

**ATLAS ENERGY CORP.**  
(Formerly Willow Biosciences Inc.)

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS  
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2025  
(in thousands of Canadian dollars)**

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This Management’s Discussion and Analysis (“MD&A”) of Atlas Energy Corp. (“Atlas” or the “Company”) has been prepared by management as of November 13, 2025.

This MD&A should be read in conjunction with the unaudited condensed interim consolidated financial statements as at and for the three and nine months ended September 30, 2025, and annual audited consolidated financial statements for the year ended December 31, 2024. Unless otherwise stated, financial information in this MD&A is expressed in Canadian dollars. Certain dollar amounts have been rounded to the nearest million dollars, hundred thousand dollars or thousand dollars, as noted. This MD&A contains certain specified measures consisting of capital management measures, which do not have standardized meanings prescribed by generally accepted accounting policies (“GAAP”) and therefore may not be comparable to similar measures presented by other companies utilizing similar terminology. Refer to “Non-GAAP and Other Financial Measures” for further information on the definition, calculation, and reconciliation of these measures.

Additional information relating to Atlas can be found at [www.atlas-corp.ca](http://www.atlas-corp.ca). The Company’s continuous disclosure materials, including its annual and quarterly MD&A, audited annual and unaudited interim financial statements, Information Circulars, Annual Information Form and various reports issued by the Company are also available through SEDAR + at [www.sedarplus.ca](http://www.sedarplus.ca).

## **CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION**

This MD&A may include forward-looking statements including opinions, assumptions, estimates, the Company’s assessment of future plans and operations, and, more particularly, statements concerning: Atlas’s milestone projections and timeline to finalize and sign royalty and streaming agreements.

When used in this document, the words “will”, “anticipate”, “believe”, “estimate”, “expect”, “intent”, “may”, “project”, “should”, and similar expressions are intended to be among the statements that identify forward-looking statements.

Forward-looking statements are subject to a wide range of risks and uncertainties, and although the Company believes that the expectations represented by such forward-looking statements are reasonable, there can be no assurance that such expectations will be realized. Any number of important factors could cause actual results to differ materially from those in the forward-looking statements including, but not limited to:

- the Company’s ability to execute on its strategy and the anticipated benefits of such strategy;
- expectations of the amount or frequency of impairment losses;
- the future performance of the Company’s business and operations;
- the Company’s competitive advantages and business strategies;
- expectations regarding revenues, expenses and anticipated cash needs;
- expectations regarding cash flow, liquidity and sources of funding;
- accounting standards and estimates;
- adverse global economic conditions;
- departure of key management personnel or inability to attract and retain talent; and
- regulatory and other factors more fully described from time to time in the reports and filings made by the Company with securities regulatory authorities.

Except as required by applicable laws, the Company does not undertake any obligation to publicly update or revise any forward-looking statements.

Any financial outlook and future-oriented financial information contained in this document regarding prospective financial performance, financial position or cash flows is based on assumptions about future events, including economic conditions and proposed courses of action based on management's assessment of the relevant information that is currently available. Projected operational information contains forward-looking information and is based on a number of material assumptions and factors, as are set out above. These projections may also be considered to contain future-oriented financial information or a financial outlook. The actual results of the Company's operations for any period will likely vary from the amounts set forth in these projections and such variations may be material. Actual results will vary from projected results. Readers are cautioned that any such financial outlook and future-oriented financial information contained herein should not be used for purposes other than those for which it is disclosed herein.

## **Overview of the Company**

Commencing June 19, 2025, the Company became an international upstream royalty and streaming company focused on the identification, acquisition, management of a well-diversified portfolio of international upstream oil and gas royalty and streaming transactions. The Company will also evaluate royalty and streaming opportunities in the North American market should such opportunities become available at similar attractive metrics.

The Company's objective is to generate returns for shareholders through indirect investments into oil and natural gas assets with future upside potential. As of September 30, 2025, the Company has a pipeline of active deals but has not yet finalized any royalty or streaming agreements.

The Company's common shares (the "**Common Shares**") are listed on the Toronto Stock Exchange Venture ("**TSXV**") under the trading symbol "**ATLE**". The Company's head office and registered office is located at Suite 3200 Dome Tower, 333 7<sup>th</sup> Ave SW Calgary, AB T2P 2Z1.

