VELOX ENERGY MATERIALS INC.

MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE THREE MONTHS ENDED MARCH 31, 2026 AND 2025

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The following management discussion and analysis ("MD&A") of Velox Energy Materials Inc. ("Velox" or "the Company") provides a review of corporate developments, results of operations and financial position for the three months ended March 31, 2026 ("March 2026" or "Q1 2026") and 2025 ("March 2025" or "Q1 2025"). This discussion is prepared as of May 29, 2026 and should be read in conjunction with the condensed consolidated interim financial statements for the three months ended March 31, 2026, and 2025 (the "Q1 2026 Financial Statements"), and the audited consolidated financial statements for the years ended December 31, 2025, and 2024 (the "Audited 2025 Financial Statements"). Additional information relating to the Company, including the Audited 2025 Financial Statements is available on Velox's SEDAR profile at www.sedar.com and the Company's website at www.veloxenergymaterials.com.au. The results reported in this MD&A have been prepared in accordance with International Financial Reporting Standards ("IFRS") and are presented in Canadian dollars, which is the Company's functional currency.

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors (the "Board"), considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of the Company's common shares; (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

FORWARD-LOOKING STATEMENTS

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward- looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or statements that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement.

RECENT HIGHLIGHTS

Fiscal year 2026

On May 7, 2026, the Company granted an aggregate of 4,000,000 deferred share units ("DSUs") to Vincent Algar, a director of the Company, pursuant to the Company's long-term incentive plan. Each DSU represents a right to receive one common share of the Company. The DSUs will vest in accordance with the terms of the Plan and the applicable award agreement. In accordance with the Plan, the DSUs will be settled in common shares of the Company upon the holder ceasing to be an eligible participant, or such earlier vesting date as may be determined by the Board of Directors, and in all cases in accordance with applicable policies of the TSX Venture Exchange.

On March 23, 2026, the Company completed a non-brokered private placement financing of 89,296,272 units of the Company at a price of $0.035 per unit, for gross proceeds of $3,125,370. Each unit consisted of one common share and one warrant. Each warrant can be exercised to purchase one additional common share at a price of $0.05 on or before March 23, 2028. In connection with the private placement, the Company paid $187,470 in finders' fees and issued 5,357,776 finder warrants to Argonaut Securities Pty Limited. Each finder's warrant can be exercised to purchase one common share at a price of $0.05 on or before March 23, 2028. A director of the Company participated in the private placement for 3,796,272 units.

Fiscal year 2025

On June 13, 2025, the Company announced that TSX Venture Exchange has approved an amendment to the exercise price and an extension of 13,715,281 post-consolidation common share purchase warrants. The new expiry date for the Warrants is October 14, 2027. The new exercise price is $0.086.

During FY2025, 4,687,500 options expired unexercised, and the Board of Directors approved the cancellation of the remaining 2,347,222 options.

On December 5, 2025, 10,729,167 warrants expired unexercised.

The Company also has the following updates:

i. ASX Dual Listing & Kotai Hydrogen Project

Velox submitted an In Principle Application for ASX dual listing in June 2024, however the ASX rejected the application in September 2024, citing that the Kotai Hydrogen project was too early-stage to be a listing asset. The Company is disappointed by this decision but remains committed to the Kotai Hydrogen asset to enable future listing. Multiple strategies are being explored to maximize shareholder value.

ii. QCMBTF Investment Update

Velox engaged closely with the QIC Critical Minerals and Battery Technology Fund (QCMBTF), and whilst QCMBTF has extended the long stop date to March 31, 2025, they agreed not to extend beyond this date due to ASX listing uncertainties. Despite terminating investment agreements, QCMBTF remains supportive of Velox and its North Queensland Vanadium project.

iii. Board & Management Changes

CEO & President Simon Coyle stepped down on March 31, 2025 and resigned as a director. Director Mark Connelly resigned from the board on March 17, 2025. Nicole Morcombe (current director) was appointed as Interim CEO & President, without salary or fees. Michael Griffiths remains as a director, also without fees. Vincent Algar was appointed as an independent director, effective March 31, 2025, also without fees. The board will seek a second independent director with appropriate skills to complement the current board and assist in meeting the companies' goals and TSXV governance requirements.

Effective July 1, 2025, the Company's CFO and Corporate Secretary resigned and was replaced by Kyle Nazareth (CFO) and Sarah Morrison (Corporate Secretary).

iv. Strategic Focus & Future Plans

The Velox board remains focused on allocating resources to the North Queensland Vanadium project and Kotai Hydrogen project whilst exploring potential partnerships for both. Additionally, the Company is committed to identifying and evaluating strategic opportunities that enhance shareholder value and leverage the expertise of its board and management. This initiative aims to develop a portfolio of highly promising projects, aligned with the Company's strategic goals.

v. Shares for Debt Transaction

On July 18, 2025, the Company issued 919,483 common shares (the "Settlement Shares") at a deemed price of $0.06 per share in full and final settlement of outstanding debts totaling AU$62,500 (the "Debt") owing to Mark Connelly for director's fees (the "Debt Settlement"). The Company issued the Settlement Shares in order to preserve cash to fund future operations. All securities issued in connection with the Debt Settlement will be subject to a four-month hold period from the closing date under applicable Canadian securities laws, in addition to such other restrictions as may apply under applicable securities laws of jurisdictions outside Canada.

THE NORTH QUEENSLAND VANADIUM PROJECT

On November 1, 2023 the Company released an updated independent Mineral Resource Estimate ("MRE") for its Cambridge Vanadium Deposit that forms part of the NQVP situated within the "Vanadium Hub" approximately 450 km west of the port of Townsville, Queensland, Australia.

NQVP is a district-scale, advanced-stage Battery Metal asset within the world-class Vanadium Hub. The project covers 1,246 km2 in seven 100%-owned exploration permits with over 300 km² of the Toolebuc sedimentary host rocks that contain vanadium mineralization.

The project is located mid-way between Mt Isa and the Port of Townsville (north Queensland) and serviced by the town of Richmond with rail, road, power and port access and statewide skilled workforce.

The flagship Cambridge deposit was recently expanded to over 200Mt (see below), and several other prospects including Flinders River, Runnymede and Silver Hills provide near-term potential for resource expansion.

Historic preliminary metallurgy studies from the Cambridge deposit indicate that the deposit is oxidized, shallow, friable with a low strip ratio and suitable for pre-concentration and amenable to acid leach.

Highlights:

- Inaugural large diameter core (100mm) drilling program at the Cambridge deposit totaling 333m was completed in late August 2023 with results released on January 23, 2024.
- Preliminary sighter metallurgical test work on composited historical drill samples from the Cambridge vanadium deposit was suspended pending the completion of new large diameter diamond core. The historic samples were subsequently discarded due to contamination.
- The initial Cambridge 2018 MRE contained an Inferred Resource totaling 83.7 million tonnes of V_2O_5 grading 0.30% and 188 ppm MoO3 and was increased 206.2 Mt including and Indicated Resource of 61.33Mt @ 0.34% V_2O_5 and an Inferred resource of 144.87 Mt at 0.33 V_2O_5 (Table 1)
- Updated MRE based on 65 drill holes, using 30 drill holes not included in the initial 2018 resource.
- Estimated Molybdenum trioxide ("MoO_3") grade of 239.7ppm, up 51.8ppm ~28% increase.
- Two Exploration Targets were identified at Flinders River and Runnymede within the NQVP in May 2024.

The updated MRE is based on "reasonable prospects for eventual economic extraction" and is constrained in a Lerchs Grossman (LG) open pit shell that was constructed using $AUD 23,152/tonne ($USD 7.5/lb) for V_2O_5. The MRE has an effective date of October 27, 2023 and is based on historical drilling from 2008 to 2019. Details of the MRE are shown in Table 1 below.

Additionally, the North Queensland Vanadium Project has multiple characteristics that are positive for potential future development. These include:

- Existing sealed road access on the eastern edge of the deposit.
- Close to rail and power infrastructure.
- Mineralization is flat lying and outcrops at surface in places.
- Large property with multiple exploration targets.
- Cambridge Deposit covers ~ 2,500Ha (or 2%) of the 124,000Ha package.

Cut-Off V_2O_5 (%)	Classification	Ore Tonnes (Mt)	V_2O_5 (t)	V_2O_5 (%)	MoO_3 (t)	MoO_3 (ppm)
0.25	Indicated	61.33	210,300	0.34	14,600	234.6
	Inferred	144.87	483,400	0.33	35,500	241.9

Table 1 – Mineral Resource Estimate for the NQVP at 0.25 % Vanadium Cut-Off Grade

Notes:

- Indicated and Inferred Mineral Resources are not Mineral Reserves. Mineral resources which are not mineral reserves do not have demonstrated economic viability. There has been insufficient exploration to define the inferred resources tabulated above as an indicated or measured mineral resource, however, it is reasonably expected that the majority of the Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration. There is no guarantee that any part of the mineral resources discussed herein will be converted into a mineral reserve in the future. The estimate of mineral resources may be materially affected by environmental, permitting, legal, marketing or other relevant issues. The mineral resources have been classified according to the Canadian Institute of Mining (CIM) Definition Standards for Mineral Resources and Mineral Reserves (May 2014) and CIM Estimation of Mineral Resources & Mineral Reserves Best Practices Guidelines (2019).
- The Mineral Resource Estimate is constrained in an LG pit optimization utilizing V_2O_5 at $USD 7.5/lb, Mining at $AUD 2.86/tonne, Processing and G&A at $AUD 7.86/tonne, pit slopes at 35°.
- Differences may occur in totals due to rounding.
- Tonnage estimates are based on a bulk density of 1.8 g/cm³.
- Mr. Mike Dufresne, P.Geol., P.Geo. and Mr. Steven Nicholls, M.AIG of APEX Geoscience Ltd. ("APEX"), who are deemed a qualified person as defined by NI 43-101 is responsible for the completion of the updated mineral resource estimation.

