IBC ADVANCED ALLOYS CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2025

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The following is management's discussion and analysis ("MD&A") of IBC Advanced Alloys Corp. and its subsidiaries, prepared as of October 27, 2025. This MD&A should be read together with the audited consolidated financial statements and related notes for the year ended June 30, 2025. Financial amounts are presented in United States dollars ("$") unless indicated otherwise. Canadian dollar amounts are denoted by "C$". The terms "IBC", "we", "us", and "our" refer to IBC Advanced Alloys Corp. and its subsidiaries, unless the context otherwise requires.

This MD&A contains "forward-looking information", "forward-looking statements", and "forward-looking forecast" within the meaning of applicable securities legislation, concerning future financial or operating performance of IBC and its business and operations. Forward-looking statements include information concerning future strategic objectives, business prospects, anticipated savings, financial results (including expenses, earnings, liquidity, cash flow and capital expenditures), industry or market conditions, demand for and pricing of our products, acquisitions and divestitures,

anticipated results of litigation and regulatory developments, or general economic conditions. Words such as "plans", "expects", "budget", "scheduled", "estimates", "projects", "forecasts", "intends", "anticipates", "believes" and future or conditional verbs such as "will", "may", "could", "would", "should", or as well as any other statement that necessarily depends on future events, are intended to identify forward-looking statements. No assurance can be given that any of the events anticipated by the forward-looking statements will occur, or, if they do occur, what benefits we will obtain from them. These forward-looking statements reflect management's current views and are based on certain assumptions and are effective only as of the date of this MD&A. These assumptions, which include management's current expectations, estimates, and assumptions about certain projects and the markets in which we operate, the global economic environment, interest rates, exchange rates, our business strategy, plans, outlook, shareholder value, projections, targets and expectations and our ability to manage our assets and operating costs, may prove to be incorrect.

Forward-looking statements are subject to known and unknown risks, uncertainties, and other factors that may cause our actual results, level of activity, performance, or achievements to be materially different from those expressed or implied by such forward-looking statements, including: our estimates regarding capital requirements; future production, future cash, and total costs of production for our manufacturing operations; our expectations with respect to transactions with third parties; changes in general economic conditions; the financial markets; commercial demand for our products; changes in, and the effects of, the laws, regulations, and government policies affecting operations; uncertainties in the market price for minerals and metals, such as copper, beryllium and other inputs we consume, and currency exchange rate fluctuations. Although we have attempted to identify factors that would cause actual actions, events, or results to differ materially from those disclosed in the forward-looking statements or information, there may be other factors that cause actual results, performances, achievements, or events not to be as anticipated, estimated, or intended. Other factors that could cause actual results to differ materially include, but are not limited to, those set forth in our most recent Annual Information Form under "Risk Factors". Also, many factors are beyond our control. Accordingly, readers should not place undue reliance on forward-looking statements or information. We undertake no obligation to reissue or update forward-looking statements or information as a result of new information or events after the date hereof, except as may be required by applicable securities laws. All forward-looking information and statements made in this MD&A are qualified by this cautionary statement.

Certain information in this MD&A may be considered a "financial outlook" within the meaning of applicable securities legislation. Any financial outlook set out in this MD&A is based on a number of significant assumptions. The purpose of this financial outlook is to provide readers with disclosure regarding our reasonable expectations as to the anticipated results of its proposed business activities for the periods indicated. Readers are cautioned that the financial outlook may not be appropriate for other purposes.

The audited consolidated financial statements for the year ended June 30, 2025 have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee. Additional information relating to IBC, including the most recent Annual Information Form, is available for view on SEDAR+ at www.sedarplus.com.

EXECUTIVE SUMMARY

On June 24, 2024, we discontinued production operations at our Engineered Materials ("EM") division's sole operating plant in Wilmington, Mass., where we produced beryllium-aluminum alloy products, as a result of insufficient long-term demand for these products. In this MD&A, we report both on the "discontinued operations" at the Massachusetts facility

and on "continuing operations" at our Copper Alloy division. Except as noted, all financial amounts are determined in accordance with IFRS.[1]

SELECTED RESULTS: ($000s)				
	Quarter Ended 6-30-2025	*Quarter Ended 6-30-2024*	*Year Ended 6-30-2025*	*Year Ended 6-30-2024*
CONTINUING OPERATIONS				
Revenue	$4,787	$7,050	$17,763	$25,664
Operating income (loss)	$250	$493	$(485)	$2,118
Income (loss)	$96	$18	$(2,216)	$56
Adjusted EBITDA	$732	$831	$603	$3,106
Gross Profit	$1,164	$2,066	$3,509	$6,234
Gross Margin	24%	29%	20%	24%
DISCONTINUED OPERATIONS				
Revenue	-	$4,067	-	$12,411
Operating income (loss)	$(152)	$1,864	$(1,030)	$3,482
Income (loss)	$(177)	$541	$(1,197)	$1,642
Adjusted EBITDA	$(147)	$2,097	$(1,003)	$4,329
CONSOLIDATED OPERATIONS				
Revenue	$4,787	$11,117	$17,763	$38,075
Operating income (loss)	$98	$2,357	$(1,515)	$5,600
Income (loss)	$(81)	$559	$(3,413)	$1,698
Adjusted EBITDA	$585	$2,928	$(400)	$7,435

1. Our Copper Alloys division sales dropped by 30.8% in the year ended June 30, 2025, over the comparable prior-year period. The EM division, where operations ceased and all contracts were completed before June 30, 2024, recorded no sales in the year ended June 30, 2025.

