MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE

FINANCIAL CONDITION AND RESULTS OF OPERATIONS

For the Year Ended March 31, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

1. Introduction

This Management's Discussion and Analysis of Operations and Financial Condition ("MD&A") of Skycap Investment Holdings Inc. ("Skycap", "We", "Us", "Our" or the "Company") includes its wholly owned subsidiaries and presents the operating and financial results for the years ending March 31, 2026 and March 31, 2025 and should be read in conjunction with the Company's audited annual consolidated financial statements for the year ended March 31, 2026, including the notes thereon (the "Consolidated Financial Statements").

The Company's Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). Unless otherwise stated, all amounts discussed herein are denominated in Canadian dollars. This MD&A was prepared as of July 29, 2026, and all information is current as of such date. Readers are encouraged to read the Company's public information filings on SEDAR+ at www.sedarplus.ca or at the CSE https://thecse.com/listings/skycap-investment-holdings-inc/.

This discussion provides management's analysis of the Company's historical operating and financial results and provides estimates of future operating and financial performance based on information currently available. Actual results may vary from estimates and the variances may be significant. Readers should be aware that historical results are not necessarily indicative of future performance. Cautionary statements regarding forward-looking information can be found in Section 12 titled "Forward-Looking Statements".

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors, 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 Skycap's common shares; or (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 of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Management's Discussion and Analysis for Skycap is the responsibility of management, and the Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the MD&A.

2. Overview of the Company

Skycap is a Canadian-based investment issuer focused on identifying and investing in high-growth sectors. Leveraging its financial resources and market expertise, Skycap aims to deliver sustainable value to its stakeholders through strategic and diversified investments.

The registered head office of Skycap is located at 77 King Street West, TD North Tower, Suite 700, Toronto, Ontario, M5K 1G8.

In October 2021, the Company, which at the time was named Eurotin Inc. ("Eurotin"), completed the acquisition of 2555663 Ontario Limited (DBA as Li-Metal) through a share exchange transaction (the "RTO Transaction"). Following completion of the RTO Transaction, the Company amalgamated with 2555663 Ontario Limited and changed its name to Li-Metal Corp. and the Company also changed its fiscal year from December 31 to March 31.

On March 31, 2021, the Company incorporated in Albany, NY USA its wholly owned subsidiary Li-Metal US Inc. On October 25, 2021, the Company changed its name to Li-Metal Corp. concurrent with the appointment of the new Board of Directors and management team and the expansion of the corporate growth strategy.

On November 3, 2021, the common shares of the Company began trading on the Canadian Securities Exchange (the "CSE") under the ticker "LIM".

On August 2, 2024, the Company announced it had completed the sale of certain assets constituting its lithium metal productions business to Arcadium Lithium plc ("Arcadium") for a purchase price of US$11,000,000. These assets include all of the Company's lithium metal production technology, including all related patents, proprietary, know-how, and physical assets utilized in lithium metal production.

On December 2, 2024, Li-Metal announced its intention to transition from a lithium anode development and production company to an investment company. This change of business is designed to capitalize on emerging opportunities in high-growth sectors while leveraging the Company's financial strength and market insights.

On March 28, 2025 the Company announced that it received shareholder and Canadian Securities Exchange (CSE) approval to transition its business classification from an industrial issuer to an investment issuer. In line with this strategic shift, the Company rebranded from "Li-Metal Corp.", the previous listed issuer, to Skycap Investment Holdings Inc. effective March 28, 2025.

The Company's common shares resumed trading on the CSE on March 31, 2025 under its new name and new ticker symbol of "SKY".

On May 9, 2025 the Company announced that it entered into a Simple Agreement for Future Equity (SAFE) with CLN Global, Inc (f/k/a Clean Metals Recycling N.A. Inc). ("Clean Metals") for a principal investment amount of US$4.17 million. The SAFE will convert into equity upon the completion of Clean Metals' next financing round. Clean Metals is a Canadian-based environmental services and critical materials company focused on the recovery of metals from hazardous waste streams, end-of-life vehicles, and industrial by-products. The company is actively executing a national roll-up strategy targeting the acquisition of high-margin, cash flow-positive environmental services businesses across the United States.

On July 9, 2026, the Company entered into a definitive business combination agreement (the “Business Combination Agreement”) with STRYK Brands Inc. (“STRYK”), pursuant to which the parties have agreed to complete a business combination involving a “three-cornered” amalgamation of STRYK with a wholly-owned subsidiary of Skycap, incorporated solely for the purposes of the transaction (“Subco”) that will have the effect of Skycap acquiring all of the issued and outstanding common shares (the “STRYK Shares”) and other securities of STRYK in exchange for securities of Skycap, and resulting in the reverse takeover of Skycap by STRYK (the “Proposed Transaction”).

3. Overview of Our Strategy and Progress to Date

Skycap successfully completed the asset sale transaction of its lithium metal production business to Arcadium. The sale included all assets pertaining to the Company’s lithium metal production technology, including all related patents, proprietary, know-how, and physical assets utilized in lithium metal production.

Strategic Transition

In a significant step forward, Skycap announced its intention to transition from a lithium anode development and production company to an investment company. This strategic change is aimed at leveraging the Company’s financial position and market insights to identify and invest in high-growth sectors, thereby enhancing long-term shareholder value.

The decision to evolve into an investment company aligns with the Board’s long-term vision to deliver sustainable value for stakeholders. While the next-generation battery industry remains critical, the current market dynamics present challenges that limit immediate returns. As a result, the Board has determined that a broader investment mandate provides a more flexible and effective approach to generating sustainable returns. The Company continues to retain its lithium anode-related intellectual property and associated assets and is in the process of evaluating potential strategic alternatives for these holdings.