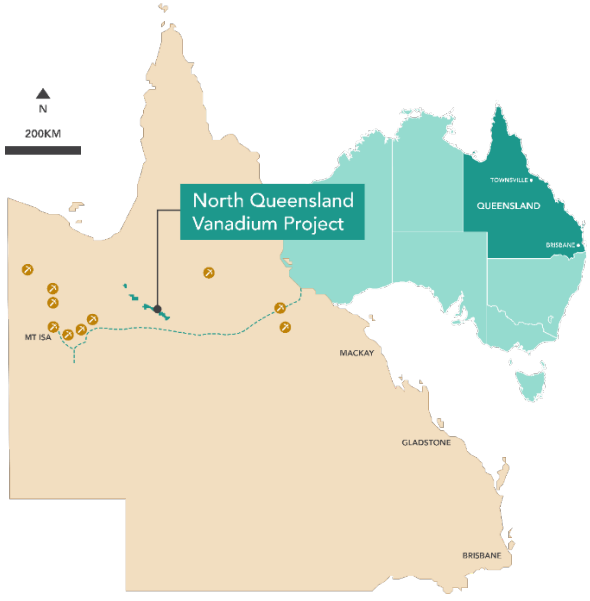


Figure 1 – North Queensland Vanadium Project Location

The NQVP is the merger of the Toolebuc and Flinders River Vanadium Projects and is situated approximately 450km west of the port of Townsville (Figure 1). The NQVP covers an area of approximately 124,000 Ha and is close to rail, road and power infrastructure.

The vanadium pentoxide ("V_2O_5") mineralisation is located within marine sediments of the Early Cretaceous Toolebuc Formation, a stratigraphic unit that occurs throughout the Eromanga Basin in Central Northern Queensland. The Toolebuc Formation is a flat-lying, early Cretaceous (Albian ~100 Ma) sedimentary package that consists predominantly of black carbonaceous and bituminous shale and minor siltstone, with limestone lenses and coquinites (mixed limestone and clays). The Cambridge MRE is situated within the flat lying Toolebuc Formation.

Cambridge consists of 65 historic aircore drill holes totalling 1,577 m were completed between 2008 and 2019 by Horizon Minerals/Intermin Resources in 2008 ("Horizon/Intermin") and Liontown Resources Ltd in 2019 ("Liontown"). The drilling defined a flat lying horizon of V_2O_5 with accessory MoO_3 mineralization ranging in thickness from 2 m to around 15 m covering a lateral area of 5.8 x 4.3 km.

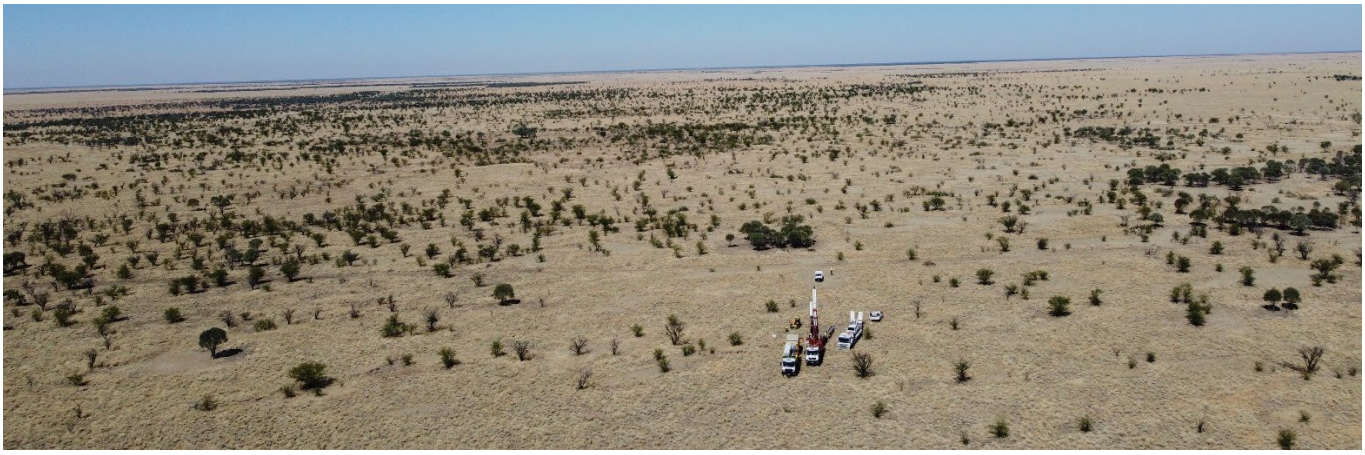


Photo 1 – Surface View of the Cambridge V_2O_5 Deposit – Looking South

About the Mineral Resource Estimate

Modelling was conducted in the Map Grid of Australia ("MGA") coordinate space relative to the Geocentric Datum of Australia ("GDA") 2020, and MGA zone 54 (EPSG:7854). The mineral resource block model utilized a block size of 100 m (X) x 50 m (Y) x 2 m (Z) to honour the mineralization wireframes. The percentage of the volume of each block below the bare earth surface and within the mineralization domain was calculated using the 3D geological models and a 3D surface model.

The Cambridge Deposit drill hole database consists of 65 drill holes that intersect the interpreted mineralization wireframe. The V_2O_5 and MoO_3 assays were composited to 1m composite lengths, and the estimation utilized 575 composited samples. All intervals within the interpreted wireframe were visually checked to ensure the flagging process was completed correctly.

The MRE is based on the combination of geological modelling, geostatistics and conventional block modelling using the Ordinary Kriging ("OK") method of grade interpolation with locally varying anisotropy variogram models.

For grade estimation, 1m composites were used to create the interpreted mineralization boundaries. A lower cut-off grade of 0.12% V_2O_5 was used to define the domain outline. This lower cut-off was chosen as a natural inflection in the V_2O_5 assay population. A single mineralized domain was defined. Block tonnes were estimated using 1.8 g/cm^3 for mineralized material.

The V_2O_5 and MoO_3 grade estimations were completed independently of each other and were completed using OK. The search ellipsoid size used to estimate the V_2O_5 and MoO_3 grades was informed by the modelled variograms for each variable. Block grade estimation employed locally varying anisotropy, which uses different rotation angles to define the principal directions of the variogram model and search ellipsoid on a per-block basis.

Blocks within estimation domains are assigned rotation angles using a modelled 3D mineralization trend surface wireframe. The estimation was performed using three estimation passes whereby each successive pass utilized a less restrictive sample search strategy for block estimation.

The search radii for the first estimation pass equals half of the variogram ranges. The second pass increases the search distance to the variogram range. The third pass further expanded the search distances up to twice the variogram range. Over 95% of the blocks were estimated within the first two estimation passes.

The Mineral Resource is classified according to the CIM "Estimation of Mineral Resources and Mineral Reserves Best Practice Guidelines" dated November 29th, 2019, and CIM "Definition Standards for Mineral Resources and Mineral Reserves" dated May 10th, 2014. Mr. Dufresne believes the North Queensland Vanadium Project - Cambridge Deposit has the potential for future economic extraction.

The unconstrained resource block model was subjected to several open pit optimization scenarios and surface mining parameters. The following criteria, Table 2, were considered reasonable.

Table 2 – Assumptions Used for the LG Pit Shell and Reasonable Prospects of Eventual Economic Extraction

Item	Unit	Value
Vanadium Price	USD/lb	7.50
Molybdenum Price	-	-
Mining Cost	AUD/tonne	2.86
Processing + G&A	AUD/tonne	7.86
AUD – USD Exchange Rate		0.70
Assumed V205 Recovery	%	85
Assumed Molybdenum Recovery	-	-

**Molybdenum was treated as a by-product of Vanadium and as such not used in the economic parameters of reasonable prospects of eventual economic extraction (LG Pit design).*

Table 3 – Sensitivity Analysis of the Mineral Resource Estimate for the NQVP at Various Vanadium Cut-Off Grades

Classification	Cutoff V_2O_5 (%)	Ore Tonnes (Mt)	V_2O_5 (t)	V_2O_5 (%)	MoO_3 (t)	MoO_3 (ppm)
Indicated	0.2	87.63	269,700	0.301	19,200	214.6
	0.25	**61.33**	**210,300**	**0.339**	**14,600**	**234.6**
	0.3	38.32	147,400	0.383	10,100	263.3
	0.35	22.15	95,200	0.429	6,300	283.5
	0.4	12.59	59,500	0.473	3,900	306.8
Inferred	0.2	217.59	648,300	0.294	48,800	220.6
	0.25	**144.87**	**483,400**	**0.33**	**35,500**	**241.9**
	0.3	80.83	308,700	0.38	21,600	264.5
	0.35	46.81	199,600	0.426	13,500	287.7
	0.4	23.97	114,900	0.478	6,900	288.8

Data Verification

In 2018, Optiro Pty Ltd. completed an independent MRE report of the Cambridge Deposit, which is now superseded by the November 1, 2023, updated independent mineral resource estimate.

The Qualified Persons ("QPs") reviewed recent reports and other documents including a recent independent mineral resource estimate report ("Cambridge Resource") authored by Optiro Pty Ltd. (2018), a summary report by Mike Griffiths of Velox (2021), and a number of ASX news releases (by Liontown Resources Ltd.). The Optiro Report documents a historical MRE that the QPs consider to having been compliant with recent CIM guidelines (2014) at the time it was constructed.

The Optiro Cambridge MRE was calculated based on 35 aircore holes completed in 2008 by Intermin. Mr. Dufresne and Mr. Steven Nicholls of APEX, both QP's reviewed the MRE and the underlying data. Liontown completed a total of 30 aircore holes in 2019 that are not included in the historical Optiro MRE but have been included in the current MRE.

The 2019 Liontown drill holes were drilled after the completion of the Optiro MRE and hence the MRE is now considered historical. The QPs have reviewed all the reports, the data that backs up the reports and the recent MRE data including drillhole data, wireframes and block models and confirm that the work and data are of a good standard and suitable for use for the calculation of a current MRE.

Drilling by Liontown in 2019 on Exploration Permit EPM26494 that hosts the Cambridge deposit, confirmed the presence of vanadium mineralization by twinning historical drillholes and has been used in the current MRE to substantially expand the resources.

Mr. Nicholls of APEX performed a property visit and reviewed the assay data for the seven twin drill holes in comparison with the historical Intermin drill holes, and the results returned show comparable V_2O_5 assay results between the two sets of data.