2. Gross profit in the Copper Alloys division decreased by 43.7% year-over-year (Y/Y) while gross margin decreased by 4%, for the year ended June 30, 2025. This is driven by higher labor and overhead costs as a proportion of revenue when compared to the comparative quarter.

3. On a consolidated basis, operating income and adjusted earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA") in the year ended June 30, 2025 decreased year-over-year, which is driven by lower sales at the Copper Alloy division and by the EM division continuing to incur costs after its operations ceased.

4. On a consolidated basis, alongside lower margin from our Copper Division over the prior-year period, our consolidated loss for the year ended June 30, 2025 of $3.4 million was largely due to (1) ongoing closing costs at the EM division, (2) higher-than-normal corporate SG&A costs (due to the EM division closure), (3) lower sales at the Copper Division, and (4) interest costs.

[1] We report non-IFRS measures such as "Adjusted EBITDA" and "Operating Income". Please see information on this and other non-IFRS measures in the "Non-IFRS Measures" section of this MD&A.

BUSINESS

IBC is engaged in developing and manufacturing advanced copper and copper alloy-based products for a variety of customers in commercial and defense sectors. We operate a vertically integrated copper alloy manufacturing facility in Franklin, Ind. that employs 39 people. Industries we serve include the industrial welding, oil and gas, plastic mold, metal melting, marine defense, electronic, aerospace, and industrial equipment markets. Our Company was formed by an amalgamation under the laws of British Columbia on December 11, 2002 and the common shares listed on the TSX Venture Exchange (the "TSX-V") under the symbol "IB" and on the OTCQB market under "IAALF".

The audited consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and discharge of liabilities in the normal course of business. As disclosed in the Company's consolidated financial statements for the year ended June 30, 2025, there is a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. Management is assessing various strategic and financial options to address this uncertainty.

MANUFACTURING OPERATIONS

We manufacture and distribute a wide variety of forged (wrought) copper alloys, including aluminum bronzes, beryllium copper, chrome copper, copper nickels, oxygen-free high-conductivity copper as plate, discs, bar, rods, rings and specialty copper alloy forgings for various markets and applications. These products are sold directly to end users and serve various markets through a network of established dealers and distributors. Our products are manufactured in Franklin, Indiana, where we maintain foundry, forge (hammer, press and ring rolling), heat-treating, and machining operations.

IBC has strong technical and manufacturing engineering resources in the highly specialized copper alloy industry. Our foundry in Indiana has furnaces and associated equipment that have been adapted to meet the specialized requirements of copper alloy manufacturing. We offer our customers a full range of manufacturing and support services, including master alloy products, semi-continuous cast input billets, and wrought products. We also manufacture beryllium alloys utilizing certified beryllium-copper master alloy.

IBC produces material and also buys other billets and slabs from independent third-party foundries and mills. Copper alloys are sourced as cast billet, slab, or ingot from mills in North America, Europe, and Asia, and converted into usable industrial products serving the industrial welding, oil and gas, plastic mold, metal melting, marine defense, electronic, and industrial equipment markets. We also provide tooling components for the North American automotive industry, the European and North American consumer plastic tooling producers, the global oil and gas service industry, the prime North American submarine and aircraft carrier producers and repair facilities including the U.S. Navy, electronics industries, and general equipment manufacturers.

Until June 24, 2024, our EM division supplied high-performance beryllium-aluminum components to defense, aerospace, high-tech manufacturing, and other sectors. We manufactured the Beralcast® family of metal matrices used in commercial and defense applications that require complex, lightweight, and high-stiffness parts.

RECENT CORPORATE DEVELOPMENTS, BUSINESS INITIATIVES, AND SUBSEQUENT EVENTS

On January 1, 2025, we appointed Terena White to the position of CFO and Corporate Secretary, upon the retirement of Toni Wendel.

On January 27, 2025, we granted incentive stock options to directors, officers, employees, and consultants to purchase up to an aggregate of 2,975,000 common shares, with an exercise price of C$0.09 per share, expiring January 27, 2030. A further 100,000 stock options were granted to employees on February 10, 2025 with an exercise price of C$0.085 expiring on February 10, 2030. Both option grants vested immediately.

During the year ended June 30, 2025, the Company received notices of exercise for a total of 1,000,000 common share options from the CEO, consisting of 125,000 options with an exercise price of C$0.20, 125,000 options with an exercise price of C$0.24 and 750,000 options with an exercise price of C$0.09. In connection with these exercises, the Company received gross proceeds of $86,000. The 1,000,000 common shares underlying these option exercises were issued subsequent to year end.

In April 2025, we borrowed $452,500 from our CEO to fund working capital. See Related Party Transactions on page 13.

On October 22, 2025, the Company announced that it had completed the casting of a 0.2% aluminum-scandium alloy in collaboration with NioCorp Developments Ltd. The activity is part of an ongoing initiative to develop a U.S.-based scandium alloy supply chain.

FINANCIAL RESULTS AND OUTLOOK

SELECTED ANNUAL INFORMATION

Following two very strong top-line revenue growth, 2025 did not show the same strong growth. We did not incur losses from extraordinary items and we did not declared any dividends.

