



RZOLV TECHNOLOGIES INC.
(formerly Torchlight Innovations Inc.)

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**



MANAGEMENT’S DISCUSSION AND ANALYSIS

This Management’s Discussion and Analysis (“**MD&A**”) of RZOLV Technologies Inc. (“**RZOLV**”, “**we**”, “**our**”, “**us**” or the “**Company**”) provides information about our performance, financial condition and future prospects.

This MD&A should be read in conjunction with the audited consolidated financial statements for the years ended December 31, 2025, and 2024.

The audited consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (“**IFRS Accounting Standards**”).

The functional currency of the Company is the Canadian dollar (“**\$**” or “**CAD**”). Any reference to the United States dollar is denoted by “**USD**” or “**US\$**”. The presentation currency of the consolidated financial statements is CAD. All dollar amounts in this MD&A are expressed in CAD, unless otherwise noted or the context otherwise provides.

This MD&A is prepared as of April 22, 2026 and includes certain statements that may be deemed “forward-looking information”, “forward-looking statements”, and “financial outlook”. We direct readers to the “*Statement Regarding Forward-Looking Information*” section included within this MD&A.

Additional information relating to the Company and the Qualifying Transaction (“**QT**”) with Innovation Mining Inc. (“**Innovation**”) (described below), including the Filing Statement, dated October 8, 2025, is available on the System for Electronic Data Analysis and Retrieval + (“**SEDAR+**”) website at www.sedarplus.ca.

OUR BUSINESS

The Company was incorporated under the Business Corporations Act (British Columbia) (the “**BCBCA**”) on October 8, 2021, under the name “Torchlight Technologies Inc.” and changed its name to “RZOLV Technologies Inc.” on November 10, 2025, following the completion of its Qualifying Transaction. The registered office of the Company is located at 1111 West Hastings Street, 15th Floor, Vancouver, British Columbia (“**BC**”), Canada V6E 2J3 and its head office is located at 119 - 998 Harbourside Drive, North Vancouver, BC, Canada V7P 3T2.

The Company is a clean technology company engaged in the development and commercialization of hydrometallurgical technologies for the recovery of gold, silver and other selected metals. Its principal technology, RZOLV, is a proprietary, water-based, non-cyanide formula being developed as an alternative to conventional cyanide-based gold extraction. The Company is evaluating RZOLV for potential application in heap leaching, vat leaching, tank leaching, concentrate treatment, tailings reprocessing, complex copper-gold materials, silver-bearing feedstocks, including solar panel related materials, and other primary and secondary mineral processing applications. The Company is in the development and commercialization stage of its technology, and RZOLV remains subject to ongoing testing, validation, scale-up and commercial assessment.

The Company has not generated operating revenues and remains subject to the risks inherent in the development of a new business, including risks relating to financing, technical development,



commercialization, regulatory and permitting matters, customer adoption and operational execution. There can be no assurance that results obtained to date will be achieved on a consistent basis, at larger scale, or under commercial operating conditions.

AMALGAMATION AGREEMENT – INNOVATION MINING INC.

On April 11, 2025, the Company entered into an amalgamation agreement (the “**Amalgamation Agreement**”) with Innovation and 1535261 BC Ltd. (“**Subco**”), a wholly owned subsidiary of the Company pursuant to which the Company acquired, by way of a “three-cornered amalgamation,” all of the issued and outstanding securities of Innovation (together with the related transactions and corporate procedures set forth in the Amalgamation Agreement, the “**Transaction**”).

The Transaction constituted the Company’s “Qualifying Transaction” in accordance with TSX Venture Exchange (“**Exchange**”) Policy 2.4 – *Capital Pool Companies* (“**Policy 2.4**”). The Company, after giving effect to the Transaction and upon receiving final approval from the Exchange, will hereinafter be referred to as the “**Resulting Issuer**”.

On October 10, 2025, the Transaction closed with the filing of the Exchange Filing Statement and on October 20, 2025, final Exchange approval was received. The Company started trading on the Exchange under the symbol “RZL” on October 22, 2025.

Pursuant to the terms of the Amalgamation Agreement, and subject to certain conditions, including receipt of applicable regulatory and shareholder approvals, on the closing date of the Transaction, Innovation amalgamated with Subco pursuant to the provisions of the BCBCA (the “**Amalgamation**”). The amalgamated entity is a wholly-owned subsidiary of the Company.

The Amalgamation was approved by the shareholders of the Company at a meeting of shareholders on August 7, 2025.

On September 19, 2025, Innovation completed a share split on a 1:1.24 basis prior to completion of the SR Financing (defined below) and the Transaction (the “**Share Split**”). Pursuant to the Transaction, the Company issued one (1) post-Consolidation common share to Innovation shareholders for every one (1) common share of Innovation held. Outstanding options, warrants and broker warrants of Innovation were replaced with options, warrants and broker warrants of the Resulting Issuer exercisable on equivalent terms.

In connection with the Transaction and following the Share Split, on September 25, 2025, Innovation completed a non-brokered private placement of 5,686,562 subscription receipts (each a “**Subscription Receipt**”) at a price of \$0.50 per Subscription Receipt for aggregate gross proceeds of \$2,843,281 (the “**SR Financing**”). Each Subscription Receipt was exchanged for one common share (a “**Share**”) in the capital of Innovation and one common share purchase warrant of Innovation (a “**Warrant**”) (exercisable at a price of \$0.75) prior to completion of the Transaction. The underlying Company Shares and Warrants were subsequently exchanged for common shares and warrants of the Company on a one-for-one basis, in accordance with the exchange ratio, at the time of completion of the Transaction.

