

FILING STATEMENT

CAVALRY CAPITAL CORP.

c/o Suite 1400 – 1050 West Pender Street,
Vancouver, BC V6E 3S7

Dated: December 12, 2025

*Neither the TSX Venture Exchange Inc. nor any securities regulatory authority
has in any way passed upon the merits of the Qualifying Transaction described in this Filing Statement.*

TABLE OF CONTENTS

GLOSSARY	1
FORWARD-LOOKING STATEMENTS & RISKS	5
INFORMATION CONTAINED IN THIS FILING STATEMENT	6
SUMMARY OF FILING STATEMENT	7
General.....	7
The Transaction.....	7
The Financing	8
Interest of Insiders, Promoters or Control Persons	8
Arm’s Length Transaction.....	8
Available Funds and Principal Purposes	9
Selected Pro Forma Financial Information.....	10
Details Respecting Cavalry’s Listing	10
Conditional Listing Acceptance	10
Change of Name.....	10
Consolidation	10
Conflicts of Interest.....	10
Interests of Experts.....	10
Summary of Risk Factors	11
PART I - INFORMATION CONCERNING CAVALRY CAPITAL CORP.	12
Name and Incorporation	12
General Development of the Business.....	12
The Transaction.....	12
Management’s Discussion and Analysis	14
Description of the Securities	14
Prior Sales	17
Stock Exchange Price.....	17
Non-Arm’s Length Transactions	18
Arm’s Length Transaction.....	18
Legal Proceedings	18
Auditor	18
Transfer Agent and Registrar	18
Material Contracts.....	19
PART II - INFORMATION CONCERNING ADVANCED ENERGY FUELS, INC.....	20
Name and Incorporation	20
Inter-corporate Relationships	20
General Development of the Business.....	20
Narrative Description of the Business	25
Selected Financial Information and Management’s Discussion and Analysis	32
Description of Securities	36
Consolidated Capitalization.....	36
Prior Sales	37
Executive Compensation	37
Legal Proceedings	39
Material Contracts.....	39
PART III - INFORMATION CONCERNING THE RESULTING ISSUER	40

Name and Incorporation	40
Inter-corporate Relationships	40
Narrative Description of the Business	41
Description of the Securities	41
Pro Forma Consolidated Capitalization	41
Fully Diluted Share Capital	42
Available Funds and Principal Purposes	43
Dividends	44
Principal Shareholders	44
Directors, Officers and Promoters	45
Committees of the Board	46
Corporate Governance	47
Management and Directors	48
Promoter Consideration	50
Corporate Cease Trade Orders or Bankruptcies	50
Penalties or Sanctions	51
Personal Bankruptcies	51
Conflicts of Interest	51
Other Reporting Issuer Experience	51
Executive Compensation	52
Indebtedness of Directors and Officers	54
Investor Relations Arrangements	54
Share Purchase Warrants	55
Options to Purchase Securities	55
Escrowed Securities	58
Auditor	62
Transfer Agent and Registrar	62
PART IV - RISK FACTORS	63
Risks Related to the Transaction	63
Risks Related to the Business of the Resulting Issuer	64
PART V – GENERAL MATTERS	75
Experts	75
Other Material Facts	75
Board Approval	75
Financial Statements	76
Appendix 1 – Financial Statements of Cavalry Capital Corp.	
Appendix 2 – Management’s Discussion and Analysis of Cavalry Capital Corp.	
Appendix 3 – Financial Statements of Advanced Energy Fuels, Inc.	
Appendix 4 – Pro Forma Consolidated Statement of Financial Position of the Resulting Issuer	
Appendix 5 – Financial Statements of Edge Minerals Pty Limited and Bellpiper Pty Ltd.	
Appendix 6 – Technical Report – The SWWM Property	

GLOSSARY

The following is a glossary of certain terms used in this Filing Statement. All dollar amounts herein are in Canadian dollars, unless otherwise stated.

“**AEFI**” means Advanced Energy Fuels, Inc., a private mineral exploration and development company incorporated under the General Corporation Law of the State of Delaware on July 17, 2024;

“**AEFI AUST**” means Advanced Energy Fuels (Aust) Pty Ltd., a company incorporated under the laws of New South Wales in which AEFI owns 49.9% of the outstanding ordinary shares, which equates to 100% of the voting and dividend participation rights;

“**AEFI NM**” means Advanced Energy Fuels (NM) LLC, a limited liability company existing under laws of New Mexico and a wholly-owned subsidiary of AEFI, that is the sole legal and beneficial owner of the Fluorite Ridge Project;

“**AEFI Shares**” means the common shares in the capital of AEFI having a par value of USD\$0.01;

“**AEFI Shareholders**” means the shareholders of AEFI as of the date of this Filing Statement, who hold in aggregate as of the date of this Filing Statement, 20,579,938 AEFI Shares;

“**Affiliate**” means a company that is affiliated with another company as described below.

A company is an “Affiliate” of another company if:

- (a) one of them is the subsidiary of the other, or
- (b) each of them is controlled by the same person.

A company is “controlled” by a person if:

- (a) voting securities of the company are held, other than by way of security only, by or for the benefit of that person, and
- (b) the voting securities, if voted, entitle the person to elect a majority of the directors of the company.

A person beneficially owns securities that are beneficially owned by:

- (a) a company controlled by that person, or
- (b) an Affiliate of that person or an Affiliate of any company controlled by that person;

“**Arm’s Length Transaction**” as defined in the policies of the Exchange means a transaction that is not a “Related Party Transaction” as defined below;

“**Associate**” when used to indicate a relationship with a person or company, means:

- (a) an issuer of which the person or company beneficially owns or controls, directly or indirectly, voting securities entitling him or her to more than 10% of the voting rights attached to outstanding securities of the issuer,
- (b) any partner of the person or company,
- (c) any trust or estate in which the person or company has a substantial beneficial interest or in respect of which a person or company serves as trustee or in a similar capacity,
- (d) in the case of a person, a relative of that person, including:
 - (i) that person’s spouse or child, or
 - (ii) any relative of the person or of his spouse who has the same residence as that person;

but

- (e) where the Exchange determines that two persons shall, or shall not, be deemed to be associates with respect to a Member firm, Member corporation or holding company of a Member corporation, then such determination shall be determinative of their relationships in the Filing Statement of Rule D with respect to that Member firm, Member corporation or holding company;

“**BCBCA**” means the British Columbia *Business Corporations Act*, as amended;

“**Bellpiper**” means Bellpiper Pty Ltd., a wholly owned Western Australian subsidiary of Edge Minerals that holds certain mineral rights in Western Australia, including the interest in and to the SWWM Property;

“**Board of Directors**” or “**Board**” means the board of directors of a company, as constituted from time to time;

“**Capital Pool Company**” or “**CPC**” means a company:

- (a) that has been incorporated or organized in a jurisdiction in Canada;
- (b) that has filed and obtained a receipt for a preliminary CPC prospectus from one or more of the securities regulatory authorities in compliance with the CPC Policy; and
- (c) in regard to which the Final Exchange Bulletin has not yet occurred;

“**Cavalry**” means Cavalry Capital Corp., a company incorporated under the laws of British Columbia and a Capital Pool Company under the policies of the Exchange, having its Common Shares listed for trading under the trading symbol “CVY.P”;

“**Cavalry Option Plan**” means the stock option incentive plan that reserves for issuance an aggregate of up to 646,250 Common Shares, being 10% of the Common Shares issued and outstanding on completion of Cavalry’s IPO;

“**Cavalry Options**” means incentive stock options to purchase Common Shares;

“**Cavalry Warrants**” means the common share purchase warrants issued on conversion of the Subscription Receipts, each whole warrant exercisable to purchase one Consolidated Share at an exercise price of \$0.35 per Consolidated Share for a period of 24 months from the escrow release date for the Subscription Receipts;

“**Cavalry Warrant Shares**” means the Consolidated Shares to be issued upon the exercise of the Cavalry Warrants;

“**Closing**” means closing of the Transaction, including all of the transactions contemplated by the SEA;

“**Common Shares**” means the common shares without par value in the share capital of Cavalry;

“**company**” unless specifically indicated otherwise, means a company, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual;

“**Completion of the QT**” means the date the Final Exchange Bulletin is issued by the Exchange;

“**Consolidated Shares**” means the common shares without par value in the share capital of Cavalry and the Resulting Issuer, on a post-Consolidated basis, upon Completion of the QT;

“**Consolidation**” means the consolidation being conducted by Cavalry of its outstanding share capital on the basis of 1.66 pre-Consolidation Common Shares for each Consolidated Share;

“**Control Person**” means any person or company that holds or is one of a combination of persons or companies that holds a sufficient number of any of the securities of an issuer so as to affect materially the control of that issuer, or that holds more than 20% of the outstanding voting securities of an issuer except where there is evidence showing that the holder of those securities does not materially affect the control of the issuer;

“**CPC Escrow Agreement**” means the Form 2F CPC Escrow Agreement dated March 10, 2022, among Cavalry, Computershare Investor Services Inc. as Escrow Agent, and the Principals (as defined in the policies of the Exchange) of the Resulting Issuer, including certain of their associates;

“**CPC Policy**” means Policy 2.4 – *Capital Pool Companies* of the Exchange;

“**Edge Minerals**” means Edge Minerals Pty Limited, a wholly owned Western Australian subsidiary of Trek, that through Bellpiper, holds certain mineral rights in Western Australia, including the interest in and to the SWWM Property;

“**Equity Incentive Plan**” means the rolling 10% equity incentive plan to be adopted by the Resulting Issuer upon the completion of the Transaction;

“**Escrow Agent**” means Computershare Investor Services Inc.;

“**Exchange**” means the TSX Venture Exchange;

“**Filing Statement**” means this Filing Statement dated December 12, 2025;

“**Final Exchange Bulletin**” means the Exchange Bulletin which is issued following closing of the Transaction and the submission of all required documentation and that evidences the final Exchange acceptance of the Transaction;

“**Financing**” means a non-brokered private placement offering of 10,960,468 Subscription Receipts at a price of \$0.25 per Subscription Receipt for aggregate gross proceeds of \$2,740,117, which closed on November 20, 2025;

“**Initial Shares**” means the 2,000,000 AEFI Shares issued to Trek on January 31, 2025, all of which were issued as contemplated by the Option Agreement;

“**insider**” if used in relation to an issuer, means:

- (a) a director or senior officer of the issuer;
- (b) a director or senior officer of the company that is an insider or subsidiary of the issuer; or
- (c) a person that beneficially owns or controls, directly or indirectly, common shares carrying more than 10% of the voting rights attached to all outstanding common shares of the issuer; or
- (d) the issuer itself if it holds any of its own securities;

“**Investor Rights Agreement**” means the Investor Rights Agreement dated September 9, 2024, among AEFI and Trek;

“**IPO**” or “**Initial Public Offering**” means a transaction that involves the issuer issuing securities from its treasury pursuant to its first prospectus;

“**NI 43-101**” means National Instrument 43-101 – *Standards for Disclosure of Mineral Projects* adopted by the Canadian Securities Administrators;

“**Non-Arm’s Length Party**” means in relation to a company, a promoter, officer, director, other insider or Control person of that company (including an issuer) and any Associates or Affiliates of any of such persons. In relation to an individual, means any Associate of the individual or any company of which the individual is a promoter, officer, director, insider or Control Person;

“**Non-Arm’s Length Qualifying Transaction**” means a proposed Qualifying Transaction where the same party or parties or their respective Associates or Affiliates are Control Persons in both the CPC and in relation to the Significant Assets which are to be the subject of the proposed Qualifying Transaction;

“**Option Agreement**” means the Option and Acquisition Agreement dated September 9, 2024, as amended on January 31, 2025, May 19, 2025, June 30, 2025, July 28, 2025 and October 22, 2025, among AEFI, Trek, Edge Minerals and Bellpiper;

“**Payment Shares**” means an aggregate of 20,579,938 Consolidated Shares to be issued by Cavalry to the AEFI Shareholders pursuant to the terms of the SEA;

“**person**” means a company or an individual;

“**promoter**” has the meaning specified in section 1(1) of the *Securities Act* (British Columbia);

“**QT**” or “**Qualifying Transaction**” means a transaction where a CPC acquires Significant Assets other than cash, by way of purchase, amalgamation, merger or arrangement with another company or by other means;

“**Related Party Transaction**” has the meaning ascribed to that term under Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*, and includes a related party transaction that is determined by the Exchange to be a Related Party Transaction. The Exchange may deem a transaction to be a Related Party Transaction where the transaction involves Non-Arm’s Length Parties, or other circumstances exist that may compromise the independence of the issuer with respect to the transaction;

“**Report Authors**” means Lynn Widenbar, BSC(Hons), MSc, FAusIMM, MAIG and Lourdes Valle MBA, B.S. (Metallurgical Engineering), the authors of the Technical Report;

“**Resulting Issuer**” means AE Fuels Corporation, which is Cavalry following the Completion of the QT;

“**SEA**” means the Share Exchange Agreement dated July 17, 2025 pursuant to which Cavalry and AEFI propose that the AEFI Shareholders will receive Consolidated Shares of Cavalry in exchange for their AEFI Shares and, as a result of which, AEFI will become the wholly owned subsidiary of Cavalry, on the terms and conditions set forth in the SEA;

“**SWWM Property**” or the “**Project**” means the South Woodie Woodie Manganese Project, in the Eastern Pilbara region of Western Australia, and commonly referred to as the SWWM Property;

“**Significant Assets**” means one or more assets or businesses which, when purchased, optioned or otherwise acquired by the CPC, together with any other concurrent transactions, would result in the CPC meeting the minimum listing requirements of the Exchange;

“**SEDAR+**” means the Canadian System for Electronic Document Analysis and Retrieval+, which can be accessed through the Internet at the SEDAR+ website: www.sedarplus.ca;

“**Subscription Receipt Agent**” means Computershare Trust Company of Canada;

“**Subscription Receipt Agreement**” means the subscription receipt agreement dated November 20, 2025 between Cavalry and the Subscription Receipt Agent, which governs the terms of the Subscription Receipts;

“**Subscription Receipts**” means subscription receipts of Cavalry issued pursuant to the Financing where each subscription receipt shall be convertible into one unit, each comprised of one Consolidated Share and one-half of one Cavalry Warrant upon satisfaction of certain escrow release conditions;

“**Technical Report**” means the technical report on the SWWM Property dated 15 August 2025, prepared by Lynn Widenbar, BSC(Hons), MSc, FAusIMM, MAIG and Lourdes Valle MBA, B.S. (Metallurgical Engineering), titled “*South Woodie Woodie Manganese Project Mineral Resources Pilbara, Western Australia, NI 43-101 Technical*” and prepared in accordance with the requirements of NI 43-101;

“**Transaction**” means the proposed acquisition by Cavalry of all of the issued common shares of AEFI, in accordance with the terms of the SEA, such that AEFI will become a wholly-owned subsidiary of Cavalry, then the Resulting Issuer, and the Resulting Issuer will carry out the business of mineral exploration through AEFI as a Tier 2 mining issuer on the Exchange, which acquisition is intended to serve as Cavalry’s Qualifying Transaction; and

“**Trek**” means Trek Metals Limited, an Australian public company listed on the Australian Securities Exchange (ASX) that owns 100% of the issued capital in Edge Minerals.

FORWARD-LOOKING STATEMENTS & RISKS

The information provided in this Filing Statement may contain forward-looking statements and forward-looking information (within the meaning of applicable securities laws) about Cavalry and/or the Resulting Issuer after giving effect to the Transaction and assuming Completion of the QT. In addition, Cavalry may make or approve certain statements or information in future filings with Canadian securities regulatory authorities, in press releases, or in oral or written presentation by representatives of Cavalry that are not statements of historical fact and may also constitute forward-looking statements or forward-looking information. All statements and information, other than statements of historical fact, made by Cavalry that address activities, events, or developments that Cavalry expects or anticipates will or may occur in the future are forward-looking statements and information, including, but not limited to statements and information preceded by, followed by, or that include words such as “may”, “would”, “could”, “will”, “likely”, “except”, “anticipate”, “believe”, “intends”, “plan”, “forecast”, “project”, “estimate”, “outlook”, or the negative of those words or other similar or comparable words.

These statements involve known and unknown risks, uncertainties and other factors that may cause actual results, events or realities to differ materially from those anticipated in such forward-looking statements. Cavalry believes the expectations reflected in those forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking information included in, or incorporated by reference into, this Filing Statement should not be unduly relied upon. These statements are current only as of the date of this Filing Statement or as of the date specified in the documents incorporated by reference in this Filing Statement, as the case may be.

In particular, this Filing Statement contains forward-looking statements pertaining to, among others, statements relating to the business and future activities of and developments related to the Resulting Issuer; the terms and completion of the Transaction, including without limitation, the Consolidation; market position and future financial or operating performance of the Resulting Issuer; costs and timing of exploration and development and expenditures related thereto; success of exploration activities, estimated exploration budgets; the adequacy of financial resources and requirements for additional capital; the ability to meet contractual commitments; currency fluctuations; planned exploration activities and potential future acquisitions; and other events or conditions that may occur in the future.

Although Cavalry believes the expectations expressed in such forward-looking information are based on reasonable assumptions, investors are cautioned that any such statements are not guarantees of future results or realities and actual results, realities or developments may differ materially from those projected in the forward-looking information. Whether actual results and developments will conform to the expectations and predictions of Cavalry and its management is subject to a number of risks and uncertainties, including those risk factors discussed under Part IV – Risk Factors and elsewhere in this Filing Statement. In particular, if any of the risk factors outlined herein materialize, the expectations and predictions of Cavalry and its management may need to be reevaluated. Consequently, all of the forward-looking information in this Filing Statement is expressly qualified by these cautionary statements and other cautionary statements or factors contained herein, and there can be no assurance that the actual results or developments anticipated by Cavalry and its management will be realized or, even if substantially realized, that they will have the expected consequences for, or effects on, the Resulting Issuer. Statements containing forward-looking information are based on the beliefs, estimates and opinions of Cavalry’s management on the date the statements are made. Unless otherwise required by law, Cavalry expressly disclaims any intention and assumes no obligation to update or revise any statements containing forward-looking information in the event that management’s beliefs, estimates or opinions, or other factors, should change, whether as a result of new information, future events or otherwise, and Cavalry does not have any policies or procedures in place concerning the updating of forward-looking information other than those required under applicable securities laws.

For a more detailed discussion of certain risk factors, see Part IV – Risk Factors.

INFORMATION CONTAINED IN THIS FILING STATEMENT

The information contained in this Filing Statement is given as at the date first written above, except where otherwise noted.

No person has been authorized to give any information or to make any representation in connection with the Transaction and other matters described herein other than those contained in this Filing Statement and, if given or made, any such information or representation should be considered not to have been authorized by Cavalry, AEFI or the Resulting Issuer and should not be relied upon.

The information concerning each party contained in this Filing Statement has been provided by management of that party. Although the parties have no specific knowledge that would indicate that any of such information regarding the other party is untrue or incomplete, the parties assume no responsibility for the accuracy or completeness of information or the failure by the other party to disclose events which may have occurred or may affect the completeness or accuracy of such information which are unknown to that party.

This Filing Statement does not constitute the solicitation of an offer to purchase any securities or the solicitation of a proxy by any person in any jurisdiction.

Information contained in this Filing Statement should not be construed as legal, tax or financial advice and readers are urged to consult their own professional advisers in connection therewith.

All financial information in this Filing Statement has been prepared in accordance with IFRS Accounting Standards, unless otherwise noted. The financial year-end for Cavalry is September 30th. The financial year-end of AEFI is December 31st.

Words importing the singular, where the context requires, include the plural and vice versa and words importing any gender include all genders.

SUMMARY OF FILING STATEMENT

The following is a summary of selected information relating to Cavalry, AEFI, the Transaction and the Resulting Issuer (assuming Completion of the QT) and should be read together with the more detailed information and financial data and statements contained elsewhere, or incorporated by reference, in this Filing Statement.

Refer to the “Glossary of Terms” for the definitions of certain abbreviations and terms used in this Filing Statement.

General

Cavalry is a British Columbia corporation, the Common Shares of which are listed and quoted for trading as a Capital Pool Company on the Exchange. As a CPC, Cavalry’s only business to date has been to identify and evaluate businesses or assets with a view to completing a QT. Cavalry has not conducted commercial operations other than entering into the SEA. The Transaction, as contemplated by the SEA, is intended to serve as Cavalry’s Qualifying Transaction pursuant to CPC Policy.

AEFI is a private Delaware mineral exploration and development company engaged in the discovery, extraction and purification of critical minerals projects in Australia and the USA. No public market exists for the securities of AEFI.

This Filing Statement has been prepared in accordance with CPC Policy and Exchange Form 3B2 – *Information Required in a Filing Statement for a Qualifying Transaction*. Assuming completion of the Transaction, the Resulting Issuer will own 100% of the issued capital of AEFI, the Resulting Issuer will acquire the 100% interest in the SWWM Property by way of the acquisition of Edge Minerals and Bellpiper and, upon issuance of the Final Exchange Bulletin, the Resulting Issuer will be a Tier 2 mining issuer pursuant to the policies of the Exchange and intends to carry out exploration on the SWWM Property.

The Transaction

Pursuant to the SEA, Cavalry will acquire all of the outstanding AEFI Shares, on a one-for-one basis, in exchange for the Payment Shares at a deemed issue price of \$0.25 per Payment Share. The Payment Shares will be subject to escrow and seed share resale restrictions pursuant to the policies of the Exchange and/or the terms of the SEA.

The SEA also provides for, among other things:

- acceptance of the Transaction by the AEFI Shareholders;
- acceptance of the Transaction by the Exchange (see in Part I – Information Concerning Cavalry, “The Transaction”); and
- the condition for Cavalry to complete the Financing, which was completed on November 20, 2025 (see in Part I – Information Concerning Cavalry, “The Transaction - The Financing” and in Part III – Information Concerning the Resulting Issuer, “Available Funds and Principal Purposes”).

Following Completion of the QT, the Resulting Issuer’s primary business objective is to complete the exploration and project development programs on the SWWM Property recommended in the Technical Report.

See Part I – Information Concerning Cavalry – The Transaction, Part II - Information Concerning AEFI - Narrative Description of the Business – The SWWM Property, Part III – Information Concerning the Resulting Issuer, “Narrative Description of the Business – Business Objectives and Milestones”, “Pro Forma Consolidated Capitalization”, “Fully Diluted Share Capital”, “Available Funds and Principal Purposes”, “Directors, Officers and Promoters”, “Executive Compensation” and “Escrowed Securities” and also Part IV – Risk Factors.

The Financing

In connection with the Transaction and as a condition precedent to Closing under the terms of the SEA, Cavalry completed the Financing on November 20, 2025 pursuant to which it issued 10,960,468 Subscription Receipts at a price of \$0.25 per Subscription Receipt for gross proceeds of \$2,740,117.

See Part I – Information Concerning Cavalry – The Transaction – The Financing.

Interest of Insiders, Promoters or Control Persons

As of the date of this Filing Statement, the shareholdings of each insider, promoter and Control Person of Cavalry and their respective Associates and Affiliates, before and after giving effect to the Transaction, are as set out in the table below. Information as to ownership of shares has been extracted from insider reports filed by the individual and publicly available through the Internet at the website for the Canadian System for Disclosure by Insiders (SEDI) at www.sedi.ca or has been provided by the individual.

Insiders, promoters or Control Persons of Cavalry (and their Associates and/or Affiliates)	Common Shares owned before and after Completion of the QT			
	Before		After	
	No. of Common Shares	Percentage of Common Shares outstanding	No. of Consolidated Shares ⁽³⁾	Percentage of Consolidated Shares outstanding
Brandon Bonifacio ⁽¹⁾	500,000	7.74%	301,205 ⁽²⁾	0.73%
Giulio Bonifacio	500,000	7.74%	301,205 ⁽²⁾	0.73%
Brock Daem	500,000	7.74%	301,205 ⁽²⁾	0.73%
Adam Garvin	200,000	3.09%	120,482 ⁽²⁾	0.29%
John MacPhail	500,000	7.74%	301,205 ⁽²⁾	0.73%

⁽¹⁾ Current director and/or officer of Cavalry and is a proposed director of the Resulting Issuer (see Part III – Information Concerning the Resulting Issuer – Directors, Officers and Promoters).

⁽²⁾ These shares are subject to escrow restrictions and will remain subject to escrow following Completion of the QT in accordance with the terms of the CPC Escrow Agreement (see Part III – Information Concerning the Resulting Issuer - Escrowed Securities).

No insider, promoter or Control Person of Cavalry, nor any of their respective Associates and Affiliates (before and after giving effect to the Transaction and assuming Completion of the QT), will receive any consideration as a result of the Transaction and Completion of the QT, should the Transaction complete and the QT proceed.

See Part I – Information Concerning Cavalry – The Transaction and see in Part III – Information Concerning the Resulting Issuer, “Directors, Officers and Promoters”, “Management”, “Promoter Consideration” and “Escrowed Securities”; and see also Part IV – Risk Factors.

Arm’s Length Transaction

The Transaction was negotiated by the parties dealing at arm’s length with each other and, in accordance with the policies of the Exchange, is an Arm’s Length Transaction and not a Non-Arm’s Length Qualifying Transaction. See in Part I – Information Concerning Cavalry, “Arm’s Length Transaction”.

As the Transaction is not a Non-Arm’s Length Qualifying Transaction, Cavalry will not be obtaining the approval Cavalry shareholders for the Transaction.

Available Funds and Principal Purposes

Available Funds

Based on the working capital of both Cavalry and AEFI, it is anticipated that \$2,694,777 will be available for the Resulting Issuer to fund its operations after giving effect to the Transaction.

Principal Purposes

The Resulting Issuer proposes using the funds available to it as follows:

<u>Use of Available Funds</u>	<u>CAD \$</u>
Estimate of balance of the costs related to Completion of the QT, including legal and audit fees and other expenses of Cavalry, plus financing and share issue costs	310,000
Estimate of listing fees and applicable taxes payable to the Exchange on Completion of the QT	10,000
Payable by the Resulting Issuer to Trek in accordance with the terms of the Option Agreement on or before Closing ⁽¹⁾	400,770 ⁽²⁾
Proposed expenditure on the SWWM Property ⁽³⁾	1,075,000
Proposed expenditure on the Fluorite Ridge Property ⁽⁴⁾	100,000
Estimated general and administrative expenses for 12 months following Completion of the QT ⁽⁵⁾	610,000
Unallocated working capital	189,007
Total	<u><u>\$2,694,777</u></u>

⁽¹⁾ See in Part II – Information Concerning AEFI, “General Development of the Business – Acquisition of the SWWM Property” and “Narrative Description of the Business – The SWWM Property”.

⁽²⁾ AU\$450,000 converted to Canadian dollars at an exchange rate of 0.8906 as at 07.31.2025.

⁽³⁾ The Technical Report recommends an exploration program of \$580,000. An additional \$495,000 will be spent on environmental studies and advancing metallurgical test work and process and flow sheet development. See Part II – Information Concerning AEFI and Appendix 6. See also in Part III – Information Concerning the Resulting Issuer, “Narrative Description of the Business – Business Objectives and Milestones”.

⁽⁴⁾ Fees for filing with US Bureau of Land Management and recording with Luna Count, New Mexico, USA.

⁽⁵⁾ General and administrative expenses of the Resulting Issuer following Completion of the QT are estimated as: legal (\$50,000), audit (\$70,000), regulatory fees (\$47,000), CEO & CFO compensation (\$156,000), travel and marketing (\$100,000), rent and utilities (\$10,000) and office and administrative expenses (\$177,000). See also Part III – Information Concerning the Resulting Issuer – Executive Compensation.

There may be circumstances where, for sound business reasons, the reallocation of funds may be necessary in order for the Resulting Issuer to achieve its stated business objectives. See Part III - Information Concerning the Resulting Issuer – Available Funds and Principal Purposes.

Selected Pro Forma Financial Information

Pro forma interim consolidated statement of financial position as at September 30, 2025

Total assets	\$5,437,684
Total current liabilities	\$214,952
Total long-term liabilities	\$-
Total shareholders' equity	\$5,222,732

See Part III – Information Concerning the Resulting Issuer – Pro Forma Consolidated Capitalization and Appendix 4 – Pro Forma Consolidated Statement of Financial Position of the Resulting Issuer.

Details Respecting Cavalry's Listing

Cavalry's Common Shares were listed for trading on the Exchange commencing May 4, 2022, under symbol CVY.P, following completion of Cavalry's initial public offering.

The closing price of Cavalry's Common Shares on the Exchange on May 15, 2025, the last day of trading prior to the halt, was \$0.17 per share. Trading of the Consolidated Shares on the Exchange is expected to be reinstated on Completion of the QT. Upon the Completion of the QT, it is proposed that the Resulting Issuer will be a Tier 2 mining issuer under the policies of the Exchange. See Part I – Information Concerning Cavalry – Stock Exchange Price.

Conditional Listing Acceptance

The Exchange has conditionally accepted the Transaction subject to Cavalry fulfilling all of the requirements of the Exchange.

Change of Name

Subject to Exchange acceptance, concurrent with Closing, Cavalry intends to change its name to AE Fuels Corporation and AEFI's name will remain the same. See Part III – Information Concerning the Resulting Issuer – Name and Incorporation.

Consolidation

Subject to Exchange acceptance, concurrent with Closing, Cavalry intends to consolidate its outstanding share capital on the basis of 1.66 pre-Consolidation Common Shares for each Consolidated Share. See Part I – Information Concerning Cavalry – The Transaction.

Conflicts of Interest

Conflicts of interest may arise as a result of the directors, officers and promoters of Cavalry also holding positions as directors or officers of other companies. Some of those individuals have been and will continue to be engaged in the identification and evaluation of assets, businesses and companies on their own behalf and on behalf of other companies, and situations may arise where the directors, officers and promoters of Cavalry will be in direct competition with Cavalry. See in Part III - Information Concerning the Resulting Issuer, "Directors, Officers and Promoters" and "Conflicts of Interest".

Interests of Experts

None of the persons or companies whose profession or business gives authority to a statement made by the person or company and who is named as having prepared or certified a part of this Filing Statement or as having prepared or

certified a report or valuation described or included in this Filing Statement holds or is to hold any beneficial interest, direct or indirect, in any securities or property of Cavalry, or of an associate or affiliate of Cavalry or the Resulting Issuer; nor is or is expected to be elected, appointed or employed as a director, officer or employee of the Resulting Issuer or of any associate or affiliate of the Resulting Issuer. See Part V – General Matters –Experts.

Summary of Risk Factors

An investment in the Common Shares and the Consolidated Shares (both before and after Completion of the QT) should be considered highly speculative due to Cavalry's current status as a Capital Pool Company and the nature of the proposed business of the Resulting Issuer, being mineral exploration and development.

Completion of the QT is subject to a number of conditions including, but not limited to, final Exchange acceptance of the Transaction, including the Financing. There can be no assurance that the Transaction will be completed as proposed, or at all. The Transaction and the Financing may not receive final Exchange acceptance.

There are a number of risks relevant to the Resulting Issuer as a result of the proposed Transaction including, but not limited to current shareholders of Cavalry will experience dilution as a result of the Transaction and the Financing; uncertainty as to the use of proceeds; limited cash resources; and potential tax consequences for the AEFI Shareholders.

Further, AEFI has a limited operating history and has no operating revenues and is unlikely to generate any revenues from operations in the near future. The value of the Resulting Issuer's mineral properties will be heavily influenced by mineral and commodity prices. There is no assurance that additional funding will be available to the Resulting Issuer for further exploration and development of its projects upon Completion of the QT or to fund the Resulting Issuer's operations in general, or that the Resulting Issuer will be able to obtain or, once obtained, maintain all necessary licenses and permits required to carry out exploration, development and mining operations at its proposed projects, particularly surface rights access, water access and environmental permits. The remote location of the SWWM Property may constrain the Resulting Issuer's access to and operations at the site at certain times of the year as a result of severe weather and otherwise. There can be no assurance that all permits which the Resulting Issuer may require for construction of mining facilities and conduct of mining operations, particularly surface rights access, water access and environmental permits, will be obtainable on reasonable terms or that compliance with such laws and regulations would not have an adverse effect on the profitability of any mining project that the Resulting Issuer might undertake. Cavalry is, and the Resulting Issuer will be, dependent on a relatively small number of key personnel and third party contractors, the loss of any one of whom could have an adverse effect on the Resulting Issuer. As of the date of this Filing Statement, Cavalry has not purchased, nor is it the current intention of the Resulting Issuer to purchase, "key-man" insurance with respect to any of its directors or officers. The directors and officers of Cavalry and of the Resulting Issuer may be faced with conflicts of interest in discharging their obligations to Cavalry and the Resulting Issuer. Cavalry does not have, nor will the Resulting Issuer have, insurance to adequately protect itself against certain risks associated with mineral exploration. The lands in which the Resulting Issuer will hold an interest, or the exploration equipment and roads or other means of access which the Resulting Issuer intends to utilize in carrying out its work programs or general business mandates, are subject to certain interests or claims by third party individuals, groups or companies and may be subject to other interests. The market price of a publicly-traded stock is affected by many variables not directly related to the corporate performance of the Resulting Issuer, including the market in which it is traded, the strength of the economy generally, the availability and attractiveness of alternative investments, and the breadth of the public market for the stock.

For a more detailed description of these risks, and others, see Part IV – Risk Factors.

PART I - INFORMATION CONCERNING CAVALRY CAPITAL CORP.

Name and Incorporation

Cavalry Capital Corp. (“**Cavalry**”) was incorporated pursuant to the provisions of the British Columbia *Business Corporations Act* on March 19, 2021 under the name “1295342 B.C. Ltd.”. On August 26, 2021, Cavalry filed a Notice of Alteration to change its name to “Cavalry Capital Corp.”.

The head office and the registered office of Cavalry is located at Suite 1400 – 1050 West Pender Street, Vancouver, BC V6E 3S7.

General Development of the Business

After incorporation, Cavalry applied to be listed on the Exchange as a Capital Pool Company and completed its IPO of 3,962,500 Common Shares at an issue price of \$0.10 per Common Share for gross proceeds of \$396,250 on May 4, 2022. Venum Financial Corp. (formerly, PI Financial Corp.) (“**Venum**”) acted as the agent for the IPO pursuant to the agency agreement dated March 15, 2022 (the “**Agency Agreement**”) between Cavalry and Venum. Pursuant to the Agency Agreement, Venum received a cash commission of \$39,625, a corporate finance fee and 396,250 Agent’s Warrants (as defined below).

Having met the requirements under the Exchange’s CPC Policy, its Common Shares were listed and quoted for trading on the Exchange commencing May 4, 2022, under symbol CVY.P. See Part I – Information Concerning Cavalry – Stock Exchange Price.

As a CPC, Cavalry’s only business to date has been to identify and evaluate businesses or assets with a view to completing a QT.

Cavalry entered into the SEA between Cavalry and AEFI pursuant to which Cavalry will acquire by way of a share exchange all of the AEFI Shares and AEFI will become a wholly-owned subsidiary of the Resulting Issuer. See “The Transaction”.

Cavalry has not yet conducted commercial operations other than entering into the SEA.

Upon issuance of the Final Exchange Bulletin in connection with the Transaction and on Completion of the QT, the Resulting Issuer will be a Tier 2 mining issuer pursuant to the policies of the Exchange and initially intends to carry out exploration and development of the SWWM Property. See Part II – Information Concerning AEFI.

The Transaction

The following is a summary of the Transaction and the SEA. This summary does not purport to be a complete summary of the SEA and is qualified in its entirety by reference to the full text of the SEA, a copy of which is available for review under Cavalry’s SEDAR+ profile at www.sedarplus.ca.

Upon completion of the Transaction contemplated by the SEA all of the issued and outstanding AEFI Shares will be exchanged for Consolidated Shares in the capital of Cavalry at the ratio of one-for-one. Accordingly, the currently issued and outstanding 20,579,938 AEFI Shares will be exchanged for 20,579,938 Payment Shares. As a result, Cavalry will own 100% of AEFI and its assets, including its interest in the SWWM Property, and as of the date of this Filing Statement, the AEFI Shareholders will own approximately 50.0% of the then issued and outstanding Consolidated Shares of the Resulting Issuer.

The Transaction was negotiated by the parties dealing at arm’s length with each other and, in accordance with the policies of the Exchange, it is an Arm’s Length Transaction and not a Non-Arm’s Length Qualifying Transaction. See Part I – Information Concerning Cavalry – Arm’s Length Transaction.

Exchange Approval

The Exchange has conditionally accepted the Transaction subject to Cavalry fulfilling all of the requirements of the Exchange. The Transaction is subject to, and conditional upon, the final approval of the Exchange, which has not been obtained as at the date of this Filing Statement. There is no guarantee that Exchange approval will be given.

Conditions Precedent to Closing

The respective obligations of Cavalry and AEFI to complete the transactions contemplated by the SEA are subject to a number of conditions which must be satisfied or waived in order for the Transaction to be completed. There is no assurance that these conditions will be satisfied or waived on a timely basis or at all. The following significant conditions, among others, are contained in the SEA:

- (a) the completion by Cavalry of the Financing, the Consolidation and the change of name of Cavalry to “AE Fuels Corporation”, or such other name as determined by AEFI;
- (b) the exercise by AEFI of the option under the Option Agreement to indirectly acquire a 100% interest in the SWWM Property;
- (c) the Resulting Issuer satisfying the minimum listing requirements of the Exchange for a Tier 2 mining issuer the Exchange having conditionally approved the Listing on the Exchange of the shares of the Resulting Issuer including the shares of the Resulting Issuer to be issued pursuant to the Transaction;
- (d) the board of directors of Cavalry having procured duly executed resignations and mutual releases in favour of Cavalry effective as at the Closing from each director and officer of Cavalry who will no longer be serving in such capacity following completion of the Transaction; and
- (e) other conditions precedent customary for a transaction such as the Transaction.

Closing of the Transaction

Cavalry currently anticipates that Closing of the Transaction will occur on or before December 31, 2025. As soon as the date for Closing has been determined, notice thereof will be disseminated Cavalry by news release.

The Financing

Cavalry completed the Financing on November 20, 2025 pursuant to which it issued 10,960,468 Subscription Receipts at an issue price of \$0.25 per Subscription Receipt for aggregate gross proceeds of \$2,740,117. In connection with the Financing, Cavalry has agreed to pay aggregate cash finder’s fees of \$102,275 and grant an aggregate of 409,100 non-transferable finder warrants of Cavalry (each, a “**Finder Warrant**”) to arm’s length finders of Cavalry. Each Finder Warrant entitles the holder thereof to purchase one Consolidated Share at an exercise price of \$0.35 per share, for a period of 24 months from the escrow release date of the Subscription Receipts. A total of \$30,875 of the cash finder’s fee were paid and 123,500 Finder Warrants were issued on closing of the Financing, with the remainder to be settled upon the escrow release date of the Subscription Receipts.

The Subscription Receipts are governed by the terms of the Subscription Receipt Agreement between Cavalry and the Subscription Receipt Agent. The Subscription Receipt Agreement provides that, upon the satisfaction or waiver of the escrow release conditions and the delivery of an escrow release notice to a Subscription Receipt Agent on or before a December 31, 2025, or such later date as determined in accordance with the Subscription Receipt Agreement, each Subscription Receipt will be automatically converted and exchanged, without any further action on the part of the holder thereof and for no additional consideration, immediately prior to the completion of the Transaction into one unit, each comprised of one Consolidated Share and one-half of one Cavalry Warrant. Each whole Cavalry Warrant issued on conversion of the Subscription Receipts will be exercisable to purchase one Consolidated Share at an exercise price of \$0.35 per Consolidated Share for a period of 24 months from the escrow release date for the Subscription Receipts.

The securities issued in the Financing are subject to a four-month hold period expiring on March 21, 2026 in accordance with applicable securities laws and the policies of the Exchange.

The gross proceeds of the Financing were deposited in escrow (such funds collectively with any interest earned thereon, the “**Escrowed Funds**”) with the Subscription Receipt Agent. The Escrowed Funds will be released from escrow to Cavalry immediately prior to the closing of the Transaction upon the satisfaction or waiver of the following conditions (the “**Escrow Release Conditions**”):

- (a) the completion or satisfaction or waiver of all conditions precedent to the Transaction, other than the release of the Escrowed Funds and any conditions which will be satisfied concurrently with the Closing; and
- (b) Cavalry having delivered a notice to the Subscription Receipt Agent confirming that the condition set forth in (a) above has been satisfied or waived.

In the event that the Escrow Release Conditions are not satisfied or waived by a certain deadline or, if prior to such time, Cavalry advises the Subscription Receipt Agent that it does not intend to, or that it cannot, satisfy the Escrow Release Conditions, then the issued and outstanding Subscription Receipts shall be cancelled and terminated and the Escrowed Funds shall be returned to the subscribers of the Subscription Receipts.

Other than in connection with the Financing, no finder’s fee or commission was paid or is payable in relation to the Transaction.

Escrow and Resale Restrictions on the Payment Shares

Certain of the Payment Shares to be issued by Cavalry under the SEA in exchange for certain of the AEFI Shares will be subject to escrow and seed share resale restrictions (see Part III – Information Concerning the Resulting Issuer – Escrowed Securities).

Change of Name

Subject to Exchange acceptance and concurrent with Closing, Cavalry, then the Resulting Issuer, intends to change its name to “AE Fuels Corporation” and AEFI’s name will remain the same. See Part III – Information Concerning the Resulting Issuer – Name and Incorporation.

Management’s Discussion and Analysis

Cavalry’s Management’s Discussion and Analysis provides an analysis of Cavalry’s financial results for the year ended September 30, 2024, and for the nine-month period ended June 30, 2025, respectively, and should be read in conjunction with the financial statements of Cavalry for those periods, and the notes thereto respectively. Cavalry’s Management’s Discussion and Analysis is attached to this Filing Statement as Appendix 2 and has also been electronically filed with regulators by Cavalry and is available for viewing on SEDAR+ under Cavalry’s issuer profile.

Certain information included in Cavalry’s Management’s Discussion and Analysis is forward-looking and based upon assumptions and anticipated results that are subject to uncertainties. Should one or more of these uncertainties materialize or should the underlying assumptions prove incorrect, actual results may vary significantly from those expected. See “Forward-Looking Statements and Risks” for further detail.

Description of the Securities

Common Shares

Cavalry is authorized to issue an unlimited number of Common Shares of which, as of the date of this Filing Statement, 6,462,500 Common Shares are issued and outstanding as fully paid and non-assessable. Holders of Common Shares are entitled to dividends if, as and when declared by the directors, to one vote per Common Share at meetings of

shareholders and, upon liquidation, dissolution or winding-up of Cavalry, to share ratably the remaining assets of Cavalry as are distributable to holders of Common Shares after payment of all outstanding debts. The Common Shares are not subject to call or assessment rights, redemption rights, rights regarding purchase for cancellation or surrender, or any pre-emptive or conversion rights.

See in this Part I, “The Transaction” for details of securities proposed to be issued on Closing of the Transaction; and see in Part III – Information Concerning the Resulting Issuer, “Description of the Securities”, “Pro Forma Consolidated Capitalization” “Options to Purchase Securities” and “Fully Diluted Share Capital”.

Stock Option Incentive Plan

In conjunction with Cavalry’s IPO and listing on the Exchange, Cavalry’s Board of Directors adopted a stock option incentive plan (the “**Cavalry Option Plan**”), which allows Cavalry to grant Cavalry Options to attract, retain and motivate qualified directors, officers, employees and consultants of the Cavalry and its subsidiaries (collectively, the “**Cavalry Option Plan Participants**”).

During the time the Cavalry is a CPC, the Cavalry may only grant Cavalry Options to a director or officer of the Cavalry and where permitted by applicable securities legislation, a technical consultant whose particular industry expertise in relation to the business of the Vendors (as defined in Policy 2.4 of the Exchange) or the Target Company (as defined in Policy 2.4 of the Exchange), as the case may be, is required to evaluate the proposed Qualifying Transaction, or a company, all of whose securities are owned, directly and indirectly, by such a director, officer or technical consultant.

Number of Common Shares Issuable

While Cavalry is a CPC the aggregate number of Common Shares which may be subject to issuance pursuant to Cavalry Options granted under the Cavalry Option Plan shall not exceed 10% of the issued and outstanding Common Shares of the Cavalry as at the closing of its IPO, and after the completion of the Cavalry’s Qualifying Transaction the maximum number of Common Shares reserved under the Cavalry Option Plan shall be up to 10% of the issued and outstanding Common Shares of the Cavalry at any time any Cavalry Options are granted. The aggregate number of Common Shares to be delivered upon the exercise of all Cavalry Options granted under the Cavalry Option Plan shall not exceed the maximum number of shares permitted under the rule of any stock exchange on which Common Shares are then listed or other regulatory body having jurisdiction.

Limits on Participation

The number of Common Shares reserved for issuance to any one person pursuant to Cavalry Options granted under the Cavalry Option Plan, together with any Common Shares reserved for issuance pursuant to Cavalry Options granted to that person during the previous 12 months in the case that the Cavalry is a Tier 2 Issuer (as defined in the policies of the Exchange), shall not exceed 5% of the issued and outstanding Common Shares at the time of granting of the Cavalry Options, provided that the aggregate number of Cavalry Options granted to each of the following categories of optionee must not exceed 2% of the outstanding Common Shares at the time of grant unless the Exchange permits otherwise:

- (i) consultants (for technical consultants, the number of Common Shares reserved under option for issuance to all technical consultants may not exceed 2% of the Common Shares outstanding as at the date of grant of any Cavalry Option); and
- (ii) persons employed in investor relations activities on behalf of the Cavalry (provided that while the Cavalry is a CPC, it must not grant any Cavalry Options to such persons employed in investor relations activities).

No Cavalry Option may be granted by Cavalry unless the optionee first enters into the CPC Escrow Agreement agreeing to deposit the Cavalry Option, and the Common Shares acquired pursuant to the exercise of such Cavalry Option, into escrow as described in Part 10 of Policy 2.4.

Administration

The plan administrator of the Cavalry Option Plan will be the Cavalry Board of Directors or a committee of the Cavalry Board of Directors, if delegated. If a committee is appointed, it will provide recommendations to the Cavalry Board of Directors, including on the following: resolution of questions arising in respect of the administration, interpretation and application of the Cavalry Option Plan; reconciliation of any inconsistency or defect in the Cavalry Option Plan in such manner and to such extent as shall reasonably be deemed necessary or advisable to carry out the purpose of the Cavalry Option Plan; determination of the Cavalry Option Plan Participants to whom, and when, options should be granted, as well as the number of Common Shares subject to each option; determination of the terms and conditions of the option agreement to be entered into with any optionee, consistent with the Cavalry Option Plan; and determination of the duration and purpose of leaves of absence from employment which may be granted to optionees without constituting a termination of employment for purposes of the Cavalry Option Plan.

Exercise of Cavalry Options

Cavalry Options shall be exercisable as determined by the Cavalry Board of Directors at the time of grant, provided that no Cavalry Option shall have a term exceeding 10 years.

Subject to the discretion of the Board of Directors, the options granted under the Cavalry Option Plan shall fully vest on the date of grant of such options.

The exercise price of a Cavalry Option granted prior to the IPO could not be less than the lowest price at which seed shares were issued by Cavalry. The exercise price of a Cavalry Option granted after the closing of the IPO cannot be less than the Discounted Market Price (as defined in Policy 1.1 – *Interpretation* of the Exchange).

Amendment or Termination of the Cavalry Option Plan

Subject to any necessary regulatory approvals, the Cavalry Option Plan may be suspended or terminated at any time by the Cavalry Board of Directors, provided that no such suspension or termination shall alter or impact any terms and conditions under a Cavalry Option previously granted without the written consent of the Cavalry Option Plan Participants.

Termination of Stock Options

If a Cavalry Option Plan Participant dies prior to the expiry of their Cavalry Options, their legal representatives may exercise the Cavalry Options by the earlier of one year from the date of death, and the expiry date of the Cavalry Options. If a Cavalry Option Plan Participant ceased to be engaged with the Cavalry other than death, their Cavalry Options will terminate within a reasonable time determined by the Cavalry Board of Directors, not exceeding one year from the date of termination. While Cavalry is a CPC, where a Cavalry Option Plan Participant does not continue with the Resulting Issuer, the Cavalry Options will terminate within a period of 12 months following the date that they cease to be a director, officer, consultant or employee of the Resulting Issuer.

As of the date of this Filing Statement, there are 613,938 Cavalry Options outstanding under the Cavalry Option Plan held by directors and officers of Cavalry. Each Cavalry Option is exercisable for one Common Share at an exercise price of \$0.05 per Common Share until May 4, 2027.

See in Part III – Information Concerning the Resulting Issuer, “Escrowed Securities”.

Subscription Receipts

A total of 10,960,468 Subscription Receipts are outstanding as at the date of this Filing Statement. Upon satisfaction of the Escrow Release Conditions, each Subscription Receipt will convert into one Consolidated Share and one-half of one Cavalry Warrant. Each whole Cavalry Warrant issued on conversion of the Subscription Receipts will be exercisable to purchase one Consolidated Share at an exercise price of \$0.35 per Consolidated Share for a period of

24 months from the escrow release date for the Subscription Receipts. See Part I – Information Concerning Cavalry – The Financing for further information on the Subscription Receipts.

Share Purchase Warrants

In conjunction with Cavalry’s IPO and listing on the Exchange, Cavalry granted to its agent 396,250 non-transferable warrants (the “**Agent’s Warrants**”) to acquire Common Shares at an exercise price of \$0.10 per Common Share, exercisable until May 4, 2027. Cavalry may accelerate, in its sole discretion, the expiry date of the Agent’s Warrants in the event that the volume weighted average closing price of the issued and outstanding Common Shares is greater than \$0.40 per Common Share for a period of 10 consecutive trading days. As of the date of this Filing Statement, all of the Agent’s Warrants are still outstanding.

A total of 123,500 Finder Warrants are outstanding as at the date of this Filing Statement. Each Finder Warrant entitles the holder thereof to purchase one Consolidated Share at an exercise price of \$0.35 per share, for a period of 24 months from the escrow release date of the Subscription Receipts. See Part I – Information Concerning Cavalry – The Financing for further information on the Finder Warrants.

Prior Sales

Since the date of its incorporation, Cavalry has issued Common Shares as follows:

Date	Number of Common Shares	Method of Sale	Price per Common Share
March 19, 2021	1 ⁽¹⁾	Seed (cash)	\$1.00
May 13, 2021	2,500,000 ⁽²⁾	Seed (cash)	\$0.05
May 4, 2022	3,962,500	IPO (cash)	\$0.10

⁽¹⁾ This share, issued on incorporation of Cavalry, was repurchased by Cavalry and cancelled on May 13, 2021.

⁽²⁾ These Common Shares were issued to directors and officers of Cavalry, all Non-Arm’s Length Parties to Cavalry. See “Summary of Filing Statement – Interests of Insiders, Promoters or Control Persons” and see also in Part III – Information Concerning the Resulting Issuer, “Escrowed Securities”.

For detail of incentive stock options previously granted by Cavalry to its directors and officers, see “Stock Option Incentive Plan” above.

Stock Exchange Price

The Common Shares are listed on the Exchange under the trading symbol “CVY.P”. The closing price of the Common Shares on May 15, 2025 being the last trading day before the Cavalry Shares were halted from trading on the Exchange, was \$0.17.

The following table sets out trading information for the Common Shares for the periods indicated:

Period	High (\$)	Low (\$)	Volume
May 1, 2025 to May 15, 2025 ⁽¹⁾	0.17	0.17	0
April 2025	0.17	0.17	569
March 2025	0.17	0.01	76,000
February 2025	0.1	0.035	7,000
January 2025	0.05	0.035	10,000
December 2024	0.075	0.05	1,000
November 2024	0.075	0.075	38
October 2024	0.075	0.075	252
September 2024	0.075	0.075	1,000

Period	High (\$)	Low (\$)	Volume
August 2024	0.5	0.05	1,500

⁽¹⁾ Trading of Cavalry's Common Shares was halted on May 16, 2025 in accordance with the policies of the Exchange.

Non-Arm's Length Transactions

Other than executive compensation and as disclosed below, there has been no acquisition of assets or services or provision of assets or services in any transaction, or in any proposed transaction, where Cavalry has obtained or proposes to obtain such assets or services from: (a) any director or officer of Cavalry; (b) a securityholder disclosed in the Filing Statement as a principal securityholder, either before or after giving effect to the Qualifying Transaction; or (c) an Associate or Affiliate of any of the persons or companies referred to in paragraphs (a) or (b) above.

Cavalry pays a retainer to a company controlled by Adam Garvin, the Chief Financial Officer and Corporate Secretary of Cavalry, for accounting and advisory services. See the financial statements of Cavalry included as Appendix 1 to this Filing Statement for further information.

Arm's Length Transaction

The Transaction was negotiated by the parties dealing at arm's length with each other and in accordance with the policies of the Exchange is not a Non-Arm's Length Qualifying Transaction as that term is defined in the policies of the Exchange. As such, the Transaction is not a Related Party Transaction and is considered to be an Arm's Length Transaction as both those terms are defined in the policies of the Exchange. See Part I – Information Concerning Cavalry – The Transaction.

Legal Proceedings

To Cavalry's knowledge, Cavalry is neither a party to, nor is any of its property the subject matter of, any legal proceedings, nor are any such proceedings known to Cavalry to be contemplated by any party since the beginning of the fiscal year ended September 30, 2024, being the most recently completed financial year for which Cavalry financial statements are being included in this Filing Statement.

There have been no penalties or sanctions imposed against Cavalry by a court relating to provincial and territorial securities legislation or by a securities regulatory authority within the three years immediately preceding the date of this Filing Statement and there have been no other penalties or sanctions imposed against Cavalry that would be necessary to be disclosed for this Filing Statement to contain full, true and plain disclosure of all material facts relating to Cavalry. Cavalry has not entered into any settlement agreements with a court relating to provincial and territorial securities legislation or with a securities regulatory authority within the three years immediately preceding the date of this Filing Statement.

Auditor

The auditor of Cavalry is DMCL LLP, Chartered Professional Accountants, of Suite 1500, 1140 West Pender Street, Vancouver, British Columbia, V6E 4G1. Upon Completion of the QT and as of the date of this Filing Statement, it is proposed that the Resulting Issuer's auditor will be AEFI's current auditor, Baker Tilly WM LLP. See Part III – Information Concerning the Resulting Issuer – Auditor.

Transfer Agent and Registrar

The transfer agent and registrar for Cavalry's Common Shares is Computershare Investor Services Inc., 3rd Floor, 510 Burrard Street, Vancouver, British Columbia V6C 3B9, and Computershare will continue as transfer agent and registrar of the Resulting Issuer upon Completion of the QT. See Part III – Information Concerning the Resulting Issuer – Transfer Agent and Registrar.

Material Contracts

Other than contracts entered into in the ordinary course of business, Cavalry has not entered into any contracts material to investors, other than:

- (a) the CPC Escrow Agreement, which is described in detail at Part III – Information Concerning the Resulting Issuer – Escrowed Securities;
- (b) the SEA, which is described in detail at Part I – Information Concerning Cavalry – The Transaction;
- (c) the Agency Agreement, which is described in detail at Part I – Information Concerning Cavalry – General Development of the Business; and
- (d) the Subscription Receipt Agreement, which is described in detail at Part I – Information Concerning Cavalry – The Financing.

Copies of these agreements may be inspected, without charge, at the registered office of Cavalry at Suite 1400 – 1050 West Pender Street, Vancouver, BC V6E 3S7, during normal business hours until the date of Closing and for a period of 30 days thereafter. The above-noted agreements have also been electronically filed with regulators by Cavalry and are available for viewing on SEDAR+ under Cavalry’s issuer profile.

All information contained in this Filing Statement with respect to AEFI was supplied by AEFI for inclusion herein. Cavalry has no knowledge that would indicate that any statements or information contained herein as provided by or about AEFI are untrue or incomplete, and notwithstanding Cavalry has completed reasonable due diligence with respect to AEFI and the Transaction, Cavalry assumes no responsibility for the accuracy of the information relating to AEFI that is contained in this Filing Statement or for any failure by AEFI to disclose events which may have occurred or may affect the significance or accuracy of any such information.

PART II - INFORMATION CONCERNING ADVANCED ENERGY FUELS, INC.

Name and Incorporation

Advanced Energy Fuels, Inc. was incorporated pursuant to the *General Corporation Law* of the State of Delaware on July 17, 2024. AEFI's head office is located at Level 14, 5 Martin Place, Sydney, NSW, 2000 and its registered office address is 251 Little Falls Drive, Wilmington, Delaware, 19808.

Inter-corporate Relationships

As of the date of this Filing Statement, AEFI holds:

- 100% of the issued capital of AEFI NM; and
- 49.9% of the issued ordinary share capital of AEFI AUST, which equates to 100% of the voting and dividend participation rights.

General Development of the Business

AEFI is a private Delaware mineral exploration and development company engaged in the discovery, extraction and purification of critical minerals projects in Australia and the USA. AEFI has an option to purchase from Trek 100% of the issued capital of Edge Minerals, which, through Bellpiper, is the sole and exclusive owner of the SWWM Property.

The SWWM Property, located in the Eastern Pilbara region of Western Australia, is a contiguous group of 10 granted exploration licences and one retention licence, collectively covering 518.52 km² within the Balfour Downs Sub-Basin. The SWWM Property includes the Contact and Contact North manganese deposits. Details with respect to exploration conducted by AEFI and previous owners on the SWWM Property are included in the Technical Report, as defined and described herein and which is attached to this Filing Statement as Appendix 6.

See in this Part II – Information Concerning AEFI, “Acquisition of the SWWM Property”, “Narrative Description of the Business – The SWWM Property” and “Selected Financial Information and Management’s Discussion and Analysis”.

Since its incorporation, AEFI has raised capital exclusively through the sale of AEFI Shares and it has no other sources of income or revenue. As of the date of this Filing Statement, AEFI has approximately 26 AEFI Shareholders, two of whom, Gary Lewis and Derek Marshall will become directors and/or officers of the Resulting Issuer, and it has issued an aggregate 20,579,938 AEFI Shares.

AEFI entered into the SEA with Cavalry pursuant to which it will become a wholly owned subsidiary of the Resulting Issuer.

See Part I – Information Concerning Cavalry - The Transaction; see in this Part II – Information Concerning AEFI, “Selected Financial Information and Management’s Discussion and Analysis” and “Consolidated Capitalization”; and see in Part III – Information Concerning the Resulting Issuer, “Narrative Description of the Business – Business Objectives and Milestones”, “Directors, Officers and Promoters”, “Executive Compensation” and “Escrowed Securities”.

Acquisition of the SWWM Property

The SWWM Property, located in the Eastern Pilbara region of Western Australia, is a contiguous group of 10 granted exploration licences and one retention licence, collectively covering 518.52 km² within the Balfour Downs Sub-Basin. The SWWM Property includes the Contact and Contact North manganese deposits.

Under the Option Agreement, AEFI may earn a 100% ownership interest in the SWWM Project from Trek by the acquisition of 100% of the issued capital of Edge Minerals and Bellpiper. The Option Agreement includes staged consideration via cash, AEFI Shares, and sole funding AU\$2,000,000 of exploration and development expenditures over a defined period.

On January 31, 2025, Trek, Edge Minerals and Bellpiper entered into an amendment letter to the Option Agreement executed with AEFI, whereby the date by which AEFI was to be listed was extended to September 30, 2026.

On May 19, 2025, AEFI, Trek, Edge Minerals and Bellpiper entered into a further amendment to the Option Agreement whereby the Option (as defined below) over the SWWM Project will be deemed to have been exercised upon the listing of the AEFI Shares, the payment of AU\$450,000 and the issuance of 6,000,000 AEFI Shares to Trek. Any shortfall in exploration expenditures at September 30, 2027 will be paid in either AEFI Shares or cash.

On June 30, 2025, AEFI, Trek, Edge Minerals and Bellpiper entered into a further amendment to the Option Agreement to clarify the parties' obligations thereunder.

On July 28, 2025, AEFI, Trek, Edge Minerals and Bellpiper entered into a further amendment to the Option Agreement to confirm that Trek will not own more than 19.9% of the Resulting Issuer once the Option over the SWWM Project has been exercised.

On October 22, 2025, AEFI, Trek, Edge Minerals and Bellpiper entered into a further amendment to the Option Agreement to confirm that Trek will receive 6,000,000 Consolidated Shares on the date the Transaction closes irrespective of whether more than \$2,625,000 is raised in the Financing.

Exploration Licence E46/0787, which hosts the Contact and Contact North manganese deposits, remains under retention status due to current economic constraints.

Option and Acquisition Agreement

Pursuant to an Option Agreement, AEFI was granted an option (the “**Option**”) to acquire all of the issued and outstanding shares of Edge Minerals from Trek. The Option Agreement provides that Trek owns all of the outstanding shares of Edge Minerals and of Bellpiper, through Edge Minerals which owns all of the outstanding shares of Bellpiper, and, between them, the SWWM Property. Accordingly, by exercising the Option and acquiring all of the shares of Edge Minerals, AEFI will indirectly acquire the SWWM Property.

The Option Agreement describes the SWWM Property as comprising 10 tenements, one of which is 100% owned by Bellpiper, eight of which are 100% owned by Edge Minerals. One non-material tenement is 80% owned by Edge Minerals with the other 20% being owned by Planet Mining Pty Ltd. (in liquidation), which is in the process of being relinquished and is not included in the description of the Technical Report below. The Option Agreement also indicates that the one non-material tenement in the SWWM Property is subject to an underlying royalty in favour of Churchill Mining Plc (in liquidation) (parent company of Planet Mining Pty Ltd.).

In accordance with the Option Agreement, the Option will expire on September 30, 2027 and is to be exercised by notice in writing delivered to Trek before the expiration of the Option. In order for AEFI to exercise the Option:

- (1) Trek is to be paid AU\$450,000 on the date that the acquisition of AEFI by Cavalry is closed. An additional amount of AU\$50,000 has already been paid pursuant to the Letter Agreement signed on 29th May 2024.

- (2) AEFI was to issue the Initial Shares to Trek on January 31, 2025, all of which were issued as contemplated by the Option Agreement; and
- (3) upon closing of the Transaction, Trek is to be issued the balance of 6,000,000 Consolidated Shares.

In addition, the Option Agreement provides that AEFI is to spend at least AU\$2,000,000 in exploration and development expenditures (the “**Expenditures**”) on the SWWM Property before expiration of the Option on September 30, 2027. If the Option is exercised prior to September 30, 2027, and the full amount of AU\$2,000,000 has not yet been incurred when the Option is exercised, the full amount of AU\$2,000,000 in Expenditures is still to be incurred by September 30, 2027 provided that if it is not, the difference between AU\$2,000,000 and the amount of the Expenditures actually incurred is to be paid to Trek by October 31, 2027 either in cash or in Consolidated Shares at an issue price per share of the 20 day volume weighted average price of the Consolidated Shares.

If the acquisition of AEFI by Cavalry as described in this Filing Statement does not complete, AEFI may still exercise the Option upon its shares being listed for trading on a securities exchange or recognized trading platform such as that operated by OTC Markets Group Inc either directly through admission of AEFI Shares or indirectly through a reverse takeover (being an acquisition of 100% of the issued share capital of AEFI by an entity that is listed on a securities exchange or recognized trading platform) on or before September 30, 2026.

The Option Agreement includes representations and warranties by all of the parties as to their existence and their ability to enter into the Option Agreement. There are also representations and warranties given by Trek, Edge Minerals and Bellpiper with respect to the shares of Edge Minerals and Bellpiper, the ability of Edge Minerals and Bellpiper to carry on business, their compliance with laws including those related to the environment and the handling of hazardous materials and with respect to their tax obligations. In addition, there are representations and warranties given by AEFI with respect to its ability to carry on business, AEFI’s financial obligations and its tax obligations.

The Option Agreement includes mutual indemnities in the event a party suffers damages as a result of any representations and warranties of another party not being true (unless the party knew of the breach before entering into the Option Agreement) or any breaches of obligations by another party under the Option Agreement. However, a claim under an indemnity must be made within two years of the date that is one business day after the date the Option is exercised, must exceed AU\$50,000 and the total amount of all claims made must exceed the total value of the cash paid and shares issued to Trek in order for the Option to be exercised.

Until the Option is exercised or terminated, none of the interests of any of the parties in the Option Agreement, the SWWM Property or the shares of Edge Minerals or Bellpiper (except as permitted under the Option Agreement) may be encumbered or transferred without the consent of the other parties, which consent may be withheld in the sole discretion of the party whose consent is required; and no party will encumber any of the SWWM Property or the shares of Edge Minerals or Bellpiper other than in the ordinary course of business.

Until the Option is exercised or terminated, AEFI will be the operator (the “**Operator**”), being the party responsible for, among other things, managing and overseeing operations and work on the SWWM Property, on behalf of the registered owners of the SWWM Property. AEFI’s powers and obligations as Operator include (i) managing, directing and controlling exploration operations on and under the SWWM Property; (ii) maintaining the SWWM Property in good standing; (iii) employing and engaging employees, agents and independent contractors; (iv) providing, purchasing, leasing or renting tools and equipment, materials, supplies and services; (v) obtaining and maintain insurance coverage; (vi) advising Trek promptly of any accident or occurrence resulting in material damage or destruction to property or material harm or injury to an individual; (vii) keeping data, information and records of the operations on the SWWM Property and keeping suitable accounts reflecting all financial aspects; (viii) performing its duties in accordance with all applicable laws and accepted standards and practices in the mining industry with the objective of minimizing, so far as practicable, damage to the environment; and (ix) being solely responsible for reclamation, remediation and restoration of all disturbances to the environment caused by its activities or operations with respect to the SWWM Property. AEFI as the Operator may also take immediate action in the event of an emergency, acting reasonably, to keep the SWWM Property in good standing or for the protection of individuals and/or property; it shall also promptly advise Trek of any such emergency actions.

Further, as the Operator, AEFI is to prepare and deliver quarterly written reports to Trek setting forth the results of the work performed, and the expenditures on the SWWM Property (“**Expenditures**”) incurred during such quarter. The reports shall also include any material communications with any community related to the operations on the SWWM Property made during such quarter as well as such other information reasonably requested by Trek. In addition, Trek has the right to receive detailed reports, invoices and accounts with respect to the Expenditures and make inquiries regarding the Expenditures upon request. Trek also has the right to audit the Expenditures included in the reports delivered by AEFI as the Operator. If an audit discloses that there is a shortfall in the amount stated in a report and the amount actually spent, then Trek is to be paid the amount of the shortfall and the amount paid will be deemed to have been spent as an Expenditure. If an audit discloses a shortfall in excess of 5% of the amount stated in a report, the cost of the audit will be borne by AEFI as the Operator otherwise, it will be borne by Trek.

The Option Agreement also provides Trek with the right, at its sole risk and expense, to come onto the SWWM Property upon reasonable advance notice of at least 15 business days, and without material interference to the work and operations being carried out, to inspect the work and operations being carried out on the SWWM Property.

The parties to the Option Agreement have agreed in the Option Agreement to maintain the confidentiality of and to not disclose confidential information relating to the contents of the Option Agreement, the SWWM Property or provided by other parties to the Option Agreement, provided that a party may disclose confidential information required to be disclosed by such party in accordance with applicable law. If the Option Agreement is terminated, within 10 business days of the termination AEFI is to return to Trek all confidential information then in AEFI’s possession.

The Option Agreement provides that if a party is delayed from carrying out any action under the Option Agreement because of certain circumstances beyond its control (excluding circumstances arising from the financial difficulties of the party), the period in which the party may exercise its rights and/or perform its obligations will be extended for up to 90 days so long as that party acts diligently in furtherance of a resolution of the circumstances of the delay.

If there is a dispute arising under the Option Agreement and the dispute is not able to be settled by the parties to the dispute, the dispute will be referred for arbitration by one arbitrator who shall be a geologist, accountant, engineer or lawyer with not less than 10 years of experience relevant to the subject matter of the dispute. The arbitration will be held in Perth, Western Australia in accordance with the rules and procedures of the Australian Mines and Metals Association. If the parties are unable to agree on the arbitrator, the arbitrator will be appointed by the Australian Mines and Metals Association in accordance with its rules and procedures. The Option Agreement also provides for the confidentiality of any arbitration proceedings.

The Option Agreement provides that it may be terminated: (i) if the parties agree in writing to its termination, (ii) if the conditions precedent are not satisfied or waived by December 31, 2024, (iii) if AEFI elects to withdraw prior to earning the 100% interest in Edge Minerals, (iv) if AEFI fails to make any payments or incur any Expenditures required under the Option Agreement, or (v) on written notice from one party to the others if any party materially breaches the Option Agreement and the breach either can not be cured or remains uncured 30 days (or such longer time as may be applicable) after written notice of the breach has been provided to such party. Upon termination of the Option Agreement, among other things, AEFI is to (i) ensure the SWWM Property is in good standing for a period of not less than six months following the termination, (ii) reclaim and restore any disturbance of the SWWM Property or the natural environment caused by its activities as the Operator, in accordance with applicable laws, (iii) remove all of its equipment, tools, materials, structures, apparatus or supplies brought onto the SWWM Property by AEFI or on its behalf within 60 days of the termination, (iv) taking the steps necessary to effect the discharge of any lien on the SWWM Property, and (v) settle all outstanding obligations to third parties which AEFI approved and for which it or its agents are liable.

The granting of the Option and the appointment of AEFI as the Operator of the SWWM Property was subject to two conditions precedent, both of which were to have been met by December 31, 2024, and both of which were so met. The first condition precedent was the valid execution by Trek and AEFI of an Investor Rights Agreement. The second condition precedent was Trek having obtained all necessary authorizations and approvals required for it to give effect to the transactions contemplated by the Option Agreement.

Investor Rights Agreement:

The Option Agreement provided that it was a condition precedent to the grant of the Option and the appointment of AEFI as the Operator of the SWWM Property that AEFI and Trek enter into the Investor Rights Agreement. Accordingly, AEFI and Trek entered into the Investor Rights Agreement.

The Investor Rights Agreement notes that as partial consideration for the grant of the Option, AEFI agreed to (i) issue to Trek an aggregate of 8,000,000 AEFI Shares (the Initial Shares having already been issued on January 31, 2025) (the “**Consideration Shares**”), upon AEFI Shares obtaining a “**Listing**”, which is defined as the admission or quotation of AEFI Shares on the financial market operated by a recognized stock or public securities exchange or a recognized trading platform such as that operated by OTC Markets Group Inc. on or before September 30, 2026; and (ii) enter into the Investor Rights Agreement to grant certain rights to Trek as an investor in AEFI.

