Unit 8 –3331 Viking Way
Richmond, BC
V6V 1X7

Abound Energy Inc.
Management Discussion & Analysis
For the six months ended June 30, 2026

August 19, 2026

MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE SIX MONTHS ENDED JUNE 30, 2026

The following Management's Discussion and Analysis ("MD&A"), prepared as of August 19, 2026, should be read in conjunction with the unaudited condensed interim consolidated financial statements of Abound Energy Inc. ("Abound" or the "Company") for the six months ended June 30, 2026, together with the audited consolidated financial statements of the Company for the year ended December 31, 2025, and the accompanying MD&A for that fiscal year. The referenced financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board applicable to the preparation of interim financial statements, including IAS 34 Interim Financial Reporting. All financial amounts are stated in Canadian dollars unless stated otherwise.

Additional information relating to the Company and its operations, including the Company's annual information form for the year ended December 31, 2025, is available under the Company's profile on SEDAR+ at www.sedarplus.ca .

FORWARD-LOOKING STATEMENTS

The Company's condensed interim consolidated financial statements for the six months ended June 30, 2026, and this accompanying MD&A contain statements that constitute "forward-looking statements" within the meaning of National Instrument 51-102 – Continuous Disclosure Obligations of the Canadian Securities Administrators. Unless otherwise indicated, forward-looking statements in this MD&A reflect the Company's expectations as of August 19, 2026.

Certain statements contained in this MD&A may constitute forward-looking statements as defined under applicable securities laws. Forward-looking statements include, without limitation, statements regarding the success of research and development activities; the development, commercialization and performance of the Company's new and existing technologies; the Company's ability to obtain necessary financing; the Company's ability to execute its commercialization strategy; the development, commissioning and operation of the H2Si™ First Commercial Unit; the Company's ability to generate revenue and achieve commercial objectives; the Company's ability to meet its obligations as they become due; and other similar statements concerning anticipated future events, conditions or results that are not historical facts.

These statements reflect management's current estimates, beliefs, intentions and expectations and are not guarantees of future performance. The Company cautions that forward-looking information is inherently uncertain and that actual performance, events or results may be affected by a number of material factors, many of which are beyond the Company's control.

Such factors include, among others, risks relating to research and development; technology development, performance and commercialization; the protection and enforcement of intellectual property and proprietary rights; the Company's ability to obtain additional financing; the Company's limited commercial operating history; the ability to successfully manufacture, scale and commercialize its technologies; reliance on customers, suppliers, strategic relationships and other third parties; compliance with environmental and governmental regulations; fluctuations in currency exchange rates; operating hazards and risks; competition; and other risks and uncertainties.

Although the Company has attempted to identify important factors that could affect actual actions, events or results, not all factors can be anticipated or predicted. Forward-looking information therefore involves inherent uncertainty, and actual future events, conditions and results may differ materially from the estimates, beliefs, intentions and expectations expressed or implied. All statements are made as of the report date and, except as required by law, the Company undertakes no obligation to update or revise any forward-looking information.

DESCRIPTION OF BUSINESS

The Company was incorporated on December 8, 2011, pursuant to the BC Business Corporations Act and has its head office at Unit 8 – 3331 Viking Way, Richmond, BC V6V 1X7.

ABOUND is an energy technology company focused on the commercialization of practical, scalable technologies across energy storage, advanced electrochemical materials, hydrogen production, and distributed energy. The

Company's current portfolio includes Zaeras™ long-duration energy storage, ZaeroTex™ advanced air-cathode technology, and exclusive commercialization rights to H2Si™ on-demand hydrogen production technology.

The Company's strategy is to build a diversified energy solutions platform by advancing its internally developed technologies while identifying and securing rights to complementary commercial and near-commercial technologies. This approach is intended to create multiple pathways to commercialization and revenue while continuing to advance technologies with longer-term market potential.