As part of its new strategic direction, in May 2025 the Company entered into a Simple Agreement for Future Equity ("SAFE") with CLN Global, Inc (f/k/a Clean Metals Recycling N.A. Inc). ("Clean Metals") for a principal investment amount of US$4.17 million. Clean Metals is an emerging leader in sustainable metal recovery, committed to resource efficiency and environmental stewardship. The investment aligns with the Company’s objective of supporting businesses that enable the development of a local and sustainable supply chain for critical materials, consistent with evolving global priorities and the transition to a circular economy.

On July 9, 2026, the Company entered into a definitive business combination agreement (the “Business Combination Agreement”) with STRYK Brands Inc. (“STRYK”), pursuant to which the parties have agreed to complete a business combination involving a “three-cornered” amalgamation of STRYK with a wholly-owned subsidiary of Skycap, incorporated solely for the purposes of the transaction (“Subco”) that will have the effect of Skycap acquiring all of the issued and outstanding common shares (the “STRYK Shares”) and other securities of STRYK in exchange for securities of Skycap, and resulting in the reverse takeover of Skycap by STRYK (the “Proposed Transaction”).

The Company continues to evaluate additional investment opportunities in sectors where it believes it can achieve attractive risk-adjusted returns.

4. Recent Developments

On April 21, 2025, the Company announced changes to its board and executive leadership. Effective April 21, 2025, Brad Morris was appointed Chief Executive Officer, succeeding Keshav Kochhar, who has been appointed to the Board of Directors and will serve as Executive Chairman.

On April 25, 2025, the Company announced changes to its Board of Directors. Effective April 25, 2025, Tim Johnston has stepped down from the Board of Directors. The Company extended its sincere appreciation to Mr. Johnston for his leadership and strategic guidance throughout his tenure. Mr. Johnston played a critical role in the successful sale of the Company's lithium metal production business to Arcadium Lithium plc (acquired by Rio Tinto).

On May 9, 2025, the Company announced that it has entered into a Simple Agreement for Future Equity (SAFE) with CLN Global, Inc (f/k/a Clean Metals Recycling N.A. Inc). ("Clean Metals") for a principal investment amount of US$4.17 million. The SAFE will convert into equity upon the completion of Clean Metals' next financing round.

Clean Metals is a Canadian-based environmental services and critical materials company focused on the recovery of metals from hazardous waste streams, end-of-life vehicles, and industrial by-products. The company is actively executing a national roll-up strategy targeting the acquisition of high-margin, cash flow-positive environmental services businesses across the United States.

On July 9, 2026, the Company entered into a definitive business combination agreement (the “Business Combination Agreement”) with STRYK Brands Inc. (“STRYK”), pursuant to which the parties have agreed to complete a business combination involving a “three-cornered” amalgamation of STRYK with a wholly-owned subsidiary of Skycap, incorporated solely for the purposes of the transaction (“Subco”) that will have the effect of Skycap acquiring all of the issued and outstanding common shares (the “STRYK Shares”) and other securities of STRYK in exchange for securities of Skycap, and resulting in the reverse takeover of Skycap by STRYK (the “Proposed Transaction”).

5. Selected Annual and Quarterly Financial Information

5.1 Selected Annual Information

The Company is a Canadian-based investment issuer focused on identifying and investing in high-growth sectors. Leveraging its financial resources and market expertise, Skycap aims to deliver sustainable value to its stakeholders through strategic and diversified investments. The Company has reviewed its operations and determined that it operates in one business segment and has only one reporting unit.

The following table sets out selected historical financial information of the Company. Such information is derived from the audited financial statements.

Table 1. Selected Annual Financial Information For The Years ending March 31, 2026 & 2025

	For the Year Ended March 31, 2026	For the Year Ended March 31, 2025
Revenues	$ 17,994	$ 88,819
Total comprehensive (loss) income	$ (3,545,261)	$ 7,331,904
Diluted gain (loss) per share	$ (0.02)	$ 0.04
Current assets	$ 6,010,108	$ 14,346,699
Total assets	$ 11,984,183	$ 15,374,648
Current liabilities	$ 242,472	$ 671,765
Cash and cash equivalents	$ 5,556,700	$ 13,421,525
Property and equipment	$ 111,512	$ 951,558
Total equity	$ 11,741,711	$ 14,702,883

5.2 Financial Instruments and Other Instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

IFRS 9 requires financial assets to be classified into three measurement categories on initial recognition: those measured at fair value through profit or loss, those measured at fair value through other comprehensive income and those measured at amortized cost. Measurement and classification of financial assets is dependent on the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Financial Assets

Financial assets not measured at fair value through profit or loss or fair value through other comprehensive income are measured at amortized cost using the effective interest method, less any impairment losses, with interest expense recognized on an effective yield basis. Assets in this category include cash and cash equivalents. As of March 31, 2026, the Company's cash and cash equivalents were $5,556,700 compared with $13,421,525 as of March 31, 2025.

Other Financial Liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis. Any gains or losses arising from the realization of other financial liabilities are included in the statement of loss and comprehensive loss. Liabilities in this category include accounts payable, accrued liabilities and CEBA loan. As of March 31, 2026, the Company's financial liabilities were $242,472 compared with $621,884 as of March 31, 2025.

The Company does not have any material obligations under forward foreign exchange contracts, guarantee contracts, retained or contingent interests in transferred assets, outstanding derivative instruments or non-consolidated variable interests.