## **Corporate Update**

On April 30, 2025, Willow Biosciences Inc. ("Willow")'s wholly owned operating subsidiary Epimeron USA, Inc. ("Epimeron") which included the Company's biotechnology business, intellectual property and R&D team was sold to a private company. The disposition of Epimeron constituted a sale of substantially all of Willow's business operations.

On June 19, 2025, Willow completed a transformative recapitalization transaction ("Recap Transaction") to form Atlas Energy Corp. (the "Company"). The Company completed: (a) non-brokered equity private placement for aggregate gross proceeds of \$30.0 million (the "Private Placement"); (b) appointed a New Executive Team (the "New Executive Team") and a New Board of Directors (the "New Board"); (c) changed its name to "Atlas Energy Corp."; and (d) consolidated the common shares of the Company on the basis of one (1) post-Consolidation Common Share for every five (5) pre-Consolidation Common Shares. The Share Consolidation was completed on June 19, 2025. All references to common shares, warrants, performance share awards, restricted share awards, deferred share awards and stock options have been restated and are reflected on a post-consolidation basis.

Following the Recap Transaction, the common shares of the Company began trading on the TSXV under the name Atlas Energy Corp. and a new stock symbol "**ATLE**" and the common shares were delisted from the Toronto Stock Exchange.

The Company does not currently meet certain of the continued listing requirements of the TSX or the original listing requirements of the TSXV set out in Policy 2.1 – Initial Listing Requirements because the Company had no specific investments at the time of listing on TSXV and therefore did not meet the initial listing requirement of having 50% of its available funds invested in 2 specific investments at the time of

listing to meet initial listing requirements for a Tier 2 Investment Issuer. As such, the TSXV has exercised its discretion to waive certain original listing requirements in granting the Company conditional acceptance of listing pursuant to the TSXV Sandbox. The Company will remain listed pursuant to the TSXV Sandbox until the following exit conditions (the "Exit Conditions") are met within 12 months of listing on the TSXV (the "Exit Deadline"): (i) the Company has completed the Private Placement for aggregate gross proceeds of \$30.0 million; (ii) the Company has deployed at least 50% of its available funds following completion of the Private Placement to fund two or more qualifying investments that are satisfactory to the TSXV; (iii) the Company has no outstanding compliance or disclosure issues; and (iv) the Company has made a formal application to the TSXV for an exit review, along with the applicable filing fee, and the TSXV is satisfied the Exit Conditions have been met. If the Company has not satisfied the Exit Conditions by the Exit Deadline, the Company's listing may be transferred from the TSXV to the NEX.

The New Executive Team is led by Mark Hodgson as President and Chief Executive Officer, Travis Doupe as Chief Financial Officer, Don Kornelsen as Vice President, Commercial, Ryan Giroux as Vice President, Corporate Development, Blair Anderson as Vice President, Geoscience, Richard Naden as a Senior Executive and Andy Duncan as a Senior Executive. The New Board is comprised of Mark Hodgson, Richard F. McHardy, Gary Brown, Glenn McNamara and Scott Price.

The Company reported net loss from continuing operations for the three and nine months ended September 30, 2025 of \$0.5 million and \$1.9 million (2024 - \$0.6 million and \$1.8 million).

The Company also reported a net loss from discontinued operations for the three months ended September 30, 2025 of \$0.2 million and a net income for the nine months ended of \$1.2 million (2024 - net loss of \$0.7 million and \$3.5 million).

### Discontinued Operations

During the quarter ended March 31, 2025, the Company announced it signed an agreement for the sale of its wholly-owned operating subsidiary, Epimeron USA, Inc. ("Epimeron") inclusive of the Company's biotechnology business, intellectual property and R&D team, for cash consideration of \$4.84 (US\$3.38) million, subject to closing adjustments.

On April 30, 2025, the Company announced the completion of the sale for aggregate consideration of \$3.829 (US\$2.76) million in cash. Of this amount, \$382 (US\$275) thousand of the net proceeds were to be held in escrow till September 17, 2025. Both parties are currently working on a mutual agreement to release the escrow. As at September 30, 2025, due to ongoing negotiations involving the settlement of the escrow, the Company no longer believes collection of the escrow funds is probable.

The disposition constituted a sale of all the Company's R&D business operations. The results of the R&D business have been classified as discontinued operations for the period ended September 30, 2025. Comparative figures have been re-presented accordingly.