OVERALL PERFORMANCE

The Company currently does not generate sufficient revenue to cover its operating costs and will continue to require additional financing to support its operations and execute its commercialization and development strategy. During the fourth quarter of 2023, the Company underwent a complete overhaul of its management and Board of Directors and paused research and development activities. The Company resumed activities under the new leadership during fiscal 2024 and has since expanded its focus from the continued advancement of its zinc-air technology to the development and commercialization of a broader energy solutions platform.

During the period ended June 30, 2026, the Company completed a share consolidation on a 3-for-1 basis. All references to shares, per-share amounts, warrants, DSUs, RSUs and stock options in this MD&A have been retroactively restated to reflect the consolidation.

Zaeras™ Long-Duration Energy Storage

Zaeras™ consists of three major components: the fuel tank, where zinc particles and a potassium hydroxide (KOH) electrolyte are stored; the cell stack, where the stored zinc fuel is converted to electrical power; and the regenerator, where electrical energy is used to convert zinc oxide back into zinc metal. During charging, regenerated zinc is returned to the fuel tank for storage. During discharge, the zinc fuel is circulated through the cell stack, where it reacts electrochemically with atmospheric oxygen to produce electricity. To date, ABOUND has been awarded more than 16 patents covering its energy-storage technology.

Zaeras™ is engineered for long-duration energy storage with an architecture that allows energy capacity, charging power, and discharge power to be configured independently. The system can therefore charge and discharge at different power rates, allowing each to be sized for the available energy source and the requirements of the application. Energy capacity can be increased primarily by increasing the quantity of zinc fuel and associated storage capacity without proportionally increasing the size of the power-conversion system.

This architecture supports renewable-energy integration, peak-demand reduction, time-of-use energy arbitrage, value stacking, and distributed long-duration energy storage. By storing energy when generation exceeds demand and delivering it at the rate required by the application, Zaeras™ can increase renewable-energy utilization, reduce curtailment, and support grid resiliency across applications ranging from kWh to MWh scale.

ZaeroTex™ Advanced Air-Cathode Technology

ZaeroTex™ is ABOUND's proprietary advanced air-cathode technology, originally developed as a core component of the Zaeras™ zinc-air platform. The air cathode provides the interface through which atmospheric oxygen participates in the electrochemical reaction.

Beyond its application within Zaeras™, ZaeroTex™ is adaptable for use across multiple chemistries and electrochemical platforms, allowing ABOUND to commercialize the technology independently for compatible third-party applications.

During the six months ended June 30, 2026, ABOUND entered into a pilot program with an arm's-length customer for the supply of ZaeroTex™ cathodes. Subsequent to June 30, 2026, ABOUND secured its largest cathode-material purchase order to date from the same customer, valued at more than $360,000. The order represents continued commercial progress for ZaeroTex™ and demonstrates the Company's ability to commercialize the technology independently of the complete Zaeras™ energy-storage system.

COOPERATION AGREEMENT

On December 24, 2019, the Company entered into a Cooperation Agreement (the "Agreement") with The Power Authority of the State of New York (the "Authority") for the installation and demonstration of a 100 kW/1 MWh zinc-air battery energy storage system in New York State.

Under the original project timeline, the Agreement contemplated total monetary contributions from the Authority of up to US$1,550,000, subject to the Company meeting specified qualified expenditure and project expenditure requirements. The Company received the First Contribution of US$835,000 (C$1,109,632) in 2020. Accordingly, up to US$715,000 in additional contributions remains available under the Agreement, subject to the project proceeding and the applicable funding conditions and expenditure requirements being satisfied.

In May 2020, the Company and the Authority mutually agreed to delay the project timeline due to COVID-19 restrictions. No payments were received after the First Contribution. The Company and the Authority remain in discussions regarding a revised project timeline.

The Agreement has an initial term of 10 years with automatic one-year renewals unless either party provides notice in accordance with the Agreement. The Authority may terminate the Agreement upon 30 days' notice.

H2Si™ ON-DEMAND HYDROGEN

On June 30, 2026, the Company entered into a definitive agreement with H2Si Power Incorporated ("H2Si") for the exclusive licensing and commercialization of H2Si™, an on-demand hydrogen production technology designed for point-of-use deployment.