Year ended	June 30		
	2025	2024	2023
Revenue, continuing operations ($000)	17,763	25,664	21,511
Revenue, discontinued operations ($000)	-	12,411	7,036
(Loss) income, net of tax from continuing operations ($000)	(2,216)	56	450
(Loss) income, net of tax discontinued operations ($000)	(1,197)	1,642	(6,382)
(Loss) income per share from continuing operations - basic and diluted($/share)	(0.02)	0.00	0.00
(Loss) income per share from discontinued operations - basic and diluted ($/share)	(0.01)	0.02	(0.07)
Total assets ($000)	20,671	24,537	28,319
Long-term financial liabilities ($000)	4,347	5,177	2,966

Annual operating results are affected by trends in the various sectors that we serve. Frequently, weak performance in one sector is offset by strength in another, but this is not always the case. Most operating costs other than materials, supplies, and energy are largely fixed, so small changes in sales volume can have a big effect on operating income or loss.

In addition to these general trends the following factors have caused variation over the fiscal years presented:

- Customers may pay amounts due to us behind schedule, adversely affecting our liquidity.
- General economic concerns may make it difficult to obtain or renew debt facilities or raise equity funding on acceptable terms or at all.

SELECTED QUARTERLY INFORMATION

During the most recent eight quarters, our continuing operations generated profits in four of those periods:

Quarter Ended	Revenue for the period *($000s)*	Income (loss) for the period from continuing operations *($000s)*	Income (loss) per share from continuing operations (basic and diluted) $	Income (loss) per share from continuing and discontinued operations (basic and diluted) $
September 30, 2023	4,905	(454)	(0.00)	(0.01)
December 31, 2023	7,082	150	0.00	0.01
March 31, 2024	6,627	343	0.00	0.01
June 30, 2024	7,050	18	0.00	0.01
September 30, 2024	4,899	(653)	(0.01)	(0.00)
December 31, 2024	3,561	(1,127)	(0.01)	(0.00)
March 31, 2025	4,516	(532)	(0.01)	(0.00)
June 30, 2025	4,787	96	0.00	(0.00)

[1] *The sum of quarterly loss per share may not add to year-to-date totals due to rounding*

Quarterly operating results are affected by trends in the various sectors that we serve. Frequently, weak performance in one sector is offset by strength in another, but this is not always the case. Most operating costs other than materials, supplies, and energy are largely fixed, so small changes in sales volume can have a significant effect on operating income or loss.

In addition to these general trends the following factors have caused variation over the quarters presented:

1. Sales for Copper Alloys have been lower in recent periods, primarily due to market conditions that impact demand for our products.
2. Fiscal 2024 had two major projects that did not repeat nor continue into Fiscal 2025.
3. The EM division did not generate sales after June 30, 2024.

RESULTS OF CONTINUING OPERATIONS: FOR THE QUARTER ENDED JUNE 30, 2025

We generated income in our continuing operations, net of tax, of $96,000 for the quarter ended June 30, 2025, compared to income, net of tax, of $18,000 in the comparative period. A summary of results of operations, and a reconciliation of income (loss) to Adjusted EBITDA, follows. Amounts are shown net of intercompany transactions.

	Three Months Ended June 30, 2025	Three Months Ended June 30, 2024
	Consolidated *($000s)*	Consolidated *($000s)*
Revenue	4,787	7,050
Cost of revenue		
Materials	2,399	3,239
Labor	660	740
Subcontract	118	1,014
Overhead	370	62
Depreciation	128	133
Change in finished goods	(52)	(204)
	3,623	4,984
Gross profit	1,164	2,066
Gross margin	24%	29%
SG&A expenses		
Operations	1,109	1,009
Corporate	(195)	564
	914	1,573
Income before other items	250	493
Other expenses and taxes	(154)	(475)
Income for the period, net of tax	96	18
Adjusted EBITDA:		
Add back (deduct):		
Tax recovery	(8)	(21)
Interest expense	463	381
Gain on revaluation of derivative (non-cash)	-	(2)
Depreciation, amortization & impairment	159	164
Stock-based compensation expense (non-cash)	22	291
Adjusted EBITDA	732	831

RESULTS OF CONTINUING OPERATIONS: FISCAL 2025

We generated a loss in our continuing operations, net of tax, of $2,216,000 for the year ended June 30, 2025, compared to income, net of tax, of $56,000 in the prior-year period. A summary of results of operations, and a reconciliation of income (loss) to Adjusted EBITDA, follows. Amounts are shown net of intercompany transactions.

	Twelve Months Ended June 30, 2025	Twelve Months Ended June 30, 2024
	Consolidated *($000s)*	Consolidated *($000s)*
Revenue	17,763	25,664
Cost of revenue		
Materials	9,674	12,377
Labor	2,658	2,845
Subcontract	408	2,669
Overhead	1,322	1,214
Depreciation	525	523
Change in finished goods	(333)	(198)
	14,254	19,430
Gross profit	3,509	6,234
Gross margin	20%	24%
SG&A expenses		
Operations	2,538	2,472
Corporate	1,456	1,644
	3,994	4,116
(Loss) income before other items	(485)	2,118
Other expenses and taxes	(1,731)	(2,062)
(Loss) income for the period, net of tax	(2,216)	56
Adjusted EBITDA:		
Add back (deduct):		
Tax recovery	(7)	(14)
Interest expense	1,923	2,023
Gain on revaluation of derivative (non-cash)	-	(1)
Depreciation, amortization & impairment	649	641
Stock-based compensation expense (non-cash)	254	401
Adjusted EBITDA	603	3,106

RESULTS OF DISCONTINUED OPERATIONS: FOR THE QUARTER ENDED JUNE 30, 2025

We generated a loss in our discontinuing operations, net of tax, of $177,000 for the year ended June 30, 2025, compared to income, net of tax, of $541,000 in the comparative period. A summary of results of operations, and a reconciliation of income (loss) to Adjusted EBITDA, follows. Amounts are shown net of intercompany transactions.