As at April 30, 2025, the assets that were sold included:

	<b>April 30, 2025</b>
Cash and cash equivalent	\$ 84
Accounts receivable	1
Deposits and prepaid expenses	121
Inventory	48
Property, plant & equipment	480
Right-of-use-assets	1,103
Long-term deposits	84

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\$ 1,921

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As at April 30, 2025, the liabilities associated with assets held for sale included:

	<b>April 30, 2025</b>
Accounts payable and accrued liabilities	\$ 681
Lease liabilities	889
	<b>\$ 1,570</b>

The gain on sale is calculated as follows:

Cash received on sale of Epimeron	\$ 3,447
Consideration receivable <sup>(1)</sup>	382
Total consideration	3,829
Working capital adjustment to be credited from escrow funds	(132)
Carrying amount of net assets of Epimeron	(351)
Gain on sale before reclassification of foreign currency translation reserve	3,346
Reclassification of foreign currency translation	(316)
<b>Gain on sale</b>	<b>\$ 3,030</b>

<sup>1</sup> During Q2, 2025, the Company and the purchaser of Epimeron USA Inc. mutually agreed \$132,000 (US\$96,000) thousand would be credited back to the purchaser from the escrow.

Net income (loss) from discontinued operations includes the revenue and expenses related to the Company's R&D business inclusive of the gain on sale above.

The prior period net income (loss) from discontinued operations has been re-presented to include the revenue and expenses of the Company's R&D business until September 30, 2024. In the Consolidated Statements of Comprehensive Income (Loss) for the three and nine months ended September 30, 2024, research and development revenues of \$1.7 million and \$2.8 million were re-presented in the net income (loss) from discontinued operations. As at September 30, 2024, expenses of \$2.4 million and \$6.3 million were re-presented in the net income (loss) from discontinued operations. Total loss of \$661 thousand and \$3.5 million were re-presented in the net income (loss) from discontinued operations.

	<b>Three months ended</b>		<b>Nine months ended</b>	
	<b>September 30</b>		<b>September 30</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Research and development revenue	\$ -	\$ (1,703)	\$ (2,179)	\$ (2,780)
General and administrative	-	404	1,905	1,073
Share based compensation	-	50	112	184
Research and development	-	1,420	1,388	3,760
Depreciation and amortization	-	300	-	976
Gain on sale of property, plant and equipment	-	-	-	(135)
Net finance expense	-	25	50	88
Foreign withholding tax expense	-	165	282	357
Net income (loss) from discontinued operations	-	(661)	(1,558)	(3,523)

Gain on sale	-	-	3,030	-
Other income (loss) <sup>1</sup>	(250)	-	(250)	-
<b>Total net income (loss) from discontinued operations</b>	<b>\$ (250)</b>	<b>\$ (661)</b>	<b>\$ 1,222</b>	<b>\$ (3,523)</b>

<sup>1</sup> As at September 30, 2025, due to ongoing negotiations, the Company no longer believes collection of the remaining escrow funds is assured. Other loss relates to the additional amounts determined not to be collectible in the current quarter.

## RESULTS OF OPERATIONS FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024

<b>Financial Results</b>	<b>Three months ended September 30</b>		<b>Nine months ended September 30</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
General and administrative	657	528	1,853	1,529
Share based compensation	-	15	(18)	145
Depreciation and amortization	-	14	30	43
Foreign exchange loss	(3)	1	34	7
Loss on payout of convertible debt	-	-	107	-
Net finance (income) loss	(157)	27	(90)	44
Loss from continuing operations	(497)	(585)	(1,916)	(1,768)
Net income (loss) from discontinued operations	(250)	(661)	1,222	(3,523)
Net Income (loss)	(747)	(1,246)	(694)	(5,291)
Foreign exchange gain on translation of foreign operations	-	(13)	-	39
Reclassification of foreign exchange translation loss on disposition	-	-	316	-
<b>Net comprehensive income (loss)</b>	<b>\$ (747)</b>	<b>\$ (1,259)</b>	<b>\$ (378)</b>	<b>\$ (5,252)</b>
<b>Loss per share from continuing operations:</b>				
Loss per share, basic and diluted	\$ (0.00)	\$ (0.00)	\$ (0.01)	\$ (0.01)
<b>Earnings (loss) per share from discontinued operations:</b>				
Earnings (loss) per share, basic	\$ (0.00)	\$ (0.00)	\$ 0.00	\$ (0.03)
Earnings per share, diluted	\$ -	\$ -	\$ -	\$ -