5.3 Discussion of Operations - Fiscal Year and Fourth Quarter

The Company reports operating results in a single operating segment. Up to December 2, 2024, the Company was focused on the development and scale-up of a patented process for the production of metallic lithium metal and lithium anode lithium-ion battery applications in electric vehicles, energy storage systems, and consumer electronics.

On December 2, 2024, the Company announced its intention to transition from a lithium anode development and production company to an investment company. The Company received shareholder and CSE approval on March 28, 2025 to transition its business classification from an industrial issuer to an investment issuer. This change of business is designed to capitalize on emerging opportunities in high-growth sectors while leveraging the Company's financial strength and market insights.

The following tables provide a summary of the operating results for the three months and years ended March 31, 2026, and for the three months and year ended March 31, 2025:

Table 2. Operating Results for The Quarter ending March 31, 2026 & 2025

	For the three Months Ended March 31, 2026		For the three Months Ended March 31, 2025	
Revenues	$	17,994	$	6,499
Research and development	$	2,929	$	(31,493)
Salaries and wages	$	1,730	$	190,292
Professional fees	$	(47,405)	$	543,346
Share based compensation	$	47,578	$	124,337
Investor relations & reporting issuer costs	$	16,361	$	63,663
General and administration	$	49,915	$	215,135
Interest & bank charges	$	159	$	563
Amortization	$	5,678	-$	197,522
Foreign exchange loss (gain)	$	(466,223)	$	(2,599)
Operating loss	$	407,272	$	(899,223)
Interest and other income	$	60,232	$	175,589
Accretion of lease liability	$	-	$	(1,288)
Gain (loss) on disposition of property and equipment	$	-	$	(271,055)
Impairment of property and equipment	$	(838,345)	$	(62,367)
Total loss for the quarter	$	(370,841)	$	(1,058,344)

Table 3. Operating Results for The Years ending March 31, 2026 & 2025

	For the Year Ended March 31, 2026	For the Year Ended March 31, 2025
Revenues	$ 17,994	$ 88,819
Research and development	$ 14,787	$ 782,051
Salaries and wages	$ 1,730	$ 713,582
Professional fees	$ 1,660,564	$ 3,021,447
Share based compensation	$ 584,089	$ 239,960
Investor relations & reporting issuer costs	$ 13,914	$ 139,112
General and administration	$ 313,676	$ 912,521
Interest & bank charges	$ 863	$ 3,044
Amortization	$ 58,584	$ 602,150
Foreign exchange loss (gain)	$ 449,087	$ (621,246)
Operating loss	$ (3,079,300)	$ (5,703,802)
Interest and other income	$ 354,026	$ 452,355
Business development expense	$ (1,400)	$ -
Gain on assignment of lease	$ -	$ 83,857
Accretion of lease liability	$ (1,354)	$ (38,827)
Gain on disposition of property and equipment	$ -	$ 14,444,529
Impairment of property and equipment	$ (838,345)	$ (1,836,493)
Total(loss) income and comprehensive (loss) income for the year	$ (3,566,373)	$ 7,401,619
Foreign currency translation adjustment	$ 21,112	$ (69,715)
Total income (loss) and comprehensive gain (loss) for the year	$ (3,545,261)	$ 7,331,904

Discussions of Operations

Revenues

During the years ended March 31, 2026 and March 31, 2025, the Company recorded $17,994 and $88,819 of service and shipping income respectively. This income represents results from providing samples to paying & recurring customers. Prior to the current years, the Company revenue from sample anode products for distribution to battery developers was applied as an offset against research and development costs. The revenues declined as the business transitioned from an anode development and production company to an investment company.

Research and Development

Research and Development expenditures for the years ended March 31, 2026 and March 31, 2025 were $14,787 and $782,051 respectively for FY 2026 and FY 2025. The decrease for the year represents the sale of the lithium metal production business to Arcadium Lithium in August 2024 and pause of anode production related research and development in Q4 2025. The professional fees under R&D was attributed to carrying costs associated with the anode production IP.

Table 4. R&D Cost Breakdown for the Years ending March 31, 2026 & 2025

R&D Cost Breakdown	For the Year Ended March 31, 2026	For the Year Ended March 31, 2025
Consumables	$ -	$ 173,919
Professional fees	$ 14,787	$ 105,234
Salary & wages	$ -	$ 648,806
Government assistance	$ -	$ (145,152)
Total R&D	$ 14,787	$ 782,807

Government Assistance

Skycap utilizes a number of government programs that support its development activities.

Table 5. Government Assistance Detail for the Years ending March 31, 2026 & 2025

Government Assistance	For the Year Ended March 31, 2026	For the Year Ended March 31, 2025
Government of Ontario grants	$ -	$ 145,152
Scientific Research and Experimental Development ("SR&ED")	$ -	$ 230,698
Total R&D	$ -	$ 375,850

Government of Ontario grants - on June 6, 2023, the Company was awarded over $1,430,826 from the Government of Ontario to develop and commercialize its lithium metal production technology. The funding awarded to the Company consists of a $930,826 grant from the R&D Partnership Fund – Electric Vehicle, administered by the Ontario Vehicle Innovation Network (OVIN) and a $500,000 grant from the Critical Minerals Innovation Fund (CMIF), funded by the Ontario Ministry of Mines. During the year ended March 31, 2025 the Company received from the Government of Ontario refunds/grants $145,152 and for the year ended March 31, 2026 NIL.