	Three Months Ended June 30, 2025	Three Months Ended June 30, 2024
	Eng. Mat. *($000s)*	Eng. Mat. *($000s)*
Revenue	-	4,067
Cost of revenue		
Materials	-	(52)
Labor	-	1,172
Subcontract	-	19
Overhead	-	964
Depreciation	-	177
Onerous Contracts	-	-
Change in finished goods	-	81
	-	2,361
Gross profit (loss)	-	1,706
Gross margin	-	42%
SG&A expenses	152	(158)
(Loss) income before other items	(152)	1,864
Other income (expense)	(25)	(1,323)
(Loss) income for the period, net of tax	(177)	541
Adjusted EBITDA:		
Add back (deduct):		
Interest expense	26	148
Impairment loss	-	1,191
Depreciation, amortization & impairment	-	216
Stock-based compensation expense (non-cash)	4	1
Adjusted EBITDA	(147)	2,097

RESULTS OF DISCONTINUING OPERATIONS: FISCAL 2025

We generated a loss in our discontinuing operations, net of tax, of $1,197,000 for the year ended June 30, 2025, compared to income, net of tax, of $1,642,000 in the prior-year period. A summary of results of operations, and a reconciliation of income (loss) to Adjusted EBITDA, follows. Amounts are shown net of intercompany transactions.

	Twelve Months Ended June 30, 2025	Twelve Months Ended June 30, 2024
	Eng. Mat. *($000s)*	Eng. Mat. *($000s)*
Revenue	-	12,411
Cost of revenue		
Materials	-	3,311
Labor	-	2,860
Subcontract	-	68
Overhead	-	2,531
Depreciation	-	700
Onerous Contracts	-	(738)
Change in finished goods	-	(1,130)
	-	7,602
Gross profit (loss)	-	4,809
Gross margin	-	39%
SG&A expenses	1,034	1,327
(Loss) income before other items	(1,034)	3,482
Other income (expense)	(163)	(1,840)
(Loss) income for the period, net of tax	(1,197)	1,642
Adjusted EBITDA:		
Add back (deduct):		
Interest expense	159	636
Impairment loss	35	1,191
Depreciation, amortization & impairment	-	859
Stock-based compensation expense (non-cash)	-	1
Adjusted EBITDA	(1,003)	4,329

As noted in the Executive Summary, the comparative SG&A expenses for the twelve months ended June 30, 2024 was decreased by $539,000 to eliminate intercompany management fee expense charged by continuing operations to the discontinued EM division, to enable comparability of results as reported for Fiscal 2025. As a result, the reported amounts for "Income (loss) before other items", "Income (loss) for the period, net of tax", and "Adjusted EBITDA" in the table above improved by $539,000 when compared to amounts as previously reported in the MD&A for the twelve months ended June 30, 2024. The comparative results for the continuing operations (disclosed previously) reflected the inverse impact from this restatement, and there were no changes to our consolidated results for the twelve months ended June 30, 2024. There was no revenue and cost of revenue during the twelve months ended June 30, 2025 as operations ceased during last quarter of the prior year. The EM division incurred some expenses associated with the closure of the division and these were classified as general administration expenses.

SEGMENT ANALYSIS: THREE AND TWELVE MONTHS ENDED JUNE 30, 2025

In the quarter and twelve-month period ended June 30, 2025, the main factors affecting our financial performance were (1) decreased sales in our Copper Alloys division due to weak market demand; and (2) discontinuation of sales of beryllium-aluminum alloy "Be-Al" products for commercial markets; and (3) continuing closing costs related to the discontinuation of EM Division operations.

Continuing Operation division:

Sales	Sales decreased the quarter and year ended June 30, 2025, of Copper Alloys product lines mostly due to decreased market demands for our product.
Gross profit	As sales decreased, fixed operating costs were spread over a smaller volume of production resulting in a lower gross profit.
SG&A expenses	SG&A expenses decreased in the quarter June 30, 2025, and over the comparable prior-year period, primarily due to lower, bank, legal and accounting fees, and share-based compensation expense than in the comparative period. SG&A expenses decreased slightly in the year ended June 30, 2025, over the comparable period, primarily because we incurred lower share-based compensation expense due to fewer issuances of securities and existing securities continuing to vest.
Other income (expense)	The main components of other income (expense) are typically interest expense and foreign exchange gain (loss). Other income (expense) decreased in the quarter and year ended June 30, 2025, compared to the prior-year period due largely to lower interest expense resulting from debt principal repayments in addition to non-recurring income received in the current quarter.

Engineered Materials Division Results (Discontinued Operations):

Sales	No sales for the quarter and year ended June 30, 2025 as the EMC division ceased sales subsequent to the June 30, 2024 year end.
Gross profit	No gross profit for the quarter and year ended June 30, 2025 as the EMC division ceased sales subsequent to the June 30, 2024 year end.