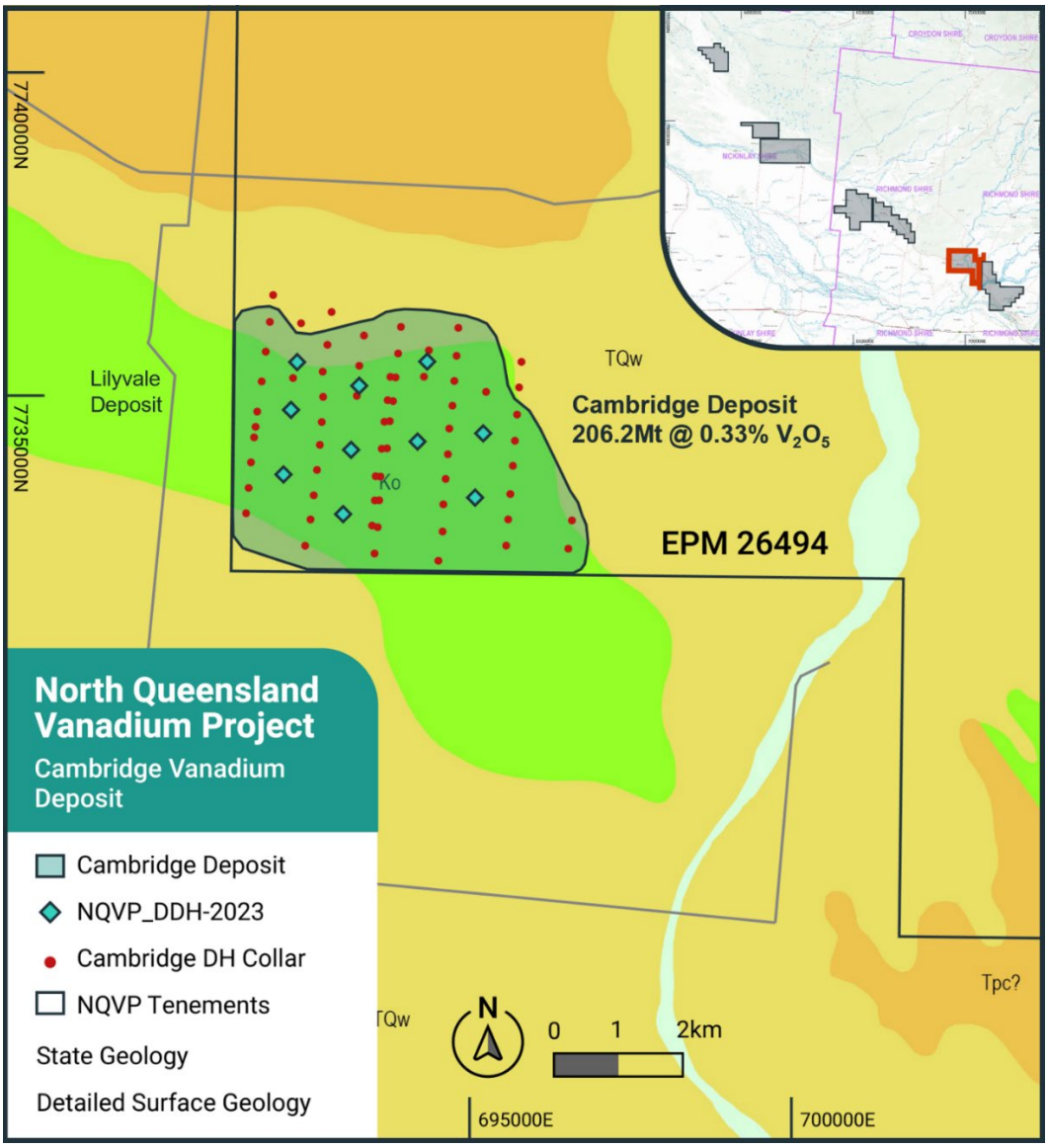


Figure 2 – Plan View of the NQVP – Cambridge Deposit Showing the Drill Hole Locations and the Interpreted Mineralization Extents

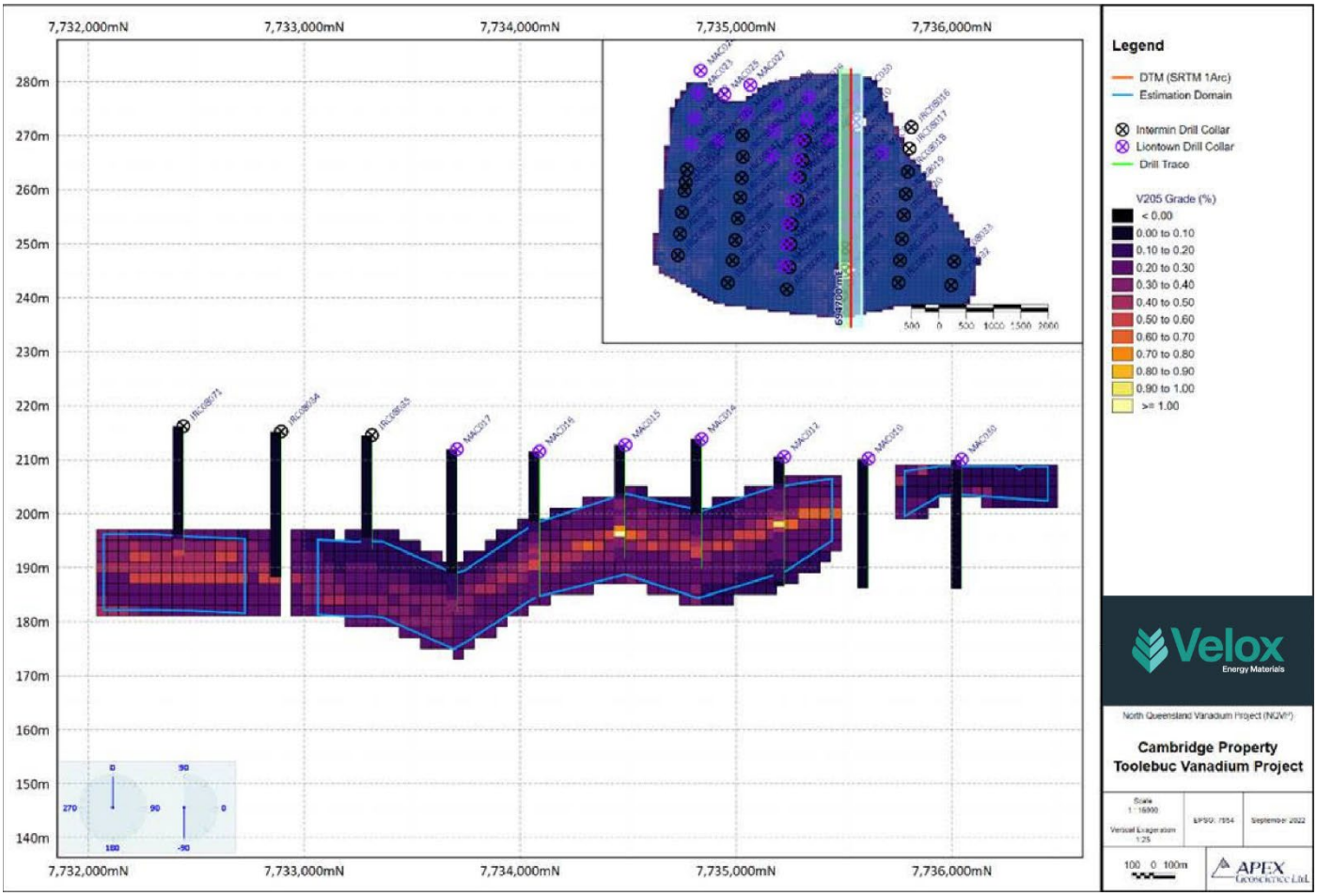


Figure 3 – Cross-Sectional View 694700E of the NQVP – Cambridge Deposit Showing the V_2O_5 Estimated Grades, Drill Hole Assays and the Interpreted Mineralization Extents. The Vertical Exaggeration of This Cross Section is 1:25.

Preliminary Metallurgical Test work

Air Core ("AC") drill samples collected from the Cambridge deposit by Liontown Resources in 2019[1] were relocated to the Velox storage facility for review and preparation for metallurgical test work.

A total of 51 samples from seven drill holes located throughout the Cambridge deposit that represented the mineralised zone were subject to a series of tests but the work was suspended as the samples were deemed to have been contaminated.

[1]Stored in accordance with industry standard QA/QC protocols.

