

ATLAS ENERGY CORP.
(Formerly Willow Biosciences Inc.)

**MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2025
(in thousands of Canadian dollars)**

Suite 3200 Dome Tower,
333 7th Ave SW Calgary, AB T2P 2Z1

This Management’s Discussion and Analysis (“MD&A”) of Atlas Energy Corp. (“Atlas” or the “Company”) has been prepared by management as of April 6, 2026.

This MD&A should be read in conjunction with the audited consolidated financial statements as at and for the year ended December 31, 2025. 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. 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 for the year ended December 31, 2025 and various reports issued by the Company are also available through SEDAR + at www.sedarplus.ca.

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.

As at the date of this MD&A, the Company is in the capital deployment phase and has not yet completed any royalty streaming acquisitions and therefore has not yet generated operating revenues.

The Company is actively evaluating a pipeline of potential transactions at various stages of review, including preliminary screening, technical evaluation and commercial negotiations.

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 7th 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 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 re-presented 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.

There is no assurance that the Company will meet these conditions within the prescribed time frame. Failure to satisfy the TSXV Sandbox exit conditions may result in the Company's listing being transferred to the NEX board or other adverse regulatory outcomes, which could negatively impact liquidity and the market value of the Company's securities.

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 VP, Engineering and Andy Duncan as Vice President, Origination. 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 year ended December 31, 2025 of \$2.6 million (2024 - \$2.3 million).

The Company also reported a net income from discontinued operations for the year ended December 31, 2025 of \$1.2 million (2024 - net loss from discontinued operations of \$3.9 million).

Discontinued Operations

On April 30, 2025, the Company completed the sale of its wholly owned operating subsidiary Epimeron, inclusive of the Entity's biotechnology business, intellectual property and research and development ("R&D") team for aggregate consideration of \$3.829 (US\$2.76) million in cash after closing adjustments. Of this amount, \$382 (US\$275) thousand of the net proceeds were to be held in escrow till September 17, 2025. An allowance has been recognized for the full balance of the escrow receivable as the Company does not consider the amount to be collectible.

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 December 31, 2025. Comparative figures have been re-presented accordingly.

The carrying amounts of assets and liabilities as at the date of sale, April 30, 2025 were as follows:

	April 30, 2025
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
	\$ 1,921

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

	April 30, 2025
Accounts payable and accrued liabilities and deferred revenue	\$ 681
Lease liabilities	889
	\$ 1,570
Net assets	\$ 351

The gain on sale is calculated as follows:

Cash received on sale of Epimeron	\$ 3,447
Consideration receivable ¹	382
Total consideration	3,829
Working capital adjustment to be credited from escrow funds ¹	(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)
Gain on sale	\$ 3,030

¹ During Q2, 2025, the Company and the purchaser of Epimeron USA Inc. mutually agreed \$132,000 (US\$96,000) 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.

Net income (loss) from discontinued operations is comprised of the below:

	April 30, 2025	December 31, 2024
Research and development revenue	\$ (2,179)	\$ (4,662)
General and administrative	1,905	1,440
Share based compensation	112	240
Research and development	1,388	5,057
Depreciation and amortization	-	1,330
Gain on sale of property, plant and equipment	-	(135)
Net finance expense	50	108
Foreign withholding tax expense	282	541
Net (loss) from discontinued operations	(1,558)	(3,919)
Gain on sale	3,030	-

Other loss ¹		(250)	
Total net income (loss) from discontinued operations		\$ 1,222	\$ (3,919)

¹ As at December 31, 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 YEARS ENDED DECEMBER 31, 2025 AND 2024