SG&A expenses	SG&A expenses increased in the quarter ended June 30, 2025 as compared to the prior quarter period, mainly due to the accrual of rental-related costs since the premises lease is still in effect. SG&A expenses decreased in the year ended June 30, 2025 as compared to the prior-year period, mainly due to less costs associated with the division as EMC ceased operations and slowed down SG&A costs as well.
Other income (loss)	Other income (expense) decreased in the quarter and year ended June 30, 2025. This is primarily due to less impairment and interest expense recognized in the period ending June 30, 2025 compared to prior periods.

COMMODITY PRICING FOR COPPER

We pass the cost of copper through to our customers. Accordingly, profitability should not be affected by the price of copper in the long term, except to the extent that high copper prices discourage consumption or that competitors lower their margins to obtain business. In the short term, price fluctuations can have a bearing on profitability as we realize gains or losses on inventories. Since copper is a significant component of products sold, the price of copper does materially affect revenues.

Recent indicative copper prices per pound are shown below:

	2025	2024
June 30	$5.03	$4.39
March 31	$5.03	$4.01

	2024	2023
December 31	$4.02	$3.89
September 30	$4.57	$3.73

Source: COMEX

LIQUIDITY AND CAPITAL RESOURCES

As of June 30, 2025, we had a working capital deficiency of $4,509,000, including cash of $619,000, compared to a working capital deficiency of $1,614,000, including cash of $1,415,000 as of June 30, 2024.

The Company's cash flows for the year ended June 30, 2025 and June 30, 2024 are summarized below.

Year ended	June 30, 2025 ($000s)	June 30, 2024 ($000s)
Cash provided by (used in) operating activities from continuing operations	(820)	5,279
Cash provided by (used in) operating activities from discontinued operations	1,470	(531)
Cash provided by (used in) operating activities	**650**	**4,748**
Cash provided by (used in) financing activities from continuing operations	226	(3,579)
Cash provided by (used in) financing activities from discontinued operations	(1,954)	536
Cash provided by (used in) financing activities	**(1,728)**	**(3,043)**
Cash provided by (used in) investing activities from continuing operations	(175)	(525)

Cash provided by (used in) investing activities from discontinued operations	484	(5)
Cash provided by (used in) investing activities	**309**	**(530)**
Foreign exchange effect on cash	(27)	157
Change in cash during the period	**(796)**	**1,332**
Cash, beginning of the year	1,415	83
Cash, end of the year	**619**	**1,415**

Operating activities

Cash provided operating activities for the year ended June 30, 2025 was $650,000. The decrease in cash used in operating activities primarily relates to the increase in net loss during the period as compared to the year prior, from income of $56,000 to a loss of $2,216,000.

Financing activities

Cash used in financing activities for the year ended June 30, 2025 was $1,728,000, which consisted of $1,276,000 in interest paid, and $275,000 in loan repayments, partially offset by factoring facility proceeds of $1,219,000 and loan proceeds of $453,000. Cash used by financing activities from discontinued operations mainly consisted of cash repayments on factoring facilities of $1,299,000.

Investing activities

Cash provided by investing activities for the year ended June 30, 2025 was $309,000, which consisted of purchases of property, plant, and equipment of $175,000. Cash provided by investing activities from discontinued operations consisted of the sale of property, plant, and equipment of $484,000.

Key Factors Affecting Liquidity

1. Drawdown and repayment of debt:
   We plan to pay down our debt and will seek cheaper sources of financing when we are able to do so.

2. Related Party Debt:
   As of June 30, 2025, we had $3,221,000 outstanding related party debt that matures on December 31, 2025. We plan to continue paying down the related party notes payable to the CEO, however in April 2025, it was necessary to borrow a further $452,500 from our CEO to support operations.

3. Working Capital Constraints:
   We discontinued operations at our EM division's Massachusetts plant on June 24, 2024, leaving it with closing costs related to the division and its plant. Despite the closure, increased inventory and accounts receivable to support growth in the Copper Alloy division have further constrained operating cash flow. We are now actively addressing these constraints by carefully managing our cash flow every week and reducing costs where appropriate.

4. Lease:
   We remain responsible for the lease on the Massachusetts plant until January 1, 2026 even though the facility no longer generates revenue. While efforts are underway to find a tenant for the facility, no tenant has been secured as of the reporting date. This ongoing lease obligation, combined with the search for a new tenant, continues to place a financial burden on us.

5. Resource Price Volatility:

Fluctuations in resource prices particularly copper, beryllium, and other inputs can have a short-term impact on our manufacturing costs, selling prices, and profitability.

6. Capital Expenditures:
   We may be required to make material capital expenditures on property, plant, and equipment to maintain production capacity or service customer needs.

7. Liquidity Risk Management:
   We manage liquidity risk related to trade receivables by trading with recognized, creditworthy third parties and insuring these receivables when we can but still incur payment delays from time to time.

We may need to raise additional funds in the short-term to finance working capital and additional growth initiatives. The Company may be able to generate additional cash flow through the use of equity markets for raising capital, in addition to adjusting spending, disposing of assets and obtaining other non-equity sources of financing. However, there can be no assurance of success in obtaining such funds.

RELATED PARTY TRANSACTIONS

Key management personnel compensation was:

Year ended June 30,	2025 $	2024 $
Salaries, wages, and management fees	1,441	1,444
Director fees	50	53
Share-based compensation and services	209	133
	1,700	1,630

Except as described below, we do not have any contractual relationships with directors or officers other than employment contracts in the ordinary course of business. The employment contracts are not financially material to our business.

