

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.