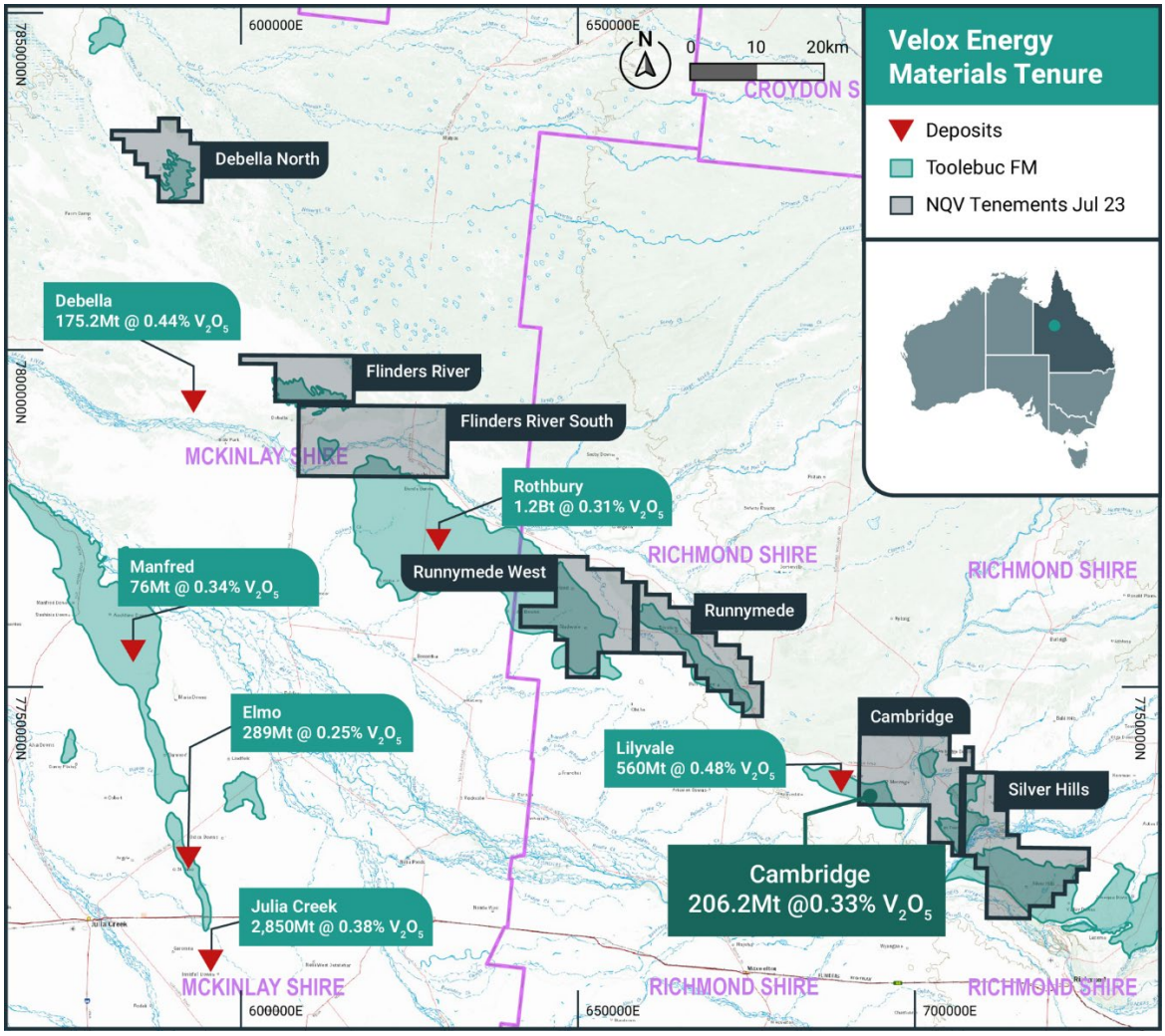


Figure 4: Location Map

Hole_ID	Deposit	East	North	RL	Depth	Azimuth	Dip	Significant V2O5 (>0.25%)			
								From (m)	To (m)	Interval	V2O5%
MAC003	Cambridge	693554	7733751	135	24	0	-90	17	24	7	0.39
								inc. 1m @ 0.66% V2O5 from 21m			
MAC005	Cambridge	693689	7734594	135	24	0	-90	6	13	7	0.37
								inc. 1m @ 0.62% V2O5 from 8m			
MAC009	Cambridge	694378	7735699	135	24	0	-90	7	15	8	0.40
								inc. 2m @ 0.63% V2O5 from 9m			
MAC012	Cambridge	694773	7735225	135	24	0	-90	7	17	10	0.38
								inc. 1m @ 0.93% V2O5 from 12m			
MAC015	Cambridge	694695	7734488	135	21	0	-90	10	20	10	0.45
								inc. 2m @ 0.99% V2O5 from 15m			
MAC018	Cambridge	693260	7734995	135	27	0	-90	4	10	6	0.37
								inc. 1m @ 0.50% V2O5 from 6m			
MAC021	Cambridge	691784	7735218	135	33	0	-90	18	26	8	0.37

Table 4: Selected Significant Historic Drill Hole Assays Composites

Exploration target generation – Flinders River & Runnymeade

On March 13, 2024, the Company reported the review and definition of a drill-defined Exploration Target for the Flinders River area of the NQVP situated within the "Vanadium Hub", approximately 450 km west of the port of Townsville, Queensland, Australia.

The Flinders River Exploration Target currently measures approximately 5.7 km in length and 3.9 km in width, with an average thickness of 5.2 m and an average depth of 10 m. The Exploration Target remains open to the northwest, east and southeast. The Exploration Target was calculated using validated historical data and hosts a target of 142,170,000 tonnes up to 213,260,000 tonnes, with an average grade ranging from 0.22 to 0.33 per cent (%) vanadium pentoxide (V2O5) and 192 to 288 ppm molybdenum trioxide (MoO3) utilizing a 0.12% V2O5 cut-off (Table 1). The potential quantity and grade are conceptual in nature. *There has been insufficient exploration to define a mineral resource at Flinders River and it is uncertain if further exploration will result in the Exploration Target being delineated as a mineral resource.*

Volume (m^3)		Tonnes		V_2O_5 (%)			MoO_3 (ppm)	
Minimum	Maximum	Minimum	Maximum	Minimum	Maximum	Cut-off	Minimum	Maximum
78,990,000	118,480,000	142,170,000	213,260,000	0.22	0.33	0.12	192	288

*The potential quantity and grade presented represent an Exploration Target and are conceptual in nature. There has been insufficient exploration to define a Mineral Resource at Flinders River and it is uncertain if future exploration will result in a target being delineated as a Mineral Resource. The Target has not been evaluated for reasonable prospects for future economic extraction. Metallurgical work is ongoing and future drill programs are planned for the NQVP.

** For the conceptual estimate, the range of elemental V2O5 is provided by multiplying the mean volume, density and vanadium concentration of the Flinders River Exploration Target by +/- 20%.

***Molybdenum was treated as a by-product of Vanadium.

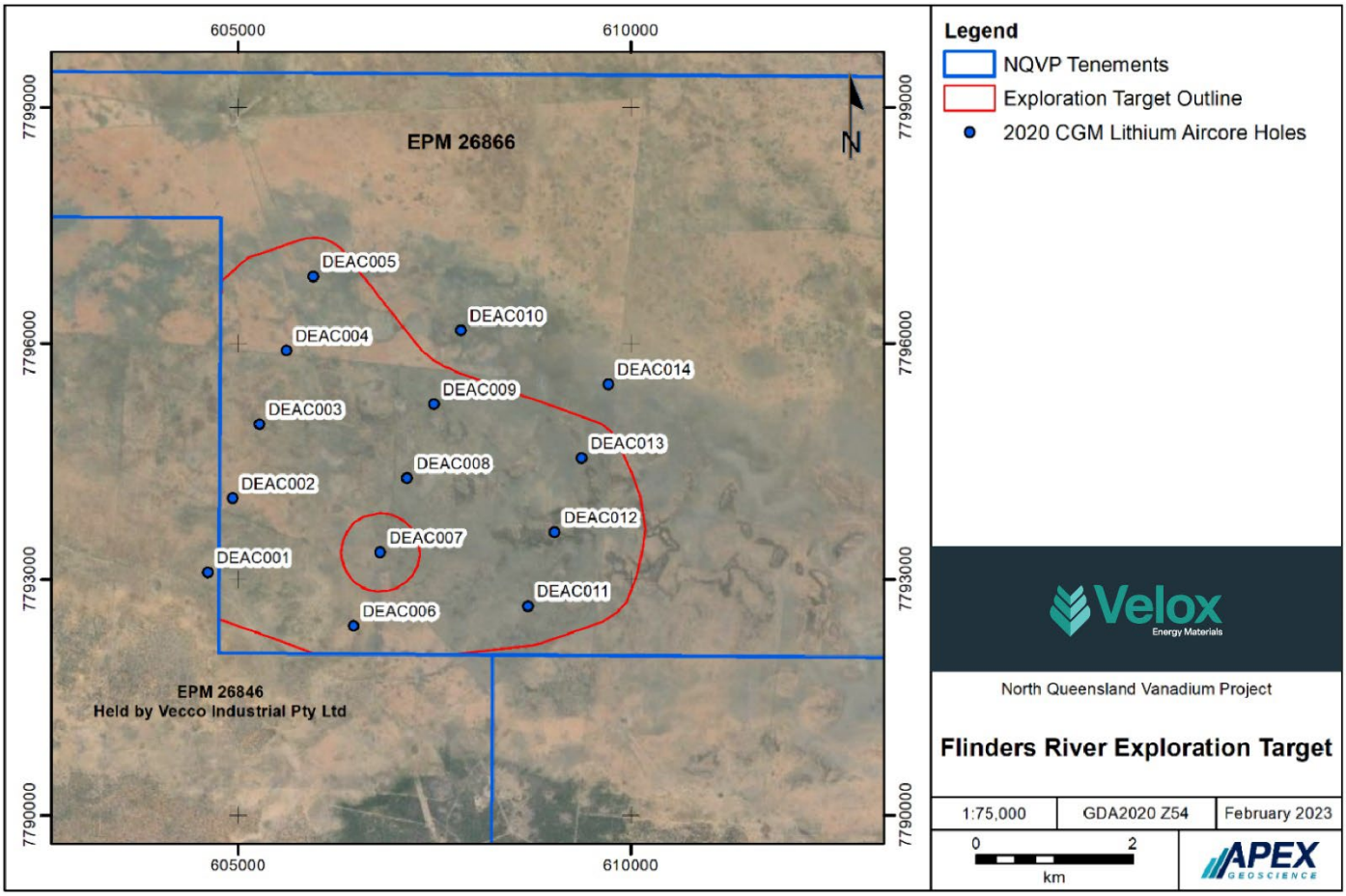


Figure 5: Plan view of Flinders River Exploration Target outlining the size and potential of the area

In preparation of the calculation of the Exploration Target, Mr. Nicholls reviewed CGM Lithium's annual technical reports and drill hole database. The AC samples were submitted to SGS in Townsville, Queensland, for preparation and shipped to SGS in Perth, Western Australia for analysis. SGS is an ISO/IEC 17025:2005 accredited third party geoanalytical laboratory. The entire sample was pulverized and analyzed via XRF78S, which includes a borate fusion with XRF analysis.

On May 14, 2024, the Company reported a second drill-defined Exploration Target for the Runnymede area on EPM26491 of the NQVP situated within the "Vanadium Hub", approximately 450 km west of the port of Townsville, Queensland, Australia.