1. As of June 30, 2025, $94,000 (June 30, 2024 - $89,000) is owing to directors and officers for services and $11,000 (June 30, 2024 - $1,000) is owing to officers for expenses paid on our behalf.

2. As of June 30, 2025, $Nil (June 30, 2024 - $255,000), and $125,000 (June 30, 2024 - $60,000) is owing to key management employees for bonuses to be paid in shares and retention bonus, respectively, and $Nil (June 30, 2024 - $5,000) is owing to key management employees for related payroll taxes on the accrued bonuses. The amounts are unsecured.

3. In April 2025, we borrowed $452,500 from our CEO and Chairman of the Board. This amount has the same interest and repayment terms as the other balances due to him.

4. On August 19, 2022, we entered into a credit facility agreement with Mark A. Smith, CEO, and Chairman of the board. The non-revolving credit facility in the amount of up to $1,200,000 included an establishment fee of 2.5% of the amount drawn down with a term expiring on February 19, 2023. On March 31, 2025, the maturity date of the loan was extended from March 31, 2025 to June 30, 2025. The credit facility bears interest at 10% per year calculated monthly in arrears and is payable when the loan is repaid. We have drawn down the full amount of the facility. During the twelve-month period ended June 30, 2025, we incurred interest expense of $143,000 (2024 - $118,000) on this facility.

5. On May 31, 2023, we entered into a credit facility agreement with Mark A. Smith, CEO, and Chairman of the Board. The non-revolving credit facility in the amount of up to $1,400,000 included an establishment fee of 2.5% of the amount drawn down with a term expiring on August 31, 2023. On March 31, 2025, the

maturity date of the loan was extended from March 31, 2025 to June 30, 2025. The credit facility bears interest at 10% per year calculated monthly in arrears and is payable when the loan is repaid. We have drawn down the full amount of the facility. During the twelve-month period ended June 30, 2025, we incurred interest expense of $181,000 (2024 - $139,000) on this facility.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Company's activities expose the Company to a variety of financial risks, including foreign exchange risk, interest rate risk, commodity price risk, and credit risk. The Company does not have a practice of trading derivatives, using instead a natural hedge for foreign currency by holding funds in the currency in which it expects to spend the monies.

Foreign Exchange Risk

While the majority of our administrative and manufacturing activities occur in the U.S., some corporate administration costs are incurred in Canada and we raise equity proceeds in Canadian dollars. Exchange risk is managed on equity capital by converting expected U.S. expenditures to U.S. dollars at the time the money is raised.

Interest Rate Risk

Our interest rate risk mainly arises from the interest rate impact on interest expense on the Account Sale and Purchase Agreement ("ASPA") with Sallyport Commercial Financing, LLC, and with the Loeb term loan. These loans charge interest based on the prime rate in effect from time to time.

Commodity Price Risk

Profitability and long-term viability depend, in some measure, on the market prices of copper, beryllium, and other materials. The prices for metals can be volatile and are affected by factors beyond our control, including the following: global or regional consumption patterns; the supply of, and demand for, these metals; speculative activities; the availability and costs of metal substitutes; expectations for inflation; and political and economic conditions, including interest rates and currency values. We cannot predict the effect of these factors on metal prices and does not engage in hedging but, where possible, structure selling arrangements in a way that passes commodity price risk through to our customer.

Credit Risk

Credit risk is managed by trading with recognized creditworthy third parties and by insuring all trade receivables. In addition, we monitor receivable balances with the result that our exposure to impaired receivables is generally not significant.

Adoption of New Accounting Pronouncements and Recent Developments

The following new standards, interpretations, and amendments to existing standards have been issued by the IASB or IFRC and are effective in the current year and are relevant to us.

1. Amendments to IAS 1, Non-current liabilities with Covenants – The amendments to IAS 1 seek to improve the information that an entity provides when its right to defer settlement of a liability is subject to compliance with covenants within 12 months after the reporting period. Liabilities should be classified as non-current if a company has a substantive right to defer settlement for at least 12 months at the end of the reporting period.

2. Amendments to IFRS 16, Leases on sale and leaseback – The amendments to IFRS 16 introduced key changes including:

- **Lease Liability Measurement**: The lease liability is measured at the present value of lease payments, using the rate implicit in the lease or the entity's incremental borrowing rate if the implicit rate is not readily determinable.

- **Recognition of Gains and Losses**: In a sale classified under IFRS 15, any gain or loss from the sale is initially recognized and then deferred. The recognized gain is reduced from the carrying amount of the right-of-use asset and is recognized over the lease term as the asset is utilized.

- **Disclosure Requirements**: Entities must disclose the nature and terms of sale and leaseback transactions, including the amount of any gain or loss recognized and its accounting treatment.

The impact to the consolidated financial statements is not material.

Certain new standards, and amendments to standards and interpretations, are not effective for our current fiscal year and have not been early adopted in preparing these financial statements. We are currently assessing the potential impact, if any, on the Company's financial statements. The following accounting standards and amendments are effective for future periods:

Our fiscal years beginning on July 1, 2027

IFRS 18, Presentation and Disclosure in Financial Statements

IFRS 18 introduces three defined categories for income and expenses—operating, investing and financing—to improve the structure of the income statement, and requires all companies to provide new defined subtotals, including operating profit. The improved structure and new subtotals will give investors a consistent starting point for analyzing companies' performance and make it easier to compare companies.