Scientific Research and Experimental Development ("SR&ED") - During the year ended March 31, 2025, the Company earned and received $230,698 (2026 - $nil) of government refund of SR&ED.

There are no unfulfilled conditions nor other contingencies related to the government assistance received.

Salaries and Wages

Salaries and wages expenditures for the year ending March 31, 2026 and March 31, 2025 were $1,730 and $713,582 respectively. The decrease in expenditures reflects a reduction in headcount and overall activity following the sale of the Company's lithium metal production business and the pause of research and development efforts. Staffing levels were adjusted to align with the Company's new strategic direction and transition to an investment-focused business model.

Share Based Compensation

Share-based compensation expense for the year ending March 31, 2026 and March 31, 2025 was $584,089 and $239,960 respectively. The increase is due to granting of RSUs to Directors and Officers.

Table 6. Stock Based Compensation for the Years ending March 31, 2026 & 2025

Sharebased Compensation	For the Year Ended March 31, 2026	For the Year Ended March 31, 2025
Stock options	**$ -**	**$ 20,220**
RSUs	**$ 584,089**	**$ 219,740**
Total Stock based Compensation	**$ 584,089**	**$ 239,960**

Professional Fees

Professional, legal and consulting fees expenditures for the year ending March 31, 2026 and March 31, 2025 were $1,660,564 and $3,021,447, respectively. Professional fees include legal, insurance, strategic consultants, accounting and audit fees which are in place to meet publicly listed company's requirements and support the growth of the overall business. The professional fees also include consulting, advisory and legal fees incurred to evaluate and conduct due diligence on potential investment opportunities throughout the year. The professional fees decreased as scope of operations for the company decreased once it transitioned to an investment issuer.

Investor Relations & Reporting

Issuer Costs, Investor relations & reporting issuer costs for the year ending March 31, 2026 and March 31, 2025 were $13,914 and $139,112 respectively. The decrease primarily reflects lower investor relations and reporting costs resulting from the sale of the lithium metal production business, which eliminated the fee component associated with that segment. The cost includes IR firm fees, regulatory fees, investor conferences cost and fees for issuing press releases.

General and Administrative

General and administrative expenditures for the year ending March 31, 2026 and March 31, 2025 were $313,676 and $912,521, respectively. General and administrative expenses include all expenses associated with the administration and general operations including executive and administrative wages, rent, insurance and other costs associated to support the activities of the Company not specifically identifiable to other expense areas.

The decrease primarily reflects lower general and administrative costs resulting from the sale of the lithium metal production business, which eliminated head count and cost components associated with that segment. The G&A costs were further reduced due to pause of anode business related operations as the Company transitioned to an investment issuer.

Interest and bank charges

Interest & bank charges for the year ending March 31, 2026 and March 31, 2025 were $863 and $3,044, respectively.

Foreign Exchange Loss (Gain)

Foreign Exchange Loss (Gain) for the year ending March 31, 2026 and March 31, 2025 was a loss of $449,087 and a gain of $621,246, respectively. The movement is primarily due to the rise in the US dollar compared to the Canadian exchange rate during FY2025 combined with an increase in the level of financial instruments denominated in US dollars.

Amortization of property & equipment

Amortization for the year ending March 31, 2026 and March 31, 2025 was $58,584 and $602,150, respectively. The decrease represents the decreased amortization of property plant & equipment of assets due to the sale of the lithium business.

Interest and Other Income

Interest and Other Income for the year ending March 31, 2026 and March 31, 2025 was $354,026 and $452,355, respectively. The decrease represents the movements in cash from $13,421,525 at March 31, 2025 to $5,556,700 at March 31, 2026.

Business development expense

Business development expense for the years ended March 31, 2026 and March 31, 2025 was ($1,400) and NIL, respectively.

On September 14, 2023, the Company signed a contract production agreement and a strategic collaboration agreement with MVS. According to the contract production agreement, MVS uses its resources to create a physical vapour deposition machine (the "PVD Machine") and set up a contract manufacturing facility for the manufacture of anodes at MVS facility in Sarasota, Florida. The Company agreed to pay USD $2 million toward the machine which would be owned equally between the two parties. An initial payment of USD $500,000 was made by the Company in October 2023, with the remaining payments due on a progress percentage of completion basis at 33%, 66% and 100%. In addition, according to the contract production agreement, MVS manufactures and sells anodes exclusively to the Company for further sale to the Company's customers. During the three and nine months ended December 31, 2023, the Company recorded the USD $500,000 payment as asset under construction. According to the strategic collaboration agreement, MVS may not sell PVD machines for the battery market other than to the Company and the Company may not purchase PVD machines from any entities other than MVS. As consideration for the exclusivity, on September 14, 2023, the Company issued 4,375,000 common shares of the Company to MVS at a value of $0.20 per share for a total of $875,000 (note 15). The Company also issued to MVS 21,000,000 warrants with each warrant exercisable at a price of CDN $0.627 until September 19, 2028 recorded at a value of $3,983,565 (note 16). In addition, MVS has the right to participate in any future equity issues of the Company and has a right to a seat in the board of directors of the Company if MVS accumulates 10 million shares of the Company. During the year ended March 31, 2024, the Company recorded the fair value of the shares ($875,000) and warrants ($3,983,565) issued as business development expense for a total of $4,858,565. The agreement was terminated as the Company transitioned into an investment issuer.

Gain on assignment of Lease

Gain on assignment of lease for March 31, 2026 and March 31, 2025 was NIL and $83,857, respectively.

Accretion of Lease Liability

Accretion of lease liability for the year ending March 31, 2026 and March 31, 2025 was $1,354 and $38,827, respectively.

