certain incentive bonuses from time to time, to be determined at the sole discretion of the board. The term of this agreement commences from the date of execution and will remain in force until terminated in accordance with its terms. If this Agreement is terminated by the Company other than for a just cause or if this agreement is terminated by the Consultant for a good reason, then the Company will pay to the Consultant an amount equal to two (2) times the monthly base fee in effect at the date of termination for each complete year of services provided by the Consultant.

Eminere Ventures Inc, a company controlled by Milan Malhi, entered into a consulting agreement with the Company dated May 1, 2022, as revised on September 1, 2022 (the "MM Consulting Agreement"). Pursuant to the MM Consulting Agreement, Mr. Milan Malhi has agreed to provide his services as a CDO to the Company at a remuneration of $2,000 per month commencing on May 1, 2022, and further increased to $3,500 per month effective September 1, 2022. Mr. Milan Malhi may also be paid a bonus depending on his performance and the financial circumstances of the Company. Mr. Milan Malhi is also entitled to participate in the Company's option plan. The term of this consulting agreement is for two years and will remain in force until termination by written notice at least 30 days in advance by either party. If this Agreement is terminated by the Company other than for a just cause or if this Agreement is terminated by the Consultant for good reason, then the Company will pay to Mr. Milan Malhi an amount equal to three (3) times the base fee in effect at the date of termination.

FINANCIAL INSTRUMENTS

The Company's financial instruments are comprised of cash and cash equivalents, accounts payable, due to related parties, and due from related parties.

Financial assets and liabilities measured at fair value on a recurring basis are classified in their entirety based on the lowest level of input that is significant to their fair value measurement. Certain non-financial assets and liabilities may also be measured at fair value on a non-recurring basis. There are three levels of the fair value hierarchy that prioritize the inputs to valuation techniques used to measure fair value, with Level 1 inputs having the highest priority. The levels and the valuation techniques used to value financial assets and liabilities are described below.

Level 1 - Quoted Prices in Active Markets for Identical Assets
Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities. Cash and cash equivalents are valued using quoted market prices in active markets. Accordingly, it is included in Level 1 of the fair value hierarchy.

Level 2 - *Significant Other Observable Inputs*
Quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability. Due from related party, accounts payable, and due to related parties are expected to be settled in the short term. Therefore, these have also been categorized as Level 2.

Level 3 - Significant Unobservable Inputs
Unobservable (supported by little or no market activity) prices.

There are no items in Level 3 of the fair value hierarchy.

Financial Instrument Risks

The Company's financial instruments are exposed to certain financial risks, including credit risk, interest rate risk, market risk, liquidity risk and currency risk.

Credit risk
Credit risk is the risk of financial loss to the Company if a counter party to a financial instrument fails to meet its contractual obligation. The Company is exposed to credit concentration risk by holding cash. This risk is minimized by holding the investments in large Canadian financial institutions. The Company has no accounts receivable exposure.

Interest rate risk
Interest rate risk is the risk that future cash flows will fluctuate because of changes in market interest rates. The Company is exposed to minimal interest rate risk. Fluctuations in market interest rates do not have a significant impact on the Company's operations.

Market risk
Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The market risk may arise from changes in market factors such as foreign exchange rates, interest rates, commodity and equity prices.

Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The key to success in managing liquidity is the degree of certainty in the cash flow projections. If future cash flows are uncertain, the liquidity risk increases.

The Company's objective is to ensure that it has sufficient cash on demand to meet expected operational expenses. To achieve this objective, the Company prepares annual capital expenditure budgets which will be regularly monitored and updated as necessary. The Company monitors its risk of shortage of funds by monitoring the maturity dates of existing trade and other accounts payable.

As at October 31, 2024, the Company had cash and cash equivalent balance of $1,024,342 (July 31, 2024 - $1,255,435) and a working capital deficit of $42,396 (July 31, 2024 – $23,010). Being in the preliminary stage of exploration, the Company does not have any revenue generating mineral properties. In the past, the Company has funded its operations through equity financing, and it is expected to do the same to settle accounts payable and accrued liabilities of $341,468 (July 31, 2024 - $509,355) and the amounts due to the related parties of $627,937 (July 31, 2024 - $452,424) which fall due for payment within twelve months of the statement of financial position date.

Foreign Currency risk
Foreign currency risk is the risk that a variation in exchange rates between the Canadian dollar and United States dollar or other foreign currencies will affect the Company's operations and financial results. The Company is exposed to currency risk to the extent that monetary assets and liabilities held by the Company are not denominated in Canadian dollars. The Company has not entered into any foreign currency contracts to mitigate this risk.

The Company is exposed to currency risk through the following monetary assets and liabilities denominated in foreign currencies:

	October 31, 2024	July 31, 2024
Cash denominated in USD at head office	**$ 1,031**	$ 13,960
Accounts payable and accrued liabilities denominated in USD at head office	**(1,655)**	-

Based on the above net exposures and if all other variables remain constant, a 10% change in the value of the foreign currency against the Canadian dollar would result in an increase or decrease of $87 (July 31, 2024 – $1,928) in net income/loss from operation**.**

PROPOSED TRANSACTIONS

There are no proposed transactions as of October 31, 2024, and on the date of this report.