Runnymede Exploration Target currently measures approximately 4.3 km in length and 3.5 km in width, with an average thickness of 10.70m and an average depth of 3.6m (Figure 4). The Exploration Target remains open to the northwest and north. The Exploration Target was calculated using validated historical drillhole data and hosts a target of 144.30 million tonnes up to 216.46 million tonnes, with an average grade ranging from 0.22 to 0.33 per cent (%) vanadium pentoxide (V_2O_5) and 147 to 220.8 ppm molybdenum trioxide (MoO_3) utilizing a 0.12% V_2O_5 cut-off (Table 1). The potential quantity and grade are conceptual in nature. There has been insufficient exploration to define a mineral resource at the Runnymede area and it is uncertain if further exploration will result in the target being delineated as a mineral resource.

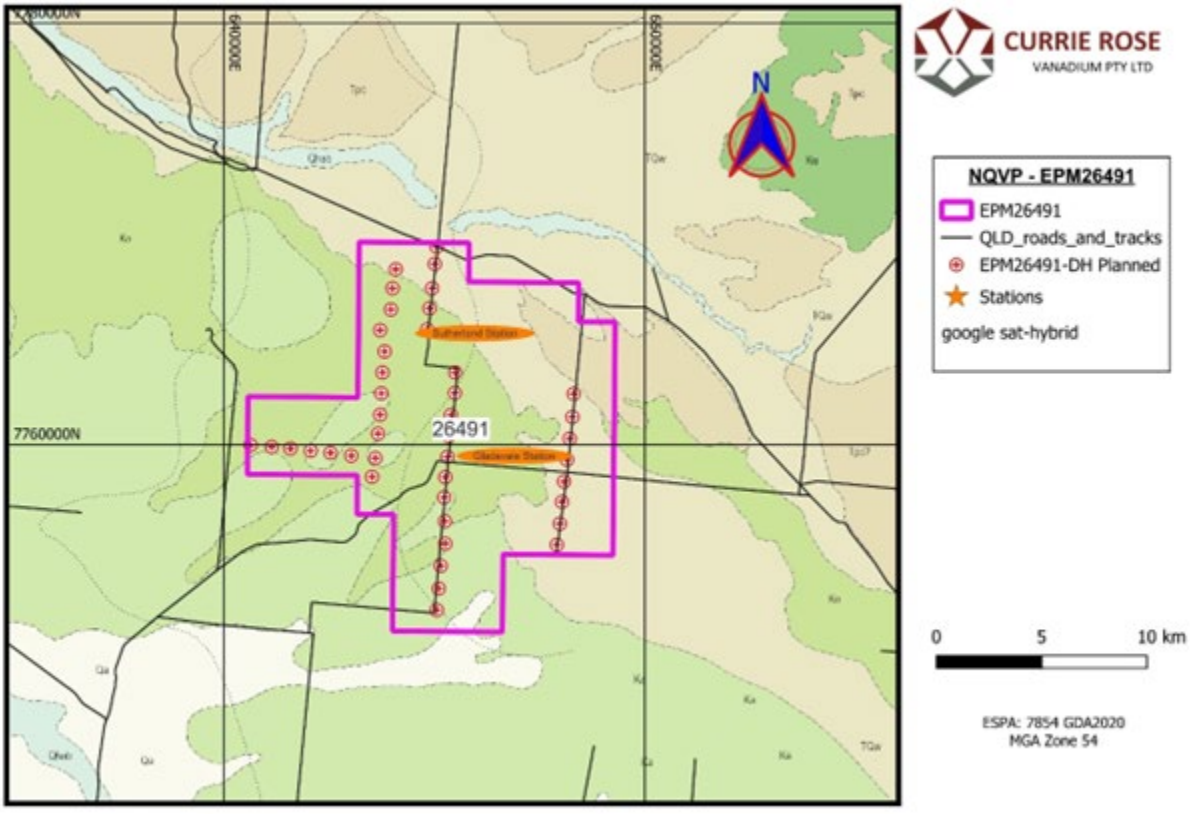
Table 6 - Runnymede Exploration Target Tonnes and Grades

Volume (m^3)		Tonnes		V_2O_5 (%)			MoO_3 (ppm)	
Minimum	Maximum	Minimum	Maximum	Minimum	Maximum	Cut-off	Minimum	Maximum
80,170,000	120,250,000	144,310,000	216,460,000	0.22	0.33	0.12	147.2	220.8

*The potential quantity and grade presented represent an Exploration Target and are conceptual in nature. There has been insufficient exploration to define a Mineral Resource at Runnymede and it is uncertain if future exploration will result in a target being delineated as a Mineral Resource. The Target has not been evaluated for reasonable prospects for future economic extraction. Metallurgical work is ongoing and future drill programs are planned for the NQVP.

** For the conceptual estimate, the range of elemental V2O5 is provided by multiplying the mean volume, density and vanadium concentration of the Flinders River Exploration Target by +/- 20%.

***Molybdenum was treated as a by-product of Vanadium.



Diamond Drill Program

The Company commenced a ten (10) large diameter core drilling program on August 22, 2024. The program was designed to provide large diameter core (100mm) from within the defined Cambridge Vanadium deposit that hosts the NI 43-101 compliant Indicated Resource of 61.33 Mt @ 0.34% V_2O_5 and Inferred Resource of 144.87 Mt @ 0.33% V_2O_5.

Drilling targeted the full depth of mineralization and is "infill" drilling, bringing drill spacing to 500m centres for most of the previously defined deposit. The completion of this work and the various studies will culminate in an updated Mineral Resource Estimate (MRE).

On September 27, 2024, the Company announced that the "infill" large diameter (100 mm) core drilling program at the Cambridge Vanadium Deposit has been completed. A total of ten (10) drill large diameter "4C" core (100 mm) drill holes, totaling 333 meters, have been completed from within the Cambridge Deposit (Table 5). Downhole Gamma and Density geophysics was also completed on all drill holes for stratigraphic analysis and to assist with planned metallurgical studies.

Hole ID	Core Type	Easting_X	Northing_Y	Depth (m)
NQV23_001	4C Core	692239	7734776	30
NQV23_002	4C Core	692122	7733776	31
NQV23_003	4C Core	693171	7734158	37
NQV23_004	4C Core	693047	7733163	36
NQV23_005	4C Core	694351	7735523	37
NQV23_006	4C Core	694201	7734286	25
NQV23_007	4C Core	695095	7733418	36
NQV23_008	4C Core	695221	7734412	26
NQV23_009	4C Core	692334	7735515	20
NQV23_010	4C Core	693297	7735149	55
			Total	333
	EPSG:7854 - GDA2020 / MGA zone 54			

Table 5 – 4C Core Holes Location

Two holes (NQVP23-004 and NQVP23-007) were conditioned for water monitoring purposes and part of the ground water studies conducted by Epic Environmental.

Core was dispatched to Mitra PTS in Gladstone, Queensland for processing, and all data collected from the program was collated.

Environmental Studies

The Company also advised that it has engaged specialist environmental consultancy, Epic Environmental Pty Ltd ("Epic Environmental"), to commence environmental baseline assessments at the Company's 100%-owned NQVP. Their engagement is to ensure that there are no delays to the development of the Project due to baseline data collection for potential development of the project. The scope of work includes an initial desktop ecological assessment, collating all the public data for the area, and first pass "on-ground" flora and fauna observations. In addition, studies have also included surface water, groundwater, and air quality monitoring.

Qualified Persons and 43-101 Disclosure

The updated Cambridge MRE was reviewed and approved for release by Michael Dufresne, M.Sc., P.Geol., P.Geo., President and Principal of APEX in accordance with the requirements of National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101").

During 2023, APEX was retained by Currie Rose to complete an updated NI 43-101 report and update the mineral resource estimate for the Cambridge Deposit. The authors of the report, Mr. Michael Dufresne and Mr. Steven Nicholls of APEX, both independent qualified persons as defined by the Canadian Securities Administration (CSA) National Instrument 43-101. Mr. Nicholls conducted the most recent property visit in November 2021 and compiled the mineralized domains for the mineral resource estimation of the Cambridge Deposit.

The Company announced the closing of the acquisition of 100% of the Project on August 5, 2022.

Previous Exploration

On January 24, 2024, the Company announced the drilling results from its Phase 1 diamond drill program at the NQVP. A total of ten (10) infill large diameter (100mm) 4C diamond core drill holes totaling 333 m were completed at the Cambridge Vanadium deposit on EPM26494 located in central northern Queensland, Australia (Table 6). The drilling was designed to increase overall stratigraphic knowledge of the deposit and provide ample representative material for metallurgical testwork as well as additional data for future mineral resource definition. Drilling was undertaken by J&S Drilling Pty Ltd (Queensland) using a Fraste FS400 drill rig. Downhole gamma and density geophysical logs were completed by Weatherford International PLC using equipment to the American Petroleum Institute (API) standards Q1 and 14A, and logs recorded to international Logging Ascii Standards (LAS). A detailed geological assessment, sample selection and Toolebuc Formation correlation was completed by John T Boyd Company. A total of 201 samples were selected for testing. Sample intervals were determined by stratigraphic lithological changes with sample intervals ranging from 0.10m to 2.7m thick (averaging 1.0m). Drill cores were dispatched to Mitra PTS Laboratory in Gladstone, Queensland for sample preparation and dispatched to Bureau Veritas, Perth, Australia, for analysis.

Hole ID	Core Type	Easting X	Northing Y	Depth (m)	Dip (deg)
NQVP23_001	4C Core	692239	7734776	30	90
NQVP23_002	4C Core	692122	7733776	31	90
NQVP23_003	4C Core	693171	7734158	37	90
NQVP23_004	4C Core	693047	7733163	36	90
NQVP23_005	4C Core	694351	7735523	37	90
NQVP23_006	4C Core	694201	7734286	25	90
NQVP23_007	4C Core	695095	7733418	36	90
NQVP23_008	4C Core	695221	7734412	26	90
NQVP23_009	4C Core	692334	7735515	20	90
NQVP23_010	4C Core	693297	7735149	55	90
			Total	333	
EPSG: 7854 – GDA2020 / MGA zone 54					

Table 6: 4C Core Holes Location

Assay results for 201 samples were received from the 10 diamond core drillholes drilled within the defined Cambridge deposit with the overburden depth ranging from 2.5 m to 21.0 m. Drillhole NQVP23_010 returned no significant vanadium results. The hole was collared in the basal section of the Toolebuc Formation and drilled into the underlying (barren) Willumbimba Formation. The assay results received from the remaining 9 holes was very encouraging, with the mineralized zone identified at shallow depths, with uniform thicknesses and consistent grades throughout the drilled area. Results include:

- Hole NQVP23_008 – 4.7m @ 0.44% V_2O_5 from 8.6m (0.30% V_2O_5 cut-off) including 1.1m @ **0.84% V_2O_5** from 10.5m;
- Hole NQVP23_005 – 5.4m @ 0.41% V2O5 from 19.5m (0.30% V_2O_5 cut-off) including 0.8 m @ **0.77% V_2O_5** from 12.9m; and
- Hole NQVP23_004 – 4.7m @ 0.47% V_2O_5 from 9.5m (0.30% V_2O_5 cut-off) including 1.1 m @ **0.72% V_2O_5** from 20.5m.