Finder’s fees were paid in connection with the SR Financing upon closing of the Transaction. Finder’s fees associated with the SR Financing included \$177,180 in cash (paid on October 15, 2025) and the issuance of 370,360 broker warrants (issued on October 10, 2025).



In connection with the Transaction, on October 10, 2025, the Company consolidated its common shares on a 1.923:1 basis (the “**Consolidation**”).

No finder’s fee is payable in connection with the Transaction.

There are no common control persons of both the Company and Innovation. The Transaction did not constitute a “Non-Arm’s Length Qualifying Transaction” (as such term is defined in Policy 2.4) or a related party transaction pursuant to the policies of the Exchange and applicable securities laws.

RZOLV TECHNOLOGY

Features and benefits

RZOLV is the Company’s principal hydrometallurgical technology under development for the recovery of gold and certain other metals. The technology is being evaluated as a non-cyanide alternative for use in a range of processing applications, including heap leaching, vat leaching, agitated tank leaching, concentrate treatment and tailings reprocessing. The Company is also assessing potential applicability to certain complex copper-gold and silver-bearing feedstocks. Development work remains subject to ongoing testing, validation, scale-up and commercial assessment.

Applications

(a) Heap and vat leaching

RZOLV's compatibility with heap and vat leaching processes is a major advantage for large-scale operations. Its non-toxic nature allows for easier management of leachate and minimizes environmental risks. This adaptability makes it particularly useful for processing low-grade ores and whole ore bodies in both developed and remote locations.

(b) Gold concentrate processing

RZOLV is particularly effective in refining gold concentrates, offering a sustainable and less energy-intensive alternative to traditional methods like smelting and high intensity cyanidation. This application improves recovery rates and reduces penalties, shipping costs, and smelting fees. It also reduces the overall carbon footprint of gold production.

(c) Tailings reprocessing

Tailings, often considered waste, contain residual gold and other valuable metals. RZOLV enables efficient recovery from these materials, turning environmental liabilities into profitable opportunities. This process is expected to not only generate revenue but also help mining companies meet environmental reclamation obligations.



(d) In-situ leaching (future potential application)

RZOLV holds potential for in-situ leaching, a method that eliminates the need for extensive excavation by injecting the solution directly into the ore body. This reduces surface disturbance and waste generation while providing an economically viable solution for extracting gold from deep or geologically complex deposits.

Potential Comparative Advantage

Traditional gold recovery methods, especially those relying on cyanide, are increasingly constrained by regulatory and environmental challenges. RZOLV addresses these limitations with several distinct advantages:

Reduced environmental cleanup costs

Cyanide is highly toxic and poses significant risks to local ecosystems. If spills or leaks occur, the costs of environmental cleanup can be extremely high, requiring extensive remediation efforts. By using a safer, non-toxic alternative, mining companies can reduce potential cleanup expenses and mitigate the risk of fines and penalties for environmental damage.

Enhanced public and regulatory acceptance

Mining companies that adopt environmentally friendly alternatives to cyanide may gain better public perception and community support. This can lead to fewer regulatory hurdles, lower permitting costs, and faster approval processes, which can significantly reduce operational delays and associated costs.

Lower insurance premiums

Insurance premiums for mining operations can be substantially reduced when a company demonstrates that it is using safer, less toxic chemicals. Insurance companies may offer lower premiums to companies that use environmentally friendly alternatives, as the risk of catastrophic environmental damage is minimized.

Access to green investment and funding

Investors and financial institutions are increasingly prioritizing sustainability in their portfolios. By switching to a more environmentally friendly approach, mining companies can attract "green" investment and funding from environmentally conscious investors, often at favorable terms.

Long-term operational sustainability

Safer, environmentally friendly alternatives to cyanide may have lower environmental impact, allowing for longer-term, sustainable mining operations. This can help ensure that operations are less likely to face sudden shutdowns due to environmental concerns, allowing companies to maintain a steady income flow over time.



Potential for cost savings

RZOLV has the potential to be more cost-effective than cyanide. The reusability of RZOLV significantly reduces comparative reagent costs. Additional cost savings include site remediation, insurance, monitoring, testing, transportation costs. These factors combine to lower the overall cost per ounce of gold recovered, even in challenging ore bodies like sulfides, and complex copper-gold deposits.

Reduction in health-related costs

Cyanide poses serious health risks to workers. By replacing it with a less hazardous substance, mining companies can reduce health-related costs, such as medical treatment for employees, compensation claims, and worker absenteeism due to poisoning or accidents. Healthier workers also tend to be more productive, contributing to higher overall operational efficiency.

Selective chemistry

In sulfides, and copper-gold systems, traditional cyanide methods often suffer from high reagent consumption due to mineral interference, RZOLV's selective chemistry ensures higher gold recovery rates while simultaneously recovering copper into solution.

In summary, replacing cyanide with environmentally friendly alternatives not only helps mitigate environmental and health risks but also offers several economic benefits such as cost savings, improved regulatory compliance, and access to sustainable investment opportunities.