	<b>September 30 2025</b>	<b>December 31 2024</b>	<b>Change</b>
<b>Statement of Financial Position:</b>			
Cash and cash equivalents	\$ 27,904	\$ 333	\$ 27,571
Total assets	28,122	2,489	25,633
Shareholders' equity (deficiency)	27,958	(505)	28,463

### General & Administrative Expenses

	Three months ended September 30			Nine months ended September 30		
	2025	2024	Change	2025	2024	Change
Consulting and technical services	\$ 49	\$ 13	\$ 36	\$ 78	\$ 51	\$ 27
Salaries, wages and benefits	333	203	130	877	619	258
Legal, audit and accounting	133	131	2	333	285	48
Investor relations	-	39	(39)	23	99	(76)
Corporate and office	142	142	-	542	475	67
<b>Total</b>	<b>\$ 657</b>	<b>\$ 528</b>	<b>\$ 129</b>	<b>\$ 1,853</b>	<b>\$ 1,529</b>	<b>\$ 324</b>

During the three and nine months ended September 30, 2025, general and administrative expenses increased 24% and 21% to \$0.7 million and \$1.9 million (2024 - \$0.5 million and \$1.5 million).

The increase in overall general and administrative expenses for the three and nine months ended September 30, 2025, is due to an increase in accounting costs, additional salaries for the new management team and increased travel costs.

The decrease in investor relations for the three and nine months ended September 30, 2025, is due to the elimination of third-party services for promoting investor relations.

The increase in corporate and office costs for the nine months ended September 30, 2025, is due to short term rental payments for the new office space and increase in travel costs for the new management team.

### Share-based Compensation

	Three months ended September 30			Nine months ended September 30		
	2025	2024	Change	2025	2024	Change
Stock options	\$ -	\$ 14	\$ (14)	\$ 69	\$ 48	\$ 21
Restricted share awards	-	13	(13)	21	42	(21)
Performance share awards	-	4	(4)	4	39	(35)
Deferred share awards	-	(16)	16	(112)	16	(128)
<b>Total</b>	<b>\$ -</b>	<b>\$ 15</b>	<b>\$ (15)</b>	<b>\$ (18)</b>	<b>\$ 145</b>	<b>\$ (163)</b>

The Company did not issue any new options or awards in 2025.

During the three and nine months ended September 30, 2025, share-based compensation decreased by 100% and 112% to nil and \$(18) thousand (2024 - \$15 thousand and \$0.1 million).

Due to the sale of the Company's wholly-owned subsidiary, Epimeron, the Company cancelled all outstanding PSA's and unvested stock options and the accelerated expense was recognized. All outstanding RSA's were vested and released upon sale.

The DSU's were recorded at a share price of \$0.30 and were settled at a share price of \$0.15 on June 20, 2025. The decrease in the share-based compensation expense is due to a reduction in the value from \$0.30 at December 31, 2024 to the settlement price of \$0.15 on June 20, 2025.

### Depreciation and Amortization

	Three months ended			Nine months ended		
	September 30			September 30		
	2025	2024	Change	2025	2024	Change
Amortization on right-of-use assets	\$ -	\$14	\$ (14)	\$ 30	\$ 43	\$ (13)

During the three and nine months ended September 30, 2025, depreciation and amortization decreased by 100% and 30% to nil and \$30 thousand (2024 - \$14 thousand and \$43 thousand). Since the sale of its wholly owned subsidiary, the Company does not have any property, plant and equipment, office equipment or leases.

Depreciation and amortization costs relate to depreciation the right-of-use assets associated with leases.

## FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

### Liquidity

As at September 30, 2025, the Company has working capital of \$28.0 million and cash and cash equivalents of approximately \$27.9 million. For “working capital” definition, refer to Non-GAAP and Other Financial Measures section.

### Cash Flows used in Operating Activities

Cash flows used in operating activities for the three and nine months ended September 30, 2025, total \$1.2 million and \$3.2 million (2024 - \$0.9 million and \$3.4 million) reflecting the net loss of \$0.7 million and \$0.7 million (2024 – net loss of \$1.3 million and \$5.3 million). The majority of these costs are attributed to general and administrative costs. The Company paid \$96 thousand on extinguishment of deferred share awards. The Company had a gain on sale of its subsidiary of \$3.0 million.