Gain on disposition of property and equipment

Gain on disposition of property and equipment for the year ending March 31, 2026 and March 31, 2025 was NIL and $14,444,529, respectively.

On August 2, 2024 the Company announced that it had completed the sale of certain assets constituting its lithium metal productions business (the "Assets") to Arcadium Lithium plc ("Arcadium" or the "Purchaser"). Pursuant to a definitive Asset Purchase Agreement dated August 2, 2024 (the "Agreement"), the Company sold the assets for aggregate cash consideration of $15,062,558 (US$11,000,000). The Assets include all of the Company's lithium metal production technology, including all related patents, proprietary, know-how, and physical assets utilized in lithium metal production. The Company also recorded a cash holdback of $410,925 (US$300,000) from Arcadium which was received in July 2025 and this amount has been included in other receivables.

Impairment of property and equipment

Impairment of property and equipment for the year ending March 31, 2026 and March 31, 2025 was $838,345 and $1,836,493, respectively, due to the write down of equipment.

Foreign Currency Translation Adjustment

FC translation adjustment for the year ending March 31, 2026 and March 31, 2025 was a gain of $21,112 and a loss of $69,715, respectively.

6. Liquidity and Capital Resources

The following table shows the results for the last eight fiscal quarters as prepared in accordance with IFRS and presented in Canadian dollars, the Company's functional currency:

Table 7. Summary of the Last Eight Quarters Financials Results and Years Ending March 31, 2026 & 2025

For the Quarter Ending	Revenue	Total Loss and Comprehensive Gain (Loss) for the Quarter	Basic and Fully Diluted Gain (Loss) per share
March 31, 2026	$ 17,994	$ (56,857)	$ -
December 31, 2025	$ -	$ (356,782)	$ -
September 30, 2025	$ -	$ (1,161,044)	$ (0.01)
June 30, 2025	$ -	$ (1,494,576)	$ (0.01)
March 31, 2025	$ 6,499	$ (1,058,344)	$ -
December 31, 2024	$ 20,530	$ 17,568	$ -
September 30, 2024	$ 27,856	$ 9,543,543	$ 0.06
June 30, 2024	$ 33,934	$ (1,285,506)	$ (0.01)

For the Years Ending	Revenue	Total Loss and Comprehensive Loss for the Year	Basic and Fully Diluted Gain (Loss) per share
March 31, 2026	$ 17,994	$ (3,545,261)	$ (0.02)
March 31, 2025	$ 88,819	$ 7,331,904	$ 0.05
March 31, 2024	$311,803	$ (13,496,353)	$ (0.09)

Operating Activities

Net cash used in operating activities for the years ended March 31, 2026 and March 31, 2025 was $2,526,004 and $4,160,683, respectively. The decrease in net cash used in operating activities reflects the reduction in operations due to the sale of the lithium metal business segment and the Company's transition from an industrial issuer to an investment issuer.

Investment Activities

Net cash provided in investment activities for the year ended March 31, 2026 was negative $5,327,590 and positive $15,092,683 net cash used in investing activities for the year ended March 31, 2025. March 31,2025 investment activity reflects the proceeds from disposition of property plant and equipment of $15,062,558 for year ended March 31, 2025 from the sale of its lithium metal business segment. March 31, 2026 investment activity reflects the investment of US $4.17 million in the form of a SAFE with Clean Metals.

Financing Activities

Net cash provided in financing activities for the year ended March 31, 2026 was NIL as compared to $946,050 for the year ended March 31, 2025 resulting from proceeds from issuance of common shares and warrants, net of transaction costs.

Liquidity

As of March 31, 2026, the Company had a net working capital of $5,767,636 and as at March 31, 2025 $13,674,934 which is due to the net proceeds from the sale of the lithium metal business segment.

The Company's ability to continue as a going concern remains dependent on its capacity to secure sufficient capital, manage its expenditures, and successfully execute its investment strategy. While the Company currently maintains a cash position sufficient to support near-term operations and investment activities, there is no assurance that future capital will be available on favorable terms or that its investments will generate positive returns. These factors indicate the existence of material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. After reviewing the current cash position and having considered the Company's ability to raise funds in the short term, the directors have adopted the going concern basis in preparing its financial statements. The accompanying consolidated financial statements do not include any adjustments relating to the recoverability of assets and to the reclassification of asset and liability amounts that might be necessary should the Company be unable to continue its operations. Such adjustments could be material.

As of March 31, 2026, the Company's credit and interest rate risk remains minimal. Accounts payable and accrued liabilities are short-term and non-interest bearing.

Financial Instruments and Other Instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

IFRS 9 requires financial assets to be classified into three measurement categories on initial recognition: those measured at fair value through profit or loss, those measured at fair value through other comprehensive income and those measured at amortized cost. Measurement and classification of financial assets is dependent on the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Financial Assets

Financial assets not measured at fair value through profit or loss or fair value through other comprehensive income are measured at amortized cost using the effective interest method, less any impairment losses, with interest expense recognized on an effective yield basis. Assets in this category include cash and cash equivalents and amounts receivable and other assets. As at March 31, 2026 the Company's financial assets were $5,556,700 as compared to $13,421,525 as at March 31, 2025.

Other Financial Liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis. Any gains or losses arising from the realization of other financial liabilities are included in the statement of loss and comprehensive loss. Liabilities in this category include amounts payable, other liabilities and Government assistance. As of March 31, 2026, the Company's financial liabilities were $242,472 as compared to $621,884 as of March 31, 2025.