Process overview

The Company's lixiviant consists of a base formula of non-toxic dry ingredients which are mixed with water. The oxidant is uniquely generated and regenerated for re-use electrochemically. While the primary formula was found to leach gold, a number of enhancing agents have been identified that improve the leach kinetics as well as the stability of the solution and the resulting gold complex which is formed during the leach reaction.

These leach modifying additives are a unique and key component in the effectiveness of this process. Hundreds of individual tests have been completed on the Company's formula. The tests will involve the preparation and comparative leaching of ores in lab-scale and pilot-scale scenarios.

Following the leach cycle, analysis of the solution will be completed using Atomic Absorption Spectroscopy, or other analytical instruments and the analysis of the leach tailings/residue by acid digestion and/or fire assay.

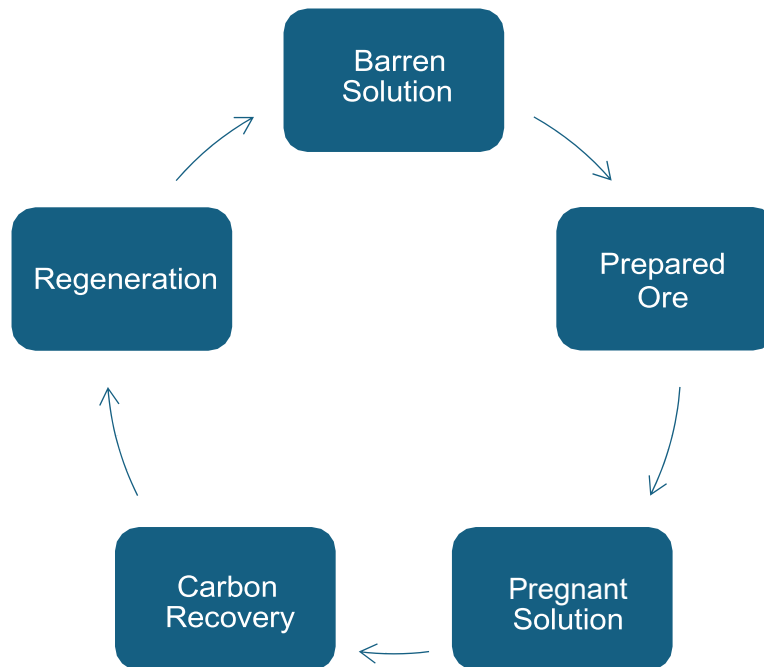
A detailed economic analysis will also be performed to determine chemical consumption and overall costs comparisons to conventional cyanide applications.

Results to date indicate the Company's solution performs with similar recoveries and leach kinetics as that of 1,000 part per million sodium cyanide solution. The formula produces a gold complex which is stable in solution and there are no preliminary indications to a maximum

solubility level. Recoveries from solution are also similar to that of cyanide with the gold complex reporting over 99.5% of gold to activated carbon.

Using the proprietary formula and process, the solution selectively extracts precious metals from the host material into solution in a safe, environmentally friendly, and sustainable fashion.

Figure 1: The Company's process flow:



Regeneration and reuse of formula

The Company's proprietary technology integrates state-of-the-art regeneration and reuse systems utilizing Element 6's diamond-based electrochemical cells. Element 6, a division of De Beers Group, is globally recognized for expertise in industrial diamonds and electrochemical technologies. These specialized bipolar cells play a critical role in restoring the chemical formula to its oxidative state after the primary leach cycle, ensuring sustained reusability of the barren solution.

This low-cost, closed-circuit process eliminates the need for additional chemicals on-site while enhancing the efficiency and sustainability of gold extraction. The Company has secured exclusive North American rights to this revolutionary technology, positioning itself as a leader in eco-friendly mining innovations.

Gold is recovered from pregnant (gold bearing) solution by the process of passing the solution through activated carbon or electrowinning cells. The use of carbon is common throughout the gold mining sector.



Following leaching, the activated carbon is mixed with the pregnant leaching solution, or the solution is passed through the carbon. The gold is adsorbed onto the surface of the activated carbon, now considered loaded.

The gold can then be desorbed from the loaded carbon in a process known as elution (this step is often referred to as stripping), which produces a high gold concentrate solution from which gold can be electrowon.

For recovery using electrowinning, an electric current is passed through the solution causing solid gold to plate out on steel wool or stainless-steel cathodes.

ROYAL VINDICATOR (“RV”) MINE (Georgia, USA)

Definitive agreement – RV Mine

On July 10, 2024, the Company entered into a definitive agreement with Chester Millar, Chester Holdings Canada Inc. (“**CHC**”), Chester Millar 2018 Alter Ego Trust (“**CM Trust**”), Christopher Babcock, Antony Wong and Teena Shinkawa (together, the “**Parties**”) to acquire 100% of the RV Mine located in Haralson County, Georgia, United States of America. Chester Millar is a related party to the Company as the former Chairman of the Board and Director. Christopher Babcock is a related party to the Company as the former Vice President (“**VP**”) Operations.