### Cash Flows from (used in) Financing Activities

During the three and nine months ended September 30, 2025, the Company had lease payments of nil thousand and \$363 thousand for the Company (2024 - \$198 thousand and \$596 thousand). The Company paid \$840 thousand on the extinguishment of convertible debentures.

Additionally, the Company completed a private placement and issued an aggregate of 300 million units (each Unit is comprised of one Common Share and one Common Share purchase warrant) and 300 million common shares at a price of \$0.05 per unit and common share for gross proceeds of \$30 million. The Company incurred share issuance costs of \$1.4 million.

### Cash Flows from Investing Activities

Amounts relate to the cash proceeds received to date from the sale of the Company’s wholly-owned subsidiary which closed on April 30th, 2025.

## CONTRACTUAL OBLIGATIONS

The table below summarizes the Company’s contractual obligations as at September 30, 2025:

	<b>2025</b>
Trade and other payables	164

From time to time, the Company may be subject to various legal proceedings and claims related to matters arising in the ordinary course of business. The Company does not believe it is currently subject to any matters where there is at least a reasonable possibility that a material loss may be incurred.

## **MATERIAL ACCOUNTING POLICIES AND ESTIMATES**

Note 3 to the annual audited consolidated financial statements as at and for the year ended December 31, 2024 includes a summary of the Company's material accounting policies. New material accounting policies adopted during the quarter ended September 30, 2025. Discontinued operations policy was adopted in Q2, 2025 as noted below.

### **Discontinued Operations**

A discontinued operation is a component of the Company's business, the operations and cash flows of which can be clearly distinguished from the rest of the Company and which:

- represents a separate major line of business or geographic area of operations;
- is part of a single coordinated plan to dispose of a separate major line of business or geographic area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

Judgement is required in determining whether a component is considered a discontinued operation.

As disclosed above, the Company sold the entirety of its R&D business. The Company applied judgement to determine whether a component of the Company that either has been disposed of, or classified as held for sale, meets the criteria of a discontinued operation. The key area that involves management judgement in this determination is whether the component represents a separate major line of business. There were no retained liabilities directly associated with the sale of this business and management determined that this represented a major line of business for the Company. As such, the Company classified its R&D business as a discontinued operation and presented the post-tax income (loss) as a single amount in the Condensed Interim Consolidated Statements of Comprehensive Income (Loss).

### **Off-Statement of Financial Position Arrangements**

As of November 13, 2025, the Company has not entered into any off-statement of financial position arrangements.

### **Use of Estimates and Judgements**

The preparation of the condensed interim consolidated financial statements in conformity with IFRS Accounting Standards as issued by the International Accounting Standards Board requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the amounts reported in these condensed interim consolidated financial statements and notes. Accordingly, actual results may differ from estimated amounts as future confirming events occur. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

These estimates include impairment indicators and warrant valuations. The warrant valuation is subject to estimation of what the ultimate payout will be using the Black-Scholes pricing model which is based on significant assumptions such as the future volatility of the market price of the Company's shares and the

expected term of the warrants. Judgement is required in determining whether a component is considered a discontinued operation.

## SUMMARY OF QUARTERLY FINANCIAL RESULTS\*

	Q3 2025	Q2 2025	Q1 2025	Q4 2024
<b>From continuing operations:</b>				
Revenues	\$ -	\$ -	\$ -	\$ -
Net income (loss)	(497)	(1,070)	(349)	(503)
Loss per share, basic & diluted	\$ (0.00)	\$ (0.01)	\$ (0.00)	\$ (0.00)
<b>From discontinued operations:</b>				
Revenues	\$ -	\$420	\$1,759	\$1,888
Net income (loss)	\$ (250)	1,440	32	(395)
Earnings (loss) per share, basic	\$ (0.00)	\$ 0.02	\$ 0.00	\$ (0.00)
Earnings per share, diluted	-	\$ 0.00	\$ 0.00	\$ (0.00)
<hr/>				
	Q3 2024	Q2 2024	Q1 2024	Q4 2023
<b>From continuing operations:</b>				
Revenues	\$ -	\$ -	\$ -	\$ -
Net income (loss)	(585)	(567)	(611)	(1,154)
Loss per share, basic & diluted	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.01)
<b>From discontinued operations:</b>				
Revenues	\$1,703	\$1,026	\$51	\$89
Net income (loss)	(661)	(1,120)	(1,747)	(1,270)
Loss per share, basic & diluted	\$ (0.00)	\$ (0.00)	\$ (0.01)	\$ (0.01)

\*Results have been re-presented to exclude discontinued operations

During Q3 2025, net loss from continuing operations comprises primarily of general and administrative expenses. The increase in costs compared to prior quarter is due to additional employees for Atlas Energy Corp. The Company had three employees for majority of the prior quarter compared to six employees in Q3.