CRITICAL ACCOUNTING ESTIMATES

For a detailed summary of the Company's significant accounting estimates, the readers are directed to Note 3 of the notes to the consolidated financial statements for the years ended July 31, 2024, and 2023.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

For a detailed summary of the Company's significant accounting policies, the readers are directed to Note 3 of the Notes to the consolidated financial statements for the years ended July 31, 2024, and 2023.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

A detailed listing of exploration expenditures and a breakdown of general and administrative expenses are provided in the consolidated financial statements for the years ended July 31, 2024, and 2023.

OTHER MATTERS

Legal proceedings

The Company is not aware of any legal proceedings.

Contingent liabilities

At the date of the report, management was unaware of any outstanding contingent liability relating to the Company's activities.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

In connection with Exemption Orders issued in November 2007 by each of the securities commissions across Canada, the CEO and CFO of the Company will file a Venture Issuer Basic Certificate with respect to the financial information contained in the unaudited interim financial statements and the audited annual financial statements and respective accompanying MD&A.

In contrast to the certificate under National Instrument ("NI") 52-109 (Certification of Disclosure in Issuer's Annual and Interim Filings), the Venture Issuer Basic Certification includes a 'Note to Reader' stating that the CEO and CFO do not make any representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financing reporting, as defined in NI 52-109.

RISKS

The Company is engaged in the exploration for and development of mineral deposits. These activities involve significant risks which careful evaluation, experience and knowledge may not, in some cases, eliminate. The commercial viability of any material deposit depends on many factors, not all of which are within the control of management. Some of the factors that affect the financial viability of a given mineral deposit include its size, grade, proximity to infrastructure, Government regulation, taxes, royalties, land tenure, land use, environmental protection and reclamation and closure obligations.

The discovery, development and acquisition of mineral properties are in many respects, unpredictable events. Future metal prices, capital equity markets, the success of exploration programs and other property transactions can have a significant impact on capital requirements.

The Company has entered into a service agreement to verify title to its exploration properties, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfer and title may be affected by undetected defects.

The Company's current operations do not generate any positive cash flow and it is not anticipated that any positive cash flow will be generated for some time. The Company has limited financial resources and the mining claims, which impose financial obligations on the Company. There can be no assurance that additional funding will be available to allow the Company to fulfill such obligations.

Further exploration and development of the various mineral properties in which the Company holds interests depends upon the Company's ability to obtain financing through joint venture of projects, debt financing, equity financing or other means. Failure to obtain additional financing on a timely basis could cause the Company to forfeit all or part of its interests in some or all of its Resource Properties and reduce or terminate its operations.

The Company's properties are in the exploration stages only and are without known bodies of commercial mineralization and have no ongoing mining operations. Mineral exploration involves a high degree of risk and a few properties which are explored are ultimately developed into producing mines. Exploration of properties may not result in any discoveries of commercial bodies of mineralization. If the Company's efforts do not result in any discovery of commercial mineralization, the Company could be forced to look for other exploration projects or cease operations.

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of the properties and properties in which it has previously had an interest. The Company conducts its mineral exploration activities in compliance with applicable environmental protection legislation. The Company is not aware of any existing environmental problems related to its current properties that may result in material liability to the Company.

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Annual losses are expected to continue until the Company has an interest in a mineral property that produces revenues. The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon the continued support of its shareholders, obtaining additional financing and generating revenues sufficient to cover its operating costs. The Company's accompanying financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying financial statements.

Any forward-looking information in this MD&A is based on the conclusions of management. The Company cautions that due to risks and uncertainties, actual events may differ materially from current expectations. With respect to the Company's operations, actual events may differ from current expectations due to economic conditions, new opportunities, the changing budget priorities of the Company and other factors.

DIRECTORS/OFFICERS

Certain directors/officers of the Company are also directors, officers and/or shareholders of other companies that are similarly engaged in the business of acquiring, developing and exploring natural resource properties. Such associations may give rise to conflicts of interest from time to time. The directors/officers of the Company are required to act in good faith with a view to the best interests of the Company and to disclose any interest which they may have in any project opportunity of the Company. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his/her interest and abstain from voting in the matter(s). In determining whether the Company will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at the time.

On March 15, 2024, Robert Barker resigned as Director and Audit Chair and Jamie Hogue was appointed as a director of the Company.

On March 25, 2024, Jamie Hogue was appointed as Audit Chair of the Company.

On September 30, 2024: Bala Pratap Reddy resigned as director and audited committee member.

List of current director/officers of the Company is as follows:
Kal Malhi - CEO and director
Zara Kanji – CFO and corporate secretary
Milan Malhi – CDO and director
Jamie Hogue – Director and Audit chair

OUTLOOK

The Company's primary focus for the foreseeable future will be on reviewing its financial position, raising funds to support exploration and operational activities, continuing exploration activities on its mineral properties and financing business ventures in the mineral resource industry.

ADDITIONAL INFORMATION

Additional information related to the Company can be made available by requesting further information from the Company’s head office in the province of British Columbia, Canada.

Hertz Energy Inc. (Formerly Hertz Lithium Inc.).
1055 West Georgia Street, 1500 Royal Centre,
Vancouver, BC V6E 4N7, Canada
E-mail: kal@bullruncapital.ca