We do not have any material obligations under forward foreign exchange contracts, guarantee contracts, retained or contingent interests in transferred assets, outstanding derivative instruments or nonconsolidated variable interests.

7. Outstanding Share Data

The authorized and issued capital stock of the Company consists of an unlimited authorized number of common shares as follows:

Table 8. Summary of Capital Stock for the Last Eight Quarters Fiscal for 2026 and 2025

Shares	Quarter Ended							
	March 31, 2026	December 31, 2025	September 30, 2025	June 30, 2025	March 31, 2025	December 31, 2024	September 30, 2024	June 30, 2024
Open	174,849,165	174,849,165	164,496,224	164,496,224	164,496,224	164,496,224	164,496,224	159,328,828
Issued	-	-	10,352,941	-	-	-	-	5,167,396
Close	**174,849,165**	**174,849,165**	**174,849,165**	**164,496,224**	**164,496,224**	**164,496,224**	**164,496,224**	**164,496,224**

Restricted Share Units ("RSU")	Quarter Ended							
	March 31, 2026	December 31, 2025	September 30, 2025	June 30, 2025	March 31, 2025	December 31, 2024	September 30, 2024	June 30, 2024
Open	882,353	882,353	11,235,294	11,235,294	11,235,294	1,235,294	1,429,768	1,432,664
Swapped for shares	-	-	(10,352,941)	-	-	-	-	-
Issued	-	-	-	-	-	10,000,000	-	(2,896)
Forfeited	-	-	-	-	-	-	(194,474)	-
Close	**882,353**	**882,353**	**882,353**	**11,235,294**	**11,235,294**	**11,235,294**	**1,235,294**	**1,429,768**

Options		Quarter Ended						
	March 31, 2026	December 31, 2025	September 30, 2025	June 30, 2025	March 31, 2025	December 31, 2024	September 30, 2024	June 30, 2024
Open	2,080,000	4,921,766	4,921,766	4,921,766	12,856,862	12,856,862	12,871,029	12,893,529
Issued	-	-	-	-	-	-	-	
Exercised	-	-	-	-	-	-	-	
Forfeited	-	(2,841,766)	-	-	(7,935,096)	-	(14,167)	(22,500)
Close	**2,080,000**	**2,080,000**	**4,921,766**	**4,921,766**	**4,921,766**	**12,856,862**	**12,856,862**	**12,871,029**

Warrants		Quarter Ended						
	March 31, 2026	December 31, 2025	September 30, 2025	June 30, 2025	March 31, 2025	December 31, 2024	September 30, 2024	June 30, 2024
Open	23,582,250	23,582,250	23,582,250	23,582,250	23,582,250	23,582,250	23,582,250	21,000,000
Issued	-	-	-	-	-	-	-	2,582,250
Close	**23,582,250**	**23,582,250**	**23,582,250**	**23,582,250**	**23,582,250**	**23,582,250**	**23,582,250**	**23,582,250**
Fully Diluted	**201,393,768**	**201,393,768**	**204,235,534**	**204,235,534**	**204,235,534**	**212,170,630**	**202,170,630**	**202,379,271**

As of March 31, 2026 the Company has:

- 174,849,165 issued and outstanding shares.
- 882,353 Restricted Share Units
- 2,080,000 stock options outstanding.
- 23,582,250 warrants outstanding
- Total Fully Diluted Share Capital of 201,393,768.

8. Off Balance Sheet Arrangements

On February 16, 2022, the Company signed a Joint Development and Commercialization Agreement ("JD/CA") with Blue Solutions, the largest producer of solid-state lithium metal batteries. The JD/CA will help significantly advance the development of the Company's high-performance low-cost lithium metal anode technologies and Blue Solutions' solid-state batteries to be used in passenger electric vehicles (EVs).

The JD/CA has two phases: Joint Development and Commercialization. The joint development phase has not been completed yet and the agreement terminates at the earlier of August 16, 2023 or the date on which at least one lithium batteries anode product is first available for commercial exploitation. The development phase agreement has been terminated on August 16, 2023 and has not been extended. Each Party bears the costs of its activities including labor and materials.

9. Related Party Transactions

Related parties include the Board of Directors, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

Key management of the Company are its Board of Directors and the Senior Officers: the Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO"). Key management personnel remuneration includes the following payments:

Table 9. Related Party Transactions for Fiscal 2026 & 2025

Related Party	For the year ended March 31,	
	2026	2025
Director fees	$ 244,703	$ 309,864
Salaries and short-term employment	$ 1,008,332	$ 881,593
Share-based compensation	$ 584,089	$ 251,990
Total	$ 1,837,124	$ 1,443,447

10. Critical Accounting Estimates

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from these estimates.

Critical Judgement in Applying Accounting Policies

Judgement is required in determining whether the respective costs are eligible for capitalization where applicable which may be based on assumptions about future events and circumstances. Estimates and assumptions made may change if new information becomes available.

Key Sources of Estimation Uncertainty

1) Stock-based compensation

The determination of the fair value of stock-based compensation is not based on historical cost but is derived based on subjective assumptions input into an option pricing model. The model requires that management make forecasts as to future events, including estimates of the average future hold period of issued stock options before exercise, expiry or cancellation; future volatility of the Company's share price in the expected hold period (using historical volatility as a reference); and the appropriate risk-free rate of interest. Stock-based compensation incorporates an expected forfeiture rate and is estimated based on historical forfeitures and expectations of future forfeitures and is adjusted if the actual forfeiture rate differs from the expected rate.