Financial Results	Three months ended December 31			Year ended December 31		
	2025	2024	Change	2025	2024	Change
General and administrative	\$ 909	\$ 538	\$ 371	\$ 2,762	\$ 2,063	\$ 699
Share based compensation	-	(89)	89	(18)	57	(75)
Depreciation and amortization	-	15	(15)	30	56	(26)
Foreign exchange loss	2	-	2	36	7	29
Loss on payout of convertible debt	-	-	-	107	-	107
Net finance (income) loss	(237)	42	(279)	(327)	87	(414)
Loss from continuing operations	(674)	(506)	(168)	(2,590)	(2,270)	(320)
Net income (loss) from discontinued operations	-	(392)	392	1,222	(3,919)	5,141
Net loss	(674)	(898)	224	(1,368)	(6,189)	4,821
Foreign exchange gain on translation of foreign operations	-	-	-	-	97	(97)
Reclassification of foreign exchange translation loss on disposition	-	-	-	316	-	316
Net comprehensive loss	\$ (674)	\$ (898)	\$ 224	\$ (1,052)	\$ (6,092)	\$ 5,040

Loss per share from continuing operations:

Loss per share, basic and diluted	\$ (0.00)	\$ (0.03)		\$ (0.01)	\$ (0.09)
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Earnings (loss) per share from discontinued operations:

Earnings (loss) per share, basic	\$ -	\$ (0.03)		\$ 0.00	\$ (0.16)
Earnings per share, diluted	\$ -	\$ (0.03)		\$ 0.00	\$ (0.16)

Statement of Financial Position:	December 31	December 31	Change
	2025	2024	
Cash and cash equivalents	\$ 27,464	\$ 333	\$ 27,131
Total assets	27,668	2,489	25,179
Shareholders' equity (deficiency)	27,284	(505)	27,789

General & Administrative Expenses

	Three months ended December 31			Year ended December 31		
	2025	2024	Change	2025	2024	Change
Consulting and technical services	\$ 51	\$ -	\$ 51	\$ 129	\$ 51	\$ 78
Salaries, wages and benefits	320	210	110	1,196	829	367
Legal, audit and accounting	366	154	212	700	439	261
Investor relations	-	48	(48)	23	147	(124)
Corporate and office	172	126	46	714	597	117
Total	\$ 909	\$ 538	\$ 371	\$ 2,762	\$ 2,063	\$ 699

During the three and twelve months ended December 31, 2025, general and administrative expenses increased 69% and 34% to \$1.0 million and \$2.8 million (2024 - \$0.5 million and \$2.1 million).

The increase in overall general and administrative expenses for the year ended December 31, 2025, is due to an increase in consulting costs, legal costs, additional salaries for the new management team and increase in office costs. The increase in legal costs is due to the re-capitalization transaction that was completed on June 19, 2025. The increase in consulting costs is due to technical evaluation work associated with business development.

The decrease in investor relations for the year ended December 31, 2025, is due to the elimination of third-party services for promoting investor relations.

The increase in corporate and office costs for the year ended December 31, 2025, is due to short term rental payments for the new office space.

Share-based Compensation

	Year ended December 31		
	2025	2024	Change
Stock options	\$ 69	\$ 70	\$ (1)
Restricted share awards	21	55	(34)
Performance share awards	4	44	(40)
Deferred share awards	(112)	(112)	-
Total	\$ (18)	\$ 57	\$ (75)

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

During the year ended December 31, 2025, share-based compensation decreased by 132% to \$(18) thousand (2024 - \$57 thousand).

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

	Year ended December 31		
	2025	2024	Change
Amortization of property plant and equipment	\$ -	\$ 5	\$ (5)
Amortization on right-of-use assets	30	51	(21)
Total	\$ 30	\$ 56	\$ (26)

During the year ended December 31, 2025, depreciation and amortization decreased by 46% to \$30 thousand (2024 - \$56 thousand). Following 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 of the right-of-use assets associated with leases.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

Commitments and Contingencies

In addition to trade and other payables, the Company may enter into contractual commitments in the normal course of business, including the potential investment commitments associated with royalty and streaming transactions. As at December 31, 2025, the Company had no material off-balance sheet arrangement or long-term contractual commitments.

Liquidity

As at December 31, 2025, the Company has working capital of \$27.3 million and cash and cash equivalents of approximately \$27.5 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 year ended December 31, 2025, total \$3.6 million (2024 - \$3.7 million) reflecting the net loss of \$1.4 million (2024 – net loss of \$6.2 million). The majority of these costs are attributed to general and administrative costs.