During Q3 2025, the Company no longer believes collection of the remaining escrow funds is assured, a net loss of \$250 thousand was recorded.

During Q2 2025, the net loss from continuing operations comprised primarily of general and administrative expenses. During the quarter the Company completed its sale of its wholly owned subsidiary- Epimeron USA Inc. The increase in loss compared to Q1 2025 is attributed to costs incurred on extinguishment of convertible debenture and additional employees for the Company after the recapitalization transaction was completed.

During Q2 2025, the net income from discontinued operations is primarily from the gain on sale of its wholly owned subsidiary.

During Q1 2025 and prior quarters, the net loss from continuing operations compared to prior quarter was fairly consistent.

During Q1 2025 and prior quarters, the net loss from discontinued operations decreased due to decreased spending. During Q3 2024, the Company signed and completed performance obligations for a new partnered program, hence the increase in revenue. During Q2 2024, the Company completed performance obligations for a large contract that was signed in Q2 2024.

## OUTSTANDING EQUITY INSTRUMENTS

The Company is authorized to issue an unlimited number of voting common shares without nominal or par value.

As at September 30, 2025 and November 13, 2025, Atlas has the following securities outstanding:

	<b>As at September 30, 2025</b>	<b>As at November 13, 2025</b>
Common shares	629,439,354	629,439,354
Warrants and broker warrants	302,575,641	301,813,721
<b>Total</b>	<b>932,014,995</b>	<b>931,253,075</b>

## ESCROW

In connection with the Recap Transaction and pursuant to the escrow agreement amongst Odyssey Trust, as escrow agent, the Company and certain shareholders of the Company, 277,216,874 Common Shares and 276,939,341 Warrants held by the directors and officers of the Company (the “Escrowed Securities”) were placed into escrow, to be released rateably over a period of 36 months commencing on June 25, 2025 and subject to exiting from the TSXV Sandbox.

## MANAGEMENT OF FINANCIAL RISKS

The Company is exposed through its operations to the following financial risks:

- Market risk
- Credit risk
- Liquidity risk

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This section of the MD&A describes the Company’s objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout the financial statements. There have been no substantive changes in the Company’s exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous years unless otherwise stated in this section of the MD&A.

### General Objectives, Policies and Processes

The Board has overall responsibility for the determination of the Company’s risk management objectives and policies and, while retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company’s management. The effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets are reviewed periodically by the Board if and when there are any changes or updates required.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility. Further details regarding these policies are set out below.

## **Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market. Market risk is comprised of two types of risk: foreign currency risk and interest rate risk. The Company does not currently have significant market risk exposure other than foreign currency risk, as described below.

### ***a) Foreign Currency Risk***

Foreign currency risk is the risk that the future cash flows or fair value of the Company's financial instruments that are denominated in a currency that is not the Company's functional currency will fluctuate due to changes in foreign exchange rates. Portions of the Company's cash and cash equivalents and accounts payable are denominated in US dollars. Accordingly, the Company is exposed to fluctuations in the US and Canadian dollar exchange rates.

As at September 30, 2025, the Company had a net excess of US dollar denominated cash and cash equivalents of US \$202 thousand which is equivalent to \$278 thousand CAD at the September 30, 2025 exchange rate.

Each change of 5% in the US dollar in relation to the Canadian dollar will result in a gain or loss, with a corresponding effect on cash flows, of \$14 thousand based on the September 30, 2025 net US dollar asset position.

### ***b) Interest Rate Risk***

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. As at September 30, 2025, the Company has no exposure to risk with respect to interest rate fluctuations, as its interest-bearing debt has been settled.

The Company's current policy is to invest excess cash in guaranteed investment certificates or interest-bearing accounts of major Canadian chartered banks or credit unions with comparable credit ratings.

The Company regularly monitors compliance to its cash management policy.