The resulting value calculated is not necessarily the value that the holder of the option could receive in an arm's length transaction, given that there is no market for the options, and they are not transferable. It is management's view that the value derived is highly subjective and dependent entirely upon the input assumptions made.

2) Income taxes and deferred taxes

The Company is subject to income tax laws in various jurisdictions. Tax laws are complex and potentially subject to different interpretations by the taxpayer and the relevant tax authority. The provision for income taxes and deferred tax represents management's interpretation of the relevant tax laws and its estimate of current and future income tax implications of the transactions and events during the period. The Company may be required to change its provision for income taxes or deferred tax balances when the ultimate deductibility of certain items is successfully challenged by taxing authorities or if estimates used in determining the amount of deferred tax asset to be recognized changes significantly, or when receipt of new information indicates the need for adjustment in the amount of deferred tax to be recognized. Additionally, future events, such as changes in tax laws, tax regulations, or interpretations of such laws or regulations, could have an impact on the provision for income tax, deferred tax balances and the effective tax rate. Any such changes could materially affect the amounts reported in the financial statements in the year these changes occur.

Judgement is required to continually assess changing tax interpretations, regulations and legislation, to ensure liabilities are complete and to ensure assets are realizable. The impact of different interpretations and applications could be material.

3) Provisions and contingent liabilities

Judgements are made as to whether a past event has led to a liability that should be recognized in the financial statements or disclosed as a contingent liability. Quantifying any such liability often involves judgements and estimations. These judgements are based on a number of factors including the nature of the claims or dispute, the legal process and potential amount payable, legal advice received, past experience and the probability of a loss being realized. Several of these factors are sources of estimation uncertainty.

4) Functional currency

In accordance with IAS 21 "*The Effects of Changes in Foreign Exchange Rates*", management determined that the functional currency of Li-Metal US Inc is the United States Dollar.

5) Going concern risk assessment

The assessment of the Company's ability to continue as a going concern involves significant judgment. Refer to our discussion in Note 2 of the consolidated financial statements for the year ended March 31, 2026.

11. Qualitative and Quantitative Disclosures about Risks and Uncertainties

An investment in the securities of the Company involves a high degree of risk and should be considered highly speculative due to the nature of the Company's business and its present stage of development. In evaluating the Company and its business, investors should carefully consider the following risk factors. These risk factors are not a definitive list of all risk factors associated with an investment in the Company or in connection with the Company's operations.

Reliance on the Performance of Underlying Assets

Investment corporations do not have operations, activities, or other active business other than the acquisition, retention and management of assets. They are simply a vehicle for owning assets, and are in the business of providing financial capital and management. As an investment company, the Company's ability to meet its financial obligations will generally depend upon the dividends and profits received on investments, as well as the Company's ability to raise additional capital. There is no guarantee that the Company's investment or investments will be sold at a profit or sold at all. In addition, changes in the operating performance, profitability, financial position and creditworthiness of the businesses in which the Company invests could adversely affect the Company's financial condition, profitability or cash flows.

Key Employees

The Company will be substantially dependent on the services of a limited number of individuals, and in particular, the major investment and capital allocation decisions they provide, some of which have not been hired as of the date hereof. If for any reason the Company is not able to obtain the service of key employees or the services of the Company's key employees are to become unavailable, there could be a material adverse effect on the Company's operations.

The Company will be dependent on its ability to retain the services of existing key personnel and to attract and retain additional qualified and competent personnel in the future. The Company's inability to recruit and retain qualified and competent managers could impair the ability of the Company to perform its management and administrative duties on behalf of the shareholders.

Potential Lack of Investment Diversification

The Company will not have any specific limits on the holdings in securities of issuers, or in any one industry or size of issuer. Additionally, the Company intends to primarily focus on corporations located in Canada, although investments may extend to the United States and globally. Accordingly, the securities in which the Company invests may not be diversified across many sectors and will be concentrated in specific regions or countries, such as Canada. The Company may also have a significant portion of investments in the securities of a single issuer.

A relatively high concentration of assets or a decision to focus on one merger or acquisition could result in a portfolio that may be more vulnerable to fluctuations in value resulting from adverse conditions that may affect the economy, a particular industry, or a segment of issuers than would otherwise be the case if the Company were required to maintain wide diversification. Consequently, significant declines in the fair value of the Company's larger investments will produce a material decline in the Company's reported earnings.

Trading Price of the Shares Relative to Net Asset Value

The Company cannot predict whether the common shares will trade at a discount from, a premium to, or at the Company's net asset value. As a result, the return experienced by a shareholder will likely differ from the underlying performance of the Company.

The market price of the common shares at any given point may not accurately reflect the Company's long-term value. The market price of the common shares will be determined by, among other things, the relative demand and supply of the common shares in the market, the Company's investment performance and investor perception of the Company's overall attractiveness as an investment as compared with other investment alternatives. The market price of the common shares will likely be affected by other factors outside of management's control, including but not limited to, global macroeconomic developments, and market perceptions and expectations regarding the attractiveness of various economies, industries or corporations in which the Company invests.

Future Dilution

Where, in the opinion of the Board of Directors and management, additional capital is necessary or desirable to carry on the investment activities of the Company, the Company may create and issue additional securities at a price and otherwise on terms and conditions determined by the Board of Directors. Depending on the price at which such additional securities of the Company are offered for sale, the issuance of such additional securities could result in a dilution to existing shareholders. In creating and issuing additional securities of the Company, the Board of Directors will comply with the requirements of applicable securities law and the CSE and will act in accordance with its fiduciary duties as directors of the Company.

