



transition.inc

Clean Energy Transition Inc.

Form 51-102F1
Management's Discussion and Analysis
For the three and six months ended October 31, 2025

This Management's Discussion and Analysis ("MD&A") has been prepared by management as of December 16, 2025 and should be read in conjunction with the unaudited condensed interim consolidated financial statements of Clean Energy Transition Inc., ("Clean Energy Transition Inc.," "transition.inc.," or the "Company"), for the three and six months ended October 31, 2025, and the audited consolidated financial statements of Clean Energy Transition Inc. for the year ended April 30, 2025, 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+ and the Company's website [transition.inc](https://www.transition.inc).

Cautionary Statement on Forward Looking Statements

This MD&A includes certain statements that may be considered "forward-looking statements." Forward-looking statements include, but are not limited to, statements regarding the Company's expectations with respect to future exploration, technical work, development activities, commercialization timing, financing, and the evaluation of additional energy transition-related opportunities.

Although the Company believes that the expectations reflected 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 expressed or implied. Factors that could cause actual results to differ materially from those in the forward-looking statements include, but are not limited to, changes in commodity prices; exploration and technical results; permitting and regulatory outcomes; the availability of capital and financing on acceptable terms or at all; changes in trade policies, tariffs, or other government actions; geopolitical and foreign policy developments; and general economic, market, and business conditions.

Readers are cautioned not to place undue reliance on forward-looking statements. The forward-looking statements contained herein are made as of the date of this MD&A, and the Company does not undertake any obligation to update or revise such statements to reflect new information, estimates, opinions, future events, or results, except as required by applicable law.

Corporate Overview and Strategy

Clean Energy Transition Inc. ("transition.inc" or the "Company") is a TSX Venture Exchange-listed company focused on advancing assets and opportunities aligned with the global energy transition. The Company's activities are organized around three core areas: (i) silica/quartz resources used in silicon and solar applications, (ii) nickel resources used in battery and electrification applications, and (iii) the evaluation of additional energy transition-related business opportunities.

Since its incorporation in 1985, the Company has been principally engaged in the exploration and development of mineral assets. Over time, this focus has evolved toward minerals and opportunities that directly support electrification, decarbonization, and energy security. Management views this evolution as a natural extension of the Company's historical activities rather than a departure from them, reflecting changes in end-use markets and the broader global energy landscape.

Business Segments

Quartz (silica / silicon value chain)

The Company's Quartz segment is focused on advancing high-purity silica resources at the Snow White Project in Ontario and the Silicon Ridge Project in Québec.

Quartz, through its role as a feedstock in the silicon value chain, is relevant to solar and advanced manufacturing supply chains, and silicon has been identified as a critical mineral by each of the Canadian and United States governments.

The Company has completed NI 43-101 technical work at the Snow White Project identifying quartz mineral resources, and subsequent testing has demonstrated the suitability of the material for silicon metal applications. While technical results to date have been positive, the timing of potential commercial development has been affected by external factors, including trade policy uncertainty and tariffs impacting downstream silicon and aluminum markets. As a result, the Company has not advanced commercial negotiations for the Snow White Project during the period, despite favourable technical outcomes.

Management continues to view the Company's quartz assets as strategically significant within the solar supply chain and as providing long-term optionality as market conditions evolve.

Nickel (battery materials)

The Company's Nickel segment is anchored by the Aurora Nickel Project in Ontario, which includes the Aurora North and Aurora South deposits. Nickel is designated as a critical mineral in Canada and the United States and is a key input in lithium-ion batteries used in electric vehicles and energy storage systems.

In March 2025, the Company announced an updated mineral resource estimate for the Aurora Nickel Project prepared in accordance with National Instrument 43-101. Building on this work, the Company has continued to advance technical and exploration activities at Aurora during the period. These activities form part of the Company's previously announced exploration and technical programs and are intended to support future economic evaluation and development planning. The related expenditures are consistent with the Company's flow-through financing commitments.