Under the terms of the definitive agreement, the transaction value for the RV Mine was US\$6,500,000 with the Company to settle the transaction value as follows:

- US\$650,000 payable to the shareholders of CHUSA as follows:
 - US\$100,000 payable to Chester Millar or CM Trust upon execution of the definitive agreement (paid);
 - US\$479,150 payable to Chester Millar or CM Trust upon successful initial public offering (“**IPO**”) of the Company;
 - US\$64,350 payable to Christopher Babcock upon successful IPO of the Company;
 - US\$3,250 payable to Antony Wong and US\$3,250 payable to Teena Shinkawa upon successful IPO of the Company.
- US\$2,627,171 payable by way of issuance of common shares of the Company, upon the successful IPO of the Company, as follows:
 - US\$2,340,809 worth of common shares of the Company to CM Trust;
 - US\$260,090 worth of common shares of the Company to Christopher Babcock;
 - US\$13,136 worth of common shares of the Company to Antony Wong; and
 - US\$13,136 worth of common shares of the Company to Teena Shinkawa.

The amount and issue price of the common shares of the Company was to be based on the foreign exchange rate and listing price at the time of the Company’s IPO. All issued shares were to be escrowed or otherwise restricted until they were eligible for release based on the following:

- 50% of the Company’s shares issued to each party were to be released from escrow upon IPO, and/or as per regulatory approvals; and
- 50% of the Company’s shares issued to each party were to be released from escrow on a revenue-based formula.



- The Company was to assume US\$3,222,829 plus any such amount of calculated interest by way of secured debt as follows:
 - US\$2,182,829 payable plus 8% interest per annum to H. Morgan & Company; and
 - US\$1,040,000 payable plus 5% interest per annum to CM Trust.

The minimum annual payable amounts to both H. Morgan & Company and CM Trust for the debt was to be calculated on a pro-rata basis, based on the greater amount of the following: (a) US\$100,000 or (b) 10% of gross revenue of CHUSA.

The secured debt including accrued interest was payable in full upon or before the sixth anniversary (72 months) following the signing of the definitive agreement.

Under the definitive agreement, the Company was to also pay CHUSA for expenditures on the RV Mine which were to be allocated towards the working capital for maintaining commercial production of the RV Mine, as follows:

- US\$150,000 payable upon execution of the definitive agreement (US\$131,974 incurred, US\$18,026 remains outstanding); and
- US\$350,000 payable upon the successful IPO of the Company.

Under the definitive agreement, the closing of the transaction was subject to the successful IPO of the Company. The definitive agreement could have been terminated if the successful IPO of the Company did not occur by February 1, 2025, unless the Company and Chester Millar mutually agreed to a specified extension date for the IPO. Subsequent to December 31, 2024, on January 27, 2025, the Company and Chester Millar agreed to extend the date for the IPO in the definitive agreement to July 31, 2025.

In the event that the definitive agreement was terminated, any amounts paid to Chester Millar or advanced to CHUSA for expenditures on the RV Mine would be non-refundable.

On March 18, 2025, the Company and the Parties agreed to terminate the definitive agreement for the RV Mine. As a result, the Company wrote off the acquisition deposits paid and derecognized the acquisition liabilities recorded for the deposit amounts that were unpaid as at December 31, 2024.

BUSINESS CYCLE AND SEASONALITY

The Company's business is not cyclical or seasonal.

The Company is impacted by the global supply and demand outlook for precious metals, which in turn is influenced by diverse factors, US currency valuations, derivatives market activity, interest rate and inflation forecasts and other factors.



SUMMARY OF ANNUAL RESULTS

The following table contains selected annual financial information derived from our audited financial statements, which are reported under IFRS Accounting Standards.

	December 31, 2025	December 31, 2024	December 31, 2023
Revenue	\$ -	\$ -	\$ -
Net loss	(4,793,585)	(2,333,981)	(1,097,066)
Net comprehensive loss	(4,793,585)	(2,333,981)	(1,097,066)
Loss per share – basic and diluted	(0.09)	(0.05)	(0.04)
Cash and cash equivalents	1,396,600	360,177	977,671
Total assets	1,735,471	699,472	1,348,170
Total liabilities	324,215	\$ 259,488	\$ 198,655

In 2025, net loss and comprehensive loss increased due to the listing expense recognized upon completion of the Transaction with Innovation. The Company also incurred increased corporate administrative expenses such as professional fees in connection with the Transaction.

In 2024, net loss and comprehensive loss increased due to higher corporate administrative expenses, primarily related to salaries and benefits and investor relations and marketing, and the write-off of the RV Mine acquisition deposits.

FINANCIAL POSITION

Total assets

As at December 31, 2025, total assets were \$1,735,471, an increase of \$1,035,999 compared to December 31, 2024. The increase was predominantly due to cash in the amount of \$1,396,600 (2024 - \$360,177) generated by proceeds from private placements, partially offset by continued spending on corporate administrative expenses and research and development (“R&D”) expenditures for RZOLV.

Currently, under our accounting policy for R&D expenditures and the stage of R&D of RZOLV, all costs incurred related to RZOLV are expensed to the statement of loss and comprehensive loss and not capitalized to the statement of financial position.

Total liabilities

As at December 31, 2025, total liabilities were \$324,215, an increase of \$64,727 compared to December 31, 2024. Liabilities are expected to stay consistent period over period and fluctuate due to timing of payments due to availability of cash.