The Company, as at September 30, 2025, does not have any borrowings with financial institutions. Interest rate risk is limited to potential decreases on the interest rate offered on cash and cash equivalents held with chartered Canadian financial institutions. The Company considers this risk to be immaterial.

## **Credit Risk**

Credit risk is the risk of financial loss to the Company if a customer or a counter party to a financial instrument fails to meet its contractual obligations. Financial instruments which are potentially subject to credit risk for the Company consist primarily of cash and cash equivalents and short-term investments.

Cash and cash equivalents and short-term investments are maintained with financial institutions of reputable credit and may be redeemed upon demand. Accounts receivable consists of government sales tax receivable.

The carrying amount of financial assets represents the maximum credit exposure. Credit risk exposure is limited through maintaining cash and cash equivalents and short-term investments with high-credit quality financial institutions and management considers this risk to be minimal for all cash and cash equivalents and short-term investments assets based on changes that are reasonably possible at each reporting date.

The Company had a receivable balance of \$19 thousand, comprised of primarily government sales tax receivable (2024 - \$39 thousand). As at September 30, 2025, all amounts are considered collectible.

### **Liquidity Risk and Capital Management**

Liquidity risk is the risk that the Company will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Company's objective in managing liquidity risk is to maintain sufficient available resources to meet its liquidity requirements at any point. The Company achieves this by managing its capital spending and maintaining sufficient funds for anticipated short-term spending in the cash and cash equivalents account.

The outstanding accounts payable and accrued liabilities of \$164 thousand will be settled in 2025 using cash and cash equivalents.

As at September 30, 2025, the Company has cash and cash equivalents and of \$27.9 million, current liabilities of \$164 thousand and net current assets of \$28.0 million. For "working capital" definition, refer to Non-GAAP and Other Financial Measures section. Management believes the Company has sufficient cash on hand to satisfy its current obligations.

### **RISKS AND UNCERTAINTIES**

Atlas is exposed to various market and operational risks. For a discussion of these risks, please see the "Cautionary Statement Regarding Forward-Looking Information" in this MD&A and Atlas' MD&A and Annual Information Form, each for the years ended December 31, 2024 and December 31, 2023.

### **NON-GAAP AND OTHER FINANCIAL MEASURES**

This MD&A contains certain financial measures, as described below, which do not have standardized meanings prescribed by GAAP. As these non-GAAP financial measures are commonly used, the inclusion is useful to investors, however these amounts may not be comparable to measures presented by other companies where similar terminology is used.

"Working capital" is calculated as total current assets minus total current liabilities. Management utilizes working capital to monitor its liquidity, capital management and its ability to fund current operations.

### **ADDITIONAL INFORMATION**

Additional information relating to Atlas, can also be found on SEDAR + at [www.sedarplus.ca](http://www.sedarplus.ca).

## **CORPORATE INFORMATION**

### **BOARD OF DIRECTORS**

**Richard “Rick” McHardy**  
Chair

**Glenn McNamara**  
Director

**Gary Brown**  
Director

**Scott Price**  
Director

**Sony Gill**  
Corporate Secretary

### **MANAGEMENT AND OFFICERS**

**Mark Hodgson**  
President, Chief Executive Officer and Director

**Travis Doupe**  
Chief Financial Officer

**Ryan Giroux**  
VP, Corporate Development

**Don Kornelsen**  
VP, Commercial

**Blair Anderson**  
VP, Geoscience

**Richard Naden**  
Senior Executive

**Andy Duncan**  
Senior Executive

### **HEAD OFFICE**

Suite 3200 Dome Tower,  
333-7<sup>th</sup> Ave SW  
Calgary, Alberta T2P 2Z1

### **REGISTRAR AND TRANSFER AGENT**

Odyssey Trust Company  
350-300, 5<sup>th</sup> Ave S.W.  
Calgary, Alberta T2P 3C4

### **STOCK EXCHANGE LISTING**

Toronto Stock Exchange Venture  
Common shares “ATLE”

### **AUDITORS**

KPMG LLP  
3100, 205 – 5<sup>th</sup> Avenue SW  
Calgary, Alberta T2P 4B9

### **LEGAL COUNSEL**

Stikeman Elliott LLP  
4300 Bankers Hall West  
888 – 3<sup>rd</sup> Street SW,  
Calgary, Alberta T2P 5C5