

AE FUELS CORPORATION
(formerly Cavalry Capital Corp.)

MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

AE FUELS CORPORATION (formerly Cavalry Capital Corp.)

Management Discussion & Analysis

For the year ended September 30, 2025

1. Introduction

This Management's Discussion and Analysis ("MD&A") of AE Fuels Corporation (formerly Cavalry Capital Corp.) (the "Company") has been prepared by management as of January 28, 2026, and should be read in conjunction with the unaudited condensed interim financial statements and related notes thereto of the Company for the years ended September 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. On December 19, 2025, the company changed its name to AE Fuels Corporation.

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's principal business was the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction as defined by the rules of the Exchange.

AE FUELS CORPORATION (formerly Cavalry Capital Corp.)

Management Discussion & Analysis

For the year ended September 30, 2025

3. Selected Financial Information

	Year ended September 30, 2025	Year ended September 30, 2024
Net loss	\$ (148,965)	\$ (48,629)
Loss per share	(0.04)	(0.01)
Total assets	301,192	254,768
Weighted average number of common shares outstanding, basic and diluted ¹	3,893,072	3,893,072

4. Results of Operations

Years ended September 30, 2025, and 2024

During the year ended September 30, 2025, the Company reported a net loss of \$148,965, or \$0.04 per share, as compared to a net loss of \$48,629, or \$0.01 per share, during the nine months ended September 30, 2024, an increase in loss of \$100,336.

The increase in net loss was primarily due to higher professional fees incurred during the period of \$128,805 (2024: \$43,913) relating to the Company's Qualifying Transaction (see 10 below), and transfer agency and filing fees of \$25,230 (2024: \$15,059). Interest income was \$6,019 for the period (2024: \$11,211).

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	\$ (108,980)	\$ 0.03
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)	—

During the quarter ended September 30, 2025, the Company incurred professional fees of \$102,343 primarily related to a proposed Qualifying Transaction (see 10 below), transfer agent and filing fees of \$7,457, as well as \$277 for general corporate matters and earned interest income of \$1,098.

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.

¹ The weighted average number of shares outstanding has been adjusted to reflect the 1.66:1 share consolidation completed subsequent to September 30, 2025 (see 10 below).

AE FUELS CORPORATION (formerly Cavalry Capital Corp.)

Management Discussion & Analysis

For the year ended September 30, 2025

5. Summary of Quarterly Results (continued)

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 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 \$301,192 at September 30, 2025, compared to cash of \$254,768 at September 30, 2024, with a decrease in working capital of \$148,965 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, 2025, were related to professional and

AE FUELS CORPORATION (formerly Cavalry Capital Corp.)

Management Discussion & Analysis

For the year ended September 30, 2025

6. Liquidity and Capital Resources (continued)

regulatory filing fees along with general and administrative costs.

Current assets excluding cash as at September 30, 2025, were \$nil (2024: \$nil).

Current liabilities as at September 30, 2025, consisted of trade payables and accrued liabilities of \$207,027 (2024: \$11,638). Included in this amount is \$2,100 due to a company controlled by the Company's CFO, along with \$100,000 in share subscriptions received, related to the Concurrent Financing (see 10 below).

To date, the Company has not generated any revenues, has incurred losses since its inception and, at September 30, 2025, had an accumulated deficit of \$408,256.

Operating activities

For the year ended September 30, 2025, the Company's operating activities used cash of \$56,576 (2024: \$64,088).

Financing activities

For the year ended September 30, 2025, the Company received \$100,000 (2024: \$nil) net cash for share subscriptions relating to the Concurrent Financing (see 10 below).

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;

AE FUELS CORPORATION (formerly Cavalry Capital Corp.)

Management Discussion & Analysis

For the year ended September 30, 2025

8. Financial Instruments & Risk Management (continued)

- 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.

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, 2025, the Company incurred the following expenses with a company controlled by an officer of the Company:

	Nature		2025
Key management	Professional fees	\$	24,000

10. Qualifying Transaction

On July 17, 2025, the Company entered into a definitive share exchange agreement (the "Share Exchange Agreement") regarding a planned business combination (the "Transaction") with Advanced Energy Fuels, Inc. ("Advanced Energy") and the shareholders of Advanced Energy. Advanced Energy holds exploration and evaluation stage resource interest, including manganese and fluorospar, in Australia and the United States. The Company filed a filing statement dated December 12, 2025 (the "Filing Statement") on SEDAR+ under its profile relating to the Transaction. On December 19, 2025, and in accordance with the terms of the Transaction, the Company acquired all of the issued and outstanding common shares of Advanced Energy in exchange for 20,579,938 common shares of the Company issued to the shareholders of

AE FUELS CORPORATION (formerly Cavalry Capital Corp.)