Total shareholders’ equity

Total shareholders’ equity was \$1,411,256, an increase of \$971,272 compared to December 31, 2024. Higher shareholders’ equity was due to net proceeds from the completion of the SR Financing and private placements, partially offset by the net loss for the year ended December 31, 2025 in the amount of \$4,793,585, as discussed below.



FINANCIAL RESULTS OF OPERATIONS

Administrative expenses

For the three months and year ended December 31, 2025, total administrative expenses were \$1,688,076 and \$3,288,081 respectively, an increase of \$1,248,862 and \$1,394,821 respectively compared to the comparable periods in 2024. Overall, the increase is a result of the Company's continued growth in 2025 and costs incurred with respect to the Transaction with Innovation.

Professional fees

For the three months and year ended December 31, 2025, professional fees were \$329,289 and \$671,501 respectively, an increase of \$219,575 and \$366,026 respectively compared to the comparable periods in 2024. The increase was primarily due to legal fees and external auditors costs, for quarterly interim reviews and consent procedures, required in connection with the Transaction and costs for the audit of CHC and CHUSA.

Salaries and benefits

For the three months and year ended December 31, 2025, salaries and benefits were \$200,962 and \$737,782 respectively, an increase of \$33,289 and \$98,135 respectively compared to the comparable periods in 2024. The increase was primarily due to higher salaries for its senior executives and the inception of medical and dental benefits for its senior executives. Refer to the "Related Party Transactions and Balances" section of this MD&A.

The increase was partially offset by the Company receiving its Scientific Research and Experimental Development ("SR&ED") refund in the fourth quarter of 2025, of which \$180,116 was allocated to salaries and benefits.

Investor relations and marketing

For the three months and year ended December 31, 2025, expenses related to investor relations and marketing were \$206,482 and \$500,301 respectively, an increase of \$147,261 and \$54,516 respectively, compared to the comparable periods in 2024. The increase was correlated with completing the Transaction and public listing, resulting in the need for additional investor relations and marketing related activities.

Listing and filing fees

For the three months and year ended December 31, 2025, listing and filing fees were \$114,638 and \$122,830, an increase of \$112,680 and \$117,855 respectively, compared to the comparable periods in 2024. The increase was correlated with completing the Transaction and public listing, resulting in the Company incurring additional listing and filing fees.



Stock-based compensation

During the three months and year ended December 31, 2025, the Company incurred stock-based compensation of \$623,075 compared to \$nil during the three months and year ended December 31, 2024. The outstanding stock options began vesting upon completion of the Transaction, thus resulting in the stock-based compensation expense.

R&D expenses

For the three months and year ended December 31, 2025, R&D expenses were a recovery of \$(86,525) and expense of \$159,950. R&D expenses increased for the year-to-date period by \$55,685 however decreased by \$131,575 for the three month period, a result of the recovery in the fourth quarter of 2025.

R&D expenses were driven by costs incurred for the bulk scale test and higher lab testing costs as the Company continued the development of its RZOLV technology. The recovery was a result of the Company receiving its SR&ED refund in the fourth quarter of 2025, of which \$154,301 was allocated to R&D expenses.

Net loss and comprehensive loss

For the three months and year ended December 31, 2025, net loss was \$2,923,019 and \$4,793,585 respectively, an increase of \$2,120,706 and \$2,459,604 respectively compared to the comparable periods in 2024. The increase in net loss and comprehensive loss was primarily driven by the reason discussed above as well as a listing expense of \$1,337,441, recognize on completion of the Transaction.

LIQUIDITY, CAPITAL RESOURCES AND GOING CONCERN

Cash flow

For the year ended December 31, 2025, cash flows used in operating activities were \$2,734,388, an increase of \$892,407 compared to the comparable period in 2024. Operating cash outflows increased primarily due to higher R&D expenditures for the bulk scale test and continued development of the Company's RZOLV technology and higher corporate administrative expenses partially offset by changes in non-cash working capital items.

For the year ended December 31, 2025, cash flows generated from investing activities were \$36,664, an increase of \$345,793 compared to the comparable period in 2024. Investing cash inflows increased due an increase in interest received of \$10,485, cash received on the revere-take over Transaction of \$19,643, a decrease in purchases of property and equipment in the amount of \$13,875 and proceeds from the sale of property and equipment in the amount of \$2,150. For the year ended December 31, 2024, the Company paid \$299,640 as a deposit to purchase the RV Mine.

For the year ended December 31, 2025, cash flows generated from financing activities were \$3,734,147, an increase of \$2,195,259 compared to the comparable period in 2024. The increase was due to additional net proceeds generated from private placements in the amount of \$2,167,040, as well as proceeds from the exercise of stock options and warrants of \$28,756.



Liquidity, capital resources and going concern

As at December 31, 2025, the Company had cash and cash equivalents of \$1,396,600 (December 31, 2024 – \$360,177) and a working capital (current assets less current liabilities) surplus of \$1,290,202 (December 31, 2024 – \$291,140).

The Company has incurred losses, has limited financial resources and has no current source of revenue or cash flow generated from operating activities. To address its financing requirements, the Company plans to seek financing through, but not limited to, equity financings, debt financings, government grant funding and strategic alliances. However, there is no assurance that such financing will be available. If adequate financing is not available or cannot be obtained on a timely basis, the Company may be required to adjust its business plans.