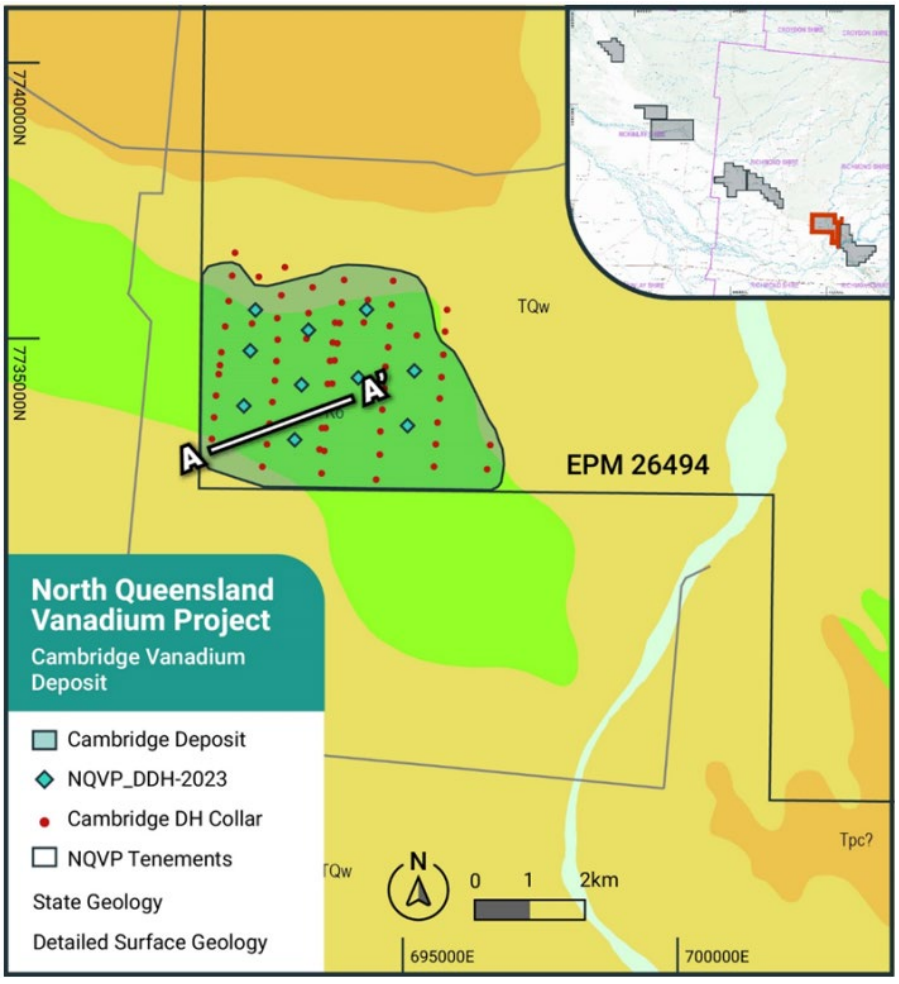


Figure 6: Drill Hole Location Plan

Hole ID	From (m)	To (m)	Interval (m)	V_2O_5%
NQVP23_001	17.4	19	1.6	0.43%
NQVP23_002	10.2	11.5	1.3	0.49%
NQVP23_003	14.9	17.4	2.5	0.49%
NQVP23_004	20.2	21.6	1.4	0.65%
NQVP23_005	10.6	13.2	2.6	0.60%
NQVP23_006	8.6	9.7	1.1	0.67%
NQVP23_007	21	22.6	1.6	0.52%
NQVP23_008	10	11.6	1.6	0.71%
NQVP23_009	4.4	5.6	1.2	0.48%

Table 7: Mineralized Zone with a 0.40% V_2O_5 cut-off grade

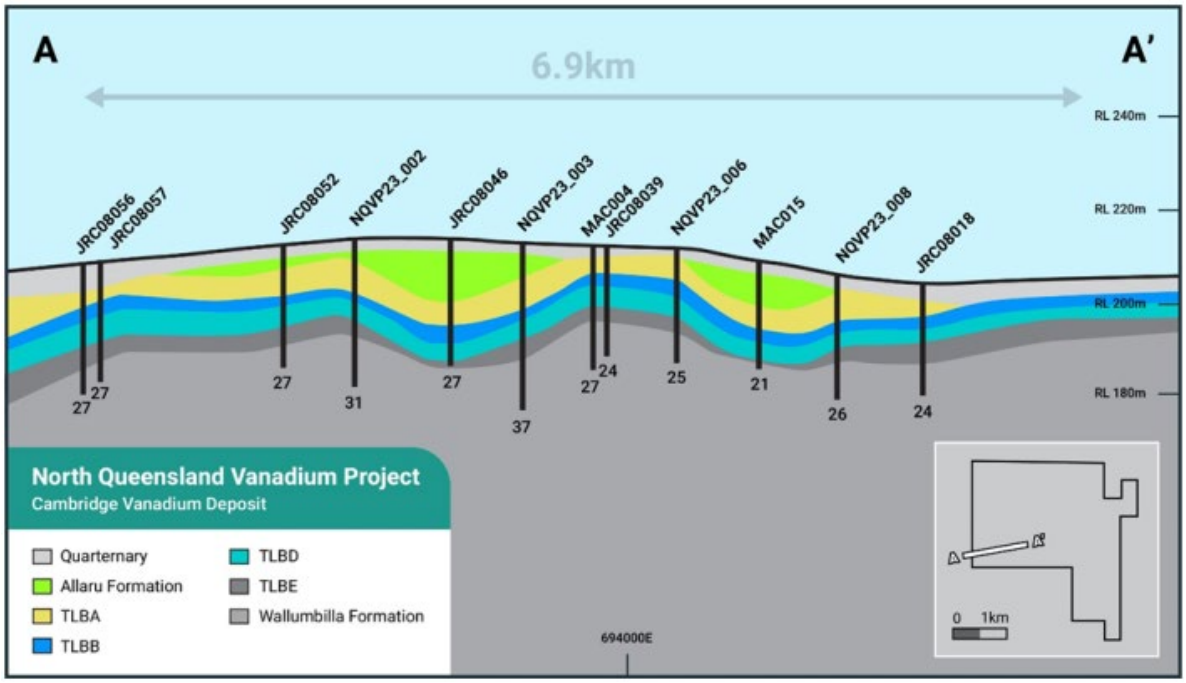


Figure 7: Cross Section

On February 20, 2024, the Company announced the commencement of a major metallurgical testwork program on vanadium samples from the Cambridge Vanadium deposit in the NQVP. Perth-based BHM Process Consultants (**BHM**) were appointed to oversee the metallurgical testwork program. A total of 12 composite samples were created from the recent diamond drilling program, from 4 drillholes that represent the bulk of the defined Cambridge deposit. Each composite was chosen to represent different mineralogical zones within the Toolebuc Formation that host the vanadium mineralization. The samples were processed by Brisbane Met Labs, (BML), an expert in the assessment of North Queensland Vanadium deposits. The metallurgical testwork program is on-going and will be used to guide the next stages of development of the project.

KOTAI PROJECT

Kotai Energy is an Australian company helping de-carbonise the world's energy systems. Through our partnership with the leading scientific team at Curtin University, Perth, and supported by the Australian government grant system, Kotai is developing a green hydrogen storage and transport solution which has the potential to alleviate existing H_2 transportation, storage and safety limitations in line with numerous government initiatives to develop the green H_2 export market.

The existing methods used in the production of green hydrogen remain heavily constrained in their ability to access end markets, with significant costs in the development of infrastructure, such as hydrogen pipelines, limiting the geographical reach of market aspirants. Kotai's leading technology has the potential to alleviate existing issues.

The Curtin team has developed a recycling method using a hydrogen-rich powder, called 'sodium borohydride' that allows safe and cost-effective global export of hydrogen. Sodium borohydride is safer and more cost-effective than competing methods of hydrogen export such as liquid hydrogen or ammonia. Most importantly, it releases hydrogen when simply added to water. Energy is stored in sodium borohydride powder through the input of renewable energy to a chemical processing route. The innovation will be of interest to both Canadian and Australian energy exporters and to Asian and European energy importers.

On April 10, 2024, the Company announced that its project partner, the Hydrogen Storage Research Group at Curtin University executed a binding funding agreement with the Australian Renewable Energy Agency ("**ARENA**") for grant funding of A$5,000,000 under the Transformative Research Accelerating Commercialization ("**TRAC**") Program for the Kotai Hydrogen Project.

The total project funding is approximately A$16.5 million, with cash and in-kind funding contributions of A$7.15 million from Curtin University, and A$4.35 million from Velox.

The Funding will be used to:

- **Electrochemical production** of the sodium borohydride for operations at increasing scale. Includes the regeneration of Sodium Borohydride after the hydrogen has been released, creating a fully closed and recyclable circuit.
- **Sodium borohydride** materials processing and powder handling issues at bulk-scale handling and regulatory adherence. The entire supply chain will also be assessed for chemical recycling opportunities to minimise cost and reagent requirements.
- **Design and construction of a Pilot Plant** that will enable greater scale of commercialisation of Sodium Borohydride and resultant hydrogen gas release production facility.