Use of Leverage

The Company may borrow additional capital to invest in securities comprising the portfolio for the purpose of enhancing the potential returns of the Company. The risk to shareholders may increase if securities purchased with borrowed money decline in value. While the use of leverage can increase the rate of return, it can also increase the magnitude of loss in unprofitable positions beyond the loss which would have occurred if there had been no borrowings. The interest expense and other costs incurred in connection with such borrowing may not be recovered by appreciation in the securities purchased or carried. Leveraging will thus tend to magnify the losses or gains from investment activities.

If at any time an amount owed is called by a lender, the Company may be required to liquidate securities in the portfolio to comply with the restriction or to repay the indebtedness. Such sales may occur at a time when the market for the securities in the portfolio is depressed, affecting the value of the portfolio and the return to the Company.

In addition, the Company may not be able to renew loan facilities on acceptable terms. There can be no assurance that the borrowing strategy employed by the Company will enhance returns, and it may, in fact, reduce returns.

Investment in Private Issuers

The Company may, from time to time, invest in the securities of a private issuer. Issuers whose securities are not publicly traded are not subject to the disclosure and other investor protection requirements that would be applicable if their securities were publicly traded. The Company must, therefore, rely on its management team to obtain the information necessary to make an informed investment decision. The valuations ascribed to such private securities within the Company's portfolio will be measured at fair value in accordance with IFRS, and the resulting values may differ from values that would have otherwise been used had a ready market existed for the investment. The valuation process for these private securities is not based on publicly available prices and is, to a degree, subjective in nature. These valuations will be reflected in the net asset value of the equity securities of the Company.

Illiquid Assets

The Company may invest, from time to time, in securities that are thinly traded or have no market at all, including investments in private issuers. It is possible that the Company may not be able to sell portions of such positions without facing substantially adverse prices, or may be required to sell such securities before their intended investment horizon, which could negatively impact the performance of investments and the Company's financial condition, profitability and cash flows.

Deterioration of General Economic, Political and Market Conditions

The success of the Company's activities will be subject to normal economic cycles affecting the economy in general or the industries in which the investee corporations operate. To the extent that the economy deteriorates for an extended period of time, one or more of the Company's investments could be materially harmed. In addition, the Company's investments may be affected by changes in political and market conditions, such as interest rates, availability of credit, inflation rates, changes in laws, and national and international circumstances. Unexpected changes in these factors could negatively impair the Company's financial condition, profitability and cash flows.

Foreign Security Risk

The Company's investment portfolio may include domestic or foreign issuers with multinational operations and significant exposure to foreign business and currency risks. The value of these securities may be influenced by foreign government policies, lack of information about foreign corporations, political or social instability and the possible levy of foreign withholding tax.

Foreign Exchange Risks

The Company's reporting currency is the Canadian dollar. A portion of the Company's investments may include securities denominated in foreign currency. Accordingly, the net asset value of the Company's portfolio will fluctuate depending on the rate of exchange between the Canadian dollar and such foreign currencies. The Company may, from time to time, experience gains and losses resulting from the fluctuations of foreign currencies, which could impact the Company's financial condition, profitability or cash flows.

Competition and Technology Risks

The Company intends to hold investments in the securities of businesses that face intense competitive pressures within the markets in which they operate. Many factors, including market and technological changes, may erode the competitive advantages of the businesses in which the Company invests. Accordingly, the Company's future operating results will depend, to a degree, on whether or not those businesses are successful in protecting or enhancing their competitive positioning.

Credit Risk

Credit risk is the risk of a financial loss occurring as a result of default of a counterparty on its obligations to the Company. The Company may be subject to credit risk on its financial assets, including loans receivable and corporate debt investments, such as bonds.

Tax Risks

There can be no assurances that the tax laws applicable to the Company under the *Income Tax Act* (Canada) or under foreign tax regimes will not be changed in a manner which could adversely affect the Company's operating results or profitability.

Regulatory Changes

Certain industries, such as financial services, health care, and telecommunications, remain heavily regulated and may be more susceptible to an acceleration in regulatory initiatives in Canada and abroad. Investments in these sectors may be substantially affected by changes in government policy, and the Company cannot predict whether or not such changes will have a material adverse impact on the Company's investments or Company profitability.

12. Forward-Looking Statements

Certain of the statements made and information contained herein constitute "forward-looking information" and "forward looking statements". These statements relate to future events or the Company's future performance. All statements, other than statements of historical fact, may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "propose", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements.

The Company believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this MD&A should not be unduly relied upon by investors as actual results may vary. These statements speak only as of the date of this MD&A and are expressly qualified, in their entirety, by this cautionary statement.

With respect to forward-looking statements listed above and contained in the MD&A, the Company has made assumptions regarding, among other things:

- The accuracy of the cost estimates relating to the execution of the Company's business plan;
- The available funds of the Company and the anticipated use of such funds;
- Investments which may be made by the Company;
- The availability of financing opportunities; and
- Legal and regulatory risks inherent in the different industries and the risks associated with economic conditions, dependence on management and currency risk.

Information about risks that could cause actual results to differ materially from expectations and about material factors or assumptions applied in making forward-looking statements may be found herein under the heading "Qualitative and Quantitative Disclosures About Risks and Uncertainties".

Investors should not place undue reliance on forward-looking statements as the plans, intentions or expectations upon which they are based might not occur. Readers are cautioned that the foregoing lists of factors are not exhaustive. The forward-looking statements contained in this MD&A are expressly qualified by this cautionary statement. The Company does not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless required by law.