While technical and exploration work at the Aurora Nickel Project has continued as planned, broader market conditions for battery materials during the period continued to be influenced by changes in U.S. industrial policy and global supply dynamics, including increased supply from non-North American sources. In this context, management has remained focused on advancing technical understanding of the Project while maintaining discipline with respect to the timing of further development decisions.

Emerging energy transition opportunities

In addition to its mineral assets, the Company is evaluating complementary business opportunities related to the energy transition. These initiatives are intended to leverage the Company's experience in resource project development, its public-company platform, and its understanding of energy transition supply chains.

In assessing such opportunities, management is prioritizing business models that are less dependent on commodity price volatility, trade policy changes, or foreign policy developments, and that may offer more

stable and predictable cash-flow characteristics over time. As of the date of this MD&A, no material transactions have been completed in this area, and the Company expects to provide additional disclosure as these initiatives advance.

Strategic continuity and evolution

Management views the Company's current strategy as a direct continuation of its historical focus on critical minerals, expanded to reflect a broader participation in the energy transition value chain. Quartz and nickel represent foundational inputs to solar and battery technologies, respectively, and the Company's evaluation of additional energy transition opportunities is intended to build on this foundation.

The Company believes that this integrated perspective — spanning mineral resource development and adjacent energy transition applications — provides flexibility and optionality as markets, technologies, and policy frameworks continue to evolve.

Technical disclosure and cautionary statements

Detailed technical information regarding the Company's mineral properties, including mineral resource estimates, assumptions, and associated risks, is contained in the applicable National Instrument 43-101 technical reports filed on SEDAR+. Readers are cautioned not to rely on summaries contained in this MD&A as a substitute for those technical reports. Mineral resources are not mineral reserves and do not have demonstrated economic viability.

Results of Operations

Six months ended October 31, 2025

For the six months ended October 31, 2025 ("fiscal 2026 YTD"), the Company incurred a net loss of \$(281,478) and a net comprehensive loss of (\$328,218) compared to (\$965,419) for the six months ended October 31, 2024 ("fiscal 2025 YTD"). The significant changes in revenue and expenses between the periods is a result of the following:

- A decrease in gain on sale of marketable securities to \$nil (fiscal 2025 YTD – \$681,217);
- A decrease in unrealized loss on marketable securities to \$46,740 (fiscal 2025 YTD – \$788,464), reflecting mark-to-market fair value adjustments during the current interim period. The comparative period includes gains realized in fiscal 2025 upon the sale of marketable securities that had previously been recognized as unrealized gains in other comprehensive income.
- A decrease in compensation and benefits expense to \$103,132 (fiscal 2025 YTD – \$264,203);
- A decrease in exploration expenses to \$45,712 (fiscal 2025 YTD – \$462,926).

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 Loss (\$) | Net Loss per Share (\$) |
|---|------------------|--------------|---------------|-------------------------|
| Q2-2026 | October 31, 2025 | - | (112,431) | (0.00) |
| Q1-2026 | July 31, 2025 | - | (169,047) | (0.01) |
| Q4-2025 | April 30, 2025 | (16,456) | (144,331) | (0.01) |
| Q3-2025 | January 31, 2025 | 143,041 | (169,063) | (0.00) |
| 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) |

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 \$631,365 as at October 31, 2025 compared to working capital of \$941,871 as at April 30, 2025. As at October 31, 2025, the Company's cash on hand was \$500,461 (April 30, 2025 - \$858,135). The Company has sufficient working capital to cover its current liabilities.

Going concern and financing

The Company's consolidated interim financial statements for the three and six months ended October 31, 2025 have been prepared on a going concern basis. As at October 31, 2025, the Company had an accumulated deficit of \$60.6 million and incurred a net loss for the period. These conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

The Company's ability to continue as a going concern is dependent on its ability to generate future positive cash flows and/or to obtain additional financing as required. While the Company has been successful in raising funds in the past, there can be no assurance that additional financing will be available on acceptable terms or at all. No adjustments have been made to the carrying values of the Company's assets or liabilities in the consolidated interim financial statements as a result of this uncertainty.