VELOX ENERGY MATERIALS INC.
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED MARCH 31, 2026 AND 2025

COMPANY OVERVIEW

Velox Energy Materials Inc. (formerly Currie Rose Resources Inc.) was incorporated under the Canada Business Corporations Act on August 24, 1973. It is a public company that trades on the TSX Venture Exchange under the symbol "VLX". Velox is a mineral explorer focused on identifying high value assets and delivering responsible exploration outcomes that meet shareholder expectations and provide community opportunities with the current focus on the proposed transaction of the Vanadium project in North Queensland, Australia. The Company's registered office is at 15th floor 1111 West Hastings Street, Vancouver, British Columbia, Canada, V6E 2J3.

Going concern

The accompanying consolidated financial statements have been prepared using International Financial Reporting Standards ("IFRS") (as issued by the International Accounting Standard Board ("IASB")) applicable to a going concern. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying consolidated financial statements. Such adjustments could be material.

As at March 31, 2026, the Company had working capital of $2,901,515 (December 31, 2025 - $63,606) and had an accumulated deficit of $25,739,542 (December 31, 2025 - $25,657,284). Net loss for the three months ended March 31, 2026 was $82,258 (March 31, 2025 – $34,991). Operations since inception have been funded from the (i) issuance of share capital, (ii) sale of marketable securities, and (iii) sale of resource property interests. The Company anticipates it will have sufficient working capital on hand to service its liabilities and fund exploration activity and public company operating costs for the next twelve months.

In order to continue active operations, the Company will need to (i) arrange further financing that will largely depend upon prevailing capital market conditions, and (ii) the continued support of its shareholder base. There is uncertainty that the Company will be able to obtain additional financing for the long-term future, given the current market environment for junior exploration stage companies. These factors create material uncertainties that cast significant doubt as to the propriety of the use of the going concern assumption upon which these consolidated financial statements have been prepared.

OUTLOOK AND OVERALL PERFORMANCE

	Fiscal 2025	Fiscal 2024	Fiscal 2023
Total operating expenses	371,799	1,634,220	1,568,535
Loss and comprehensive loss	(724,330)	(3,835,499)	(1,483,018)
Loss per share	(0.01)	(0.04)	(0.02)
Current assets	239,399	1,949,887	2,171,213
Total assets	3,088,258	4,101,124	7,356,405
Current liabilities	175,793	501,108	196,880
Total liabilities	175,793	501,108	196,880
Shareholders' equity	2,912,465	3,600,016	7,159,525
Cash and cash equivalents	199,946	623,496	2,080,309
Working capital surplus	63,606	1,448,779	1,974,333

No share-based payment compensation was recorded for the year ended December 31, 2025. For the year ended December 31, 2024, the Company recognized share-based compensation expense of $275,990 in connection with stock option awards to management and directors. On March 17, 2025, the Company announced that Directors Nicole Morcombe and Michael Griffiths have waived their accrued consulting and directors' fees. No fees will be accrued or paid to Directors for the upcoming period until the Company has a sufficient cash balance.

RESULTS OF OPERATIONS

	For the three months ended March 31,	
	2026	2025
	$	$
Expenses		
Management fees	13,500	(17,754)
Listing fees and shareholder information	33,083	10,252
Professional fees	13,243	6,119
General and administration	23,213	41,250
Total Expenses	83,039	39,867
Loss from operations before undernoted items	(83,039)	(39,867)
Interest income	781	717
Research and development tax refund	-	409
Change in fair value of marketable securities	-	3,750
Net Loss for the period	**(82,258)**	**(34,991)**

First quarter of operations

During Q1 2026, the Company incurred total operating expenses of $83,039, as compared to total operating expenses of $39,867 during Q1 2025. The increase in operating expenses in Q1 2026 primarily relates to the following:

- Management fees were $13,500 (Q1 2025 – recovery of $17,754) and consisted of consulting fees charged by the Company's CFO. During Q1 2025, management fees related to Simon Coyle's salary and superannuation, CFO consulting fees for the three months ending March 31, 2025, and director fees related to Mark Connelly's remuneration as Chairman for the same period, net against accrued fees waived by Nicole Morcombe and Michael Griffiths.
- Listing fees and shareholder information were $33,083 (Q1 2025 - $10,252), made up primarily of transfer agent and filing fees. The increase during Q1 2026 compared to Q1 2025 was due to the private placement completed during the quarter.
- Professional fees in connection with accrued audit, tax and legal expenses were $13,243 (Q1 2025 – $6,119). The professional fees are made up of legal expenses, which reflect costs associated with various corporate matters incurred during the quarter. The Company also accrued for audit and tax services related to the respective 2026 and 2025 periods.
- General expenses were $23,213 (Q1 2025 - $41,250); the significant reduction was due to management reducing discretionary spending in order to preserve cash.

Overall, the Company recorded a net loss of $82,258 for the three months ended March 31, 2026 (Q1 2025 - $34,991), with a basic and diluted loss of $0.001 (Q1 2025 - $0.000). The results reported during Q1 2026 were primarily the results of:

During Q1 2026, the Company used cash of $124,348 in operating activities. The Company paid $1,550 in investing activities towards its resource properties. During the quarter, the Company also raised $2,937,900 through a non-brokered private placement, net of share issuance costs.

SELECTED QUARTERLY FINANCIAL INFORMATION

The table below outlines the selected financial information related to the Company's net income (loss) and net income (loss) per share for each of the prior eight quarters ended March 31, 2026. The financial information is derived from various audited and unaudited interim financial statements. These statements do not contain all the information presented in the financial statements and should, therefore, be read in conjunction with financial statements.

Three months ended	Net Income / (Loss)	Net Income / (Loss) per share (Basic and Diluted)
	$	$
March 31, 2026	(82,258)	(0.001)
December 31, 2025	(687,708)	(0.008)
September 30, 2025	(51,615)	(0.001)
June 30, 2025	87,897	0.001
March 31, 2025	(34,991)	(0.000)
December 31, 2024	(2,546,157)	(0.016)
September 30, 2024	(288,578)	(0.014)
June 30, 2024	(390,840)	(0.004)

LIQUIDITY AND CAPITAL RESOURCES

Working capital

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the development of its planned business activities. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. In order to carry out the planned business activities and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

Working capital as at March 31, 2026 was $2,901,515 compared to $63,606 as at December 31, 2025. Cash and cash equivalents increased to $3,011,948 as at March 31, 2026 from $199,946 as at December 31, 2025. The increase in working capital resulted mostly from funds raised through private placements, less funds used in operating activities.

The Company's total liabilities decreased by $17,911 to $157,882 at March 31, 2026, from $175,793 as at December 31, 2025.

CAPITALIZATION

The Company has common shares and other equity instruments outstanding as follows:

	May 27, 2026	March 31, 2026	December 31, 2025
	#	#	#
Common shares	178,592,571	178,592,571	89,296,299
Deferred share units	4,000,000	-	-
Common share purchase warrants	108,369,329	108,369,329	13,715,281

OFF-BALANCE SHEET ARRANGEMENTS

The Company is not aware of any Off-Balance Sheet arrangements as at March 31, 2026.

COMMITMENTS AND CONTINGENCIES

Other than as described in Note 12 of the Q1 2026 Financial Statements, and as noted in this MD&A, the Company has no additional commitments.

TRANSACTIONS WITH RELATED PARTIES

Other than as described in Note 11 of the Q1 2026 Financial Statements, there are no additional related party transactions.

ACCOUNTING POLICIES, CRITICAL JUDGEMENTS AND ACCOUNTING ESTIMATES

The preparation of the Company's Q1 2026 Financial Statements in conformity with IFRS, requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and other items in net earnings or loss, and the related disclosure of contingent assets and liabilities, if any. Critical judgments and estimates represent estimates made by management that are, by their very nature, uncertain. The Company evaluates its estimates on an ongoing basis. Such estimates are based on historical experience and on various other assumptions that the Company believes are reasonable under the circumstances, and these estimates form the basis for making judgments about the carrying values of assets and liabilities and the reported amounts of revenues and other items in net earnings or loss that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. Summaries of the significant accounting policies applied, and significant judgments, estimates and assumptions made by management in the preparation of its financial statements are provided in Note 2 and 3 of the Audited 2025 Financial Statements.

CONTROLS AND PROCEDURES

In connection with exemption orders issued in November 2007 by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to the financial information contained in the Q1 2026 Financial Statements and in the accompanying MD&A.

In contrast to the certificate that would be issued in accordance with the Canadian Securities Administrators' National Instrument 52-109, the Venture Issuer Basic Certification includes a "Note to Reader" stating that the Chief Executive Officer and Chief Financial Officer do not make any representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting as defined in National Instrument 52-109.

Notwithstanding the filing of a Venture Issuer Basic Certificate, the Company makes significant efforts to maintain disclosure controls and procedures designed to ensure that information required to be disclosed in the reports filed or submitted is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

RISKS AND UNCERTAINTIES

Business Risks

An investment in the Company's securities is considered extremely speculative. Prospective investors should consider the specific risks that are associated with the business of the Company. In order to develop any future properties, it may acquire, the Company may require additional financing which may not be possible to obtain.

The business of mineral exploration is generally subject to a number of risks and hazards, insurance for which is generally not always available. The Company has, or is seeking to acquire, interests in some volatile regions of the world which have experienced or continue to experience periods of political and/or economic instability including war, terrorism and public disorder. The Company's activities may be subject to extensive foreign laws and regulations and the Company may become subject to significant liabilities for environmental

damage resulting from its exploration activities or for any subsequent development. In addition, changes in mining or investment policies and regulations which cannot be accurately predicted may adversely affect the Company's business. There is no guarantee that the Company will obtain all required exploration licenses to develop its property interests.

The Company has certain spending commitments on its properties, and it is possible that these commitments may not be met in a timely manner for operational, security or other reasons. In normal circumstances, the Company could negotiate an extension for its contract obligations, but there is no guarantee that it will succeed in obtaining such an extension or relief. In such cases, the Company would risk losing its contractual rights on these properties.

The Company is a relatively young organization. Its success will largely depend on the efforts and abilities of certain senior officers and key employees. Certain of the directors and officers of the Company also serve as directors and/or officers of other companies involved in natural resource exploration and development and consequently there exists a possibility for such directors and officers to be in a position of conflict. See "Conflicts of Interests" below.