Management Discussion & Analysis

For the year ended September 30, 2025

10. Qualifying Transaction (continued)

Advanced Energy on a one-for-one basis, in accordance with the terms and conditions of the Share Exchange Agreement. As a result of the Transaction, Advanced Energy became a wholly owned subsidiary of the Company. The Transaction constituted the Qualifying Transaction of the Company, as defined by the rules of the Exchange.

Immediately prior to the completion of the Transaction, the Company changed its name to “AE Fuels Corporation” and consolidated its common shares (the “Consolidation”) on the basis of 1.66 pre-Consolidation common shares for each post-Consolidation common share (a “AE Fuels Share”).

Also immediately prior to the completion of the Transaction, Advanced Energy exercised the option to indirectly acquire a 100% interest in the South Woodie Woodie Manganese Project located in the Pilbara Region of Western Australia (the “SWWM Acquisition”), and the Company issued 6,000,000 AE Fuels Shares to Trek Metals Limited (ASX:TKM) (“Trek”), which when added to the 2,000,000 AE Fuels Shares issued to Trek pursuant to the Share Exchange Agreement, total 8,000,000 AE Fuels Shares. In connection with the SWWM Acquisition, the Company entered into an amended and restated investor rights agreement with Trek pursuant to which, among other things, the Company granted Trek a right to nominate one member to the board of directors of the Company and a pro-rata participation right in future financings of the Company for as long as Trek maintains ownership or control over at least 5% of the issued and outstanding AE Fuels Shares, as well as certain information rights.

On November 20, 2025, the Company completed a non-brokered private placement of 10,960,468 subscription receipts (each, a “Subscription Receipt”), at a price of \$0.25 per subscription receipt, raising aggregate gross proceeds of \$2,740,117 (the “Concurrent Financing”). \$100,000 of the proceeds were received prior to September 30, 2025, and included in subscriptions received. On the closing of the Transaction, each Subscription Receipt was converted into one unit, each comprised of one AE Fuels Share and one-half of one common share purchase warrant (each whole warrant, a “Warrant”). Each Warrant is exercisable by the holder thereof to purchase one AE Fuels Share at an exercise price of \$0.35 per share until December 19, 2027. The gross proceeds of the Concurrent Financing less certain deductions were released from escrow to the Company concurrently with the completion of the Transaction. The Company intends to use the proceeds of the Concurrent Financing as described in the Filing Statement.

In connection with the Private Placement, the Company paid aggregate cash finder’s fees of \$102,275 and granted an aggregate of 409,100 non-transferable finder warrants of the Company (each, a “Finder Warrant”) to arm’s length finders of the Company. Each Finder Warrant entitles the holder thereof to purchase one AE Fuels Share at an exercise price of \$0.35 per share until December 19, 2027.

Additional details of the Transaction are available on the SEDAR+ website at www.sedarplus.ca

11. Accounting Standards Issued But Not Yet Effective

The following standard has been issued but is not yet effective for the year ended September 30, 2025, and has not been early adopted by the Company:

IFRS 18 – Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18 Presentation and disclosure in Financial Statements, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for the presentation of

AE FUELS CORPORATION (formerly Cavalry Capital Corp.)

Management Discussion & Analysis

For the year ended September 30, 2025

11. Accounting Standards Issued But Not Yet Effective (continued)

the statement of profit or loss, including defined categories and subtotals, and enhanced disclosure requirements for management-defined performance measures.

IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, with early adoption permitted. The Company is currently assessing the impact of adopting IFRS 18. While the standard is expected to affect the presentation and disclosure of certain information in the financial statements, it is not expected to have a material impact on the Company's financial position or results of operations.

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 financial statements for the years ended September 30, 2025, and 2024, to which this MD&A relates.

13. Disclosure of Outstanding Share Data

Common Shares

As at January 28, 2026, the Company has authorized an unlimited number of common shares without par value and has 41,433,479 common shares issued and outstanding.

Incentive Stock Options

As at January 28, 2026, the Company has 369,842 shares reserved for issuance upon the exercise of officer and directors' options.

Share Purchase Warrants

As at January 28, 2026, the Company has 238,705 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.