Commitments and Contingencies

As at October 31, 2025, the Company has no equipment lease agreement remaining. The Company has successfully met 59% of its flow-through commitment related to its December 23, 2024 financing. The Company has committed to spending \$425,000 in flow-through eligible exploration expenditures.

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 (retired on October 31, 2024), and Chief Financial Officer. Compensation of the directors, officers and/or companies controlled by these individuals for the six months ended October 31, 2025 and 2024 were as follows:

| Six months ended October 31, | 2025 | 2024 |
|--|------------|------------|
| Key management compensation | \$ 120,819 | \$ 292,062 |
| Director compensation | 19,125 | - |
| Stock based compensation | 15,070 | 6,696 |
| Total compensation of key management personnel | \$ 155,014 | \$ 298,758 |

b) Related party balances

Amounts due to related parties amounted to \$2,287 as at October 31, 2025 (April 30, 2025 - \$39,801). 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. Determination of cash generating units

In performing impairment assessments of corporate assets, assets that cannot be assessed individually are grouped together into the smallest group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Management is required to exercise judgment in identifying these cash generating units ("CGUs").

b. Recoverability of asset carrying values

Management is required to assess impairment in respect of intangible exploration and evaluation assets. Note 9 discloses the carrying value of these assets. The triggering events for the impairment of exploration and evaluation assets are defined in *IFRS 6 Exploration and Evaluation of Mineral Resources*

Impairment of exploration and evaluation assets is assessed at the CGU level. The Company has used each of its mineral properties to establish its CGUs. In making the assessment, management is required to make judgments on the status of each project and the future plans towards finding commercial reserves. The nature of exploration and evaluation activity is such that only a proportion of projects are ultimately successful and some assets are likely to become impaired in future periods.

The Company assesses its equipment and producing assets for possible impairment if there are events or changes in circumstances that indicate that carrying values of the assets may not be recoverable, or at least annually.

The assessment of any impairment of equipment and producing assets is dependent upon estimates of recoverable amounts that take into account factors such as production estimates, decline in sales volumes, economic and market conditions affecting prices, timing of cash flows, future development costs, and the useful lives of assets and their related salvage values.

c. Classification of exploration and evaluation assets

Judgement is required in determining whether technical feasibility and commercial viability have been established by an economically viable extraction operation and commitment of sufficient financial resources to pursue development in determining whether the exploration and evaluation assets should be reclassified to producing assets.

d. 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.

e. Fair value of assets acquired and consideration

The fair value of consideration to acquire the assets (Note 7) 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.

f. 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 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.

g. 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.

h. Share based compensation

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

i. 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, 2025, 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, 2025 financial statements.

Outstanding Share Data

As at the date of this MD&A, a total of 41,743,850 common shares were issued and outstanding.

On September 26, 2025, the Company announced that it had granted 1,515,000 stock options to directors, officers and consultants of the Company. The stock options are exercisable at a price of \$0.02 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 September 26, 2031. Also, on September 26, 2025, 640,000 previously issued and out-of-the-money stock options were cancelled. No fees were paid to the owner of these stock options.

As mentioned earlier, on December 23, 2024, the Company announced the closing of its non-brokered private placement of 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. Sean Samson, President, CEO, and a director of the Company participated in the Offering, purchasing 375,000 FT Units. Each FT Unit consisted of one FT Share and one-half of one common share purchase 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.

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 15, 2027 | \$0.07 | 440,000 | 440,000 |
| August 14, 2027 | \$0.09 | 575,000 | 575,000 |
| December 18, 2027 | \$0.08 | 230,000 | 230,000 |
| February 23, 2031 | \$0.05 | 1,300,000 | 1,300,000 |
| September 26, 2032 | \$0.02 | 757,500 | 1,515,000 |
| Total | | 3,302,500 | 4,060,000 |

As at October 31, 2025, the weighted average remaining contractual life of the Company's share purchase options is 4.8 years and the weighted average exercise price is \$0.05 (April 30, 2025 –3.9 years and \$0.07).

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 six months ended October 31, 2025, 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 limitations 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 Multilateral 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 16, 2025.