IFRS 18 requires companies to disclose explanations of those company-specific measures that are related to the income statement, referred to as management-defined performance measures. The new requirements will improve the discipline and transparency of management-defined performance measures, and make them subject to audit.

IFRS 18 sets out enhanced guidance on how to organize information and whether to provide it in the primary financial statements or in the notes.

The Company is still in the process of the assessing the potential impact, if any, from the aforementioned new standards and amendments on its consolidated financial statements.

NON-IFRS MEASURES

To supplement our consolidated financial statements, which are prepared and presented in accordance with IFRS, we use "Adjusted EBITDA", which is a non-IFRS financial measure. We believe that Adjusted EBITDA is a useful indicator for cash flow generated by our business that is independent of our capital structure.

Adjusted EBITDA should not be considered in isolation or construed as an alternative to loss for the period or any other measure of performance or as an indicator of our operating performance. Adjusted EBITDA presented here may not be comparable to similarly titled measures presented by other companies. Other companies may calculate similarly titled measures differently, limiting their usefulness as comparative measures to our data.

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the consolidated financial statements requires management to make certain judgements, estimates, and assumptions that affect the Company's accounting policies and the reported amount of assets, liabilities, income, and expenses. Actual results may differ from these estimates. Management reviews these estimates and underlying

assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The significant accounting estimates and judgements are set out in Note 4 to the audited consolidated financial statements for the year ended June 30, 2025.

MATERIAL ACCOUNTING POLICIES

The material accounting policies applied in the preparation of the financial statements are in Note 3 of the audited consolidated financial statements for the year ended June 30, 2025.

BUSINESS RISKS

Some of the risks specific to operations, include the following:

Dependence on Ulba Metallurgical Plant and Sole-source Suppliers

Some of our copper alloys use beryllium, which is a specialty metal that is produced by a limited number of companies globally. We purchase beryllium from Ulba Metallurgical Plant ("Ulba"), owned by Kazatomprom of Kazakhstan. Beryllium copper master alloy is sourced from Ulba, and we have a beryllium copper master alloy supply agreement with Ulba lasting through 2026. Ulba's ability to honor its supply obligations will depend on its ability to source raw materials. Production uses long-term stockpiles; however, any disruptions in Ulba's ability to manufacture master alloy to our specifications could have a materially adverse effect on our business. Our ability to purchase those supplies also is contingent upon a continuation of current U.S. laws and regulation governing such purchases.

Approximately 10% of materials purchased as described above, are from a sole-source supplier. Any disruptions in this suppliers' ability to manufacture material and alloying agents needed by us could have a materially adverse effect on short-term revenue, while we seek to engage alternative sources.

Disruptions of Manufacturing Operations

From time to time, operations are adversely affected by disruptions caused by such things as water line failures, power outages, labor turnover, equipment failures, and adverse weather. These issues normally only cause short-term interruptions but can affect the ability to meet quarterly revenue and profitability objectives.

Need to Meet Product Specifications

Most of the products manufactured are required to conform to a specification. Some of these specifications are very exacting. Small variations in process can cause our products to fall short of the required standards. In addition, customer requirements can change from time to time. If unable to address these specification issues in a timely manner, we are at risk of losing short-term revenue and even long-term production contracts.

Possible Imposition of Tariffs

The United States government has levied tariffs on imported goods. We rely on imported metal as inputs to our operations and our profitability would be adversely affected if we were unable to pass our increased costs on to customers. It is also likely that increased selling prices would reduce demand for our products. The effect, if any, of tariffs cannot be estimated at the date of this MD&A.

LEGAL MATTERS

In the normal course of business operations, we and our subsidiaries are parties, from time to time, to various civil and administrative proceedings. These may include product liability claims, health and safety claims, environmental claims and employee-related matters.

As more fully discussed below, we are from time to time involved in a variety of claims, lawsuits, investigations and proceedings concerning securities law, intellectual property law, environmental law, employment law and the Employee Retirement Income Security Act ("ERISA"). We determine whether an estimated loss from a contingency should be accrued by assessing whether a loss is deemed probable and can be reasonably estimated. We assess potential liability by analyzing litigation and regulatory matters using available information. We develop views on estimated losses in consultation with outside counsel handling defense in these matters, which involves an analysis of potential results, assuming a combination of litigation and settlement strategies. Should developments in any of these matters cause a change in the determination as to an unfavorable outcome and result in the need to recognize a material accrual or should any of these matters result in a final adverse judgment or be settled for significant amounts, they could have a material adverse effect on our results of operations, cash flows and financial position in the period or periods in which such change in determination, judgment or settlement occurs.

On September 8, 2017, an Award was issued in favor of Claimant Gerald Hoolahan against us. The Award, in the amount of $1.2 million plus attorney's fees, costs, and expenses in the amount of $155,000, was granted by the American Arbitration Association's International Centre for Dispute Resolution. The amount has been accrued and the matter was under appeal. On March 27, 2019, we received notice from an arbitrator which was then confirmed by the United States District Court for the District of Massachusetts, affirming the September 8, 2017 arbitration award made in favor of Gerald R. Hoolahan. At June 30, 2025 we recorded accrued interest of $306,000 from the judgement date, September 8, 2017.