The above factors give rise to material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern. If the going concern assumption were not appropriate for these financial statements, then adjustments would be necessary to the carrying values of assets, liabilities, the reported expenses and the statement of financial position classifications. Such adjustments could be material.

If the Company's R&D efforts are successful, additional funds will be required to continue R&D of its formula, including validation through industrial tests, after which full commercialization efforts will begin. The ability of the Company to arrange financing in the future will depend in part upon the prevailing market conditions as well as the business performance of the Company. If additional financing is raised through the issuance of shares, shareholders may experience dilution.

During the years ended December 31, 2025 and 2024, the Company completed the following private placements:

SR Financing

- In connection with the Transaction, on September 25, 2025, the Company completed a non-brokered private placement of 5,686,562 Subscription Receipts at a price of \$0.50 per Subscription Receipt for aggregate gross proceeds of \$2,843,281. Each Subscription Receipt was exchanged for one common share in the capital of the Company and one common share purchase warrant of the Company (exercisable at a price of \$0.75) upon completion of the Transaction.

Private placement – Unit offering

- From April 3, 2025 to July 2, 2025, the Company completed seven tranches of a private placement of 4,650,928 units at a price of \$0.28 per unit for gross proceeds of \$1,308,712. Each unit consisted of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder to purchase one additional common share of the Company at an exercise price of \$0.40 per common share for a period of two years from the date of issue.

Private placement – Unit offering

- From July 29, 2024 to December 30, 2024, the Company completed six tranches of a private placement of 3,528,767 units at a price of \$0.40 per unit for gross proceeds of \$1,418,500. As at December 31, 2024, a subscription agreement in the amount of \$50,000 was recorded in receivables and other (received on January 27, 2025). Each unit consisted of one common share of the Company and one common share purchase warrant.

Private placements

- On February 7, 2024, the Company completed the second tranche of a private placement in which 1,756,297 common shares were issued at \$0.20 per share for gross proceeds of \$353,000.

COMMITMENTS

The following table provides our contractual obligations as of December 31, 2025:

		1 year	2 – 3 years	More than 3 years	Total
Lease obligations	\$	13,450	\$ -	\$ -	\$ 13,450
	\$	13,450	\$ -	\$ -	\$ 13,450

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

SUMMARY OF QUARTERLY RESULTS

The following table contains selected quarterly financial information derived from our unaudited quarterly condensed interim financial statements, which are reported under IFRS Accounting Standards applicable to interim financial reporting.

	Q4 2025	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024
Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net loss	(2,923,019)	(708,686)	(598,995)	(562,885)	(802,313)	(445,624)	(565,000)	(521,044)
Net comprehensive loss	(2,923,019)	(708,686)	(598,995)	(562,885)	(802,313)	(445,624)	(565,000)	(521,044)
Loss per share – basic and diluted	(0.05)	(0.01)	(0.01)	(0.01)	(0.02)	(0.01)	(0.01)	(0.01)
Cash	1,396,600	59,953	552,787	23,594	360,177	78,491	355,443	754,920
Total assets	1,735,471	3,243,080	816,859	349,912	699,472	663,785	632,163	1,115,458
Total liabilities	\$ 324,215	\$ 580,276	\$ 347,306	\$ 454,813	\$ 259,488	\$ 259,488	\$ 149,642	\$ 177,937

In the fourth quarter of 2025, net loss and comprehensive loss increased due to the listing expense recognized on completion of the reverse takeover transaction, as well as the Company recognizing share-based compensation expense.

In the fourth quarter of 2024, net loss and comprehensive loss increased due to the write-off of the RV Mine acquisition deposits in the amount of \$314,562 upon termination of the definitive agreement.



The net loss and comprehensive loss gradually increased throughout 2023 and into 2024 due to the continued growth of the Company, primarily due to increased salaries and benefits, investor relations and marketing and professional fees.

OUTSTANDING SHARE DATA

As at April 22, 2026, the Company has the following number of securities outstanding:

	Number of securities
Common shares	62,196,243
Options	5,710,915
Warrants	14,529,547
	<u>82,436,705</u>

RELATED PARTY TRANSACTIONS

Key management includes the Company's directors, advisory board members and officers including its CEO, Chief Technology Officer ("CTO"), Chief Financial Officer ("CFO"), Chief Innovation Officer ("CIO") and Corporate Secretary.

During the year ended December 31, 2025, the Company incurred the following in key management compensation:

- \$323,629 (2024 - \$244,966) in salaries and benefits to Duane Nelson, CEO and Director,
- \$242,653 (2024 - \$160,622) in salaries and benefits to Hanif Jafari, CTO,
- \$235,104 (2024 - \$150,627) in salaries and benefits to Reza Kafaei, CIO,
- \$43,768 (2024 - \$Nil) in salaries and benefits to Mark Orsmond, former CFO,
- \$62,910 (2024 - \$83,432) in directors' fees to Chester Millar, former Director, and
- \$68,000 (2024 - \$60,000) in management consulting fees to Marien Segovia, Corporate Secretary.

During the year ended December 31, 2025, the Company incurred stock-based compensation of \$474,463 (2024 - \$Nil) related to the vesting of stock options granted to key management personnel.

As at December 31, 2025, accounts payable and accrued liabilities includes \$3,166 (2024 - \$9,061) owed to related parties of the Company for transactions incurred in the normal course of business.