The rights granted to Trek by AEFI are as follows:

1. On and from the date all of the Consideration Shares are issued upon a Listing, until a Prescribed Event (as hereinafter defined) occurs, Trek will have the right to nominate one person as a director of AEFI. AEFI agrees to use commercially reasonable efforts to ensure the election or appointment of Trek’s nominee as a director. AEFI also agrees that so long as Trek has the right to appoint a director, AEFI’s board of directors will not exceed 5 individuals.

A “**Prescribed Event**” occurs when the percentage of the issued and outstanding shares of AEFI, on an undiluted basis, owned by Trek falls below 5% for a three consecutive month period on which AEFI’s shares are listed and posted or quoted for trading on a recognized stock or public securities exchange.

2. On and from the date all of the Consideration Shares are issued upon a Listing, if AEFI proposes to make a Prescribed Equity Offer (as hereinafter defined), Trek will have the right to subscribe for, pay for and be issued up to that number of shares or securities convertible into shares, on the same terms as the Prescribed Equity Offer, which allows Trek to maintain or acquire up to the percentage of issued and outstanding shares of AEFI, on an undiluted basis, owned by Trek immediately prior to the completion of the Prescribed Equity Offer but limited to a maximum of 20% on completion of the Prescribed Equity Offer.

A “**Prescribed Equity Offer**” means any issue by AEFI of any of its shares or securities convertible into shares (other than (a) under or pursuant to a share purchase plan or a bonus issue, a pro rata entitlement issue or any other rights made available to all of its shareholders, or (b) in respect of (i) the exercise or conversion of any of the AEFI Shares or securities convertible into shares on issue as of the date of execution of the Investor Rights Agreement or (ii) any merger, business combination, tender offer, takeover or scheme of arrangement or (c) to Trek).

3. On and from the date all of the Consideration Shares are issued upon a Listing, AEFI will provide Trek with access to AEFI’s scientific and technical data, work plans and programs, permitting information and results of operations as well as quarterly reports updating the status of AEFI’s work programs on the SWWM Property as required under the Option Agreement. Unless otherwise agreed, after the delivery of each quarterly report, Trek will be entitled to a telephone conference or meeting with AEFI’s management to review the report and to discuss AEFI’s business strategies and objectives and financing opportunities. Trek is to hold all information provided in the strictest confidence.
4. On and from the date all of the Consideration Shares are issued upon a Listing, Trek shall be entitled to access and inspect the SWWM Property, at Trek’s cost.

The Investor Rights Agreement includes restrictions on Trek’s use of confidential material information regarding AEFI so as not to breach the insider trading or market abuse provisions of any applicable securities laws. The Investor Rights Agreement also includes representations and warranties by AEFI that it has not and, as long as Trek owns any shares or securities convertible into shares of AEFI, it will not breach any anti-money laundering statutes and rules and regulations in the United States, Australia and in all other jurisdictions in which it conducts business. AEFI also

represents and warranties that it has not and, as long as Trek owns any shares or securities convertible into shares of AEFI, it will not breach any applicable laws, regulations, or orders relating to antibribery or anti-corruption in the places in which it operates or does business. The Investor Rights Agreement also includes representations and warranties of both AEFI and Trek as to, among other things, their corporate status, their power and authority to enter into and perform their obligations under the Investor Rights Agreement, their due authorization and execution of the Investor Rights Agreement and the enforceability of the Investor Rights Agreement against AEFI or Trek, and that the shares issued to Trek under the Investor Rights Agreement will, upon receipt of full payment therefore, be duly authorized and validly issued as fully paid shares.

The Investor Rights Agreement is not assignable by either AEFI or Trek without the prior written consent of the other, which may be unreasonably withheld. However, prior to the closing of a Qualifying Transaction (being any merger, amalgamation, acquisition, consolidation, plan of arrangement, reverse-take-over, Qualifying Transaction, change of business, sale of shares of AEFI or other form of corporation reorganization, business combination or similar transaction in which the outstanding shares of AEFI are exchanged for securities or other consideration issued, or caused to be issued or paid, by another corporation or its subsidiary), if AEFI will not be upon the Completion of the QT the resulting issuer (being (i) the surviving or resulting corporation or (ii) if the surviving or resulting corporation is a wholly-owned subsidiary of another corporation, the parent corporation of the surviving or resulting corporation), then AEFI must assign or transfer all of its rights in respect of the Investor Rights Agreement to the resulting issuer who must assume AEFI's corresponding obligations, in a form acceptable to Trek acting reasonably. The acquisition of AEFI by Cavalry described in this Filing Statement is a Qualifying Transaction and Cavalry will be the Resulting Issuer pursuant to the Investor Rights Agreement. Accordingly, the Investor Rights Agreement will be assigned by AEFI to Cavalry, Cavalry will assume the obligations of AEFI thereunder, and the rights granted to Trek will apply with reference to the Consolidated Shares to be held by Trek upon closing of Cavalry's acquisition of AEFI described in this Filing Statement.

There is a provision in the Investor Rights Agreement that applies in the event the securities of AEFI (or any entity that acquires AEFI) are listed and posted for trading on a "**Primary Exchange**" (which means that if the shares of AEFI or any shares into which such shares are converted, exchanged, reclassified or otherwise changed from time to time, are listed or quoted for trading on more than one recognized securities exchange or public securities exchange, the one where the majority of the trading volume and value of such shares occurs) in Australia, AEFI and Trek shall promptly agree to use best efforts to negotiate and settle an amended and restated investor rights agreement to be based on the terms and conditions of the Investor Rights Agreement but will also include provisions customary for an investor rights agreement listed for trading on a securities exchange in Australia.

Narrative Description of the Business

AEFI is a US-based mineral exploration and development company focused on the extraction and purification of minerals critical for the batteries that power electrification and energy storage. AEFI has a multi-asset portfolio strategically located in tier one jurisdictions with manganese projects in the Pilbara Region of Western Australia and fluorspar prospects in New Mexico in the United States.

AEFI's main project is the SWWM Property which comprises a contiguous group of nine granted exploration licences and one retention licence, covering a total area of 518.52 km² within the Balfour Downs Sub-Basin in the East Pilbara region of Western Australia. The SWWM Property hosts the Contact and Contact North manganese deposits and includes a broader suite of regional prospects with demonstrated exploration potential, including Pearana, Pothole, Sharks Fin, and Pearana South.

As of the date of this Filing Statement, AEFI holds an option to acquire 100% of the issued capital of Edge Minerals. Edge Minerals, through its wholly owned subsidiary Bellpiper, holds a 100% interest in the SWWM Property.

Following completion of the Transaction, the SWWM Property will represent the material mineral property interest of the Resulting Issuer.

Details of the nine exploration licences and one retention licence that comprise the SWWM Property are provided in the Technical Report, appended as Appendix 6 to this Filing Statement. See also "The SWWM Property."

Spitfire delineated a maiden MRE in 2011, which was publicly reported under the 2004 JORC Code in 2012. This estimate was subsequently updated in 2019 to comply with the 2012 JORC Code, with no significant revision to the underlying block model or geological interpretation. Trek acquired the SWWM Property via the acquisition of Edge Minerals, and in 2024 granted AEFI an option to acquire the project.

Metallurgical test work was conducted in 2011–2012 and again in 2022–2024, confirming the suitability of the mineralisation for beneficiation by crushing, scrubbing, and Dense Media Separation (“DMS”), producing concentrates grading up to 44.6% Mn. More recent work, including leaching and purification studies, has demonstrated the potential to produce battery-grade High Purity Manganese Sulphate Monohydrate (“HPMSM”) from this feedstock. Integrated hydrometallurgical test work, including solvent extraction and crystallisation, is ongoing with the Commonwealth Scientific and Industrial Research Organisation (“CSIRO”), Australia’s national science agency, and TekMIRA.

The SWWM Property includes additional regional exploration targets with high-grade manganese potential. At the Pearana prospect, located approximately 30 km north of the Contact deposit, surface sampling has defined a 3.5 km long manganese-rich corridor within the Pinjian Chert Breccia. Rock chip assays returned grades up to 51.8% Mn, with other nearby targets including Pothole (up to 57.0% Mn), Sharks Fin (up to 32.6% Mn), and Pearana South (up to 35.0% Mn). These targets exhibit geological and structural similarities to the Contact mineralisation and are considered high-priority for drill testing.

Heritage agreements are in place for Pearana and Pothole. Geophysical surveys, mapping, and drill pad construction are planned in preparation for drilling.

The following summary should be read in conjunction with the complete Technical Report, which is attached as Appendix 6 to this Filing Statement and will also be electronically filed with Canadian securities regulators via SEDAR+ under Cavalry’s issuer profile.

Project Description, Location and Access

The South Woodie Woodie Manganese Project is located in the East Pilbara region of Western Australia, approximately 400 km southeast of Port Hedland. The Project comprises a contiguous group of nine granted exploration licences and one retention licence, collectively covering 518.52 km² within the Balfour Downs Sub-Basin. The Project includes the Contact and Contact North manganese deposits.

The Project is situated in a remote, arid region, accessed by gravel station tracks connecting to the Woodie Woodie mine access road. The nearest population centre is Marble Bar, 200 km away, with major supply and logistics hubs located at Port Hedland (400 km) and Newman (250 km). There is an access road to Newman (mining hub with serviced airport) and a sealed haul road from the Woodie Woodie Mine (70 km North) to Port Hedland (bulk port with stockpile and loading facilities and serviced airport).

There is no processing infrastructure currently on site. Historical and current manganese mining infrastructure in the region (e.g. Woodie Woodie mine ~70 km north) offers potential future logistical synergies.

History

Initial exploration was undertaken by Spitfire Resources (2009–2017) and identified the Contact and Contact North deposits via geological mapping, geophysical surveys (xTEM, GAIP, DDIP), and multiple drilling campaigns. Drilling in 2011 by Spitfire delineated the current Mineral Resources which were compiled in 2012, updated in 2019 and were classified and publicly reported to JORC 2012 standards.

Metallurgical testwork in 2012 and again in 2022 demonstrated the resource is amenable to beneficiation by simple crushing, scrubbing, and dense media separation (DMS), yielding concentrate grades up to 44.6% Mn.

Trek acquired the Project in 2022 through the acquisition of Edge Minerals (which had acquired the Project from Spitfire), and in turn granted AEFI an option to acquire the Project.

Geological Setting, Mineralization and Deposit Types

The basement to the region is comprised of Archaean granites and gneisses. These are unconformably overlain by rocks of the Fortescue and Hamersley Groups including basalt, sandstones, shales, dolomites, cherts, and felsic volcanics.

The Geological Survey of Western Australia (GSWA) mapping available for the area indicates the presence of Quaternary sediments and Tertiary mixed siliceous caprock. Remapping on a more local scale by T.S. Blake of Micraster Geological Services, identified a siliceous chert unit, with a small outcrop of Carawine Dolomite. Manganese was found to be exposed within the siliceous material in an eroded cutting close to the Contact/Contact North Deposit. The area is unconformably overlain by a late-stage sandstone unit that can be seen to be manganese stained in places.

The geological model for the area is similar to the Woodie Woodie mineralization model. A series of hydrothermal events have been responsible for massive silica, iron and manganese alteration within the Carawine Dolomite. Typically, siliceous fluids have shattered and altered the dolomite to form dolomitic chert breccias and form large, sometimes circular, pipe structures. Bedding within the dolomite is often replaced during this process. Iron rich fluids have similarly replaced the silica, followed by manganese. Replacement and alteration are complex and have formed many rock types and forms. Incomplete manganese replacement is responsible for high silica and high iron areas. Generally, bedding replacement manganese mineralization correlates with a nearby pipe structure.

The central area of Contact North may be the source zone responsible for the Contact Deposits as they are currently known. This zone has no drill results within the mineralized envelope due to poor drilling conditions and an apparent subsidence of the mineralized zone. These indicators are typical above a large, mineralized zone due to collapsed dolomite caused by dissolution.

The Contact and Contact North mineralization has been interpreted as replacement style mineralization. The manganese model involves initial siliceous fluids replacing Carawine Dolomite. This, in turn, is replaced by iron rich fluids, and finally by manganese. Intensities of alteration and degree of alteration are responsible for variations in Mn, Fe, and Si grade. The mineralized fluids have preferentially taken the path of least resistance, in this case, the bedding planes of the host rock. As the Carawine Dolomite bedding is flat laying, the mineralization is generally parallel with the surface.

Drilling

To date, a total of 418 drill holes (comprising 39,920 metres) have been completed across the Project area. This includes 236 RC holes: 88 at Contact, 101 at Contact North, and 27 at Contact South. Drill spacing is typically 50 m by 50 m at Contact and Contact North, and 100 m by 50 m at Contact South.

Eleven diamond holes were drilled in 2011 for metallurgical testwork. A further seven metallurgical holes were drilled in 2022 by Trek, with core used for both beneficiation and hydrometallurgical test programs.

Sampling, Analysis and Data Verification

RC samples were collected using cone and riffle splitters to produce ~3.5 kg subsamples for assay. Samples were sent to Nagrom Laboratories in Kelmscott, Western Australia for preparation and XRF analysis. Assay elements included Mn, Fe, SiO₂, Al₂O₃, CaO, P, Ba, K₂O, MgO, Na₂O, S, TiO₂, and LOI.

QA/QC protocols included insertion of standards and duplicates. Historical QAQC data from Spitfire was recovered and validated by the qualified person (“QP”). Diamond drill core was also subjected to XRF analysis and testwork.

Verification of data integrity was performed by Widenbar and Associates using the Micromine database. Validation included checks for sample consistency, collar accuracy, and data completeness. A site visit by the QP confirmed the physical locations of multiple drill collars.

Mineral Processing and Metallurgical Testing

A structured program of metallurgical testwork has been undertaken to assess beneficiation, leaching, and purification pathways for the Project. This work has progressed from historical ore upgrading to current development of a hydrometallurgical flowsheet for High Purity Manganese Sulphate Monohydrate (HPMSM) production

Key programs include:

- **2011–2012:** Trommel scrubbing and DMS produced 38–44.6% Mn concentrates.
- **2022:** DMS and ore sorting returned up to 36.9% Mn, with mass recovery increasing from 14.4% to 37.5% and Mn recovery improving from 35.3% to 71%.
- **2023–2024:** Calcination and leaching tests by ALS Metallurgy achieved 78–94% Mn extraction.
- **2024:** Thickening, filtration, and impurity control tests supported dry-stack tailings and purification of leach solutions to ~126 g/L Mn with low impurities.
- **2024–2025:** TekMIRA and CSIRO are validating integrated flowsheets including SX and crystallisation.

Mineral Resource and Mineral Reserve Estimates

As of August 2025, Inferred Mineral Resources (as defined in CIM Definition Standards) are estimated at 11.3 Mt at 15.0% Mn, 15.2% Fe, 3.5% Al₂O₃ and 42.5% SiO₂ using a 10.1% Mn cutoff. (refer “Section 14 of the Technical Report”)



Table 1: Contact and Contact North Mineral Resource Summary

Mineral Resource estimates were generated using Inverse Distance Squared interpolation in Micromine, constrained by geological wireframes. A conservative bulk density of 2.8 t/m³ was applied. Classification follows the CIM Definition Standards and Estimation Guidelines (2014, 2019).

No Mineral Reserves (as defined in CIM Definition Standards) are reported.

Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.

Mining Operations

Mining operations have not yet commenced. The MRE assumes potential for open cut mining. No mine design, scheduling, or production forecasts have been completed.

Processing and Recovery Operations

There is no processing plant currently in place. Metallurgical studies to date support conventional crushing, scrubbing, and DMS for initial beneficiation, followed by hydrometallurgical refining into HPMSM. Further pilot-scale validation is planned.

Infrastructure, Permitting and Compliance Activities

There is currently no onsite infrastructure. The Project benefits from proximity to regional infrastructure, including the Woodie Woodie mine haul road and the Port Hedland export facility.

Exploration Licence E46/0787 is under retention status. There are no known environmental liabilities or current royalty encumbrances. Permitting for development-stage activities will require environmental assessments and submissions to relevant Western Australian regulators.

Capital and Operating Costs

Capital and operating cost estimates have not yet been prepared. Preliminary technical evaluations have informed Reasonable Prospects for Eventual Economic Extraction, but no economic analysis has been completed at this stage.

Exploration, Development and Production

AEFI has undertaken significant exploration and testwork programs to support ongoing mineral resource definition and flowsheet development. A future drilling campaign is planned to infill gaps in the 50m x 50m grid and obtain further metallurgical samples. No production has yet occurred.

In addition to the Contact and Contact North areas, AEFI has expanded exploration across the broader South Woodie Woodie Manganese Project area, with promising early-stage results at several new prospects.

At the Pearana Prospect, located ~30 km north of Contact, high-grade manganese mineralisation has been identified over a 3.5 km strike length within the Pinjian Chert Breccia. Rock chip samples returned multiple assays exceeding 30% Mn, with a peak value of 51.8% Mn. Other promising targets include Pothole (up to 57% Mn), Sharks Fin (up to 32.6% Mn), and Pearana South (up to 35% Mn).

These discoveries underscore the broader district potential. Pearana and Pothole are now considered high-priority drill targets. Heritage and access agreements are in place, and exploration licence E46/1521 is expected to be granted shortly, enabling drill testing. Planned next steps include geophysical surveys (gravity, magnetics, EM), detailed geological mapping, and construction of drill pads for targeted drilling.

These broader exploration efforts aim to identify new zones of mineralisation that could complement the existing mineral resource at Contact and Contact North.

Interpretations and Conclusions, Recommendations

The following sections are paraphrased and expanded to include commentary on exploration potential, based on the “Interpretations and Conclusions” and “Recommendations” presented in the Technical Report. These should be read in conjunction with the full Technical Report, which is appended to this Filing Statement as Appendix 6 in “25 Interpretation and Conclusions and 26 Recommendations”.

The QP notes that the drilling, sampling, sample preparation, and analytical procedures are appropriate for the style of mineralisation and that the estimation and classification of Mineral Resources is acceptable. As of 15 August 2025, Inferred Mineral Resources are estimated at 11.3 Mt at 15.0% Mn, 15.2% Fe, 3.5% Al₂O₃ and 42.5% SiO₂, using a 10.1% Mn cut-off. The estimate was constrained within geological wireframes and prepared using methodologies consistent with the CIM Estimation of Mineral Resource and Mineral Reserve Best Practices Guidelines (2019) and conforms to the CIM Definition Standards (2014) in accordance with NI 43-101.

Risks associated with the Inferred Mineral Resource estimate are considered moderate and include:

- Minor uncertainty in the modelling and continuity of mineralised contacts;
- Variability in mineralised thickness between drill sections;
- Localised reductions in bulk density due to unmodelled voids or karst features.

The QP considers the Inferred classification in some areas with 50 m by 50 m drilling to be conservative, noting that geological continuity and drill density in those areas may support reclassification to Indicated. However, the absence of field duplicate QAQC data and gaps in the drill pattern presently preclude such an upgrade.

A follow-up drill campaign is recommended to infill priority areas to a consistent 50 m grid, including a series of twin holes to validate existing data. The majority of holes should be RC, supplemented by selected diamond holes for bulk density determination and additional metallurgical sampling. A rigorous QAQC program, including standards, blanks, and re-assay of key intervals, should accompany this work.

The QP supports AEFI's plan to advance its metallurgical program from bench-scale to pilot-scale, including leaching, purification, and crystallisation testwork aimed at producing HPMSM. These programs should be integrated with environmental characterisation to support future permitting and preliminary engineering.

In addition to the Contact and Contact North deposits, the broader South Woodie Woodie Manganese Project hosts multiple high-priority regional exploration targets. Rock chip sampling at Pearana, Pothole, Sharks Fin, and Pearana South has identified outcropping manganese mineralisation over a combined strike length of approximately 5.8 kilometres. Assays frequently exceed 30% Mn, with peak values up to 57% Mn. These targets lie within the same stratigraphic and structural setting as the defined deposits and are interpreted to represent analogous replacement-style systems.

With Exploration Licence E46/1521 now granted and heritage agreements in place, drill testing at Pearana and Pothole should commence following planned geophysical surveys and drill pad construction. These early-stage targets offer potential for additional feedstock or standalone development opportunities.

The QP concludes that the South Woodie Woodie Manganese Project demonstrates Reasonable Prospects for Eventual Economic Extraction and merits continued advancement through mineral resource development, metallurgical optimisation, and regional exploration.

Competitive Conditions & Trends

The mineral exploration and mining industry is competitive in all phases of exploration, development and production. AEFI competes with a number of other entities and individuals in the search for and the acquisition of attractive mineral properties, the majority of which are companies with greater financial resources than AEFI and/or more advanced properties than the SWWM Property, as a result of which these other entities are better able to attract equity investments and other capital and thus acquire and develop attractive mineral property interests more quickly and easily than AEFI. The ability of AEFI to acquire attractive mineral properties in the future depends not only on its success in exploring and developing the SWWM Property, but also on its ability to raise additional funds and select, acquire and bring to production suitable properties or prospects for exploration, mining and development. Factors beyond the control of AEFI may affect the marketability of minerals mined or discovered by AEFI.

There are significant uncertainties regarding the prices of industrial minerals, as well as other minerals and metals, and in the availability of equity financing for the purposes of mineral exploration and development. For instance, mineral prices have fluctuated widely in recent years, and it is expected that wide fluctuations may continue.

Other than the normal speculative nature of the natural resource industry and as otherwise noted herein, management of AEFI is not aware of any trend, commitment, event or uncertainty both presently known or reasonably expected to have a material adverse effect on the business, financial condition or results of operations of AEFI (or, following Completion of the QT, of the Resulting Issuer). There are no other current trends known to AEFI's management that are likely to impact on AEFI's operations or performance.

See Part IV – Risk Factors.

Selected Financial Information and Management's Discussion and Analysis

This discussion is as of the date of the Filing Statement and is with respect to the unaudited interim financial statements for the nine-month period ended September 30, 2025 and the audited financial statements of AEFI for the fiscal year ended December 31, 2024. The financial statements referred to are included in this Filing Statement as Appendix 3 and should be referred to in conjunction with reading this discussion. The financial statements summarize the financial impact of AEFI's financings, investments and operations.

All financial information in this Management Discussion and Analysis has been prepared in accordance with International Financial Reporting Standards ("IFRS") and all dollar amounts are expressed in Canadian dollars unless otherwise indicated.

Selected Annual and Interim Information

The following table sets out summary financial information for AEFI, summarized from its audited financial statements for AEFI's fiscal year ended December 31, 2024, and from its unaudited financial statements for the nine-month period ended September 30, 2025. This summary financial information should only be read in conjunction with AEFI's financial statements, including the notes thereto, included as Appendix 3 to this Filing Statement.

	Nine-month period ended September 30, 2025 (unaudited)	Period ended December 31, 2024 (audited)
Interest income	\$4,366	\$1,559
.....		
Operating expenses	\$350,266	\$168,175
.....		
Net Loss (After Tax)	\$345,900	\$155,966
.....		
Basic and diluted loss per share	\$0.02	\$0.07
.....		
Total assets	\$1,256,932	\$540,394
.....		
Dividends declared	\$--	\$--
.....		
Shareholders' equity	\$1,106,714	\$423,409
.....		

Management's Discussion and Analysis

Results of Operations

As at September 30, 2025, AEFI has not generated any revenues from operations, had a working capital deficit of \$41,434 (2024 - (\$104,317)), and had an accumulated deficit of \$501,885 (2024 – \$155,966).

Mining and exploration involve a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. AEFI has no source of revenue and has significant cash requirements to conduct its planned exploration, meet its administrative overhead and maintain its resource interests.

As at September 30, 2025, AEFI had no continuing source of operating revenues and related expenditures. AEFI has not paid any dividends on the AEFI Shares nor does it have any present intention of paying dividends on the AEFI Shares, as it anticipates that all available funds obtained in the foreseeable future will be invested to finance its business activities.

Nine-Months Ended September 30, 2025

During the nine-months ended September 30, 2025, AEFI incurred aggregate expenses of \$350,266 and a net and comprehensive loss of \$345,900.

Expenses during the nine-months ended September 30, 2025 consisted of \$36,047 related to advertising and marketing expenses, \$60,923 related to consulting fees, \$9,691 related to office expenses, \$158,245 related to professional fees, \$15,215 related to travel, and \$70,145 related to share-based compensation. AEFI also had interest income of \$4,366.

Fiscal year ended December 31, 2024

During the year ended December 31, 2024, AEFI incurred aggregate expenses and a net and comprehensive loss of \$214,666. Expenses during the year ended December 31, 2024 consisted of \$24,000 related to advertising and marketing expenses, \$57,972 related to consulting fees, \$2,562 related to office expenses, \$49,339 related to professional fees, \$15,002 related to travel expenses, -\$7,236 related to income tax expense and \$19,300 related to share-based compensation. AEFI also had interest income of \$1,559 and a foreign exchange gain of \$17,886.

Summary of Exploration Properties

The total cumulative acquisition and deferred exploration costs incurred by AEFI as at September 30, 2025, are summarized as follows:

	SWWM Property (\$)	NMF Projects (\$)	Total (\$)
Acquisition	450,791	235,790	686,580
Exploration	140,113	88,276	228,389
Project development	75,324	36,039	111,363
Land Management	115,180	6,635	121,816
Carrying Amounts at September 30, 2025	781,408	366,740	1,148,148

Liquidity, Financial Position, and Capital Resources

AEFI's operations consist of maintenance, exploration and development of mineral properties. AEFI's financial success will be dependent on the extent to which it can discover new mineral deposits.

AEFI has financed its operations to date through the issuance of AEFI Shares. AEFI continues to seek capital through various means including the issuance of equity and/or debt.

Management believes that, subsequent to the Transaction, AEFI will have sufficient funds on hand to meet anticipated administrative expenses and required exploration and development expenditures on the SWWM Property over the next fiscal year.

AEFI's continuation as a going concern is dependent upon the successful results from its mineral property exploration activities and its ability to attain profitable operations and generate funds therefrom and/or raise equity capital or borrowings sufficient to meet current and future obligations. See Part IV – Risk Factors.

Nine-Months Ended September 30, 2025

As at September 30, 2025, AEFI's liquidity and capital resources were as follows:

	Nine-Months ended September 30, 2025	Year ended December 31, 2024
	\$	\$
Cash	96,842	19
Amounts receivable	11,942	12,649
Total current assets	108,784	12,668
Accounts payable and accrued liabilities	122,283	116,985
Due to related party	27,935	-
Total current liabilities	150,218	116,985
Working capital (deficit)	(41,434)	(104,317)

As at September 30, 2025, AEFI had \$96,842 cash. Cash increased by \$463,369 during the nine-months ended September 30, 2025 from financing activities, offset by decrease in net cash of \$202,061 used in operating activities and decrease of net cash of \$422,773 used in exploration and evaluation asset expenditures.

Fiscal Year Ended December 31, 2024

As at December 31, 2024, AEFI's liquidity and capital resources were as follows:

	Year ended 2024
	\$
Cash	19
Amounts receivable	12,649
Due from related party	-
Prepaid expenses	-
Total current assets	12,668
Accounts payable and accrued liabilities	116,985
Due to related party	-
Total current liabilities	116,985
Working capital (deficit)	(104,317)

As at December 31, 2024, AEFI had cash of \$19 consisting mainly of proceeds from private placements. Cash increased by \$585,225 during the year ended December 31, 2024 from financing activities, offset by decrease in net cash of \$52,205 used in operating activities and decrease of net cash of \$550,887 used in exploration and evaluation asset expenditures.

Off Balance Sheet Arrangements

AEFI did not have any off-balance sheet arrangements during the nine-months ended September 30, 2025, during the year ended December 31, 2024, or as of the date of this report.

Related Party Transactions

Related party transactions for the nine-months ended September 30, 2025, were as follows:

- Payments in the amount of \$43,990 made to the ACT2 Pty Limited for services provided by Gary Lewis, CEO and director of AEFI. ⁽¹⁾

(1) AU\$49,091 converted to Canadian dollars at an exchange rate of 0.8961 as at 09.30.2025

Related party transactions for the year ended December 31, 2024, were as follows:

- Payments in the amount of \$55,115 made to the ACT2 Pty Limited for services provided by Gary Lewis, CEO and director of AEFI. ⁽²⁾

(2) AU\$61,000 converted to Canadian dollars at an exchange rate of 0.9035 as at 12.31.2024

Critical Accounting Estimates

The preparation of the financial statements in conformity with IFRS requires AEFI's management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected. Significant areas requiring the use of estimates include the impairment of exploration and evaluation assets and deferred income tax asset valuation allowances.

All of AEFI's material accounting policies are included in Note 2 of its Financial Statements for each of the periods reflected in this filing statement.

Changes in Accounting Policies Including Initial Adoption

During the period ended December 31, 2024, AEFI adopted the following amendments:

Amendments to IAS 1 – Classification of Liabilities as Current or Non-current

The amendments to IAS 1 provide a more general approach to the classification of liabilities based on the contractual arrangements in place at the reporting date. These amendments are effective for reporting periods beginning on or after January 1, 2024. The adoption of this amendment did not have a material impact on AEFI's consolidated financial statements.

The following accounting standards and amendments are for future periods.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 introduces three sets of new requirements to give investors more transparent and comparable information about companies' financial performance for better investment decisions.

1. Three defined categories for income and expenses (operating, investing and financing) to improve the structure of the income statement, and require all companies to provide new defined subtotals, including operating profit.
2. Requirement for companies to disclose explanations of management-defined performance measures (MPMs) that are related to the income statement.

3. Enhanced guidance on how to organise information and whether to provide it in the primary financial statements or in the notes.

This new standard is effective for reporting periods beginning on or after January 1, 2027. AEFI is currently in the process of assessing its impact on future consolidated financial statements.

AEFI has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. AEFI has not early adopted any of these standards and is currently evaluating the impact, if any, that these standards might have on its financial statements. Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on AEFI's consolidated financial statements.

Description of Securities

AEFI Shares

AEFI is authorized to issue 100,000,000 AEFI Shares of which, as of the date of this Filing Statement, 20,579,938 AEFI Shares are issued and outstanding as fully paid and non-assessable.

Holders of AEFI Shares are entitled to dividends if, as and when declared by the directors, to one vote per AEFI Share at meetings of shareholders and, upon liquidation, dissolution or winding-up of AEFI, to share ratably the remaining assets of AEFI as are distributable to holders of AEFI Shares. The AEFI Shares are not subject to call or assessment rights, redemption rights, rights regarding purchase for cancellation or surrender, or any pre-emptive or conversion rights.

The AEFI Shares are not listed or quoted for trading publicly on any stock exchange or stock quotation system.

AEFI has not issued securities that are convertible into AEFI Shares.

See in Part I – Information Concerning Cavalry – The Transaction – The Financing.

Consolidated Capitalization

The following table summarizes changes in AEFI's capitalization as at December 31, 2024, as at September 30, 2025, and as at the date of this Filing Statement, prior to giving effect to the Financing and to the Transaction:

Designation of Security	Amount Authorized	Amount Outstanding as at December 31, 2024 (audited)	Amount Outstanding as at September 30, 2025 (unaudited)	Amount Outstanding as of the date of this Filing Statement prior to giving effect to the Transaction⁽⁴⁾ (unaudited)
Common shares	100,000,000	10,625,000 (\$638,075) ⁽¹⁾⁽²⁾	19,879,938 (\$1,637,033) ⁽¹⁾⁽³⁾	20,579,938 (\$1,783,177) ⁽¹⁾

⁽¹⁾ See in this Part II – Information Concerning AEFI, “Description of Securities”, “Selected Financial Information and Management’s Discussion and Analysis” and “Prior Sales”.

⁽²⁾ As at December 31, 2024, AEFI had not generated any revenues from operations, had a working capital deficiency of \$104,317, and had an accumulated deficit of \$155,966.

⁽³⁾ As at September 30, 2025, AEFI had not generated any revenues from operations, had a working capital deficit of \$41,434, and had an accumulated deficit of \$372,721.

⁽⁴⁾ See Part I – Information Concerning Cavalry – The Transaction.

Prior Sales

The following table summarizes the issuance by AEFI of securities of AEFI in the 12 months prior to the date of this Filing Statement. There are no proposed or planned issuances by AEFI of AEFI Shares or other securities in connection with the proposed Transaction or otherwise.

<u>Issue Date</u>	<u>Price (USD)</u>	<u>Number of securities</u>	<u>Reason for Issuance</u>
August 28, 2024	\$0.017	4,275,000	Incorporation ⁽¹⁾
December 21, 2024	\$0.062	6,350,000	Private Placement ⁽¹⁾
January 31, 2025	\$0.062	2,000,000	Option Agreement ⁽²⁾
April 30, 2025	\$0.096	4,066,604	Private Placement ⁽¹⁾
July 15, 2025	\$0.096	3,188,334	Cash and non-cash payments ⁽¹⁾
October 28, 2025	\$0.107	700,000	Cash payment
TOTAL		20,579,938	

⁽¹⁾ Sold to parties arm's length to AEFI, except for 5,499,934 AEFI Shares issued to director and officers of AEFI.

⁽²⁾ AEFI issued the Initial Shares to Trek under the Option Agreement (see Part II – Information Concerning AEFI – General Development of the Business – Acquisition of the SWWM Property).

Certain of the Payment Shares to be issued by Cavalry under the SEA in exchange for certain of the AEFI Shares listed in the table above will be subject to escrow and seed share resale restrictions (see Part III – Information Concerning the Resulting Issuer – Escrowed Securities).

Executive Compensation

For the purposes of this section, the “**Named Executive Officers**” are: the chief executive officer; chief financial officer; each of the three most highly compensated executive officers who were serving as executive officers at the end of the most recently completed interim financial period and in each of the three most recently completed financial years, whose total compensation was, individually more than \$150,000 for that financial period; and any additional individuals for whom disclosure would have been provided but for the fact that the individual was not serving as an executive officer of AEFI during the relevant financial periods. Based on the above criteria, the only former or current Named Executive Officers for AEFI are Gary Lewis, John Levings and Mark Wise.

Compensation Discussion and Analysis

During the fiscal year ended December 31, 2024, and during the nine-month period ended September 30, 2025, AEFI's executive compensation was intended to be consistent with its business plans, strategies and goals while taking into account various factors and criteria, including capitalization factors and AEFI's performance.

The primary objectives of AEFI's executive compensation program will be to attract, motivate and retain highly trained, experienced and committed executive officers who have the necessary skills, education, experience and personal qualities required to manage AEFI's business for the benefit of its shareholders, and to align their success with that of the shareholders. The level of compensation that will be paid to an executive will be based on the executive's overall experience, responsibility and performance.

AEFI's proposed executive compensation program will be comprised of two elements: (i) the payment of cash where appropriate; and (ii) long-term incentive compensation in the form of incentive stock options pursuant to a stock option plan or other equity awards as may become available in the future. Salary, which may be paid in future by way of consulting fees, will be intended to provide current compensation, while stock options may be granted to encourage long-term commitment to the Resulting Issuer.

When determining executive compensation, the Board of Directors of the Resulting Issuer will review the compensation policies of companies engaged in businesses similar to the Resulting Issuer. Although the Resulting Issuer has not obtained any industry reports regarding compensation, at the appropriate time the Board of Directors of the Resulting Issuer will review publicly available information with respect to compensation paid to the executives of companies that are also engaged in the acquisition, exploration and development of mining properties.

Summary Compensation Table

The following table summarizes compensation paid to the Named Executive Officers during AEFI's only completed fiscal year ended December 31, 2024, and during the nine-months period ended September 30, 2025.

Name and Principal Position	Period	Salary (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Gary Lewis ⁽¹⁾ Director & President	Nine-month period ended September 30, 2025	43,990	-	-	-	-	-	-	43,990
	Year ended December 31, 2024	55,115	-	-	-	-	-	-	55,115
John Levings ⁽²⁾ Technical Director	Nine-month period ended September 30, 2025	-	-	-	-	-	-	-	-
	Year ended December 31, 2024	-	8,500	-	-	-	-	-	8,500
Mark Wise ⁽³⁾ Director & Secretary	Nine-month period ended September 30, 2025	-	3,305	-	-	-	-	-	3,305
	Year ended December 31, 2024	-	10,800	-	-	-	-	-	10,800

⁽¹⁾ Gary Lewis has served as the Executive Director of AEFI since August 28, 2024, and has been a director of AEC since July 17, 2024.

⁽²⁾ John Levings has served as Technical Director since July 2024.

⁽³⁾ Mark Wise has served as Secretary since August 28, 2024 and as a director of AEFI since September 18, 2024.

Incentive Plan Awards

No options vested or were granted to the Named Executive Officers during the financial year ended December 31, 2024, or during the nine-months ended September 30, 2025, and the Named Executive Officers did not have any option-based awards outstanding as of the date of this Filing Statement.

Pension Plan, Termination of Employment and Change of Control Benefits

AEFI has no written contract, agreement, plan or arrangement to provide compensation, monetary or otherwise, to any person who now acts or has previously acted as an executive officer of AEFI, in connection with or related to the retirement, termination, resignation of such person, or change of control of AEFI.

Director Compensation

AEFI has not paid any compensation to any non-executive directors.

Non-Arm's Length Transactions

Other than executive compensation, there has been no acquisition of assets or services or provision of assets or services in any transaction, or in any proposed transaction, where AEFI or any of its subsidiaries has obtained or proposes to obtain such assets or services from: (a) any director or officer of AEFI; (b) a securityholder disclosed in the Filing Statement as a principal securityholder, either before or after giving effect to the Qualifying Transaction; or (c) an Associate or Affiliate of any of the persons or companies referred to in paragraphs (a) or (b) above.

Legal Proceedings

To AEFI's knowledge, AEFI is neither a party to, nor is any of its property the subject matter of, any legal proceedings, nor are any such proceedings known to AEFI to be contemplated by any party since the beginning of the fiscal year ended December 31, 2024, being the most recently completed financial year for which AEFI financial statements are being included in this Filing Statement.

There have been no penalties or sanctions imposed against AEFI by a court relating to provincial and territorial securities legislation or by a securities regulatory authority within the three years immediately preceding the date of this Filing Statement and there have been no other penalties or sanctions imposed against AEFI that would be necessary to be disclosed for this Filing Statement to contain full, true and plain disclosure of all material facts relating to AEFI. AEFI has not entered into any settlement agreements with a court relating to provincial and territorial securities legislation or with a securities regulatory authority within the three years immediately preceding the date of this Filing Statement.

Material Contracts

AEFI has not entered into any contracts material to investors since its incorporation other than in the ordinary course of business and other than:

1. the Option and Acquisition Agreement dated September 9, 2024, as amended by amending agreements dated January 31, 2025, May 19, 2025, June 30, 2025, July 28, 2025 and October 22, 2025, among AEFI, Trek, Edge Minerals and Bellpiper (see Part II – Information Concerning AEFI – General Development of the Business – Acquisition of the SWWM Property - Option and Acquisition Agreement);
2. Investor Rights Agreement dated September 9, 2024 between AEFI and Trek (see Part II – Information Concerning AEFI – General Development of the Business – Acquisition of the SWWM Property – Investor Rights Agreement);
3. IP License Agreement dated June 5, 2025, between AEFI and AEFI AUST, whereby AEFI will have an exclusive, royalty-free license in respect of all intellectual property rights held or owned by AEFI AUST to use, further develop, exploit and commercialize, without limitation, to conduct further high purity manganese sulphate research and develop high purity manganese sulphate products and any other purpose, approved in writing, from time to time.
4. Intercompany Services Agreement dated May 26, 2025, between AEFI and AEFI AUST, whereby AEFI AUST will provide certain payment processing services in respect of the ordinary course of conducting business in Australia, for which AEFI AUST will receive a service margin of 5% of the total remitted amount.

See in Part I – Information Concerning Cavalry – The Transaction and Part II – Information Concerning AEFI – General Development of the Business.

Copies of these material contracts may be inspected, without charge, at the offices of legal counsel to Cavalry, Suite 1400 - 1050 West Pender Street Vancouver, BC V6E 3S7, during normal business hours until Closing and for a period of 30 days thereafter.

PART III - INFORMATION CONCERNING THE RESULTING ISSUER

The following information is presented on a post-Transaction basis and is reflective of the projected business, financial and share capital position of the Resulting Issuer. This section only includes information respecting the Resulting Issuer that is materially different from information provided earlier in this Filing Statement. Following the completion of the Transaction, the Resulting Issuer will carry on the businesses currently carried on by AEFI.

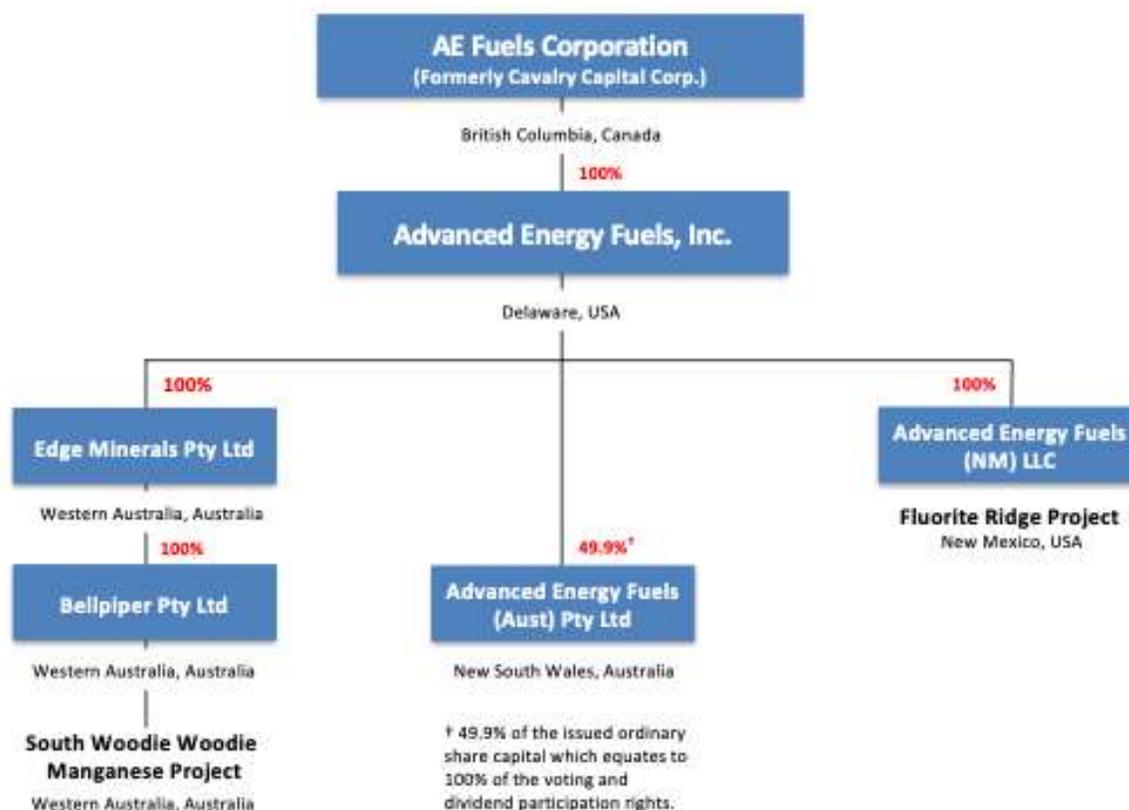
Name and Incorporation

Following Completion of the QT, the corporate structure of the Resulting Issuer will be the corporate structure of Cavalry. Subject to Exchange acceptance, and concurrent with Closing, Cavalry (then the Resulting Issuer) intends to change its name to “AE Fuels Corporation”.

The Resulting Issuer’s head office will be located at Suite 1400 – 1050 West Pender Street, Vancouver, BC V6E 3S7, Canada and its registered office will be located at Suite 1400 – 1050 West Pender Street, Vancouver, BC V6E 3S7.

Inter-corporate Relationships

Upon Completion of the QT, AEFI will be a wholly owned subsidiary of the Resulting Issuer, such that the Resulting Issuer’s inter-corporate relationships will be as illustrated in the following diagram.



Narrative Description of the Business

Assuming Completion of the QT and upon issuance of the Final Exchange Bulletin, the Resulting Issuer will be a Tier 2 mining issuer pursuant to the policies of the Exchange, will own the SWWM Property and intends carry out further exploration on and development of the SWWM Property in accordance with the recommendations included in the Technical Report. See “Business Objectives and Milestones” and see also Part II – Information Concerning AEFI – Narrative Description of the Business – The SWWM Property.

Business Objectives and Milestones

Following Completion of the QT, the Resulting Issuer’s primary business objective is to complete the exploration and process development programs on the SWWM Property recommended in the Technical Report. See in Part II - Information Concerning AEFI – Narrative Description of the Business – The SWWM Property and Appendix 6 – The Technical Report.

With the funds available to it as described below under heading “Available Funds and Principal Purposes”, the Resulting Issuer plans to complete, as soon as possible following Completion of the QT and weather permitting, the balance of the exploration and development program recommended in the Technical Report, which has not as yet been completed by AEFI.

The Resulting Issuer will rely on third party consultants and contractors to perform exploration work on the SWWM Property and identifying and hiring third party consultants and contractors on terms satisfactory to the Resulting Issuer is required prior to commencing exploration of the SWWM Property.

See Part II – Information Concerning AEFI – Narrative Description of the Business and see the Technical Report, which is attached as Appendix 6 to this Filing Statement. See also Part IV – Risk Factors.

Description of the Securities

Consolidated Shares

The authorized capital of the Resulting Issuer will be the same as the authorized capital of Cavalry and will consist of an unlimited number of Consolidated Shares, of which, after giving effect to the Transaction, and assuming Completion of the QT and completion of the Consolidation, approximately 41,433,478 Consolidated Shares will be issued and outstanding, on a non-diluted basis. See in this Part III – Information Concerning the Resulting Issuer, “Pro Forma Consolidated Capitalization” and “Fully Diluted Share Capital”, which follow; and see also in Part I – Information Concerning Cavalry, “Description of the Securities”.

Pro Forma Consolidated Capitalization

The following table sets out the estimated share capital of the Resulting Issuer, assuming Closing, Consolidation and Completion of the QT.

<u>Designation of security</u>	<u>Amount authorized or to be authorized</u>	<u>Outstanding assuming Closing of the Consolidation and Completion of the QT</u>
Consolidated Shares	Unlimited	41,433,478 ⁽¹⁾⁽²⁾ (\$6,795,459) ⁽³⁾

⁽¹⁾ See in Part III – Information Concerning the Resulting Issuer, “Options to Purchase Securities”, “Fully Diluted Share Capital” and “Escrowed Securities”.

⁽²⁾ In addition, Consolidated Shares are reserved for issuance by the Resulting Issuer pursuant to:

(a) the terms of the Option Agreement, upon closing of the Transaction, Trek is to be issued the balance of 6,000,000 Consolidated Shares, (see in Part II – Information Concerning AEFI – Narrative Description of the Business – Acquisition of the SWWM Property);

- (b) the terms of stock options granted under the Cavalry Option Plan 369,842 Consolidated Shares may be issued upon exercise, (see Part III – Information Concerning the Resulting Issuer, “Options to Purchase Securities”, “Fully Diluted Share Capital” and “Escrowed Securities”);
- (c) the terms of convertible securities in which 238,705 Consolidated Shares may be issued upon exercise of the Agent’s Warrants. See Part III – Information Concerning the Resulting Issuer, “Fully Diluted Share Capital”; and
- (d) the Financing, in which 5,480,234 Consolidated Shares may be issued upon the exercise of Cavalry Warrants in the Financing, and 409,100 Consolidated Shares may be issued upon exercise of Finder Warrants in the Financing. See Part I – Information Concerning Cavalry, “General Development of the Business”, “The Transaction” and “The Financing”.

⁽³⁾ This is the pro forma consolidated share capital of the Resulting Issuer, net of share issuance costs related to the Financing. The pro forma consolidated deficit will be approximately \$1,005,283.

See Part I – Information Concerning Cavalry – The Transaction and see also the Pro forma Consolidated Statement of Financial Position of the Resulting Issuer attached to this Filing Statement as Appendix 4.

Fully Diluted Share Capital

The following table sets out the fully diluted share capital of the Resulting Issuer on Completion of the QT, assuming Closing of the Consolidation and the Transaction.

Consolidated Shares⁽¹⁾	Outstanding assuming Closing of the Consolidation and Completion of the QT	
	Number of Consolidated Shares⁽¹⁾	Percentage on a fully diluted basis
Consolidated Shares issued and outstanding at the date of this Filing Statement	3,893,072	8.1% (9.4% non-diluted)
Consolidated Shares issuable pursuant to the Financing ⁽²⁾	10,960,468	22.9% (26.5% non-diluted)
Payment Shares issuable on Closing pursuant to the SEA ⁽³⁾	20,579,938	42.9% (49.7% non-diluted)
Consolidated Shares issuable on Closing pursuant to the SWWM Property ⁽⁴⁾	6,000,000	12.5% (14.5% non-diluted)
Sub-total – Issued Consolidated Shares following Closing	41,433,478	86.4% (100% non-diluted)
Issuable under the stock options granted under the Cavalry Option Plan ⁽⁵⁾	369,842	0.8%
Issuable as per the Agent’s Warrants ⁽⁶⁾	238,705	0.5%
Issuable on exercise of the Cavalry Warrants ⁽²⁾	5,480,234	11.4%
Issuable on exercise of Finder Warrants ⁽²⁾	409,100	0.9%
Total Consolidated Shares (fully diluted)	47,931,359	100%

⁽¹⁾ See Part I – Information Concerning Cavalry – Description of Securities.

⁽²⁾ See Part I – Information Concerning Cavalry – The Transaction – The Financing.

⁽³⁾ These Payment Shares will be issued by the Resulting Issuer to the AEFI Shareholders in accordance with the terms of the SEA and will be free of resale restrictions on the date of issuance unless subject to escrow or seed share resale restrictions in accordance with the policies of the Exchange. See Part I – Information Concerning Cavalry – The Transaction – The Share Exchange Agreement and see in Part III – Information Concerning the Resulting Issuer – Escrowed Securities.

- (4) In accordance with the terms of the Option Agreement, upon closing of the Transaction, Trek is to be issued the balance of 6,000,000 Consolidated Shares, (see in Part II – Information Concerning AEFI – Narrative Description of the Business – Acquisition of the SWWM Property);
- (5) A total of 369,842 Consolidated Shares may be issued upon their exercise of Cavalry Options an exercise price of \$0.08 per Consolidated Share until May 4, 2027.
- (6) As a result of the Consolidation, the Agent’s Warrants will be adjusted to allow Cavalry’s agent under its IPO to acquire Consolidated Shares at an exercise price of \$0.17 per Consolidated Share until May 4, 2027.

See also in this Part III – Information Concerning the Resulting Issuer, “Description of Securities” and “Escrowed Securities”.

Available Funds and Principal Purposes

Available Funds

Based on the working capital of both Cavalry and AEFI at November 30, 2025, and the proceeds of the Financing, on Closing the Resulting Issuer will have approximately \$2,694,777 available to fund its operations, calculated as follows:

<u>Available Funds</u>	<u>Amount</u>
Cavalry working capital at November 30, 2025	\$21,292
AEFI working capital deficit at November 30, 2025	(\$66,632)
Gross proceeds from Financing	\$2,740,117
Total funds available to the Resulting Issuer	<u><u>\$2,694,777</u></u>

Principal Purposes

The Resulting Issuer proposes using the funds available to it as follows:

<u>Use of Available Funds</u>	<u>Amount</u>
Estimate of balance of the costs related to Completion the QT, including legal and audit fees and other expenses of Cavalry, plus share issue costs	\$310,000
Estimate of listing fees and applicable taxes payable to the Exchange on Completion of the QT	\$10,000
Payable by the Resulting Issuer to Trek in accordance with the terms of the Option Agreement on or before Closing ⁽¹⁾	\$400,770 ⁽²⁾
Proposed expenditure on the SWWM Property ⁽³⁾	\$1,075,000
Proposed expenditure on the Fluorite Ridge Property ⁽⁴⁾	\$100,000
Estimated general and administrative expenses for 12 months following Completion of the QT ⁽⁵⁾	\$610,000
Unallocated working capital	\$189,007
Total	<u><u>\$2,694,777</u></u>

- (1) See Part I – Information Concerning Cavalry – The Transaction – Acquisition of the SWWM Property and in Part II – Information Concerning AEFI – Narrative Description of the Business – The SWWM Property.
- (2) AU\$450,000 converted to Canadian dollars at an exchange rate of 0.8906 as at July 31, 2025.
- (3) The Technical Report recommends an exploration program of \$580,000. An additional \$495,000 will be spent on environmental studies and advancing metallurgical test work and process and flow sheet development. See Part II – Information Concerning AEFI and Appendix 6. See also in Part III – Information Concerning the Resulting Issuer, “Narrative Description of the Business – Business Objectives and Milestones”.
- (4) Fees for filing with US Bureau of Land Management and recording with Luna County, New Mexico, USA
- (5) General and administrative expenses of the Resulting Issuer following Completion of the QT are estimated as: legal (\$50,000), audit (\$70,000), regulatory fees (\$47,000), CEO & CFO compensation (\$156,000), travel and marketing (\$100,000), rent and utilities (\$10,000) and office and administrative expenses (\$177,000). See also Part III – Information Concerning the Resulting Issuer – Executive Compensation.

There may be circumstances where, for sound business reasons, the reallocation of funds may be necessary in order for the Resulting Issuer to achieve its stated business objectives.

Dividends

Subject to the BCBCA, there are no restrictions in the Resulting Issuer’s Articles or elsewhere that would prevent the Resulting Issuer from declaring and paying dividends following Completion of the QT. However, it is anticipated that all available funds will be invested to finance the Resulting Issuer’s operations and, accordingly, it is not contemplated that any dividends will be paid on the Consolidated Shares in the immediate or foreseeable future. The directors of the Resulting Issuer will determine if, and when, dividends will be paid in the future based on Cavalry’s strategy and financial position.

Principal Shareholders

To the knowledge of the directors and officers of Cavalry and the directors and officers of AEFI, as of the date of this Filing Statement, the following persons will beneficially own, directly or indirectly, or exercise control or direction over, Consolidated Shares carrying more than 10% of the voting rights attached to all Consolidated Shares of the Resulting Issuer on Completion of the QT:

Name	Number of Consolidated Shares owned and controlled after giving effect to the Transaction	Approximate Percentage of Consolidated Shares after giving effect to the Transaction (undiluted/fully diluted)
Trek Metals Limited	8,000,000 ⁽¹⁾	19.31% / 16.69 %
Gary Lewis	5,833,334 ⁽²⁾	14.08% / 12.17 %

(1) See in Part II – Information Concerning AEFI – Narrative Description of the Business – Acquisition of the SWWM Property. Trek is a widely-held public company listed on the Australian Stock Exchange.

(2) 5,433,334 Consolidated Shares are to be issued in exchange for the AEFI Shares beneficially owned by Gary Lewis pursuant to the Transaction, and Gary Lewis will acquire an additional 400,000 Consolidated Shares on conversion of the Subscription Receipts issued to him in the Financing. Of these Consolidated Shares, 650,000 will be registered to Gary Lewis, 1,333,334 will be registered to Lewis Superannuation Fund, and 3,850,000 will be registered to ACT2 Pty Limited. Lewis Superannuation Fund and ACT2 Pty Limited are entities beneficially owned and controlled by Gary Lewis. Lewis Superannuation Fund will also hold 200,000 Cavalry Warrants issued on conversion of the Subscription Receipts.

See in the Summary, “Interest of Insiders, Promoters or Control Persons” and see also in this Part III – Information Concerning the Resulting Issuer, “Description of Securities”, “Pro Forma Consolidated Capitalization”, “Fully Diluted Share Capital” and “Escrowed Securities”.

Directors, Officers and Promoters

The following table sets out the name, municipality of residence, position with the Resulting Issuer, and the number and percentage of Consolidated Shares beneficially owned, directly or indirectly, or over which control will be exercised by each of the Resulting Issuer's directors, officers and promoters following Completion of the QT. Directors of the Resulting Issuer will serve for terms of one year following election at each annual general meeting of shareholders. The term of office of each of proposed directors of the Resulting Issuer will expire at the next annual general meeting of shareholders of the Resulting Issuer and each of them, if elected, will serve until the close of the next annual meeting, unless he resigns or otherwise vacates office before that time.

Name and municipality of residence and positions and offices to be held with the Resulting Issuer	Principal occupations within the five preceding years	Director/ Officer of Cavalry or of AEFI since	Number of Consolidated Shares ⁽²⁾	Percentage of Consolidated Shares assuming Completion of the QT ⁽²⁾
Gary Lewis Sydney, Australia Proposed Director and Proposed CEO and President	Chief Executive Officer and Director of Electric Metals (USA) Limited, Director of Hypersonix Launch Systems Limited, Executive Director of Advanced Energy Fuels, Inc., Director of Advanced Energy Fuels (Aust) Pty Ltd., Director of Advanced Energy Fuels (NM) LLC.	July 17, 2024	5,833,334	14.08%
Melissa Sanderson ⁽¹⁾ Arizona, United States Proposed Director and Proposed Chair of the Board Proposed Chair of the Audit Committee	Founder (since 2020) of Mel Sanderson Consulting LLC; Founding Partner (since 2021) of MECA Consulting LLC; Director (from 2020 to 2022) of Western Rare Earths; Director (since 2022), Executive Director and President for North America (from 2022 to 2023) of American Rare Earths; Member (from 2022 to 2024) and Co-Chair (since 2024) of the Critical Minerals Institute.	Proposed Director	Nil	N/A
Mitchell Smith ⁽¹⁾ Vancouver, Canada Proposed Director Proposed Member of the Audit Committee	President and Chief Executive Officer (since December 2015) of Global Energy Metals Corporation; Director (since February 2021) of Fulcrum Metals PLC, a multi-commodity explorer listed on the AIM market of the London Stock Exchange; Director of the Battery Metals Association of Canada (since July 2021), a not-for profit trade organization; Partner, Mining & Metals of Moneta Securities (since January 2024), a boutique investment bank headquartered in Vancouver, BC.	Proposed Director	Nil	N/A
Derek Marshall ⁽¹⁾ Perth, Western Australia Proposed Director Proposed Member of the Audit Committee	Chief Executive Officer (since 2021) of Trek Metals Limited, a multi-commodity explorer listed on the ASX; Director of Solution Mining Pty Ltd; Chief Executive Officer of Matrix Mining LLC, a private US-focused manganese explorer; Director of Xplore Pty Ltd.	Proposed Director	66,600	0.16%

Name and municipality of residence and positions and offices to be held with the Resulting Issuer	Principal occupations within the five preceding years	Director/ Officer of Cavalry or of AEFI since	Number of Consolidated Shares ⁽²⁾	Percentage of Consolidated Shares assuming Completion of the QT ⁽²⁾
Brandon Bonifacio Vancouver, Canada Current Director	President and Chief Executive Officer (since March 2020) of NevGold Corp.	April 20, 2021	301,205	0.73%
Jack Cartmel Vancouver, Canada Chief Financial Officer	Chief Financial Officer, chartered professional accountant	Proposed officer	Nil	N/A

⁽¹⁾ Proposed member of the Audit Committee of the Resulting Issuer's Board of Directors (see "Committees of the Board").

⁽²⁾ The information as to shares to be beneficially owned following Completion of the QT has been furnished by the respective individual, has been extracted from the central securities register of AEFI, or has been taken from publicly available insider reports filed by the respective individual. Gary Lewis acquired 400,000 Subscription Receipts in the Financing,

On Closing, it is proposed that the current directors of Cavalry except for Brandon Bonifacio will resign, Brandon Bonifacio will resign as Cavalry's President and Chief Executive Officer, and Adam Garvin will resign as Cavalry's Chief Financial Officer and Corporate Secretary

On Closing, Gary L. Lewis, currently Executive Director of AEFI, will be appointed as a director and as the President and Chief Executive Officer of the Resulting Issuer, and Melissa Sanderson, Derek Marshall and Mitchell Smith will be appointed as directors of the Resulting Issuer. Brandon Bonifacio, a current director of Cavalry will stay on as a director of the Resulting Issuer. Jack Cartmel will be appointed as Chief Financial Officer and Corporate Secretary of the Resulting Issuer. See "Management" and "Promoter Consideration".

The directors and officers of AEFI following Completion of the QT, which will then be a wholly-owned subsidiary of the Resulting Issuer, will be the same as the directors and officers of the Resulting Issuer, except that Mark Wise will remain as a director of AEFI but not of the Resulting Issuer.

Assuming Completion of the QT as contemplated by the SEA, the directors and officer of the Resulting Issuer, as a group, will own of record or beneficially, directly or indirectly, or exercise control or direction over in the aggregate 6,201,139 Consolidated Shares or approximately 14.97% of the issued Consolidated Shares of the Resulting Issuer (approximately 12.94% on a fully diluted basis).

See also in this Part III – Information Concerning the Resulting Issuer, "Pro Forma Consolidated Capitalization", "Fully Diluted Share Capital", "Management" and "Executive Compensation", which follow, and see also Part IV – Risk Factors.

Committees of the Board

On Completion of the QT, the Board of Directors of the Resulting Issuer will initially have only one committee, the Audit Committee.

Audit Committee

On Completion of the QT, the members of the Audit Committee of the Resulting Issuer will be Melissa Sanderson (Chair), Derek Marshall and Mitchell Smith. All three Audit Committee members are considered to be independent of management, having applied the guidelines contained in applicable securities legislation, and all three of the Audit Committee members have the ability to read and understand financial statements that present a breadth and level of

complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Resulting Issuer's financial statements.

The Audit Committee's primary function is assisting the Board of Directors in fulfilling its oversight responsibilities to shareholders. The Committee is ultimately responsible for the policies and practices relating to the integrity of financial and regulatory reporting, as well as internal controls to achieve the objectives of safeguarding corporate assets; reliability of information; and compliance with policies and laws, as well as serving as an independent and objective party to liaise with the external auditor independent of management and monitor preparation of the Resulting Issuer's financial statements and other financial information.

Corporate Governance

The Resulting Issuer's proposed approach to corporate governance is set out below.

Board of Directors

The Resulting Issuer intends to have five directors, being Melissa Sanderson, Gary Lewis, Derek Marshall, Mitchell Smith and Brandon Bonifacio. Melissa Sanderson, Derek Marshall and Mitchell Smith will all be considered independent directors, Gary Lewis will not be considered an independent director in his capacity as the proposed CEO and President of the Resulting Issuer and Brandon Bonifacio will not be considered an independent director in his capacity as the past CEO and President of Cavalry.

Directorships

Certain of the proposed directors of the Resulting Issuer are also current directors of other reporting issuers (or equivalent) in a Canadian jurisdiction or a foreign jurisdiction. For further details, see "Other Reporting Issuer Experience" below.

Orientation and Continuing Education

Upon completion of the Transaction, the Resulting Issuer is not expected to have a formal orientation and education program for new board members, particularly given its stage of development and growth. However, all new members of the board of directors of the Resulting Issuer are expected to be provided with sufficient information (such as recent financial statements, technical reports and various other operating, property and budget reports) to ensure that new directors are familiarized with the business and operations of the Resulting Issuer and the procedures of the board of directors of the Resulting Issuer. In addition, new directors will be encouraged to visit and meet with management of the Resulting Issuer on a regular basis. The Resulting Issuer will also encourage continuing education of its directors and officers where appropriate in order to ensure that they have the necessary skills and knowledge to meet their respective obligations to the Resulting Issuer.

Ethical Business Conduct

The Resulting Issuer Board of Directors will take appropriate measures to exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer may have a material interest. Where appropriate, directors will abstain from portions of board or committee meetings to allow independent discussion of points in issue.

Nomination of Directors

The Resulting Issuer Board of Directors does not intend to establish a nominating committee. The Resulting Issuer Board of Directors as a whole will be responsible for filling vacancies on the Resulting Issuer Board of Directors and recommending potential nominees for directors, and will use an informal consultative process. The Resulting Issuer Board of Directors will analyze the needs of the board when vacancies arise and will identify and propose new nominees who have the necessary competencies and characteristics to meet those needs. In order to foster an objective

nomination process, the independent members of the Resulting Issuer Board of Directors will be encouraged to recommend nominees for the Resulting Issuer Board of Directors.

Compensation

The Resulting Issuer does not intend to establish a compensation committee. The Resulting Issuer Board of Directors will review directors' compensation once a year, taking into consideration the compensation paid to directors of comparable publicly traded Canadian companies. The Resulting Issuer Board of Directors will decide the compensation of the Resulting Issuer's officers based on industry standards and the Resulting Issuer's financial situation.

Other Board Committees

The Resulting Issuer Board of Directors does not intend to have any committees, other than the Audit Committee upon Completion of the QT. The Resulting Issuer Board of Directors will review its corporate governance practices and consider, among other matters, whether it would be desirable to establish additional committees of the Resulting Issuer Board of Directors.

Assessments

The Resulting Issuer Board of Directors will monitor the adequacy of information given to directors, communication between the Resulting Issuer Board of Directors and management and the strategic direction and processes of the Resulting Issuer Board of Directors and the Audit Committee.

Management and Directors

The background of each of the proposed members of management and directors of the Resulting Issuer following Completion of the QT is summarized below. As of the date of this Filing Statement, no director or officer of the Resulting Issuer has entered into a non-competition or non-disclosure agreement with either Cavalry or AEFI, nor is it proposed that non-competition or non-disclosure agreements are to be entered into with the Resulting Issuer following Completion of the QT.

Gary L. Lewis – Chief Executive Officer and President (Age:64)

Mr. Lewis is an executive with over 30 years' experience in capital markets, business and strategy development. Mr. Lewis founded, invested and operated resource projects or assets valued at more than US\$400M, including the acquisition and ultimate sell down or listing of high-value, multi-commodity resource projects in Australia, the United Kingdom, Southeast Asia, Central Asia and the Americas. Mr. Lewis has a background in the pharmaceutical and food industries and has worked in natural resources since 2006. He was the founder and Managing Director of Australian-listed Robust Resources Limited, and more recently was the founder and Chief Executive Officer of TSXV-listed Electric Metals (USA) Limited. Mr. Lewis holds a Bachelor of Commerce and Master of Business and Technology from the University of New South Wales, Australia.

All of the above-noted companies that Gary Lewis is or has been involved with, or successor entities, are to the best of his knowledge all currently carrying on business.

In his capacity as President and Chief Executive Officer of the Resulting Issuer, Gary Lewis will be an employee of the Resulting Issuer and intends to devote approximately 100% of his working time to the affairs of the Resulting Issuer providing services typical of the services provided by a President and Chief Executive Officer of a publicly traded junior mining issuer. See Part III – Information Concerning the Resulting Issuer – Executive Compensation.

Jack Cartmel – Chief Financial Officer and Corporate Secretary (Age: 46)

Mr. Cartmel is a Chartered Professional Accountant with over 20 years of experience in the mining industry, as well as extensive experience in mergers and acquisitions, public and prospectus offerings, public company accounting and disclosure, as well as financial and risk management. Previously Mr. Cartmel was the CFO of Battery Mineral

Resources Corp which is listed on the TSX Venture Exchange and is a battery minerals exploration company with a copper producing asset in Chile. Mr. Cartmel was also CFO of Resource Capital Gold Corp. and Altair Resources Inc. Prior to his c-suite experience, he was a senior manager of Financial Reporting and Internal Audit for Monument Mining Ltd., a mid-size gold producer in Asia listed on the Toronto Stock Exchange. He has also worked as Manager of Finance for White Tiger Gold Limited (formerly Century Mining Corporation), a mid-sized gold producer. Mr. Cartmel obtained Chartered Accountant designation from the Chartered Accountant School of Business and obtained a Bachelor of Business Administration degree from Capilano University.

All of the above-noted companies that Jack Cartmel is or has been involved with, or successor entities, are to the best of his knowledge all currently carrying on business.

In his capacity as Chief Financial Officer and Corporate Secretary of the Resulting Issuer, Jack Cartmel will be an employee of the Resulting Issuer and intends to devote approximately 25% of his working time to the affairs of the Resulting Issuer managing the financial affairs and disclosure obligations of the Resulting Issuer, typical of the services provided by a Chief Financial Officer and Corporate Secretary of a junior mining issuer. See Part III – Information Concerning the Resulting Issuer – Executive Compensation.

Melissa Sanderson – Director (Age: 67)

Melissa “Mel” Sanderson is a globally recognized leader in geopolitics and ESG strategies with over 40 years of experience across diplomacy, mining, and corporate governance. A former US diplomat, Melissa’s distinguished career in the US Foreign Service (1985-2006) included key roles in conflict resolution and strategic negotiations in Africa, Europe, and Latin America. She was instrumental in restoring US-DRC relations and guiding the Democratic Republic of the Congo through its first democratic elections. In the private sector, Melissa held senior roles at Freeport-McMoRan Inc. (NYSE: FCX), leading global government relations and sustainable development initiatives. In 2020, she founded Mel Sanderson Consulting LLC, advising major corporations such as Rio Tinto Group (NYSE: RIO) on ESG and sustainability strategies. Her work focuses on integrating cultural understanding and DEI principles into corporate governance. Melissa currently serves as Co-Chair of the Critical Minerals Institute (CMI), where she leads efforts to drive innovation and sustainability in the critical minerals sector. She is also a Director at CVMR (a major privately-held company) and American Rare Earths Limited (ASX: ARR | OTCQB: ARRF), where she played a key role in expanding the company’s profile in North America, particularly in the renewable energy and defense sectors. A sought-after speaker, Melissa will be speaking at several events, including the Financial Times Mining Summit (London, October 2025), the Reuters Energy Summit (New York, December 2025) and the Future Minerals Forum 2026 (Riyadh, January 2026) further solidifying her leadership in the global critical minerals sector.

Mitchell Smith – Director (Age: 47)

Mitchell Smith is a seasoned finance professional with over 15 years of entrepreneurship, executive leadership, and capital markets experience. In addition to his command in accessing capital markets he has extensive hands-on experience as a key stakeholder, management, and board member for private and public resource companies. Mitchell’s considerable board and executive leadership experience together with his extensive sectoral expertise in battery and energy technology has positioned him as a recognized global voice on critical mineral supply chain security. He is a Partner, Metals and Mining, at Moneta Securities, a boutique investment bank headquartered in Vancouver, Canada and sits as a founder/director/board member for a number of private and public companies in Canada and the UK. Mitchell is also a Director for the Battery Metals Association of Canada, a not for profit organization acting as a voice for Canada’s role in the growing battery supply chain sector.