Cash Flows from Financing Activities

During the year ended December 31, 2025, the Company had lease payments of \$363 thousand (2024 - \$860 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 of \$3.4 million received to date from the sale of the Company's wholly-owned subsidiary which closed on April 30, 2025.

CONTRACTUAL OBLIGATIONS

The table below summarizes the Company's contractual obligations as at December 31, 2025:

	2025
Trade and other payables	\$ 384

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, 2025 includes a summary of the Company's material accounting policies.

Discontinued Operations

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

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

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale.

Discontinued operations are presented as a single amount as net income (loss) from discontinued operation, net of tax, in the consolidated Statements of Comprehensive Loss. The consolidated Statements of Cash Flows include cash flows of the discontinued operation and has not been re-presented to reflect discontinued operations. The details of the cash flows from discontinued operations are presented in the notes to the consolidated financial statements. The consolidated Statements of Financial Position have not been re-presented to reflect discontinued operations.

Significant Judgements, Estimates and Assumptions

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the amounts reported in these 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.

Significant judgements and estimates made by management affecting the consolidated financial statements include:

Share-based payment transactions

Prior to the recapitalization event, the Company measured share-based payment transactions by reference to the fair value of the stock options at the date at which they were granted. Estimating the fair value for granted stock options was completed using the Black-Scholes option pricing model, which was dependent on the terms and conditions of the grant. This estimate also required determining and making assumptions about the most appropriate inputs to the valuation model, including the expected life of the option, volatility, and forfeitures. Estimating the value of the performance share awards was subject to the performance of the company and the individual.

Discontinued Operations

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

As disclosed in Note 5, 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 this represented a major line of business for the Company. As such, the Company has accounted for the disposal of its R&D business as a discontinued operation and presented the after-tax income (loss) as a single amount in the Consolidated Statements of Comprehensive Loss.

Warrants

The fair value of the warrants was determined using the Black-Scholes option pricing model. The application of this valuation technique requires management to make significant estimates and assumptions, including the expected volatility of the Company's share price, expected life of the warrants, risk-free interest rate and expected dividend yield.

Off-Statement of Financial Position Arrangements

As of April 6, 2026, the Company has not entered into any off-statement of financial position arrangements.

Subsequent Events

Subsequent to December 31, 2025, the Company's subsidiary incorporated a new wholly-owned subsidiary, Atlas Energy International Holdings, in Cayman Islands. The new entity has not commenced significant operations as at the date of these financial statements.

Related Party Transactions

a) Key management compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the Company's activities as a whole. Key management personnel consist of the members

of the Board of Directors along with senior officers of the Company, a total of 6 individuals (2024 - 7 individuals).

Key management personnel compensation is comprised of:

	Year Ended December 31	
	2025	2024
Salaries and short-term employee benefits	\$ 737	\$ 1,487
Share-based compensation	-	143
	\$ 737	\$ 1,630

b) Amounts payable to related parties

As at December 31, 2025, the Company had \$10 thousand (December 31, 2024 - \$25 thousand outstanding to related parties which included directors, for salaries) outstanding to related parties which included expense reimbursements.

The Company paid \$568 thousand of its outstanding convertible debentures which included the face value, accrued interest and a 5% penalty to related parties which include key management personnel and members of the Board of Directors. See Note 8 for other disclosures relating to the convertible debentures.

As part of the private placement noted, certain insiders of the Company participated in the Offering, subscribing for a total of 276,800,000 Units for aggregate proceeds of \$13.8 million.