As at December 31, 2025, prepaid expenses includes \$27,143 (2024 - \$27,143) advanced to Duane Nelson, CEO of the Company, for future salaries and benefits.

For the year ended December 31, 2025, the Company incurred \$80,623 (2024 - \$91,997) with P2 Gold Inc. under a CFO shared-services agreement. These expenditures are included in management and consulting fees in the statement of loss and comprehensive loss.

For the year ended December 31, 2025, the Company incurred \$Nil (2024 - \$6,495) with a family member of the CEO for social media marketing and website design. These expenditures are



included in investor relations and marketing and shareholder information respectively, in the statement of loss and comprehensive loss.

For the year ended December 31, 2025, the Company incurred \$5,550 (2024 – \$5,720) with a family member of the CIO for corporate materials and contractual labour. These expenditures are included in investor relations and marketing and research and development costs respectively, in the statement of loss and comprehensive loss.

NEW MATERIAL ACCOUNTING POLICIES

Our material accounting policies are presented in note 3 to the audited financial statements for the years ended December 31, 2025 and 2024.

NEW ACCOUNTING STANDARDS AND RECENT PRONOUNCEMENTS

The following standards, amendments and interpretations have been issued but are not yet effective:

- In May 2024, the IASB issued *Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)*. These amendments updated classification and measurement requirements in *IFRS 9 Financial Instruments* and related disclosure requirements in *IFRS 7 Financial Instruments: Disclosures*. The IASB clarified the recognition and derecognition date of certain financial assets and liabilities, and amended the requirements related to settling financial liabilities using an electronic payment system.

It also clarified how to assess the contractual cash flow characteristics of financial assets in determining whether they meet the solely payments of principal and interest criterion, including financial assets that have environmental, social and corporate governance (“ESG”)-linked features and other similar contingent features. The IASB added disclosure requirements for financial instruments with contingent features that do not relate directly to basic lending risks and costs, and amended disclosures relating to equity instruments designated at FVOCI. The amendments are effective for annual periods beginning on or after January 1, 2026 with early adoption permitted. This amendment is not expected to have a material impact on the Company.

- In April 2024, the IASB issued IFRS 18 – *Presentation and Disclosure in Financial Statements* which will replace International Accounting Standard (“IAS”) 1, *Presentation of Financial Statements*. The new standard on presentation and disclosure in financial statements focuses on updates to the statement of earnings (loss). The key new concepts introduced in IFRS 18 relate to the structure of the statement of earnings (loss), required disclosures in the financial statements for certain earnings or loss performance measures that are reported outside an entity’s financial statements and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general. Many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will apply for reporting periods beginning on or after January 1, 2027 and also applies to comparative information. The Company is in the process of assessing the impact of this standard.



There are no other IFRS Accounting Standards or International Financial Reporting Interpretations Committee interpretations that are not yet effective or early adopted that are expected to have any impact on the Company.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires the use of accounting estimates. It also requires management to exercise judgment in the process of applying its accounting policies. Estimates and policy judgments are regularly evaluated and are based on management's experience and other factors, including expectations about future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

The following discusses the most significant accounting judgments and accounting estimates that the Company has made in the preparation of the consolidated financial statements including those that could result in material changes within the next twelve months in the carrying amounts of assets and liabilities:

Key instances of accounting policy judgment

- The assessment of the Company's ability to continue as a going concern requires judgment related to future funding available to continue research and development of its technology and meet working capital requirements, the outcome of which is uncertain (refer to the "*Liquidity, Capital Resources and Going Concern*" section of this MD&A).
- The assessment of whether the reverse takeover transaction with Innovation was considered an asset acquisition or business combination requires judgement. Management assessed the inputs, processes and outputs of the company acquired at the time of acquisition and concluded it was an asset acquisition.

Estimation uncertainty

- The determination of the fair value of a common share and common share purchase warrant associated with the unit offering issued by the Company.
- The determination of the fair value of share options and broker warrants issued by the Company. The Company uses the Black-Scholes Option Pricing Model to value share options and broker warrants, which requires the input of subjective assumptions including expected volatility and interest rates.

FINANCIAL INSTRUMENTS

Classification of financial assets

The Company has the following financial assets: cash and cash equivalents and receivables.

Cash and cash equivalents comprise cash holdings in business and savings accounts held at one Canadian Tier 1 chartered financial institutions with an original maturity date of three months or less. Cash and cash equivalents are classified at amortized cost. Interest income is recognized by applying the effective interest rate method.



Classification of financial liabilities

The Company has the following financial liabilities: accounts payable and accrued liabilities and lease obligations.

Accounts payable and accrued liabilities are recognized initially at fair value and subsequent to initial recognition, held at amortized cost using the effective interest method.

Financial risk management

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's cash flows or value of its financial instruments.

(i) Currency risk

The Company is subject to currency risk on financial instruments that are denominated in currencies that are not the same as the functional currency of the entity that holds them. Exchange gains and losses would impact the statement of loss and comprehensive loss. The Company does not use any hedging instruments to reduce exposure to fluctuations in foreign currency rates.

The Company is exposed to currency risk through cash and cash equivalents and accounts payable and accrued liabilities which are denominated in USD.