Derek Marshall – Director (Age 41)

Derek Marshall B.Sc. (Hons, Geology) is an exploration geologist and company executive with nearly two decades of continuous industry experience across Australia and Greenland. Based in Perth, Western Australia, Mr. Marshall brings a strong technical foundation in mineral discovery, project development, and JORC (2012) compliance, supported by hands-on experience from greenfields exploration through to feasibility-level studies. He is currently Chief Executive Officer of Trek Metals Limited (ASX: TKM), an Australian mineral exploration company with a portfolio of gold and base-metal assets. Under his leadership, Trek advanced and subsequently vended the South Woodie Woodie manganese project into AEFI, establishing a strategic relationship between the two companies. Prior

to Trek, Mr. Marshall held senior geological and managerial positions with Newcrest Mining, Buxton Resources and Ironbark Zinc, where he led multi-disciplinary teams and delivered several resource milestones, including the maiden Havieron Au–Cu Resource. A Competent Person under the JORC Code (2012) and a Member of the Australian Institute of Geoscientists (MAIG), Mr. Marshall also holds the Graduate of the Australian Institute of Company Directors (GAICD) qualification.

Brandon Bonifacio – Director (Age: 36)

Mr. Brandon Bonifacio has been Chief Executive Officer of Cavalry since April 20, 2021 and a director of Cavalry since April 20, 2021. Mr. Brandon Bonifacio is a mining executive with over 15 years of experience in project development, mergers and acquisitions, and project evaluations. Mr. Bonifacio is currently the President and CEO of NevGold Corp.; previously he was the Finance Director of the Norte Abierto Joint Venture (Cerro Casale/Caspiche) in the Maricunga Region, Chile and a member of the Corporate Development team at Goldcorp Inc. (now Newmont Corporation). Mr. Bonifacio holds a MASc – Mining Engineering and MBA from the University of Nevada, Reno and a Bachelor of Commerce - Finance from the University of British Columbia.

Promoter Consideration

Brandon Bonifacio is deemed to be the “promoter” of Cavalry and the Resulting Issuer within the meaning of the *Securities Act* (British Columbia) in that he took the initiative of founding and organizing Cavalry and took the initiative of initiating the Transaction with AEFI proposed to result in the reorganization of Cavalry as the Resulting Issuer. Brandon Bonifacio will be the beneficial owner of 301,205 Consolidated Shares of the Resulting Issuer (approximately 0.73%).

The Transaction is an Arm’s Length Transaction and the consideration to be paid pursuant to the SEA was arrived at by negotiation between Cavalry and AEFI. Brandon Bonifacio will not receive anything of value from Cavalry, AEFI or the Resulting Issuer as a result of the Transaction other than possible future grants of security-based compensation by the Resulting Issuer, in his capacity as a director of the Resulting Issuer.

Brandon Bonifacio was previously granted incentive stock options by Cavalry entitling the purchase of 77,681 Consolidated Shares at a per share price of \$0.08. Any Consolidated Shares issued to Brandon Bonifacio on exercise of these options are subject to the CPC Escrow Agreement prior to the completion of the QT. See Part III – Information Concerning the Resulting Issuer – Escrowed Securities.

See in Summary of Filing Statement, “Interest of Insiders, Promoters or Control Persons”, and see in this Part III – Information Concerning the Resulting Issuer, “Directors, Officers and Promoters”.

Corporate Cease Trade Orders or Bankruptcies

No individual who is a proposed director, officer or promoter of the Resulting Issuer or a security holder anticipated to hold a sufficient number of securities of the Resulting Issuer to affect materially the control of the Resulting Issuer, is, or has been within the past ten years, a director, officer or promoter of any person or company that, while such person was acting in that capacity:

- (a) was the subject of a cease trade or similar order or an order that denied the issuer access to any statutory exemptions under applicable securities law, for a period of more than 30 consecutive days, or
- (b) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Penalties or Sanctions

No individual who is a proposed director, officer or promoter of the Resulting Issuer, or a security holder anticipated to hold sufficient securities of the Resulting Issuer to affect materially the control of the Resulting Issuer, has:

- (a) been subject to any penalties or sanctions imposed by a court relating to securities legislation or securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) been subject to any other penalties or sanctions imposed by a court or regulatory body, including a self-regulatory body, that would be likely to be considered important to a reasonable securityholder making a decision about the Transaction.

Personal Bankruptcies

No individual who is a proposed director, officer or promoter of the Resulting Issuer, or a securityholder anticipated to hold sufficient securities of the Resulting Issuer to affect materially the control of the Resulting Issuer, or a personal holding company of any such persons has, within the ten years before the date of this Filing Statement, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, officer, or promoter.

Conflicts of Interest

Conflicts of interest may arise as a result of the proposed directors, officers, and promoters of the Resulting Issuer also holding positions as directors and/or officers of other companies. Some of the directors, officers, and promoters have been and will continue to be engaged in the identification and evaluation of mineral resource properties, with a view to potential acquisitions of interests for exploration and development of these properties on their own behalf and on behalf of other companies, and situations may arise where the directors, officers, and promoters will be in direct competition with the Resulting Issuer. See in this Part III – Information Concerning the Resulting Issuer, “Other Reporting Issuer Experience”, and see Part IV – Risk Factors.

Other Reporting Issuer Experience

The following table sets out the proposed directors, officers and promoters of the Resulting Issuer that are, or have been within the last five years, directors, officers or promoters of other reporting issuers:

Name	Name & Jurisdiction of Reporting Issuer	Exchange	Position	From	To
Gary Lewis	Electric Metals (USA) Limited	TSXV	Director, CEO	July 2019	January 2024
Mitchell Smith	Fulcrum Metals plc	LSE	Director	February 2021	Present
			Non-Executive Chairman	February 2025	Present
	Global Energy Metals Corporation	TSXV	Director	December 2015	Present
Brandon Bonifacio	Aero Energy Ltd. (British Columbia)	TSXV	Director	2020	Present
	Terra Balcanica Resources Corp. (British Columbia)	CSE	Director	2022	Present
	NevGold Corp. (British Columbia)	TSXV		2021	Present

Name	Name & Jurisdiction of Reporting Issuer	Exchange	Position	From	To
	Faction Investment Group Corp. (British Columbia)	TSXV	President, CEO and Director Director	2022	Present
Derek Marshall	Trek Metals Limited	ASX	CEO	2021	Present
Melissa Sanderson	American Rare Earths Limited	ASX	Director	2022	Present

Executive Compensation

Compensation Discussion and Analysis

The purpose of this Compensation Discussion and Analysis is to provide information about compensation decisions relating to the named executive officers (“**Named Executive Officers**”) of the Resulting Issuer and to summarize proposed compensation of the Named Executive Officers for the 12 months following Completion of the QT, as detailed in the Summary Compensation Table that follows.

Following Completion of the QT, the following individuals will be the Named Executive Officers of the Resulting Issuer:

- Gary L. Lewis, President & Chief Executive Officer;
- Jack Cartmel, Chief Financial Officer and Corporate Secretary.

The Resulting Issuer will be a junior mineral exploration company, initially primarily engaged in the exploration of the SWWM Property. The Resulting Issuer will have no significant revenues from operations and will, for the foreseeable future, operate with limited financial resources to ensure that funds are available to complete scheduled exploration programs. As a result, the Board of Directors will have to consider not only the financial situation of the Resulting Issuer at the time of determination of executive compensation, but also the estimated financial situation of the Resulting Issuer in the mid- and long-term. An important element of executive compensation will be that of security based compensation, which do not require cash disbursement by the Resulting Issuer. See “Option Based Awards” below.

Compensation Objectives and Principles

The primary goal of the Resulting Issuer’s executive compensation process will be to attract and retain the key executives necessary for the Resulting Issuer’s long-term success, to encourage executives to further the development of the Resulting Issuer and its operations, and to motivate qualified and experienced executives. The key elements of executive compensation awarded by the Resulting Issuer will be: (i) base salary or consulting fees; (ii) security based compensation, and (iii) potential annual incentive awards. The directors are of the view that all such elements should be considered when determining executive compensation, rather than any single element.

Compensation Process

The Resulting Issuer will rely solely on its Board of Directors, through discussion without any formal objectives, criteria or analysis, in determining the compensation of its executive officers. The Board of Directors will be responsible for determining all forms of compensation, including long-term incentives in the form of equity-based incentives that may be granted to the Named Executive Officers, and to the Resulting Issuer’s directors, and for reviewing the recommendations of the Chief Executive Officer respecting compensation for any other officers of the Resulting Issuer from time to time, to ensure such arrangements reflect the responsibilities and risks associated with each position. When determining the compensation of the Resulting Issuer’s executive officers, the Board of Directors will consider: (i) recruiting and retaining executives critical to the success of the Resulting Issuer and the enhancement

of shareholder value; (ii) providing fair and competitive compensation; (iii) balancing the interests of management and the Resulting Issuer's shareholders; and (iv) rewarding performance, both on an individual basis and with respect to operations in general.

Base Salary and/or Consulting Fees

The Resulting Issuer will be an exploratory stage mining company and does not anticipate generating revenues from operations for a significant period of time. As a result, the use of traditional performance standards, such as corporate profitability of the Resulting Issuer, is not considered by the Board of Directors to be appropriate in the evaluation of corporate or Named Executive Officer performance in the near term. The compensation of the executive officers will be based, in substantial part, on industry compensation practices, trends in the mining industry, as well as achievement of the Resulting Issuer's business plans and objectives and availability of funds.

Compensation of the Named Executive Officers will depend on the scope of their experience, responsibilities, leadership skills and performance. Fees will be reviewed annually by the Board of Directors. In addition to the above factors, decisions regarding salary and/or consulting fee amounts are impacted by general industry trends and practices, competitiveness, as well as the Resulting Issuer's anticipated financial resources.

Security Based Compensation Incentives

Security based compensation incentives is intended to align the interests of directors, officers, employees and consultants with those of shareholders, provide a long term incentive that rewards these individuals for their contribution to the creation of shareholder value, and reduce the cash compensation the Resulting Issuer would otherwise have to pay. In establishing the number of the securities to be granted, reference will be made to the type and number of securities granted to officers of other publicly traded companies that, similar to the Resulting Issuer, are involved in mineral exploration, as well as those of other publicly traded Canadian companies of a comparable size to that of the Resulting Issuer in respect of assets. The Board of Directors also considers previous grants of securities and the overall number of securities that are outstanding relative to the number of outstanding Consolidated Shares in determining whether to make any new grants of security based compensation, and the size and terms of any such grants, as well as the level of effort, time, responsibility, ability, experience and level of commitment of the executive officer in determining the level of incentive compensation.

Benefits and Perquisites

As of the date of this Filing Statement, the Resulting Issuer does not propose offering any benefits or perquisites to its Named Executive Officers other than entitlement to security based compensation as otherwise disclosed and discussed herein. The Resulting Issuer will not, for the foreseeable future following Completion of the QT, offer any form of pension plan.

Risks Associated with Compensation Practises

The Resulting Issuer's proposed Board of Directors has not, as yet, considered the implications of any risks to the Resulting Issuer associated with decisions regarding compensation of executive officers.

Hedging by Named Executive Officers or Directors

Cavalry has not, as yet, adopted, and in the near term the Board of the Resulting Issuer does not anticipate adopting, a policy restricting its executive officers and directors from purchasing financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted or awarded as compensation or held, directly or indirectly, by executive officers or directors. As of the date of this Filing Statement, entitlement to grants of options under the Cavalry Option Plan is the only equity security element awarded, to date, by Cavalry to its executive officers and directors; and grants of awards under the Equity Incentive Plan will be, in the near term, the only equity security element awarded by the Resulting Issuer to its executive officers and directors.

Compensation for First 12 Months Following Completion of the QT

The following table provides a summary of the compensation proposed to be earned by, paid to, or accrued and payable to, each Named Executive Officer of the Resulting Issuer for the first 12 months following Completion of the QT. Amounts reported in the table below are in Canadian dollars.

Name and principal position	Salary/ Fee (\$)	Share- based awards (\$)	Option- based awards (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total Compensation (\$)
				Annual incentive plans	Long- term incentive plans			
Gary L. Lewis <i>Proposed President & Chief Executive Officer</i>	\$96,000 ⁽¹⁾	Nil	Nil	Nil	Nil	Nil	Nil	\$96,000
Jack Cartmel <i>Proposed Chief Financial Officer & Corporate Secretary</i>	\$60,000 ⁽¹⁾	Nil	Nil	Nil	Nil	Nil	Nil	\$60,000

⁽¹⁾ See “Employment Agreements and Termination Benefits”.

Director Compensation

As of the date of this Filing Statement, for the foreseeable future including the first 12 months following Completion of the QT, it is not proposed that the Resulting Issuer will pay its directors a fee for acting as such. Directors are, however, entitled to be reimbursed for reasonable expenditures incurred in performing their duties as directors and may, from time to time, be granted incentive security based compensation.

As noted previously, the Board of Directors of the Resulting Issuer does not intend granting any security based compensation to its Named Executive Officers or to its directors until such time following Completion of the QT as the trading price of the Consolidated Shares on the Exchange has stabilized such that a fair market value for security based compensation can be determined. At such time as security based compensation is granted, the number of Consolidated Shares underlying such securities and the terms of purchase will be in accordance with the Equity Incentive Plan and the policies of the Exchange. See in this Part III – Information Concerning the Resulting Issuer, “Options to Purchase Consolidated Shares”.

Indebtedness of Directors and Officers

As of the date of this Filing Statement and as at Closing and on Completion of the QT, no director or officer of Cavalry or of AEFI and no proposed director or officer of the Resulting Issuer, or any associate thereof, is or will be indebted to Cavalry, AEFI or the Resulting Issuer, nor at any time during Cavalry’s most recently completed financial year ended September 30, 2024 or during AEFI’s most recently completed financial year ended December 31, 2024, was the indebtedness of any of such individuals to another entity the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by Cavalry or AEFI respectively.

Investor Relations Arrangements

As at the date of this Filing Statement, there are no promotional or investor relations arrangements proposed for the Resulting Issuer.

Share Purchase Warrants

Following Completion of the QT, the Resulting Issuer will have 238,705 Agent's Warrants outstanding. See in Part I – Information Concerning Cavalry, “Description of Securities – Share Purchase Warrants”.

The Resulting Issuer will also have 5,480,234 Cavalry Warrants and 409,100 Finder Warrants outstanding. See Part I – Information Concerning Cavalry – The Transaction – The Financing.

See also in this Part III – Information Concerning the Resulting Issuer – Fully Diluted Share Capital.

Options to Purchase Securities

Following Completion of the QT, the Resulting Issuer will have 369,842 Consolidated Share issuable upon exercise of Cavalry Options under the Cavalry Option Plan. See in Part I – Information Concerning Cavalry, “Description of Securities – Options” and “Stock Option Incentive Plan”.

The Board of Directors of the Resulting Issuer does not intend to grant any additional security based compensation until such time following Completion of the QT as the trading price of the Consolidated Shares on the Exchange has stabilized such that a fair market value exercise price for awards can be determined.

Equity Incentive Plan

On the completion of the Transaction, the Resulting Issuer will be adopting the Equity Incentive Plan, subject to the receipt of all shareholder and regulatory approvals and the approval of the Exchange. After adopting the Equity Incentive Plan, the Resulting Issuer will be able to make grants under the Equity Incentive Plan, however such grants will be subject to shareholder approval. The Resulting Issuer intends to seek shareholder approval of the Equity Incentive Plan and any grants thereunder at the next annual general meeting of its shareholders.

The Equity Incentive Plan will allow for the issuance of incentive stock options, deferred share units, performance share units, restricted share units and stock appreciation rights (collectively, “Awards”). Pursuant to the Equity Incentive Plan, a maximum of 10% of the issued shares of the Resulting Issuer, from time to time, may be reserved for issuance pursuant to the exercise of all Awards granted thereunder. Material terms of the Equity Incentive Plan are set out below.

Upon the Equity Incentive Plan being approved by the Exchange and the shareholders, the Equity Incentive Plan will replace the Cavalry Option Plan. All of the Cavalry Options currently outstanding under the Cavalry Option Plan will remain outstanding and in full force and effect in accordance with their terms. However, following the date the Equity Incentive Plan is approved by the Exchange and the shareholders, no additional grants shall be made pursuant to the Cavalry Option Plan and the Cavalry Option Plan will terminate on the date upon which no Cavalry Options remain outstanding.

The purpose of the Equity Incentive Plan is to attract and retain directors, officers, employees and consultants and to motivate them to advance the interests of the Resulting Issuer by affording them with the opportunity to receive or acquire an equity interest in the Resulting Issuer through Awards granted under the Equity Incentive Plan.

A summary of certain provisions of the Equity Incentive Plan is set out below. This summary is qualified in its entirety to the full copy of the Equity Incentive Plan to be filed on SEDAR+ under the Resulting Issuer's profile at www.sedarplus.ca with this Filing Statement.

The Equity Incentive Plan is subject to the acceptance of the Exchange and modification may be made to the Equity Incentive Plan if required by the Exchange.

Material Terms of the Equity Incentive Plan

The Equity Incentive Plan is a 10% “rolling” equity incentive plan pursuant to which the maximum number of common shares of the Resulting Issuer reserved for issuance, together with all of the Resulting Issuer’s other previously established or proposed equity incentive plans, employee stock purchase plans or any other compensation or incentive mechanisms involving the issuance or potential issuance of common shares, shall not result in the number of common shares reserved for issuance pursuant to Awards exceeding 10% of the issued and outstanding common shares as at the date of grant of any Award. Pursuant to the terms of the Equity Incentive Plan, in addition to the ability to award stock options (“**Options**”) to acquire common shares of the Resulting Issuer to Participants (as defined below), the Resulting Issuer has the availability to award restricted share units (“**RSUs**”), deferred share units (“**DSUs**”), and performance share units (“**PSUs**”). The Resulting Issuer may also grant stock appreciation rights (“**SARs**”) pursuant to the Equity Incentive Plan whereby Participants will have the right to receive common shares, a cash payment, or any combination thereof, as determined by the Board, based wholly or in part on appreciation in the trading price of the Resulting Issuer’s common shares.

The Equity Incentive Plan provides that:

1. All employees, officers, directors, consultants, management company employees, consultant companies and eligible charitable organizations (collectively, the **Participants**) are eligible to participate under the Equity Incentive Plan. Eligibility to participate does not confer any person any right to receive any grant of an Award pursuant to the Equity Incentive Plan. The extent to which any person is entitled to receive a grant of an Award pursuant to the Equity Incentive Plan will be determined in the sole and absolute discretion of the Board. Notwithstanding the foregoing, investor relations service providers and eligible charitable organizations may only be granted Options under the Equity Incentive Plan.
2. Awards of Options, RSUs, PSUs, DSUs and SARs may be made under the Equity Incentive Plan. All Awards are subject to the conditions, limitations, restrictions, exercise price, vesting, settlement and forfeiture provisions determined in the sole and absolute discretion of the Board, subject to such limitations provided in the Equity Incentive Plan, and will generally be evidenced by an award agreement. In addition, subject to the limitations of the Equity Incentive Plan and in accordance with applicable law or the policies of the Exchange, the Board may accelerate or defer the vesting or payment of Awards, cancel or modify outstanding Awards, and waive any condition imposed with respect to Awards or common shares issued pursuant to Awards.
3. No Awards granted under the Equity Incentive Plan or any right thereunder or in respect thereof shall be transferable or assignable (other than upon the death of the Participant).
4. The maximum number of common shares issuable under the Equity Incentive Plan shall not exceed 10% of the number of common shares of the Resulting Issuer issued and outstanding as of each Award date, inclusive of all common shares reserved for issuance pursuant to previously granted Awards.
5. Awards will vest as the Board may determine, subject to the policies of the Exchange and the provisions of the Equity Incentive Plan, such as the 12-month probation of vesting for Awards other than Options and the requirement that Options granted to investor relations service providers must vest in stages over a period of not less than 12 months, such that no more than 25% vest any sooner than three months after the date of grant and not more than 25% vest any sooner than every three months thereafter.
6. If a change of control shall be deemed to be imminent, or to have occurred, there shall be immediate full vesting of each outstanding Option; provided, however, no acceleration to the vesting schedule of an Option granted to a Participant performing investor relations services may be made without prior written acceptance of the Exchange. Unless otherwise determined by the Board, or unless otherwise provided in a Participant’s service agreement or award agreement, if a change of control shall conclusively be deemed to be imminent, or to have occurred, then the Board shall have the discretion, without the prior approval of the Participants but subject to any required approval of the Exchange, to, among other things, determine that there will be immediate full vesting of each outstanding Award (other than Options) granted, which may be exercised or settled, in whole or in part, even if such Award is not otherwise exercisable or vested by its terms.

7. The exercise price of any Options will be determined by the Board and cannot be less than the greater of: (i) the minimum price established by the Exchange and (ii) the market value of the common shares on the day preceding the date of grant of the Options. Subject to approval from the Board and the common shares being traded on the Exchange, a brokerage firm may be engaged to loan money to the Participant in order for the Participant to exercise the Options to acquire the common shares, subsequent to which the brokerage firm shall sell a sufficient number of common shares to cover the exercise price of such Options to satisfy the loan. The brokerage firm shall receive an equivalent number of common shares from the exercise of the Options, and the Participant shall receive the balance of the common shares or cash proceeds from the balance of such common shares. Subject to approval from the Board and the common shares being traded on the Exchange, consideration may also be paid by reducing the number of common shares otherwise issuable under the Options, in lieu of a cash payment to the Resulting Issuer, a Participant, excluding those providing investor relations services, only receives the number of common shares that is equal to the quotient obtained by dividing: (i) the product of the number of Options being exercised multiplied by the difference between the volume-weighted average trading price of the common shares and the exercise price of the Options, by (ii) the volume-weighted average trading price of the common shares.
8. The term of any Options will be fixed by the Board at the time such Options are granted, provided that Options will not be permitted to exceed a term of five years, subject to extension where the expiry date falls within a blackout period in certain cases.
9. No more than (i) 5% of the issued common shares may be granted under Awards to any one individual in any 12-month period, unless disinterested shareholder approval is obtained in accordance with the policies of the Exchange; and (ii) 2% of the issued common shares may be granted under Awards to a consultant, or an employee performing investor relations activities, in any 12-month period.
10. Subject to the discretion of the Board, in the event that a dividend (other than a stock dividend) is declared and paid by the Resulting Issuer on the common shares, a Participant may be credited with additional RSUs, DSUs or PSUs.
11. Unless disinterested shareholder approval is obtained in accordance with the policies of the Exchange, the maximum number of common shares that may be issued to insiders (as a group) under the Equity Incentive Plan within a 12-month period, may not exceed 10% of the issued common shares calculated on the date of grant, and the maximum number of common shares that may be issued to insiders (as a group) under the Equity Incentive Plan may not exceed 10% of the issued common shares at any time.
12. All security based compensation granted or issued to any Participant who is a director, officer, employee, consultant or management company employee must expire within a reasonable period, not exceeding 12 months, following the date the Participant ceases to be an eligible Participant under the Equity Incentive Plan. If a Participant ceases to be employed or engaged by the Resulting Issuer for cause, no Options will be exercisable following the date of on which such Participant ceased to be so employed or engaged, unless otherwise determined by the Board and subject to the terms of the Equity Incentive Plan. In the event of the retirement or termination of a Participant during the restricted period (as defined in the Equity Incentive Plan), any RSUs held by the Participant shall immediately terminate, subject to the discretion of the Board to modify the RSUs to provide that the restricted period shall terminate immediately prior to the date of such occurrence. In the event of the retirement or termination of a Participant following the restricted period (as defined in the Equity Incentive Plan) and before the deferred payment date (as defined in the Equity Incentive Plan), the Participant shall be entitled to receive common shares or cash, as determined by the Board, in satisfaction of the RSUs then held. If a Participant ceases to be an employee or a director during the performance period (as defined in the Equity Incentive Plan) because of retirement or termination, all PSUs previously awarded to the Participant shall be forfeited, subject to the discretion of the Board to modify the PSUs to provide that the performance period would end at the calendar quarter immediately prior to the date of such occurrence.
13. Awards will be reclassified or amended as determined by the Board in the event of any declaration of stock dividends, consolidation, subdivision, conversion or exchange of the Resulting Issuer's common shares, subject to any necessary approvals of the Exchange.

14. The Equity Incentive Plan will be administered by the Board or a Board committee that may be designated from time to time.

Escrowed Securities

Following is a summary of:

- (a) the Common Shares and Cavalry Options of Cavalry currently held in escrow pursuant to the terms of the Form 2F CPC Escrow Agreement (the “**CPC Escrow Agreement**”) dated March 10, 2022, among Cavalry, Computershare Investor Services Inc. as Escrow Agent and the directors and officers, certain of their associates (see “CPC Escrow Agreement” below); and
- (b) the Payment Shares, and Consolidated Shares issued to Trek under the Option Agreement, to be held in escrow on Completion of the QT pursuant to the terms of the QT Escrow Agreement to be entered into at Closing by certain of the AEFI Shareholders in accordance with the policies of the Exchange (see “**QT Escrow Agreement**” below).

Name and municipality of residence of beneficial owner	Prior to giving effect to the Transaction, the Consolidation and Completion of the QT		After giving effect to the Transaction, the Consolidation and assuming Completion of the QT (prior to the initial 10% release from escrow on Completion of the QT)	
	Number of Common Shares subject to escrow	Percentage of Common Shares outstanding	Number of Consolidated Shares subject to escrow	Percentage of Consolidated Shares outstanding
Brandon Bonifacio <i>Vancouver, BC</i>	500,000 ⁽¹⁾	7.74%	301,205 ⁽¹⁾	0.73%
Giulio Bonifacio <i>Vancouver, BC</i>	500,000 ⁽¹⁾	7.74%	301,205 ⁽¹⁾	0.73%
Brock Daem <i>Vancouver, BC</i>	500,000 ⁽¹⁾	7.74%	301,205 ⁽¹⁾	0.73%
Adam Garvin <i>Tsawwassen, BC</i>	200,000 ⁽¹⁾	3.09%	120,482 ⁽¹⁾	0.29%
John MacPhail <i>North Vancouver, BC</i>	500,000 ⁽¹⁾	7.74%	301,205 ⁽¹⁾	0.73%
Skana Holdings Ltd. (Art Smolensky) <i>Calgary, AB</i>	300,000 ⁽¹⁾	4.64%	180,722 ⁽¹⁾	0.44%
Sub-total – CPC Escrow Agreement⁽¹⁾	2,500,000⁽¹⁾	34.04%	1,506,024⁽¹⁾	3.63%
ACT2 Pty Limited <ATF Lewis Trust> (Gary Lewis) <i>Sydney, Australia</i>	Nil	N/A	3,850,000	9.29%
Lewis Superannuation Fund (Gary Lewis) <i>Sydney, Australia</i>	Nil	N/A	933,334	2.25%
Perpetual Possibility Pty Ltd. (Derek Marshall) <i>Perth, Australia</i>	Nil	N/A	66,600	0.16%
Gary Lewis <i>Sydney, Australia</i>	Nil	N/A	650,000	1.57%
Mark Wise <i>Cedarhurst, USA</i>	Nil	N/A	225,000	0.54%

Name and municipality of residence of beneficial owner	Prior to giving effect to the Transaction, the Consolidation and Completion of the QT		After giving effect to the Transaction, the Consolidation and assuming Completion of the QT (prior to the initial 10% release from escrow on Completion of the QT)	
	Number of Common Shares subject to escrow	Percentage of Common Shares outstanding	Number of Consolidated Shares subject to escrow	Percentage of Consolidated Shares outstanding
Trek Metals Limited <i>Perth, Australia</i>	Nil	N/A	8,000,000	19.31%
Sub-total – QT Escrow Agreement	Nil	N/A	13,724,934⁽²⁾	33.13%
Total Subject to Escrow	2,500,000	34.04%	15,230,958	36.76%

⁽¹⁾ These Common Shares are held in escrow by Computershare Investor Services Inc. as Escrow Agent pursuant to the CPC Escrow Agreement and the policies of the Exchange. The terms of the CPC Escrow Agreement, including release terms, are summarized below. See also Summary of Filing Statement – Interest of Insiders, Promoters or Control Persons and Part I – Information Concerning Cavalry – Description of Securities. On Completion of the QT, these Common Shares held pursuant to the CPC Escrow Agreement will become Consolidated Shares.

⁽²⁾ On Completion of the QT, these Consolidated Shares will be held in escrow by Computershare Investor Services Inc. as Escrow Agent pursuant to the QT Escrow Agreement and pursuant to the policies of the Exchange, releasable in accordance with the terms of the Tier 2 release schedule. The terms of the QT Escrow Agreement, including release terms, are summarized below.

The following table sets out the particulars with respect to the Cavalry Options held in escrow under the CPC Escrow Agreement:

Name and municipality of residence of beneficial owner	Prior to giving effect to the Transaction, the Consolidation and Completion of the QT		After giving effect to the Transaction, the Consolidation and assuming Completion of the QT	
	Number of Cavalry Options subject to escrow	Percentage of Cavalry Options outstanding	Number of Cavalry Options subject to escrow	Percentage of Cavalry Options outstanding
Brandon Bonifacio <i>Vancouver, BC</i>	129,250 ⁽¹⁾	21.05%	Nil ⁽¹⁾	N/A
Giulio Bonifacio <i>Vancouver, BC</i>	129,250 ⁽¹⁾	21.05%	Nil ⁽¹⁾	N/A
Brock Daem <i>Vancouver, BC</i>	129,250 ⁽¹⁾	21.05%	Nil ⁽¹⁾	N/A
Adam Garvin <i>Tsawwassen, BC</i>	96,938 ⁽¹⁾	15.79%	Nil ⁽¹⁾	N/A
John MacPhail <i>North Vancouver, BC</i>	129,250 ⁽¹⁾	21.05%	Nil ⁽¹⁾	N/A
Total Subject to Escrow	613,938	100%	Nil	N/A

⁽¹⁾ These Cavalry Options are held in escrow by Computershare Investor Services Inc. as Escrow Agent pursuant to the CPC Escrow Agreement and the policies of the Exchange. The terms of the CPC Escrow Agreement, including release terms, are summarized below. See also Summary of Filing Statement – Interest of Insiders, Promoters or Control Persons and Part I – Information Concerning Cavalry – Description of Securities. On Completion of the QT, these Cavalry Options held pursuant to the CPC Escrow Agreement will all be released from escrow.

See Part I – Information Concerning Cavalry – The Transaction and see also in this Part III – Information Concerning the Resulting Issuer, “Pro-Forma Consolidated Capitalization”, “Fully Diluted Share Capital”, “Principal Security Holders”, “Directors, Officers and Promoters”.

CPC Escrow Agreement

An aggregate 2,500,000 Common Shares (as set out in the table above) issued prior to Cavalry’s initial public offering at a per share price of \$0.05, and 613,938 Cavalry Options held by directors and officers of Cavalry, have been

deposited with Computershare Investor Services Inc. as Escrow Agent and are subject to the terms of the CPC Escrow Agreement.

All Common Shares and any other securities that may be otherwise acquired from treasury after the IPO but prior to Completion of the QT that are owned or controlled by Non-Arm's Length Parties to the CPC (as defined in Policy 2.4), Cavalry Options and Common Shares acquired on exercise of Cavalry Options prior to Completion of the QT, must be deposited in escrow and will be subject to the CPC Escrow Agreement until Completion of the QT.

Should Common Shares or Cavalry Options that are required to be held subject to the CPC Escrow Agreement be held by a non-individual (a "**holding company**"), each holding company party to the CPC Escrow Agreement must agree not to carry out any transactions during the currency of the CPC Escrow Agreement that would result in a change of control of the holding company, without the consent of the Exchange. In addition, the Exchange may require an undertaking from any Control Person of the holding company not to transfer the shares of the holding company.

All Cavalry Options granted prior the Completion of the QT and all Common Shares issued upon the exercise of Cavalry Options prior to the Completion of the QT will be released from escrow on the Final Exchange Bulletin, other than Cavalry Options that were granted prior to the IPO with an exercise price that is less than \$0.10 and any Common Shares issued upon the exercise of such Cavalry Options (which will be released from escrow in accordance with the schedule set out below).

Under the CPC Escrow Agreement, 25% of the escrowed Common Shares will be released from escrow following the Final Exchange Bulletin and an additional 25% will be released on each of the dates which are 6 months, 12 months, and 18 months following Final Exchange Bulletin.

The Exchange's prior consent must be obtained before a transfer within escrow of Common Shares subject to the CPC Escrow Agreement. Generally, the Exchange will only permit a transfer within escrow to be made to incoming principals in connection with a proposed Qualifying Transaction.

If a Final Exchange Bulletin is not issued, the escrowed Common Shares and Cavalry Options will not be released. All Common Shares being held pursuant to the CPC Escrow Agreement will become Consolidated Shares.

QT Escrow Agreement

In accordance with applicable Exchange policies, an aggregate 7,724,934 Payment Shares (as set out in the table above) to be issued by Cavalry under the SEA, and 6,000,000 Consolidated Shares to be issued to Trek under the Option Agreement will be subject to the QT Escrow Agreement as noted in the table above.

See in this Part III – Information Concerning the Resulting Issuer, "Directors, Officers and Promoters" and "Management".

On Completion of the QT, an aggregate 13,724,934 Consolidated Shares subject to the QT Escrow Agreement will be released from escrow as follows:

Tier 2 Escrow Release Schedule

<u>Percent</u>	<u>Release Date</u>
10%	on Completion of the QT (1/10 th of the escrowed securities)
15%	6 months from the date of Completion of the QT (1/6 th of remaining escrowed securities)
15%	12 months from the date of Completion of the QT (1/5 th of remaining escrowed securities)
15%	18 months from the date of Completion of the QT (1/4 th of remaining escrowed securities)
15%	24 months from the date of Completion of the QT (1/3 rd of remaining escrowed securities)

15%	30 months from the date of Completion of the QT (1/2 of remaining escrowed securities)
15%	36 months from the date of Completion of the QT (all remaining escrowed securities).

Should the Resulting Issuer graduate to Tier 1 pursuant to the policies of the Exchange, the release schedule will be replaced with the below Tier 1 release schedule and the Escrow Agent will release any of the Consolidated Shares subject to the QT Escrow Agreement which under the new release schedule would have been releasable at the date the Exchange confirms the Resulting Issuer's graduation to Tier 1.

Tier 1 Escrow Release Schedule

<u>Percent</u>	<u>Release Date</u>
25%	on Completion of the QT (1/4 th of the escrowed securities)
25%	6 months from the date of Completion of the QT (1/3 rd of remaining escrowed securities)
25%	12 months from the date of Completion of the QT (1/2 of remaining escrowed securities)
25%	18 months from the date of Completion of the QT (all remaining escrowed securities).

Any other securities received by a securityholder party to the QT Escrow Agreement as a dividend or other distribution on escrowed securities, on the exercise of a right of purchase, conversion or exchange attaching to escrowed securities, on a subdivision, or compulsory or automatic conversion or exchange of escrowed securities, or from a successor issuer in a business combination, must be deposited by the securityholder with the Escrow Agent to be held subject to the terms of the QT Escrow Agreement. Without prior consent of the Exchange, transfer of Consolidated Shares subject to escrow is only permitted in certain circumstances pursuant to the terms of the QT Escrow Agreement, including, among others, transfer to incoming directors or senior officers of the Resulting Issuer or any of its material operating subsidiaries, transfer to other principals holding more than 20% of the voting rights attached to the Resulting Issuer's outstanding Consolidated Shares, and transfer in the event of bankruptcy of the securityholder. Shares transferred within escrow will remain subject to and released from escrow in accordance with the terms of the QT Escrow Agreement as if no transfer had occurred. In the event of death of the securityholder, the securityholder's securities subject to escrow will be released from escrow. Subject to prior Exchange acceptance, a securityholder may pledge, mortgage or charge escrowed securities to a financial institution as collateral for a loan. Voting rights attached to escrowed securities may be exercised by the securityholder, however a securityholder may not, while his or her securities are held in escrow, exercise voting rights attached to any securities (whether in escrow or not) in support of one or more arrangements that would result in the repayment of capital being made on the escrow securities prior to a winding up of the Resulting Issuer.

Seed Share Resale Restrictions

In accordance with the policies of the Exchange, certain of the Payment Shares to be issued by Cavalry under the SEA in exchange for AEFI Shares that were acquired by certain AEFI Shareholders for less than the \$0.25 Transaction price will be subject to seed share resale restrictions ("SSRR") as noted in the table below. All Consolidation Shares that are subject to SSRR will have a one-year hold period, with 20% of such Consolidated Shares released every three months, with the first release on the Final Exchange Bulletin.

The following table sets out the particulars of the Payment Shares subject to SSRR:

<u>Name and municipality of residence of beneficial owner</u>	<u>Prior to giving effect to the Transaction, the Consolidation and Completion of the QT</u>		<u>After giving effect to the Transaction, the Consolidation and assuming Completion of the QT (prior to the initial 20% release from SSRR on Completion of the QT)</u>	
	<u>Number of Common Shares subject to SSRR</u>	<u>Percentage of Common Shares outstanding</u>	<u>Number of Consolidated Shares subject to SSRR</u>	<u>Percentage of Consolidated Shares outstanding</u>
John Wardman & Associates Pty Ltd (John Wardman) Sydney, Australia	Nil	N/A	400,000	0.97%

Name and municipality of residence of beneficial owner	Prior to giving effect to the Transaction, the Consolidation and Completion of the QT		After giving effect to the Transaction, the Consolidation and assuming Completion of the QT (prior to the initial 20% release from SSRR on Completion of the QT)	
	Number of Common Shares subject to SSRR	Percentage of Common Shares outstanding	Number of Consolidated Shares subject to SSRR	Percentage of Consolidated Shares outstanding
44 Capital Pty Ltd (John Wardman) <i>Sydney, Australia</i>	Nil	N/A	1,400,000	3.38%
Ian Burnham Mitchell <i>Sydney, Australia</i>	Nil	N/A	400,000	0.97%
Clyde L. Smith <i>BC, Canada</i>	Nil	N/A	125,000	0.30%
Total Subject to SSRR	Nil	N/A	2,325,000	5.61%

Auditor

As of the date of this Filing Statement, it is proposed that Baker Tilly WM LLP, Chartered Professional Accountants, of Suite 900, 400 Burrard Street, Vancouver, British Columbia, V6C 3B7, AEFI's external auditor will be the auditor of the Resulting Issuer.

Transfer Agent and Registrar

The transfer agent and registrar for the Resulting Issuer will be the transfer agent and registrar of Cavalry, Computershare Investor Services Inc., 3rd Floor, 510 Burrard Street, Vancouver, British Columbia V6C 3B9.

PART IV - RISK FACTORS

The following risk factors assume Completion of the QT and that upon Completion of the QT, the Resulting Issuer will be a Tier 2 mining issuer listed for trading on the Exchange. Notwithstanding those assumptions, Completion of the QT is subject to a number of conditions, including, but not limited to, final Exchange acceptance of the Transaction, including the Financing. There can be no assurance that the Transaction will be completed as proposed, or at all. The Transaction and the Financing may not receive final Exchange approval.

An investment in Cavalry's Common Shares and Consolidated Shares should be considered highly speculative due to the present stage of development and the nature of the businesses and operations of Cavalry and AEFI and the proposed business and operations of the Resulting Issuer. The risks described herein are not the only ones facing the Resulting Issuer. Additional risks not currently known to Cavalry or that Cavalry currently deems immaterial may also impair the business operations of the Resulting Issuer. Shareholders and investors should carefully consider the risks outlined below and should consult with their professional advisors when evaluating the Transaction, and the impact on their specific circumstances.

Risks Related to the Transaction

Conditions Precedent to the Transaction

If the conditions precedent to the completion of the Transaction are not satisfied or waived, as applicable, Cavalry will continue to be a CPC governed by the CPC Policy and will continue to pursue a Qualifying Transaction in accordance with the CPC Policy.

The Transaction May Not be Completed

The Transaction is subject to final acceptance of the Exchange. There can be no assurance(s) that the necessary regulatory approvals will be obtained. If the Transaction is not completed for these reasons or for any other reason(s), Cavalry will have incurred significant costs associated with the failed implementation of the Transaction.

Furthermore, Cavalry has only limited funds with which to identify and evaluate potential Qualifying Transactions and there can be no assurance that Cavalry will be able to identify a suitable Qualifying Transaction in the future. Even if a proposed Qualifying Transaction is identified in the future, there can be no assurance that Cavalry will be able to successfully complete such transaction and the completion of such other Qualifying Transaction is subject to a number of conditions including acceptance by the Exchange and, in the case of a Non Arm's Length Qualifying Transaction, approval of the majority of the minority shareholders.

Operating History

Cavalry has not commenced commercial operations and has no assets other than cash. Cavalry has no history of earnings and will not generate earnings or pay dividends until at least after the completion of a Qualifying Transaction. Until completion of a Qualifying Transaction, Cavalry is not permitted to carry on any business other than the identification and evaluation of potential transactions.

Management and Conflicts of Interest

The ability of Cavalry to successfully complete a Qualifying Transaction is dependent on the performance of its current directors and officers, who devote only a portion of their time to the business and affairs of Cavalry and are, or will be, engaged in other projects or businesses. The current directors and officers of Cavalry also serve as directors and/or officers of other companies which may compete with Cavalry in its search for the businesses or assets targeted in order to complete a Qualifying Transaction. Accordingly, situations may arise where the directors and officers of Cavalry are in a position of conflict with Cavalry.

AEFI Shareholders and participants in the Financing are encouraged to seek independent advice from their own tax and legal advisors.

Risks Related to the Business of the Resulting Issuer

In the following section, the reference to AEFI refers to the Resulting Issuer upon completion of the Transaction, as the context may require.

Uncertainty of Additional Capital

The exploration and development of AEFI's properties, including continuing exploration and development projects, the construction of mining facilities and commencement of mining operations and the growth of AEFI, will require substantial additional financing. AEFI has limited financial resources and has no source of operating income. Failure to obtain sufficient financing could result in a delay or indefinite postponement of exploration, development or production on any or all of AEFI's properties or even a loss of a property interest. An important source of funds available to AEFI is through the sale of equity capital, properties, royalty interests or the entering into of joint ventures. Additional financing may not be available when needed or, if available, the terms of such financing might not be favourable to AEFI and might involve substantial dilution to existing shareholders. Failure to raise capital when needed would have a material adverse effect on AEFI's business, financial condition and results of operations and ability to grow.

Limited Operating History

AEFI has a very limited history of operations and is in the early stage of exploration. As such, AEFI is subject to many risks common to such enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and the lack of revenue. There is no assurance that AEFI will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of its early stage of operations.

While AEFI has been successful in raising financing to date, there can be no assurance that it will be able to do so in the future. The financial statements of AEFI included in this Filing Statement do not reflect the adjustments to the carrying values of assets and liabilities, the reported expenses and statement of financial position classifications that would be necessary if the going concern assumption was inappropriate. These adjustments could be material.

Exploration, Development and Operating Risks

The exploration for and development of mineral deposits involve significant risks that even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an ore body may result in substantial rewards, few properties that are explored are ultimately developed into producing mines. There is no assurance that AEFI's mineral exploration activities will result in any discoveries of commercial bodies of ore. Major expenses may be required to locate and establish mineral reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the exploration or development programs planned by AEFI or any of its joint venture partners will result in a profitable commercial mining operation as the economic viability of the project would depend on obtaining favourable exploration results and commodity prices. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which may include the particular attributes of the deposit, such as size, grade and proximity to infrastructure; mineral prices that are highly cyclical; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The effect of these factors cannot be accurately predicted, but the combination of these factors may result in AEFI not receiving an adequate return on invested capital. No assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a favourable basis. In addition, even if mineral resources can be discovered in sufficient quantities and with sufficient grades to prove economically feasible, there is no certainty that the metallurgical processes will or can be developed to separate economically valuable products from waste, or that metallurgical processes that are developed and the resulting by-products will not have deleterious effects on people, the environment or products, and by consequence, AEFI and its business.

If any of AEFI's properties are found to have mineral deposits in economically feasible quantities and grades, AEFI would be subject to additional risks respecting any development and production activities. Mining operations generally involve a high degree of risk. AEFI's future operations would be subject to all the hazards and risks normally encountered in the exploration, development and production of mineral properties, including unusual and unexpected geologic formations, seismic activity, ground failure, rock bursts, cave-ins, flooding and other conditions involved in the drilling, blasting, removal and evaporation of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability.

There is no certainty that the expenditures made by AEFI towards the search and evaluation of mineral deposits will result in discoveries of commercial quantities of ore. AEFI's ability to execute its planned exploration programs on a timely basis is dependent on a number of factors beyond AEFI's control including availability of drilling services, ground conditions, weather conditions and permitting.

Uncertainty in the Estimation of Mineral Resources

AEFI and the qualified persons have carefully prepared and verified the mineral resource estimates and believe the methods of estimating mineral resources have been verified by mining experience. All mineral resource estimates have been prepared in accordance with NI 43-101 and the CIM Definition Standards. However, such figures are estimates, and no assurance can be given that the indicated level of mineral will be produced. Mineral resources that are not mineral reserves do not have demonstrated economic viability. There are numerous uncertainties inherent in estimating mineral resources, including many factors beyond AEFI's control. Fluctuations in the price of gold, silver or manganese may render mineral resources containing lower grades of mineralization uneconomic. Market price fluctuations of gold, silver or manganese may render the present mineral resources unprofitable for periods of time.

AEFI's calculations of Mineral Resources are estimates and depend upon geological interpretation and statistical inferences drawn from drilling and sampling analysis, which may prove to be inaccurate. Actual recoveries of gold, silver and manganese from mineralized material may be lower than those indicated by test work. Any material change in the quantity of mineralization, grade or stripping ratio, may affect the economic viability of AEFI's properties. In addition, there can be no assurance that metal recoveries in small-scale laboratory tests will be duplicated in larger scale tests under on-site conditions or during production. There remains the possibility that the mineralized material may not perform in commercial production in the same manner as it did in testing. Mining and metallurgy are inexact sciences and, accordingly, there always remains an element of risk that a mine may not prove to be commercially viable.

Until a deposit is actually mined and processed, the quantity of mineral resources and mineral reserves and grades must be considered as estimates only. In addition, the quantity of mineral resources and mineral reserves may vary depending on, amongst other things, metal prices, cut-off grades and operating costs. Any material change in quantity of mineral reserves, mineral resources, grade, percent extraction of those mineral reserves recoverable by underground mining techniques or the stripping ratio for those mineral reserves recoverable by open pit mining techniques may affect the economic viability of AEFI's mining projects and could have a material adverse effect on its future revenues, cash flows, profitability, results of operations, financial condition and prospects and result in write-downs of AEFI's investment in mining properties and increased amortization charges. Fluctuation in gold, silver or manganese prices, results of drilling, metallurgical testing and production and the evaluation of mine plans subsequent to the date of any estimate may require revision of such estimate. Any material reductions in estimates of mineral resources, or of AEFI's ability to extract these mineral resources, could have a material adverse effect on AEFI's operations and financial condition.

Commodity Prices

The profitability of AEFI's operations will be dependent upon the market price of high-purity manganese products. Prices fluctuate widely and are affected by numerous factors beyond the control of AEFI. The level of interest rates, the rate of inflation, global and regional consumption patterns, the world supply of and demand for mineral commodities and the stability of exchange rates can all cause significant fluctuations in prices. Such external economic factors are in turn influenced by changes in international investment patterns, monetary systems and political developments. The effect of these factors cannot be accurately predicted. The price of mineral commodities has fluctuated widely in recent years and future price declines could cause commercial production to be impracticable, thereby having a material adverse effect on AEFI's business and financial condition.

In addition to adversely affecting AEFI's mineral resource estimates and its financial condition, declining prices can impact operations by requiring a reassessment of the feasibility of a particular project. Such a reassessment may be the result of a management decision or may be required under financing arrangements related to a particular project. Even if the project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed.

The profitability of AEFI's mineral properties will also be dependent on the costs of consumables used in its operations. Profitability will be impacted by the cost of such consumables including fuel, energy, steel and other products required to be used in future operations.

No History of Earnings

AEFI has limited financial resources, has earned nominal revenue since commencing operations, has no source of operating cash flow and there is no assurance that additional funding will be available to it for exploration and development. Furthermore, additional financing will be required to continue the development of AEFI's properties even if AEFI's exploration program is successful. There can be no assurance that AEFI will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of AEFI's properties with the possible loss of such properties.

Land Title

The acquisition of title to mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral concessions, surface rights, and water rights may be disputed. Although AEFI believes it has taken reasonable measures to ensure proper title to its properties, there is no guarantee that title to any of its properties will not be challenged or impaired. Third parties may have valid claims underlying portions of AEFI's interests, including prior unregistered liens, agreements, transfers or claims, including native land claims, and title may be affected by, among other things, undetected defects. If title defects do exist, it is possible that AEFI may lose all or a portion of its right, title, estate and interest in its mineral properties.

Processing Technology

Even if AEFI is successful in identifying mineral resources in sufficient quantities and with sufficient grades to prove economically feasible, there is no certainty that the metallurgical processes will or can be developed to separate economically valuable products from waste, or that metallurgical processes that are developed and the resulting by-products will not have deleterious effects on people, the environment or products, and by consequence, AEFI and its business. Any inability to develop metallurgical processes amenable to extraction from minerals present on AEFI's properties may result in a material and adverse effect on AEFI's profitability, results of operation and financial condition.

Approvals and Permits

Government approvals and permits are currently, or may in the future be, required in connection with AEFI's operations. To the extent such approvals are required and not obtained AEFI may be curtailed or prohibited from proceeding with planned exploration, development or operation of mineral properties. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations and parties that were engaged in operations in the past, may be required to compensate those suffering loss or damage by reason of such mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or the more stringent implementation thereof, could have a material adverse impact on AEFI and cause increases in exploration expenses, capital expenditures or production costs, reduction in levels of production at producing properties, or abandonment or delays in development of new mining properties.

Negative Cash Flow

AEFI has no producing mines and has no source of cash to fund operating expenses or capital costs other than through the sale of equity or joint venture interests, or debt financing. As such, AEFI had negative operating cash flow for the year ended December 31, 2024. AEFI anticipates that it will continue to have negative operating cash flow for the foreseeable future and that it will need to allocate a portion of its cash reserves to fund such negative cash flow. AEFI may also be required to raise additional funds through the issuance of equity or debt securities. There can be no assurance that additional capital or other types of financing will be available when needed or that any financing will be on terms favourable to AEFI.

Government Regulation of the Mineral Exploration and Development Industry

The current and future operations of AEFI, from exploration through development activities and commercial production, if any, are and will be governed by laws and regulations governing mineral concession acquisition, prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters. Companies engaged in exploration activities and in the development and operation of mines and related facilities may experience increased costs and delays in production and other schedules as a result of the need to comply with applicable laws, regulations and permits. Permits are subject to the discretion of government authorities and there can be no assurance that AEFI will be successful in obtaining all required permits. Amendments to current laws and regulations governing the operations and activities of AEFI or more stringent implementation thereof could have a material adverse effect on AEFI's business, financial condition and results of operations. Further, there can be no assurance that all permits which AEFI may require for future exploration, construction of mining facilities and conduct of mining operations, if any, will be obtainable on reasonable terms or on a timely basis, or that such laws and regulations would not have an adverse effect on any project which AEFI may undertake.

Failure to comply with applicable laws, regulations and permits may result in enforcement actions thereunder, including the forfeiture of claims, orders issued by regulatory or judicial authorities requiring operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or costly remedial actions. AEFI may be required to compensate those suffering loss or damage by reason of its mineral exploration activities and may have civil or criminal fines or penalties imposed for violations of such laws, regulations and permits. AEFI is not currently covered by any form of environmental liability insurance. See "*Insurance and Uninsured Risks*". Existing and possible future laws, regulations and permits governing operations and activities of exploration companies, or more stringent implementation thereof, could have a material adverse impact on AEFI and cause increases in capital expenditures or require abandonment or delays in exploration.

Environmental Risks and Hazards

All phases of AEFI's operations are subject to environmental regulations in the various jurisdictions in which it operates including but not limited to the maintenance of air and water quality, land reclamation, environmental pollution and the generation of transportable storage and disposal of hazardous waste. Environmental legislation is evolving in a manner that will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that existing or future environmental regulation will not materially adversely affect AEFI's business, financial condition and results of operations. Environmental hazards may exist on the properties on which AEFI holds interests which are unknown to AEFI at present and which have been caused by previous or existing owners of the properties. To the extent AEFI is subject to environmental liabilities, the payment of any liabilities or the costs that may be incurred to remedy environmental impacts will reduce funds otherwise available for operations.

Land Reclamation Requirements

Land reclamation requirements are generally imposed on companies with mining operations or mineral exploration companies in order to minimize long term effects of land disturbance. Reclamation may include requirements to, among other things, control dispersion of potentially deleterious effluents, and reasonably re-establish pre-disturbance land forms and vegetation. In order to carry out reclamation obligations imposed on AEFI in connection

with its business, AEFI may be required to allocate financial resources that might otherwise be spent on exploration and contemplated development programs. If AEFI is required to carry out unanticipated reclamation work or provide security for further reclamation work, AEFI's funds otherwise available for operations will be reduced and its business and financial position could be adversely affected.

Climate Change Legislation

A number of governments have introduced or are moving to introduce climate change legislation and treaties at the international, national, state/provincial and local levels. Regulation relating to emission levels (such as carbon taxes) and energy efficiency is becoming more stringent. If the current regulatory trend continues, this may result in increased costs at AEFI's operations. In addition, the physical risks of climate change may also have an adverse effect on AEFI's operations. These risks include:

- changes in sea levels could affect ocean transportation and shipping facilities that are used to transport supplies, equipment and workforce and products from AEFI's operations to world markets; and
- extreme weather events (such as prolonged drought) have the potential to disrupt operations at AEFI's mines and may require AEFI to make additional expenditures to mitigate the impact of such events.

AEFI's future projects are expected to depend on regular supplies of consumables (diesel, tires, reagents, etc.) to operate efficiently. In the event that the effects of climate change or extreme weather events cause prolonged disruption to the delivery of essential commodities, production levels at AEFI's operations may be reduced.

There can be no assurance that efforts to mitigate the risks of climate change will be effective and that the physical risks of climate change will not have an adverse effect on AEFI's business, financial condition, results of operations, cash flows or prospects.

Dependence on Key Personnel

AEFI is dependent upon a number of key management and technical personnel. AEFI's ability to manage its exploration and development activities, and hence its success, will depend in large part on the efforts of these individuals. AEFI faces competition for qualified personnel and there can be no assurance that AEFI will be able to attract and retain such personnel. Failure to retain key employees or to attract and retain additional key employees with necessary skills could have a materially adverse impact on AEFI's growth and profitability. AEFI does not have "key man" insurance on any of its directors or officers.

Dilution and Expenditures from Future Acquisitions and Uncertainty of Adequate Returns

AEFI may seek to expand through future acquisitions of either companies or properties, however, there can be no assurance that AEFI will locate attractive acquisition candidates, or that AEFI will be able to acquire such candidates on economically acceptable terms, if at all, or that AEFI will not be restricted from completing acquisitions pursuant to contractual arrangements. Future acquisitions may require AEFI to expend significant amounts of cash, resulting in AEFI's inability to use these funds for other business or may involve significant issuances of equity. Future acquisitions may also require substantial management time commitments, and the negotiation of potential acquisitions and the integration of acquired operations could disrupt AEFI's business by diverting management and employees' attention away from day-to-day operations. The difficulties of integration may be increased by the necessity of coordinating geographically diverse organizations, integrating personnel with disparate backgrounds and combining different corporate cultures.

Any future acquisition involves potential risks, including, among other things: (i) mistaken assumptions and incorrect expectations about mineral properties, Mineral Resources and costs; (ii) an inability to successfully integrate any operation AEFI acquires; (iii) an inability to recruit, hire, train or retain qualified personnel to manage and operate the operations acquired; (iv) the assumption of unknown liabilities; (v) limitations on rights to indemnity from the seller; (vi) mistaken assumptions about the overall cost of equity or debt; (vii) unforeseen difficulties operating acquired

projects, which may be in geographic areas new to AEFI; and (viii) the loss of key employees and/or key relationships at the acquired project.

At times, future acquisition candidates may have liabilities or adverse operating issues that AEFI fails to discover through due diligence prior to the acquisition. If AEFI consummates any future acquisitions with unanticipated liabilities or that fails to meet expectations, AEFI's business, results of operations, cash flows or financial condition may be materially adversely affected. The potential impairment or complete write-off of goodwill and other intangible assets related to any such acquisition may reduce AEFI's overall earnings and could negatively affect AEFI's statement of financial position.

Insurance and Uninsured Risks

AEFI's business is subject to a number of risks and hazards including adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to AEFI's properties or the properties of others, delays in mining, monetary losses and possible legal liability. Although AEFI will maintain liability insurance in amounts which it considers adequate, the nature of these risks is such that liabilities might exceed policy limits, the liabilities and hazards might not be insurable, or AEFI may elect not to insure against such liabilities due to high premium costs or other reasons, in which event AEFI could incur significant costs that could have a materially adverse effect upon its financial position.

AEFI is not insured against environmental risks. Insurance against environmental risks (including potential liability for pollution or other hazards as a result of the disposal of waste products occurring from exploration) has not been generally available to companies within the industry. AEFI will periodically evaluate the cost and coverage of the insurance against certain environmental risks that is available to determine if it would be appropriate to obtain such insurance. AEFI may be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Without such insurance, and if AEFI becomes subject to environmental liabilities, the payment of such liabilities would reduce or eliminate its available funds or could exceed the funds AEFI has to pay such liabilities and result in bankruptcy. Should AEFI be unable to fund fully the remedial cost of an environmental problem it might be required to enter into interim compliance measures pending completion of the required remedial work.

Social Activism Against Extractive Industries

There is an increasing level of public concern relating to the effects of mining on the natural landscape, on communities and on the environment. Certain non-governmental organizations, public interest groups and reporting organizations ("NGOs") who oppose resource development can be vocal critics of the mining industry. In addition, there have been many instances in which local community groups have opposed resource extraction activities, which have resulted in disruption and delays to the relevant operation. While AEFI seeks to operate in a socially responsible manner and believes it has good relationships with local communities in the regions in which it operates, NGOs or local community organizations could direct adverse publicity against and/or disrupt the operations of AEFI in respect of one or more of its properties, regardless of its successful compliance with social and environmental best practices, due to political factors, activities of unrelated third parties on lands in which AEFI has an interest or AEFI's operations specifically. Any such actions and the resulting media coverage could have an adverse effect on the reputation and financial condition of AEFI or its relationships with the communities in which it operates, which could have a material adverse effect on AEFI's business, financial condition, results of operations, cash flows or prospects.

Aboriginal Heritage and Native Title

AEFI must comply with both the Aboriginal and Torres Strait Islander Heritage Protection Act and the Aboriginal Heritage Act of Western Australia (AH Act) in respect of any areas or objects of Aboriginal heritage located on their tenements. Under the Commonwealth Heritage Act, the Minister for Aboriginal Affairs may make interim or permanent declarations of preservation in relation to significant Aboriginal areas or objects, which have the potential to halt exploration or development activities. The AH Act makes it an offence to alter or damage sacred ritual or

ceremonial Aboriginal sites and areas of significance to Aboriginal persons. The provisions of the AH Act are endorsed on all tenements granted in Western Australia.

The law of Australia recognizes the existence of native title rights held by indigenous Australians over their traditional lands. The Native Title Act 1993 (NTA) provides a process for indigenous people to claim native title rights and compensation; confirms the validity of past actions (including grants of land tenure) by the Commonwealth and State governments; and specifies the procedures which must be complied with to ensure that acts that may affect native title rights (such as the grant or renewal of a mining tenement) are valid. The NTA has been adopted in Western Australia by the enactment of the Titles (Validation) and Native Title (Effect of Past Acts) Act 1995. AEFI may be the subject of a native title claim which may interrupt exploration or development activities; require the allocation of financial resources that might otherwise be spent on exploration and contemplated development programs, or may result in a loss of title on one or more tenements.

Competition

The mining industry is intensely competitive in all phases of exploration, development and production and AEFI competes with many companies currently possessing greater financial and technical resources. Competition in the mining industry is primarily for mineral rich properties that can be developed and produced economically; the technical expertise to find, develop and operate such properties; the labour to operate such properties; and the capital for the purpose of funding such properties. Many competitors not only explore for and mine gold, silver or manganese, but conduct refining and marketing operations on a global basis. Such competition may result in AEFI being unable to acquire desired properties, to recruit or retain qualified personnel or to acquire the capital necessary to fund its operations and develop its properties. There is no assurance that even if commercial quantities of minerals are discovered, a ready market will exist for their sale. Factors beyond the control of AEFI may affect the marketability of any minerals discovered. These factors include market fluctuations, the proximity and capacity of commercial markets and processing equipment, government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in AEFI not receiving an adequate return on invested capital or issuing its investment capital. Existing or future competition in the mining industry could materially adversely affect AEFI's prospects for mineral exploration and success in the future.

Legal Proceedings and Enforceability of Judgments

AEFI may be subject to regulatory investigations, civil claims, lawsuits and other proceedings in the ordinary course of its business. The results of these legal proceedings cannot be predicted with certainty due to the uncertainty inherent in regulatory actions and litigation, the difficulty of predicting decisions of regulators, judges and juries and the possibility that decisions may be reversed on appeal. Defense and settlement costs of legal disputes can be substantial, even with claims that have no merit. Management is committed to conducting business in an ethical and responsible manner, which it believes will reduce the risk of legal disputes. However, if AEFI is subject to legal disputes, there can be no assurances that these matters will not have a material adverse effect on AEFI's business, financial condition, results of operations, cash flows or prospects.

As AEFI's assets are located outside of Canada, there may be difficulties in enforcing any judgments obtained by AEFI in foreign jurisdictions in Canadian courts. AEFI may be subject to legal proceedings and judgments in foreign jurisdictions. It may be difficult for investors to enforce within Canada any judgments obtained against AEFI, including judgments predicated upon the civil liability provisions of applicable Canadian securities laws or otherwise. Consequently, investors may be effectively prevented from pursuing remedies against AEFI under Canadian securities laws or otherwise. Similarly to the extent that AEFI's assets are located outside of Canada, investors may have difficulty collecting from AEFI on any judgments obtained in Canadian courts and predicated on the civil liability provisions of applicable securities legislation. AEFI may also be hindered or prevented from enforcing its rights with respect to a governmental entity or instrumentality because of the doctrine of sovereign immunity.

AEFI and its subsidiaries are incorporated in Australia and the United States. It may not be possible for shareholders to effect service of process against AEFI's officers and directors who are not resident in Canada. In the event a judgment is obtained in a Canadian court against one or more of AEFI's officers and/or directors for violations of Canadian securities laws or otherwise, it may not be possible to enforce such judgment against those officers and/or directors not resident in Canada. Additionally, it may be difficult for an investor, or any other person or entity, to assert Canadian

securities law or other claims in original actions instituted in Australia or the United States. Courts in those jurisdictions may refuse to hear a claim based on a violation of Canadian securities laws or otherwise on the grounds that such jurisdiction is not the most appropriate forum to bring such a claim. Even if a foreign court agrees to hear a claim, it may determine that the local law, and not Canadian law, is applicable to the claim. If Canadian law is found to be applicable, the content of applicable Canadian law must be proven as a fact, which can be a time-consuming and costly process. Certain matters of procedure will also be governed by foreign law.

Conflicts of Interest

Certain directors and officers of AEFI are or may become associated with other companies which may give rise to conflicts of interest. The directors and some of the officers of AEFI have either other full-time employment or other business or time restrictions placed on them and accordingly, AEFI will not be the only business enterprise of these directors and officers. See “*Directors and Executive Officers - Conflicts of Interest*”.

Current Global Financial Conditions

Following the onset of the credit crisis in 2008, global financial conditions were characterized by extreme volatility and several major financial institutions either went into bankruptcy or were rescued by governmental authorities. While global financial conditions subsequently stabilized, there remains considerable risk in the system given the extraordinary measures adopted by government authorities to achieve that stability. Global financial conditions could suddenly and rapidly destabilize in response to future economic shocks, as government authorities may have limited resources to respond to future crises. Future economic shocks may be precipitated by a number of causes, including a rise in the price of oil, geopolitical instability and natural disasters. Any sudden or rapid destabilization of global economic conditions could impact AEFI’s ability to obtain equity or debt financing in the future on terms favourable to AEFI. Additionally, any such occurrence could cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. Further, in such an event, AEFI’s operations and financial condition could be adversely impacted.

Furthermore, general market, political and economic conditions, including, for example, inflation, interest and currency exchange rates, structural changes in the global mining industry, global supply and demand for commodities, political developments, legislative or regulatory changes, social or labour unrest and stock market trends will affect AEFI’s operating environment and its operating costs, profit margins and share price. Any negative events in the global economy could have a material adverse effect on AEFI’s business, financial condition, results of operations, cash flows or prospects.

Loss of Investment

An investment in AEFI Shares is speculative and may result in the loss of an investor’s entire investment. Only potential investors who are experienced in high risk investments and who can afford to lose their entire investment should consider an investment in AEFI.

Price Volatility

Securities of resource exploration companies have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic developments in North America and globally, and market perceptions of the attractiveness of particular industries. As a result of any of these factors, the market price of the securities of AEFI at any given point in time may be subject to market trends and macroeconomic conditions generally, notwithstanding any potential success of AEFI in creating revenues, cash flows or earnings and may not accurately reflect the long-term value of AEFI. There can be no assurance that the continual fluctuations in price will not occur. The value of the securities distributed hereunder may be affected by such volatility.

No Assurance of Active Market for Shares

Upon completion of the Transaction, the Consolidated Shares will be listed on the Exchange. However, there can be no assurance that an active and liquid market for the Consolidated Shares will develop or be maintained.

If an active public market does not develop or is not maintained, shareholders of the Resulting Issuer may have difficulty selling the Consolidated Shares that such shareholders will acquire as a result of the Transaction. The offering price for the Financing was determined by negotiation between AEFI and Cavalry based on several factors and may bear no relationship to the price at which the Consolidated Shares will trade in the public market subsequent to the Transaction. The market price of the Consolidated Shares may materially decline below the offering price of the Financing.

Dilution to the Consolidated Shares

Any increase in the number of Consolidated Shares subsequent to the Transaction may have a depressive effect on the price of the Consolidated Shares, and any such increase will dilute the voting power of holders of Consolidated Shares.

AEFI may in the future grant to some or all of its directors, employees and consultants options to purchase Consolidated Shares at exercise prices equal to market prices at times when the public market is depressed. To the extent that significant numbers of such options are granted and exercised, the interests of then existing shareholders of AEFI will be subject to additional dilution.

Further, any additional issuance of equity securities following the closing of the Transaction could dilute the interests of existing shareholders and could negatively affect the trading price of the Consolidated Shares. AEFI may issue equity securities in the future for a number of reasons, including to finance its operations and business strategy (including in connection with acquisitions, strategic collaborations or other transactions), to adjust the ratio of any future debt to equity and to satisfy AEFI's obligations upon the exercise of outstanding warrants or options or for other reasons. Sales of a substantial number of Consolidated Shares or other equity-related securities in the public market (or the perception that such sales may occur) could depress the market price of the Consolidated Shares and impair AEFI's ability to raise capital through the sale of additional equity securities. AEFI cannot predict the effect that future sales of the Consolidated Shares or other equity-related securities would have on the market price of the Consolidated Shares.

Public Company Status

AEFI will incur significant legal, accounting, insurance and other expenses as a result of being a public company, which may negatively impact AEFI's performance and could cause AEFI's results of operations and financial condition to suffer. Compliance with applicable securities laws and the rules of the Exchange increases AEFI's expenses, including AEFI's legal and accounting costs, and make some activities more time-consuming and costly which uses management resources that would otherwise be used for advancing the business.

Reporting Requirements and Continuous Disclosure

Upon Completion of the QT, AEFI will become subject to reporting and other obligations under applicable Canadian securities laws and rules of the Exchange. These reporting and other obligations will place significant demands on AEFI's management, administrative, operational and accounting resources. In order to meet such requirements, AEFI will, among other things, establish systems, implement financial and management controls, reporting systems and procedures and, if necessary, hire qualified accounting and finance staff. However, if AEFI is unable to accomplish any such necessary objectives in a timely and effective manner, AEFI's ability to comply with its financial reporting obligations and other rules applicable to reporting issuers could be impaired. Moreover, any failure to maintain effective internal controls could cause AEFI to fail to satisfy its reporting obligations or result in material misstatements in its financial statements. If AEFI cannot provide reliable financial reports or prevent fraud, its reputation and operating results could be materially adversely effected which could also cause investors to lose confidence in AEFI's reported financial information, which could result in a reduction in the trading price of the Consolidated Shares.

AEFI does not expect that its disclosure controls and procedures and internal controls over financial reporting will prevent all error or fraud. A control system, no matter how well-designed and implemented, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Due to the inherent limitations in all control systems, no evaluation of controls can provide absolute

assurance that all control issues within an organization are detected. The inherent limitations include the realities that judgments in decision making can be faulty, and that breakdowns can occur because of simple errors or mistakes. Controls can also be circumvented by individual acts of certain persons, by collusion of two or more people or by management override of the controls. Due to the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and may not be detected in a timely manner or at all.

Currency Fluctuations

Holders of Consolidated Shares may be subject to currency exchange rate risk. Although the Consolidated Shares will trade in Canadian dollars and AEFI's financial statements are expressed in Canadian dollars, AEFI's business will be primarily conducted in Australia, and expenses will be primarily incurred in Australian dollars. Fluctuations in the value of currencies including the Canadian dollar and Australian dollar may materially affect the financial position and results of AEFI. AEFI does not currently take any steps to hedge against currency fluctuations although it may elect to hedge against the risk of currency fluctuations in the future. There can be no assurance that steps taken by AEFI to address such currency fluctuations will eliminate all adverse effects and, accordingly, AEFI may suffer losses due to adverse foreign currency fluctuations.

Dividend Policy

AEFI has not paid dividends in the past and has no plans to pay dividends for the foreseeable future. The future dividend policy of the Resulting Issuer will be determined by the Board of the Resulting Issuer.

Certain Events May be Outside of the Control of AEFI

Events, including those beyond the control of AEFI, may damage its operations. In addition, these events may negatively affect customers' demand for AEFI's products. Such events include, but are not limited to, non-performance by third party contractors; increases in materials or labour costs; breakdown or failure of equipment; failure of quality control processes; contractor or operator errors; as well as major incidents and/or catastrophic events such as fires, explosions, earthquakes, terrorist attacks and natural disasters. Despite any precautions AEFI and the Resulting Issuer may take, system interruptions and delays could occur if there is an unanticipated event or other unanticipated problem at AEFI's facilities, and such disruptions could harm AEFI's ability to run its business and cause lengthy delays in meeting customer and client demand, or future demand when it arises, which could have a material adverse effect on the business, financial condition and results of operations of AEFI.

Employee Health and Safety Regulations

AEFI's operations are subject to employee health and safety laws and regulations. AEFI will incur ongoing costs and obligations related to compliance with employee health and safety matters. Failure to comply with health and safety laws and regulations may result in additional costs for corrective measures, penalties or in restrictions on AEFI's manufacturing operations. In addition, changes in employee health and safety or other laws, more vigorous enforcement thereof or other unanticipated events could require extensive changes to AEFI's operations or give rise to material liabilities, which could have a material adverse effect on the business, financial condition and results of operations of AEFI.

