

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

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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

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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).

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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.

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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

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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.

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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.