



transition.inc

Clean Energy Transition Inc.

Form 51-102F1
Management's Discussion and Analysis
For the three and six months ended October 31, 2024

This Management's Discussion and Analysis ("MD&A") has been prepared by management as of December 23, 2024 and should be read in conjunction with the unaudited condensed interim consolidated financial statements of Clean Energy Transition Inc., *formerly known as* Rogue Resources Inc., ("Clean Energy Transition Inc.," "transition inc.," "Rogue," or the "Company"), for the three and six months ended October 31, 2024, prepared in accordance with International Financial Reporting Standards ("IFRS"). All dollar figures are expressed in Canadian dollars unless otherwise indicated. Further information on the Company can be found on SEDAR+ at www.sedarplus.ca and the Company's website transition.inc.

Cautionary Statement on Forward Looking Statements

This MD&A includes some statements that may be considered "forward-looking statements." All statements in this discussion that address the Company's expectations about future exploration and development are forward-looking statements. Although the Company believes the expectations presented in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, exploration successes, permitting successes, availability of capital and financing, and general economic, market, and business conditions. Readers are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements. The forward looking statements herein are made as of the date of this MD&A only; the Company does not assume any obligation to update or revise them to reflect new information, estimates or opinions, future events or results or otherwise, except as required by applicable law.

Corporate Summary and Overall Performance

On May 29, 2024, the Company announced it had filed articles of amendment in accordance with the Business Corporations Act (British Columbia) and, effective immediately, completed its legal name change to "Clean Energy Transition Inc." pursuant to such filing. In connection with the name change, the Company also changed its ticker symbol on the TSX Venture Exchange ("TSX-V") from "RRS" to "TRAN."

Clean Energy Transition Inc. or *transition.inc* pivoted to focus across three main areas, for opportunities to generate positive cash flow, across the energy transition. First, the Company includes a Quartz division-focused on advancing its silica/quartz business with the Snow White Project in Ontario and the Silicon Ridge Project in Québec. The silica in high-quality quartz can be used to make silicon metal, a key component in both lighter, stronger car bodies and solar energy panels. Secondly, the Company owns and is working on advancing low carbon production opportunities in a Critical Minerals division. The transition to cleaner energy will depend on critical energy transition minerals. Minerals – such as copper, lithium, nickel, cobalt – are essential components in many of the new clean energy technologies and required infrastructure- from wind turbines and grid refurbishment to electric vehicles. Finally, *transition.inc* has a third area of focus - working on other business opportunities, related to the energy transition.

This pivot builds on the Company's history since 1985, during which it has mainly been focused on the exploration and development of critical energy transition metals.

Much of this quarter and the last was spent focused on trying to develop the Quartz business. With the Snow White Project in Ontario this included continued marketing discussions. For the Silicon Ridge Project in Québec, it was towards trying to unlock value through paths to advance the asset.

On November 6, 2024 the Company announced production from its quartz business. Samples from the Snow White Quartz Project in Ontario had been sent to the US and Canada, to customers whose businesses include the production of silicon and ferrosilicon alloys. These customers require test samples to run through their smelters, for performance verification and hopefully then, for negotiation of long-term supply contracts.

On November 12, 2024 the Company announced further details about the Ontario mining lease it acquired in the summer. The lease hosts the Langmuir North and Langmuir #1 Deposits which the Company had consolidated and will refer to the assets as the "Aurora Nickel Project", incorporating the Aurora North and Aurora South Deposits. The Aurora Nickel Project is approximately 25 kilometres southeast of Timmins, Ontario and the mining lease incorporates ~905 hectares.

Micon International Limited ("Micon") previously completed a Mineral Resource Estimate ("MRE") for the Aurora Nickel Project (reference Sedar+ filed report titled "*Technical Report on the Initial MRE for the Langmuir North and Langmuir #1 Nickel Deposits, Langmuir Township, Ontario, Canada*" issued January 6, 2010, revised June 4, 2015) and this MRE (see Table 1) is considered historical in nature. Although the resource estimate was prepared and disclosed in accordance with disclosure requirements for mineral resources set out in the Canadian National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101") and the classification of the historical resource as a Measured, Indicated and Inferred resource is consistent with the 2014 CIM Definition Standards – For Mineral Resources and Mineral Reserves, a qualified person has not done sufficient work to classify the historical resource estimate as a current mineral resource in view of the recent (November 2019) CIM Best Practice guidelines on the estimation of Mineral Resources/Reserves and the CIM Environmental, Social and Governance Guidelines (September 2023); hence, the Company is not treating the historical resource estimate as a current mineral resource.