Control by Majority Shareholders

Following the Transaction, the Resulting Issuer will not have control over who owns the Consolidated Shares. A holder of a substantial amount of Consolidated Shares may be able to exercise a controlling influence on the Resulting Issuer, which may affect the Resulting Issuer's governance and operations. For so long as such shareholders maintain their interest in the Resulting Issuer, such shareholders may be able to exercise a controlling influence over the business and affairs and the Resulting Issuer, the selection of senior management, the acquisition or disposition of the Resulting Issuer's assets, access to capital markets, the payment of dividends and any change of control of the Resulting Issuer, such as a merger or take-over. The effect of this control may be to limit the price that investors are willing to pay for the Consolidated Shares. In addition, a sale of Consolidated Shares by such shareholders, or the perception of the market that a sale may occur, may adversely affect the market price of the Consolidated Shares.

Use of Proceeds from the Financing

AEFI cannot specify with certainty the particular uses of the net proceeds it will receive from the Financing. The Resulting Issuer's management will have broad discretion in the application of the net proceeds, including for any of the purposes described in "Part IV – Information Concerning the Resulting Issuer – Available Funds and Principal Purposes". Accordingly, a holder of Consolidated Shares will have to rely upon the judgment of the Resulting Issuer's management with respect to the use of the proceeds, with only limited information concerning management's specific intentions. The Resulting Issuer's management may spend a portion or all of the net proceeds from the Financing in ways that the Resulting Issuer's shareholders may not desire, that may not yield a favourable return or that may not increase the value of the Consolidated Shares. The failure by the Resulting Issuer's management to apply such funds effectively could harm the Resulting Issuer's business, financial condition and operations. Pending their use, the Resulting Issuer may invest the net proceeds from the Financing in a manner that does not produce income or that loses value.

Publication of Inaccurate or Unfavourable Research and Reports

Following the listing of the Consolidated Shares, the trading market for the Consolidated Shares will rely in part on the research and reports that securities analysts and other third parties choose to publish about the Resulting Issuer. The Resulting Issuer will not control these analysts or other third parties. The price of the Consolidated Shares could decline if one or more securities analysts downgrade the Consolidated Shares or if one or more securities analysts or other third parties publish inaccurate or unfavourable research about the Resulting Issuer or cease publishing reports about the Resulting Issuer. If one or more analysts cease coverage of the Resulting Issuer or fail to regularly publish reports on the Resulting Issuer, the Resulting Issuer could lose visibility in the financial markets, which in turn could cause the Resulting Issuer's share price or trading volume to decline.

Foreign Subsidiaries

AEFI conducts a portion of its operations through foreign subsidiaries and certain assets are held in such entities. Accordingly, any limitation on the transfer of cash or other assets between AEFI and such entities, or among such entities, could restrict AEFI's ability to fund its operations efficiently. Any such limitations, or the perception that such limitations may exist now or in the future, could have an adverse impact on AEFI's valuation and stock price.

PART V – GENERAL MATTERS

Experts

Opinions

Lynn Widenbar, BSc(Hons), MSc, FAuslMM, MAIG., a consulting geologist with offices in 25B, Dunkley Avenue, Applecross, WA 6153, Australia, and Lourdes Valle MBA, B.S. (Metallurgical Engineering), a consulting geologist with offices in 3 The Quarterdeck, Willetton, Perth, Western Australia 6155, are the Report Authors; the Report Authors have certified that they have read the definition of “Qualified Person” set out in NI 43-101 and that by reason of their education, affiliation with a professional association and past relevant work experience, they fulfill the requirements to be a Qualified Person for the purposes of NI 43-101; and they have certified that they are independent of Cavalry, AEFI and the SWWM Property, in accordance with applicable legislation. See Appendix 6.

DMCL LLP, Chartered Professional Accountants, of Suite 1500, 1140 West Pender Street, Vancouver, British Columbia, V6E 4G1, is Cavalry’s external auditor and have confirmed that they are independent with respect to Cavalry and to AEFI within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of British Columbia, and do not own, directly or indirectly, any of the securities of Cavalry or AEFI. DMCL LLP prepared the audit report on Cavalry’s audited financial statements for the years ended September 30, 2024 and 2023, all of which are referred to and are included in this Filing Statement. See Appendix 1.

Baker Tilly WM LLP is AEFI’s auditor and have confirmed that they are independent with respect to Cavalry and to AEFI within the meaning of the Rules of Professional Conduct of the Professional Accountants of British Columbia, and do not own, directly or indirectly, any of the securities of Cavalry or AEFI. AEFI’s auditor prepared the audit report on AEFI’s audited financial statements included in this Filing Statement. See Appendix 3.

Hall Chadwick WA Audit Pty Ltd is the auditor for Edge Minerals and Bellpiper and have confirmed that they are independent with respect to Edge Minerals, Bellpiper, Cavalry and AEFI within the meaning of the auditor independence requirements of the *Corporations Act 2001* (Australia), and do not own, directly or indirectly, any of the securities of any of Edge Minerals, Bellpiper, Cavalry and AEFI. Hall Chadwick WA Audit Pty Ltd prepared the audit report on Edge Minerals and Bellpiper’s audited financial statements included in this Filing Statement. See Appendix 5.

Interests of Experts

None of the afore named persons or companies whose profession or business gives authority to a statement made by the person or company and who is named as having prepared or certified a part of this Filing Statement or as having prepared or certified a report or valuation described or included in this Filing Statement holds or is to hold any beneficial interest, direct or indirect, in any securities or property of Cavalry, AEFI or the Resulting Issuer, or of an associate or affiliate of Cavalry, AEFI or the Resulting Issuer; nor is or is expected to be elected, appointed or employed as a director, officer or employee of the Resulting Issuer or of any associate or affiliate of the Resulting Issuer.

Other Material Facts

There are no material facts about Cavalry, AEFI, the Resulting Issuer or the Transaction that have not been disclosed in this Filing Statement.

Board Approval

The contents and filing of this Filing Statement have been approved by the Board of Directors of Cavalry. Where information contained in this Filing Statement rests particularly within the knowledge of a person other than Cavalry, Cavalry has relied upon information furnished by such person.

Financial Statements

Cavalry's audited financial statements for the years ended September 30, 2024 and 2023; and unaudited interim financial statements for the nine-month period ended June 30, 2025, have been electronically filed with regulators by Cavalry and are available on SEDAR+ under Cavalry's issuer profile and are also attached to this Filing Statement as Appendix 1.

AEFI's audited financial statements for the year ended December 31, 2024, and unaudited financial statements for the period ended September 30, 2025 are attached to this Filing Statement as Appendix 3.

Pro forma Consolidated Statement of Financial Position of the Resulting Issuer is attached to this Filing Statement as Appendix 4.

Audited financial statements of Edge Minerals and Bellpiper, on a consolidated basis, for the financial years ended March 31, 2025 and 2024 and reviewed unaudited interim financial statements of Edge Minerals and Bellpiper, on a consolidated basis, for the six months ended September 30, 2025 are attached to this Filing Statement as Appendix 5.

APPENDIX 1
CAVALRY CAPITAL CORP.
FINANCIAL STATEMENTS

CAVALRY CAPITAL CORP.

Financial Statements

Years ended September 30, 2024, and 2023

(Expressed in Canadian dollars)



DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

Independent Auditor's Report

To the Shareholders of Cavalry Capital Corp.

Opinion

We have audited the financial statements of Cavalry Capital Corp. (the "Company"), which comprise the statements of financial position as at September 30, 2024 and 2023, and the statements of operations and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at September 30, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements, which indicates that as at September 30, 2024, the Company has no business operations and has an accumulated deficit of \$259,291. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters, that in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Vancouver

1500 - 1140 West Pender St.
Vancouver, BC V6E 4G1
604.687.4747

Surrey

200 - 1688 152 St.
Surrey, BC V4A 4N2
604.531.1154

Tri-Cities

700 - 2755 Lougheed Hwy
Port Coquitlam, BC V3B 5Y9
604.941.8266

Victoria

320 - 730 View St.
Victoria, BC V8W 3Y7
250.800.4694

Except for the matter described in the Material Uncertainty Related to Going Concern section, we have determined that there are no other key audit matters to communicate in our report.

Other Information

Management is responsible for the other information. The other information comprises the information included in Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Matthew Gosden.



DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC

January 28, 2025

CAVALRY CAPITAL CORP.Statements of financial position
(Expressed in Canadian dollars)

As at,	September 30, 2024 \$	September 30, 2023 \$
ASSETS		
CURRENT		
Cash	254,768	318,856
Total assets	254,768	318,856
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	11,638	27,097
Total liabilities	11,638	27,097
SHAREHOLDERS' EQUITY		
Share capital (Note 4)	422,417	422,417
Share-based payment reserve (Note 5)	80,004	80,004
Deficit	(259,291)	(210,662)
Total shareholders' equity	243,130	291,759
Total liabilities and shareholders' equity	254,768	318,856

Approved and authorized for issuance by the Board of Directors on January 28, 2025:

"Brandon Bonifacio"

Chief Executive Officer, Director

"John MacPhail"

Director

(The accompanying notes are an integral part of these financial statements)

CAVALRY CAPITAL CORP.Statements of operations and comprehensive loss
(Expressed in Canadian dollars)

	Year ended September 30, 2024 \$	Year ended September 30, 2023 \$
Expenses		
General and administrative	868	1,898
Professional fees (Note 3)	43,913	72,801
Transfer agent and filing fees	15,059	24,139
Total expenses	59,840	98,838
Operating loss	(59,840)	(98,838)
Other items		
Interest income	11,211	11,408
Total other items	11,211	11,408
Net loss and comprehensive loss	(48,629)	(87,430)
Loss per share, basic and diluted	\$ (0.01)	\$ (0.01)
Weighted average shares outstanding, basic and diluted	6,462,500	6,462,500

(The accompanying notes are an integral part of these financial statements)

CAVALRY CAPITAL CORP.Statements of changes in shareholders' equity
(Expressed in Canadian dollars)

	Share capital		Share-based payment reserve \$	Deficit \$	Total shareholders' equity \$
	Number of shares	\$			
Balance, September 30, 2022	6,462,500	422,417	80,004	(123,232)	379,189
Net loss for the year	–	–	–	(87,430)	(87,430)
Balance, September 30, 2023	6,462,500	422,417	80,004	(210,662)	291,759
Net loss for the year	–	–	–	(48,629)	(48,629)
Balance, September 30, 2024	6,462,500	422,417	80,004	(259,291)	243,130

(The accompanying notes are an integral part of these financial statements)

CAVALRY CAPITAL CORP.

Statements of cash flows

(Expressed in Canadian dollars)

	Year ended September 30, 2024 \$	Year ended September 30, 2023 \$
Cash flows from operating activities:		
Net loss	(48,629)	(87,430)
Changes in non-cash operating working capital:		
Accounts payable and accrued liabilities	(15,459)	15,149
Net cash used in operating activities	(64,088)	(72,281)
Decrease in cash	(64,088)	(72,281)
Cash, beginning of year	318,856	391,137
Cash, end of year	254,768	318,856

(The accompanying notes are an integral part of these financial statements)

CAVALRY CAPITAL CORP.

Notes to the Financial Statements

Years ended September 30, 2024 and 2023

(Expressed in Canadian dollars)

1. Nature of Operations and Continuance of Business

Cavalry Capital Corp. (the "Company") was incorporated in the province of the British Columbia on March 19, 2021. The Company's head office and records office is located at Suite 250, 200 Burrard Street, Vancouver, BC, V6C 3L6.

The Company completed its initial public offering ("IPO") to become a capital pool company pursuant to the policies of the TSX Venture Exchange (the "Exchange") on May 4, 2022, and commenced trading under the symbol "CVY.P". The Company is in the development stage and its principal business will be the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction as defined by the rules of the Exchange. Such a transaction will be subject to shareholder and regulatory approval.

These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at September 30, 2024, the Company has no business operations and has an accumulated deficit of \$259,291. The Company's continuing operations are dependent upon its ability to identify and evaluate assets or businesses with a view to potential acquisition or participation by completing a Qualifying Transaction. Any acquisition or investment proposed by the Company will be subject to regulatory approval. The preceding indicates the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. These financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern. These adjustments could be material.

2. Material Accounting Policy Information

(a) Statement of Compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") on a going concern basis.

These financial statements have been prepared on a historical cost basis and are presented in Canadian dollars, which is the Company's functional currency.

(b) Use of Estimates and Judgments

The preparation of these financial statements in conformity with IFRS requires the Company's management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, revenues, and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

Significant area requiring the use of estimates includes the fair value of share-based payments and unrecognized deferred income tax assets.

The assessment of whether the going concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but is not limited to, 12 months from the end of the reporting period. The Company is aware that material uncertainties related to events or conditions may cast significant doubt upon the Company's ability to continue as a going concern.

CAVALRY CAPITAL CORP.

Notes to the Financial Statements
Years ended September 30, 2024 and 2023
(Expressed in Canadian dollars)

2. Material Accounting Policy Information (continued)

(c) Cash and Cash Equivalents

The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance, are readily convertible to known amounts of cash, and which are subject to insignificant risk of changes in value to be cash equivalents.

(d) Financial Instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the respective instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are included in the initial carrying value of the related instrument and are amortized using the effective interest method. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in the statement of operations.

Fair value estimates are made at the statement of financial position date based on relevant market information and information about the financial instrument. All financial instruments are classified into either: fair value through profit or loss ("FVTPL") or amortized cost.

The Company has made the following classifications:

Cash	Amortized cost
Accounts payable and accrued liabilities	Amortized cost

Financial Assets

The classification of financial assets depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial assets at FVTPL

Financial assets are classified as FVTPL when the financial asset is either held for trading or it is designated as FVTPL. A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial assets at amortized cost

Financial assets at amortized cost are non-derivative financial assets which are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition. Subsequent to initial recognition, financial assets are measured at amortized cost using the effective interest method, less any impairment.

CAVALRY CAPITAL CORP.

Notes to the Financial Statements
Years ended September 30, 2024 and 2023
(Expressed in Canadian dollars)

2. Material Accounting Policy Information (continued)

(d) Financial Instruments (continued)

Financial Assets (continued)

Impairment of financial assets

Financial assets, other than those classified as FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been decreased.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account.

Financial Liabilities and Equity Instruments

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized as the proceeds received, net of direct issue costs.

Other financial liabilities

Other financial liabilities (including loans and trade payables and other liabilities) are initially measured at fair value, net of transaction costs. Subsequently, other financial liabilities are measured at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

The remainder of this page left intentionally blank

CAVALRY CAPITAL CORP.

Notes to the Financial Statements

Years ended September 30, 2024 and 2023

(Expressed in Canadian dollars)

2. Material Accounting Policy Information (continued)

(e) Income Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in the statement of operations. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax

Deferred income tax is provided using the statement of financial position method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable income will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred income tax assets and deferred income tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

(f) Loss Per Share

Basic loss per share is computed using the weighted average number of common shares outstanding during the year. The treasury stock method is used for the calculation of diluted loss per share, whereby all "in the money" stock options and share purchase warrants are assumed to have been exercised at the beginning of the period and the proceeds from their exercise are assumed to have been used to purchase common shares at the average market price during the period. When a loss is incurred during the period, basic and diluted losses per share are the same as the exercise of stock options and share purchase warrants is considered to be anti-dilutive. As at September 30, 2024, the Company has 1,010,188 potentially dilutive shares outstanding (1,010,188 - 2023).

(g) Share-based payments

Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instrument issued, if it is determined the fair value of the goods or services cannot be reliably measured and are recorded at the date the goods or services are received. The corresponding amount is credited to the share-based payment reserve. The fair value of options is determined using the Black-Scholes Option Pricing Model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted, shall be based on the number of equity instruments that eventually vest.

(h) Comprehensive Loss

Comprehensive income (loss) is the change in the Company's net assets that results from transactions, events and circumstances from sources other than the Company's shareholders and includes items that are not included in the statement of operations.

CAVALRY CAPITAL CORP.

Notes to the Financial Statements
Years ended September 30, 2024 and 2023
(Expressed in Canadian dollars)

2. Material Accounting Policy Information (continued)

(i) Accounting Standards Issued But Not Yet Effective

A number of new standards, and amendments to standards and interpretations, are not yet effective for the year ended September 30, 2024, and have not been early adopted in preparing these financial statements. These new standards, and amendments to standards and interpretations are either not applicable or are not expected to have a significant impact on the Company's financial statements.

3. Related Party Transactions

During the year ended September 30, 2024, the Company incurred professional fees of \$24,000 (2023 - \$24,000), plus applicable taxes, to a company controlled by the Chief Financial Officer of the Company.

4. Share Capital

Authorized: Unlimited number of common shares without par value.

During the years ended September 30, 2024 and 2023, the Company did not issue any shares.

5. Share-Based Payments

On August 28, 2021, the Company adopted a stock option plan, pursuant to which the board of directors of the Company may from time to time, in its discretion, and in accordance with the Exchange requirements, grant to directors, officers, and technical consultants to the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares exercisable for a period of up to five years from the date the common shares are listed on the Exchange. The number of common shares reserved for issuance to any individual will not exceed five percent (5%) of the issued and outstanding common shares and the number of common shares reserved for issuance to all technical consultants will not exceed two percent (2%) of the issued and outstanding common shares. Options may be exercised the greater of 12 months after the Completion of the Qualifying Transaction and 90 days following cessation of the optionee's position with the Company, provided that if the cessation of office, directorship, or technical consulting arrangement was by reason of death, the option may be exercised within a maximum period of one year after such death, subject to the expiry date of such option.

The following table summarizes the continuity of the Company's stock options:

	Number of options	Weighted average exercise price \$
Outstanding, September 30, 2022, 2023, and 2024	613,938	0.05

Additional information regarding stock options outstanding as at September 30, 2024 was as follows:

Range of exercise prices \$	Outstanding and exercisable		
	Number of shares	Weighted average remaining contractual life (years)	Weighted average exercise price \$
0.05	613,938	2.59	0.05

CAVALRY CAPITAL CORP.

Notes to the Financial Statements
Years ended September 30, 2024 and 2023
(Expressed in Canadian dollars)

5. Share-Based Payments (continued)

The following table summarizes the continuity of the Company's Agent's Warrants:

	Number of Agents' Warrants	Weighted average exercise price \$
Outstanding, September 30, 2022, 2023, and 2024	396,250	0.10

As at September 30, 2024, the following Agent's Warrants were outstanding:

Number of agents' warrants outstanding	Exercise price \$	Expiry date
396,250	0.10	May 4, 2027

6. Financial Instruments and Risk Management

(a) Fair Values

Fair value measurements are classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair values of financial instruments, which include cash, and accounts payable and accrued liabilities, approximate their carrying values due to the relatively short-term maturity of these instruments.

(b) Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash and advance receivable. The Company limits its exposure to credit loss by placing its cash with high credit quality financial institutions. The carrying amount of financial assets represents the maximum credit exposure.

(c) Foreign Exchange Rate Risk

Foreign exchange risk is the risk that the Company's financial instruments will fluctuate in value as a result of movements in foreign exchange rates. The Company is not exposed to any significant foreign exchange rate risk.

(d) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has minimal exposure to interest rate risk as it does not have any liabilities with variable rates.

CAVALRY CAPITAL CORP.

Notes to the Financial Statements
Years ended September 30, 2024 and 2023
(Expressed in Canadian dollars)

6. Financial Instruments and Risk Management (continued)

(e) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs.

7. Capital Management

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of cash and shareholders' equity.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issues or by undertaking other activities as deemed appropriate under the specific circumstances.

The proceeds raised from the issuance of common shares may only be used to identify and evaluate assets or businesses for future investment, with the exception that general and administrative expenses have a limit of \$3,000 per month. These restrictions apply until completion of a Qualifying Transaction by the Company as defined under the Exchange Policy 2.4. The Company currently is not subject to other externally imposed capital requirements.

8. Income Taxes

The tax effect (computed by applying the Canadian federal and provincial statutory rate) of the significant temporary differences, which comprise deferred income tax assets and liabilities, are as follows:

	2024	2023
	\$	\$
Canadian statutory income tax rate	27%	27%
Income tax recovery at statutory rate	(13,130)	(23,606)
Tax effect of:		
Change in unrecognized deferred income tax assets	13,130	23,606
Income tax provision	–	–

The Company has accumulated non-capital losses of approximately \$250,000, which may be deducted in the calculation of taxable income in future years. These losses expire in the years 2041 to 2044.

CAVALRY CAPITAL CORP.

Condensed Interim Financial Statements

For the nine months ended June 30, 2025, and 2024

(Expressed in Canadian dollars)

(unaudited)

CAVALRY CAPITAL CORP.Condensed interim statements of financial position
(Expressed in Canadian dollars)

	June 30, 2025 \$ (unaudited)	September 30, 2024 \$
ASSETS		
CURRENT		
Cash	211,627	254,768
Total assets	211,627	254,768
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	28,451	11,638
Total liabilities	28,451	11,638
SHAREHOLDERS' EQUITY		
Share capital (Note 4)	422,417	422,417
Share-based payment reserve (Note 5)	80,004	80,004
Deficit	(319,245)	(259,291)
Total shareholders' equity	183,176	243,130
Total liabilities and shareholders' equity	211,627	254,768

Subsequent event (Note 7)

Approved and authorized for issuance by the Board of Directors on August 19, 2025:

"Brandon Bonifacio"

Chief Executive Officer, Director

"John MacPhail"

Director

(The accompanying notes are an integral part of these financial statements)

CAVALRY CAPITAL CORP.

Condensed interim statements of operations and comprehensive loss
(Expressed in Canadian dollars)
(unaudited)

	Three months ended June 30, 2025 \$	Three months ended June 30, 2024 \$	Nine months ended June 30, 2025 \$	Nine months ended June 30, 2024 \$
Expenses				
General and administrative	216	192	672	663
Professional fees (Note 3)	34,142	5,665	47,370	27,612
Transfer agent and filing fees	6,269	977	16,833	13,264
Total expenses	40,627	6,834	64,875	41,539
Operating loss	(40,627)	(6,834)	(64,875)	(41,539)
Other items				
Interest income	1,200	2,780	4,921	7,706
Total other items	1,200	2,780	4,921	7,706
Net loss and comprehensive loss	(39,427)	(4,054)	(59,954)	(33,833)
Loss per share, basic and diluted	\$ (0.01)	\$ (0.00)	\$ (0.01)	\$ (0.01)
Weighted average shares outstanding	6,462,500	6,462,500	6,462,500	6,462,500

(The accompanying notes are an integral part of these financial statements)

CAVALRY CAPITAL CORP.

Condensed interim statements of changes in shareholders' equity
(Expressed in Canadian dollars)
(unaudited)

	Share capital		Share-based payment reserve	Deficit \$	Total shareholders' equity \$
	Number of shares	\$			
Balance, October 1, 2023	6,462,500	422,417	80,004	(210,662)	291,759
Net loss for the period	–	–	–	(33,833)	(33,833)
Balance, June 30, 2024	6,462,500	422,417	80,004	(244,495)	257,926
Balance, October 1, 2024	6,462,500	422,417	80,004	(259,291)	243,130
Net loss for the period	–	–	–	(59,954)	(59,954)
Balance, June 30, 2025	6,462,500	422,417	80,004	(319,245)	183,176

(The accompanying notes are an integral part of these financial statements)

CAVALRY CAPITAL CORP.

Condensed interim statements of cash flows
(Expressed in Canadian dollars)
(unaudited)

	Nine months ended June 30, 2025 \$	Nine months ended June 30, 2024 \$
Cash flows from operating activities:		
Net loss	(59,954)	(33,833)
Changes in non-cash operating working capital:		
Accounts payable and accrued liabilities	16,813	(24,377)
Net cash used in operating activities	(43,141)	(58,210)
Decrease in cash	(43,141)	(58,210)
Cash, beginning of period	254,768	318,856
Cash, end of period	211,627	260,646

(The accompanying notes are an integral part of these financial statements)

CAVALRY CAPITAL CORP.

Notes to the condensed interim financial statements

Nine months ended June 30, 2025, and 2024

(Expressed in Canadian dollars – unaudited)

1. Nature of Operations and Continuance of Business

Cavalry Capital Corp. (the "Company") was incorporated in the province of the British Columbia on March 19, 2021. The Company's head office and records office is located at Suite 1400, 1050 West Pender Street, Vancouver, BC, V6C 3T4.

The Company completed its initial public offering ("IPO") to become a capital pool company pursuant to the policies of the TSX Venture Exchange (the "Exchange") on May 4, 2022, issuing 3,962,500 common shares for gross proceeds of \$396,250 and commenced trading under the symbol "CVY.P". The Company is in the development stage and its principal business will be the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction as defined by the rules of the Exchange. Such a transaction will be subject to shareholder and regulatory approval. See Note 7.

These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at June 30, 2025, the Company has no business operations and has an accumulated deficit of \$319,245. The Company's continuing operations are dependent upon its ability to identify and evaluate assets or businesses with a view to potential acquisition or participation by completing a Qualifying Transaction. Any acquisition or investment proposed by the Company will be subject to regulatory approval. The preceding indicates the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. These financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

2. Basis of Presentation and Accounting Standard Changes

(a) Statement of Compliance

These financial statements have been prepared on a going concern basis and in accordance with IFRS Accounting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and International Accounting Standard 34, "Interim Financial Reporting", and follow the same accounting policies and methods of application as the Company's most recent annual financial statements. These unaudited interim condensed financial statements should be read in conjunction with the Company's 2024 annual financial statements and accompanying notes.

These financial statements have been prepared on a historical cost basis and are presented in Canadian dollars, which is the Company's functional currency.

(b) Use of Estimates and Judgments

The preparation of these financial statements in conformity with IFRS requires the Company's management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, revenues, and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

Significant area requiring the use of estimates includes the fair value of share-based payments and unrecognized deferred income tax assets.

The assessment of whether the going concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but is not limited to, 12 months from the end of the reporting period. The Company is aware that material uncertainties related to events or conditions may cast significant doubt upon the Company's ability to continue as a going concern.

CAVALRY CAPITAL CORP.

Notes to the condensed interim financial statements

Nine months ended June 30, 2025, and 2024

(Expressed in Canadian dollars – unaudited)

2. Basis of Presentation and Accounting Standard Changes (continued)

(c) Accounting Standards Issued But Not Yet Effective

A number of new standards, and amendments to standards and interpretations, are not yet effective for the nine months ended June 30, 2025, and have not been early adopted in preparing these financial statements. These new standards, and amendments to standards and interpretations are either not applicable or are not expected to have a significant impact on the Company's financial statements.

3. Related Party Transactions

During the nine months ended June 30, 2025, the Company incurred professional fees of \$18,000 (2024: \$18,000) plus GST to a company controlled by the Chief Financial Officer of the Company.

4. Share Capital

Authorized: Unlimited number of common shares without par value.

There were no issuances of shares during the nine-month periods ended June 30, 2025, and 2024.

5. Share-Based Payments

On August 28, 2021, the Company adopted a stock option plan, pursuant to which the board of directors of the Company may from time to time, in its discretion, and in accordance with the Exchange requirements, grant to directors, officers, and technical consultants to the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares exercisable for a period of up to five years from the date the common shares are listed on the Exchange. The number of common shares reserved for issuance to any individual will not exceed five percent (5%) of the issued and outstanding common shares and the number of common shares reserved for issuance to all technical consultants will not exceed two percent (2%) of the issued and outstanding common shares. Options may be exercised the greater of 12 months after the Completion of the Qualifying Transaction and 90 days following cessation of the optionee's position with the Company, provided that if the cessation of office, directorship, or technical consulting arrangement was by reason of death, the option may be exercised within a maximum period of one year after such death, subject to the expiry date of such option.

On May 4, 2022, the Company granted 613,938 stock options exercisable at \$0.05 per share, exercisable for a period of five years from the date of the closing of the IPO.

The following table summarizes the continuity of the Company's stock options:

	Number of options	Weighted average exercise price \$
Outstanding, October 1, 2021	–	–
Granted	613,938	0.05
Outstanding, June 30, 2025, 2024, and 2023	613,938	0.05

CAVALRY CAPITAL CORP.

Notes to the condensed interim financial statements

Nine months ended June 30, 2025, and 2024

(Expressed in Canadian dollars – unaudited)

5. Share-Based Payments (continued)

Additional information regarding stock options outstanding as at June 30, 2025, was as follows:

Range of exercise prices \$	Outstanding and exercisable		
	Number of shares	Weighted average remaining contractual life (years)	Weighted average exercise price \$
0.05	613,938	1.84	0.05

On May 4, 2022, the Company granted 396,250 Agent's Warrants. The following table summarizes the continuity of the Company's Agent's Warrants:

	Number of Agents' Warrants	Weighted average exercise price \$
Outstanding, October 1, 2022	–	–
Issued	396,250	0.10
Outstanding, June 30, 2025, 2024, and 2023	396,250	0.10

As at June 30, 2025, the following Agent's Warrants were outstanding:

Number of agents' warrants outstanding	Exercise price \$	Expiry date
396,250	0.10	May 4, 2027

6. Capital Management

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of cash and shareholders' equity.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issues or by undertaking other activities as deemed appropriate under the specific circumstances.

The proceeds raised from the issuance of common shares may only be used to identify and evaluate assets or businesses for future investment, with the exception that general and administrative expenses have a limit of \$3,000 per month. These restrictions apply until completion of a Qualifying Transaction by the Company as defined under the Exchange Policy 2.4. The Company currently is not subject to other externally imposed capital requirements.

CAVALRY CAPITAL CORP.

Notes to the condensed interim financial statements

Nine months ended June 30, 2025, and 2024

(Expressed in Canadian dollars – unaudited)

7. Subsequent Event

On July 17, 2025, the Company entered into a definitive share exchange agreement (the “Agreement”) regarding a planned business combination (the “Transaction”) with Advanced Energy Fuels, Inc. (“Advanced Energy”). Pursuant to the Agreement:

- The Company will complete a share consolidation of its outstanding share capital on the basis of 1.66 pre-consolidation shares for each post-consolidation share;
- The Company will issue 19,879,938 post-consolidation common shares to acquire all of the outstanding common shares of Advanced Energy;
- The Company will complete a private placement of at least 10,000,000 subscription receipts (each, a “Subscription Receipt”) at a price of \$0.25 per Subscription Receipt for gross proceeds of at least \$2,500,000. Each Subscription Receipt will, upon satisfaction of certain escrow release conditions, be converted into one unit, each comprised of one post-consolidation common share and one-half of one common share purchase warrant. Each whole warrant will be exercisable for a period of 24 months from the escrow release date of the Subscription Receipts to purchase one post-consolidation common share at an exercise price of \$0.35 per share;
- Advanced Energy will exercise the option to indirectly acquire a 100% interest in the SWWM Project, with Advanced Energy paying the outstanding cash amount of AUD\$450,000 to Trek Metals Limited (ASX:TKM) (“Trek”) and the Company issuing to Trek such number of post-consolidation common shares that when added to the 2,000,000 post-consolidation common shares to be issued to Trek as an existing holder of Advanced Energy shares, is equal to not more than 19.9% of the total post-consolidation common shares outstanding on a post-Transaction basis (the “SWWM Acquisition”);
- The management and board of directors of the Resulting Issuer will be comprised of three nominees from Advanced Energy and two nominees from the Company; and
- The Company will change its name to “Advanced Energy Fuels Group Limited”, or such other name as determined by Advanced Energy (the “Name Change”), in compliance with applicable law and as may be acceptable to the Exchange.

Completion of the Transaction is subject to the satisfaction of customary closing conditions, including without limitation: (i) receipt of all required approvals and consents relating to the Transaction, including without limitation, required approval of the Exchange; (ii) completion of the private placement; (iii) completion of the share consolidation; (iv) completion of the Name Change; (v) completion of the SWWM Acquisition; (vi) the reconstitution of the board of directors and management of the Company; and (vii) the Exchange’s approval for listing the shares of the Resulting Issuer.

APPENDIX 2

CAVALRY CAPITAL CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS

CAVALRY CAPITAL CORP.

MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

CAVALRY CAPITAL CORP.

Management Discussion & Analysis

For the year ended September 30, 2024

1. Date

This Management's Discussion and Analysis ("MD&A") of Cavalry Capital Corp. ("Cavalry" or the "Company") has been prepared by management as of January 28, 2025, and should be read in conjunction with the unaudited financial statements and related notes thereto of the Company for the years ended September 30, 2024 and 2023, which were prepared in accordance with International Accounting Standards using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and International Financial Reporting Interpretations Committee ("IFRIC").

This MD&A contains forward-looking information which reflects management's expectations regarding the Company's growth, results of operation, performance and business prospects and opportunities. The use of words such as "anticipate", "continue", "estimate", "expect", "may", "will", "project", "should", "believe", "outlook", "forecast" and similar expressions are intended to identify forward-looking statements.

Forward-looking statements in this MD&A include, but not limited to, the Company's expectation of future activities and results, of its working capital needs and its ability to identify, evaluate and pursue suitable business opportunity. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results of events to differ materially from those anticipated in these forward-looking statements. Readers should not put undue reliance on forward-looking information.

The Company undertakes no obligation to publicly update or review the forward-looking statements whether as a result of new information, future events or otherwise.

Historical results of operations and trends that may be inferred from the following discussions and analysis may not necessarily indicate future results from operations.

2. Overall Performance

The Company was incorporated pursuant to the provisions of the *Business Corporations Act* (British Columbia) on March 19, 2021, under the name 1295342 B.C. Ltd. and changed its name on August 21, 2021, to Cavalry Capital Corp.

The Company completed its initial public offering ("IPO") on May 4, 2022, and is a Capital Pool Company pursuant to the policies of the TSX Venture Exchange (the "Exchange"). The Company is in the development stage and its principal business is the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction, as defined by the policies of the Exchange. Such a transaction will be subject to shareholder and regulatory approval.

3. Selected Financial Information

	Year ended September 30, 2024	Year ended September 30, 2023
Net loss	\$ (48,629)	\$ (87,430)
Loss per share	(0.01)	(0.01)
Total assets	254,768	318,856

CAVALRY CAPITAL CORP.

Management Discussion & Analysis
For the year ended September 30, 2024

4. Results of Operations

Years ended September 30, 2024, and 2023

During the year ended September 30, 2024, the Company reported a net loss of \$48,629, or \$0.01 per share, as compared to a net loss of \$87,430, or \$0.01 per share, during the year ended September 30, 2023, a decrease in loss of \$38,801.

The decrease in net loss was primarily due to lower general and administration costs of \$868 (\$1,898 - 2023), lower professional fees incurred relating to the evaluation of a potential Qualifying Transaction with Home Run (see 10. below) of \$43,913 (\$72,801 - 2023), and lower transfer agency and filing fees of \$15,059 (\$24,139 - 2023). Interest income was \$11,211 for the period (\$11,408 - 2023).

5. Summary of Quarterly Results

The following is a summary of financial information concerning the Company for each of the eight last reported quarters.

Quarter ended		Loss	Loss per share
September 30, 2024	\$	(14,796)	\$ —
June 30, 2024		(4,054)	—
March 31, 2024		(14,423)	—
December 31, 2023		(14,788)	—
September 30, 2023		(36,732)	0.01
June 30, 2023		(28,685)	—
March 31, 2023		(17,079)	—
December 31, 2022		(4,934)	—

During the quarter ended September 30, 2024, the Company incurred ongoing professional fees of \$6,000, transfer agent and filing fees of \$1,795, as well as \$205 for general corporate matters and earned interest income of \$3,505. It also accrued \$10,000 for its 2024 annual audit.

During the quarter ended June 30, 2024, the Company incurred ongoing professional fees of \$5,665, transfer agent and filing fees of \$977, as well as \$192 for general corporate matters and earned interest income of \$2,780.

During the quarter ended March 31, 2024, the Company incurred ongoing professional fees of \$6,928, regulatory filing and Exchange sustaining fees of \$7,841, transfer agent fees of \$2,297, as well as \$286 for general corporate matters and earned interest income of \$2,929.

During the quarter ended December 31, 2023, the Company incurred ongoing professional fees of \$6,300, legal fees of \$8,316 in connection with Company's AGM, transfer agent and filing fees of \$1,983, as well as \$184 for general corporate matters and earned interest income of \$1,996.

During the quarter ended September 30, 2023, the Company incurred ongoing professional fees of \$6,500, legal fees of \$9,826 in connection with the Transaction with Home Run, transfer agent and filing fees of \$12,175, accrued audit fees of \$10,000 as well as \$329 for general corporate matters and earned interest income of \$2,734.

CAVALRY CAPITAL CORP.

Management Discussion & Analysis

For the year ended September 30, 2024

5. Summary of Quarterly Results (continued)

During the quarter ended June 30, 2023, the Company incurred ongoing professional fees of \$6,300, \$19,112 in professional and legal fees in connection with the Transaction with Home Run, transfer agent and filing fees of \$1,564, accrued auditor review fees of \$4,000, as well as \$642 for general corporate matters and earned interest income of \$2,933.

During the quarters ended March 31, 2023, and December 31, 2022, the Company incurred ongoing professional, transfer agent, Exchange listing and other filing fees as well as costs for general corporate matters.

6. Liquidity and Capital Resources

The Company reported a cash position of \$254,768 at September 30, 2024, compared to cash of \$318,856 at September 30, 2023. The Company reported working capital of \$243,130 at September 30, 2024 compared to a working capital position of \$291,759 at September 30, 2023, representing an decrease in working capital of \$48,629 as a result of operating activities.

On May 4, 2022, the Company completed its IPO and issued 3,962,500 common shares at \$0.10 per share for gross proceeds of \$396,250.

PI Financial Corp. acted as lead agent for the IPO (the "Agent"). The Company incurred issuance costs of \$69,397 to the Agent and issued 396,250 Agent's warrants exercisable at of \$0.10 per common share for a period of 60 months from the date of the closing of the IPO.

On May 4, 2022, the Company granted 613,938 incentive stock options to its officers and directors exercisable at a price of \$0.05 per common share for a period of five years from the date of the closing of the IPO.

Cash expenditures during the quarter ended September 30, 2024, were primarily related to professional and regulatory filing fees along with general and administrative costs.

Current assets excluding cash as at September 30, 2024 were \$nil (\$nil - 2023).

Current liabilities as at September 30, 2024 consisted of trade payables and accrued liabilities of \$11,638 (\$27,097 - 2023).

The continuing operations of the Company are dependent upon its ability to evaluate and complete a Qualifying Transaction. To date, the Company has not generated any revenues, has incurred losses since its inception and, at September 30, 2024, had an accumulated deficit of \$259,291.

Operating activities

For the year ended September 30, 2024, the Company's operating activities used cash of \$64,088 (\$72,281 - 2023).

Financing activities

For the year ended September 30, 2024, the Company received \$nil (\$nil - 2023) net cash from the issuance

CAVALRY CAPITAL CORP.

Management Discussion & Analysis
For the year ended September 30, 2024

6. Liquidity and Capital Resources (continued)

of shares during the period.

Capital Management

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of cash and equity comprised of issued share capital.

The Company manages its capital structure and makes adjustments, when required, considering certain economic conditions. The Company, upon approval from its board of directors, will balance its overall capital structure through new share issues or by undertaking other activities as deemed appropriate under the specific circumstances.

7. Off-Balance Sheet Arrangements

The Company does not utilize off-balance sheet arrangements.

8. Financial Instruments & Risk Management

Fair Values

Fair value measurements are classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair values of financial instruments, which include cash and accounts payable and accrued liabilities, approximate their carrying values due to the relatively short-term maturity of these instruments.

Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash. The Company limits its exposure to credit loss by placing its cash with high credit quality financial institutions. The carrying amount of financial assets represents the maximum credit exposure.

Foreign Exchange Risk and Interest Rate Risk

The Company is not exposed to any significant foreign exchange rate or interest rate risk.

CAVALRY CAPITAL CORP.

Management Discussion & Analysis

For the year ended September 30, 2024

8. Financial Instruments & Risk Management (continued)

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining adequate cash in excess of anticipated needs.

9. Transactions with Related Parties

During the year ended September 30, 2024, the Company incurred the following expenses with an officer of the Company:

	Nature		2024
Key management	Professional fees	\$	24,000

As at September 30, 2024, there were no amounts due to or from related parties (\$nil - 2023).

10. Proposed Transactions

On April 21, 2023, the Company announced it had entered into a letter of intent dated April 18, 2023, to enter into a business combination (the "Transaction") with Home Run Oil & Gas Inc. ("Home Run"). It was expected that upon completion of the Transaction, the combined entity would meet the listing requirements for a Tier 2 oil and gas issuer under the policies of the Exchange and constitute the Company's Qualifying Transaction.

On July 11, 2023, the Company announced it had entered into a definitive amalgamation agreement dated June 30, 2023 with Home Run, pursuant to which, among other things: (a) Home Run would amalgamate with 2515862 Alberta Ltd., a wholly-owned subsidiary of the Company incorporated pursuant to the laws of Province of Alberta for the purposes of the Qualifying Transaction; (b) all of the outstanding common shares of Home Run (each, a "Home Run Share") would be cancelled and, in consideration therefor, holders would receive common shares of Cavalry (each, a "Cavalry Share") on the basis of 2.4157 Cavalry Shares, at a deemed price of \$0.10 per share, for each Home Run Share previously held; and (c) the amalgamated corporation would be a wholly-owned subsidiary of the Company.

The Company announced on September 6, 2023, the Transaction was terminated by mutual agreement. Management continues to evaluate other potential transactions to complete a Qualifying Transaction.

11. Accounting Standards Issued But Not Yet Effective

Accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

CAVALRY CAPITAL CORP.

Management Discussion & Analysis

For the year ended September 30, 2024

12. Additional Disclosure for Venture Issuers Without Significant Revenue

An analysis of material components of the Company's general and administrative expenses is disclosed in the unaudited financial statements for the year ended September 30, 2024 and 2023 to which this MD&A relates.

13. Disclosure of Outstanding Share Data

Common Shares

As at January 28, 2025, the Company has authorized an unlimited number of common shares without par value and has 6,462,500 common shares issued and outstanding.

Incentive Stock Options

As at January 28, 2025, the Company has 613,938 shares reserved for issuance upon the exercise of officer and directors' options.

Share Purchase Warrants

As at January 28, 2025, the Company has 396,250 share purchase warrants outstanding.

14. Additional Information

Additional disclosures pertaining to the Company's material change reports, press releases and other information are available on the SEDAR+ website at www.sedarplus.ca.

CAVALRY CAPITAL CORP.

MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE NINE MONTHS ENDED JUNE 30, 2025

CAVALRY CAPITAL CORP.

Management Discussion & Analysis

For the nine months ended June 30, 2025

1. Date

This Management's Discussion and Analysis ("MD&A") of Cavalry Capital Corp. ("Cavalry" or the "Company") has been prepared by management as of August 19, 2025, and should be read in conjunction with the unaudited condensed interim financial statements and related notes thereto of the Company for the nine months ended June 30, 2025, and 2024, which were prepared in accordance with International Accounting Standards using accounting policies consistent with IFRS Accounting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and International Accounting Standard 34, "Interim Financial Reporting".

This MD&A contains forward-looking information which reflects management's expectations regarding the Company's growth, results of operation, performance and business prospects and opportunities. The use of words such as "anticipate", "continue", "estimate", "expect", "may", "will", "project", "should", "believe", "outlook", "forecast" and similar expressions are intended to identify forward-looking statements.

Forward-looking statements in this MD&A include, but not limited to, the Company's expectation of future activities and results, of its working capital needs and its ability to identify, evaluate and pursue suitable business opportunity. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results of events to differ materially from those anticipated in these forward-looking statements. Readers should not put undue reliance on forward-looking information.

The Company undertakes no obligation to publicly update or review the forward-looking statements whether as a result of new information, future events or otherwise.

Historical results of operations and trends that may be inferred from the following discussions and analysis may not necessarily indicate future results from operations.

2. Overall Performance

The Company was incorporated pursuant to the provisions of the *Business Corporations Act* (British Columbia) on March 19, 2021, under the name 1295342 B.C. Ltd. and changed its name on August 21, 2021, to Cavalry Capital Corp.

The Company completed its initial public offering ("IPO") on May 4, 2022, and is a Capital Pool Company pursuant to the policies of the TSX Venture Exchange (the "Exchange"). The Company is in the development stage and its principal business is the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction, as defined by the policies of the Exchange. Such a transaction will be subject to shareholder and regulatory approval.

3. Selected Financial Information

	Nine months ended June 30, 2025	Nine months ended June 30, 2024
Net loss	\$ (59,954)	\$ (33,833)
Loss per share	(0.01)	(0.01)
Total assets	211,627	254,768

CAVALRY CAPITAL CORP.

Management Discussion & Analysis
For the nine months ended June 30, 2025

4. Results of Operations

Nine months ended June 30, 2025, and 2024

During the nine months ended June 30, 2025, the Company reported a net loss of \$59,954, or \$0.01 per share, as compared to a net loss of \$33,833, or \$0.01 per share, during the nine months ended June 30, 2024, an increase in loss of \$26,121.

The increase in net loss was primarily due to higher professional fees incurred during the period of \$47,370 (2024: \$27,612), and transfer agency and filing fees of \$16,833 (2024: \$13,264). Interest income was \$4,921 for the period (2024: \$7,706).

5. Summary of Quarterly Results

The following is a summary of financial information concerning the Company for each of the eight last reported quarters.

Quarter ended		Loss		Loss per share
June 30, 2025	\$	(39,427)	\$	0.01
March 31, 2025		(15,019)		–
December 31, 2024		(5,507)		–
September 30, 2024		(14,796)		–
June 30, 2024		(4,054)		–
March 31, 2024		(14,423)		–
December 31, 2023		(14,788)		–
September 30, 2023		(36,732)		0.01

During the quarter ended June 30, 2025, the Company incurred professional fees of \$34,142 primarily related to a proposed Qualifying Transaction (see 10 below), transfer agent and filing fees of \$6,269, as well as \$216 for general corporate matters and earned interest income of \$1,200.

During the quarter ended March 31, 2025, the Company incurred ongoing professional fees of \$6,927, transfer agent and filing fees of \$9,335, as well as \$255 for general corporate matters and earned interest income of \$1,498.

During the quarter ended December 31, 2024, the Company incurred ongoing professional fees of \$6,000, transfer agent and filing fees of \$1,229, as well as \$200 for general corporate matters and earned interest income of \$2,222.

During the quarter ended September 30, 2024, the Company incurred ongoing professional fees of \$6,000, transfer agent and filing fees of \$1,228, as well as \$181 for general corporate matters and earned interest income of \$2,505. It also accrued \$10,000 for its 2024 annual audit.

During the quarter ended June 30, 2024, the Company incurred ongoing professional fees of \$5,665, transfer agent and filing fees of \$977, as well as \$192 for general corporate matters and earned interest income of \$2,780.

During the quarter ended March 31, 2024, the Company incurred ongoing professional fees of \$6,928, regulatory filing and Exchange sustaining fees of \$7,841, transfer agent fees of \$2,297, as well as \$286 for

CAVALRY CAPITAL CORP.

Management Discussion & Analysis

For the nine months ended June 30, 2025

5. Summary of Quarterly Results (continued)

general corporate matters and earned interest income of \$2,929.

During the quarter ended December 31, 2023, the Company incurred ongoing professional fees of \$6,300, legal fees of \$8,316 in connection with Company's AGM, transfer agent and filing fees of \$1,983, as well as \$184 for general corporate matters and earned interest income of \$1,996.

During the quarter ended September 30, 2023, the Company incurred ongoing professional fees of \$6,500, legal fees of \$9,826 in connection with the Transaction with Home Run, transfer agent and filing fees of \$12,175, accrued audit fees of \$10,000 as well as \$329 for general corporate matters and earned interest income of \$2,734.

6. Liquidity and Capital Resources

The Company reported a cash position of \$211,627 at June 30, 2025, compared to cash of \$254,768 at September 30, 2024, representing a decrease in working capital of \$59,954 as a result of operating activities.

On May 4, 2022, the Company completed its IPO and issued 3,962,500 common shares at \$0.10 per share for gross proceeds of \$396,250.

PI Financial Corp. acted as lead agent for the IPO (the "Agent"). The Company incurred issuance costs of \$69,397 to the Agent and issued 396,250 Agent's warrants exercisable at of \$0.10 per common share for a period of 60 months from the date of the closing of the IPO.

On May 4, 2022, the Company granted 613,938 incentive stock options to its officers and directors exercisable at a price of \$0.05 per common share for a period of five years from the date of the closing of the IPO.

Cash expenditures during the quarter ended June 30, 2025, were related to professional and regulatory filing fees along with general and administrative costs.

Current assets excluding cash as at June 30, 2025, were \$nil (2024: \$nil).

Current liabilities as at June 30, 2025, consisted of trade payables and accrued liabilities of \$28,451 (2024: \$2,720).

The continuing operations of the Company are dependent upon its ability to evaluate and complete a Qualifying Transaction. To date, the Company has not generated any revenues, has incurred losses since its inception and, at June 30, 2025, had an accumulated deficit of \$319,245.

Operating activities

For the nine months ended June 30, 2025, the Company's operating activities used cash of \$43,141 (2024: \$58,210).

CAVALRY CAPITAL CORP.

Management Discussion & Analysis

For the nine months ended June 30, 2025

6. Liquidity and Capital Resources (continued)

Financing activities

For the nine months ended June 30, 2025, the Company received \$nil (2024: \$nil) net cash from the issuance of shares during the period.

Capital Management

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of cash and equity comprised of issued share capital.

The Company manages its capital structure and makes adjustments, when required, considering certain economic conditions. The Company, upon approval from its board of directors, will balance its overall capital structure through new share issues or by undertaking other activities as deemed appropriate under the specific circumstances.

7. Off-Balance Sheet Arrangements

The Company does not utilize off-balance sheet arrangements.

8. Financial Instruments & Risk Management

Fair Values

Fair value measurements are classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair values of financial instruments, which include cash and accounts payable and accrued liabilities, approximate their carrying values due to the relatively short-term maturity of these instruments.

Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash. The Company limits its exposure to credit loss by placing its cash with high credit quality financial institutions. The carrying amount of financial assets represents the maximum credit exposure.

CAVALRY CAPITAL CORP.

Management Discussion & Analysis

For the nine months ended June 30, 2025

8. Financial Instruments & Risk Management (continued)

Foreign Exchange Risk and Interest Rate Risk

The Company is not exposed to any significant foreign exchange rate or interest rate risk.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining adequate cash in excess of anticipated needs.

9. Transactions with Related Parties

During the nine months ended June 30, 2025, the Company incurred the following expenses with an officer of the Company:

	Nature		2025
Key management	Professional fees	\$	18,000

10. Proposed Transactions

On July 17, 2025, the Company entered into a definitive share exchange agreement (the "Agreement") regarding a planned business combination (the "Transaction") with Advanced Energy Fuels, Inc. ("Advanced Energy"). Pursuant to the Agreement:

- The Company will complete a share consolidation of its outstanding share capital on the basis of 1.66 pre-consolidation shares for each post-consolidation share;
- The Company will issue 19,879,938 post-consolidation common shares to acquire all of the outstanding common shares of Advanced Energy;
- The Company will complete a private placement of at least 10,000,000 subscription receipts (each, a "Subscription Receipt") at a price of \$0.25 per Subscription Receipt for gross proceeds of at least \$2,500,000. Each Subscription Receipt will, upon satisfaction of certain escrow release conditions, be converted into one unit, each comprised of one post-consolidation common share and one-half of one common share purchase warrant. Each whole warrant will be exercisable for a period of 24 months from the escrow release date of the Subscription Receipts to purchase one post-consolidation common share at an exercise price of \$0.35 per share;
- Advanced Energy will exercise the option to indirectly acquire a 100% interest in the SWWM Project, with Advanced Energy paying the outstanding cash amount of AUD\$450,000 to Trek Metals Limited (ASX:TKM) ("Trek") and the Company issuing to Trek such number of post-consolidation common shares that when added to the 2,000,000 post-consolidation common shares to be issued to Trek as an existing holder of Advanced Energy shares, is equal to not

CAVALRY CAPITAL CORP.

Management Discussion & Analysis
For the nine months ended June 30, 2025

10. Proposed Transactions (continued)

more than 19.9% of the total post-consolidation common shares outstanding on a post-Transaction basis (the “SWWM Acquisition”);

- The management and board of directors of the Resulting Issuer will be comprised of three nominees from Advanced Energy and two nominees from the Company; and
- The Company will change its name to “Advanced Energy Fuels Group Limited”, or such other name as determined by Advanced Energy (the “Name Change”), in compliance with applicable law and as may be acceptable to the Exchange.

Completion of the Transaction is subject to the satisfaction of customary closing conditions, including without limitation: (i) receipt of all required approvals and consents relating to the Transaction, including without limitation, required approval of the Exchange; (ii) completion of the private placement; (iii) completion of the share consolidation; (iv) completion of the Name Change; (v) completion of the SWWM Acquisition; (vi) the reconstitution of the board of directors and management of the Company; and (vii) the Exchange’s approval for listing the shares of the Resulting Issuer.

The Transaction is intended to constitute the Company’s Qualifying Transaction. Additional details of the proposed Transaction are available on the SEDAR+ website at www.sedarplus.ca

11. Accounting Standards Issued But Not Yet Effective

Accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company’s financial statements.

12. Additional Disclosure for Venture Issuers Without Significant Revenue

An analysis of material components of the Company’s general and administrative expenses is disclosed in the unaudited condensed interim financial statements for the nine months ended June 30, 2025, and 2024, to which this MD&A relates.

13. Disclosure of Outstanding Share Data

Common Shares

As at August 19, 2025, the Company has authorized an unlimited number of common shares without par value and has 6,462,500 common shares issued and outstanding.

Incentive Stock Options

As at August 19, 2025, the Company has 613,938 shares reserved for issuance upon the exercise of officer and directors’ options.

Share Purchase Warrants

As at August 19, 2025, the Company has 396,250 share purchase warrants outstanding.

CAVALRY CAPITAL CORP.

Management Discussion & Analysis

For the nine months ended June 30, 2025

14. Additional Information

Additional disclosures pertaining to the Company's material change reports, press releases and other information are available on the SEDAR+ website at www.sedarplus.ca.

APPENDIX 3

ADVANCED ENERGY FUELS, INC.

FINANCIAL STATEMENTS

ADVANCED ENERGY FUELS, INC.

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED
DECEMBER 31, 2024
(Expressed in Canadian Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Advanced Energy Fuels, Inc.:

Opinion

We have audited the consolidated financial statements of Advanced Energy Fuels, Inc. and its subsidiary (together the "Company"), which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated statement of loss and comprehensive loss, consolidated statement of changes in shareholders' equity and consolidated statement of cash flows for the period from incorporation July 17, 2024 to December 31, 2024, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2024, and its consolidated financial performance and its consolidated cash flows for the period from incorporation July 17, 2024 to December 31, 2024 in accordance with IFRS Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which describes conditions indicating that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Baker Tilly WM LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, B.C.
December 12, 2025

ADVANCED ENERGY FUELS, INC.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(Expressed in Canadian Dollars)

As at	Note	December 31, 2024 \$
ASSETS		
Current assets		
Cash		19
Sales tax receivables		12,649
		12,668
Exploration and evaluation assets	4	527,726
		540,394
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities		116,985
		116,985
SHAREHOLDERS' EQUITY		
Share capital	5	638,075
Foreign currency translation reserve		(58,700)
Deficit		(155,966)
		423,409
		540,394
Nature of operations and going concern (Note 1)		
Subsequent events (12)		

Approved and authorized for issuance on behalf of the Board of Directors on December 12, 2025

“Gary Leon Lewis” Director

“Mark Wise” Director

CONSOLIDATED STATEMENT OF LOSS AND COMPREHENSIVE LOSS
For the period from July 17, 2024 (date of incorporation) to December 31, 2024
(Expressed in Canadian Dollars)

	Note	2024 \$
EXPENSES		
Advertising and marketing		24,000
Consulting fees	5, 8	57,972
Office expenses		2,562
Professional fees		49,339
Share-based compensation	5, 8	19,300
Travel		15,002
LOSS BEFORE OTHER INCOME (EXPENSE)		168,175
OTHER INCOME (EXPENSES)		
Foreign exchange gain (loss)		17,886
Interest income		1,559
		19,445
NET LOSS FOR THE PERIOD BEFORE TAXES		148,730
Income tax expense		7,236
NET LOSS FOR THE PERIOD AFTER TAXES		155,966
OTHER COMPREHENSIVE INCOME		
Items that may be subsequently reclassified to profit or loss		
Exchange difference on translation of foreign operations		58,700
COMPREHENSIVE LOSS FOR THE YEAR		214,666
		-
NET LOSS PER SHARE – BASIC AND DILUTED		0.07
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING		3,199,850

The accompanying notes are an integral part of these consolidated financial statements

ADVANCED ENERGY FUELS, INC,
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian dollars, except for share figures)

	Note	Number of Shares #	Share Capital \$	Foreign currency translation reserve \$	Deficit \$	Total \$
Balance, July 17, 2024		-	-	-	-	-
Shares issued pursuant to private placements	5	8,295,024	520,627	-	-	520,627
Shares issued for debt to a related party	5	1,379,976	64,598	-	-	64,598
Shares issued for services	5	225,000	5,175	-	-	5,175
Share-based compensation	5	725,000	47,675	-	-	47,675
Net loss and comprehensive loss		-	-	(58,700)	(155,966)	(214,666)
Balance, December 31, 2024		10,625,000	638,075	(58,700)	(155,966)	423,409

ADVANCED ENERGY FUELS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the period from July 17, 2024 (date of incorporation)
to December 31, 2024

	Note	2024 \$
Operating activities:		
Net loss for the period		(155,966)
Items not affecting cash:		
Share-based compensation	5	19,300
Changes in non-cash working capital related to operations:		
Receivables		(12,649)
Accounts payable and accrued liabilities		97,110
Net cash used in operating activities		(52,205)
Investing activity:		
Exploration and evaluation assets acquisition and exploration costs	4	(550,887)
Net cash used in investing activity		(550,887)
Financing activity:		
Loan to related party	9	64,598
Shares issued for cash, net of issue costs	5	520,627
Net cash provided by financing activity		585,225
Foreign exchange effect on cash		17,886
Increase in cash during the period		19
Cash – beginning of the period		-
Cash – end of the period		19
Income taxes paid		-
Interest received		1,559
Interest paid		-
Non-cash transactions (Note 9)		

ADVANCED ENERGY FUELS, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the period from July 17, 2024 (date of incorporation)
to December 31, 2024
(Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Advanced Energy Fuels, Inc. (“AEFI” or the “Company”) was incorporated on July 17, 2024, and is domiciled in Delaware, in the United States of America. The Company’s head office, principal place of business and registered offices are located at 251 Little Falls Drive, Wilmington DE 19808 USA. The Company holds resource interests including manganese and fluorospar, in Australia and USA.

These consolidated financial statements have been prepared assuming the Company will continue as a going concern, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. At December 31, 2024 the Company had an accumulated deficit of \$155,966 since its inception and expects to incur further losses in the development of its business. The continuation of the Company is dependent upon obtaining necessary financing to meet its ongoing operational levels of exploration expenditures and corporate overhead. There can be no assurance that the Company will not be impacted by adverse consequences that may be brought about on its business, results of operations, financial position and cash flows in the future. These conditions indicate a material uncertainty that may cast significant doubt upon the Company’s ability to continue as a going concern.

Additional funds will be required to enable the Company to continue its operations and there can be no assurance that financing will be available on terms which are acceptable to the Company. These consolidated financial statements do not give effect to any adjustments to the amounts and classifications of assets and liabilities which might be necessary should the Company be unable to continue its operations as a going concern.

2. MATERIAL ACCOUNTING POLICIES AND BASIS OF PRESENTATION

a) Statement of compliance

These consolidated financial statements have been presented in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (“IASB”).

b) Basis of presentation

These consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair value. In addition, these consolidated financial statements are prepared using the accrual basis of accounting, aside from cash flow information.

ADVANCED ENERGY FUELS, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the period from July 17, 2024 (date of incorporation)
to December 31, 2024
(Expressed in Canadian Dollars)

c) Consolidation

These consolidated financial statements include the financial statements of the Company and the following subsidiaries controlled by the Company:

	Incorporated in	Percentage of voting shares December 31, 2024
Advanced Energy Fuels (NM) LLC	USA	100%
Advanced Energy Fuels Australia Pty Limited	Australia	100%

The Company owns 499 ordinary shares and a Company Director owns 501 Class E Shares of Advanced Energy Fuels Australia Pty Limited. The holders of ordinary shares have the right to vote at all general meetings, participate in dividends declared on the class of shares, and on winding up have a pro-rata right to the net assets of the entity. The holders of Class E shares, do not have the right to vote at general meetings, participate in dividends declared on the class of shares, and on winding up have a right to repayment of capital paid up, but no right to any distribution of surplus assets or profits of the entity. The Company has determined that it controls Advanced Energy Fuels Australia Pty Limited as a consequence of holding 100% of the issued ordinary shares.

Control over an entity is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is obtained and continue to be consolidated until the date that such control ceases. Intercompany balances, transactions and unrealized intercompany gains and losses are eliminated upon consolidation.

d) Foreign currencies

The functional currency of the Company is the US Dollar and the presentation currency of the Company is the Canadian Dollar. The functional currency of Advanced Energy Fuels (Aust) Pty Ltd. is the Australia dollar, while the functional currency of Advanced Energy Fuels (NM) LLC is the US dollar. Those functional currencies are the currencies of the primary economic environments in which each of the entities operate.

Entities whose functional currencies differ from the presentation currency of the Company are translated into Canadian dollars as follows: assets and liabilities – at the closing rate as at the reporting date, equity (at historical) and income and expenses – at the average rate of the reporting period. All resulting changes are recognized in other comprehensive income (loss) and accumulated in foreign currency translation reserve.

ADVANCED ENERGY FUELS, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the period from July 17, 2024 (date of incorporation)
to December 31, 2024
(Expressed in Canadian Dollars)

Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the dates of the transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary assets and liabilities are translated using the historical rate on the date of the transaction. All gains and losses on translation of these foreign currency transactions are recognized to profit or loss.

When the Company disposes of its entire interest in a foreign operation, or loses control, joint control, or significant influence over a foreign operation, the foreign currency gains or losses accumulated in foreign currency translation reserve related to the foreign operation are recognized in profit or loss. If an entity disposes of part of an interest in a foreign operation which remains a subsidiary, a proportionate amount of foreign currency gains or losses accumulated in foreign currency translation reserve related to the subsidiary are reallocated between controlling and non-controlling interests.

e) Financial instruments

Financial instruments are measured on initial recognition at fair value, and, in the case of financial instruments other than those classified as “fair value through profit and loss” (“FVTPL”), directly attributable transaction costs.

Recognition and classification

The Company recognizes a financial asset or financial liability on the consolidated statement of financial position when it becomes party to the contractual provisions of the financial instrument.

The Company classifies its financial instruments in the following categories: at fair value through profit or loss (“FVTPL”) or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of financial asset debt instruments is driven by the Company’s business model for managing those financial assets and the contractual cash flow characteristics.

Equity instruments that are held for trading are classified as FVTPL. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

Financial assets/liabilities	Classification
Cash	FVTPL
Accounts payable and accrued liabilities	Amortized cost

ADVANCED ENERGY FUELS, INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the period from July 17, 2024 (date of incorporation)
to December 31, 2024
(Expressed in Canadian Dollars)

Measurement

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in profit or loss in the period in which they arise. Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive income (loss).

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment, using the effective interest method. The effective interest rate is the rate that discounts estimated future cash flows over the expected life of the financial instrument, or where appropriate, a shorter period.

Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the credit risk on the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in profit or loss.

Financial liabilities

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets, is recognized in profit or loss.

ADVANCED ENERGY FUELS, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the period from July 17, 2024 (date of incorporation)
to December 31, 2024
(Expressed in Canadian Dollars)

f) Exploration and evaluation assets

Once the legal right to explore a property has been acquired, all costs related to the acquisition, exploration and evaluation are capitalized by project. These direct expenditures include such costs as materials used, surveying, drilling, and payments made to contractors during the exploration phase. Costs not directly attributed to exploration and evaluation activities, including general administrative overhead costs, are expensed in the period in which they occur.

Exploration and evaluation assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount, which is the higher of value in use and fair value less costs of disposal, the asset is written down accordingly with an impairment recognized in profit or loss.

Impairment reviews for the Company's exploration and evaluation assets are carried out on a project by project basis, with each project representing a single cash generating unit. An impairment review for an exploration and evaluation asset is undertaken when indicators of impairment arise, but typically when one of the following circumstances apply:

- The right to explore the area has expired or will expire in the near future with no expectation of renewal;
- Substantive expenditure on further exploration for and evaluation of mineral resources in the area is neither planned nor budgeted;
- No commercially viable deposits have been discovered, and the decision had been made to discontinue exploration in the area; and
- Sufficient work has been performed to indicate that the carrying amount of the expenditure is unlikely to be recovered in full from successful development or by sale.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as "mine under construction." Exploration and evaluation assets are tested for impairment before the assets are transferred.

Exploration and evaluation assets are classified as intangible assets.

g) Provision for decommissioning and restoration

The Company recognizes provisions for statutory, contractual, constructive or legal obligations associated with the reclamation of mineral properties in the year in which it is probable that an outflow of resources will be required to settle the obligation and when a reliable estimate of the amount can be made. Initially, a provision for a decommissioning liability is recognized based on expected cash flows required to settle the obligation and discounted at a pre-tax rate specific to the liability. The capitalized

ADVANCED ENERGY FUELS, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the period from July 17, 2024 (date of incorporation)
to December 31, 2024
(Expressed in Canadian Dollars)

amount is depreciated on the same basis as the related asset. Following the initial recognition of the decommissioning liability, the carrying amount of the liability is increased for the passage of time and adjusted for changes to the current market-based discount rate and the amount or timing of the underlying cash flows needed to settle the obligation. The increase in the provision due to passage of time is recognized as interest expense. Significant judgments and estimates are involved in forming expectations of the amounts and timing of future closure and reclamation cash flows. As at December 31, 2024, the Company has no known material restoration, rehabilitation or environmental liabilities related to its exploration and evaluation assets.

h) Share capital

Equity instruments are contracts that give a residual interest in the net assets of the Company. Equity-settled common share options, denominated in the Company's functional currency, issued by the Company are classified as equity instruments. Costs directly identifiable with the raising of share capital financing are recognized against share capital.

Share issuance costs incurred in advance of closing a financing are recorded as deferred assets. Share issuance costs related to incomplete financing transactions are recognized to profit or loss.

i) Earnings (loss) per share

Basic earnings (loss) per share represents the earnings (loss) for the period, divided by the weighted average number of common shares outstanding during the period. Diluted earnings (loss) per share represents the earnings (loss) for the period, divided by the weighted average number of common shares outstanding during the period plus the weighted average number of dilutive shares resulting from the exercise of stock options, warrants and other similar instruments where the inclusion of those instruments would not be anti-dilutive. Diluted earnings (loss) per share is equal to basic earnings (loss) per share, as the effect of potentially dilutive instruments would be anti-dilutive.

j) Share-based compensation

Where equity-settled share-based compensation is awarded to employees, directors or other service providers, the fair value of common shares are recognized based on the most recent cash issuances. Stock options issued are recognized at fair value, determined using the Black-Scholes option pricing model. The fair value is recognized in profit or loss, or capitalized to exploration and evaluation assets, with a corresponding increase to share capital or share-based payments reserve. Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of instruments that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the equity-settled share-based payments granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether these vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting

ADVANCED ENERGY FUELS, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the period from July 17, 2024 (date of incorporation)
to December 31, 2024
(Expressed in Canadian Dollars)

condition or where a non-vesting condition is not satisfied. The expected life used in the valuation model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioral considerations.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the equity-settled share-based payments, measured immediately before and after the modification, is also recognized to profit or loss over the remaining vesting period.

Where equity-settled share options are granted to non-employees, they are recorded at the fair value of the goods or services received. Amounts related to the issuance of shares are recorded as a reduction of share capital, amounts related to the acquisition of assets are capitalized to the asset, and current period services are expensed to profit or loss. When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value of the equity instrument is measured.

All equity-settled share-based payments are reflected in share-based payments reserve, until exercised. Upon exercise, shares are issued from treasury and the amount originally reflected in share-based payments reserve is credited to share capital, adjusted for any consideration paid. Upon expiry or forfeiture, the amount reflected in share-based payments reserve is not reclassified to another component of equity.

Where a grant of equity-settled share-based payments is cancelled or settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense.

k) Income tax

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous periods.

Deferred tax is provided using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The Company does not provide for temporary differences relating to differences relating to investments in subsidiaries, associates, and joint ventures to the extent that they will probably

ADVANCED ENERGY FUELS, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the period from July 17, 2024 (date of incorporation)
to December 31, 2024
(Expressed in Canadian Dollars)

not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position reporting date applicable to the period of expected realization or settlement.

A deferred tax asset is recognized only to the extent that it is probable that future taxable income will be available against which the asset can be utilized. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

I) New financial reporting standards and interpretations:

The following accounting standards and amendments are for future periods.

Amendments to IFRS 9 – Financial Instruments, and IFRS 7 – Financial Instruments: Disclosures

In May 2024, the IASB issued *Amendments to the Classification and Measurement of Financial Instruments*. The amendments clarify that a financial liability is derecognized on the settlement date and introduce an accounting policy choice to derecognize a financial liability settled using an electronic payment system before the settlement date. Other clarifications include guidance on the classification of financial assets with ESG-linked features, non-recourse loans and contractually linked instruments.

The amendments are effective for annual periods beginning on or after January 1, 2026. Early adoption is permitted, with an option to early adopt only the amendments to the classification of financial assets (for contingent features). The Company is currently in the process of assessing the impact of the amendments on the consolidated financial statements and notes to the consolidated financial statements

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, *Presentation and Disclosure in the Financial Statements*. IFRS 18 will replace IAS 1 *Presentation of Financial Statements* but carries forward many of the requirements from IAS 1. The standard introduces new defined subtotals to be presented in the Company's consolidated statement of loss and comprehensive loss, disclosure of any management-defined performance measures related to the consolidated statement of loss and comprehensive loss and requirements for grouping of information. IFRS 18 is effective for annual periods beginning on or after January 1, 2027, with earlier adoption permitted, and will apply retrospectively. The Company is currently in the process of assessing the impact of IFRS 18 (and applicable amendments to other standards) on the consolidated financial statements and notes to the consolidated financial statements.