SUMMARY OF QUARTERLY FINANCIAL RESULTS*

	Q4 2025	Q3 2025	Q2 2025	Q1 2025
From continuing operations:				
Revenues	\$ -	\$ -	\$ -	\$ -
Net income (loss)	(674)	(497)	(1,070)	(349)
Loss per share, basic & diluted	\$ (0.00)	\$ (0.00)	\$ (0.01)	\$ (0.00)
From discontinued operations:				
Revenues	\$ -	\$ -	\$420	\$1,759
Net income (loss)	\$ -	\$ (250)	1,440	32
Earnings (loss) per share, basic	\$ -	\$ (0.00)	\$ 0.01	\$ 0.00
Earnings per share, diluted	\$ -	\$ (0.00)	\$ 0.00	\$ 0.00
	Q4 2024	Q3 2024	Q2 2024	Q1 2024
From continuing operations:				
Revenues	\$ -	\$ -	\$ -	\$ -
Net income (loss)	(507)	(585)	(567)	(611)
Loss per share, basic & diluted	\$ (0.03)	\$ (0.02)	\$ (0.02)	\$ (0.02)
From discontinued operations:				
Revenues	\$1,882	\$1,703	\$1,026	\$51
Net income (loss)	(391)	(661)	(1,120)	(1,747)
Loss per share, basic & diluted	\$ (0.03)	\$ (0.02)	\$ (0.04)	\$ (0.07)

*Results have been re-presented to exclude discontinued operations

During Q4 2025, net loss from continuing operations is primarily due to general and administrative expenses.

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

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

During Q2 2025, the net loss from continuing operations is due primarily to general and administrative expenses. During the quarter the Company completed the sale of its wholly owned subsidiary, Epimeron USA Inc. The increase in loss compared to Q1 2025 is attributed to costs incurred on extinguishing the outstanding convertible debentures and due to hiring 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.

OUTSTANDING EQUITY INSTRUMENTS

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

As at December 31, 2025 and April 6, 2026, Atlas has the following securities outstanding:

	As at December 31, 2025	As at April 6, 2026
Common shares	629,439,354	629,439,354
Warrants and broker warrants	301,813,721	301,813,721
Total	931,253,075	931,253,075

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 December 31, 2025, the Company had a net excess of US dollar denominated cash and cash equivalents of US \$144 thousand which is equivalent to \$197 thousand CAD at the December 31, 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 corresponding effect on cash flow, of \$10 thousand, based on the December 31, 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 December 31, 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 December 31, 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. The Company mitigates this risk by only transacting with investment grade financial institutions with high credit ratings. Cash and cash equivalents and short-term investments with such financial institutions may be redeemed upon demand.

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.

Accounts receivable includes accrued interest receivable on cash and cash equivalents held with financial institutions of \$56 thousand. Interest income is recognized as it is earned using the effective interest method and is included in net finance income in the consolidated statements of comprehensive loss.

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 \$384 thousand will be settled in 2026 using cash and cash equivalents.

As at December 31, 2025, the Company has cash and cash equivalents of \$27.5 million, current liabilities of \$384 thousand and net current assets of \$27.3 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’ Annual Information Form, each for the years ended December 31, 2025 dated April 6, 2026, a copy of which is available under the Company’s SEDAR + profile at www.sedarplus.ca.

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.

	As at December 31, 2025
Current assets	\$ 27,668
Current liabilities	(384)
Working capital	\$ 27,284

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;
- risks to the Company’s business, operations and future outlook generally as described under the heading “Risks and Uncertainties”;
- Atlas’ intention to maintain a flexible capital structure and maintain a strong balance sheet to allow the Company to take advantage of opportunities, respond to changes in economic conditions and meet its obligations;
- the Company’s capital resources and liquidity, including expectations regarding strategic acquisitions and sources of funding for future deals;

- the anticipated benefits of future acquisitions;
- estimates used to calculate the fair value of the Financing Warrants;
- estimates used to calculate estimated available tax pools and the composition thereof;
- commitments and contingencies;
- 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.

ADDITIONAL INFORMATION

Additional information relating to Atlas, can also be found on SEDAR + at 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
President, Atlas Energy International SEZC and
VP, Engineering

Andy Duncan
VP, Originations, Atlas Energy International SEZC

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REGISTRAR AND TRANSFER AGENT

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STOCK EXCHANGE LISTING

Toronto Stock Exchange Venture
Common shares “ATLE”

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