The following table shows the impact on pre-tax loss of a 10% change in the USD:CAD exchange rate on financial assets and liabilities denominated in USD, as of December 31, 2025, with all other variables held constant:

	Impact of currency rate change on pre-tax loss	
	10% increase	10% decrease
Cash and equivalents	\$ 2,297	\$ (2,297)
Accounts payable and accrued liabilities	(2,559)	2,559

(ii) Interest rate risk

The Company is subject to interest rate risk with respect to its investment in cash and cash equivalents. The Company's current policy is to invest cash at variable and fixed rates of interest with cash reserves to be maintained in cash and cash equivalents in order to maintain liquidity. Fluctuations in interest rates when cash and cash equivalents mature impact interest and finance income earned.

The impact on pre-tax loss of a 1% change in variable interest rates on financial assets and liabilities, as of December 31, 2025, with all other variables held constant, would be nominal.



Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its financial assets including cash and cash equivalents.

The Company mitigates its exposure to credit risk on financial assets through investing its cash and cash equivalents with Canadian Tier 1 chartered financial institutions. Management believes there is a nominal expected credit loss associated with its financial assets.

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 manages liquidity risk by monitoring actual and projected cash flows and matching the maturity profile of financial assets and liabilities.

The Company's financial obligations consist of accounts payable and accrued liabilities and lease obligations. Contractual undiscounted cash flow requirements for contractual obligations as at December 31, 2025 are as follows:

	1 year	2 – 3 years	More than 3 years	Total
Accounts payable and accrued liabilities	\$ 311,087	\$ -	\$ -	\$ 311,087
Lease obligations	13,450	-	-	13,450
	\$ 324,537	\$ -	\$ -	\$ 324,537

Refer to note 1b of the consolidated financial statements and the “*Liquidity, Capital Resources and Going Concern*” section of this MD&A for further discussion regarding the Company's ability to continue as a going concern.

Fair value estimation

The Company's financial assets and liabilities are initially measured and recognized according to a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities and the lowest priority to unobservable inputs.

The three levels of fair value hierarchy are as follows:

- Level 1: Quoted prices in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data.

The carrying values of cash and cash equivalents, receivables, accounts payable and accrued liabilities and lease obligations approximate their fair values due to the short-term maturity of these financial instruments.



RISKS AND UNCERTAINTIES

Research and development companies in the clean-technology space involve a number of risks and uncertainties, many of which are beyond our control. These risks and uncertainties include, without limitation, the risks discussed elsewhere in this MD&A and those identified in the Company's Filing Statement dated October 8, 2025 as filed in Canada on SEDAR+ at www.sedarplus.ca. You should carefully consider such risks and uncertainties prior to deciding to invest in our securities.

Disclosure Controls and Procedures and Internal Controls Over Financial Reporting

The Company is a venture issuer and is not required to certify the design and evaluation of the Company's disclosure controls and procedures (DC&P) and internal controls over financial reporting (ICFR) and has not been completed such an evaluation. The inherent limitations on the ability of certifying officers to design and implement on a cost effective basis, DC&P and ICFR for the Company may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

STATEMENT REGARDING FORWARD-LOOKING INFORMATION

Except for statements of historical fact relating to the Company, certain statements in this MD&A may constitute forward-looking information, future oriented financial information or financial outlooks (collectively, "forward-looking information") within the meaning of Canadian securities laws. Forward-looking statements involve risks and uncertainties, such as statements about our plans, objectives, expectations, assumptions or future events. In some cases, you can identify forward-looking statements by terminology such as "anticipate," "estimate," "plan," "project," "continuing," "ongoing," "expect," "we believe," "we intend," "may," "should," "will," "could" and similar expressions denoting uncertainty or an action that may, will or is expected to occur in the future. These statements involve estimates, assumptions, known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from any future results, performances or achievements expressed or implied by the forward-looking statements.

Examples of forward-looking statements include:

- the Company's expectations, strategies and plans for the Company's proprietary technologies including the Company's planned research, development, expenditures, and related administrative costs;
- projections of revenue, earnings, capital structure and other financial items;
- statements regarding the capabilities of our business operations;
- the Company's plan to seek financing through, but not limited to, equity financings, debt financings, government grant funding and strategic alliances;
- statements of expected future economic performance;
- the potential for shareholders of the Company to experience dilution due to subsequent financings;
- statements regarding competition in our market, and
- assumptions underlying statements regarding us or our business.

Such forward-looking information is necessarily based upon a number of factors and assumptions that, while considered reasonable by the Company as of the date of such statements, are



inherently subject to significant business, economic and competitive uncertainties and contingencies. The assumptions underlying the forward-looking information in this MD&A, which may prove to be incorrect, include, but are not limited to, assumptions relating to:

- the Company's business strategies and development plans;
- the costs of implementation of the Company's business plans and development plans;
- the availability of sufficient capital to enable the Company to carry out our business strategy and development plans; and
- there will not be any material adverse events or changes outside the normal course of the Company's business.

Should one or more of the underlying assumptions prove incorrect, or should the risks and uncertainties materialize, actual results may vary materially from those described in the forward-looking statements.

Further, any forward-looking statement speaks only as of the date on which such statement is made, and, except as required by applicable law, the Company undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible for management to predict all such factors and to assess in advance the impact of each such factor on the business of the Company or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement. Refer to the "*Risk Factors*" section of this MD&A.

Investors are cautioned against placing undue reliance on forward-looking statements.