ADVANCED ENERGY FUELS, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the period from July 17, 2024 (date of incorporation)
to December 31, 2024
(Expressed in Canadian Dollars)

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The effect of a change in an accounting estimate is recognized prospectively by including it in profit or loss in the period of the change, if the change affects that period only; or in the period of the change and future periods, if the change affects both.

a) Critical Judgments

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustments to the carrying amounts of assets and liabilities recognized in the consolidated financial statements within the next financial year are discussed below:

Impairment of exploration and evaluation assets

The carrying value and recoverability of exploration and evaluation assets requires management to make certain estimates, judgments and assumptions about each project. Management considers the economics of the project, including the latest resource prices and the long-term forecasts, and the overall economic viability of the project.

b) Key Sources of Estimation Uncertainty

The Company has not identified significant assumptions about the future and other major sources of estimation uncertainty as at the end of the reporting period that have a significant risk of resulting in a material adjustment to the carrying amounts of the Company's assets and liabilities.

ADVANCED ENERGY FUELS, INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period from July 17, 2024 (date of incorporation)

to December 31, 2024

(Expressed in Canadian Dollars)

4. EXPLORATION AND EVALUATION ASSETS

South Woodie Woodie Manganese Project

The South Woodie Woodie Manganese Project (the “Project”) or (“SWWM”) is located in the East Pilbara region of Western Australia, approximately 400 km southeast of Port Hedland. The Project comprises a contiguous group of nine granted exploration licenses and one retention license, collectively covering 518.52 km² within the Balfour Downs Sub-Basin. The Project includes the Contact and Contact North manganese deposits.

The Company signed an Option and Acquisition Agreement with Trek Metals Limited (“Trek”) on September 9, 2024, subsequently amended, whereby the Company will earn a 100% ownership interest in the Project, upon satisfaction of the following key transaction terms:

- A\$450,000 cash and 8,000,000 common shares, of which 2,000,000 common shares were issued subsequent to December 31, 2024 and 6,000,000 common shares are issuable upon the listing of the Company on or before September 30, 2026; and
- A\$2 million in exploration expenditure on or before September 30, 2027.

Fluorite Ridge, Luna County, New Mexico

The Fluorite Ridge Prospect is located in Luna County in southwestern New Mexico, USA. In 2024, the Company staked 63 lode mining claims (1270 acres), covering multiple prospects and at least eight previously producing mines, over seven kilometers.

During the period the Company spent a total of \$277,555 on the Fluorite Ridge Prospect, including:

- Acquired an additional 16 lode mining claims (372 acres) covering identified geological extensions to the Fluorite Ridge Prospect.

ADVANCED ENERGY FUELS, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the period from July 17, 2024 (date of incorporation)
to December 31, 2024
(Expressed in Canadian Dollars)

Summary of Expenditures

Below is a summary of the changes in the exploration and evaluation assets during the period ended December 31, 2024:

	South Woodie Woodie Manganese Project \$	New Mexico Fluorspar Project \$	Total \$
Balance, July 17, 2024	-	-	-
Acquisition costs	104,757	191,520	296,277
Consulting – Geological	92,774	86,035	178,809
Consulting – Other	41,752	-	41,752
Land management	10,888	-	10,888
Balance, December 31, 2024	250,171	277,555	527,726

5. SHARE CAPITAL

- a) **Authorized** – 100,000,000 common shares without par value.
- b) **Issued Shares**

On August 28, 2024, the Company closed a non-brokered private placement of 3,200,000 common shares of the Company for gross proceeds of \$73,600 (US\$54,635). Related parties of the Company purchased 2,800,000 of the shares issued as part of this private placement.

On December 31, 2024, the Company closed a non-brokered private placement of 5,320,024 common shares of the Company for gross proceeds of \$452,202 (US\$314,269). Related parties of the Company purchased 4,220,024 of the shares issued as part of this private placement.

During the period ended December 31, 2024, the Company issued 225,000 common shares of the Company for services rendered totalling \$5,175 (US\$3,596). These common shares were issued at a fair value based on the most recently completed private placement share price.

During the period ended December 31, 2024 the Company issued 1,379,976 common shares of the Company to settle an aggregate of \$64,598 (US\$44,894) of debt owed by the Company for services provided by a related party. The shares were issued at fair value which was based upon the August 28, 2024 private placement share price.

During the period ended December 31, 2024 the Company issued 725,000 common shares of the Company for services rendered totalling \$47,675 (US\$33,133). Related parties of the Company were issued with 300,000 of these common shares which related to services provided to the sum of \$19,300 (US\$13,413). The shares were issued at fair value which was based upon the August 28, 2024 and December 31, 2024 private placements share prices.

ADVANCED ENERGY FUELS, INC.
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS

For the period from July 17, 2024 (date of
incorporation) to December 31, 2024
(Expressed in Canadian Dollars)

6. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern and to maintain a flexible capital structure which optimizes the cost of capital within a framework of acceptable risk. In the management of capital, the Company includes the components of shareholders' equity, which was \$423,409 at December 31, 2024.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash. The Company is dependent on the capital markets as its primary source of operating capital and the Company's capital resources are largely determined by its ability to compete for investor support of its projects.

The Company is not subject to any external capital requirements.

7. FINANCIAL INSTRUMENTS

a) Fair value of financial instruments

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

As at December 31, 2024, the Company believes that the carrying amounts of accounts payable and accrued liabilities approximate their fair values because of their relatively short maturity dates or durations. Cash is measured at fair value based on level 1 inputs of the fair value hierarchy.

ADVANCED ENERGY FUELS, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the period from July 17, 2024 (date of incorporation)
to December 31, 2024
(Expressed in Canadian Dollars)

b) Management of risks arising from financial instruments

Discussion of risks associated with financial assets and liabilities are detailed below:

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk arises from cash held with banks and financial institutions. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The Company's cash is held with federally regulated institutions with deposit. The credit risk related to cash is considered minimal.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company manages liquidity risk by monitoring the Company's contractual obligations to anticipate any investing and financing activities. The Company's accounts payable and accrued liabilities are due within the 12 months.

As at December 31, 2024, the Company had a cash balance of \$19 and current liabilities of \$80,112.

Market risk

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

a) Interest rate risk

Interest rate risk is the risk that the future cash flows or fair value of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have any borrowings that are subject to fluctuations in market interest rates. Interest rate risk is limited to potential decreases on the interest rate offered on cash held with federally regulated institutions.

ADVANCED ENERGY FUELS, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the period from July 17, 2024 (date of incorporation)
to December 31, 2024
(Expressed in Canadian Dollars)

b) Foreign currency risk

Foreign currency risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company operates internationally, which gives rise to the risk that cash flows may be adversely impacted by exchange rate fluctuations. Amounts subject to currency risk are primarily cash offset by accounts payable and accrued liabilities denominated in foreign currencies. The Company primarily spends funds in US and Australian dollars. The Company is exposed to currency risk primarily on settlements of purchases that were denominated in currencies other than the US dollar and Australian dollar. In order to reduce the Company's exposure to currency risk, the Company periodically increases or decreases the amount of funds held in foreign currencies.

The Company presents the financial statements in Canadian dollars and is exposed to movements in the US dollar against the Australian dollar and Canadian dollar. Sensitivity analysis has been performed to indicate how the profit or loss would have been affected by changes in the US dollar and each of these currencies.

As at December 31, 2024, the Company had accounts payable and accrued liabilities of A\$3,927. A 10% strengthening in the Australian dollar relative to the US dollar would result in an increase of approximately \$392 in the Company's net loss.

As at December 31, 2024, the Company had accounts payable and accrued liabilities of US\$20,000. A 10% strengthening in the US dollar relative to the CAD dollar would result in a decrease of approximately \$2,000 in the Company's comprehensive loss.

c) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or foreign currency risk). The ability of the Company to develop its exploration and evaluation assets and the future profitability of the Company is directly related to the market price of precious metals and high-purity manganese product prices. The Company closely monitors commodity prices to determine the appropriate course of action to be taken.

ADVANCED ENERGY FUELS, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the period from July 17, 2024 (date of incorporation)
to December 31, 2024
(Expressed in Canadian Dollars)

8. RELATED PARTY TRANSACTIONS

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and members of the Board of Directors.

The Company incurred the following charges to Directors and Officers, or to companies associated with these individuals, during the period ended December 31, 2024:

	Note	2024 \$
Consulting fees		55,115
Share-based compensation	5	19,300
		<u>74,415</u>

As at December 31, 2024, an amount of \$36,873 was due to the CEO and director of the Company. The amount due is unsecured, bears no interest and is due on demand.

9. NON-CASH TRANSACTIONS

Investing and financing activities that do not have a direct impact on current cash flows are excluded from the consolidated statement of cash flows.

During the period ended December 31, 2024, the following transactions were excluded from the consolidated statement of cash flows:

- capitalized exploration and evaluation costs of \$19,875 included in accounts payable and accrued liabilities as of December 31, 2024.
- Share-based compensation of \$28,375 is included in capitalized exploration and evaluation costs as of December 31, 2024.
- Settlement of debt to a related party of \$64,598.

ADVANCED ENERGY FUELS, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the period from July 17, 2024 (date of incorporation)
to December 31, 2024
(Expressed in Canadian Dollars)

10. INCOME TAXES

A reconciliation of income taxes at statutory rates with reported taxes is as follows:

	Period Ended December 31, 2024
Statutory tax rate	23%
	\$
Loss before income taxes	148,730
Expected income tax expense at statutory rate	(34,200)
Tax effect of non-deductible expenses	5,200
Deferred tax expense from temporary difference	-
Deferred tax asset not recognized	(36,236)
Income tax (recovery)	7,236

The significant components of the Company's deferred tax assets as at December 31, 2024 are as follows:

	2024 \$
Carried forward non-capital losses	36,236
Financing and share issuance costs	-
Unrecognized deferred tax assets	-
Net deferred tax asset	36,236

As at December 31, 2024, the Company has tax losses in the United States of approximately of \$170,000. Tax losses in Australia may be carried forward indefinitely and tax losses in the United States may be carried forward indefinitely and applied against future assessable income. Deferred tax benefits, which may arise as a result of these losses have not been recognized in these consolidated financial statements.

ADVANCED ENERGY FUELS, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the period from July 17, 2024 (date of incorporation)
to December 31, 2024
(Expressed in Canadian Dollars)

11. SEGMENT INFORMATION

During the period ended December 31, 2024 the Company had one reportable operating segment, being the acquisition and exploration of interests in mineral properties. The Company has operations located in two geographical segments, USA and Australia. Geographic information is as follows:

	Total non-current assets as at December 31, 2024
	\$
Australia	250,171
USA	277,555
Total non-current assets	527,726

12. SUBSEQUENT EVENTS

On January 31, 2025, 2,000,000 common shares of the Company were issued pursuant to the Option and Acquisition Agreement for the South Woodie Woodie Manganese Project at \$0.089 per share for a fair value of \$178,000 (US\$120,000).

On April 30, 2025, the Company closed a non-brokered private placement of 5,153,271 common shares of the Company at \$0.134 per share for gross proceeds of \$690,538 (US\$515,327). Related parties of the Company purchased 810,002 common shares.

On July 15, 2025, the Company closed a non-brokered private placement of 2,101,667 common shares of the Company at \$0.131 per share for gross proceeds of \$276,563 (US\$210,167). Related parties of the Company purchased 750,000 common shares.

On October 28, 2025, the Company closed a non-brokered private placement of 700,000 common shares of the Company at \$0.15 per share for gross proceeds of \$105,000 (US\$75,222). Related parties of the Company purchased all 700,000 common shares.

ADVANCED ENERGY FUELS, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the period from July 17, 2024 (date of incorporation)
to December 31, 2024
(Expressed in Canadian Dollars)

On July 17, 2025, the Company entered into a definitive share exchange agreement (the “Agreement”) regarding a planned reverse takeover whereby the Company will be the accounting acquirer. (the “Transaction”) with Cavalry Capital Corp. (“Cavalry”), a Capital Pool Company. Pursuant to the Agreement:

- Cavalry will complete a share consolidation of its outstanding share capital on the basis of 1.66 pre-consolidation shares for each post-consolidation share;
- Cavalry will issue 20,579,938 post-consolidation common shares to acquire all of the outstanding common shares of the Company;
- Cavalry will complete a private placement of 10,960,948 subscription receipts (each, a “Subscription Receipt”) at a price of \$0.25 per Subscription Receipt for gross proceeds of 2,740,117. Each Subscription Receipt will, upon satisfaction of certain escrow release conditions, be converted into one unit, each comprised of one post-consolidation common share and one-half of one common share purchase warrant. Each whole warrant will be exercisable for a period of 24 months from the escrow release date of the Subscription Receipts to purchase one post-consolidation common share at an exercise price of \$0.35 per share;
- The Company will exercise the option to indirectly acquire a 100% interest in the SWWM Project, by paying the outstanding cash amount of A\$450,000 to Trek and the Company issuing to Trek 6,000,000 common shares;
- The management and board of directors of the Resulting Issuer will be comprised of three nominees from the Company and two nominees from the Cavalry; and
- Cavalry will change its name to “AE Fuels Corporation”, or such other name as determined by the Company (the “Name Change”), in compliance with applicable law and as may be acceptable to the Exchange.

Completion of the Transaction is subject to the satisfaction of customary closing conditions, including without limitation: (i) receipt of all required approvals and consents relating to the Transaction, including without limitation, required approval of the Exchange; (ii) completion of the private placement; (iii) completion of the share consolidation; (iv) completion of the Name Change; (v) completion of the SWWM Acquisition; (vi) the reconstitution of the board of directors and management of the Company; and (vii) the Exchange’s approval for listing the shares of the Resulting Issuer.

ADVANCED ENERGY FUELS, INC.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025
(Unaudited)

(Expressed in Canadian Dollars)

ADVANCED ENERGY FUELS, INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars - Unaudited)

As at	Note	September 30, 2025 \$	December 31, 2024 \$
ASSETS			
Current assets			
Cash		96,842	19
Receivables		11,942	12,649
		108,784	12,668
Exploration and evaluation assets	4	1,148,148	527,726
Total assets		1,256,932	540,394
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		122,283	116,985
Related party loans		27,935	-
		150,218	116,985
SHAREHOLDERS' EQUITY			
Share capital	5	1,637,033	638,075
Foreign currency translation reserve		(28,454)	(58,700)
Deficit		(501,865)	(155,966)
Total shareholders' equity		1,106,714	423,409
Total liabilities and shareholders' equity		1,256,932	540,394
Nature of operations and going concern (Note 1)			
Subsequent event (11)			

Approved and authorized for issuance on behalf of the Board of Directors on December 12, 2025

"Gary Leon Lewis" Director

"Mark Wise" Director

ADVANCED ENERGY FUELS, INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
For the nine months ended September 30, 2025 (Expressed
in Canadian Dollars - Unaudited)

	Note	For the three months ended September 30, 2025	For the period from July 17, 2024 (date of incorporation) to September 30, 2024	For the nine months ended September 30, 2025	For the period from July 17, 2024 (date of incorporation) to September 30, 2024
		\$	\$	\$	\$
EXPENSES					
Advertising and marketing		28,446	4,904	36,047	8,050
Consulting fees	5	45,706	14,847	60,923	14,847
Office expenses		4,443	8,589	9,691	9,197
Professional fees		125,809	-	158,245	-
Share-based compensation	5	70,145	24,675	70,145	24,675
Travel		-	3,300	15,215	3,276
LOSS BEFORE OTHER INCOME (EXPENSE)		274,549	56,315	350,266	60,045
OTHER INCOME (EXPENSES)					
Foreign exchange gain / (loss)		-	(8)	-	450
Interest income / (expense)		825	583	4,367	643
		825	575	4,367	1,093
NET LOSS FOR THE PERIOD BEFORE TAXES		273,724	55,740	345,899	58,952
Income tax expense		-	-	-	-
NET LOSS FOR THE PERIOD AFTER TAXES		273,724	55,740	345,899	58,952
OTHER COMPREHENSIVE LOSS ITEMS THAT MAY SUBSEQUENTLY BE RECLASSIFIED TO (LOSS):					
Exchange difference on translation of foreign operations		(30,246)	-	(30,246)	-
COMPREHENSIVE LOSS FOR THE YEAR		243,478	55,740	315,653	58,952
NET LOSS PER SHARE – BASIC AND DILUTED		0.01	0.07	0.02	0.07
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING		19,534,352	844,760	15,890,639	844,760

The accompanying notes are an integral part of these condensed interim consolidated financial statements

ADVANCED ENERGY FUELS, INC,
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian dollars, except for share figures - Unaudited)

		Number of	Share	Share-based	Foreign currency		Total
	Note	Shares	Capital	payments	translation	Deficit	\$
		#	\$	reserve	\$	\$	\$
Balance, July 17, 2024		-	-	-	-	-	-
Shares issued pursuant to private placements	5	8,295,024	520,627	-	-	-	520,627
Shares issued for debt to a related party	5	1,379,976	64,598	-	-	-	64,598
Shares issued for services	5	225,000	5,175	-	-	-	5,175
Share-based compensation	5	725,000	47,675	-	-	-	47,675
Net and other comprehensive loss for the period		-	-	-	(58,700)	(155,966)	(214,666)
Balance, December 31, 2024		10,625,000	638,075	-	(58,700)	(155,966)	423,409
Shares issued pursuant to private placements		5,488,271	731,163	-	-	-	731,163
Share issued to Trek Metals Limited.	5	2,000,000	178,000	-	-	-	178,000
Shares issued and capitalized against Australian Property	5	150,000	19,650	-	-	-	19,650
Share issuance costs	5	1,081,667	144,898	-	-	-	144,898
Share issue costs		-	(144,898)	-	-	-	(144,898)
Shares issued for services to a related party	5	10,000	1,340	-	-	-	1,340
Shares issued for services	5	25,000	3,305	-	-	-	3,305
Share-based compensation	5	500,000	65,500	-	-	-	65,500
Net and other comprehensive loss for the year		-	-	-	30,246	(345,899)	(315,653)
Balance, September 30, 2025		19,879,938	1,637,033	-	(28,454)	(501,865)	1,106,714

ADVANCED ENERGY FUELS, INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF
CASH FLOWS

For the nine months period to September 30, 2025
(Expressed in Canadian Dollars - Unaudited)

	Note	2025	For the period from incorporation to September 30, 2024
		\$	\$
Operating activities: Net loss for the period		(345,899)	(175,454)
Items not affecting cash:			
Share-based compensation	5	70,145	-
Changes in non-cash working capital related to operations:		(275,754)	(175,454)
Receivables		707	-
Accounts payable and accrued liabilities		72,986	3,200
Net cash used in operating activities		(202,061)	(172,254)
Investing activity:			
Exploration and evaluation assets acquisition and exploration costs	4	(422,773)	(258,577)
Net cash used in investing activity		(422,773)	(258,577)
Financing activity:			
Proceeds from AEFI loan		-	232,313
Shares issued for cash, net of issue costs	5	463,369	215,715
Net cash provided by financing activity		463,369	448,028
Foreign exchange effect on cash		129,144	(6,400)
Increase in cash during the period		32,321	10,797
Cash – beginning of the period		19	-
Cash – end of the period		96,842	10,797
Income taxes paid		-	20
Interest received		4,367	-
Interest paid		-	-
Non-cash transactions (Note 9)			

ADVANCED ENERGY FUELS, INC.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS

For the nine months ended September 30, 2025
(Expressed in Canadian Dollars - Unaudited)

1. NATURE OF OPERATIONS AND GOING CONCERN

Advanced Energy Fuels, Inc. (“AEFI” or the “Company”) incorporated on July 17, 2024, and is domiciled in Delaware, in the United States of America. The Company’s head office, principal place of business and registered offices are located at 251 Little Falls Drive, Wilmington DE 19808 USA. The Company holds resource interests including manganese and fluorspar, in Australia and USA.

These condensed interim consolidated financial statements have been prepared assuming the Company will continue as a going concern, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. At September 30, 2025 the Company had an accumulated deficit losses of \$501,865 and expects to incur further losses in the development of its business. The continuation of the Company is dependent upon obtaining necessary financing to meet its ongoing operational levels of exploration expenditures and corporate overhead. There can be no assurance that the Company will not be impacted by adverse consequences that may be brought about on its business, results of operations, financial position and cash flows in the future. These conditions indicate a material uncertainty that may cast significant doubt upon the Company’s ability to continue as a going concern.

Additional funds will be required to enable the Company to continue its operations and there can be no assurance that financing will be available on terms which are acceptable to the Company. These condensed interim consolidated financial statements do not give effect to any adjustments to the amounts and classifications of assets and liabilities which might be necessary should the Company be unable to continue its operations as a going concern.

2. BASIS OF PRESENTATION

a) Statement of compliance

These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34 – Interim Financial Reporting – as issued by the International Accounting Standards Board (“IASB”). Accordingly, certain disclosures included in annual financial statements prepared in accordance with IFRS Accounting Standards (“IFRS”) as issued by the IASB have been condensed or omitted and these unaudited condensed consolidated interim financial statements should be read in conjunction with the Company’s audited consolidated financial statements for the period from July 17, 2024 (date of incorporation) to December 31, 2024.

b) Approval of the financial statements

These condensed interim consolidated financial statements were authorized for issue by the Board of Directors on December 11, 2025.

ADVANCED ENERGY FUELS, INC.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended September 30, 2025
(Expressed in Canadian Dollars - Unaudited)

Basis of presentation

These condensed interim consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments, which are measured at fair value. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

These consolidated financial statements have been prepared with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. These consolidated financial statements do not give effect to adjustments that would be necessary to the carrying amounts and classifications of assets and liabilities should the Company be unable to continue as a going concern. Such adjustments could be material to the presentation of the financial statements.

c) Consolidation

These condensed interim consolidated financial statements include the financial statements of the Company and the following subsidiaries controlled by the Company:

	Incorporated in	Percentage owned of voting shares	
		September 30, 2025	December 31, 2024
Advanced Energy Fuels (NM) LLC	USA	100%	100%
Advanced Energy Fuels Australia Pty Limited	Australia	100%	100%

The Company owns 499 ordinary shares and a Company Director owns 501 Class E Shares of Advanced Energy Fuels Australia Pty Limited. The holders of ordinary shares have the right to vote at all general meetings, participate in dividends declared on the class of shares, and on winding up have a pro-rata right to the net assets of the entity. The holders of Class E shares, do not have the right to vote at general meetings, participate in dividends declared on the class of shares, and on winding up have a right to repayment of capital paid up, but no right to any distribution of surplus assets or profits of the entity. The Company has determined that it controls Advanced Energy Fuels Australia Pty Limited as a consequence of holding 100% of the issued ordinary shares.

Control over an entity is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully condensed interim consolidated from the date on which control is obtained and continue to be condensed interim consolidated until the date that such control ceases. Intercompany balances, transactions and unrealized intercompany gains and losses are eliminated upon consolidation.

ADVANCED ENERGY FUELS, INC.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS

For the nine months ended September 30, 2025
(Expressed in Canadian Dollars - Unaudited)

d) New financial reporting standards and interpretations:

The following accounting standards and amendments are for future periods.

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, *Presentation and Disclosure in the Financial Statements*. IFRS 18 will replace IAS 1 *Presentation of Financial Statements* but carries forward many of the requirements from IAS 1. The standard introduces new defined subtotals to be presented in the Company's consolidated statement of loss and comprehensive loss, disclosure of any management-defined performance measures related to the consolidated statement of loss and comprehensive loss and requirements for grouping of information. IFRS 18 is effective for annual periods beginning on or after January 1, 2027, with earlier adoption permitted, and will apply retrospectively. The Company is currently in the process of assessing the impact of IFRS 18 (and applicable amendments to other standards) on the consolidated financial statements and notes to the consolidated financial statements.

IFRS 18 introduces three sets of new requirements to give investors more transparent and comparable information about companies' financial performance for better investment decisions.

1. Three defined categories for income and expenses (operating, investing and financing) to improve the structure of the income statement, and require all companies to provide new defined subtotals, including operating profit.
2. Requirement for companies to disclose explanations of management-defined performance measures (MPMs) that are related to the income statement.
3. Enhanced guidance on how to organize information and whether to provide it in the primary financial statements or in the notes.

This new standard is effective for reporting periods beginning on or after January 1, 2027. The Company is currently in the process of assessing its impact on future condensed interim consolidated financial statements.

ADVANCED ENERGY FUELS, INC.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS

For the nine months ended September 30, 2025
(Expressed in Canadian Dollars - Unaudited)

3. TRANSACTION

On July 17, 2025, the Company entered into a definitive share exchange agreement (the “Agreement”) regarding a planned reverse takeover whereby the Company will be the accounting acquirer (the “Transaction”) with Cavalry Capital Corp. (“Cavalry”), a Capital Pool Company. Pursuant to the Agreement:

- Cavalry will complete a share consolidation of its outstanding share capital on the basis of 1.66 pre-consolidation shares for each post-consolidation share;
- Cavalry will issue 20,579,938 post-consolidation common shares to acquire all of the outstanding common shares of the Company;
- Cavalry will complete a private placement of 10,960,468 subscription receipts (each, a “Subscription Receipt”) at a price of \$0.25 per Subscription Receipt for gross proceeds of at least \$2,740,117. Each Subscription Receipt will, upon satisfaction of certain escrow release conditions, be converted into one unit, each comprised of one post-consolidation common share and one-half of one common share purchase warrant. Each whole warrant will be exercisable for a period of 24 months from the escrow release date of the Subscription Receipts to purchase one post-consolidation common share at an exercise price of \$0.35 per share;
- The Company will exercise the option to indirectly acquire a 100% interest in the SWWM Project, by paying the outstanding cash amount of AUD\$450,000 to Trek Metals Limited (ASX:TKM) (“Trek”) and Cavalry issuing to Trek 6,000,000 post-consolidation common shares;
- The management and board of directors of the Resulting Issuer will be comprised of three nominees from the Company and two nominees from Cavalry; and
- Cavalry will change its name to “AE Fuels Corporation”, or such other name as determined by the Company (the “Name Change”), in compliance with applicable law and as may be acceptable to the Exchange.

Completion of the Transaction is subject to the satisfaction of customary closing conditions, including without limitation: (i) receipt of all required approvals and consents relating to the Transaction, including without limitation, required approval of the Exchange; (ii) completion of the private placement; (iii) completion of the share consolidation; (iv) completion of the Name Change; (v) completion of the SWWM Acquisition; (vi) the reconstitution of the board of directors and management of Cavalry; and (vii) the Exchange’s approval for listing the shares of the Resulting Issuer.

ADVANCED ENERGY FUELS, INC.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS

For the nine months ended September 30, 2025
(Expressed in Canadian Dollars - Unaudited)

4. EXPLORATION AND EVALUATION ASSETS

South Woodie Woodie Manganese Project

The South Woodie Woodie Manganese Project (the “Project”) or (“SWWM”) is located in the East Pilbara region of Western Australia, approximately 400 km southeast of Port Hedland. The Project comprises a contiguous group of nine granted exploration licenses and one retention license, collectively covering 518.52 km² within the Balfour Downs Sub-Basin. The Project includes the Contact and Contact North manganese deposits.

The Company signed an Option and Acquisition Agreement with Trek Metals Limited on September 9, 2024, subsequently amended, whereby the Company will earn a 100% ownership interest in the Project, upon satisfaction of the following key transaction terms:

- A\$450,000 cash and 8,000,000 common shares, 2,000,000 common shares issued January 31, 2025 and 6,000,000 common shares payable upon the listing of the Company on or before September 30, 2026; and
- A\$2 million in exploration expenditure on or before September 30, 2027.

The Company has spent a total of \$781,408 advancing the Project:

- Resource and geological expenditure, including converting the historic JORC Mineral Resource Estimate to NI 43-101-compliant format; and undertaking exploration on tenements E46/1521 and E46/1387.
- Metallurgical test work including dense media separation and variability test work; two stages of solvent extraction test work, at bench-scale and mini-pilot-scale; and a series of pyrometallurgical reduction, acid leaching and purification test programs.
- An environmental monitoring program commenced providing baseline data to support approval and future development planning; and flora and fauna surveys undertaken.
- Maintained all tenements in good standing, with rental, rates and heritage payments all up to date.

Fluorite Ridge, Luna County, New Mexico

The Fluorite Ridge Prospect is located in Luna County in southwestern New Mexico, USA. In 2024, the Company staked 63 lode mining claims (1270 acres), covering multiple prospects and at least eight previously producing mines, over seven kilometers.

The Company has spent a total of \$366,740 on the Fluorite Ridge Prospect, including:

- Acquired an additional 16 lode mining claims (372 acres) covering identified geological extensions to the Fluorite Ridge Prospect.

ADVANCED ENERGY FUELS, INC.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS

For the nine months ended September 30, 2025
(Expressed in Canadian Dollars - Unaudited)

Summary of Expenditures

Below is a summary of the changes in the exploration and evaluation assets during the period ended September 30, 2025:

	South Woodie Woodie Manganese Property \$	New Mexico Fluorspar Projects \$	Total \$
Balance, July 17, 2024	-	-	-
Acquisition costs	104,757	191,520	296,277
Consulting – Geological	92,774	86,035	178,809
Consulting - Other	41,752	-	41,752
Land management	10,888	-	10,888
Balance, December 31, 2024	250,171	277,555	527,726
Acquisition costs	346,034	44,270	390,304
Consulting – Geological	47,339	2,241	49,580
Consulting - Other	33,571	36,039	69,610
Land management	104,293	6,635	110,928
Balance, September 30, 2025	781,408	366,740	1,148,148

5. SHARE CAPITAL

- a) **Authorized** – 100,000,000 common shares without par value.

ADVANCED ENERGY FUELS, INC.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS

For the nine months ended September 30, 2025
(Expressed in Canadian Dollars – Unaudited)

b) Issued Shares

On January 1, 2025, 2,000,000 common shares were issued by the Company relating to the South Woodie Woodie Manganese Project Option and Acquisition Agreement at fair value of \$178,000.

On April 30, 2025, the Company closed a non-brokered private placement of 5,153,271 common shares of the Company for gross proceeds of \$690,538. Related parties of the Company purchased 133,334 common shares. Related parties of the Company were issued with 10,000 of these common shares which related to services provided to the sum of \$1,340. 1,066,667 of the common shares were issued as share issue costs. 10,000 common shares were issued to a third party in exchange for services. The shares were issued at fair value which was based upon the April 30, 2025 private placement share price.

On July 15, 2025, the Company closed a non-brokered private placement of 1,966,667 common shares of the Company for gross proceeds of \$257,633. Related parties of the Company purchased 150,000 common shares. Related parties of the Company were issued with 500,000 of these common shares which related to services provided to the sum of \$65,500. 15,000 of the common shares were issued to a related party as share issue costs. 15,000 common shares were issued to a third party in exchange for services. 150,000 common shares were issued by the Company for non-cash, and capitalized as acquisition cost relating to the South Woodie Woodie Manganese Project. The shares were issued at fair value which was based upon the July 15, 2025 private placement share price.

On July 30, 2025, the Company closed a non-brokered private placement of 135,000 common shares of the Company for gross proceeds of \$17,685.

ADVANCED ENERGY FUELS, INC.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS

For the nine months ended September 30, 2025
(Expressed in Canadian Dollars - Unaudited)

6. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern and to maintain a flexible capital structure which optimizes the cost of capital within a framework of acceptable risk. In the management of capital, the Company includes the components of shareholders' equity, which was \$1,106,714 at September 30, 2025.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash. The Company is dependent on the capital markets as its primary source of operating capital and the Company's capital resources are largely determined by its ability to compete for investor support of its projects.

The Company is not subject to any external capital requirements.

7. FINANCIAL INSTRUMENTS

For financial instruments held by the Company, management classifies cash at FVTPL, accounts payable and accrued liabilities and related party loans at amortized cost.

a) Fair value of financial instruments

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

As at September 30, 2025, the Company believes that the carrying amounts of accounts payable and accrued liabilities and related party loans approximate their fair values because of their relatively short maturity dates or durations. Cash is measured at fair value based on level 1 inputs of the fair value hierarchy.

ADVANCED ENERGY FUELS, INC.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS

For the nine months ended September 30, 2025
(Expressed in Canadian Dollars - Unaudited)

b) Management of risks arising from financial instruments

Discussion of risks associated with financial assets and liabilities are detailed below:

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk arises from cash held with banks and financial institutions. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The Company's cash is held with federally regulated institutions with deposit. The credit risk related to cash is considered minimal.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company manages liquidity risk by monitoring the Company's contractual obligations to anticipate any investing and financing activities. The Company's accounts payable and accrued liabilities are due within the 12 months.

As at September 30, 2025, the Company had a cash balance of \$96,842 to settle current liabilities of \$122,283.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk.

a) Interest rate risk

Interest rate risk is the risk that the future cash flows or fair value of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have any borrowings that are subject to fluctuations in market interest rates. Interest rate risk is limited to potential decreases on the interest rate offered on cash held with federally regulated institutions.

ADVANCED ENERGY FUELS, INC.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS

For the nine months ended September 30, 2025

(Expressed in Canadian Dollars - Unaudited)

b) Currency risk

Currency risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company operates internationally, which gives rise to the risk that cash flows may be adversely impacted by exchange rate fluctuations. Amounts subject to currency risk are primarily cash offset by accounts payable and accrued liabilities denominated in foreign currencies. The Company primarily spends funds in US and Australian dollars. The Company is exposed to currency risk primarily on settlements of purchases that were denominated in currencies other than the US dollar and AUD dollar. In order to reduce the Company's exposure to currency risk, the Company periodically increases or decreases the amount of funds held in foreign currencies.

The Company presents the financial statements in Canadian dollar and is exposed to movements in the US dollar against the Australian dollar and Canadian dollar. Sensitivity analysis has been performed to indicate how the profit or loss would have been affected by changes in the US dollar and each of these currencies.

As at September 30, 2025, the Company had accounts payable and accrued liabilities of AUD\$5,455. A 10% strengthening in the Australian dollar relative to the US dollar would result in an increase of approximately \$545 in the Company's net loss.

As at September 30, 2025, the Company had accounts payable and accrued liabilities of USD\$84,341. A 10% strengthening in the US dollar relative to the Canadian dollar would result in a decrease of approximately \$8,434 in the Company's net loss.

c) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). The ability of the Company to develop its exploration and evaluations assets and the future profitability of the Company is directly related to the market price of precious metals and high-purity manganese product prices. The Company closely monitors commodity prices to determine the appropriate course of action to be taken.

ADVANCED ENERGY FUELS, INC.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS

For the nine months ended September 30, 2025
(Expressed in Canadian Dollars - Unaudited)

8. RELATED PARTY TRANSACTIONS

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and members of the Board of Directors.

During the period ended September 30, 2025, an amount of \$9,551 was due to the CEO and director of the Company. The amounts due are unsecured, bear no interest and are due on demand.

During the period ended September 30, 2025, an amount of \$18,384 was due to a director of the Company. The amounts due are unsecured, bear no interest and are due on demand.

The Company incurred charges to Directors and Officers, or to companies associated with these individuals, during the period ended September 30, 2025:

	Note	2025 \$
Consulting fees		43,990
Share-based compensation	5	67,465
Share issue costs	5	1,965
		113,420

9. NON-CASH TRANSACTIONS

Investing and financing activities that do not have a direct impact on current cash flows are excluded from the condensed interim consolidated statements of cash flows.

During the period ended September 30, 2025, the following transactions were excluded from the condensed interim consolidated statement of cash flows:

- capitalized exploration and evaluation costs of \$197,650 for the fair value of common shares issued during the period ended September 30, 2025.

ADVANCED ENERGY FUELS, INC.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended September 30, 2025
(Expressed in Canadian Dollars - Unaudited)

10. SEGMENT INFORMATION

During the period ended September 30, 2025 the Company had one reportable operating segment, being the acquisition and exploration of interests in mineral properties. The Company has operations located in two geographical segments, USA and Australia. Geographic information is as follows:

	Total non-current assets as at September 30, 2025
	\$
Australia	729,572
USA	418,576
Total non-current assets	1,148,148

11. SUBSEQUENT EVENT

On October 28, 2025, the Company closed a non-brokered private placement of 700,000 common shares of the Company for gross proceeds of \$105,000 (USD\$75,222). Related parties of the Company purchased all 700,000 common shares.

APPENDIX 4

**PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION
OF THE RESULTING ISSUER**

AE FUELS CORPORATION
(formerly CAVALRY CAPITAL CORP.)

PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION

June 30, 2025

(Expressed in Canadian Dollars)
(Unaudited)

AE FUELS CORPORATION
(FORMERLY CAVALRY CAPITAL CORP.)
Pro Forma Consolidated Statement of Financial Position
As at June 30, 2025
(Unaudited - Expressed in Canadian Dollars)

	Advanced Energy Fuels, Inc. September 30, 2025	Edge Minerals Pty Ltd. September 30, 2025	Cavalry Capital Corp. June 30, 2025	Pro forma adjustments	Pro forma Advanced Fuels Corporation (Consolidated)
	\$	\$	\$	\$	\$
ASSETS					
CURRENT ASSETS					
Cash	96,842	4,029	211,627	105,000 (a) 2,740,117 (e) (102,275) (f) (400,770) (g) (310,000) (h)	2,344,570
Accounts receivable	11,942	-	-		11,942
Investment in Edge	-	-	-	1,500,000 (b) (1,500,000) (d)	-
Investment in Calvary	-	-	-	1,083,042 (c) (1,083,042) (d)	
Exploration and evaluation assets	1,148,148	1,623,182	-	(90,928) (d) 400,770 (g)	3,081,172
TOTAL ASSETS	1,256,932	1,627,211	211,627	2,341,914	5,437,684
LIABILITIES					
CURRENT LIABILITIES					
Accounts payable and accrued liabilities	122,283	36,283	28,451		187,017
Due to related parties	27,935	2,369,039	-	(2,369,039) (i)	27,935
	150,218	2,405,322	28,451	(2,369,039)	214,952
SHAREHOLDERS' EQUITY					
Share capital	1,637,033	4,592,592	422,417	105,000 (a) 1,500,000 (b) 973,268 (c) (5,015,009) (d) 2,740,117 (e) (189,959) (f)	6,765,459
Share-based payment reserve	-	-	80,004	109,774 (c) (80,004) (d) 87,684 (f)	197,458
Foreign currency translation reserve	(28,454)	-	-	-	(28,454)
Deficit	(501,865)	(5,370,703)	(319,245)	319,245 (d) (899,866) (d) 3,001,664 (d) (310,000) (h) 2,369,039 (i)	(1,711,731)
	1,106,714	(778,111)	183,176	4,710,953	5,222,732
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,256,932	1,627,211	211,627	2,341,914	5,437,684

BASIS OF PRESENTATION (Note 1)

PRO FORMA ASSUMPTIONS AND ADJUSTMENTS (Note 6)

The accompanying notes are an integral part of these pro forma consolidated financial statements

**AE FUELS CORPORATION
(FORMERLY CAVALRY CAPITAL CORP.)**

Notes to the Pro Forma Consolidated Statement of Financial Position

As at June 30, 2025

(Unaudited - Expressed in Canadian Dollars)

1. DESCRIPTION OF BUSINESS

The accompanying unaudited pro forma consolidated statement of financial position of AE Fuels Corporation (formerly Cavalry Capital Corp.) (“Cavalry” or the “Company”) have been prepared to give effect to a transaction between Cavalry, Edge Minerals Pty Ltd. (“Edge”) and Advanced Energy Fuels, Inc. (“AEFI”)

Cavalry was incorporated pursuant to the provisions of the Business Corporations Act (British Columbia) on March 19, 2021. The Company carries on business as a “Capital Pool Corporation” (“CPC”), as such term is defined in TSX Venture Exchange Inc. (the “Exchange”) Policy 2.4 Capital Pool Companies (Policy 2.4”). On May 4, 2022, the Company started trading on the TSXV under the symbol “CVY.P”.

Edge is a Company limited by shares, incorporated and domiciled in Australia.

AEFI is a Company limited by shares, incorporated and domiciled in the United States of America, on July 17, 2024. AEFI holds resource interests including manganese and fluorspar, in Australia and USA.

2. MATERIAL ACCOUNTING POLICIES

These unaudited pro forma consolidated statement of financial position have been compiled using the material accounting policy information as set out in the audited consolidated financial statements of Cavalry as of September 30, 2024. Management has determined that no material pro forma adjustments are necessary to conform the accounting policies of Edge or AEFI to the accounting policies used by Cavalry in the preparation of its audited financial statements.

3. BASIS OF PRESENTATION

These unaudited pro forma consolidated statement of financial position have been prepared by management of Cavalry for inclusion in the information circular in connection with the proposed transaction described in Note 4, as at September 30, 2025.

These unaudited pro forma consolidated statement of financial position are not necessarily indicative of the Company’s financial position on closing of the proposed transaction. Actual amounts recorded upon approval of the Transaction will likely differ from those recorded in the unaudited pro forma consolidated financial statements.

The accompanying unaudited pro forma consolidated statement of financial position has been prepared by management from information derived from the following financial statements, which were prepared in accordance with IFRS Accounting Standards (“IFRS”), to show effect of the proposed transaction as discussed in Note 4.

**AE FUELS CORPORATION
(FORMERLY CAVALRY CAPITAL CORP.)**

Notes to the Pro Forma Consolidated Statement of Financial Position

As at June 30, 2025

(Unaudited - Expressed in Canadian Dollars)

3. BASIS OF PRESENTATION (continued)

- The unaudited financial statements of Edge as at and for the year ending March 31, 2025;
- The unaudited financial statements of Cavalry as at and for the nine months ended June 30, 2025;
- The unaudited financial statements of Edge as at and for the six months ended September 30, 2025;
- The unaudited financial statements of AEFI as at and for the nine months ended September 30, 2025;

4. PROPOSED TRANSACTION

On July 17, 2025, the Company entered into a definitive share exchange agreement (the “Agreement”) regarding a planned reverse takeover whereby the Company will be the accounting acquirer (the “Transaction”) with Cavalry. Pursuant to the Agreement:

- Cavalry will complete a share consolidation of its outstanding share capital on the basis of 1.66 pre-consolidation shares for each post-consolidation share;
- Cavalry will issue 20,579,938 post-consolidation common shares to acquire all of the outstanding common shares of AEFI;
- Cavalry will complete a private placement of at least 10,960,468 subscription receipts (each, a “Subscription Receipt”) at a price of \$0.25 per Subscription Receipt for gross proceeds of at least \$2,740,117. Each Subscription Receipt will, upon satisfaction of certain Escrow release conditions, be converted into one unit, each comprised of one post-consolidation common share and one-half of one common share purchase warrant. Each whole warrant will be exercisable for a period of 24 months from the escrow release date of the Subscription Receipts to purchase one post-consolidation common share at an exercise price of \$0.35 per share;
- AEFI will exercise the option to indirectly acquire a 100% interest in the SWWM Project, by paying the outstanding cash amount of AUD\$450,000 to Trek Metals Limited (ASX:TKM) (“Trek”) and the Company issuing to Trek 6,000,000 post-consolidation common shares to be issued to Trek (the “SWWM Acquisition”);
- The management and board of directors of the Resulting Issuer will be comprised of three nominees from AEFI and two nominees from the Cavalry; and
- Cavalry will change its name to “AE Fuels Corporation”, or such other name as determined by AEFI (the “Name Change”), in compliance with applicable law and as may be acceptable to the Exchange.

Completion of the Transaction is subject to the satisfaction of customary closing conditions, including without limitation: (i) receipt of all required approvals and consents relating to the Transaction, including without limitation, required approval of the Exchange; (ii) completion of

**AE FUELS CORPORATION
(FORMERLY CAVALRY CAPITAL CORP.)**

Notes to the Pro Forma Consolidated Statement of Financial Position

As at June 30, 2025

(Unaudited - Expressed in Canadian Dollars)

4. PROPOSED TRANSACTION (continued)

the private placement; (iii) completion of the share consolidation; (iv) completion of the Name Change; (v) completion of the SWWM Acquisition; (vi) the reconstitution of the board of directors and management of the Calvary; and (vii) the Exchange's approval for listing the shares of the Resulting Issuer.

5. ACCOUNTING FOR RTO

Cavalry does not meet the definition of a business, nor does this transaction meet the definition of a business combination under IFRS 3. The acquisition of AEFI and Edge by Cavalry constitutes a reverse asset acquisition, where the purchase of Cavalry's net assets is considered an equity-settled share-based payment under IFRS 2 (Share-based Payment) by AEFI. As a result of the transaction, the pro forma financial statements have been adjusted to eliminate Cavalry's equity balances.

Please refer to Note 6 (c) and (d) for the pro forma RTO adjustment and calculation of the listing expense.

The pro forma adjustments and allocations of the estimated consideration transferred are based, in part, on estimates of the fair value of assets to be acquired and liabilities to be assumed. The final determination of the consideration transferred and the related allocation of the fair value of the Company's net assets to be acquired pursuant to the Proposed Transaction will ultimately be made after the closing of the transactions.

6. PRO FORMA ASSUMPTIONS AND ADJUSTMENTS

The following are the pro forma assumptions and adjustments relating to the Proposed Transaction.

- a) To record the receipt of \$105,000 in gross proceeds from the AEFI private placement completed on October 28, 2025.
- b) To record the issuance of 6,000,000 post-consolidation shares, valued at \$1,500,000, to Trek to exercise the SWWM Acquisition.
- c) To record the acquisition of Cavalry by issuing 3,893,072 post-consolidation shares, valued at \$973,268, 368,842 post-consolidation options, valued at \$73,968 and by issuing 238,705 post consolidation warrants, valued at \$35,806.
- d) To record elimination entries required on consolidation.
- e) To record the receipt of \$2,740,117 in gross proceeds from the Subscription Receipts.
- f) To record the finders' fees related to the Subscription Receipts, consisting of cash payments totaling \$102,275 and the issuance of 409,100 finders' warrants valued at \$87,684.
- g) To record the payment of \$400,770 to Trek Metals Limited (ASX:TKM) for the acquisition of a 100% interest in the SWWM Project.
- h) To record estimated transaction costs of \$310,000, including legal, audit fees, plus listing fees and applicable taxes.
- i) To record the settlement and forgiveness of CAD\$2,369,039 owing to related parties by Edge Minerals.

AE FUELS CORPORATION
(FORMERLY CAVALRY CAPITAL CORP.)

Notes to the Pro Forma Consolidated Statement of Financial Position

As at June 30, 2025

(Unaudited - Expressed in Canadian Dollars)

7. PRO FORMA SHARE CAPITAL

Shares in the unaudited pro forma consolidated statement of financial position are comprised of the following:

	Number of shares	Share capital (\$)
		\$
Cavalry Capital Corp. common shares outstanding as at June 30, 2025	6,462,500	422,417
Shares issued to AEFI shareholders	20,579,938	1,742,033
Reverse takeover adjustment – Cavalry	(2,569,428)	550,851
Shares issued pursuant to Trek Metals Limited	6,000,000	1,500,000
Finders' fees	-	(189,959)
Shares issued for Subscription Receipts	10,960,468	2,740,117
Pro forma consolidated share capital	41,433,478	6,765,459

8. INCOME TAXES

The pro forma effective tax rate applicable to the consolidated operations will be 27%. Given uncertainty on how and when these taxes can be utilized, no adjustment has been made to these unaudited pro forma statement of financial position.

APPENDIX 5

EDGE MINERALS PTY LIMITED AND BELLPIPER PTY LTD.

FINANCIAL STATEMENTS



Financial Report for the year ending 31 March 2025

**Edge Minerals Pty Ltd
ABN 21 126 632 899**

Edge Minerals Pty Ltd and Controlled Entities

ABN 21 126 632 899

DIRECTORS' REPORT

The Directors present their report on Edge Minerals Pty Ltd, the company, and its controlled entity for the year ending 31 March 2025. The consolidated entity is referred to as "the Group".

Directors

The names of the directors in office at any time during, or since the end of, the year are:

Tony Leibowitz (Chair)

Neil Biddle

John Young

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal Activities

The Principal activities during the year were to support the option and acquisition agreement executed between Trek Metals Limited (Ultimate parent) and Advanced Energy Fuels Inc in September 2024.

Other than noted above, no other significant change in the nature of these activities occurred during the year.

Review of Operations

The consolidated loss of the Group for the period amounted to \$189,635.

Events Subsequent to the End of the Reporting Period

No matter or circumstance has arisen since 31 March 2025 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

Likely Developments and Expected Results of Operations

Likely developments in the operations of the Group and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Group.

Dividends

There were no dividends paid, recommended, or declared during the current or previous financial year.

Environmental Regulation

The Group's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

Options

No options over issued shares or interests in the company or the controlled entity were granted during or since the end of the financial year, and there were no options outstanding as at the date of this report.

No shares were issued during or since the end of the year as a result of the exercise of an option over unissued shares or interests.

Indemnification of Officers

The company has not paid any premiums to insure directors under a Directors and Officers Insurance policy

No indemnification has been obtained for the auditors of the company or the Group.

Proceedings on Behalf of the Company

No person has applied for leave of court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.

Edge Minerals Pty Ltd and Controlled Entities

ABN 21 126 632 899

Company Secretary

The following person held the position of company secretary at the end of the financial year:

Russell Hardwick

BBus, ACIS CPA, GAICD

Mr Hardwick is a Certified Practising Accountant, an Associate Member of the Governance Institute of Australia and a Graduate of the Australian Institute of Company Directors. Mr Hardwick has held the role of Company Secretary with other ASX listed and AIM listed companies for over 15 years. Mr Hardwick has acted as the company secretary since 29th May 2007.

Non-Audit Services

The auditors did not provide any non-audit services during either the period under review or the corresponding period.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under s 307C of the *Corporations Act 2001* is set out on page 4.

No officer of the company/Group is or has been a partner/director of any auditor of the Group.

This directors' report is signed in accordance with a resolution of the Board of Directors:



Director

John Young

Dated this 9th day of December 2025

To the Board of Directors,

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

As lead audit director for the audit of the financial statements of Edge Minerals Pty Ltd and its controlled entities for the year ended 31 March 2025, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

Yours Faithfully

Hall Chadwick
HALL CHADWICK WA AUDIT PTY LTD

Mark Delaurentis
MARK DELAURENTIS CA
Director

Dated this 9th day of December 2025
Perth, Western Australia

Edge Minerals Pty Ltd and Controlled Entities

ABN 21 126 632 899

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2025

	Note	Consolidated Group	
		2025	2024
		\$	\$
Expenses			
Stamp duty	4	(473)	-
Exploration & evaluation expenditure expensed	4	(7,482)	(13,156)
Exploration & evaluation expenditure impaired	4,9	(171,822)	(5,216)
Other administration expenses	4	(9,858)	(1,969)
Profit/(loss) before income tax		(189,635)	(20,341)
Tax expense	5	-	-
Profit/(loss) for the year		(189,635)	(20,341)
Other comprehensive income		-	-
Total comprehensive income (loss) for the year attributable to the members of the company		(189,635)	(20,341)
Earnings/(Loss) per share for profit/(loss) from continuing operations attributable to the ordinary equity holders of the Parent:			
	3	Cents/share	Cents/share
Basic earnings/(loss) per share		(0.832)	(0.089)
Diluted earnings/(loss) per share		(0.832)	(0.089)

The accompanying notes form part of these financial statements.

Edge Minerals Pty Ltd and Controlled Entities

ABN 21 126 632 899

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2025

	Note	Consolidated Group	
		2025	2024
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	12,206	14,814
Trade and other receivables	7	-	1,035
TOTAL CURRENT ASSETS		12,206	15,849
NON-CURRENT ASSETS			
Exploration and evaluation assets	9	1,770,107	1,885,107
TOTAL NON-CURRENT ASSETS		1,770,107	1,885,107
TOTAL ASSETS		1,782,313	1,900,956
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	35,252	354,330
Borrowings	14	2,589,247	2,199,177
TOTAL CURRENT LIABILITIES		2,624,499	2,553,507
TOTAL LIABILITIES		2,624,499	2,553,507
NET LIABILITIES		(842,186)	(652,551)
EQUITY			
Issued capital	11	5,000,100	5,000,100
Retained earnings		(5,842,286)	(5,652,651)
TOTAL EQUITY		(842,186)	(652,551)

The accompanying notes form part of these financial statements.

Edge Minerals Pty Ltd and Controlled Entities

ABN 21 126 632 899

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2025

	Note	Ordinary Share Capital	Retained Earnings	Total
		\$	\$	\$
Consolidated Group				
Balance at 1 April 2023		5,000,100	(5,632,310)	(632,210)
Comprehensive income				
Profit/(loss) for the year		-	(20,341)	(20,341)
Other comprehensive income for the year:		-	-	-
Total comprehensive income			(20,341)	(20,341)
Balance at 31 March 2024		5,000,100	(5,652,651)	(652,551)
Comprehensive income				
Profit/(loss) for the year		-	(189,635)	(189,635)
Other comprehensive income for the year		-	-	-
Total comprehensive loss		-	(189,635)	(189,635)
Balance at 31 March 2025		5,000,100	(5,842,286)	(842,186)

The accompanying notes form part of these financial statements.

Edge Minerals Pty Ltd and Controlled Entities

ABN 21 126 632 899

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2025

	Note	Consolidated Group	
		2025	2024
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(1,417)	(1,257)
Net cash used in operating activities	16	(1,417)	(1,257)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for exploration and evaluation		(142,592)	(353,484)
Payments for Stamp duty		(156,099)	-
Net cash used in investing activities		(298,691)	(353,484)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from related party loans		297,500	340,000
Net cash provided by financing activities		297,500	340,000
Net decrease in cash held		(2,608)	(14,741)
Cash and cash equivalents at beginning of year		14,814	29,555
Cash and cash equivalents at end of year	6	12,206	14,814

The accompanying notes form part of these financial statements.

Edge Minerals Pty Ltd and Controlled Entities

ABN 21 126 632 899

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

The consolidated financial statements and notes represent those of Edge Minerals Pty Ltd and Controlled Entity (the Consolidated Group or Group). Edge Minerals Pty Ltd is a company limited by shares, incorporated and domiciled in Australia.

Going Concern

This financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

As noted above, the Company is subject to an option agreement between its parent Trek Metals Limited and Advanced Energy Fuels, Inc. ("AEF") over Edge's Hendeka Manganese Project in the Pilbara region of Western Australia. The Option and Acquisition Agreement gives AEF an option to acquire Edge Minerals Pty Ltd and its subsidiary Bellpiper Pty Ltd (owners of the Hendeka Project) as part of a proposed North American listing and by making certain payments and sole funding A\$2 million of exploration and development expenditures.

The Group incurred a loss for the year of \$189,635 (2024: loss of \$20,341) and cash outflows from operating activities of \$1,417 (2024: \$1,257). These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern

The Directors note that the Parent - Trek Metals Limited has provided a letter of support confirming that it will continue to provide funding as required for a period of 12 months from the date of signing this report.

The Directors believe that the going concern basis of preparation is appropriate, having regard to the following :

- The Trek groups demonstrated history of raising capital when required through equity raisings; farm-out arrangements or other financing initiatives as required;
- The option agreement with AEF who are continuing to incur the ongoing expenditure for the Hendeka Manganese project since September 2024;
- The Company has the ability to reduce discretionary expenditure as required.

Should the Company be unable to raise sufficient funds, there is material uncertainty whether it would continue as a going concern and therefore whether it would realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts or classification of liabilities that might result should the Company be unable to continue as a going concern and meet its debts as and when they fall due.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

These general purpose financial statements have been prepared in accordance with the Australian Accounting Standards which includes Australian equivalents to International Financial Reporting Standards (IFRS). Compliance with Australian Accounting Standards ensures that the financial statements and notes of the Company and Group comply with IFRS.

The functional and presentation currency of the Company is Australian dollars.

The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Company.

The financial statements, except for cash flow information, have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar unless stated otherwise.

Edge Minerals Pty Ltd and Controlled Entities

ABN 21 126 632 899

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

Accounting Policies

a. Principles of Consolidation

The general purpose consolidated financial statements incorporate all of the assets, liabilities and results of the Parent (Edge Minerals Pty Ltd) and all of the subsidiaries (including any structured entities). Subsidiaries are entities the Parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in Note 8.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between Group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as “non-controlling interests”. The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary’s net assets on liquidation at either fair value or the non-controlling interests’ proportionate share of the subsidiary’s net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

b. Income Tax

The income tax expense (income) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to profit or loss is the tax payable on taxable income for the current period. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss or arising from a business combination.

A deferred tax liability shall be recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from:

- (a) the initial recognition of goodwill; or
- (b) the initial recognition of an asset or liability in a transaction which:
 - (i) is not a business combination; and
 - (ii) at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Edge Minerals Pty Ltd and Controlled Entities

ABN 21 126 632 899

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

Where temporary differences exist in relation to investments in subsidiaries, branches, associates and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (i) a legally enforceable right of set-off exists; and (ii) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities, where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Tax consolidation

The company and its wholly-owned Australian resident entities are part of the tax-consolidated Group of the parent – Trek Metals Limited and are therefore taxed as a single entity. Current tax liabilities and assets and deferred tax assets arising from unused tax losses and relevant tax credits of the members of the tax-consolidated Group are recognised by the parent company (as head entity in the tax-consolidated Group).

c. Fair Value of Assets and Liabilities

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instrument, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

Edge Minerals Pty Ltd and Controlled Entities

ABN 21 126 632 899

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

d. Impairment of Assets

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include considering external sources of information and internal sources of information including dividends received from subsidiaries, associates or joint ventures deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (eg in accordance with the revaluation model in AASB 116: *Property, Plant and Equipment*). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

e. Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

f. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown as borrowings in current liabilities on the statement of financial position.

g. Trade and Other Receivables

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

h. Trade and Other Payables

Trade and other payables are initially measured at fair value and subsequently measured at cost using the effective interest method.

Trade and other payables represent the liabilities for goods and services received by the Group that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

i. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Edge Minerals Pty Ltd and Controlled Entities

ABN 21 126 632 899

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from financing and investing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

j. **Exploration and evaluation expenditure**

Exploration and evaluation expenditure primarily consists of activities including drilling, assaying, geochemical and geophysical investigations and independent geological consultants in respect of each identifiable area of interest. In accordance with AASB 6 and Edge's Accounting policy, these costs are capitalised provided the rights to tenure of the area of interest is current and either:

- a) the expenditures are expected to be recouped through successful development and exploitation or sale of the area of interest; or
- b) activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in or relating to, the area of interest are continuing.

When the technical feasibility and commercial viability of extracting a mineral resource have been demonstrated then any capitalised exploration and evaluation expenditure is reclassified as capitalised mine development. Prior to reclassification, capitalised exploration and evaluation expenditure is measured at cost and assessed for impairment.

k. **Comparative Figures**

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Where the Group retrospectively applies an accounting policy, makes a retrospective restatement of items in the financial statements or reclassifies items in its financial statements, a third statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented.

l. **Critical Accounting Estimates and Judgements**

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

Key estimates

(i) *Impairment*

The Group assesses impairment at the end of each reporting period by evaluating the conditions and events specific to the Group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations, which incorporate various key assumptions.

Edge Minerals Pty Ltd and Controlled Entities

ABN 21 126 632 899

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

NOTE 2: SEGMENT INFORMATION

Identification of reportable segments

The Group operates predominantly in the mining and exploration industry. This comprises exploration and evaluation activities related predominantly to the group's Manganese project.

The Group has identified its operating segments based on the internal reports that are provided to the Board of Directors (chief operating decision makers) to assess performance and determine the allocation of resources. Management has identified the operating segments based on the principal location and commodity of its project and, and its management location in Australia.

Basis of accounting for purposes of reporting by operating segments:

(i) Accounting policies adopted

Unless stated otherwise, all amounts reported to the Board of Directors are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

(ii) Inter-segment transactions

Inter-segment loans payable and receivable are initially recognised at the consideration received/to be received net of transaction costs. If inter-segment loans receivable and payable are generally on commercial terms.

(iii) Segment assets

Where an asset is used across multiple segments, the asset is allocated to that segment that receives majority economic value from that asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

(iv) Segment liabilities

Liabilities are allocated to segments where there is a direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to the Group as a whole and are not allocated. Segment liabilities include trade and other payables and certain direct borrowings.

Edge Minerals Pty Ltd and Controlled Entities

ABN 21 126 632 899

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

NOTE 2: SEGMENT INFORMATION CONTINUED

The following is an analysis of the Group's results by reportable operating segment for the period:

	SEGMENT LOSS	
	2025	2024
	\$	\$
Continuing operations		
Exploration and evaluation	(179,304)	(18,552)
Corporate	(10,331)	(1,789)
Consolidated segment loss for the year from all operations	(189,635)	(20,341)

The following is an analysis of the Group's assets by reportable operating segment:

	SEGMENT ASSETS	
	2025	2024
	\$	\$
Continuing operations		
Exploration and evaluation	1,770,107	1,885,107
Corporate assets	12,206	15,849
Consolidated segment assets	1,782,313	1,900,956

The following is an analysis of the Group's liabilities by reportable operating segment:

	SEGMENT LIABILITIES	
	2025	2024
	\$	\$
Continuing operations		
Exploration and evaluation	2,615,999	2,553,507
Corporate liabilities	8,500	-
Consolidated segment liabilities	2,624,499	2,553,507

NOTE 3: EARNINGS PER SHARE

	2025	2024
Loss attributable to ordinary shareholders	(\$189,635)	(\$20,341)
Weighted average number of ordinary shares	22,790,317	22,790,317
Basic loss per share (cents per share)	(0.832)	(0.089)
Diluted loss per share (cents per share)	(0.832)	(0.089)

There are no potential ordinary shares on issue, therefore diluted loss per share is the same as basic loss per share.

Edge Minerals Pty Ltd and Controlled Entities

ABN 21 126 632 899

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

NOTE 4: PROFIT/(LOSS) BEFORE INCOME TAX

	Consolidated Group	
	2025	2024
	\$	\$
Profit/(loss) before income tax from continuing operations includes the following expenses:		
Expenses		
Stamp duty	(473)	-
Legal fees	(596)	(818)
Audit Fees	(8,500)	-
Other operating expenses	(762)	(1,151)
Exploration expenditure expensed	(7,482)	(13,156)
Exploration expenditure impaired	(171,822)	(5,216)

NOTE 5: TAX EXPENSE

	Note	Consolidated Group	
		2025	2024
		\$	\$
a. The components of tax expense (income) comprise:			
– current tax expense (income)		-	-
– deferred tax expense (income) relating to the origination and reversal of temporary differences		-	-
– adjustments for under/(over)-provision of current income tax of previous years		-	-
		-	-
		-	-

Edge Minerals Pty Ltd and Controlled Entities

ABN 21 126 632 899

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

	2025	2024
	\$	\$
b. The prima facie tax on profit from ordinary activities before income tax is reconciled to income tax as follows:		
Profit/(loss) before income tax expense	(189,636)	(20,341)
Prima facie tax payable on profit from ordinary activities before income tax at 30% (2024: 30%)	(56,891)	(6,102)
Add/less tax effect of:		
– Temporary differences and tax losses not bought to account	56,891	6,102
Income tax attributable to entity	-	-

NOTE 6: CASH AND CASH EQUIVALENTS

	Consolidated Group	
	2025	2024
	\$	\$
Cash at bank and on hand	12,206	14,814
	12,206	14,814

NOTE 7: TRADE AND OTHER RECEIVABLES

	Consolidated Group	
	2025	2024
	\$	\$
Current		
GST receivable	-	1,035
Total current receivables	-	1,035

Edge Minerals Pty Ltd and Controlled Entities

ABN 21 126 632 899

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

NOTE 8: INTERESTS IN SUBSIDIARIES

a. Information about Principal Subsidiaries

The subsidiary listed below have share capital consisting solely of ordinary shares, which are held directly by the Group. The proportion of ownership interests held equals the voting rights held by the Group. Each subsidiary's principal place of business is also its country of incorporation or registration.

Name of Subsidiary	Principal Place of Business	Ownership Interest Held by the Group	
		2025 %	2024 %
Bellpiper Pty Ltd	Australia	100	100

Subsidiary financial statements used in the preparation of these consolidated financial statements have also been prepared as at the same reporting date as the Group's financial statements.

b. Significant Restrictions

There are no significant restrictions over the Group's ability to access or use assets, and settle liabilities, of the Group.

NOTE 9: EVALUATION & EXPLORATION EXPENDITURE

	Consolidated Group	
	2025	2024
	\$	\$
Exploration and Evaluation Expenditure		
<i>Movement during the period:</i>		
Opening balance	1,885,107	1,104,346
Additions for the period	56,822	785,977
Impairments*	(171,822)	(5,216)
Closing balance at balance date	1,770,107	1,885,107

*The Company carried out a review of the carrying value of its Exploration and Evaluation assets and as a result of the proposed relinquishment of two tenements, has recognised an impairment of \$171,822 during the period.

NOTE 10: TRADE AND OTHER PAYABLES

	Consolidated Group	
	2025	2024
	\$	\$
Current		
Trade payables	-	4,780
Stamp duty	-	155,625
Sundry payables and accruals	35,252	193,925
Total trade and other payables	35,252	354,330

Edge Minerals Pty Ltd and Controlled Entities

ABN 21 126 632 899

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

NOTE 11: ISSUED CAPITAL

	Consolidated Group
	2025
	Number
Opening Balance	22,790,317
Movement	-
Balance at 31 March 2025	22,790,317

	Consolidated Group	
	2025	2024
	\$	\$
22,790,317 fully paid ordinary shares	5,000,100	5,000,100
Total share capital	5,000,100	5,000,100

Ordinary shareholders participate in dividends and the proceeds on winding up of the Parent Entity in proportion to the number of shares held. At the shareholders' meetings each ordinary share is entitled to one vote when a poll is called; otherwise each shareholder has one vote on a show of hands.

NOTE 12: COMMITMENTS

The Group has committed to the following minimum expenditure in relation to its tenements.

	Consolidated Group	
	2025	2024
	\$	\$
Not later than 1 year	383,000	292,000
Later than 1 year and not later than 5 years	875,627	355,726
Later than 5 years	-	-
	1,258,627	647,726

Edge Minerals Pty Ltd and Controlled Entities

ABN 21 126 632 899

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

NOTE 13: EVENTS AFTER THE REPORTING PERIOD

The directors are not aware of any significant events since the end of the reporting period.

NOTE 14: RELATED PARTY TRANSACTIONS

The Group's main related parties are as follows:

a. **Subsidiary entities**

Controlled entities are entities over which Edge Minerals Pty Ltd has the power to govern the financial and operating policies so as to obtain benefits from their activities. As intercompany transactions and balances involving controlled entities are eliminated on consolidation, controlled entities are considered related parties only in the case of the Parent Entity's separate financial statements. A list of controlled entities is provided in Note 8.

Transactions and outstanding balances with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties (ie at arm's length) unless the terms and conditions disclosed below state otherwise. The following summarises any transactions occurred with related parties:

	2025	2024
	\$	\$
(i) <i>Related entities – Payable</i>		
Outstanding balances:		
Parent entity loans – unsecured interest free	2,589,247	2,199,177
(The Parent Entity - Trek Metals Limited has made interest-free (non-arm's length) loans to Edge Minerals Pty Ltd).		
(ii) <i>Controlled entities – Receivable</i>		
Outstanding balances:		
Subsidiary entity loans – unsecured interest free	1,841,470	1,858,625
(Edge Minerals Pty Ltd has made interest-free (non-arm's length) loans to its controlled entity Bellpiper Pty Ltd which is eliminated in full on consolidation).		

b. **Directors & Key Management Personnel - Compensation**

The Directors of the Company and Key management personnel during the year and up to the date of this report, were as follows :

- Tony Leibowitz
- Neil Biddle
- John Young

There were no transactions with the Directors of the Company during the period.

There was no share-based payments or compensation paid to any Director during the period.

Edge Minerals Pty Ltd and Controlled Entities

ABN 21 126 632 899

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

NOTE 15: AUDITORS REMUNERATION

	Consolidated Group	
	2025	2024
	\$	\$
Amounts paid or due and payable to Hall Chadwick WA Audit Pty Ltd for	8,500	-
Other non-audit services	-	-
	8,500	-

NOTE 16: RECONCILIATION OF LOSS AFTER INCOME TAX TO NET CASH FLOWS USED IN OPERATING ACTIVITIES

	Consolidated Group	
	2025	2024
	\$	\$
(a) Cash flows generated used in operating activities		
Net loss after income tax	(189,635)	(20,341)
Non- Cash Items adjustment		
Impairment of E&E expense	171,822	5,216
Stamp duty expense	473	-
Exploration expenditure reclassified as operating	7,482	13,156
Changes in assets and liabilities:		
(Increase) / decrease in receivables	1,035	7,249
Increase / (decrease) in payables	7,406	(6,537)
Net cash outflow from operating activities	(1,417)	(1,257)
(b) Non-cash financing and investing activities	-	-

There were no non-cash financing and investing activities during the year.

Edge Minerals Pty Ltd and Controlled Entities

ABN 21 126 632 899

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

NOTE 17: FINANCIAL RISK MANAGEMENT

The consolidated entity's activities expose it to credit risk, market risk (including interest rate risk and price risk), and liquidity risk. This note presents qualitative and quantitative information about the consolidated entity's exposure to each of the above risks, its objectives, policies and procedures for managing risk, and the management of capital. The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework.

The consolidated entity's overall risk management approach focuses on the unpredictability of financial markets and seeks to minimize the potential adverse effects on the financial performance of the consolidated entity. The consolidated entity does not currently use derivative financial instruments to hedge financial risk exposures and therefore it is exposed to daily movements in interest rates. However, these risks are currently negligible. The consolidated entity uses various methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rates and ageing analysis for credit risk.

There are no formal targets set for return on capital. There were no changes to the consolidated entity's approach to capital management during the year. Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

a) *Credit risk*

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the consolidated entity. Exposure to credit risk is considered minimal but is monitored on an ongoing basis.

Cash transactions are limited to financial institutions considered to have a suitable credit rating. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position at balance date. The carrying amount of the consolidated entity's financial assets represents the maximum credit exposure.

There are no receivables as at 31 March 2025 that are past due or impaired.

The consolidated entity's maximum exposure to credit risk at the reporting date was:

	2025	2024
	\$	\$
Carrying amount:		
Cash and cash equivalents	12,206	14,814
Trade and other receivables	-	1,035
	12,206	15,849

Edge Minerals Pty Ltd and Controlled Entities

ABN 21 126 632 899

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

NOTE 17: FINANCIAL RISK MANAGEMENT CONTINUED

b) *Market risk*

(i) **Cash flow and fair value interest rate risk**

The significance and management of the risks to the consolidated entity is dependent on a number of factors including (i) interest rates (current and forward) and the currencies that are held; (ii) level of cash and liquid investments and borrowings; (iii) maturity dates of investments and loans; and (iv) proportion of investments and borrowings with fixed rate or floating rates.