Table 1- Aurora Nickel Project Summary of Historical Mineral Resource Estimate (June 4, 2015)

Deposit	Mining	Category	Tonnes	Grade Ni%	Strip Ratio
Aurora North	Open Pit	Indicated	8,324,000	0.40	2.93
Aurora South	Open Pit	Indicated	1,733,000	0.51	12.5
Combined			10,057,000	0.42	

It is emphasized that a qualified person has not done sufficient work to classify the historical estimates referenced herein as current mineral resources and the Company is not treating the historical estimate as current mineral resources or mineral reserves.

For context, it is estimated that the average electric vehicle battery requires ~145 pounds of nickel (Bloomberg New Energy Finance (“BNEF”) estimate, for a 100kWh battery*) and based on this, the Contained Nickel in the Aurora Nickel Project’s Historical MRE represents the equivalent nickel which would be used in more than 642K electric vehicles. For further context, this is ~3.5x the total 2023 new Battery EV registrations in Canada.**

* Company estimates, based on BNEF calculations <https://tinyurl.com/3xswdn8k>.

** Company estimates, based on 139,501 Battery EVs registered in Canada (StatsCan) <https://tinyurl.com/3z8penz7>.

Results of Operations

Six months ended October 31, 2024

For the six months ended October 31, 2024 (“fiscal 2025 YTD”), the Company incurred a net comprehensive loss of (\$965,419) compared to (\$1,011,318) for the six months ended October 31, 2023 (“fiscal 2024 YTD”). The significant changes in revenue and expenses between the periods is a result of the following:

- A decrease in sales to \$nil (fiscal 2024 YTD – \$486,766);
- An increase in exploration expenses to \$462,296 (fiscal 2024 YTD – \$nil);
- A decrease in interest and accretion expense to \$nil (fiscal 2024 YTD – \$181,177);
- A decrease in write-off of exploration assets to \$ nil (fiscal 2024 YTD – \$1,225,659);
- An increase in unrealized loss on marketable securities to \$788,464 (fiscal 2024 YTD –\$23) as the Company sold certain securities and realized previously recognized unrealized gains.

Summary of Quarterly Results

The following table sets forth selected results of operations for the Company's eight most recently completed quarters, compiled from the Company's quarterly and annual financial statements.

Period	Quarter Ending	Revenue (\$)	Net Income (Loss) (\$)	Net Income (Loss) per Share (\$)
Q2-2025	October 31, 2024	-	(124,450)	(0.00)
Q1-2025	July 31, 2024	-	(52,505)	(0.00)
<i>Q4 – 2024, Rogue Stone wound down.</i>				
Q4-2024	April 30, 2024	-	(274,800)	(0.01)
Q3-2024	January 31, 2024	12,000	(134,329)	(0.00)
<i>Q2 – 2024 operations ended at Rogue Stone quarries.</i>				
Q2-2024	October 31, 2023	196,514	(819,551)	(0.02)
Q1-2024	July 31, 2023	290,076	(191,766)	(0.01)
Q4-2023	April 30, 2023	102,585	129,697	0.00
Q3-2023	January 31, 2023	246,977	(185,848)	(0.01)

Liquidity and Capital Resources

transition.inc is focused on opportunities to generate positive cash flow, across the energy transition . For its mineral properties, the Company has not yet determined whether the properties contain ore reserves that are economically recoverable. The recoverability of amounts shown for exploration and evaluation assets are dependent upon the existence of economically recoverable reserves, securing and maintaining title and beneficial interest in the properties, the ability of the Company to obtain necessary financing to complete the development of those reserves, and upon future profitable production or proceeds from the disposition of the exploration and evaluation assets.

The Company had working capital of \$1,207,822 as at October 31, 2024 compared to working capital of \$2,155,836 as at April 30, 2024. As at October 31, 2024, the Company's cash on hand was \$886,218 (April 30, 2024 - \$781,024). The Company has sufficient working capital to cover its current liabilities.

Commitments and Contingencies

As at October 31, 2024, the Company has no equipment lease agreement remaining; all other leases were terminated and equipment returned or purchased outright. Final balances related to the early return of the leased equipment have been paid or have been recorded as current liabilities.

Off-Balance Sheet Arrangements

The Company has not entered into any off-balance sheet arrangements.

Transactions with Related Parties

a) Compensation of key management personnel

The Company's key management personnel have authority and responsibility for planning, directing and controlling the activities of the Company and consist of its directors, President and Chief Executive Officer, VP Technical and Corporate Secretary, and Chief Financial Officer. Compensation of the directors, officers and/or companies controlled by these individuals for the six months ended October 31, 2024 and 2023 were as follows:

	Fiscal 2025	Fiscal 2024
Six months ended October 31, Key management compensation	\$ 292,062	\$ 185,206
Stock based compensation	6,696	-
Total compensation of key management personnel	\$ 298,758	\$ 185,206

b) Related party balances

Amounts due to related parties amounted to \$69,990 as at October 31, 2024 (April 30, 2024 - \$68,956). Amounts due to related parties are unsecured, non-interest bearing and have no specific repayment terms.