On January 21, 2014, our subsidiary in the Copper Alloys division, Nonferrous Products, Inc. ("Nonferrous Products") received a "Special Notice Letter of Potential Liability" from the U.S. Environmental Protection Agency ("EPA"). The letter references the EPA's determination that a release of hazardous materials had occurred at the Chemetco Superfund Site located in Hartford, Illinois. Chemetco, Inc. ("Chemetco") operated a secondary smelting operation for recycling and after-market processing of copper-bearing scrap and manufacturing by-products. The EPA has identified Nonferrous Products as a potentially responsible party ("PRP") under the Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA"). Nonferrous Product was identified as PRP due to the EPA's review of Chemetco's records indicating that Nonferrous Products shipped more than 849,000 pounds of material to the Superfund Site. Nonferrous Products has joined a defense group of other PRPs ("Chemetco PRP Group"). The presumed amount of shipped material from Nonferrous Products classifies it as a Tier 3 Group member of four tiers, with Tier 1 consisting of PRPs that shipped the highest volume of material to Chemetco. By joining the PRP Group, Nonferrous Products entered into an Amended Cost Sharing Agreement which requires certain assessments based on an interim allocation according to the Tier Group. To date, insurers of Nonferrous Products have paid legal fees and PRP Group assessments associated with the Chemetco PRP Group. These assessments will be used to fund further site investigation to determine the amounts of materials sent to Chemetco by each party and the best clean-up method. On September 27, 2017, it was brought to the attention of our Counsel that the EPA Special Notice Letter was delivered to our subsidiary, Specialloy Copper, LLC, identifying Specialloy Metals Company as a Potentially Responsible Party to the Chemetco Superfund Site. The entity noticed (Specialloy Metals Company) sold assets to our subsidiary and was subsequently dissolved. Our subsidiary is covered under Nonferrous' Insurance policies, and other than the asset purchase transaction, has no connection to the entity that was noticed. We are evaluating options regarding notifying its insurers of potentially increased liability should the EPA and/or Chemetco PRP Group contribution lawsuit's attempt to name our subsidiary, Nonferrous Products, as a defendant. Specialloy Metals Company was allocated over 5 million pounds of material shipped to the Chemetco site, or more than five times the amount allocated to Nonferrous Products. Should the EPA and/or Chemetco PRP Group

contribution lawsuit pursue alter ego theories and name our subsidiary Company, Nonferrous Products, as a defendant, then we potentially face significantly more liability requiring further defensive action.

The outcome of potential litigation and amounts cannot be determined at this time and has not been accrued for in the consolidated financial statements.

ENVIRONMENTAL AND OCCUPATIONAL SAFETY ISSUES

We melt and machine materials that have the potential, if not controlled and handled appropriately, to have a negative effect on an individual's health and the environment. In addition, operations use materials such as cutting and hydraulic fluids, which have the capacity to cause environmental contamination if left uncontained.

To mitigate these potential risks, we:

- employ a full-time health and safety manager to administer and monitor safety programs;
- employ manufacturing practices to minimize and eliminate dispersal of fumes and dust;
- use trap basins and fluid reservoirs to capture and retrieve possible overages;
- use active exhaust vents and hoods located in equipment areas to capture and filter air;
- regularly schedule assessments and maintenance of in-house ventilation systems;
- require employees to use appropriate personal protective equipment (such as respirators, outer garments, gloves, etc.) selected to limit and protect them from any potential exposures;
- conduct beryllium lymphocyte proliferation tests (BeLPT) to determine employees' potential for sensitivity to beryllium prior to possible exposure;
- undertake ongoing air quality monitoring and perform periodic employee health exams as per occupational health guidelines; and
- limit access to areas that may have a potential exposure to beryllium dust particles.

Despite these procedures, we remain subject to risk in this regard.

As with all industry, we are subject to periodic inspection by state and local safety, health and environmental authorities. If during an inspection a failing is noted in our systems, the potential for the temporary or permanent closure of the facilities could exist. If during the periodic employee health screening, an employee displays elevated exposure to metals, it could require us to place the employee on sick leave, which would have the potential to impact both direct and indirect costs and cause a disruption of production. There is also the potential that an inherent safety or environmental exposure, if uncontrolled, could initialize legal action by employees, neighbors or those who visit our facilities.

To minimize the risks arising from pre-acquisition activities, we commissioned phase one environmental reviews prior to acquiring our copper alloys businesses. It is possible that environmental problems remain at our facilities that these phase-one assessments did not uncover.

SHAREHOLDERS' EQUITY

SHARE ISSUANCES IN FISCAL YEAR 2025

1. In July 2024, we issued 1,714,284 common shares with a value of $89,000 to directors in settlement of amounts due for services for fiscal year 2024. We also issued 4,982,000 common shares with a value of $255,000 to the CEO as consideration for certain guarantees made by the CEO for the Company's credit facilities.

2. In December 2024, we issued 250,000 common shares upon the exercise of 125,000 options with an exercise price of C$0.20 and 125,000 options with an exercise price of C$0.24 by the CEO. We received $38,000 upon the exercise of these options, and $25,000 in fair value of the options was reclassified from reserves to share capital.

3. In April 2025, we issued 750,000 common shares upon the exercise of 750,000 options with an exercise price of C$0.09 by the CEO. We received $48,000 upon the exercise of these options, and $37,000 in fair value of the options was reclassified from reserves to share capital.

OUTSTANDING SHARE DATA

As at the date of this MD&A, we have issued:

1. A total of 114,430,857 common shares.

2. Options to purchase 5,105,000 common shares.

The maximum number of shares potentially issuable together with the issued shares is therefore 119,535,857.