Where required this risk is managed by the consolidated entity maintaining an appropriate mix between fixed and floating rate investments. The consolidated entity's exposure to interest rate risk is considered minimal. The effective interest rates of financial assets and financial liabilities with interest obligations at the reporting date are as follows.

	Variable rate instruments at call	Fixed rate instruments	Weighted average interest rate	Variable rate instruments at call	Fixed rate instruments	Weighted average interest rate
	2025	2025	2025	2024	2024	2024
	\$	\$	%	\$	\$	%
Financial assets						
Cash and cash equivalents	12,206	-	0%	14,814	-	0%
Trade & other receivables	-	-	0%	1,035	-	0%
Total Financial Assets	12,206	-	-	15,849	-	-
Financial liabilities						
Trade & other payables	35,252	-	0%	354,330	-	0%
Borrowings	-	2,589,247	0%	-	2,199,177	0%
Total Financial liabilities	35,252	2,589,247	0%	354,330	2,199,177	0%

The values above were the carrying amount of the consolidated entity's interest-bearing financial instruments at 31 March 2025 and 31 March 2024.

(ii) **Price risk**

There was no price risk in the current or prior period.

The consolidated entity is not exposed to equity securities price risk at 31 March 2025 or 31 March 2024.

(c) *Liquidity risk*

The following are the contractual maturities of consolidated financial liabilities:

	2025	2024
	\$	\$
Trade and other payables:		
Carrying amounts	35,252	354,330
Contractual cashflows	35,252	354,330
Payable 6 months or less	35,252	354,330
Borrowings:		
Carrying amounts	2,589,247	2,199,177
Contractual cashflows	2,589,247	2,199,177
Payable 6 months or less	-	-

Edge Minerals Pty Ltd and Controlled Entities

ABN 21 126 632 899

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

NOTE 17: FINANCIAL RISK MANAGEMENT CONTINUED

(d) Fair values

The carrying amounts of consolidated financial assets and financial liabilities shown in the statement of financial position approximate their fair values. AASB 13 Fair Value Measurement requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

There were no financial assets and liabilities measured and recognised at fair value at 31 March 2025 or 31 March 2024.

NOTE 18: PARENT ENTITY FINANCIAL INFORMATION

The individual financial statements for the parent entity show the following aggregate amounts:

	Consolidated Group	
	31 March 2025	31 March 2024
	\$	\$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	12,206	14,814
Trade and other receivables	-	1,035
TOTAL CURRENT ASSETS	12,206	15,849
NON-CURRENT ASSETS		
Exploration and evaluation assets	1,377,980	1,475,505
Subsidiary loans and investments – Bellpiper Pty Ltd	392,127	409,602
TOTAL NON-CURRENT ASSETS	1,770,107	1,885,107
TOTAL ASSETS	1,782,313	1,900,956
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	35,252	354,330
Borrowings – Parent entity – Trek Metals Ltd	2,589,247	2,199,177
TOTAL CURRENT LIABILITIES	2,624,499	2,553,507
TOTAL LIABILITIES	2,624,499	2,553,507
NET LIABILITIES	(842,186)	(652,551)
EQUITY		
Issued capital	5,000,100	5,000,100
Retained earnings	(5,842,286)	(5,652,651)
TOTAL EQUITY	(842,186)	(652,551)

Edge Minerals Pty Ltd and Controlled Entities

ABN 21 126 632 899

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Edge Minerals Pty Ltd, the directors of the Company declare that:

1. The financial statements and notes, as set out on pages 5 to 24, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Australian Accounting Standards which, as stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards; and
 - b. give a true and fair view of the financial position as at 31 March 2025 and of the performance for the year ended on that date of the Company and Consolidated Group.
2. Subject to the disclosures in Note 1, in the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.



.....
John Young (Director)

Dated this 9th day of December 2025

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EDGE MINERALS PTY LTD

Opinion

We have audited the financial report of Edge Minerals Pty Ltd (“the Company”) and its subsidiaries (“the Consolidated Entity”), which comprises the consolidated statement of financial position as at 31 March 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies, and the directors’ declaration.

In our opinion:

- a. the accompanying financial report of the Consolidated Entity is in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Consolidated Entity’s financial position as at 31 March 2025 and of its financial performance for the year then ended; and
 - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.
- b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement. Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board’s *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report which indicates that the Consolidated Entity incurred a net loss of \$189,636 during the year ended 31 March 2025. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that material uncertainty exists that may cast significant doubt on the Consolidated Entity’s ability to continue as a going concern. Our opinion is not modified in this respect of this matter.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Consolidated Entity's annual report for the year ended 31 March 2025, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our responsibility is to express an opinion on the financial report based on our audit. Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Hall Chadwick

HALL CHADWICK WA AUDIT PTY LTD

Mark Delaurentis

MARK DELAURENTIS CA

Director

Dated this 9th day of December 2025
Perth, Western Australia



Financial Report for the half year ending 30 September 2025

Edge Minerals Pty Ltd
ABN 21 126 632 899

Edge Minerals Pty Ltd and Controlled Entities

ABN 21 126 632 899

DIRECTORS' REPORT

The Directors present their report on Edge Minerals Pty Ltd, the company, and its controlled entity for the half year ending 30 September 2025. The consolidated entity is referred to as "the Group".

Directors

The names of the directors in office at any time during, or since the end of, the half year are:

Tony Leibowitz (Chair)

Neil Biddle

John Young

Directors have been in office since the start of the half year to the date of this report unless otherwise stated.

Principal Activities

The Principal activities during the half year were to support the option and acquisition agreement executed between Trek Metals Limited (Ultimate parent) and Advanced Energy Fuels Inc in September 2024.

Other than noted above, no other significant change in the nature of these activities occurred during the half year.

Review of Operations

The consolidated loss of the Group for the period amounted to \$4,968.

Events Subsequent to the End of the Reporting Period

No matter or circumstance has arisen since 30 September 2025 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

Likely Developments and Expected Results of Operations

Likely developments in the operations of the Group and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Group.

Dividends

There were no dividends paid, recommended, or declared during the current or previous financial half year.

Environmental Regulation

The Group's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

Options

No options over issued shares or interests in the company or the controlled entity were granted during or since the end of the financial half year, and there were no options outstanding as at the date of this report.

No shares were issued during or since the end of the half year as a result of the exercise of an option over unissued shares or interests.

Indemnification of Officers

The company has not paid any premiums to insure directors under a Directors and Officers Insurance policy

No indemnification has been obtained for the auditors of the company or the Group.

Proceedings on Behalf of the Company

No person has applied for leave of court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the half year.

Edge Minerals Pty Ltd and Controlled Entities

ABN 21 126 632 899

Company Secretary

The following person held the position of company secretary at the end of the half year:

Russell Hardwick

BBus, ACIS CPA, GAICD

Mr Hardwick is a Certified Practising Accountant, an Associate Member of the Governance Institute of Australia and a Graduate of the Australian Institute of Company Directors. Mr Hardwick has held the role of Company Secretary with other ASX listed and AIM listed companies for over 15 years. Mr Hardwick has acted as the company secretary since 29th May 2007.

Non-Audit Services

The auditors did not provide any non-audit services during either the period under review or the corresponding period.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under s 307C of the *Corporations Act 2001* is set out on page 4.

No officer of the company/Group is or has been a partner/director of any auditor of the Group.

This directors' report is signed in accordance with a resolution of the Board of Directors:



Director

John Young

Dated this 9th December 2025

To the Board of Directors

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

As lead audit director for the review of the financial statements of Edge Minerals Pty Ltd for the half year ended 30 September 2025, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- any applicable code of professional conduct in relation to the review.

Yours Faithfully,

Hall Chadwick
HALL CHADWICK WA AUDIT PTY LTD

Mark Delaurentis
MARK DELAURENTIS CA
Director

Dated this 9th day of December 2025
Perth, Western Australia

Edge Minerals Pty Ltd and Controlled Entities

ABN 21 126 632 899

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED 30 SEPTEMBER 2025

	Note	Consolidated Group	
		HALF-YEAR ENDED 30 SEPTEMBER 2025	HALF-YEAR ENDED 30 SEPTEMBER 2024
		\$	\$
Expenses			
Stamp duty	4	-	(473)
Exploration & evaluation expenditure expensed	4	-	(7,482)
Other administration expenses	4	(4,968)	(1,091)
Profit/(loss) before income tax		(4,968)	(9,046)
Tax expense	5	-	-
Profit/(loss) for the half year		(4,968)	(9,046)
Other comprehensive income		-	-
Total comprehensive income (loss) for the half year attributable to the members of the company		(4,968)	(9,046)
Earnings/(Loss) per share for profit/(loss) from continuing operations attributable to the ordinary equity holders of the Parent:			
	3	Cents/share	Cents/share
Basic earnings/(loss) per share		(0.022)	(0.040)
Diluted earnings/(loss) per share		(0.022)	(0.040)

The accompanying notes form part of these financial statements.

Edge Minerals Pty Ltd and Controlled Entities

ABN 21 126 632 899

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER
2025**

	Note	Consolidated Group	
		30 SEPTEMBER 2025	31 MARCH 2025
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	4,386	12,206
TOTAL CURRENT ASSETS		4,386	12,206
NON-CURRENT ASSETS			
Exploration and evaluation assets	8	1,767,209	1,770,107
TOTAL NON-CURRENT ASSETS		1,767,209	1,770,107
TOTAL ASSETS		1,771,595	1,782,313
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	39,502	35,252
Borrowings	13	2,579,247	2,589,247
TOTAL CURRENT LIABILITIES		2,618,749	2,624,499
TOTAL LIABILITIES		2,618,749	2,624,499
NET LIABILITIES		(847,154)	(842,186)
EQUITY			
Issued capital	10	5,000,100	5,000,100
Retained earnings		(5,847,254)	(5,842,286)
TOTAL EQUITY		(847,154)	(842,186)

The accompanying notes form part of these financial statements.

Edge Minerals Pty Ltd and Controlled Entities

ABN 21 126 632 899

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 30 SEPTEMBER 2025

	Note	Ordinary Share Capital	Retained Earnings	Total
		\$	\$	\$
Consolidated Group				
Balance at 1 April 2024		5,000,100	(5,652,651)	(652,551)
Comprehensive income				
Profit/(loss) for the half year		-	(9,046)	(9,046)
Other comprehensive income for the half year:		-	-	-
Total comprehensive income			(9,046)	(9,046)
Balance at 30 September 2024		5,000,100	(5,661,697)	(661,597)
Balance at 1 April 2025		5,000,100	(5,842,286)	(842,186)
Comprehensive income				
Profit/(loss) for the half year		-	(4,968)	(4,968)
Other comprehensive income for the half year		-	-	-
Total comprehensive loss		-	(4,968)	(4,968)
Balance at 30 September 2025		5,000,100	(5,847,254)	(847,154)

The accompanying notes form part of these financial statements.

Edge Minerals Pty Ltd and Controlled Entities

ABN 21 126 632 899

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED 30 SEPTEMBER 2025

	Note	Consolidated Group	
		HALF-YEAR ENDED 30 SEPTEMBER 2025	HALF-YEAR ENDED 30 SEPTEMBER 2024
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(718)	(1,129)
Net cash used in operating activities		(718)	(1,129)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for exploration and evaluation		-	(139,774)
Refund for exploration and evaluation		2,898	-
Stamp duty		-	(156,099)
Net cash used in investing activities		2,898	(295,873)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from related party loans		-	322,500
Repayment of related party loans		(10,000)	-
Cash provided by/(used in) financing activities		(10,000)	322,500
Net decrease in cash held		(7,820)	25,498
Cash and cash equivalents at beginning of half year		12,206	14,814
Cash and cash equivalents at end of half year	6	4,386	40,312

The accompanying notes form part of these financial statements.

Edge Minerals Pty Ltd and Controlled Entities

ABN 21 126 632 899

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 SEPTEMBER 2025

The consolidated financial statements and notes represent those of Edge Minerals Pty Ltd and Controlled Entity (the Consolidated Group or Group). Edge Minerals Pty Ltd is a company limited by shares, incorporated and domiciled in Australia.

Going Concern

This financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

As noted above, the Company is subject to an option agreement between its parent Trek Metals Limited and Advanced Energy Fuels, Inc. ("AEF") over Edge's Hendeka Manganese Project in the Pilbara region of Western Australia. The Option and Acquisition Agreement gives AEF an option to acquire Edge Minerals Pty Ltd and its subsidiary Bellpiper Pty Ltd (owners of the Hendeka Project) as part of a proposed North American listing and by making certain payments and sole funding A\$2 million of exploration and development expenditures.

The Group incurred a loss for the half year of \$4,968 (2024: loss of \$9,046) and cash outflows from operating activities of \$718 (2024: \$1,129). These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern

The Directors note that the Parent - Trek Metals Limited has provided a letter of support confirming that it will continue to provide funding as required for a period of 12 months from the date of signing this report.

The Directors believe that the going concern basis of preparation is appropriate, having regard to the following :

- The Trek groups demonstrated history of raising capital when required through equity raisings; farm-out arrangements or other financing initiatives as required;
- The option agreement with AEFI who are continuing to incur the ongoing expenditure for the Hendeka Manganese project since September 2024;
- The Company has the ability to reduce discretionary expenditure as required.

Should the Company be unable to raise sufficient funds, there is material uncertainty whether it would continue as a going concern and therefore whether it would realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts or classification of liabilities that might result should the Company be unable to continue as a going concern and meet its debts as and when they fall due.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The half-year financial report is a general purpose financial statements have been prepared in accordance with the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.

The Half-Year financial report does not include notes of the type normally found in an annual financial report and should be read in conjunction with the Edge Minerals Pty Ltd annual financial report for the year ending 31 March 2025.

The functional and presentation currency of the Company is Australian dollars.

The financial statements, except for cash flow information, have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar unless stated otherwise.

Edge Minerals Pty Ltd and Controlled Entities

ABN 21 126 632 899

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 SEPTEMBER 2025

Accounting Policies

a. Principles of Consolidation

The general purpose consolidated financial statements incorporate all of the assets, liabilities and results of the Parent (Edge Minerals Pty Ltd) and all of the subsidiaries (including any structured entities). Subsidiaries are entities the Parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in Note 8.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between Group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as "non-controlling interests". The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

b. Income Tax

The income tax expense (income) for the half year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to profit or loss is the tax payable on taxable income for the current period. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the half year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss or arising from a business combination.

A deferred tax liability shall be recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from:

- (a) the initial recognition of goodwill; or
- (b) the initial recognition of an asset or liability in a transaction which:
 - (i) is not a business combination; and
 - (ii) at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Edge Minerals Pty Ltd and Controlled Entities

ABN 21 126 632 899

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 SEPTEMBER 2025

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (i) a legally enforceable right of set-off exists; and (ii) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities, where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Tax consolidation

The company and its wholly-owned Australian resident entities are part of the tax-consolidated Group of the parent – Trek Metals Limited and are therefore taxed as a single entity. Current tax liabilities and assets and deferred tax assets arising from unused tax losses and relevant tax credits of the members of the tax-consolidated Group are recognised by the parent company (as head entity in the tax-consolidated Group).

c. Fair Value of Assets and Liabilities

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instrument, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

Edge Minerals Pty Ltd and Controlled Entities

ABN 21 126 632 899

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 SEPTEMBER 2025

d. Impairment of Assets

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include considering external sources of information and internal sources of information including dividends received from subsidiaries, associates or joint ventures deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (eg in accordance with the revaluation model in AASB 116: *Property, Plant and Equipment*). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

e. Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

f. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown as borrowings in current liabilities on the statement of financial position.

g. Trade and Other Receivables

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

Edge Minerals Pty Ltd and Controlled Entities

ABN 21 126 632 899

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 SEPTEMBER 2025

h. Trade and Other Payables

Trade and other payables are initially measured at fair value and subsequently measured at cost using the effective interest method.

Trade and other payables represent the liabilities for goods and services received by the Group that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

i. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from financing and investing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

j. Exploration and evaluation expenditure

Exploration and evaluation expenditure primarily consists of activities including drilling, assaying, geochemical and geophysical investigations and independent geological consultants in respect of each identifiable area of interest. In accordance with AASB 6 and Edge's Accounting policy, these costs are capitalised provided the rights to tenure of the area of interest is current and either:

- a) the expenditures are expected to be recouped through successful development and exploitation or sale of the area of interest; or
- b) activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in or relating to, the area of interest are continuing.

When the technical feasibility and commercial viability of extracting a mineral resource have been demonstrated then any capitalised exploration and evaluation expenditure is reclassified as capitalised mine development. Prior to reclassification, capitalised exploration and evaluation expenditure is measured at cost and assessed for impairment.

k. Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial half year.

Where the Group retrospectively applies an accounting policy, makes a retrospective restatement of items in the financial statements or reclassifies items in its financial statements, a third statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented.

Edge Minerals Pty Ltd and Controlled Entities

ABN 21 126 632 899

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 SEPTEMBER 2025

I. Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

Key estimates

(i) *Impairment*

The Group assesses impairment at the end of each reporting period by evaluating the conditions and events specific to the Group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations, which incorporate various key assumptions.

NOTE 2: SEGMENT INFORMATION

Identification of reportable segments

The Group operates predominantly in the mining and exploration industry. This comprises exploration and evaluation activities related predominantly to the group's Manganese project.

The Group has identified its operating segments based on the internal reports that are provided to the Board of Directors (chief operating decision makers) to assess performance and determine the allocation of resources. Management has identified the operating segments based on the principal location and commodity of its project and, and its management location in Australia.

Basis of accounting for purposes of reporting by operating segments:

(i) Accounting policies adopted

Unless stated otherwise, all amounts reported to the Board of Directors are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

(ii) Inter-segment transactions

Inter-segment loans payable and receivable are initially recognised at the consideration received/to be received net of transaction costs. If inter-segment loans receivable and payable are generally on commercial terms.

(iii) Segment assets

Where an asset is used across multiple segments, the asset is allocated to that segment that receives majority economic value from that asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

(iv) Segment liabilities

Liabilities are allocated to segments where there is a direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to the Group as a whole and are not allocated. Segment liabilities include trade and other payables and certain direct borrowings.

Edge Minerals Pty Ltd and Controlled Entities

ABN 21 126 632 899

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED
30 SEPTEMBER 2025**

NOTE 2: SEGMENT INFORMATION CONTINUED

The following is an analysis of the Group's results by reportable operating segment for the period:

	SEGMENT LOSS	
	HALF-YEAR ENDED 30 SEPTEMBER 2025	HALF-YEAR ENDED 30 SEPTEMBER 2024
	\$	\$
Continuing operations		
Exploration and evaluation	-	(7,955)
Corporate	(4,968)	(1,091)
Consolidated segment loss for the year from all operations	(4,968)	(9,046)

The following is an analysis of the Group's assets by reportable operating segment:

	SEGMENT ASSETS	
	HALF-YEAR ENDED 30 SEPTEMBER 2025	FULL-YEAR ENDED 31 MARCH 2025
	\$	\$
Continuing operations		
Exploration and evaluation	1,767,209	1,770,107
Corporate assets	4,386	12,206
Consolidated segment assets	1,771,595	1,782,313

The following is an analysis of the Group's liabilities by reportable operating segment:

	SEGMENT LIABILITIES	
	HALF-YEAR ENDED 30 SEPTEMBER 2025	FULL-YEAR ENDED 31 MARCH 2025
	\$	\$
Continuing operations		
Exploration and evaluation	2,614,499	2,615,999
Corporate liabilities	4,250	8,500
Consolidated segment liabilities	2,618,749	2,624,499

Edge Minerals Pty Ltd and Controlled Entities

ABN 21 126 632 899

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 SEPTEMBER 2025

NOTE 3: EARNINGS PER SHARE

	HALF-YEAR ENDED 30 SEPTEMBER 2025	HALF-YEAR ENDED 30 SEPTEMBER 2024
Loss attributable to ordinary shareholders	(\$4,968)	(\$9,046)
Weighted average number of ordinary shares	22,790,317	22,790,317
Basic loss per share (cents per share)	(0.022)	(0.040)
Diluted loss per share (cents per share)	(0.022)	(0.040)

There are no potential ordinary shares on issue; therefore, diluted loss per share is the same as basic loss per share.

NOTE 4: PROFIT/(LOSS) BEFORE INCOME TAX

	Consolidated Group	
	HALF-YEAR ENDED 30 SEPTEMBER 2025	HALF-YEAR ENDED 30 SEPTEMBER 2024
	\$	\$
Profit/(loss) before income tax from continuing operations includes the following expenses:		
Expenses		
Stamp duty	-	(473)
Other operating expenses	(4,968)	(1,091)
Exploration expenditure expensed	-	(7,482)

Edge Minerals Pty Ltd and Controlled Entities

ABN 21 126 632 899

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 SEPTEMBER 2025

NOTE 5: TAX EXPENSE

	Note	Consolidated Group	
		HALF-YEAR ENDED 30 SEPTEMBER 2025	HALF-YEAR ENDED 30 SEPTEMBER 2024
		\$	\$
a. The components of tax expense (income) comprise:			
– current tax expense (income)		-	-
– deferred tax expense (income) relating to the origination and reversal of temporary differences		-	-
– adjustments for under/(over)-provision of current income tax of previous years		-	-
		-	-
b. The prima facie tax on profit from ordinary activities before income tax is reconciled to income tax as follows:			
Profit/(loss) before income tax expense		(4,968)	(9,046)
Prima facie tax payable on profit from ordinary activities before income tax at 30% (2024: 30%)		(1,490)	(2,714)
Add/less tax effect of:			
– Temporary differences and tax losses not brought to account		1,490	2,714
Income tax attributable to entity		-	-

NOTE 6: CASH AND CASH EQUIVALENTS

	Consolidated Group	
	30 SEPTEMBER 2025	31 MARCH 2025
	\$	\$
Cash at bank and on hand	4,386	12,206
	4,386	12,206

Edge Minerals Pty Ltd and Controlled Entities

ABN 21 126 632 899

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 SEPTEMBER 2025

NOTE 7: INTERESTS IN SUBSIDIARIES

a. Information about Principal Subsidiaries

The subsidiary listed below have share capital consisting solely of ordinary shares, which are held directly by the Group. The proportion of ownership interests held equals the voting rights held by the Group. Each subsidiary's principal place of business is also its country of incorporation or registration.

Name of Subsidiary	Principal Place of Business	Ownership Interest Held by the Group	
		2025 %	2024 %
Bellpiper Pty Ltd	Australia	100	100

Subsidiary financial statements used in the preparation of these consolidated financial statements have also been prepared as at the same reporting date as the Group's financial statements.

b. Significant Restrictions

There are no significant restrictions over the Group's ability to access or use assets, and settle liabilities, of the Group.

NOTE 8: EVALUATION & EXPLORATION EXPENDITURE

	Consolidated Group	
	30 SEPTEMBER 2025	31 MARCH 2025
	\$	\$
Exploration and Evaluation Expenditure		
<i>Movement during the period:</i>		
Opening balance	1,770,107	1,885,107
Additions/(credits) for the period	(2,898)	56,822
Impairments	-	(171,822)
Closing balance at balance date	1,767,209	1,770,107

NOTE 9: TRADE AND OTHER PAYABLES

	Consolidated Group	
	30 SEPTEMBER 2025	31 MARCH 2025
	\$	\$
Sundry payables and accruals	39,502	35,252
Total trade and other payables	39,502	35,252

Edge Minerals Pty Ltd and Controlled Entities

ABN 21 126 632 899

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 SEPTEMBER 2025

NOTE 10: ISSUED CAPITAL

	Consolidated Group
	2025
	Number
Opening Balance	22,790,317
Movement	-
Balance at 30 September 2025	22,790,317

	Consolidated Group	
	30 SEPTEMBER	31 MARCH
	2025	2025
	\$	\$
22,790,317 fully paid ordinary shares	5,000,100	5,000,100
Total share capital	5,000,100	5,000,100

Ordinary shareholders participate in dividends and the proceeds on winding up of the Parent Entity in proportion to the number of shares held. At a shareholders' meetings each ordinary share is entitled to one vote when a poll is called; otherwise each shareholder has one vote on a show of hands.

NOTE 11: COMMITMENTS

The Group has committed to the following minimum expenditure in relation to its tenements.

	Consolidated Group	
	30 SEPTEMBER	30 SEPTEMBER
	2025	2024
	\$	\$
Not later than 1 year	404,000	227,041
Later than 1 year and not later than 5 years	715,726	394,406
Later than 5 years	-	-
	1,119,726	621,447

Edge Minerals Pty Ltd and Controlled Entities

ABN 21 126 632 899

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 SEPTEMBER 2025

NOTE 12: EVENTS AFTER THE REPORTING PERIOD

The directors are not aware of any significant events since the end of the reporting period.

NOTE 13: RELATED PARTY TRANSACTIONS

The Group's main related parties are as follows:

a. **Controlled entities**

Controlled entities are entities over which Edge Minerals Pty Ltd has the power to govern the financial and operating policies so as to obtain benefits from their activities. As intercompany transactions and balances involving controlled entities are eliminated on consolidation, controlled entities are considered related parties only in the case of the Parent Entity's separate financial statements. A list of controlled entities is provided in Note 5.

Transactions and outstanding balances with related parties

Any transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties (ie at arm's length) unless the terms and conditions disclosed below state otherwise. The following summarises any transactions occurred with related parties:

	30 SEPTEMBER 2025	31 MARCH 2025
	\$	\$
(i) <i>Related entities – Payable</i>		
Outstanding balances:		
Parent entity loans – unsecured interest free	2,579,247	2,589,247
(The Parent Entity - Trek Metals Limited has made interest-free (non-arm's length) loans to Edge Minerals Pty Ltd).		
(ii) <i>Controlled entities – Receivable</i>		
Outstanding balances:		
Subsidiary entity loans – unsecured interest free	1,841,799	1,841,470
(Edge Minerals Pty Ltd has made interest-free (non-arm's length) loans to its controlled entity Bellpiper Pty Ltd which is eliminated in full on consolidation).		

b. **Directors & Key Management Personnel - Compensation**

The Directors of the Company and Key management personnel during the half-year and up to the date of this report, were as follows :

- Tony Leibowitz
- Neil Biddle
- John Young

There were no transactions with the Directors of the Company during the period or the prior half-year.

There was no share-based payments or compensation paid to any Director during the period or prior half-year.

Edge Minerals Pty Ltd and Controlled Entities

ABN 21 126 632 899

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 SEPTEMBER 2025

NOTE 14: AUDITORS REMUNERATION

	Consolidated Group	
	HALF-YEAR ENDED 30 SEPTEMBER 2025	HALF-YEAR ENDED 30 SEPTEMBER 2024
	\$	\$
Amounts paid or due and payable to Hall Chadwick WA Audit Pty Ltd for	4,500	-
Other non-audit services	-	-
	4,500	-

Edge Minerals Pty Ltd and Controlled Entities

ABN 21 126 632 899

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Edge Minerals Pty Ltd, the directors of the Company declare that:

1. The financial statements and notes, as set out on pages 5 to 21, are in accordance with the *Corporations Act 2001* (Cth) and:
 - a. comply with Australian Accounting AASB 134: *Interim Financial Reporting*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - b. give a true and fair view of the financial position as at 30 September 2025 and of the performance for the half year ended on that date of the Company and Consolidated Group.
2. Subject to the disclosures in Note 1, in the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Directors made pursuant to section 303(5) of the *Corporations Act 2001* (Cth).



John Young (Director)

Dated this 9th day of December 2025

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF EDGE MINERALS PTY LTD

Conclusion

We have reviewed the accompanying half-year financial report of Edge Minerals Pty Ltd ("the Company") and Controlled Entities ("the Consolidated Entity") which comprises the consolidated statement of financial position as at 30 September 2025, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a summary of material accounting policies and other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Edge Minerals Pty Ltd and Controlled Entities does not comply with the *Corporations Act 2001* including:

- a. Giving a true and fair view of the Edge Minerals Pty Ltd financial position as at 30 September 2025 and of its performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134: *Interim Financial Reporting* and *Corporations Regulations 2001*.
- c. Complying with IAS 34 *Interim Financial Reporting*, as issued by the International Accounting Standards Board (IASB).

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report, which indicates that the Consolidated Entity incurred a net loss of \$4,968 during the half year ended 30 September 2025. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Responsibility of the Directors for the Financial Report

The directors of the Edge Minerals Pty Ltd are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Consolidated Entity's financial position as at 30 September 2025 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Hall Chadwick

HALL CHADWICK WA AUDIT PTY LTD

Mark Delaurentis

MARK DELAURENTIS CA
Director

Dated this 9th day of December 2025
Perth, Western Australia

APPENDIX 6

TECHNICAL REPORT – THE SWWM PROPERTY

South Woodie Woodie Manganese Project

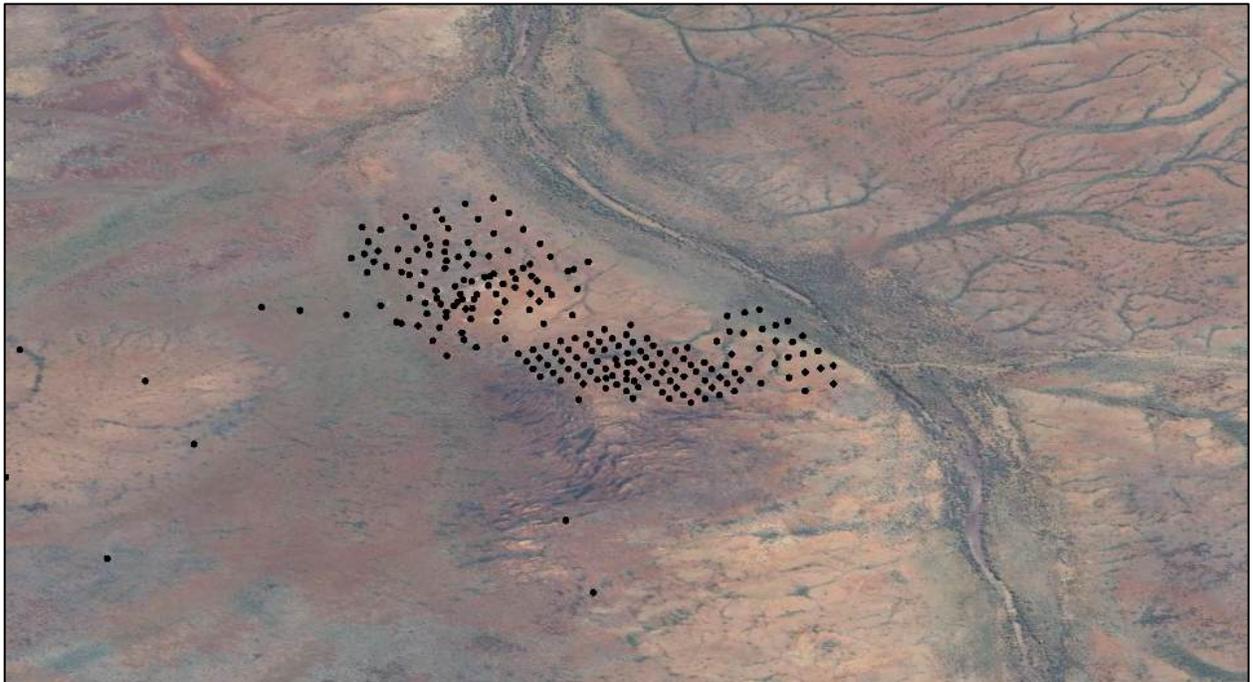
Mineral Resources

Pilbara, Western Australia

NI 43-101 Technical Report

Prepared for

Advanced Energy Fuels, Inc. and Cavalry Capital Corp.



Effective Date : 15 August 2025

Prepared by:

Lynn Widenbar BSc(Hons), MSc, FAusIMM, MAIG

Lourdes Valle MBA, B.S. (Metallurgical Engineering), RPEQ, FAusIMM (CP)

Date and Signature Page

This Technical Report is submitted to Advanced Energy Fuels and Cavalry Capital Corp, Inc and is effective as of 15 August 2025

Qualified Person	Responsible for Parts
 Lynn Widenbar BSc(Hons), MSc, FAusIMM, MAIG Widenbar and Associates Pty Ltd, Perth, WA	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 14, 23, 24, 25, 26 and 27

Qualified Person	Responsible for Parts
 Lourdes Valle MBA, B.S. (Metallurgical Engineering), RPEQ, FAusIMM (CP)	Item 13; co-responsible (metallurgical content only) for Items 1, 12, 25, 26

CERTIFICATE OF QUALIFIED PERSON LYNN WIDENBAR

I, Lynn Widenbar, state that:

- (a) I am a Principal Consultant and Director at:
Widenbar and Associates Pty Ltd
25B, Dunkley Avenue, Applecross, WA 6153, Australia
- (b) This certificate applies to the technical report titled "Technical Report on the South Woodie Woodie Manganese Project Mineral Resources, Pilbara, Western Australia" (the "Technical Report"), with an effective date of 15 August 2025.
- (c) I am a "qualified person" for the purposes of National Instrument 43-101 ("NI 43-101"). My qualifications as a qualified person are as follows. I am a graduate of the University of Wales, Aberystwyth, UK with a BSc (Hons) degree in Geology in 1969, and a graduate of the Royal School of Mines, Imperial College, London, UK with an MSc degree in Mineral Exploration in 1975 and am a Fellow of the Australasian Institute of Mining and Metallurgy. My relevant experience after graduation includes over 55 years of work as a geologist in a variety of mineral projects worldwide and for the purpose of the Technical Report includes over 40 years of direct involvement in mineral resource estimation, including acting as a qualified person for mineral resource estimates.
- (d) I carried out a personal inspection of the property described in the Technical Report on 26 May 2025, for a duration of one day.
- (e) I am responsible for Items 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 14, 23, 24, 25, 26, and 27 of the Technical Report.
- (f) I am independent of Advanced Energy Fuels, Inc., Cavalry Capital Corp., Trek Metals Ltd., and the South Woodie Woodie Project, as defined by NI 43-101 Section 1.5 and TSXV Appendix 3F.
- (g) My prior involvement with the property that is the subject of the Technical Report includes preparation of a JORC compliant report on mineral resources in 2012, and update of the mineral resource in 2019.
- (h) I have read NI 43-101 and the parts of the Technical Report for which I am responsible have been prepared in compliance with NI 43-101.
- (i) At the effective date of the Technical Report, to the best of my knowledge, information, and belief, the parts of the Technical Report for which I am responsible, contain all scientific and technical information that is required to be disclosed to make the Technical Report not misleading.

Dated at Perth, Australia this 15 August 2025



Lynn Widenbar BSc, MSc, FAusIMM, MAIG

To: Alberta Securities Commission, British Columbia Securities Commission, Ontario Securities Commission

Advanced Energy Fuels, Inc and Cavalry Capital Corp.- South Woodie Woodie Manganese Project - NI 43-101 Technical Report

I, Lynn Widenbar, do hereby consent to the public filing of the technical report titled "Technical Report on the South Woodie Woodie Manganese Project, Pilbara, Western Australia" and dated 15 August 2025 (the "Technical Report") by Advanced Energy Fuels, Inc., with the TSX Venture Exchange in connection with a qualifying transaction with Cavalry Capital Corp. I acknowledge that the Technical Report will become part of the Issuer's public record. I consent to Cavalry Capital Corp. to publicly file the technical report.

Lynn Widenbar

CERTIFICATE OF QUALIFIED PERSON LOURDES VALLE

I, **Lourdes Valle**, do hereby certify that:

1. I am an Independent Process Consultant, and my business address is 3 The Quarterdeck, Willetton, Perth, Western Australia 6155.
2. I graduated with a:
 - Bachelor of Science (Metallurgical Engineering, Cum Laude) from Mindanao State University-Iligan Institute of Technology (MSU-IIT) in 2002,
 - MBA from Royal Melbourne Institute of Technology (RMIT) in 2022.
3. I am a Registered Professional Engineer in Queensland (RPEQ) and a Chartered Professional and Fellow of The Australasian Institute of Mining and Metallurgy (FAusIMM (CP)).
4. I have practiced my profession for over 22 years. My relevant experience includes mineral processing, metallurgical testwork interpretation, flowsheet development, and plant design for a wide range of commodities including nickel, cobalt, rare earths, copper, zirconium, uranium and lithium.
5. I have read the definition of “Qualified Person” set out in NI 43-101 and certify that by reason of my education, affiliation with a professional association, and past relevant work experience, I meet the requirements to be a Qualified Person for the purposes of NI 43-101.
6. I am responsible for the preparation of **Item 13 – Mineral Processing and Metallurgical Testing** and co-responsible (metallurgical content only) for Items 1, 12, 25, 26 in the technical report titled “*Technical Report on the South Woodie Woodie Manganese Project, Pilbara, Western Australia*” with an effective date of **15 August 2025** (the “Technical Report”).
7. I have not conducted a personal inspection of the property.
8. I am **independent** of Advanced Energy Fuels, Inc., Cavalry Capital Corp., Trek Metals Ltd., and the South Woodie Woodie Project as defined by Section 1.5 of NI 43-101 and TSX Venture Exchange Appendix 3F.
9. I have read NI 43-101 and the parts of the Technical Report for which I am responsible have been prepared in compliance with that instrument.
10. As of the effective date of the Technical Report, to the best of my knowledge, information and belief, the sections of the Technical Report for which I am responsible contain all scientific and technical information that is required to be disclosed to make the Technical Report not misleading.

Dated this 15 August 2025.

Signed and dated



Lourdes Valle, MBA, B.S. (Metallurgical Engineering), RPEQ, FAusIMM (CP)

Advanced Energy Fuels, Inc and Cavalry Capital Corp.- South Woodie Woodie Manganese Project - NI 43-101 Technical Report

To: Alberta Securities Commission, British Columbia Securities Commission, Ontario Securities Commission

I, Lourdes Valle, do hereby consent to the public filing of the technical report titled "Technical Report on the South Woodie Woodie Manganese Project, Pilbara, Western Australia" and dated 15 August 2025 (the "Technical Report") by Advanced Energy Fuels, Inc., with the TSX Venture Exchange in connection with a qualifying transaction with Cavalry Capital Corp. I acknowledge that the Technical Report will become part of the Issuer's public record. I consent to Cavalry Capital Corp. to publicly file the technical report.

Lourdes Valle

Contents

1	Summary.....	13
1.1	Introduction	13
1.2	Property Description and Location.....	13
1.3	Accessibility, Climate, Local Resources, Infrastructure and Physiography	13
1.4	Geological Setting and Mineralization	13
1.5	Exploration	14
1.6	Drilling and Sampling.....	14
1.7	Geological Interpretation	14
1.8	Statistical Analysis	15
1.9	Mineral Resource Estimates.....	15
1.10	Conclusions and Recommendation	17
1.11	QT Transaction Summary	17
1.12	Economic Assumptions for RPEEE	18
1.13	Budget summary Table (Phase 1).....	18
2	Introduction.....	19
2.1	Purpose of the Report	19
2.2	Sources of Information.....	19
2.3	Site Inspection by Qualified Person.....	19
2.4	Forward Looking Information.....	22
2.5	Abbreviations	24
3	Reliance on Other Experts	25
4	Property Description and Location	26
4.1	Location	26
4.2	Tenements.....	26
4.3	Ownership	28
4.4	Permitting.....	30
5	Accessibility, Climate, Local Resources, Infrastructure and Physiography	30

6	History	31
7	Geological Setting and Mineralization.....	32
7.1	Regional Geology.....	32
7.2	Local Geology	33
7.3	Mineralization	34
8	Deposit Types	36
9	Exploration.....	36
10	Drilling.....	37
10.1	Reverse Circulation Drilling	37
10.2	Diamond Drilling.....	37
10.3	Drill Locations.....	38
11	Sample Preparation, Analyses and Security	39
11.1	Sample Preparation.....	39
11.2	Assaying.....	39
11.3	Quality Control/Quality Assurance (QAQC).....	39
11.4	Sample Security.....	44
11.5	Sampling Summary.....	44
12	Data Verification.....	45
13	Mineral Processing and Metallurgical Testing.....	46
13.1	Introduction	46
13.2	Historical Beneficiation (2011–2012)	46
13.3	Metallurgical Composites and Gravity Separation (2023-2024)	46
13.4	Ore Preparation Variability Testing (2024).....	47
13.5	Tailings Handling and Filtration (2024).....	48
13.6	Calcination and Acid Leaching (2023–2024).....	49
13.7	Solution Purification and Impurity Control (2024)	49
13.8	Further Flowsheet Development (2024–2025)	50
14	Mineral Resource Estimates	50
14.1	Overview	50

Advanced Energy Fuels, Inc and Cavalry Capital Corp.- South Woodie Woodie Manganese Project - NI 43-101 Technical Report

14.2	Data Used in Mineral Resource Estimation	51
14.3	Geological Interpretation	51
14.4	Statistical Analysis	54
14.5	Grade Capping	56
14.6	Correlation Analysis.....	57
14.7	Variography	59
14.8	Bulk Density.....	60
14.9	Block Model.....	60
14.10	Unfolding.....	61
14.11	Resource Model Interpolation	62
14.12	Model Validation.....	62
14.12.1	Drill Hole Section Comparison	62
14.12.2	Comparison of Assay Data vs Model by Mineralization Zone.....	63
14.12.3	Swathe Plot Validation.....	63
14.13	Resource Classification	64
14.13.1	Geological Continuity.....	64
14.13.2	Data Quality	65
14.13.3	Drilling Spacing	65
14.13.4	Modelling Technique	65
14.13.5	Final Classification	65
14.13.6	Consideration of Reasonable Prospects for Eventual Economic Extraction	65
14.14	Resource Estimates	67
15	Mineral Reserve Estimates	70
16	Mining Methods	70
17	Recovery Methods.....	70
18	Project Infrastructure	70
19	Market Studies and Contracts	70
20	Environmental Studies, Permitting and Social or Community Impact.....	70
21	Capital and Operating Costs	70

22	Economic Analysis	70
23	Adjacent Properties	70
24	Other Relevant Data and Information	70
25	Interpretation and Conclusions	71
26	Recommendations.....	71
27	References	72

Figures

Figure 1-1	Grade Tonnage Curve	16
Figure 2-1	Aerial View During Site Visit	20
Figure 2-2	Metallurgical Hole 001 (foreground) and RC Hole CON211	21
Figure 2-3	Metallurgical Hole 002 (background) and RC Hole CON055	22
Figure 4-1	South Woodie Woodie Manganese Project Location.....	26
Figure 4-2	Tenements and Drill Hole Locations.....	27
Figure 4-3	Contact and Contact North Tenement and Drill Hole Locations	27
Figure 5-1	Woodie Woodie Long Term Weather Averages	30
Figure 7-1	Regional Geological Setting and Location of Manganese Deposits.....	33
Figure 7-2	Mineralized Zone Thickness	35
Figure 7-3	Depth to Top of Mineralization	35
Figure 10-1	Drill Hole Locations (Back=RC Red=AEFI DD) and Mineralization Outline (Red)	38
Figure 10-2	Drill Hole Locations (Back=RC Green=Trek DD) and Mineralization Outline (Red).....	38
Figure 11-1	Laboratory Duplicates Mn, Fe, Al ₂ O ₃ , SiO ₂ , P, LOI.....	40
Figure 11-2	Laboratory Replicates K ₂ O, MgO, CaO.....	41
Figure 11-3	Standards Mn, Fe, Al ₂ O ₃	42
Figure 11-4	Standards SiO ₂ , K ₂ O, MgO.....	43
Figure 12-1	Satellite Image showing evidence of drill holes; drill hole locations overlaid	45
Figure 14-1	Topography, Drill Holes and Mineralized Outline (Red)	51
Figure 14-2	Mineralization Wireframes.....	52

Figure 14-3 3D View Looking North West.....	52
Figure 14-4 Typical Cross Section (7537500 North).....	53
Figure 14-5 Mn% Log Probability Plot by Mineralization Zone.....	56
Figure 14-6 Mn% Histogram by Mineralization Zone	56
Figure 14-7 Correlation Plot Mn vs SiO ₂	57
Figure 14-8 Correlation Plot Fe vs SiO ₂	58
Figure 14-9 Correlation Plot Al ₂ O ₃ vs TiO ₂	58
Figure 14-10 Downhole Variogram.....	59
Figure 14-11 North-South Variogram	59
Figure 14-12 East-West Variogram.....	60
Figure 14-13 Block Model Section	61
Figure 14-14 Model and Data Before (Above) and After (Below) Unfolding	61
Figure 14-15 Mn% Cross Section 7537500 North Through Resource Model	62
Figure 14-16 Contact North Swathe Plot.....	63
Figure 14-17 Contact Swathe Plot	64
Figure 14-18 Contact Grade Tonnage Curve.....	68
Figure 14-19 Contact North Grade Tonnage Curve	69
Figure 14-20 Contact and Contact North Grade Tonnage Curve.....	69

Tables

Table 1-1 Contact and Contact North Mineral Resource Summary. Effective date of estimate: 15 August 2025	13
Table 1-2 Contact and Contact North Mineral Resource Summary. Effective date of estimate: 15 August 2025	16
Table 2-1 Abbreviations Used in the Technical Report.....	24
Table 4-1 Tenement Holders and Areas	28
Table 4-2 Expenditure To Date	29
Table 11-1 Standards	41
Table 14-1 Contact Zone Statistics	54
Table 14-2 Contact North Zone Statistics	55
Table 14-3 Correlation Matrix	57
Table 14-4 Block Model Origins and Extents	60
Table 14-5 Assay vs Block Model Comparison.....	63
Table 14-6 RPEEE screening inputs (conceptual; not a PEA)	66
Table 14-7 UR/t screen and contribution per tonne of plant feed (US\$)	67
Table 14-8 Contact and Contact North Mineral Resource Summary. Effective date of estimate: 15 August 2025	67

1 Summary

1.1 Introduction

Widenbar and Associates Pty Ltd (“Widenbar”) was engaged by Advanced Energy Fuels, Inc. (“AEFI”) and Cavalry Capital Corp. (“Cavalry”) to prepare an NI 43-101 Technical Report on the South Woodie Woodie Manganese Project (the “Project”) in the Eastern Pilbara region of Western Australia. The Project comprises the Contact and Contact North manganese deposits and the Mineral Resource Estimates for these deposits form the basis for this Technical Report.

Table 1-1 Contact and Contact North Mineral Resource Summary. Effective date of estimate: 15 August 2025

		Mn Cutoff	Tonnes	Mn	Fe	Al ₂ O ₃	SiO ₂
Area	Class	%	Mt	%	%	%	%
Contact	Inferred	10.1	2.8	13.6	15.7	5.1	42.9
Contact North	Inferred	10.1	8.5	15.5	15.0	3.0	42.4
Total	Inferred	10.1	11.3	15.0	15.2	3.5	42.5

1.2 Property Description and Location

The Project is located in the East Pilbara region of Western Australia, approximately 400 km southeast of Port Hedland. The Project comprises a contiguous group of 10 granted exploration licences and one retention licence, collectively covering 518.52 km² within the Balfour Downs Sub-Basin. The Project includes the Contact and Contact North manganese deposits.

1.3 Accessibility, Climate, Local Resources, Infrastructure and Physiography

The Project is situated in a remote, arid region, accessed by gravel station tracks connecting to the Woodie Woodie mine access road. The nearest population centre is Marble Bar, 200 km away, with major supply and logistics hubs located at Port Hedland (400 km) and Newman (450 km).

The terrain is characterized by low hills and broad plains with sparse scrub vegetation. Climate is arid to semi-arid, with mean annual rainfall under 300 mm and summer temperatures frequently exceeding 40°C.

There is no mine or processing infrastructure currently on site.

1.4 Geological Setting and Mineralization

The basement to the region is comprised of Archaean granites and gneisses. These are unconformably overlain by rocks of the Fortescue and Hamersley Groups including basalt, sandstones, shales, dolomites, cherts, and felsic volcanics.

The geological model for the area is similar to the Woodie Woodie mineralization model. The Contact and Contact North mineralization has been interpreted as replacement style mineralization. The manganese model involves initial siliceous fluids replacing Carawine Dolomite. This, in turn, is replaced by iron rich

fluids, and finally by manganese. Intensities of alteration and degree of alteration are responsible for variations in Mn, Fe, and Si grade. The mineralized fluids have preferentially taken the path of least resistance, in this case, the bedding planes of the host rock. As the Carawine Dolomite bedding is flat laying, the mineralization is generally parallel to the surface.

1.5 Exploration

Initial exploration was undertaken by Spitfire Resources Pty Ltd and included geological mapping, geophysical surveys (xTEM, GAIP, DDIP), and multiple drilling campaigns. Reverse circulation drilling in 2011 by Spitfire was the basis for further work involving the estimation of Mineral Resources.

1.6 Drilling and Sampling

A total of 236 Reverse Circulation (“RC”) holes has been drilled in the Project area, of which 88 holes were at the Contact Deposit, 101 holes were at Contact North and 27 holes were at Contact South. Drill hole spacing is generally 50m by 50m at Contact and Contact North and 100m by 50m at Contact South. A total of 418 holes have been drilled on the property, including those for metallurgical sampling, comprising 39,920 metres of drilling.

Eleven Diamond Drill (“DD”) holes were drilled in 2011 for metallurgical testwork. A further seven metallurgical DD holes were drilled in 2022.

Cone and riffle splitters on the RC drilling rig generated ~3.5 kg chip samples which were transported to the Nagrom laboratory in Kelmscott, Western Australia. Standard X-Ray fluorescence (XRF) was used for all RC chip samples and analysed for Mn, Fe, SiO₂, Al₂O₃, CaO, Cr₂O₃, P, Ba, K₂O, MgO, Na₂O, S and TiO₂ and Loss on Ignition (LOI).

A structured program of metallurgical testwork has been undertaken to assess beneficiation, leaching, and purification pathways for the Project. This work has progressed from historical ore upgrading to current development of a hydrometallurgical flowsheet for High Purity Manganese Sulphate Monohydrate (HPMSM) production.

1.7 Geological Interpretation

An interpretation was carried out on 50m spaced northing sections representing the mineralized zones at Contact and Contact North. A nominal 4% Mn cutoff was used in conjunction with geological logging to define mineralized zones. There was an additional minor footwall zone at Contact North, and a series of discontinuous internal waste zones were also defined.

A series of wireframe solids were developed from this geological interpretation; zone codes were assigned to assay data based on these solids.

1.8 Statistical Analysis

Summary statistics were generated and reviewed for the major elements for Contact and Contact North. Log-probability plots and histograms were generated to determine whether grade capping (top cutting) was required; following review, no grade capping was applied.

Variograms were calculated for Mn in the mineralized zones; these were used in conjunction with drill spacing to define search ellipses for the estimation process.

1.9 Mineral Resource Estimates

A resource block model was generated in Micromine software, using an Inverse Distance Squared (IDS) interpolation method to estimate Mn%, Al₂O₃%, Fe%, SiO₂%, P%, CaO%, MgO%, BaO%, S%, TiO₂%, K₂O% and LOI%.

The block model had parent cell sizes of 12.5m (East), 12.5m (North) and 2.5m (Elevation). Sub-cells to a minimum of 2.5m by 2.5m by 0.5m were generated to allow the model to represent the shape of the mineralized zones geometrically.

The search ellipse had radii of 75m by 75m by 7.5m vertically. A minimum of 2 samples and a maximum of 20 samples were required in the search, with a maximum of 4 samples per drill hole allowed. All mineralized blocks were informed in this search ellipse.

Based on specific gravity testwork on diamond core, a bulk density of 2.8 t/m³ has been applied to material within the interpreted mineralized envelope.

Block model validation has been carried out by means of

- Drill hole section comparison
- Comparison of assay data vs model by mineralization zone
- Swathe plot validation

All methods produced satisfactory comparisons.

The Contact and Contact North Mineral Resources have been classified as Inferred, in accordance with the CIM Definition Standards for Mineral Resources and Mineral Reserves (2014). An Inferred Mineral Resource is that part of a Mineral Resource for which quantity and grade or quality are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade or quality continuity.

A range of criteria has been considered in determining this classification including:

- Geological continuity
- Data quality
- Drill hole spacing
- Modelling technique

The Qualified Person considers that there are Reasonable Prospects for Eventual Economic Extraction (RPEEE). This assessment assumes an open cut mining operation and is based on preliminary internal technical assessments that consider typical open pit mining and processing costs, expected metallurgical recoveries, and current manganese prices. Although no formal economic analysis has been completed, these internal assessments suggest that cutoff grades in the range of 8% to 12% Mn are reasonable at this stage of the Project’s development.

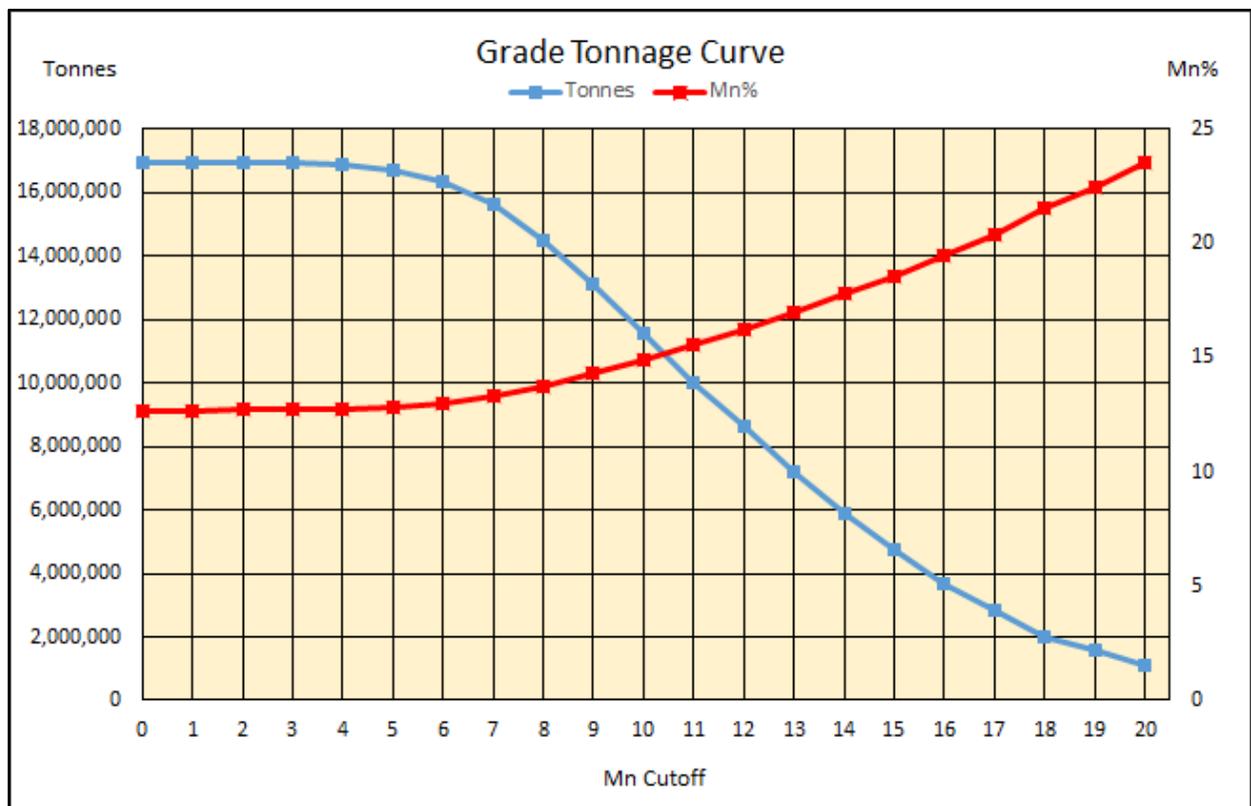
For consistency with prior public disclosures, a cutoff grade of 10.1% Mn has been applied in this Technical Report for the reporting of Mineral Resources. These parameters are conceptual in nature and do not constitute a formal economic study. No Preliminary Economic Assessment, Pre-Feasibility Study, or Feasibility Study has been completed for the Project.

Mineral Resource details are summarized below.

Table 1-2 Contact and Contact North Mineral Resource Summary. Effective date of estimate: 15 August 2025

		Cutoff	Tonnes	Mn	Fe	Al ₂ O ₃	CaO	P	SiO ₂	K ₂ O	MgO	S	TiO ₂	LOI
Area	Class	Mn %	Mt	%	%	%	%	%	%	%	%	%	%	%
Contact	Inferred	10.1	2.8	13.6	15.7	5.1	0.40	0.02	42.9	0.81	0.59	0.01	0.24	8.37
Contact North	Inferred	10.1	8.5	15.5	15.0	3.0	0.67	0.03	42.4	0.92	0.86	0.01	0.12	8.58
Total	Inferred	10.1	11.3	15.0	15.2	3.5	0.60	0.02	42.5	0.89	0.79	0.01	0.15	8.53

Figure 1-1 Grade Tonnage Curve



1.10 Conclusions and Recommendation

The QP notes that the procedures for drilling, sampling, sample preparation, and analyses are appropriate for the type of mineralization and the estimation and classification of the Mineral Resources is acceptable.

The Mineral Resources were estimated as of 15 August 2025, constrained within conceptual geological wireframes and at a cutoff of 10.1% Mn. The Mineral Resources have been estimated in conformity with CIM Estimation of Mineral Resource and Mineral Reserve Best Practices Guidelines (2019) and are reported in accordance with NI 43-101.

Risks associated with the Mineral Resource estimate are

Minor risks associated with accuracy and continuity of modelled contacts

Mineralized thickness and continuity may vary on the drill hole interpreted mineral wireframes (either positively or negatively)

Variation in bulk density due to uninterpreted voids may decrease tonnages locally

The Qualified Person considers that the Inferred Mineral Resource classification in some areas of 50m by 50m spaced drilling is conservative when viewed in relation to the drill hole spacing and the continuity of the mineralized zones. A lack of QAQC information and the incomplete nature of the 50m drill pattern in some areas is essentially preventing some of this material being classified as an Indicated Resource.

Consequently, it is recommended that a drill campaign is planned to infill priority areas to a regular 50m grid pattern, and also to drill a series of holes as twins to existing holes; a rigorous QAQC program should be instituted as part of this drill campaign. The majority of planned holes should be RC drilling, with a smaller number of DD holes to provide both more detailed bulk density data, and additional material for metallurgical testwork.

In terms of metallurgical testwork, the Qualified Person concurs with AEFI's plans to advance leaching and purification tests, integrated mini-pilot trials, and environmental characterization to underpin permitting and preliminary engineering for HPMSM production.

1.11 QT Transaction Summary

Under a planned business combination with Cavalry and AEFI (the "Transaction"), Cavalry will acquire all of the outstanding common shares of AEFI and the shareholders of AEFI will receive common shares of Cavalry on the basis of one post-consolidation common share of Cavalry for each common share of AEFI. As a result of the Transaction, AEFI will become a wholly owned subsidiary of Cavalry, and the combined entity will meet listing requirements for a Tier 2 mining issuer under the policies of the TSX Venture Exchange (the "TSXV"). The Transaction is intended to constitute the "Qualifying Transaction" of Cavalry, as defined in Policy 2.4 – Capital Pool Companies of the TSXV. It is intended that AEFI will exercise the option to indirectly acquire a 100% interest in the Project upon completion of the Transaction.

1.12 Economic Assumptions for RPEEE

The Qualified Person has assumed the following parameters in assessing Reasonable Prospects for Eventual Economic Extraction:

- Product price: US\$5.36/dmtu (contained Mn; no premiums/penalties applied)
- Head grade – cut-off: 10.1% Mn (resource cut-off)
- Head grade – average: 15.0% Mn
- Recovery: 65% Mn (recent metallurgical testwork)
- Payability: 100% (screening assumption)
- Processing cost: A\$5.00 per tonne of plant feed processed (site operating cost)
- G&A: A\$2.95 per tonne of plant feed processed (site operating cost)
- Mining cost: A\$6.30 per tonne of plant feed mined (site operating cost)
- FX: 0.70 US\$/A\$ (for cost conversion only)
- These are conceptual assumptions only; no formal PEA has been completed.

1.13 Budget summary Table (Phase 1)

Activity	Estimated Cost (CAD\$)
Infill RC drilling (2,500 m)	\$340,000
Twin DD holes (4 holes)	\$110,000
QAQC implementation	\$25,000
Metallurgical testwork	\$80,000
Environmental studies	\$25,000
Total (Phase 1)	\$580,000

2 Introduction

2.1 Purpose of the Report

The purpose of this report is to

- disclose and evaluate all the data that has been collected at the Project,
- to comment on the integrity of the data,
- to review and describe the analysis and interpretation of the data and the results of the generation of the Mineral Resource Estimate for the Project
- and provide recommendations for continued work at the Project.

This report follows guidelines set forth in NI 43-101 and is to be submitted as a Technical Report to stock exchanges and security commissions for disclosure purposes.

This Technical Report has been prepared to support a Qualifying Transaction on the TSX Venture Exchange involving Advanced Energy Fuels, Inc. and Cavalry Capital Corp.

2.2 Sources of Information

This Technical Report is based on information made available by Spitfire Resources, Trek and AEFI, and on information collected during the site visit. The author has no reason to doubt the reliability of the information provided. The author has determined it to be adequate for the purposes of this Technical Report and has used all means necessary in his professional judgment to fulfill his responsibilities and does not disclaim any responsibility for the information contained herein.

2.3 Site Inspection by Qualified Person

A site inspection was carried out by the Qualified Person on 26 May 2025. The general location was reviewed and approximately 15 RC drill holes and two metallurgical holes (001 and 002 and the nearby twin RC holes CON211 and CON055) were located and verified as to their position. All holes had concrete plugs and are capped at the collar; holes were originally labelled with permanent marker, but in most cases, these are now illegible. However, the holes are where they are expected to be, and in the case of holes that still have labels, they are in agreement with the database locations.



Figure 2-1 Aerial View During Site Visit



Figure 2-2 Metallurgical Hole 001 (foreground) and RC Hole CON211



Figure 2-3 Metallurgical Hole 002 (background) and RC Hole CON055

2.4 Forward Looking Information

This Technical Report contains “forward looking information” and “forward looking statements” within the meaning of applicable Canadian and United States securities legislation which involve a number of risks and uncertainties. Forward looking information and forward looking statements include, but are not limited to, statements with respect to the future price of manganese, the estimation of mineral resources, the realization of mineral estimates, the timing and amount of estimated future production, costs of production, capital expenditures, and environmental risks.

Often, forward looking statements can be identified by the use of words such as “plans”, “expects”, or “does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates”, or “does not anticipate”, or “believes”, or variations of such words and phrases.

Forward looking statements are based on the opinions, estimates and assumptions of the Qualified Person for this Technical Report. Forward looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance, or achievements to be materially different from any other future results, performance or achievements expressed or implied by the forward looking statements. Accordingly, readers are cautioned not to place undue reliance on forward-looking information or statements.

2.5 Abbreviations

Table 2-1 Abbreviations Used in the Technical Report

Abbreviation	Meaning
°C	Degrees Celsius
ASX	Australian Stock Exchange
BIF	Banded Iron Formation
Ca	Chemical Symbol for Calcium
CDNX	Canadian Venture Exchange
CEA Act	Canadian Environmental Assessment Act
CIM	Canadian Institute of Mining, Metallurgy, and Petroleum
Dmtu	Dry metric tonne unit: 1% of metric tonne = 10 kg contained metal; for Mn ~ head% Mn
DDIP	Dipole-Dipole Induced Polarisation (Geophysics Measurements)
DGPS	Digital Global Positioning System
DMS	Dense Media Separation
DTM	Digital Terrain Model of Topography
Fe	Chemical Symbol for Iron
g/L	Grams per Litre
GAIP	Gradient Array Induced Polarisation (Geophysics Measurements)
GPS	Global Positioning System, a satellite-based navigation system
GSWA	Geological Survey of Western Australia
HPMSM	High Purity Manganese Sulphate Monohydrate
JORC	Joint Ore Reserve Committee
JORC Code	Australasian Code for Reporting Mineral Resources and Ore Reserves of Exploration Results,
kg	Kilogram
km	Kilometre
km ²	Square Kilometre
mm	Millimetre
Mn	Chemical Symbol for Manganese
MRE	Mineral Resource Estimate
Mt	Million Tonnes
NI 43-101	National Instrument 43-101
PEA	Preliminary Economic Assessment
PQ	Nominal 85 mm Internal Diameter Diamond Drill Core
QAQC	Quality Assurance / Quality Control
QP	Qualified Person
RC	Reverse Circulation (Drilling Method)
RPEEE	Reasonable Prospects for Eventual Economic Extraction
Si	Chemical Symbol for Silica
SX	Solvent Extraction
t	Tonne
TSX	Toronto Stock Exchange
TSXV	TSX Venture Stock Exchange
UR/t	Unit Revenue per tonne of plant feed): Gross revenue per tonne = price (US\$/dmtu) × head %Mn × recovery × payability (before off-site charges)
XRF	X-Ray Fluorescence (Assay method)
xTEM	Transient Electronic Magnetics (Geophysics Measurements)

3 Reliance on Other Experts

The authors are responsible for the content of this report and have not relied on other experts in its preparation. This report is based on data initially collected directly by Spitfire Resources and on ownership and other information provided by AEFI. All references to published reports and information are cited in the text and included in the references of this report. The author has not drawn on any report or opinions regarding geology, land status, environmental status, exploration results, mineral resources or other factors during the preparation of this report except those referenced herein.

4 Property Description and Location

4.1 Location

The South Woodie Woodie Manganese Project is located in the East Pilbara region of Western Australia, approximately 400 km southeast of Port Hedland. The Project comprises a contiguous group of nine granted exploration licences and one retention licence, collectively covering 518.52 km² within the Balfour Downs Sub-Basin. The Project includes the Contact and Contact North manganese deposits.

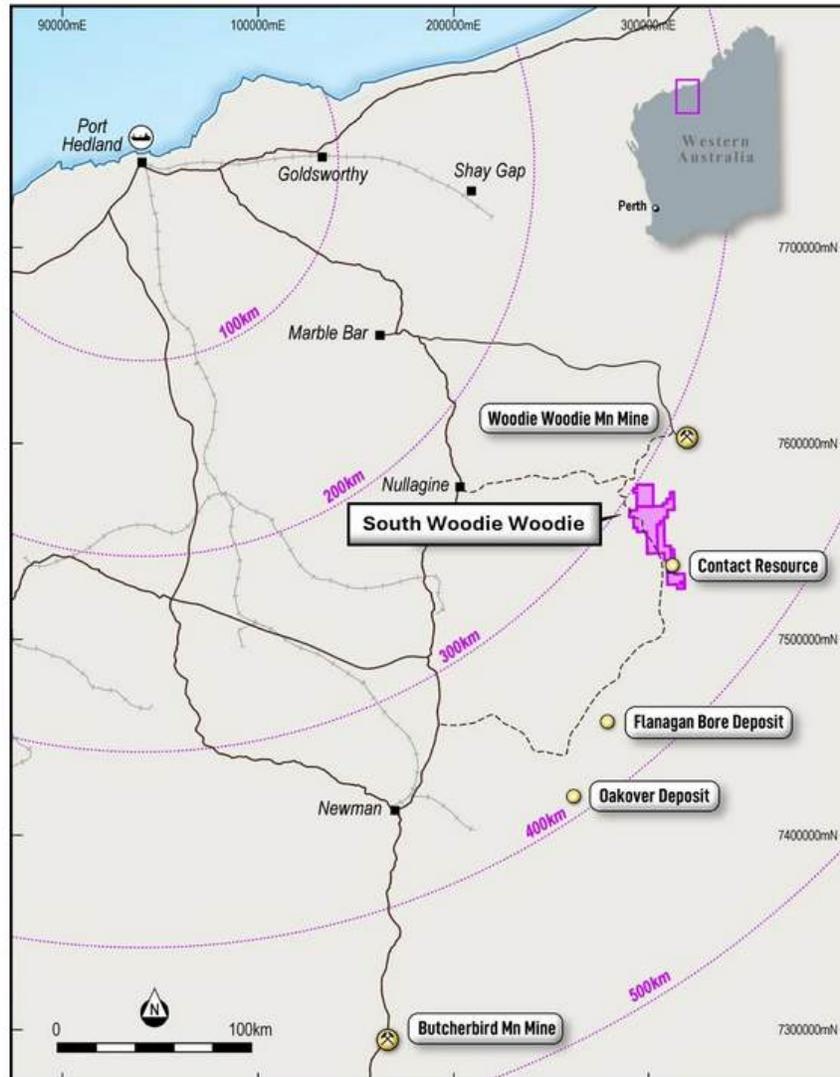


Figure 4-1 South Woodie Woodie Manganese Project Location

4.2 Tenements

The current tenements and holders illustrated and listed below.