Critical Accounting Estimates

The preparation of the Company's consolidated financial statements requires management to make judgments and estimates that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The consolidated financial statements include estimates which, by their nature, are uncertain. The impact of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and may affect both the period of revision and future periods.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the statement of financial position date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

a. Depreciation and depletion

Depletion of producing assets is provided using the unit-of-production method based on the production volume forecast, as determined annually by management and independent engineers.

b. Fair value of assets acquired and consideration

The fair value of consideration to acquire the assets comprised of common shares and cash. Common shares were valued on the date of issuance. The Company applied IFRS 2 *Share-based Payments* in accounting for the acquisitions.

c. Determination of control of subsidiaries and significant influence

Judgment is required to determine when the Company has control of subsidiaries or joint control or joint arrangements. This requires an assessment of the relevant activities of the investee, being those activities that significantly affect the investee's returns, including operating and capital expenditure decision-making, financing of the investee, and the appointment, remuneration and termination of key management

personnel; and when the decisions in relation to those activities are under the control of the Company or require unanimous consent from the investors. Judgment is also required when determining the classification of a joint arrangement as a joint venture or a joint operation through an evaluation of the rights and obligations arising from the arrangement. Changes to the Company's access to those rights and obligations may change the classification of that joint arrangement. Based on assessment of the relevant facts and circumstances, the Company concluded that it controls each of its subsidiaries, including: 2723493 Ontario Inc., 2712428 Ontario Inc., 2701674 Ontario Inc. and Clean Metals Inc.

The Company applies the equity method to account for its investments when the Company determines that it has significant influence in the investees. Significant influence is the power to participate in the financial and operating policy decision of the investee but not control of those policies and management uses judgment in determining whether significant influence exists. Judgment is exercised in the evaluation of its voting power and potential voting rights by examining all facts and circumstance in determining its powers to participate in the financial and operating policy decisions of an investee.

d. Accrued liabilities

The Company has applied judgment in recognizing accrued liabilities, including judgment as to whether the Company has a present obligation (legal or constructive) as a result of a past event; whether it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and whether a reliable estimate can be made of the amount of the obligation.

e. Stock based compensation

The Company has applied estimates in the inputs used in accounting for stock based compensation in the consolidated statements of operations and comprehensive loss.

f. Deferred income tax assets

The Company has applied judgment in the inputs used in assessing the recoverability of deferred income tax assets to the extent that the deductible temporary differences will reverse in the foreseeable future and that the Company will have future taxable income.

Financial Instruments and Other Instruments

The Company has not entered into any specialized financial agreements to minimize its investment risk, currency risk or commodity risk. As of the date hereof, the Company's investment in exploration and evaluation assets has full exposure to commodity risk, both upside and downside.

Changes in Accounting Policies

As of October 31, 2024, there are no IFRS or IFRIC interpretations with future effective dates that are expected to have a material impact on the Company's consolidated financial statements. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. These policies and all accounting policies and new standards that are not yet adopted are disclosed in the year ended April 30, 2024 financial statements.

Outstanding Share Data

As at December 23, 2024, a total of 41,743,850 common shares were issued and outstanding.

On December 23, 2024, the Company announce the closing of a non-brokered private placement of Flow-Through Units ("FT Units"), whereby it issued 5,312,500 FT Units at a price of \$0.08 per FT Unit for aggregate gross proceeds of \$425,000 (the "Offering"). Sean Samson, President, CEO, and a director of the Company participated in the Offering, purchasing 375,000 FT Units.

Under the Offering, each FT Unit consisted of one flow-through common share ("FT Share"), and one-half of one common share purchase warrant (each whole warrant, a "Warrant"). Each Warrant entitles the

holder thereof to purchase one common share in the capital of the Company at a price of \$0.12 for a period of thirty-six months following the date of issuance.

Closing of the Offering is subject to certain customary conditions, including, without limitation, final approval of the TSX Venture Exchange ("TSXV"), and all of the securities issued under the Offering will be subject to a four-month and one-day statutory hold period, along with a 15-month contractual hold period from the date of issuance. The Company did not pay any finders' fees in cash or securities under the Offering.

On February 22, 2024, the Company issued 405,274 shares related to the acquisition of the Snow White project. The fair market value at the time of issuance was \$0.04 per share. The shares were later deemed to be issued in error as the Company had previously met all requirements of the agreement. The Company expects to return the shares to treasury.

On February 23, 2024, the Company announced that it had granted 1,300,000 stock options to directors, and officers of the Company. The stock options are exercisable at a price of \$0.05 per share, expire in seven years, and vest over a period of one year, with one half of the options vesting immediately, and one half vesting at the end of the first anniversary of the date of grant. The options were granted for a term of seven years and expire on February 23, 2031. The Company had no warrants outstanding as of the date of this MD&A.