Lack of Operational Liquidity

The expenses of the Company will be funded from cash on hand from the remaining proceeds of the previous offerings. Once such cash has been expended, the Company will be required to seek additional financing. There is no guarantee that any debt or additional equity or equity related offering of securities will be available on terms acceptable to the Company or available at all or that it will be able to locate or sell mineral resources in a timely or profitable manner.

Resignation of Key Personnel

The success of the Company is highly dependent on the services of certain management personnel. The loss of the services of such personnel if not replaced, could have a material adverse effect on the business operations. The Company does not currently have key-person insurance on these individuals.

Exploration, Development and Operating Risks

Mining and exploration operations generally involve a high degree of risk. The operations are subject to all the hazards and risks normally encountered in the exploration, development and production of base metals and other minerals, including, but not limited to, unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Although adequate precautions to minimize risk will be taken, milling operations are subject to hazards such as equipment failure or failure of retaining dams around tailings disposal areas, which may result in environmental pollution and consequent liability. The exploration for and development of mineral deposits involves significant risks which may not be eliminated even with a combination of careful evaluation, experience and knowledge.

While the discovery of a mineral deposit may result in substantial rewards, few properties that are explored are ultimately developed into producing mines. Major expenses may be required to locate and establish mineral reserves, to develop metallurgical processes, and to construct mining and processing facilities at a particular site. It is impossible to ensure that the exploration or development programs planned by the Company will result in a profitable commercial mining operation. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as quantity and quality of the minerals and proximity to infrastructure; mineral prices which are highly cyclical; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals, and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital. There is no certainty that the expenditures made by the Company towards

the search and evaluation of mineral deposits will result in discoveries of commercial quantities of ore or other minerals.

Foreign Exchange Rates

The Company has properties in Australia, where the operating expenses will be incurred in something other than Canadian dollars. However, the Company maintains its accounting records, reports its financial position and results, pays certain operating expenses and the common shares trade, in the Canadian dollar. Therefore, because exchange rate fluctuations are beyond the Company's control, there can be no assurance that such fluctuations will not have an adverse effect on the Company's operations or on the trading value of the common shares.

Competition

The mining and mineral exploration industry is extremely competitive in all of its phases. The Company faces strong competition from other mining and exploration companies in connection with the acquisition of properties producing, or capable of producing, mineral resources. Many of these companies have greater financial resources, operational experience and technical capabilities than the Company. Because of this competition, the Company may be unable to maintain or acquire attractive mining or exploration properties on terms it considers acceptable or at all. Consequently, the revenues, operations and financial condition of the Company could be adversely affected.

Insurance and Uninsured Risks

The business of the Company is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labor disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to the properties of the Company or the properties of others, delays in mining, monetary losses and possible legal liability.

While we may obtain insurance against certain risks, the nature of these risks is such that liability could exceed policy limits or could be excluded from coverage. Even after acquiring insurance, such insurance will not cover all the potential risks associated with a mining and/or exploration Company's operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards because of exploration and production is not generally available to the Company or to other companies in the mining and exploration industry on acceptable terms. The Company might also become subject to liability for pollution or other hazards which it may not be insured against or which the Company may elect not to insure against because of premium costs or other reasons. Losses from these events may cause the Company to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

Conflicts of Interest

Directors and officers of the Company may provide investment, administrative and other services to other entities and parties. The directors and officers of the Company have undertaken to devote such reasonable time as is required to properly fulfill their responsibilities in respect to the business and affairs of the Company, as they arise from time to time.

Lack of Infrastructure

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants, which affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the operations,

financial condition and results of operations of the Company.

Regulatory Change

The Company may be affected by changes in regulatory requirements, customs, duties or other taxes. Such changes could, depending on their nature, benefit or adversely affect the Company.

Risks Related to Title to Properties

The acquisition of title to mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral concessions may be disputed. Although the Company believes that it has taken reasonable measures to ensure proper title to its properties, there is no guarantee that title to any of the properties will not be challenged or impaired. Third parties may have known or unknown valid claims underlying portions of the Company's interests, including prior unregistered liens, agreements, transfers or claims, including native land claims, and title may be affected by, among other things, undetected defects. In addition, the Company may be unable to operate its properties as permitted or may be unable to enforce its rights with respect to its exploration licenses. The Company may seek to increase the concentration of its mining activities in areas where it already operates mines or has exploration licenses that it expects will result in operating mines. If the Company seeks to amend its current exploration licenses to include additional resources in the area, there can be no assurance that it will be able to obtain the necessary authorizations and regulatory approvals.

Environmental Risks

All of the Company's planned operations are subject to environmental regulations, some of which are also subject to environmental licensing. This can make the Company's business expensive to operate or prevent certain operations altogether. The Company is subject to potential risks and liabilities associated with pollution of the environment and the disposal of waste products that could occur because of its mineral exploration, development and production. Such liabilities include not only the obligation to remediate environmental damages and indemnify affected third parties, but also the imposition of administrative and criminal sanctions against the Company and its employees and executive officers.

To the extent the Company is subject to environmental liabilities, the payment of such liabilities or the costs that may be incurred to remedy environmental pollution would reduce funds otherwise available to the Company and could have a material adverse effect on it. If the Company is unable to fully remedy an environmental problem, it might be required to suspend operations or enter into interim compliance measures pending completion of the required remedy. The potential exposure may be significant and could have a material adverse effect on the Company. The Company has not purchased (and does not intend to purchase) insurance for environmental risks (including potential liability for pollution or other hazards as a result of the disposal of waste products occurring from exploration and production) because it is not generally available at a reasonable price.

All of the Company's planned exploration and possible development and production activities are, or may be, subject to regulation under one or more of local and/or federal environmental laws and regulations. Many of the regulations require the Company to obtain authorizations for its activities. The Company must update and review its authorizations from time to time and are subject to environmental impact analyses and public review processes prior to approval of new activities. It is possible that future changes in applicable laws, regulations and authorizations or changes in their enforcement or regulatory interpretation could have a significant impact on some portion of the Company's business, causing those activities to be economically re-evaluated at that time. Those risks include, but are not limited to, the risk that regulatory authorities may increase bonding requirements beyond the Company's financial capability or that of its subsidiaries. Where posting of a bond in accordance with regulatory determinations is a condition to the right to operate under any material operating authorizations, increases in bonding requirements could prevent the Company from operating even if it and its subsidiaries were otherwise in full compliance with all substantive environmental laws.

Need For, and Availability of, Future Additional Equity Capital

The Company's business strategy will require additional substantial capital investment. To the extent that cash generated internally and cash available under any credit facility that may be entered into are not sufficient to fund capital requirements, the Company will require additional debt and/or equity financing. However, this type of financing may not be available or, if available, may not be available on satisfactory terms. If the Company fails to generate or obtain sufficient additional capital in the future, it could be forced to reduce or delay capital expenditures, sell assets or restructure or refinance indebtedness, if any.

The Company will need to obtain additional resources in the future in order to execute the Company's growth strategy, including the possible acquisition of new businesses and assets. The Company may not be able to obtain debt financing on terms attractive to it, or at all. If the Company cannot obtain adequate funds to satisfy its capital requirements internally or through other methods of financing, the Company may need to increase its capital through an additional equity offering. Sales by the Company of a substantial number of common shares after the completion of the offering could negatively affect the market price of the common shares and dilute existing shareholdings.

No Mineral Resources or Mineral Reserves

The exploration of the area encompassed within the Company's properties must be considered to be in an early stage. There is no assurance that any mineralization will be discovered in economic quantities, if at all. The long-term viability of the Company depends upon its ability to find or acquire, develop and commercially produce battery metals and other minerals.

Government Regulation

The mineral exploration activities of the Company are subject to various laws governing prospecting, development, taxes, labor standards and occupational health, toxic substances, land use, water use, land claims of local people, and other matters. Although the exploration and development activities of the Company are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail production or development. Amendments to current laws and regulations governing operations and activities of mining and milling or more stringent implementation thereof could have a substantial adverse impact on the Company.

RISKS RELATED TO COMMON SHARE INVESTMENTS

Market Price of Common Shares

The common shares of the Company currently trade on TSXV. Securities of micro-cap and small-cap companies have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic developments in North America and globally, and market perceptions of the attractiveness of particular industries. The price of the common shares is also likely to be significantly affected by short-term changes in commodity prices, or in its financial condition or results of operations as reflected in its quarterly earnings reports.

Other factors unrelated to the Company's performance that may have an effect on the price of its common shares include the following: (1) the extent of analytical coverage available to investors concerning the Company's business may be limited if investment banks with research capabilities do not follow the Company's securities, (2) lessening in trading volume and general market interest in the Company's securities may affect an investor's ability to trade significant numbers of common shares, (3) there can be no assurance that an active trading market in securities of Currie Rose will be established and sustained, (4) the size of the Company's public float may limit the ability of some institutions to invest in the Company's securities, and (5) a substantial decline in the price of the common shares that persists for a significant period of time could cause the Company's securities, if listed on an exchange, to be delisted from such exchange, further reducing

market liquidity.

As a result of any of these factors, the market price of the common shares at any given point in time may not accurately reflect the Company's long-term value. Securities class-action litigation often has been brought against companies following periods of volatility in the market price of their securities. The Company may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

Dilution

The Company may make future acquisitions or enter into financings or other transactions involving the issuance of securities of the Company which may be dilutive to the existing shareholders.

Financial Market Turmoil

Global financial market and economic conditions can pose a significant threat to economic growth in almost all sectors and economies, causing a decline in consumer and business confidence, a reduction in credit availability and a dampening in business and household spending.

Dividends

No dividends on the common shares have been paid by the Company to date. The Company currently plans to retain all future earnings and other cash resources, if any, for the future operation and development of its business. Payment of any future dividends, if any, will be at the discretion of the Company's Board of Directors after considering many factors, including the Company's operating results, financial condition, and current and anticipated cash needs.

INFORMATION CONCERNING VELOX ENERGY MATERIALS INC.

Other additional information relating to Velox Energy Materials Inc. may be found at www.sedar.com.

Toronto, Ontario

May 29, 2026