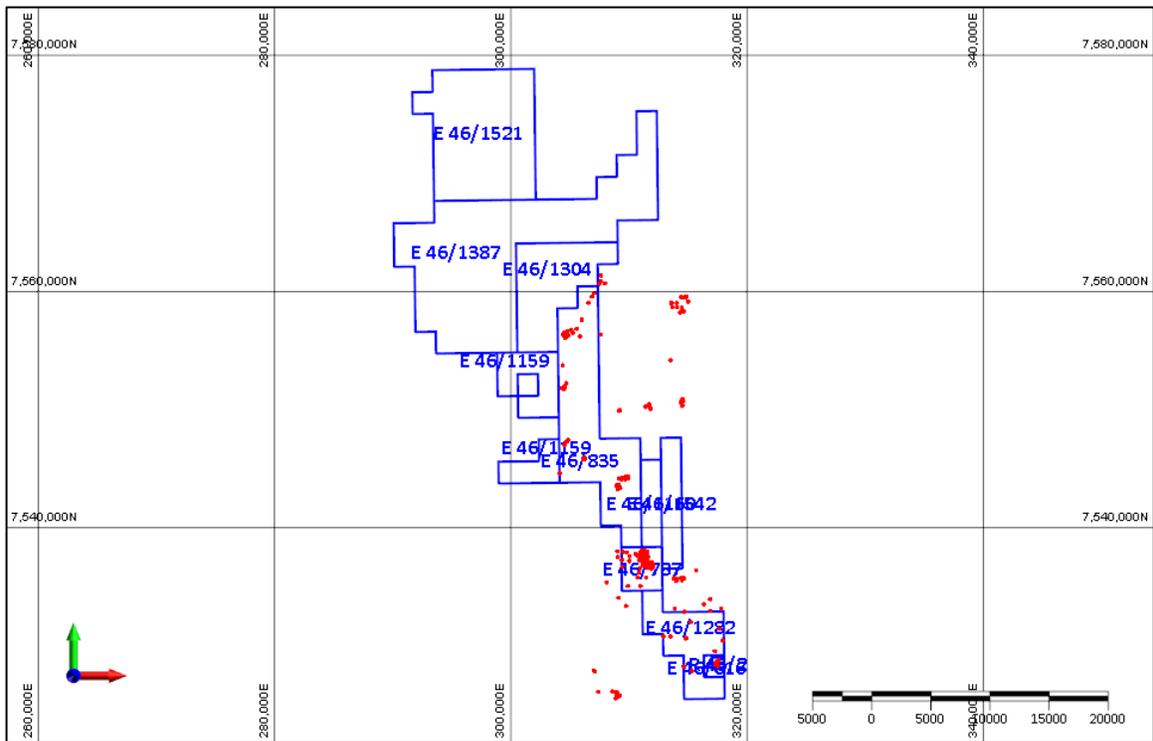


Figure 4-2 Tenements and Drill Hole Locations

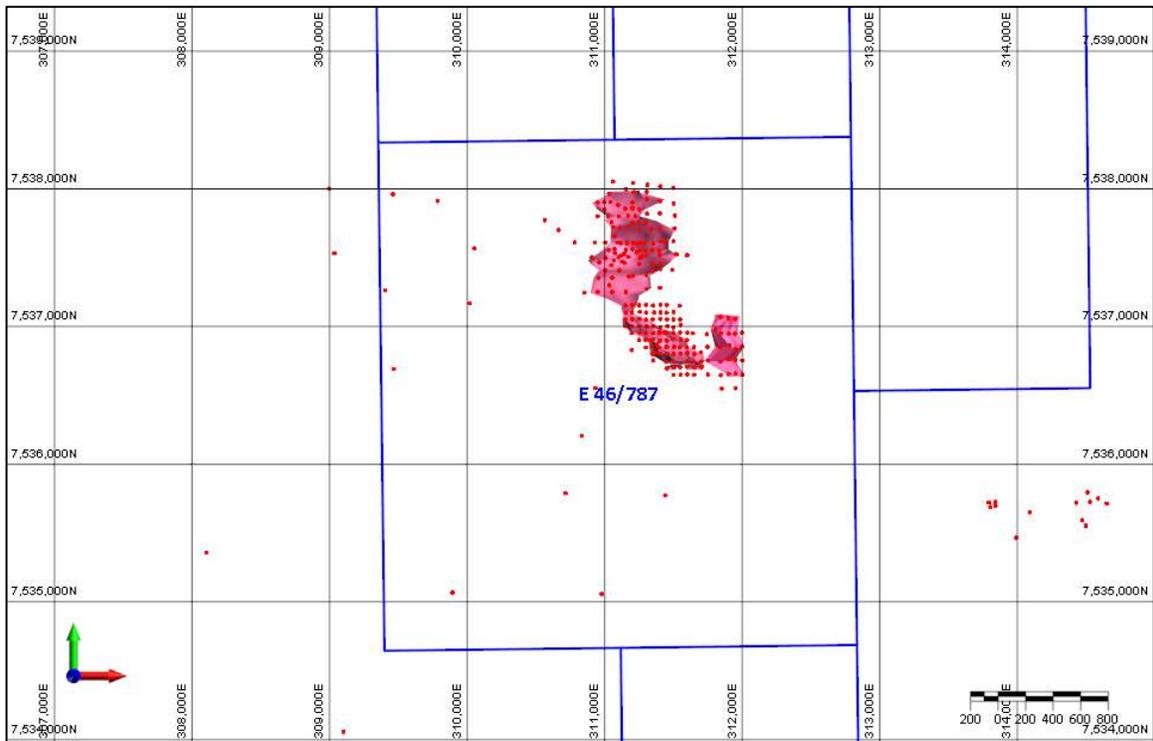


Figure 4-3 Contact and Contact North Tenement and Drill Hole Locations

Table 4-1 Tenement Holders and Areas

Tenement	Area (km ²)	TYPE	STATUS	HOLDER1	HOLDER1_SHARE	HOLDER2	HOLDER2_SHARE	GRANTED	EXPIRY
E 4600787	12.68	EXPLORATION LICENCE	LIVE	EDGE MINERALS PTY LTD	100			21/7/2008	21/7/2025
E 4600835	82.50	EXPLORATION LICENCE	LIVE	BELLPIPER PTY LTD	100			2/9/2009	24/3/2027
E 4601159	34.91	EXPLORATION LICENCE	LIVE	EDGE MINERALS PTY LTD	100			23/3/2017	6/3/2028
E 4601160	12.69	EXPLORATION LICENCE	LIVE	EDGE MINERALS PTY LTD	100			23/3/2017	15/11/2027
E 4601282	34.86	EXPLORATION LICENCE	LIVE	EDGE MINERALS PTY LTD	100			2/8/2018	10/4/2029
E 4601304	50.80	EXPLORATION LICENCE	LIVE	EDGE MINERALS PTY LTD	100			29/1/2019	16/1/2030
E 4601387	171.52	EXPLORATION LICENCE	LIVE	EDGE MINERALS PTY LTD	100			17/3/2021	28/8/2027
E 4601521	98.53	EXPLORATION LICENCE	LIVE	EDGE MINERALS PTY LTD	100			23/8/2023	30/3/2030
E 4601542	19.03	EXPLORATION LICENCE	LIVE	EDGE MINERALS PTY LTD	100			10/4/2024	18/3/2030
R 4600002	1.00	RETENTION LICENCE	LIVE	PLANET MINING PTY LTD	80	EDGE MINERALS PTY LTD	20	17/11/2015	3/7/2027
TOTAL	518.52								

Renewal/timeline

Exploration Licence E46/0787 expires 21 July 2025. An application to extend the term under section 61(2) of the Western Australian Mining Act 1978 has been lodged on 7 July 2025. Under section 61(3), once an extension application is lodged **the licence remains in force until the application is determined**. Extensions are assessed against the grounds prescribed in Regulation 23AB of the Mining Regulations 1981 (e.g., access/approval delays, further work justification, or where retention-status grounds apply). Granting typically takes 2-3 months from lodgement of the final Form 5 (expenditure report) for the current term.

Retention status (s.69B, Mining Act 1978) recognizes that a defined resource exists, but mining is presently impracticable due to economic/market, technical or approvals constraints. It is a tenure-management tool that provides a prescribed ground to extend the term of an exploration licence (Reg. 23AB, Mining Regulations 1981) and to justify holding ground while circumstances evolve; it does not waive annual expenditure. Relief from spend requires a separate application for exemption under s.102, which is discretionary, time-bounded and must be justified on stated grounds (for example, evaluation time, access or approvals delays, market conditions). For E46/0787, there is currently no recorded expenditure commitment, and a s.102 expenditure exemption is in place for the relevant period.

4.3 Ownership

Under a binding Option and Acquisition Agreement (the “Agreement”) dated 9th September 2024, AEFI may earn a 100% ownership interest in the Project from Trek. The Agreement includes staged consideration via cash, AEFI shares, and sole funding A\$2,000,000 of exploration and development expenditures over a defined period.

On 31st January 2025, Trek entered into an amendment letter to the Agreement executed with AEFI over the Project, whereby the date by which AEFI was to be listed was extended to 30th September 2026.

On 19th May 2025, Trek entered into a further amendment to the Agreement whereby the Option over the Project will be deemed to have been exercised upon the listing of AEFI shares, the payment of A\$450,000 and the issuance of 6,000,000 AEFI shares to Trek. Any shortfall in exploration expenditures at 30th September 2027 will be paid in either AEFI listed shares or cash.

On 28th July 2025, Trek entered into a further amendment to the Agreement whereby the total number AEFI shares they will receive will represent on listing, up to 19.9% of outstanding shares of the resulting issuer.

AEFI is a private US battery materials company focused on the extraction and purification of critical minerals Projects in Australia and the USA.

On May 15, 2025, AEFI entered into a letter of intent with Cavalry Capital Corp. (“Cavalry”) regarding a planned business combination, the transaction intended to constitute the qualifying transaction for Cavalry as defined in TSXV Policy 2.4 – Capital Pool Companies.

On July 17, 2025, AEFI and Cavalry entered into a definitive share exchange agreement regarding the planned business combination, whereby Cavalry will acquire all of the outstanding common shares in AEFI, and the shareholders of AEFI will receive common shares of Cavalry in exchange for their common shares of AEFI on the basis of one post-consolidation common share of Cavalry for each common share of AEFI. As a result of the transaction, AEFI will become a wholly owned subsidiary of Cavalry.

Exploration Licence E46/0787, which hosts the Contact and Contact North manganese deposits, remains under retention status due to current economic constraints. Exploration Licence E46/0787 is held under retention status as defined under WA Mining Law, allowing deferral of expenditure obligations due to economic or technical grounds.

The table below summarises exploration expenditures on the South Woodie Woodie Project during the past three years. These expenditures exceed the minimum threshold of C\$100,000, having been incurred by both Trek Metals Ltd. and Advanced Energy Fuels, Inc. (AEFI), the Vendor and the Option Holder respectively.

Table 4-2 Expenditure To Date

Calendar Year	Vendor	Exploration Expenditure (CAD\$)[†]
2023	Trek Metals Ltd.	\$763,865.60
2024	Trek Metals Ltd AEFI	\$390,155.30
2025 (YTD)	AEFI	\$307,681.70
Total		\$1,461,702.60

There are no existing royalties or agreements currently in place for the Project.

There are no known environmental liabilities to which the Project is subject.

All expenditures relate to eligible exploration activities including drilling, assaying, metallurgical testwork, geological interpretation, and tenement maintenance. Supporting invoices and expenditure records are available upon request by the Exchange.

[†] CAD equivalent based on CAD-AUD exchange rate (Bank of Canada) based on the average annual exchange rates for 2023 and 2024; and the exchange rate as of 07.25.2025.

Note: AEFI assumed operational responsibility in June 2024. Expenditure values are exclusive of general corporate overheads and include only those costs directly attributable to work on the South Woodie Woodie Project.

4.4 Permitting

Permits required for drilling include Program of Work (PoW) approvals issued by the WA Department of Mines, Industry Regulation and Safety (DMIRS). Permits for proposed activities have been secured where necessary.

5 Accessibility, Climate, Local Resources, Infrastructure and Physiography

The Project is situated in a remote, arid region, accessed by gravel station tracks connecting to the Woodie Woodie mine access road. The nearest population centre is Marble Bar, 200 km away, with major supply and logistics hubs located at Port Hedland (400 km) and Newman (250 km).

There is an access road to Newman (mining hub with serviced airport) and a sealed haul road from the Woodie Woodie Mine (70 km North) to Port Hedland (bulk port with stockpile and loading facilities and serviced airport).

The terrain is characterized by low hills and broad plains with sparse scrub vegetation. Climate is arid to semi-arid, with mean annual rainfall under 300 mm and summer temperatures frequently exceeding 40°C. Field operations are generally restricted to the dry season (April to November). There would be expected to be no seasonal restrictions on any future mining operations.

No weather observation data is currently available for the Project area, but long-term temperature and rainfall averages for Woodie Woodie Airport (70 km to the north) are shown below.

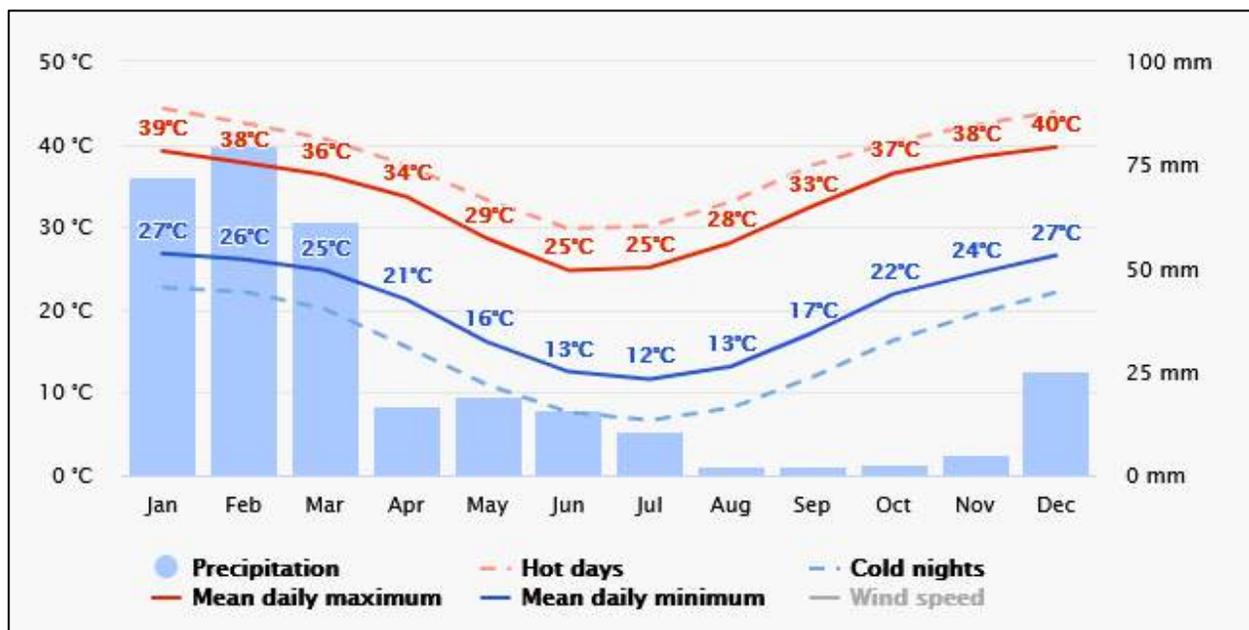


Figure 5-1 Woodie Woodie Long Term Weather Averages

There is no processing infrastructure currently on site. Historical and current manganese mining infrastructure in the region (e.g. Woodie Woodie mine ~70 km north) offers potential future logistical synergies.

6 History

Initial exploration was undertaken by Spitfire Resources (2009–2017) and identified the Contact and Contact North deposits via geological mapping, geophysical surveys (xTEM, GAIP, DDIP), and multiple drilling campaigns. Drilling in 2011 by Spitfire delineated the current Mineral Resources which were compiled in 2012, updated in 2019 and were classified and publicly reported to JORC 2012 standards.

Metallurgical testwork in 2012 and again in 2022 demonstrated the resource is amenable to beneficiation by simple crushing, scrubbing, and dense media separation (DMS), yielding concentrate grades up to 44.6% Mn. Trek acquired the Project in 2022 through the acquisition of Edge Minerals (which had acquired the Project from Spitfire), and in turn granted AEFI an option to acquire the Project.

7 Geological Setting and Mineralization

7.1 Regional Geology

The basement to the region is comprised of Archaean granites and gneisses. These are unconformably overlain by rocks of the Fortescue and Hamersley Groups including basalt, sandstones, shales, dolomites, cherts, and felsic volcanics.

The Hamersley Group is subdivided into the lower 60m thick Marra Mamba Iron Formation (chert, shale, BIFs and jaspilite) and the upper 150m thick Carawine Dolomite (stromatolitic carbonate sequence with intercalated chert beds, veins and nodules). Secondary silicification of the Carawine Dolomite under subaerial conditions have led to the widespread formation of the Mesoproterozoic Pinjian Chert Breccia

The area is also overlain by the Neoproterozoic Manganese group and Phanerozoic lithological units

Manganese concentrations in the eastern Pilbara have been noted in the following stratigraphic units:

- Carawine Dolomite (Hamersley Group)
- Marra Mamba Iron Formation (Hamersley Group)
- Roy Hill Shale member of the Jeerinah Formation (Fortescue Group)
- Balfour Formation (Bangemall group)

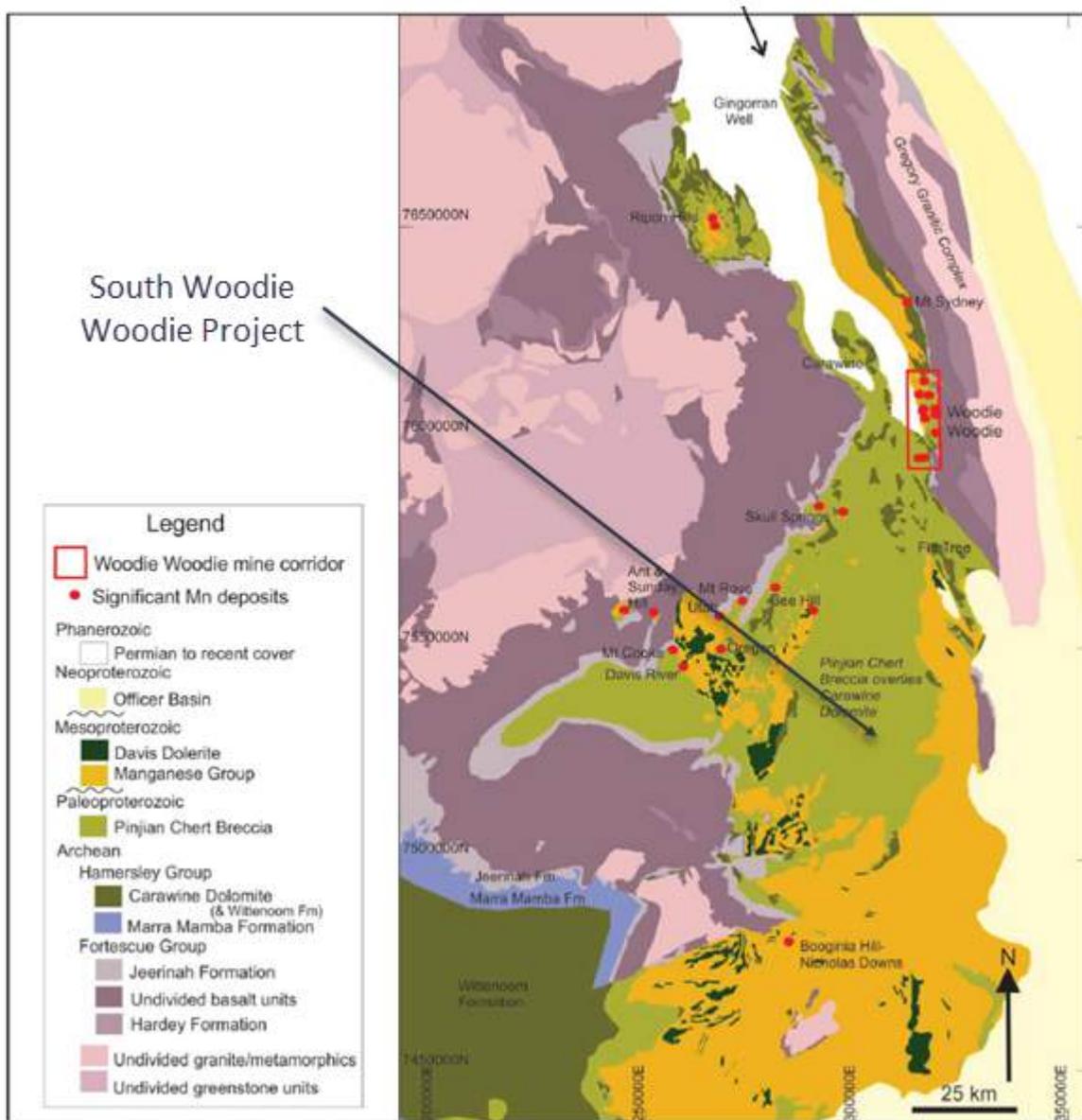


Figure 7-1 Regional Geological Setting and Location of Manganese Deposits

7.2 Local Geology

The GSWA mapping available for the area indicates the presence of Quaternary sediments and Tertiary mixed siliceous caprock. Remapping on a more local scale by T.S. Blake of Micraster Geological Services, identified a siliceous chert unit, with a small outcrop of Carawine Dolomite. Manganese was found to be exposed within the siliceous material in an eroded cutting close to the Contact/Contact North Deposit. The area is unconformably overlain by a late-stage sandstone unit that can be seen to be manganese stained in places.

7.3 Mineralization

The geological model for the area is similar to the Woodie Woodie mineralization model. A series of hydrothermal events have been responsible for massive silica, iron and manganese alteration within the Carawine Dolomite. Typically, siliceous fluids have shattered and altered the dolomite to form dolomitic chert breccias and form large, sometimes circular, pipe structures. Bedding within the dolomite is often replaced during this process. Iron rich fluids have similarly replaced the silica, followed by manganese. Replacement and alteration are complex and have formed many rock types and forms. Incomplete manganese replacement is responsible for high silica and high iron areas. Generally, bedding replacement manganese mineralization correlates with a nearby pipe structure.

The central area of Contact North may be the source zone responsible for the Contact Deposits as they are currently known. This zone has no drill results within the mineralized envelope due to poor drilling conditions and an apparent subsidence of the mineralized zone. These indicators are typical above a large mineralized zone due to collapsed dolomite caused by dissolution

The Contact and Contact North mineralization has been interpreted as replacement style mineralization. The manganese model involves initial siliceous fluids replacing Carawine Dolomite. This, in turn, is replaced by iron rich fluids, and finally by manganese. Intensities of alteration and degree of alteration are responsible for variations in Mn, Fe, and Si grade. The mineralized fluids have preferentially taken the path of least resistance, in this case, the bedding planes of the host rock. As the Carawine Dolomite bedding is flat laying, the mineralization is generally parallel with the surface.

The interpreted mineralized envelope dimensions are:

- Contact 420m x 100m
- Contact North 710m x 470m

The Contact deposit is shallow, lying mostly within 10 metres of surface, whereas Contact North is deeper, extending to depths of up to 100 metres and ranging in thickness from 5 to 30 metres.

Thickness of the mineralized zone and depth to top of the mineralized zone are illustrated below.

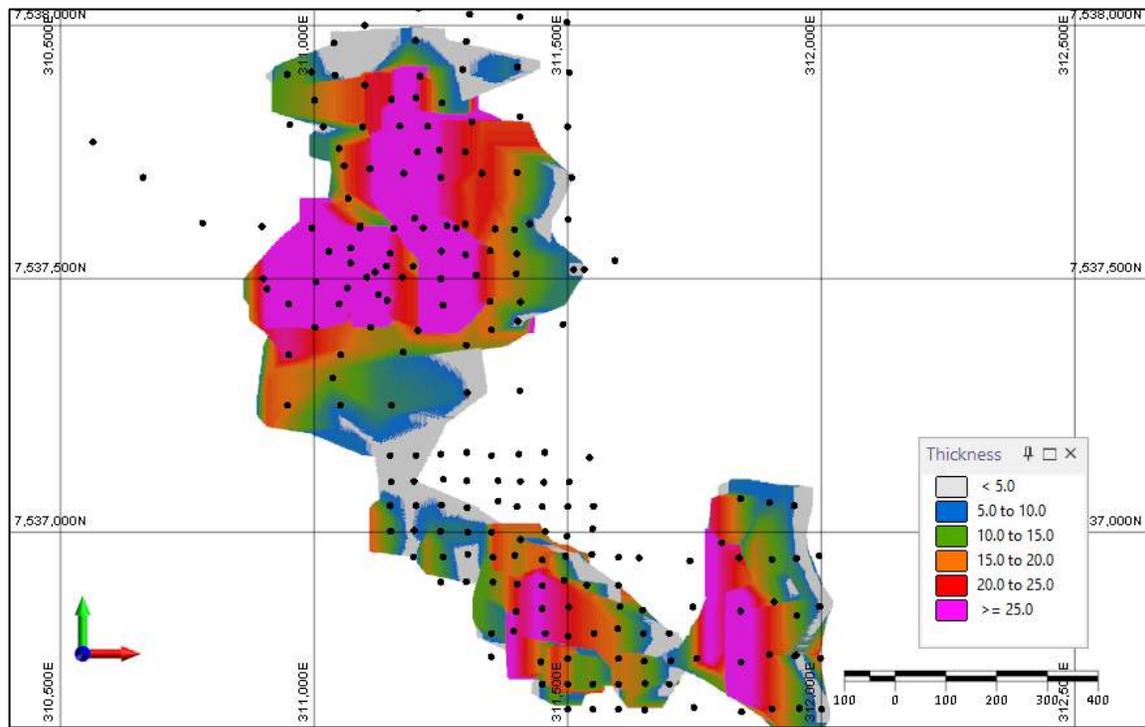


Figure 7-2 Mineralized Zone Thickness

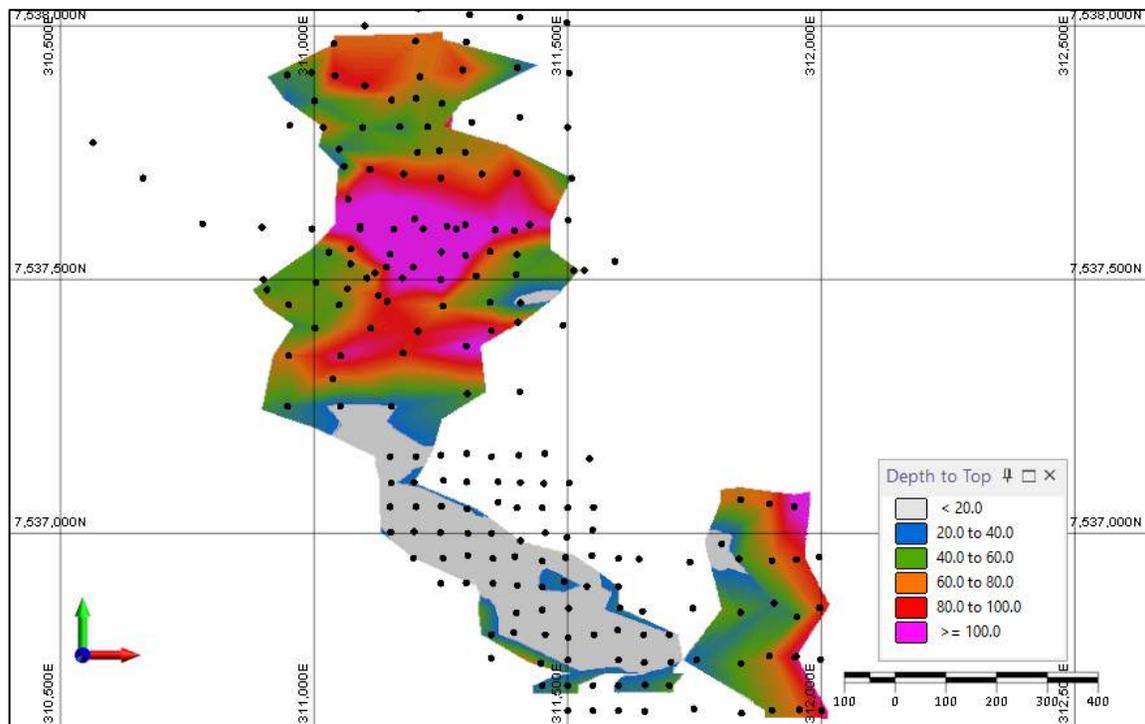


Figure 7-3 Depth to Top of Mineralization

8 Deposit Types

The manganese mineralization is hosted in Mesoproterozoic-age rocks of the Pinjian Chert Breccia and Carawine Dolomite, both part of the broader Bangemall Supergroup. These units unconformably overlie the Fortescue and Hamersley Groups.

The mineralization style is interpreted as structurally controlled supergene enrichment and hydrothermal replacement, commonly associated with faulted contacts and karst cavities within the carbonate stratigraphy. Multiple stacked lenses occur in elongated trough-like geometries.

The deposit type for the Project is similar to the Woodie Woodie mineralization model.

9 Exploration

Initial exploration was undertaken by Spitfire Resources Pty Ltd and included geological mapping, geophysical surveys (xTEM, GAIP, DDIP), and multiple drilling campaigns. Reverse circulation drilling in 2011 by Spitfire was the basis for further work involving the estimation of Mineral Resources and is described in detail in this Technical Report.

10 Drilling

10.1 Reverse Circulation Drilling

Reverse circulation drilling was undertaken by Profile Drilling Services. The RC drill bit was 139.7mm diameter and of standard RC type. The RC rig used a truck mounted auxiliary compressor to boost up to 1,150 psi if required. All RC holes were drilled perpendicular to surface.

RC chips were riffle split and were sampled usually dry unless water was either introduced via the rig or present naturally.

As at the date of this resource model, a total of 236 Reverse Circulation (RC) holes had been drilled in the Project area, of which 88 holes were at the Contact Deposit, 101 holes were at Contact North and 27 holes were at Contact South. Drill hole spacing is generally 50m by 50m at Contact and Contact North and 100m by 50m at Contact South. Out of a total of 15,698 assay intervals, 1,742 were used in resource modeling of the main mineralized zones. A grand total of 418 holes have been drilled on the property, including those for metallurgical sampling, comprising 39,920 metres of drilling.

A hand-held GPS with an accuracy of +/- 4m was used to record locations. Accurate elevations were derived by draping the drill collars onto the topography digital terrain model. Most hole collars have subsequently been DGPS surveyed.

10.2 Diamond Drilling

The diamond drilling was performed by Drill Wise Pty Ltd and DDH1 Drilling Pty Ltd for the purpose of metallurgical testwork. The diamond drill bit for all but one hole was an 83.9mm diameter (PQ2) diamond bit, with one hole drilled with a 50.6mm diameter (HQ2), and different matrix compositions were used depending on the rock type. Holes were drilled perpendicular to surface and as such needed no orientation. No noticeable deviation of dip or azimuth was noted when looking down completed holes. Three holes within Contact North had a 30m RC pre-collar to just above the mineralization with diamond tails. Nine holes were drilled by AEFI and seven holes for Trek.

Generally, drilling conditions were acceptable with good run returns possible.

Diamond core was used for metallurgical testwork, using the entire core to enable beneficiation test work on larger crush sizes.

10.3 Drill Locations

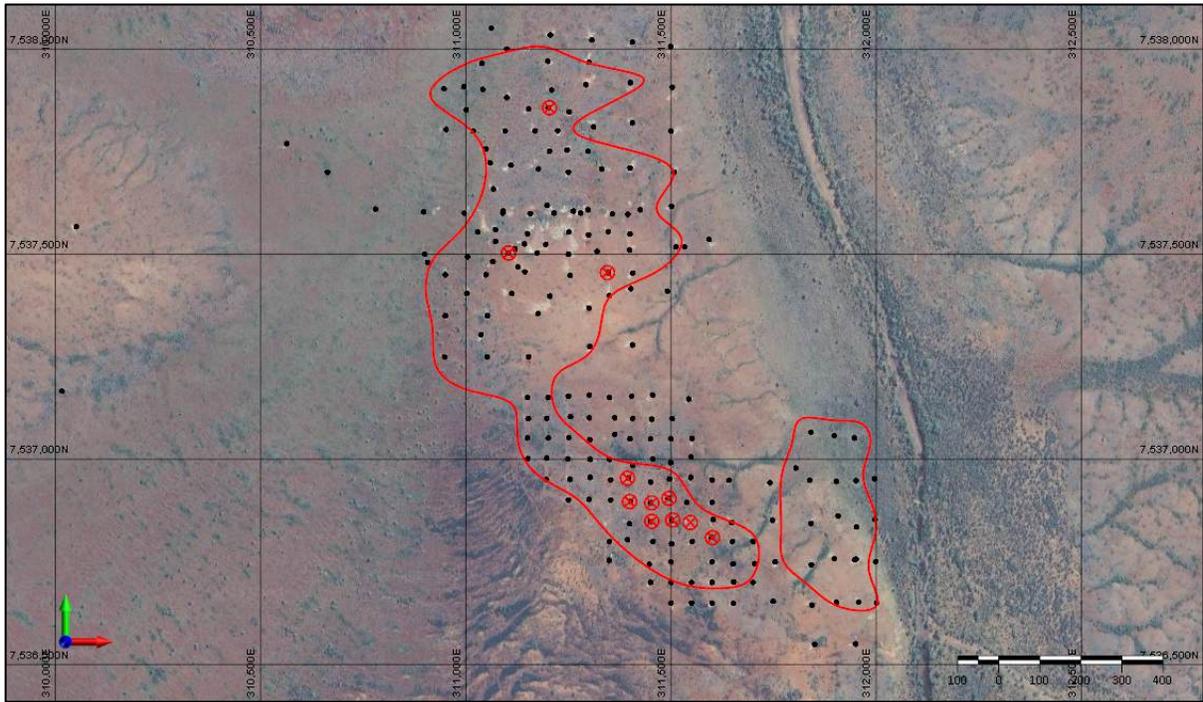


Figure 10-1 Drill Hole Locations (Back=RC Red=AEFI DD) and Mineralization Outline (Red)

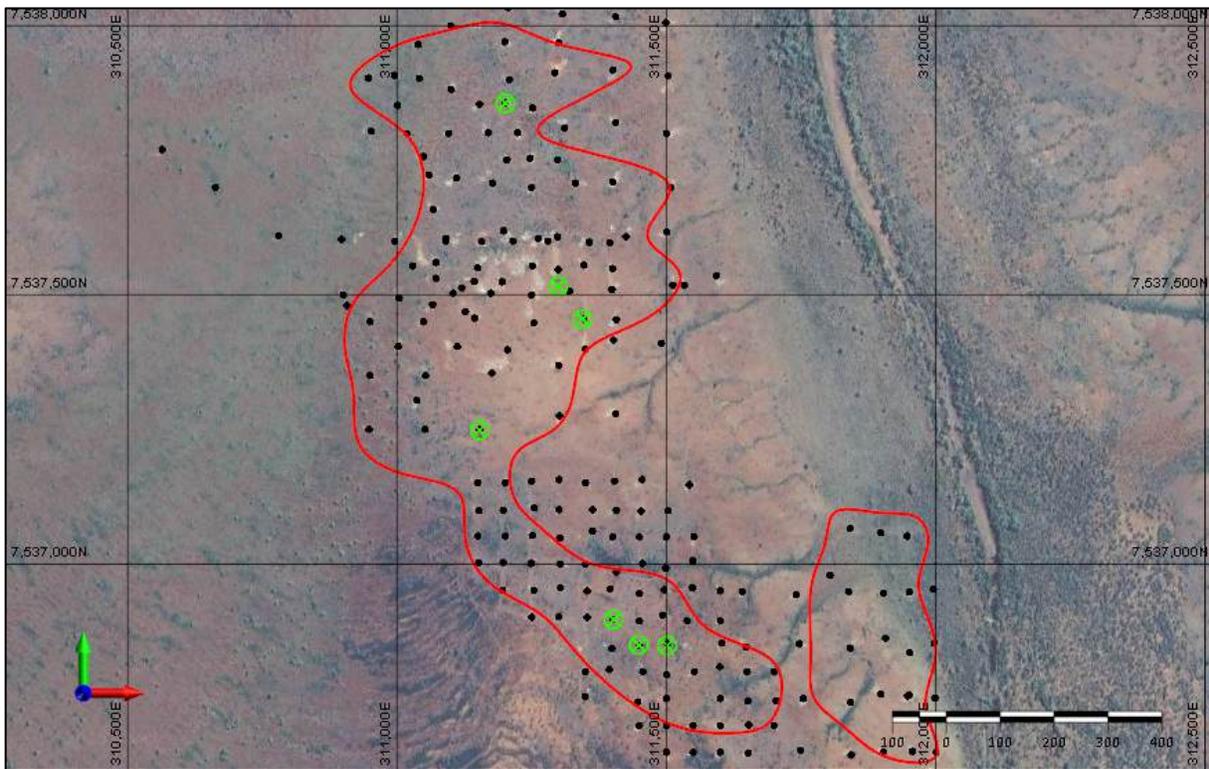


Figure 10-2 Drill Hole Locations (Back=RC Green=Trek DD) and Mineralization Outline (Red)

11 Sample Preparation, Analyses and Security

11.1 Sample Preparation

The reverse circulation drilling rig used to complete the Contact/Contact North drilling was fitted with a cyclone and cone splitter. A large green plastic bag (or bucket if sample was excessively wet), was filled with drill spoils for every metre drilled. The bags were translucent so that material could be seen to enter the bag while the hole was being drilled. The cone splitter fed a riffle splitter which directed a representative portion (approximately 3.5kg) of material into a numbered calico bag which was retained for possible assaying

A representative portion of the material in the green plastic bag was sieved for geological logging purposes and a small portion was retained in plastic chip trays as a record of logged chips.

Any calico bagged sample under 3.5 kilograms in weight (visually determined) was recorded as having an average to poor return depending on size. Checks were made by using the number on each individual calico bag and matching it to the depth interval from surface with checks made at the end of each twenty-metre sample line. This was done at every hole by the rig geologist.

Sample representivity was ensured by constantly ensuring the rig splitter was clear and clean.

RC chip samples were dried and pulverized to allow effective XRF analysis, no other preparation techniques were used. The diamond core was dried and pulverized to a size specification with lump between 6.3mm and 31.5mm in diameter and fines between 2.5mm and 6.3mm in size.

11.2 Assaying

Standard X-Ray fluorescence (XRF) was used for all RC chip samples and analysed for Mn, Fe, SiO₂, Al₂O₃, CaO, Cr₂O₃, P, Ba, K₂O, MgO, Na₂O, S and TiO₂ and Loss on Ignition (LOI). All assaying was carried out at the certified laboratory, Nagrom, located in Kelmscott, Western Australia.

Head grade of the PQ core was also tested by XRF (further tests undertaken during beneficiation test work on core after head grade). The base XRF analysis returns accurate and complete element concentrations and these techniques were considered as total.

11.3 Quality Control/Quality Assurance (QAQC)

The laboratory used multiple duplicates and certified standards per sample batch to test internal accuracy. Spitfire also maintained a QAQC spreadsheet to monitor duplicate accuracies. Overall accuracy of the laboratory data was high, with little deviation between the results. The original laboratory QAQC data has been located in the original Spitfire database files, and the Qualified Person has directly verified the details of all of the laboratory report files and imported them for further analysis.

Correlation plots of original versus duplicate laboratory sample are illustrated below for the major elements and contaminants.

Advanced Energy Fuels, Inc and Cavalry Capital Corp.- South Woodie Woodie Manganese Project - NI 43-101 Technical Report

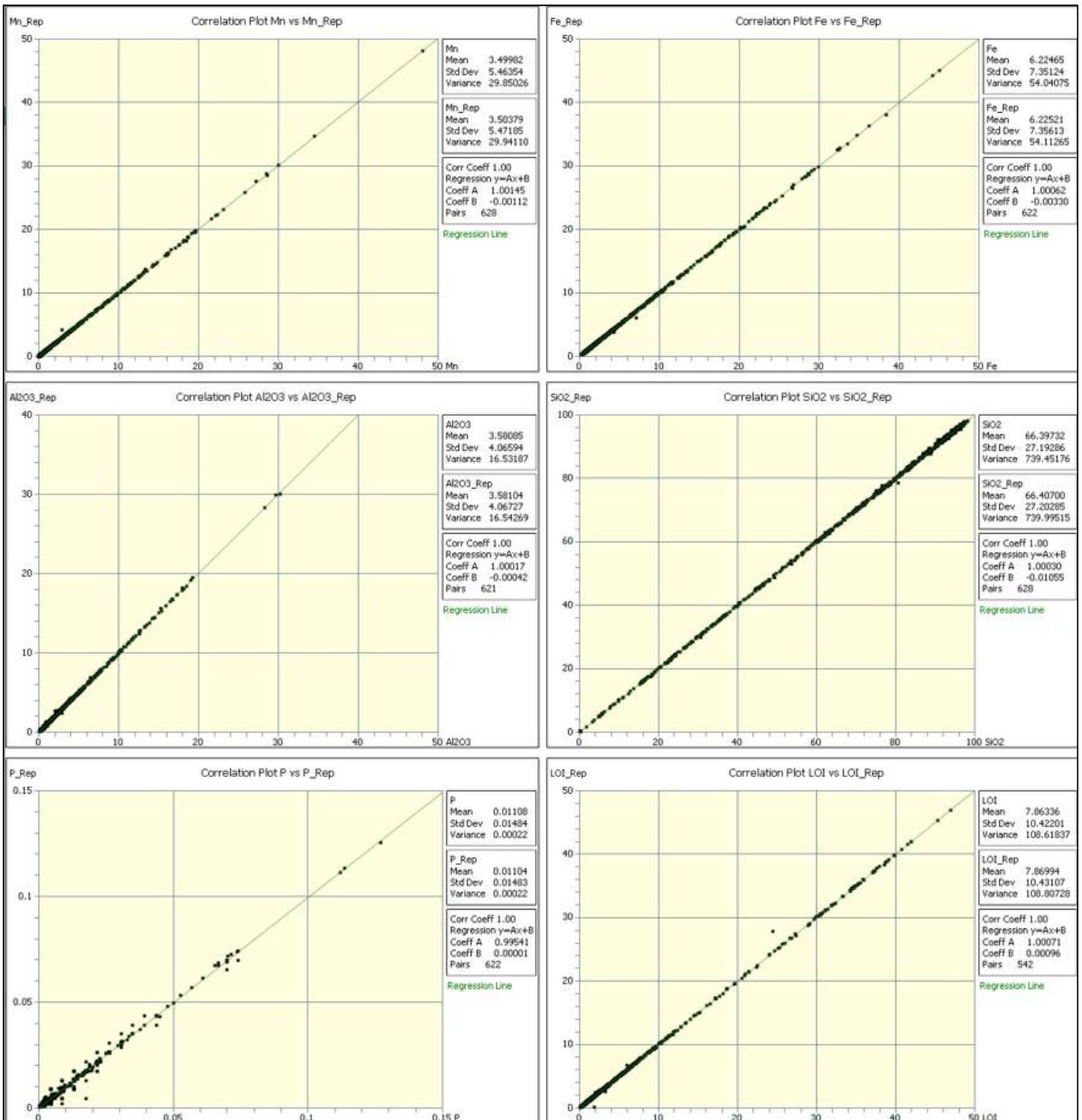


Figure 11-1 Laboratory Duplicates Mn, Fe, Al₂O₃, SiO₂, P, LOI

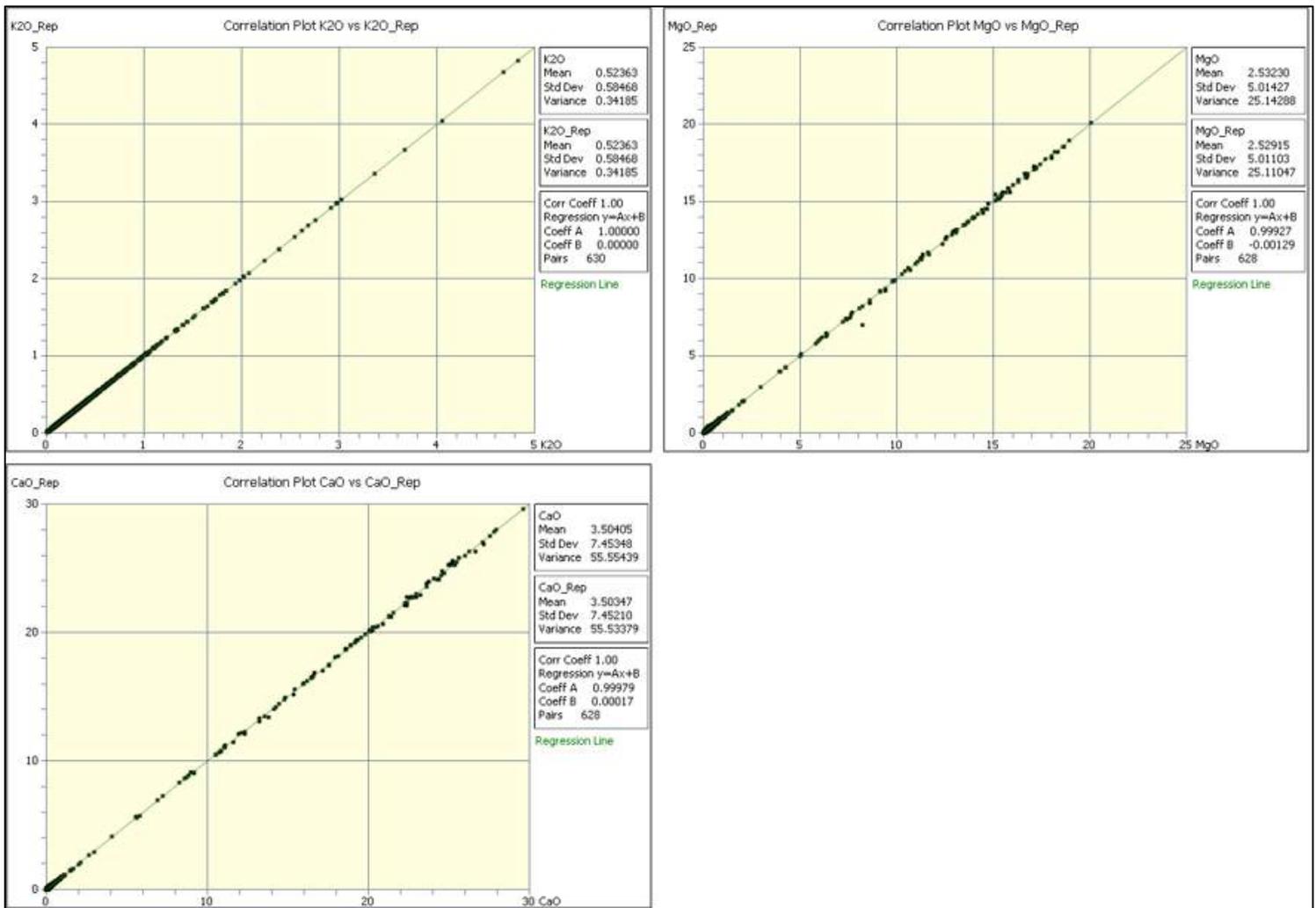


Figure 11-2 Laboratory Replicates K₂O, MgO, CaO

Standards were also introduced at regular intervals by the laboratory. The following standards were used, with the Mn grades summarized.

Table 11-1 Standards

Standard	Mean (Mn%)
SARM17	38.93
GMN03	44.31
GIOP32	0.05
GIOP31	0.22
GIOP106	0.02

Unfortunately, these values do not align very well with the typical Mn grades of the Contact deposit, which is around 10 to 15% Mn. However, the standards results are in general very good, as illustrated in some examples below.



Figure 11-3 Standards Mn, Fe, Al₂O₃

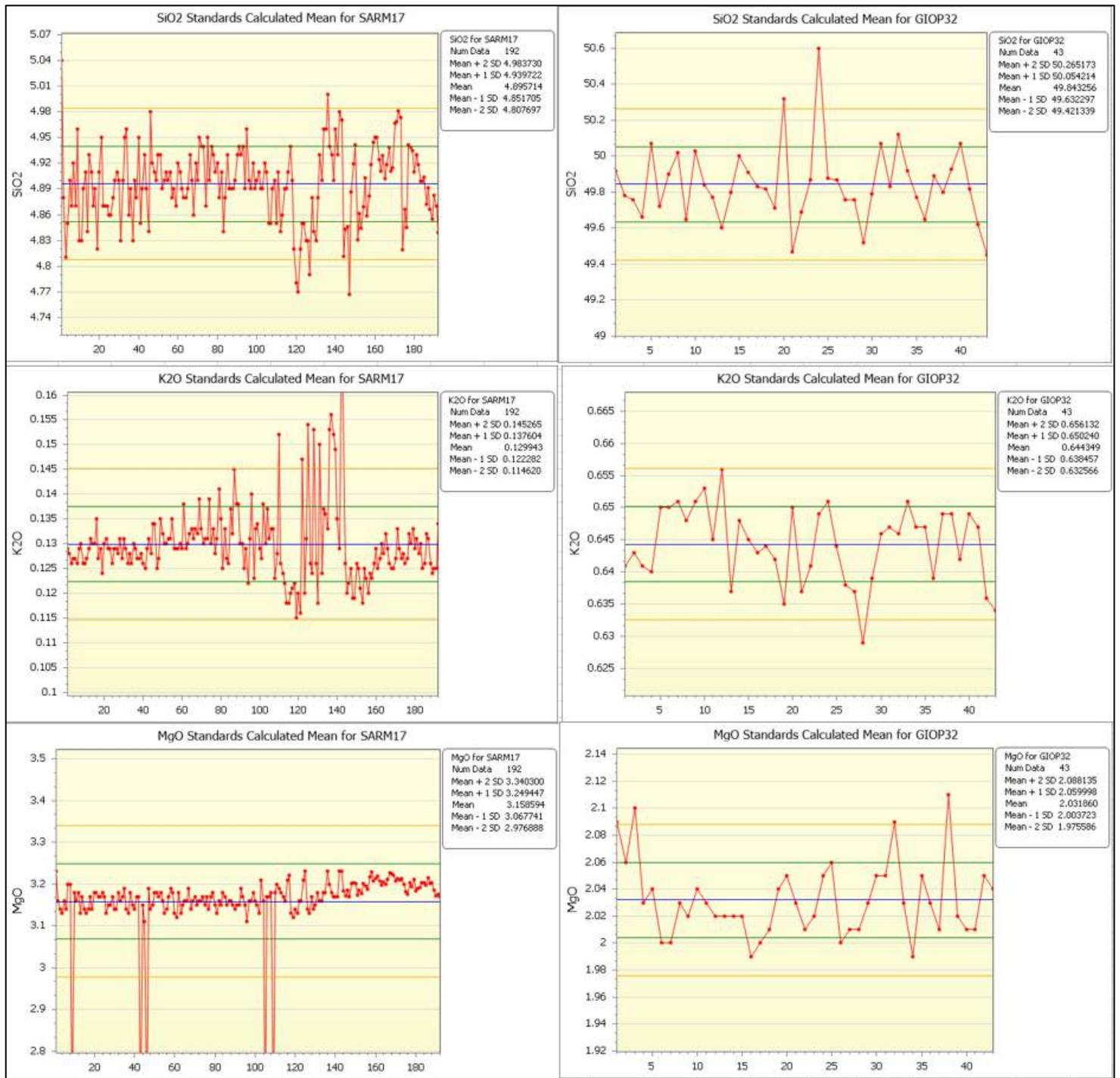


Figure 11-4 Standards SiO₂, K₂O, MgO

11.4 Sample Security

The rig geologist recorded all sample numbers used for each drill hole. These numbers were double checked by the field assistant. The exploration manager verified all drill holes and corresponding sample numbers with assayed intervals.

All sampling was constantly reviewed by the rig geologist on every hole drilled.

RC Samples were packed into bulka bags for transport off site to Newman. From Newman, they were sent by courier to Nagrom laboratories in Kelmscott, WA

The filled diamond drill core trays were stacked and sealed before being transported off site to Newman. From Newman, they were sent by courier to Nagrom Laboratories in Kelmscott, WA.

11.5 Sampling Summary

It is the Qualified Person's opinion that the sample preparation, security, and analytical procedures are adequate for the purposes for which they have been used and are appropriate to support the resource classification as described later in this Technical Report.

12 Data Verification

Spitfire Resources drilled the RC drill holes in 2011 and maintained a database in the Micromine mining software package. Collar and assay data was directly entered and initially validated by Spitfire personnel. Widenbar was subsequently provided with collar and assay data directly from this database and used the same software to carry out validation, including:

- Checks for duplicate collars
- Checks for missing samples
- Checks for down hole from-to interval consistency
- Checks for overlapping samples
- Checks for samples beyond hole depth

Widenbar confirmed that the data contained no errors. Copies of paper logs of geologic logging have been viewed by the QP and confirmed to agree with digital data.

The Qualified Person also confirmed during the site visit that the location of drill holes, the remains of RC cuttings and sumps and other features related to drilling at those locations. These locations and remains can also be seen in Google Maps satellite imagery and correspond to the locations as provided in the raw data.

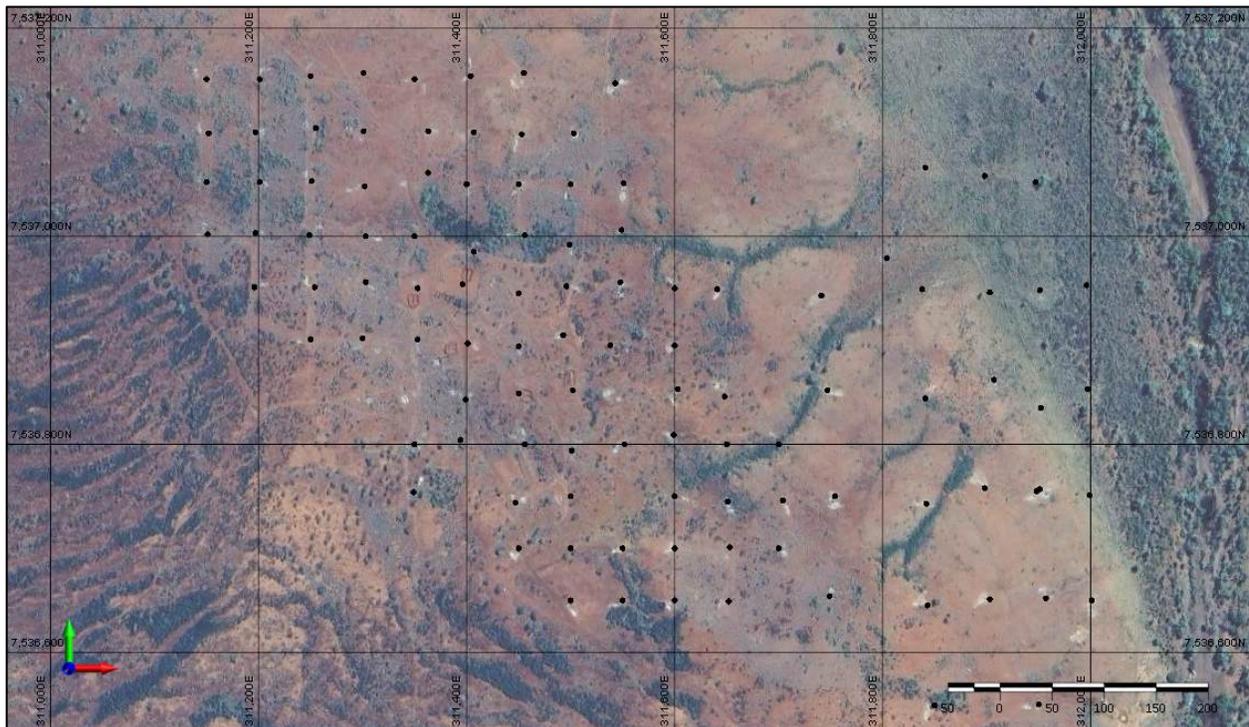


Figure 12-1 Satellite Image showing evidence of drill holes; drill hole locations overlaid

It is the Qualified Person's opinion that the data represent an accurate record of the location of drill hole collars, and the assay results of the elements analysed and is appropriate to support the resource classification as described later in this Technical Report.

The metallurgy Qualified Person reviewed available and supplied metallurgical test data including laboratories' accreditations, assay methods, test procedures (dense media separation, gravity and ore sorting), testwork results and interpretation, and mass balance consistency against testwork head and concentrate grades and recoveries. In the QP's opinion, the metallurgical data are adequate and suitable for their intended use in this Technical Report.

13 Mineral Processing and Metallurgical Testing

13.1 Introduction

A structured program of metallurgical testwork has been undertaken to assess beneficiation, leaching, and purification pathways for the Project. This work has progressed from historical ore upgrading to current development of a hydrometallurgical flowsheet for High Purity Manganese Sulphate Monohydrate (HPMSM) production.

13.2 Historical Beneficiation (2011–2012)

Spitfire Resources processed PQ (65 mm) core from eleven diamond drill holes, which confirmed that the Contact and Contact North manganese mineralization was amenable to conventional beneficiation. Testwork was undertaken by Nagrom metallurgical services with initial work involving comminution of the core into fines (+1mm - <6.3mm) and lump (>6.3mm - <31.5mm) with oversize (<52mm) being re-crushed after identifying additional manganese remaining in this size fraction. Dense media separation (DMS) testing was then undertaken on lump and fines to determine manganese product grades and recoveries.

DMS testing on higher grade samples of Contact resulted in the core upgraded feed grades of 24-28% Mn to 34-40% Mn concentrates with about 53% manganese yield. Similar testing on high grade Contact North samples resulted in the core upgraded feed grades of 31-41% Mn to 41-45% Mn concentrates with about 77% manganese yield.

13.3 Metallurgical Composites and Gravity Separation (2023-2024)

Trek drilled seven metallurgical diamond holes (HKT001–006 & 009) and utilized whole core from holes HKT002-005 to generate a single master composite totalling 361 kg for metallurgical testwork (assaying at 15.8% Mn and 14.8% Fe). Consultants BHM Metallurgy managed the testwork which was undertaken at Nagrom Laboratories in Perth, Australia.

The master composite testwork involved scrubbing (and wet screening) followed by dense media separation (DMS) testing and gravity separation testing on crushed ore (typically to -31.5 mm) with DMS drum testing on +6 mm size fraction, DMS cyclone testing on 1-6 mm material and wet tabling gravity testing on -1 mm material. The key results are presented in Table 13.1. Using 2.75 SG dense media, an

upgraded manganese concentrate with 30.1% Mn and 16.1% Fe was produced with 68% manganese recovery. With a higher 2.95 SG dense media, the manganese recovery dropped to 54%, but with a higher-grade manganese concentrate of 35.3% Mn and 16.2% Fe. A mixed SG dense media (2.75 SG in the coarse drum media separation and 2.85 SG in the DMS cyclones yielded intermediate results. Refer to Table 13-1.

First pass ore sorter testing was also conducted on +10 mm ore, with a 29.9% Mn concentrate obtained at 79% manganese recovery. This indicates that ore sorters are a potential option for improving coarse ore separation.

Table 13-1 DMS Testwork Results on Composite Blend Sample

Processing Option	Mass (%)	Manganese Recovery (%)	Concentrate Grade			
			Manganese (%)	Iron (%)	Silica (%)	Alumina (%)
Feed Sample			17.4	11.2	46.1	3.5
2 Stage DMS, sg 2.75	38.8	68	30.1	16.1	19.2	2.7
2 Stage DMS, sg 2.95	27.3	54	35.3	16.2	15.4	2.5
2 Stage DMS, mixed sg	36.2	66	30.7	16.0	18.8	2.7

These results on an average grade ore composite are considered highly promising for producing a manganese concentrate suitable for further downstream HPMSM processing.

13.4 Ore Preparation Variability Testing (2024)

Following the completion of the master composite testing at Nagrom, further DMS and gravity separation were tested on high grade and low-grade samples from Contact. The low-grade sample containing 11.1% Mn and 15.2% Fe was sourced from HKT006 drill core samples, and the high-grade sample containing 18.3% Mn and 21.8% Fe was sourced from HKT001 and HKT009 drill core samples. As per the master composite testing, BHM Metallurgy managed the testwork which was also undertaken at Nagrom Laboratories.

The variability DMS and gravity separation testwork followed a similar procedure to the master composite testwork, with the drill core crushed to -31.5 mm, and then screened at 6mm and 1 mm. DMS drum separation testing (using an Ericsson cone to simulate a drum DMS) was conducted on the 6 - 31.5 mm fraction, cyclone DMS testing on the 1 - 6 mm fraction and wet gravity tabling on the -1 mm fraction. DMS testing was conducted at 2.95 SG.

Table 13.2 presents the DMS and density separation test results on the two variability samples evaluated. The high-grade sample achieved 56% manganese recovery to a concentrate containing 33.5% Mn and 18.2% Fe using two stage DMS testing. The manganese recovery increased to 62% with similar concentrate grades if -1 mm material was processed using gravity separation via wet tabling and the gravity concentrate included in the overall concentrate mix.

For the low-grade sample, 58% manganese recovery to a concentrate containing 29.3% Mn and 17.3% Fe was achieved using two stage DMS testing. The manganese recovery increased to 62% with a slight reduction in manganese grades to 29.0% Mn if -1 mm material was processed using gravity separation via wet tabling and included in the concentrate mix.

Table 13-2 DMS Testwork Results on Variability Samples

Processing Option	Mass (%)	Manganese Recovery (%)	Concentrate Grade			
			Manganese (%)	Iron (%)	Silica (%)	Alumina (%)
High Grade Feed Sample			18.9	22.0	24.9	5.2
2 Stage DMS, sg 2.95	31.5	55.8	33.5	18.2	7.7	2.6
2 Stage DMS, sg 2.95+ Gravity on -1 mm	35.0	62.1	33.5	18.3	7.8	2.6
Low Grade Feed Sample			11.8	14.5	47.4	6.0
2 Stage DMS, sg 2.95	23.4	58.3	29.3	17.1	18.8	3.2
2 Stage DMS, sg 2.95+ Gravity on -1 mm	25.1	61.7	29.0	17.1	19.3	3.2

The manganese recoveries in variability testwork were similar to composite blend results, with the manganese content in low grade sample being slightly lower (29% vs 35% in the composite blend). The variability testing did show the benefit of adding a gravity circuit for additional manganese recovery from fines, especially for higher grade feed material, where 6% extra manganese recovery was obtained at similar concentrate grades.

13.5 Tailings Handling and Filtration (2024)

Nagrom and Fremantle Metallurgy assessed thickening and filtration testing on samples of -1 mm scrubbed tailings produced from variability testing (Section 13.4). The following were the key results:

Following flocculant screening, dynamic thickening tests were conducted:

- Flocculant screening indicated that the highly anionic flocculant AN945SH flocculant showed the best response with rapid settling (>70 m/h) and better overflow clarity.
- Dynamic thickening tests using this flocculant indicated that a thickened solids underflow of 31-33% w/w solids could be achieved with a moderate thickening flux of 0.3 t/m²-hr. The solids content of the thickener overflow was about 100 mg/L. These data indicate that thickening of tailings for water recovery and recycle can be readily achieved.
- Pressure filtration tests conducted on thickened tailings produced cakes with practical moisture contents of 23-25% with a gross filtration rate of 40-65 kg/m²-hr and a competent cake characteristics (subject to further geotech testwork).

These preliminary results support a potential for dry-stack tailings strategy for tailings disposal including water recovery and recycle.

13.6 Calcination and Acid Leaching (2023–2024)

ALS Metallurgy in Perth, Australia evaluated a 3.4 kg Mn concentrate containing 32.6% Mn, 15.6% Fe, 16.8% SiO₂, 2.7% Al₂O₃ and 0.79% K₂O to evaluate reductive calcination conditions for effective acid leaching. Calcination tests were conducted in an Inconel rotary kiln under the following process conditions:

- Grind size of P80 of 75 µm
- Calcination temperature of 600 °C
- 30% CO/70% CO₂ reducing gas.
- 2 hour reduction time after reaching temperature.

The mass loss after calcination was 18.4%.

Acid leach testing of the calcine using sulphuric acid addition at 90 °C with 20 g/L free acid resulted in 94% manganese extraction and 60% iron extraction. The acid addition was 1.1 tonne of acid per tonne of manganese concentrate. It was observed that manganese extraction was reduced to about 80% when leach solutions were saturated.

Magnetic separation tests on calcine at low magnetic field strengths (600 Ga) found that part of the iron could be removed using magnetic separation. After multistage cleaning about 42% of the iron in calcine could be removed, however manganese losses were 17%.

The current reduction and leaching data indicated that reduction and acid leaching is an effective route for processing Woodie Woodie South manganese concentrates. Further optimization testing is currently underway on additional manganese concentrate samples.

13.7 Solution Purification and Impurity Control (2024)

ALS Metallurgy also conducted neutralization and purification tests on acid leach liquor which demonstrated effective impurity removal. The testwork involved jarosite precipitation (for sodium and potassium removal and partial iron precipitation), iron neutralization for removing the rest of the iron and aluminium), and sulphidization for heavy metal removal (such as copper, zinc, nickel and cobalt). The results of the testwork are given in Table 13.3 which also highlights the key impurity removal results at each processing stage. The following were the key results:

- Jarosite precipitation (at 90 °C and pH 1.8) effectively eliminated potassium and sodium in solution and about two thirds of the soluble iron.
- Further iron/aluminium neutralisation with limestone addition (to pH 4.5-5), removed the remaining iron and aluminium, but also precipitated most of the silicon, copper, nickel, cobalt, chromium, and zinc.
- Sulphidization of neutralised solution to remove impurities such as ferrous, copper, nickel, cobalt and zinc, using ammonium sulphide addition achieved marginal results, mainly because there were only ppm levels of heavy metals in the solution to remove.

Table 13-3 DMS Solution Purification Testwork on Acid Leach Liquor

Testwork Stage	Temp (C)	pH	Reagents	Al mg/L	Ca mg/L	Co mg/L	Cr mg/L	Cu mg/L	Fe mg/L	K mg/L	Mg mg/L	Mn mg/L	Na mg/L	NI mg/L	Pb mg/L	SI mg/L	Zn mg/L
Acid Leach Liquor	85		Sulphuric Acid	3,204	360	21	116	22	26,200	930	498	105,700	442	101	7	548	25
Jarosite - initial	85	1.8	Limestone	3,282	345	21	107	24	24,786	851	514	107,451	441	100	6	550	25
- final				2,624	575	18	52	67	8,101	5	634	90,340	12	87	4	80	22
Iron Removal	90	4.5-5	Limestone	2	590	6	1	0	1	5	616	84,910	42	0	2	2	1
Sulphide polish	90	4.5	Ammonium sulphide	2	620	7	1	0	1	5	684	89,920	50	0	2	2	1

Additional testwork was conducted to remove magnesium and calcium using manganese fluoride addition. However, this was only partially successful and left considerable amounts of soluble fluoride in solution. Therefore, it was not a good option based on the testwork data.

13.8 Further Flowsheet Development (2024–2025)

The following additional testwork programs have been initiated and are currently in progress:

- TekMIRA (Indonesia) is conducting pyrometallurgical reduction, leaching and impurity removal, on Mn concentrates produced previously from the Nagrom testwork to further optimize the reduction stage.
- CSIRO (Australia) is validating downstream solvent extraction (SX) and crystallisation from purified leach liquors, confirming that battery-grade $MnSO_4 \cdot H_2O$ production suitable for precursor specifications, is technically achievable.

14 Mineral Resource Estimates

14.1 Overview

The Mineral Resource Estimate (“MRE”) for the Contact and Contact North deposits has been carried out by Lynn Widenbar, BSc, MSc, FAusIMM, MAIG, the Principal Consultant of Widenbar and Associates Pty Ltd, based in Perth Western Australia. Mr Widenbar is a geologist with over 55 years’ experience and more than 40 years direct experience in mineral resource estimation.

The initial resource estimate was carried out in February-March 2012, based on a 2011 program of Reverse Circulation drilling and was reported to the Australian Stock Exchange (“ASX”) by Spitfire Resources Ltd on 13 March, 2012. This maiden MRE report was compliant with the 2004 Australian JORC Code and the resource was classified in the Inferred category as defined by the Code.

The MRE report was updated in July 2019 to comply with the 2012 Edition of the Australian JORC Code, although there were no changes to the underlying data, geologic interpretation or the resource block model. This JORC compliant report was subsequently updated in 2022 and 2025 to reflect changes in ownership of the property.

Mr Widenbar, the Qualified Person for this Technical Report has reviewed the “*CIM Estimation of Mineral Resource and Mineral Reserve Best Practice Guidelines (2019)*” and confirms that the methodologies used in the generation of the MRE are consistent with those guidelines. The criteria used the JORC 2012 compliant classification of the resource are also consistent with the CIM Definition Standards for Mineral

Resources and Mineral Reserves (2014) and as such are classified as Inferred for the purposes of this Technical Report.

Detailed discussion of resource classification can be found in Section 14.13 of this Technical Report.

14.2 Data Used in Mineral Resource Estimation

Spitfire supplied validated drill hole data in Micromine format. Collar, assay and coded geology data files were provided. A detailed topography digital terrain model (“DTM”) was also provided. A sectional geological interpretation of the major geological boundaries was provided in Micromine string format.

A total of 236 Reverse Circulation (RC) holes had been drilled in the Project area, of which 88 holes were at the Contact Deposit, 101 holes were at Contact North and 27 holes were at Contact South. Drill hole spacing is generally 50m by 50m at Contact and Contact North and 100m by 50m at Contact South. Out of a total of 15,698 assay intervals, 1,742 were in the mineralized zone and were used in statistical analysis and resource modelling of the main mineralized zones.

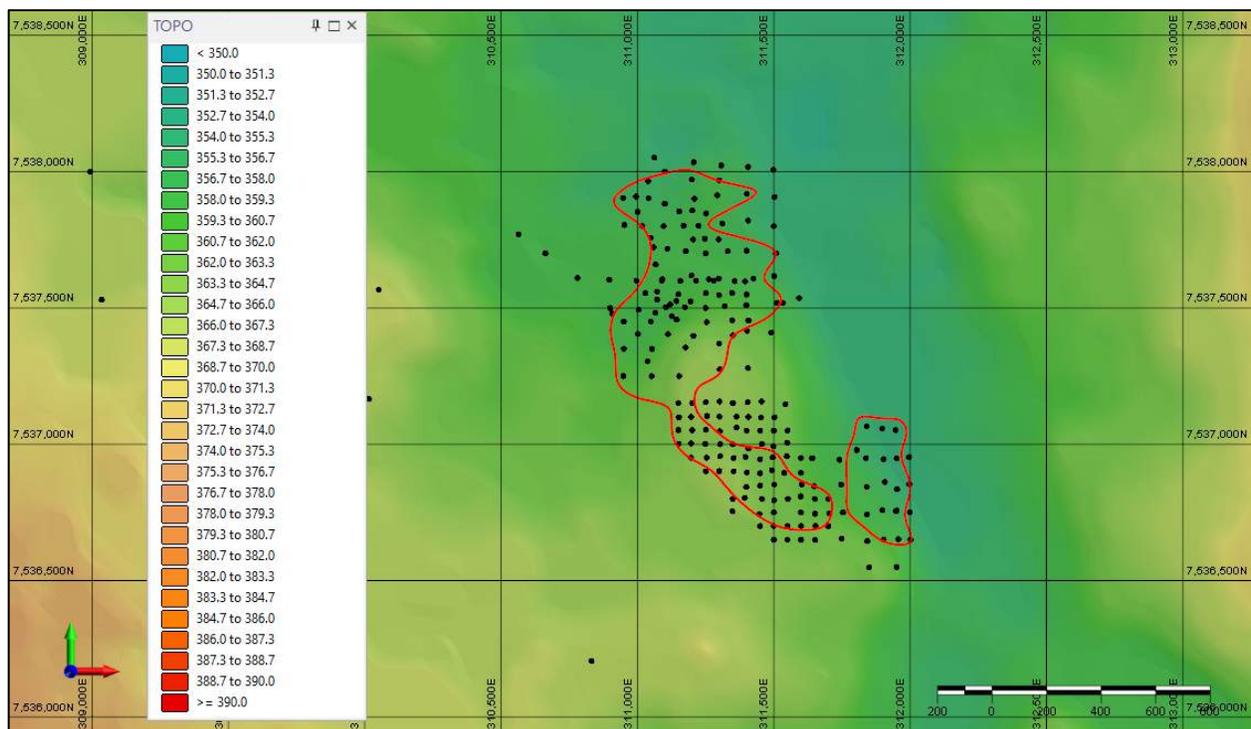


Figure 14-1 Topography, Drill Holes and Mineralized Outline (Red)

14.3 Geological Interpretation

An interpretation was carried out by Spitfire on 50m spaced northing sections representing mineralized zones at Contact and Contact North. A nominal 4% Mn cutoff was used in conjunction with geological logging to define mineralized zones. There was an additional minor footwall zone at Contact North and a series of discontinuous internal waste zones were also defined. A series of wireframe solids were developed from this geological interpretation. Codes were assigned to assay data based on these solids.