The following table summarizes the Company's stock options outstanding as of the date of this MD&A.

Expiry Date	Exercise Price	Number of Options Exercisable	Number of Options Outstanding
January 11, 2025	\$0.39	425,000	425,000
January 15, 2027	\$0.07	680,000	680,000
August 14, 2027	\$0.09	865,000	865,000
December 18, 2027	\$0.08	340,000	340,000
February 23, 2031	\$0.05	650,000	1,300,000
Total		2,960,000	3,610,000

The following table summarizes the Company's warrants outstanding as of the date of this MD&A.

Expiry Date	Exercise Price	Number of Warrants Outstanding
December 23, 2027	\$0.12	2,656,250

Investor Relations, Promotion and Product Marketing

During the quarter ended October 31, 2024, the Company did not hire contractors for investor support.

Disclosure Controls and Procedures

Disclosure controls and procedures ("DC&P") are intended to provide reasonable assurance that information required to be disclosed is recorded, processed, summarized and reported within the time periods specified by securities regulations and that information required to be disclosed is accumulated and communicated to management. Internal controls over financial reporting ("ICFR") are intended to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purpose in accordance with Canadian generally accepted accounting principles.

TSX Venture listed companies are not required to provide representations in the annual filings relating to the establishment and maintenance of DC&P and ICFR, as defined in Multilateral Instrument 52-109. In particular, the CEO/CFO certifying officers do not make any representations relating to the establishment and maintenance of (a) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time

periods specified in securities legislation, and (b) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP. The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in their certificates regarding the absence of misrepresentations and fair disclosure of financial information. Investors should be aware that inherent limitation on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in Multinational Instrument 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Risks and Uncertainties

The Company is subject to a number of risks and uncertainties due to the nature of its business. The Company's exploration and development activities expose the Company to various financial and operational risks that could have a significant impact on its level of operating cash flows in the future. Readers are advised to study and consider risk factors stressed below.

The following are identified as main risk factors that could cause actual results to differ materially from those stated in any forward-looking statements made by, or on behalf of, the Company.

Financing

The Company's future financial success depends on the ability to raise additional capital from the issuance of shares, borrowing from lenders or the discovery of properties which could be economically justifiable to develop. Such development could take years to complete and resulting income, if any, is difficult to determine. The sales value of any commodities potentially discovered by the Company is largely dependent upon factors beyond the Company's control, such as the market value of the products produced.

Similarly, the Company's efforts to identify additional opportunities from across the energy transition more broadly, will be dependent on the Company's capacity to finance these identified opportunities.

General Resource Exploration Risks and Competitive Conditions

The resource exploration industry is an inherently risky business with significant capital expenditures and volatile metals markets. The marketability of any minerals discovered may be affected by numerous factors that are beyond the Company's control and which cannot be predicted, such as market fluctuations, mineral markets and processing equipment, and changes to government regulations, including those relating to royalties, allowable production, importing and exporting of minerals, and environmental protection. This industry is intensely competitive and there is no guarantee that, even if commercial quantities are discovered, a profitable market will exist for their sale. The Company competes with other junior exploration companies for the acquisition of mineral claims as well for the engagement of qualified contractors. Metal prices have fluctuated widely in recent years, and they are determined in international markets over which the Company has no influence.

Governmental Regulation and Support

Regulatory standards continue to change, making the review process longer, more complex and therefore more expensive. Exploration and development on the Company's properties are affected by government regulations relating to such matters as environmental protection, health, safety and labour, mining law reform, restrictions on production, price control, tax increases, maintenance of claims, and tenure. There is no assurance that future changes in such regulations couldn't result in additional expenses and capital expenditures, decreasing availability of capital, increased competition, reserve uncertainty, title risks, and delays in operations. The Company relies on the expertise and commitment of its management team, advisors, employees and contractors to ensure compliance with current laws.

Similarly, the Company's work in critical minerals, in addition to its efforts to identify additional opportunities from across the energy transition more broadly, are enhanced by support of various levels of government. This current support may not continue and could decrease, based on political priorities.

Product Marketing

The markets for sale of minerals are often quite opaque and challenging for new entrants to break into. This is the case for the sale of silica, the primary product from the Quartz business. The Company has worked with expert consultants to characterize the material, plan the project and identify the sales market. Management continues to aggressively market the material across various identified sales verticals, with the objective to confirm buyers and verify the economic nature of the project. However, at October 31, 2023, the Company wrote down the full carrying value of Snow White to \$nil because even though permitted, Management felt that marketing the product was becoming too challenging. (Subsequent market interest in the product has reignited discussion around producing silica/quartz from Snow White).

Approval

The Board of Directors of the Company has approved the contents of this Management's Discussion and Analysis on December 19, 2024, subject to additional disclosure being added related to the subsequent announcement of the non-brokered private placement on December 23, 2024 .