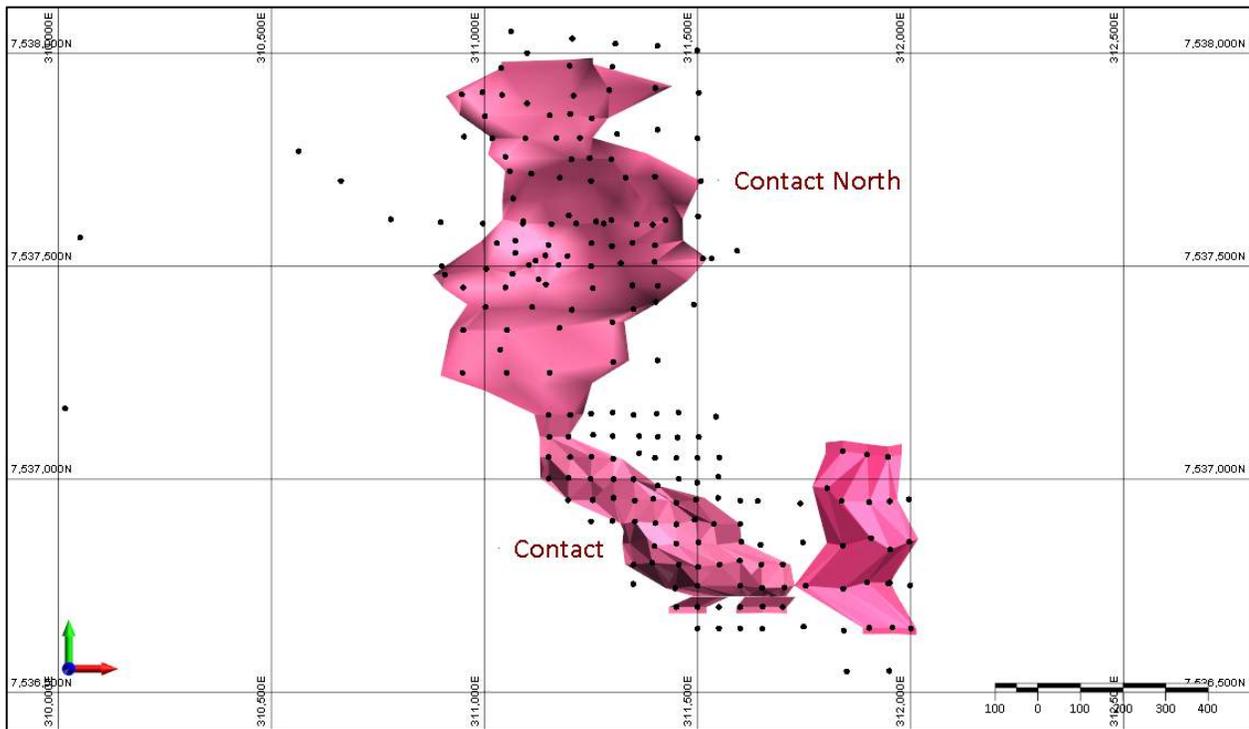


Figure 14-2 Mineralization Wireframes

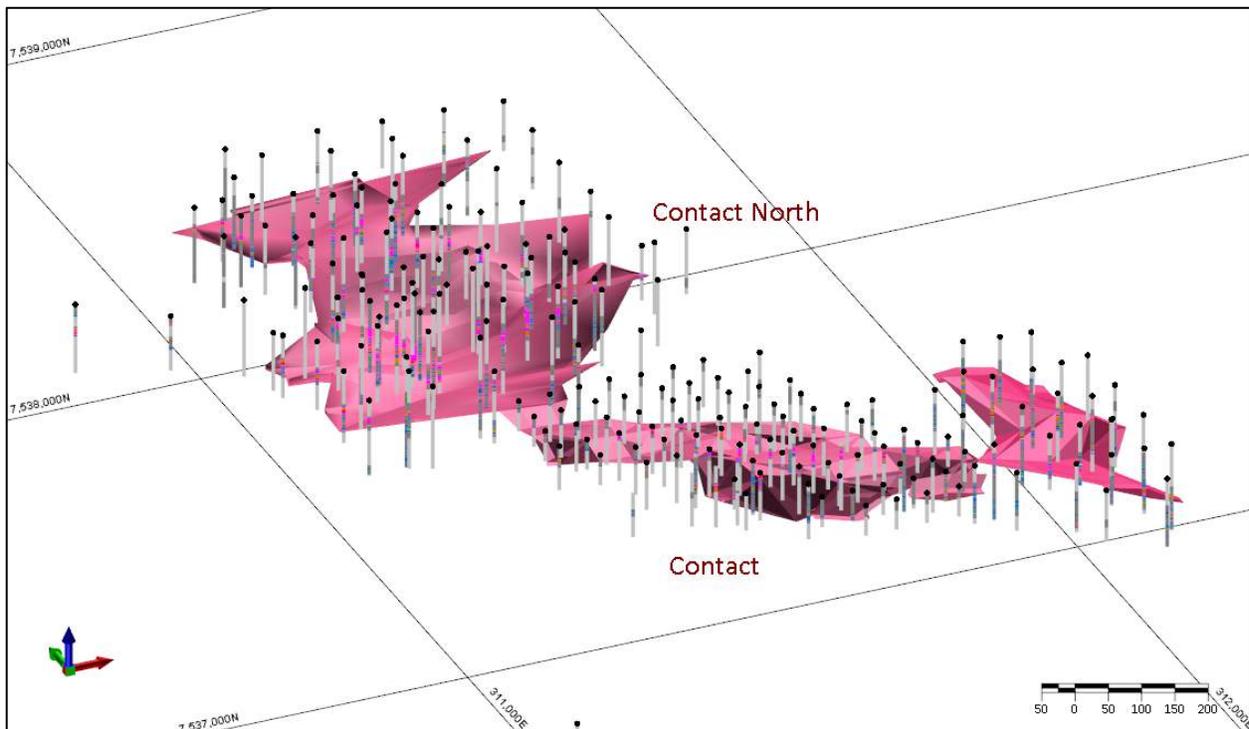


Figure 14-3 3D View Looking North West

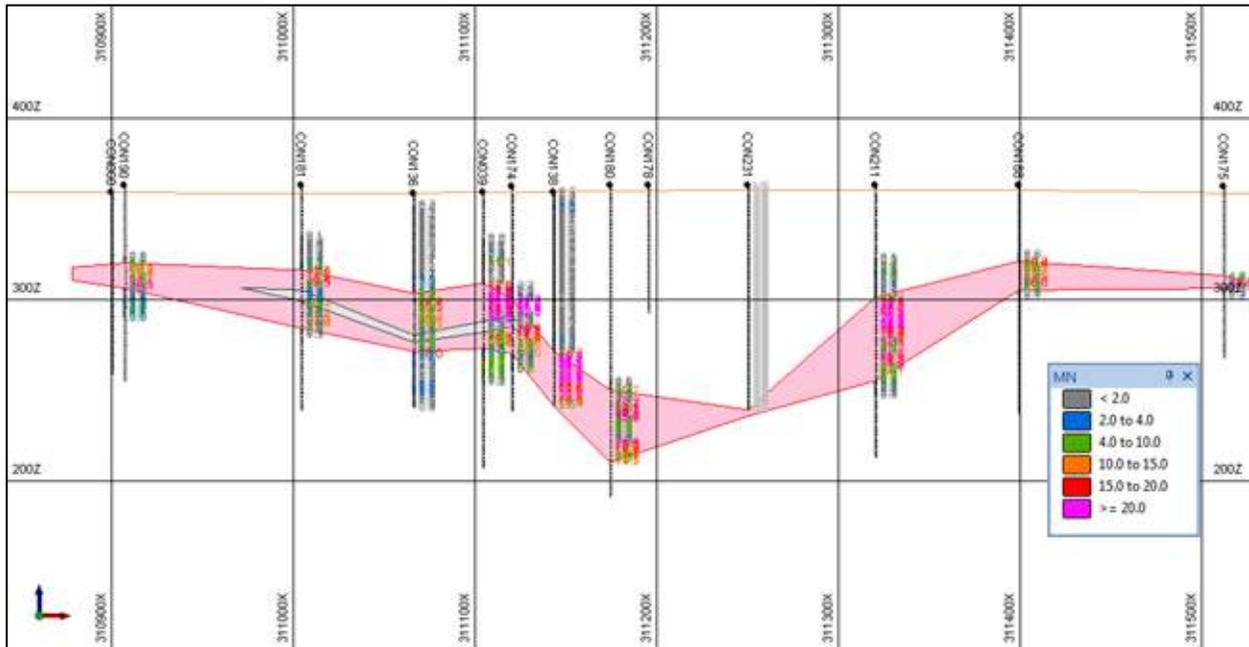


Figure 14-4 Typical Cross Section (7537500 North)

14.4 Statistical Analysis

No compositing was carried out on assay data as all samples are one metre in length.

Summary statistics are presented below for the major elements for Contact and Contact North.

Table 14-1 Contact Zone Statistics

ZONE = CONTACT											
STATISTICS	Mn	Fe	Al ₂ O ₃	CaO	P	SiO ₂	K ₂ O	MgO	S	TiO ₂	LOI
Mean	11.42	13.84	5.22	0.34	0.02	49.58	0.82	0.52	0.02	0.24	7.42
Median	10.40	13.20	4.91	0.23	0.02	48.25	0.70	0.37	0.01	0.19	7.47
Std Dev	6.23	7.58	2.86	0.96	0.02	19.15	0.51	1.16	0.01	0.17	3.36
Variance	38.77	57.47	8.19	0.93	0.00	366.85	0.26	1.35	0.00	0.03	11.30
Std Error	0.27	0.33	0.12	0.04	0.00	0.82	0.02	0.05	0.00	0.01	0.15
Coeff Var	0.55	0.55	0.55	2.83	0.84	0.39	0.62	2.22	0.89	0.73	0.45
Minimum	0.12	0.35	0.29	0.04	0.00	6.27	0.08	0.02	0.00	0.01	0.83
Maximum	33.10	36.20	15.10	15.60	0.14	94.50	2.90	14.20	0.21	1.31	32.30
PERCENTILES	Mn	Fe	Al ₂ O ₃	CaO	P	SiO ₂	K ₂ O	MgO	S	TiO ₂	LOI
2.5	2.53	1.68	0.89	0.09	0.00	16.12	0.19	0.10	0.00	0.04	2.27
5	4.10	2.69	1.18	0.11	0.00	20.94	0.23	0.13	0.00	0.04	2.70
10	4.72	4.54	1.57	0.13	0.00	26.31	0.29	0.17	0.00	0.06	3.27
20	6.04	6.67	2.46	0.16	0.01	30.74	0.43	0.22	0.00	0.10	4.47
30	7.47	8.75	3.23	0.18	0.01	36.56	0.51	0.27	0.01	0.13	5.66
40	8.76	10.84	4.06	0.21	0.01	41.94	0.62	0.32	0.01	0.16	6.70
50	10.40	13.20	4.91	0.23	0.02	48.25	0.70	0.37	0.01	0.19	7.47
60	11.66	15.26	5.88	0.25	0.02	52.56	0.81	0.42	0.01	0.24	8.36
70	13.70	17.77	6.83	0.28	0.02	61.10	0.96	0.47	0.01	0.30	9.04
80	16.10	20.60	7.74	0.32	0.03	69.16	1.14	0.57	0.02	0.36	9.76
90	19.60	23.59	8.99	0.41	0.04	76.40	1.44	0.71	0.02	0.43	10.80
95	24.10	27.79	9.98	0.57	0.06	80.80	1.90	0.85	0.03	0.55	11.30
97.5	27.25	30.69	11.20	0.76	0.07	84.20	2.32	1.01	0.04	0.67	11.70
98	28.57	31.57	11.54	0.97	0.08	85.95	2.43	1.10	0.04	0.71	11.80
99	30.28	32.87	12.70	1.56	0.09	90.03	2.52	4.86	0.05	0.92	16.70
DATA	Mn	Fe	Al ₂ O ₃	CaO	P	SiO ₂	K ₂ O	MgO	S	TiO ₂	LOI
Total data	541	541	541	541	541	541	541	541	541	541	541
Valid data	541	541	541	541	469	541	541	541	385	541	541
Missing data	0	0	0	0	41	0	0	0	41	0	0
Zero values	0	0	0	0	31	0	0	0	115	0	0

Table 14-2 Contact North Zone Statistics

ZONE = CONTACT NORTH											
STATISTICS	Mn	Fe	Al ₂ O ₃	CaO	P	SiO ₂	K ₂ O	MgO	S	TiO ₂	LOI
Mean	13.56	14.05	2.94	0.85	0.03	46.89	0.88	0.94	0.01	0.11	8.30
Median	11.70	12.70	2.30	0.26	0.02	46.10	0.71	0.39	0.01	0.08	7.51
Std Dev	8.60	9.29	2.31	2.85	0.02	23.95	0.65	2.34	0.01	0.09	5.59
Variance	73.88	86.37	5.34	8.11	0.00	573.55	0.42	5.46	0.00	0.01	31.19
Std Error	0.27	0.29	0.07	0.09	0.00	0.74	0.02	0.07	0.00	0.00	0.17
Coeff Var	0.63	0.66	0.79	3.35	0.81	0.51	0.74	2.48	0.63	0.82	0.67
Minimum	0.02	0.63	0.18	0.03	0.00	1.49	0.05	0.03	0.00	0.01	0.28
Maximum	50.00	50.20	16.10	23.40	0.11	97.30	5.10	16.90	0.08	0.64	39.10
PERCENTILES	Mn	Fe	Al ₂ O ₃	CaO	P	SiO ₂	K ₂ O	MgO	S	TiO ₂	LOI
2.5	1.47	1.50	0.43	0.07	0.00	6.96	0.15	0.10	0.00	0.02	1.37
5	2.89	2.16	0.58	0.09	0.00	9.92	0.20	0.13	0.00	0.02	2.05
10	4.42	3.33	0.80	0.11	0.00	16.00	0.26	0.17	0.00	0.03	2.85
20	6.19	5.13	1.18	0.15	0.01	23.20	0.36	0.22	0.00	0.04	3.98
30	8.01	6.94	1.48	0.19	0.01	29.65	0.47	0.27	0.01	0.06	5.34
40	9.64	9.63	1.83	0.23	0.01	37.20	0.58	0.33	0.01	0.07	6.48
50	11.70	12.70	2.30	0.26	0.02	46.10	0.71	0.39	0.01	0.08	7.51
60	14.10	15.90	2.75	0.30	0.02	53.40	0.84	0.46	0.01	0.10	8.76
70	16.70	18.85	3.43	0.37	0.03	62.55	1.01	0.55	0.01	0.13	9.74
80	20.20	22.20	4.32	0.46	0.04	71.80	1.29	0.68	0.01	0.16	10.60
90	25.35	26.80	5.89	0.62	0.05	79.40	1.76	0.95	0.02	0.24	12.90
95	29.93	32.08	7.70	1.99	0.07	85.35	2.17	3.24	0.02	0.31	17.48
97.5	35.00	34.66	9.30	10.50	0.08	89.65	2.64	10.60	0.04	0.37	26.17
98	36.09	35.80	9.84	14.06	0.08	90.98	2.77	11.69	0.04	0.39	28.48
99	40.14	38.05	11.09	18.32	0.09	92.75	3.01	13.79	0.04	0.45	31.67
DATA	Mn	Fe	Al ₂ O ₃	CaO	P	SiO ₂	K ₂ O	MgO	S	TiO ₂	LOI
Total data	1,099	1,099	1,099	1,099	1,099	1,099	1,099	1,099	1,099	1,099	1,099
Valid data	1,055	1,055	1,055	1,055	996	1,055	1,055	1,055	795	1,055	1,054
Missing data	44	44	44	44	44	44	44	44	44	44	45
Zero values	0	0	0	0	59	0	0	0	260	0	0

14.5 Grade Capping

Grade capping was reviewed using histograms and log probability plots. Mn, Fe, Al₂O₃, P, SiO₂, MgO, and LOI were reviewed; no grade caps were applied. Mn distributions are illustrated below.

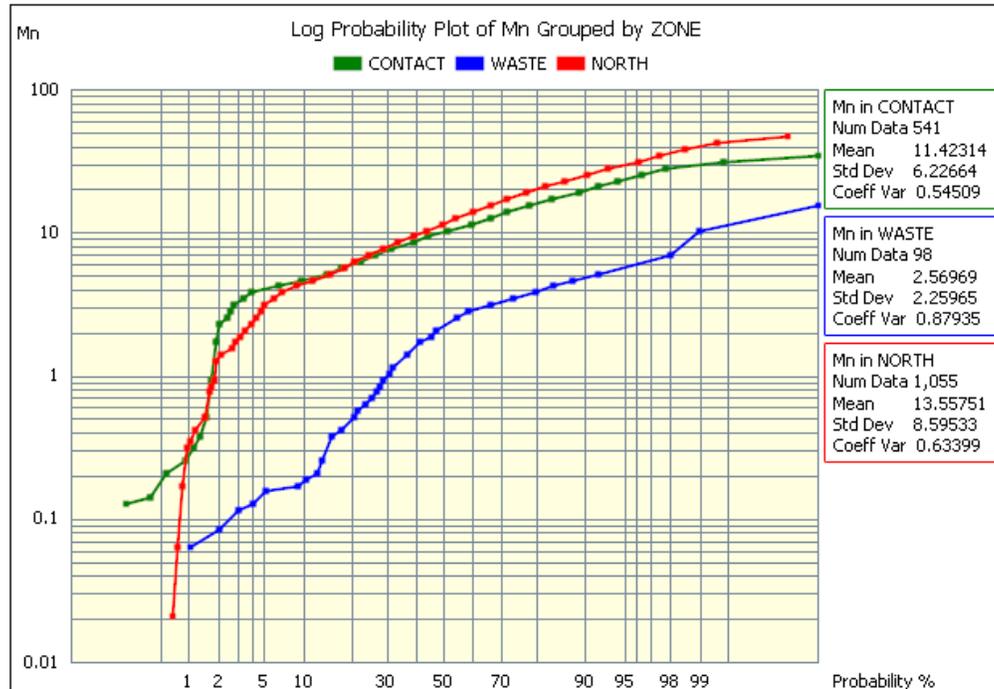


Figure 14-5 Mn% Log Probability Plot by Mineralization Zone

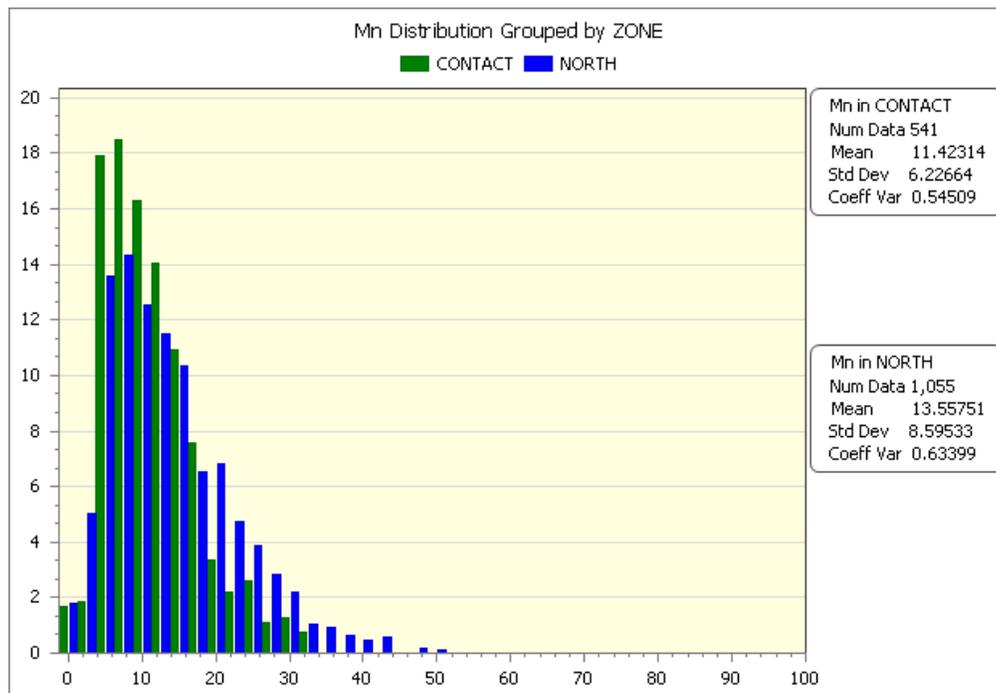


Figure 14-6 Mn% Histogram by Mineralization Zone

14.6 Correlation Analysis

A correlation matrix has been generated for the mineralized zone.

Table 14-3 Correlation Matrix

	Mn	Fe	Al ₂ O ₃	CaO	Cr ₂ O ₃	P	SiO ₂	BaO	K ₂ O	MgO	S	TiO ₂
Fe	0.29											
Al ₂ O ₃	-0.04	0.24										
CaO	-0.05	-0.10	-0.16									
Cr ₂ O ₃	-0.21	0.31	0.60	0.15								
P	0.25	0.64	0.21	-0.06	0.34							
SiO ₂	-0.73	-0.77	-0.23	-0.21	-0.20	-0.54						
BaO	0.08	0.11	0.37	-0.03	0.14	0.03	-0.16					
K ₂ O	0.20	0.22	0.60	-0.08	0.41	0.26	-0.32	0.00				
MgO	-0.01	-0.12	-0.14	0.81	0.44	-0.08	-0.23	-0.04	-0.07			
S	0.08	0.18	0.14	-0.12	-0.32	-0.04	-0.11	0.24	0.03	-0.16		
TiO ₂	-0.06	0.21	0.92	-0.13	0.60	0.15	-0.21	0.45	0.47	-0.11	0.15	
LOI	0.45	0.34	0.06	0.63	0.22	0.25	-0.74	0.09	0.10	0.76	-0.05	0.07

Most variables show poor correlation with manganese and other variables. There are, however, a few reasonable correlations, as illustrated below.

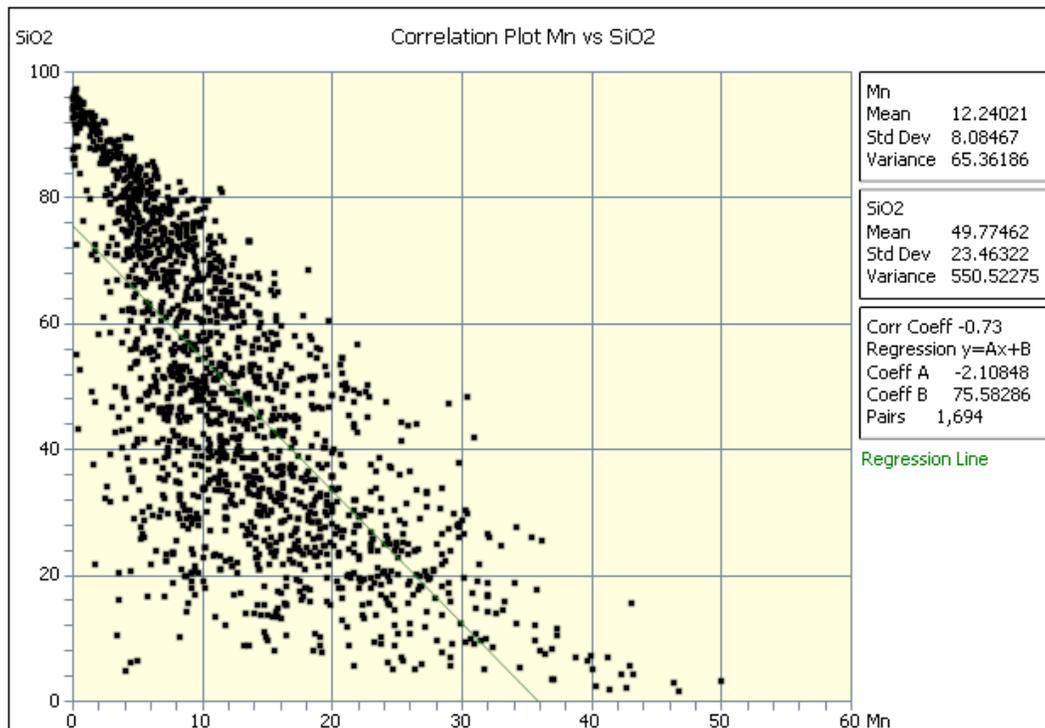


Figure 14-7 Correlation Plot Mn vs SiO₂

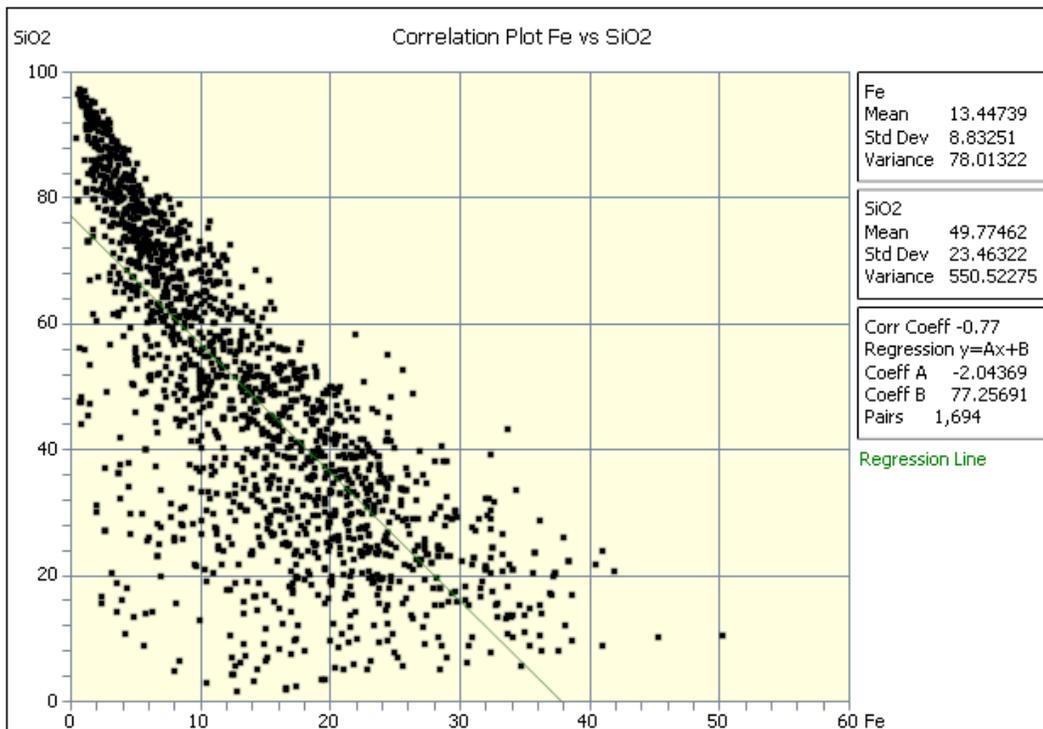


Figure 14-8 Correlation Plot Fe vs SiO₂

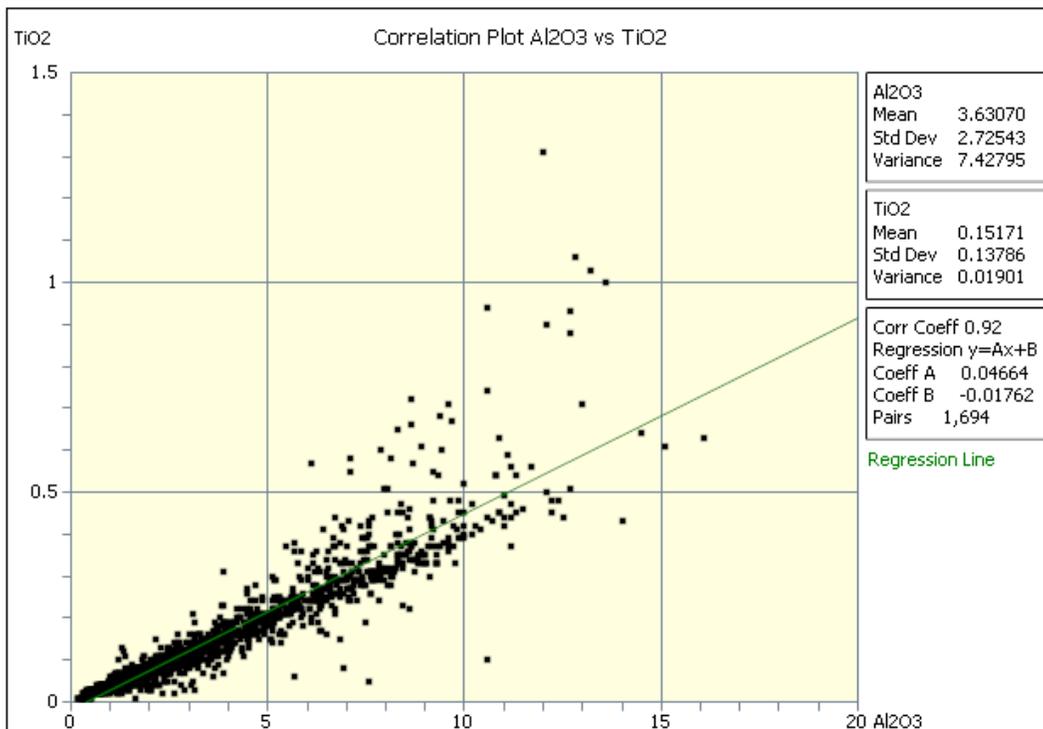


Figure 14-9 Correlation Plot Al₂O₃ vs TiO₂

The few, relatively modest correlations have no direct consequences for the resource model interpolation.

14.7 Variography

Variograms were calculated for Mn in the mineralized zones, using unfolded coordinates (see Section 14.10). These variograms have been used in conjunction with drill spacing to define search ellipses for the estimation process.

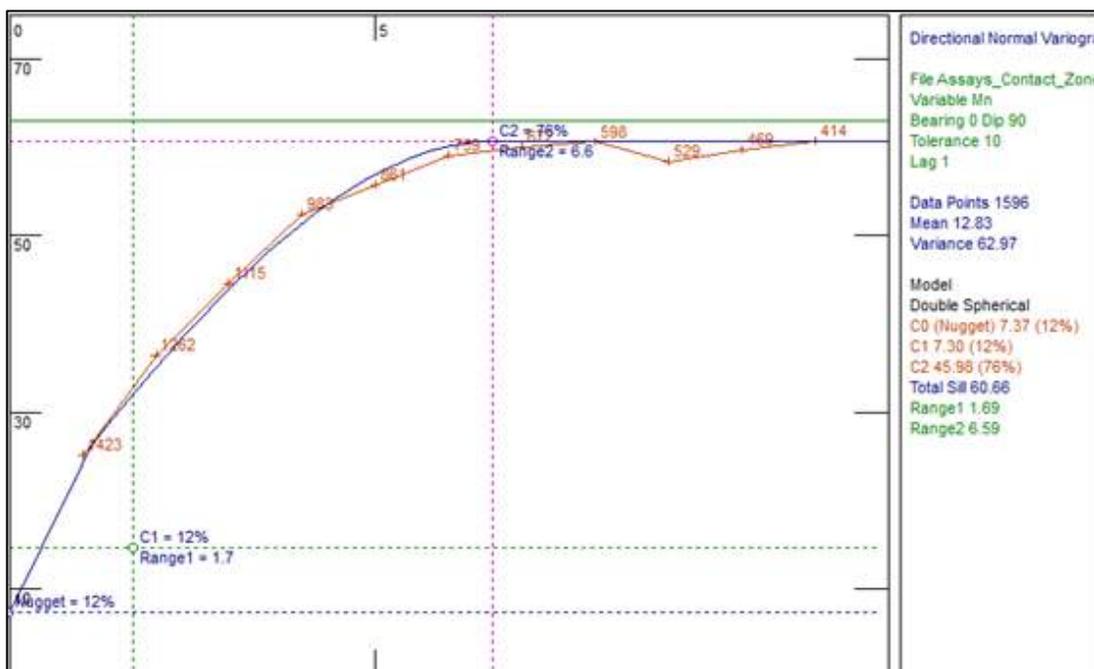


Figure 14-10 Downhole Variogram



Figure 14-11 North-South Variogram

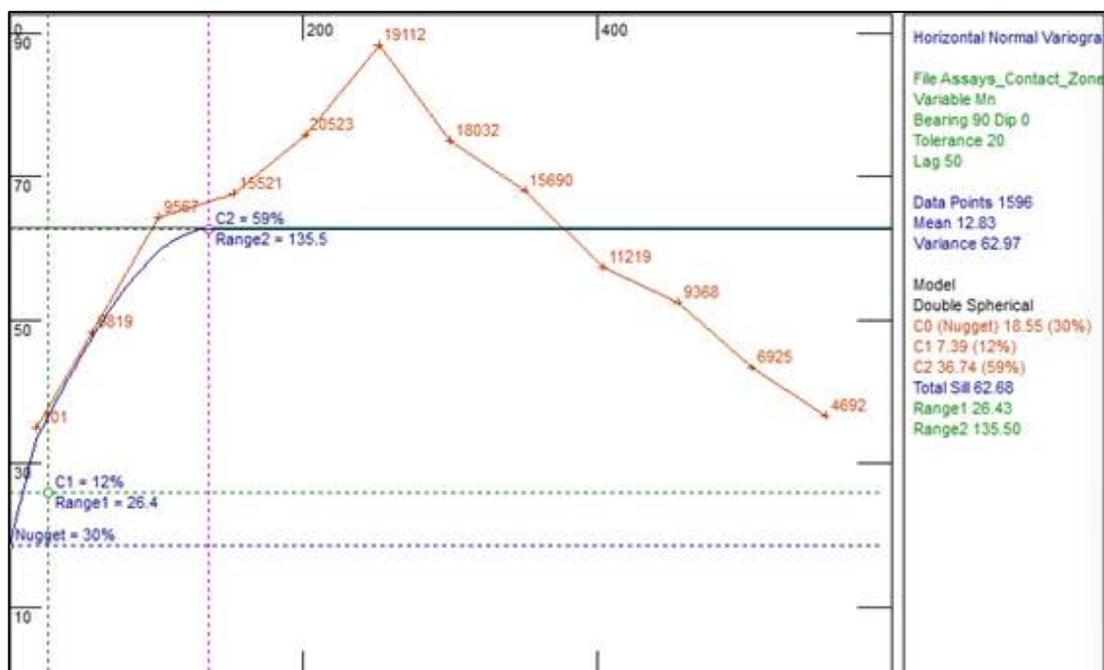


Figure 14-12 East-West Variogram

14.8 Bulk Density

Specific gravity test work was undertaken at Nagrom Laboratories on selected diamond core representing low, medium and high manganese grade materials. The method used for this specific gravity test work was dry/wet weight analysis. Experience gleaned from manganese mineralization at Woodie Woodie indicates that grade/specific gravity curves can be problematic due to erratic voids and clay mineral dilution effects. Given the paucity of data and resource category, a conservative bulk density of 2.8 t/m³ has been applied to material within the interpreted mineralized envelope.

14.9 Block Model

An “empty” block model was created using the topographic surface and mineralization zone solids as constraints. Block model parameters are summarized below.

Table 14-4 Block Model Origins and Extents

	Origin Block Centre	Spacing	# Blocks	End Block Centre
East	310800	12.5	106	312112.5
North	7536600	12.5	114	7538012.5
RL	201.25	2.5	80	398.75

Sub-cells to a minimum of 2.5m by 2.5m by 0.5m were generated to allow the model to represent the shape of the mineralized zones geometrically.

A typical section through the block model is illustrated below.

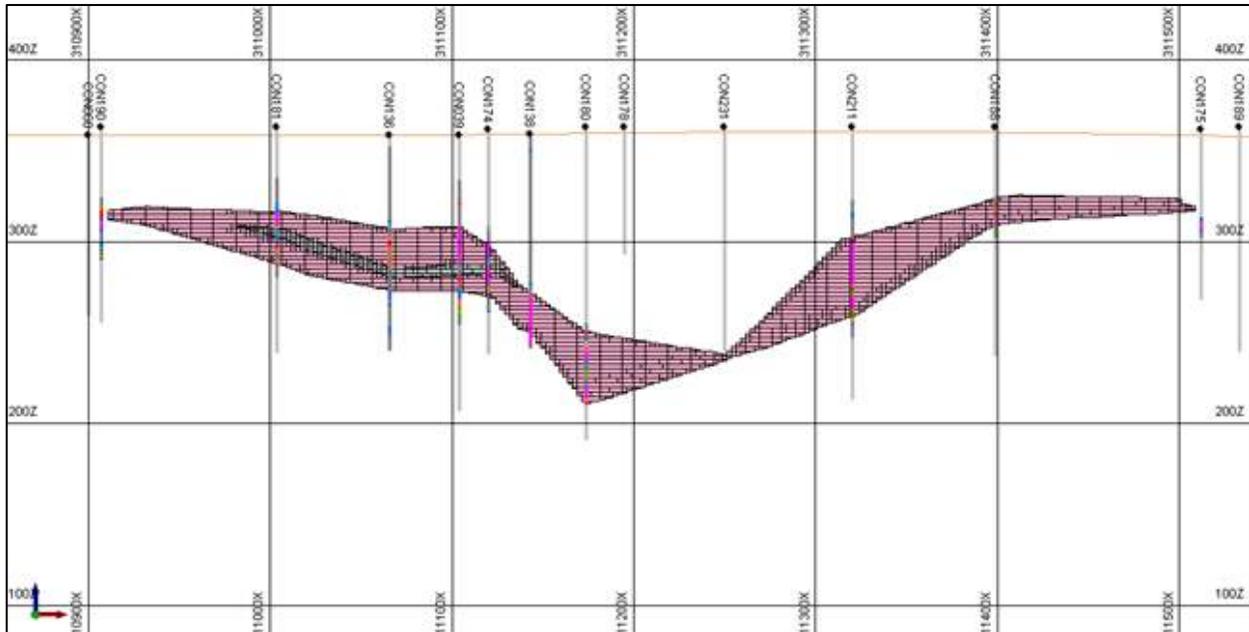


Figure 14-13 Block Model Section

14.10 Unfolding

A simple unfolding or flattening process was applied to the data and model blocks prior to statistical analysis and interpolation, in order to simplify the setup of search ellipses and allow searches to follow the varying dip in parts of the ore zones. Examples of a section before and after this process are illustrated below.

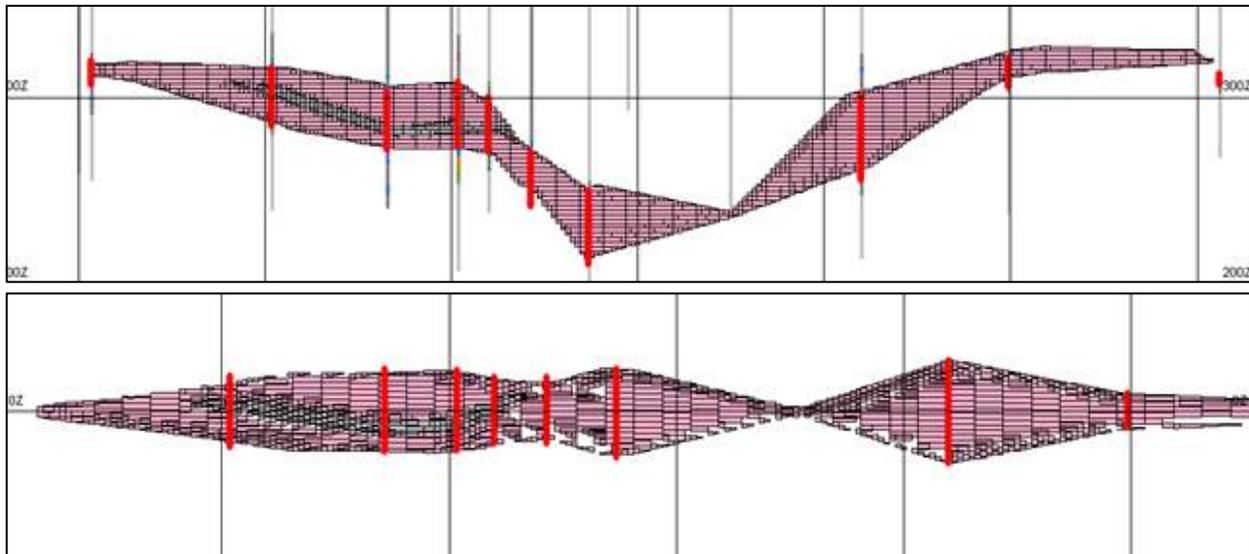


Figure 14-14 Model and Data Before (Above) and After (Below) Unfolding

14.11 Resource Model Interpolation

An Inverse Distance Squared (IDS) interpolation method was used to estimate Mn%, Fe%, Al₂O₃%, SiO₂%, P%, CaO%, MgO%, BaO%, S%, TiO₂%, K₂O% and LOI%. No grade capping was applied. Search ellipses applied in the estimate were based on a combination of variography and drill hole spacing and the interpreted geological continuity and orientation of the deposits.

Micromine software was used to calculate grade estimates.

The search ellipse had radii of 75m by 75m by 7.5m vertically. A minimum of 2 samples and a maximum of 20 samples were required in the search, with a maximum of 4 samples per drill hole allowed. All mineralized blocks were informed in this search ellipse.

14.12 Model Validation

Block model validation has been carried out by means of:

- Drill hole section comparison
- Comparison of assay data vs model by mineralization zone
- Swathe plot validation

14.12.1 Drill Hole Section Comparison

Visual comparison of block grades versus drill hole grades on section has verified that there is generally good correspondence and that grade orientation follows the geological trends.

A typical section through the resource model showing Mn grade is illustrated below.

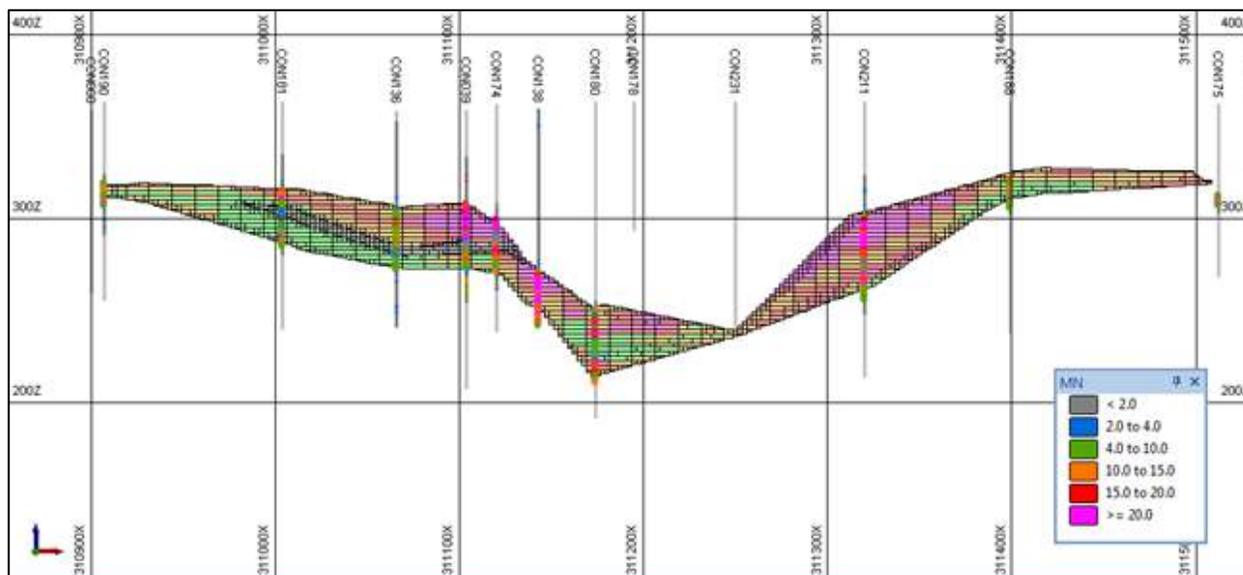


Figure 14-15 Mn% Cross Section 7537500 North Through Resource Model

14.12.2 Comparison of Assay Data vs Model by Mineralization Zone

A comparison between average grades of the model and the assay data by zone show good agreement.

Table 14-5 Assay vs Block Model Comparison

	Mn		Fe		Al ₂ O ₃		SiO ₂	
	Assay	Model	Assay	Model	Assay	Model	Assay	Model
Contact	11.42	11.21	13.83	14.18	5.22	4.75	49.58	49.12
Contact North	13.56	13.22	14.05	13.87	2.94	2.92	46.88	47.12

14.12.3 Swathe Plot Validation

Swathe plots of the model and the assay data by zone show good spatial agreement. The swathe plots are shown below.

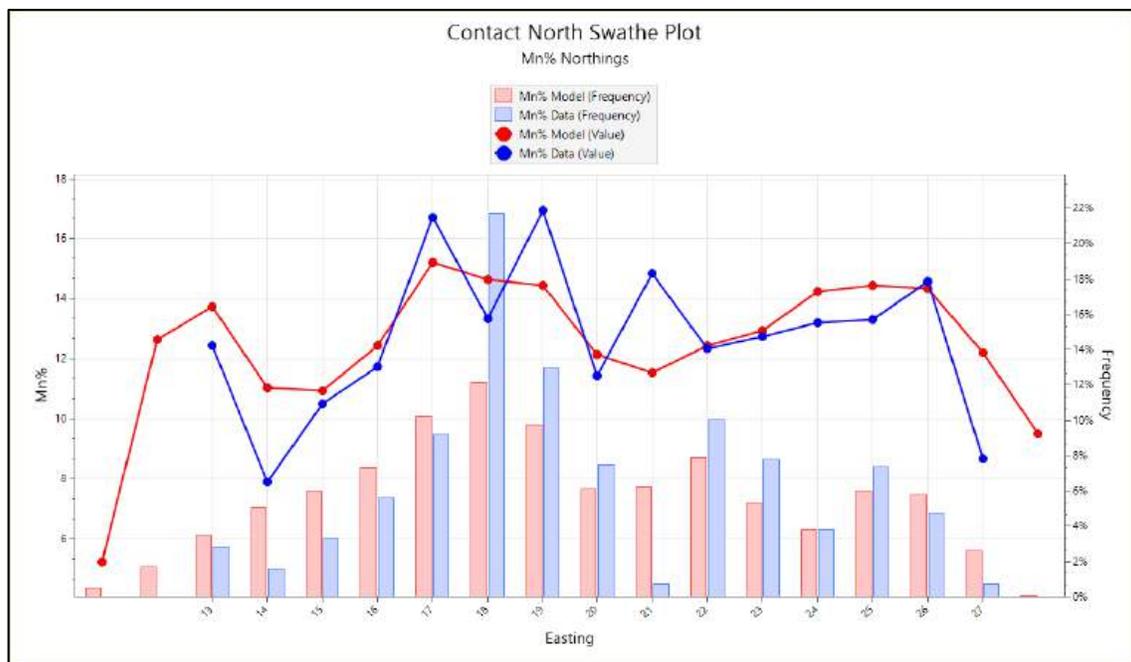


Figure 14-16 Contact North Swathe Plot

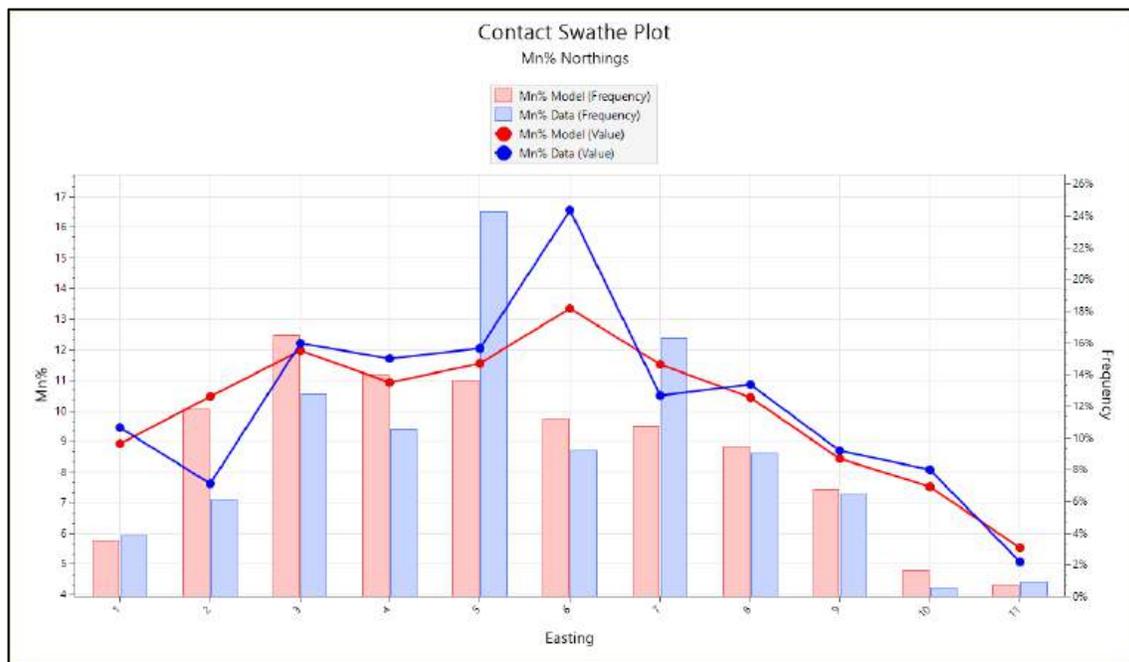


Figure 14-17 Contact Swathe Plot

14.13 Resource Classification

The Contact Mineral Resource has been classified as Inferred, in accordance with the CIM Definition Standards for Mineral Resources and Mineral Reserves (2014). An Inferred Mineral Resource is that part of a Mineral Resource for which quantity and grade or quality are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade or quality continuity.

A range of criteria has been considered in determining this classification including:

- Geological continuity
- Data quality
- Drill hole spacing
- Modelling technique

14.13.1 Geological Continuity

Local geology consists of highly altered Carawine Dolomite. The interpreted mineralization envelopes and associated internal waste zones were based on bedding orientations of the Carawine Dolomite, with the geological model for manganese mineralization being based on manganese replacement along original bedding planes. Geological continuity is considered to be reasonably understood, but there is known variability between drill holes.

14.13.2 Data Quality

Resource classification is based on information and data provided from the original 2011-2012 Spitfire database. Descriptions of drilling techniques, survey, sampling/sample preparation, analytical techniques and database management validation indicate that data collection and management is within industry standards. The Qualified Person considers that the database represents an accurate record of the drilling undertaken at the Project.

14.13.3 Drilling Spacing

Drill hole location plots have been used to ensure that local drill spacing conforms to the minimum expected for the resource classification. Drill hole spacing is generally 50m by 50m, with some areas of 100m by 50m. Drill hole locations have been surveyed using hand-held GPS, with elevations derived by draping over a topography surface. Most hole collars have been surveyed using DGPS.

14.13.4 Modelling Technique

A conventional 3D Inverse Distance Squared modelling technique has been used, with an unfolding methodology applied to provide a dynamic element to the allocation of search ellipses. The modelling technique and parameters are considered suitable to the zones being estimated.

14.13.5 Final Classification

Based on the data integrity, geological knowledge and estimation processes, the Contact Deposit Resource Estimate has been assigned to the Inferred Category as defined by the CIM Definition Standards for Mineral Resources and Mineral Reserves (2014).

14.13.6 Consideration of Reasonable Prospects for Eventual Economic Extraction

The Qualified Person considers that there are Reasonable Prospects for Eventual Economic Extraction (RPEEE). This is based on an open cut mining operation, and using approximate mining and processing costs, recoveries and manganese prices to generate a range of likely cutoffs. At this early stage of development of the Project, no economic analysis has been carried out and these parameters have not been defined in detail. Preliminary work suggests cutoffs in the range of 8% to 12% Mn would be reasonable.

The Contact and Contact North resources have been previously publicly reported using a 10.1% Mn cutoff. This Technical Report will also use this cutoff for Mineral Resource reporting.

The QP has assessed RPEEE based on the following indicative assumptions:

UR/t is the unit sales value per tonne of plant feed, calculated as: price (US\$/dmtu) × head %Mn × recovery × payability. Manganese is priced in US\$/dmtu (10 kg Mn). In one tonne of material, dmtu/tonne ≈ head %Mn.

At a benchmark price of US\$5.36 per dmtu of contained Mn, a 15.0% Mn head grade equates to 15 dmtu per tonne of plant feed; applying 65% metallurgical recovery gives 9.75 dmtu/t recovered, and at 100% payability that is 9.75 dmtu/t payable; multiplying by the price gives UR/t = 9.75 × 5.36 = US\$52.26/t used in Table 14-7.

Table 14-6 RPEEE screening inputs (conceptual; not a PEA)

Parameter	Unit	Value	Notes
Product price	US\$/dmtu	5.36	Contained Mn; no premiums/penalties applied
Head grade – cut-off	% Mn	10.1	Resource cut-off
Head grade – average	% Mn	15.0	Global average grade
Recovery	% Mn	65	Recent metallurgical testwork
Payability	%	100	Screening assumption
Processing cost	A\$/t plant feed processed	5.00	Site operating cost
G&A	A\$/t plant feed processed	2.95	Site operating cost
Mining cost	A\$/t plant feed mined	6.30	Site operating cost
FX	US\$/A\$	0.70	For cost conversion only

Table 14-7 UR/t screen and contribution per tonne of plant feed (US\$)

Case	UR/t (US\$/t)	Processing + G&A (US\$/t)	Mining (US\$/t)	Contribution after site costs (US\$/t)
Cut-off (10.1% Mn)	35.19	5.57	4.41	25.21
Average (15.0% Mn)	52.26	5.57	4.41	42.29

Notes

1. Processing + G&A converted at 0.70 US\$/A\$ from A\$7.95/t.
2. Mining converted at 0.70 US\$/A\$ from A\$6.30/t.
3. Excludes off-site charges, transport, marketing, premiums/penalties and taxes; screening only to support RPEEE.

Sensitivity (screen only):

At 10.1% Mn, UR/t spans roughly US\$27–39/t across US\$4.50–6.00/dmtu and 60–65% recovery.

Conclusion:

On the screening assumptions above, the project shows a positive contribution after site operating costs at the stated cut-off, supporting reasonable prospects for eventual economic extraction in line with CIM guidance. Early tests on +10 mm material produced a 29.9% Mn product at 79% Mn recovery using ore sorters; this potential upside is not included in the 65% recovery used for screening and may improve recovered Mn and/or reduce processing costs with further optimization. This remains a resource-stage check and is not a PEA.

These inputs are derived from internal benchmarks and metallurgical testwork but do not constitute an economic study

14.14 Resource Estimates

Mineral Resources are summarized below.

Table 14-8 Contact and Contact North Mineral Resource Summary. Effective date of estimate: 15 August 2025

		Cutoff	Tonnes	Mn	Fe	Al ₂ O ₃	CaO	P	SiO ₂	K ₂ O	MgO	S	TiO ₂	LOI
Area	Class	Mn %	Mt	%	%	%	%	%	%	%	%	%	%	%
Contact	Inferred	10.1	2.8	13.6	15.7	5.1	0.40	0.02	42.9	0.81	0.59	0.01	0.24	8.37
Contact North	Inferred	10.1	8.5	15.5	15.0	3.0	0.67	0.03	42.4	0.92	0.86	0.01	0.12	8.58
Total	Inferred	10.1	11.3	15.0	15.2	3.5	0.60	0.02	42.5	0.89	0.79	0.01	0.15	8.53

The above resource information has previously been publicly reported unchanged to the Australian Stock Exchange by Spitfire Resources, Edge Resources and Trek.

Grade tonnage curves for Contact, Contact North and the combined deposit are shown below.

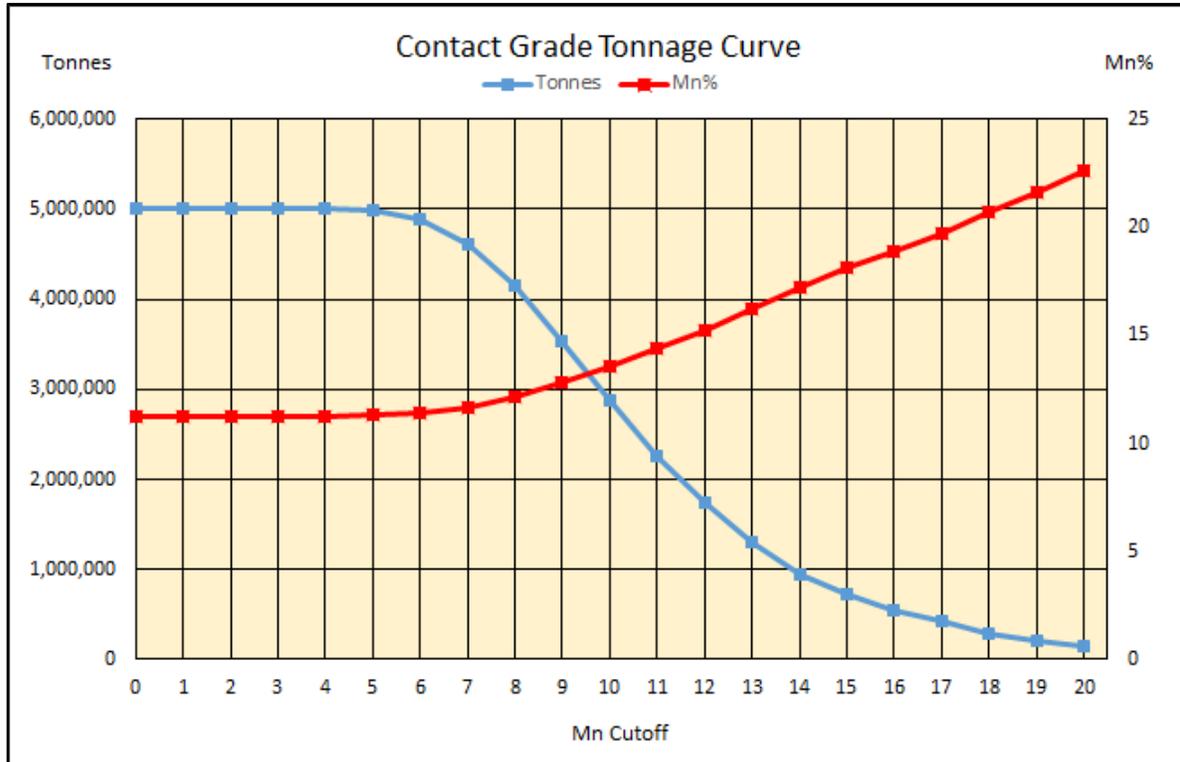


Figure 14-18 Contact Grade Tonnage Curve

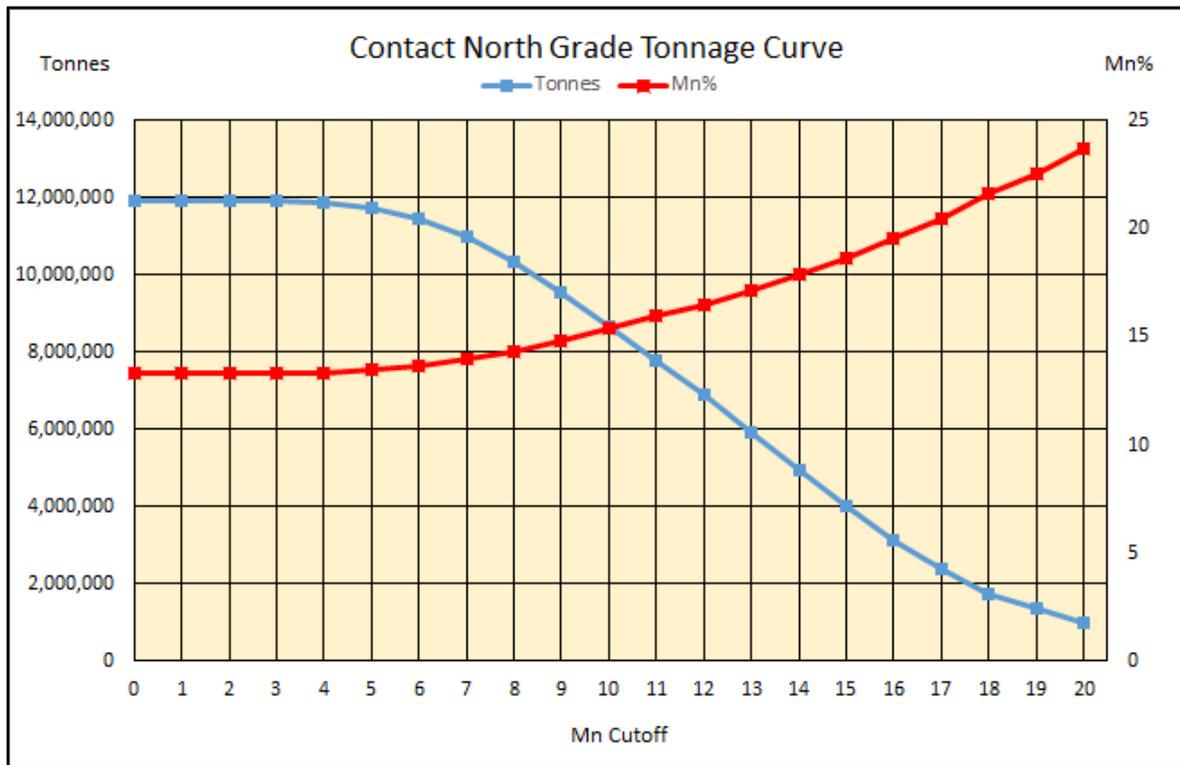


Figure 14-19 Contact North Grade Tonnage Curve

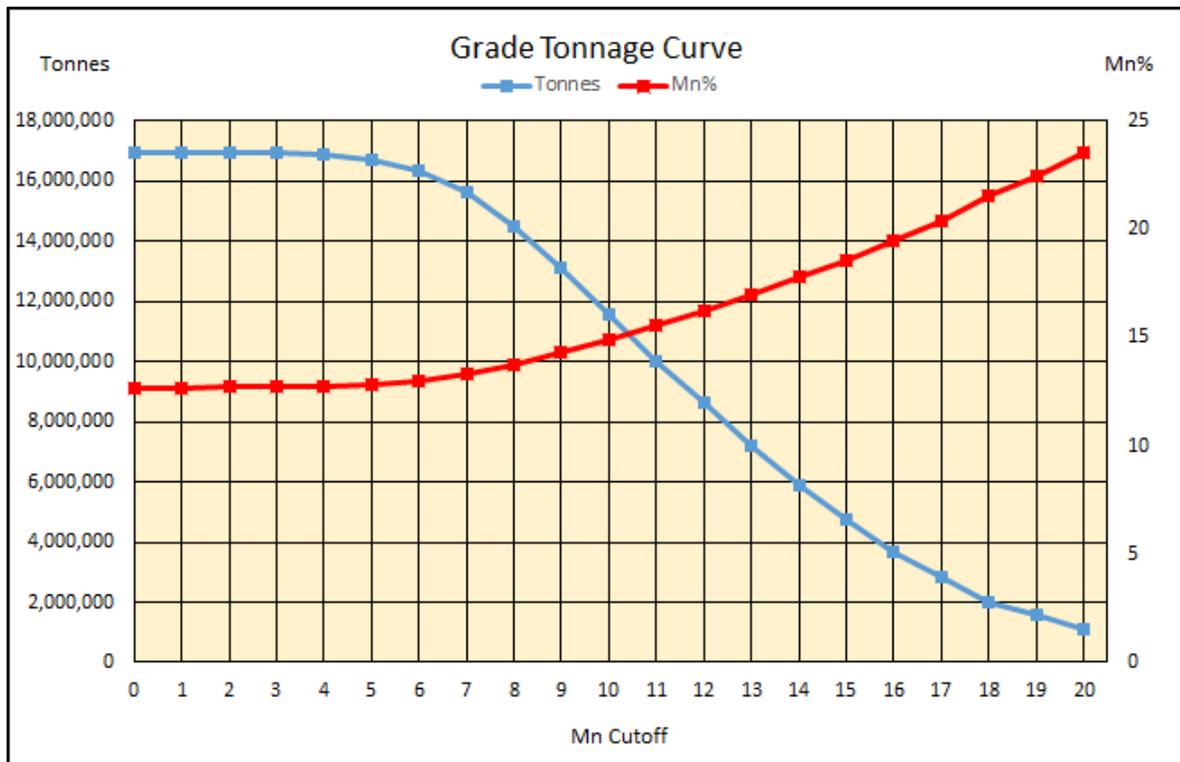


Figure 14-20 Contact and Contact North Grade Tonnage Curve

15 Mineral Reserve Estimates

This section is not applicable as Mineral Reserves are not being reported.

16 Mining Methods

This section is not applicable.

17 Recovery Methods

This section is not applicable.

18 Project Infrastructure

This section is not applicable.

19 Market Studies and Contracts

This section is not applicable.

20 Environmental Studies, Permitting and Social or Community Impact

This section is not applicable.

21 Capital and Operating Costs

This section is not applicable.

22 Economic Analysis

This section is not applicable.

23 Adjacent Properties

There are currently no contiguous adjacent properties. The operating Woodie Woodie manganese mine, which is similar geologically to the South Woodie Woodie Project is located approximately 70 km to the north.

24 Other Relevant Data and Information

To the knowledge of the QP, there is no additional information or explanation necessary to make this Technical Report understandable and not misleading.

25 Interpretation and Conclusions

The QP notes that the procedures for drilling, sampling, sample preparation, and analyses are appropriate for the type of mineralization and the estimation and classification of the Mineral Resources is acceptable. Inferred Mineral Resources total 11.3 Mt at 15.0% Mn, 15.2% Fe, 3.5% Al₂O₃ and 42.5% SiO₂. The classification of Mineral Resources conforms to CIM Definition Standards and Mineral Resources are reported in accordance with NI 43-101.

The Mineral Resources were constrained within conceptual geological wireframes and at a cutoff of 10.1% Mn. The Mineral Resources have been estimated in conformity with CIM Estimation of Mineral Resource and Mineral Reserve Best Practices Guidelines (2019).

Risks associated with the Mineral Resource estimate are

- Minor risks associated with accuracy and continuity of modelled contacts

- Mineralized thickness and continuity may vary on the drill hole interpreted mineral wireframes (either positively or negatively)

- Variation in bulk density due to uninterpreted voids may decrease tonnages locally

26 Recommendations

The Qualified Person considers that the Inferred Mineral Resource classification in some areas of 50m by 50m spaced drilling is conservative when viewed in relation to the drill hole spacing and the continuity of the mineralized zones. A lack of field duplicate QAQC information and the incomplete nature of the 50m drill pattern in some areas is essentially preventing some of this material being classified as an Indicated Resource.

Consequently, it is recommended that a drill campaign is planned to infill priority areas to a regular 50m grid pattern, and also to drill a series of holes as twins to existing holes; a rigorous QAQC program should be instituted as part of this drill campaign. The majority of planned holes should be RC drilling, with a smaller number of DD holes to provide both more detailed bulk density data, and additional material for metallurgical testwork.

In terms of metallurgical testwork, the Qualified Person concurs with AEFI's plans to advance leaching and purification tests, integrated mini-pilot trials, and environmental characterization to underpin permitting and preliminary engineering for HPMSM production.

Table 26.1: Recommended Work Program and Budget

Activity	Estimated Cost (CAD\$)
Infill RC drilling (2,500 m)	\$340,000
Twin DD holes (4 holes)	\$110,000
QAQC implementation	\$25,000
Metallurgical testwork	\$80,000
Environmental studies	\$25,000
Total (Phase 1)	\$580,000

"Advancement to Phase 2 is contingent on positive results from Phase 1 activities."

27 References

Trek Metals Ltd ASX releases (2022–2024)

Advanced Energy Fuels, Inc. corporate presentations (2024)

Historical reports: Spitfire Resources and Edge Minerals (2009–2022)

Jones, S. (2017). Geology and geochemistry of fault-hosted hydrothermal and sedimentary manganese deposits in the Oakover Basin, East Pilbara, Western Australia, *Australian Journal of Earth Sciences*, 64:1, 63-102, DOI: 10.1080/08120099.2017.1272492

Jones, S., McNaughton, N. J., & Grguric, B. (2013). Structural controls and timing of fault-hosted manganese at Woodie Woodie, East Pilbara, Western Australia. *Ore Geology Reviews*, 50, 52–82.

CERTIFICATE OF CAVALRY CAPITAL CORP.

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities of Cavalry Capital Corp. assuming Completion of the QT.

DATED at Vancouver, British Columbia as of December 12, 2025.

“Brandon Bonifacio”
Brandon Bonifacio
Chief Executive Officer and President

“Adam Garvin”
Adam Garvin
Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS OF CAVALRY CAPITAL CORP.

“Giulio Bonifacio”
Giulio Bonifacio
Director

“Brock Daem”
Brock Daem
Director

CERTIFICATE OF ADVANCED ENERGY FUELS, INC.

The foregoing, as it relates to Advanced Energy Fuels, Inc. constitutes full, true and plain disclosure of all material facts relating to the securities of Advanced Energy Fuels, Inc.

DATED at Sydney, Australia as of December 12, 2025.

ON BEHALF OF THE BOARD OF DIRECTORS OF ADVANCED ENERGY FUELS, INC.

“Gary Lewis”

Gary Lewis
President and Director

“Mark Wise”

Mark Wise
Secretary and Director

PERSONAL INFORMATION

“Personal Information” means any information about an identifiable individual, and includes information contained in any Items in the attached Filing Statement that are analogous to Items 4.2, 11, 12.1, 15, 17.2, 18.2, 23, 24, 26, 31.3, 32, 33, 34, 35, 36, 37, 38, 40 and 41 of Exchange Form 3B2 – *Information Required in a Filing Statement for a Qualifying Transaction*, as applicable.

The undersigned hereby acknowledges and agrees that it has obtained the express written consent of each individual to:

- (a) the disclosure of Personal Information by the undersigned to the Exchange (as defined in Appendix 6B) pursuant to this Filing Statement; and
- (b) the collection, use and disclosure of Personal Information by the Exchange for the purposes described in Appendix 6B or as otherwise identified by the Exchange, from time to time.

DATED at Vancouver, British Columbia as of December 12, 2025.

CAVALRY CAPITAL CORP.

By:

“Brandon Bonifacio “
Brandon Bonifacio
Chief Executive Officer and President