The agreement expands ABOUND's energy solutions platform beyond its existing long-duration energy storage and advanced air-cathode technologies by adding hydrogen production and creating a broader portfolio across energy storage, hydrogen, and distributed energy.

H2Si™ generates hydrogen through the controlled reaction of proprietary engineered silicon material and water. The process uses no hydrocarbon-based feedstocks and produces hydrogen gas and silica without generating hydrocarbon byproducts. Independent testing by researchers at the University of Saskatchewan confirmed that hydrogen was successfully produced from the reaction under controlled conditions.

The technology is intended to enable hydrogen production at or near the point of use, allowing hydrogen to be produced where and when required. ABOUND intends to commercialize the H2Si™ platform across industrial, fueling, and power and energy applications.

The Company's initial commercial-scale deployment is planned around a unit capable of producing up to 1,600 kilograms of hydrogen per day (the "First Commercial Unit" or "FCU"). Under the definitive agreement, 4,000,000 common shares are held in escrow and will be released following the commissioning and operation of the First Commercial Unit for 30 consecutive days.

SELECTED PERIOD INFORMATION

The following is a summary of certain selected financial information of the Company for the periods ended June 30, 2026, and 2025.

For the six months ended June 30,	2026 $	2025 $
Total revenues	46,133	2,500
Net loss	(858,372)	(1,061,428)
Net loss per share (basic and diluted)	(0.05)	(0.09)

	As at June 30, 2026 $	As at December 31, 2025 $	As at December 31, 2024 $

Total assets	510,794	442,006	1,175,921
Long term liabilities	69,708	-	108,094
Working capital deficit	(3,710,182)	(3,011,718)	(2,629,666)

DISCUSSION OF OPERATIONS

Six months ended June 30, 2026

Going Concern

The condensed interim consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. Should the Company be unable to continue as a going concern, it may be unable to realize the carrying value of its assets or meet its liabilities as they become due.

For the six months ended June 30, 2026, the Company incurred a net loss of $858,372 (2025 – $1,061,428) and had an accumulated deficit of $59,480,416 (December 31, 2025 – $58,622,044). The Company expects to incur further losses as it advances its business and does not have sufficient working capital to meet its anticipated expenditures for the next twelve months. These conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

The Company's continued operations are dependent on its ability to obtain additional financing until it generates revenues sufficient to cover its costs. Management believes that sufficient working capital will be obtained through external financing to meet the Company's liabilities and commitments as they become due; however, there can be no assurance that additional financing will be available on a timely basis or on terms acceptable to the Company. Should the Company be unable to continue as a going concern, adjustments to the recorded amounts and classifications of assets, liabilities and expenses may be required. Such adjustments could be material.

Management continues to monitor developments relating to global tariffs and does not currently anticipate any material impact on the financial position of the Company.

In an effort to address the elevated going concern risk during the six months ended June 30, 2026 and subsequent thereto, the Company has:

(i) Reduced general and administrative expenses; and
(ii) Continued to seek debt and equity financing to support ongoing operations and commercialization activities; and
(iii) Advanced the commercialization of ZaeroTex™, including revenue generated through an air-cathode pilot program and, subsequent to June 30, 2026, secured the Company's largest cathode-material purchase order to date, valued at more than $360,000; and
(iv) Secured exclusive licensing and commercialization rights to H2Si™ on-demand hydrogen production technology, expanding the Company's potential commercial opportunities across hydrogen and distributed energy applications.

The change in operating loss for the six months ended June 30, 2026 was primarily attributable to the following:

- Revenues increased to $46,133 (2025 – $2,500), primarily reflecting revenue generated through the Company's ZaeroTex™ air-cathode pilot program. Subsequent to June 30, 2026, the Company secured its largest cathode-material purchase order to date from the same customer, valued at more than $360,000.
- Share-based compensation decreased to $nil (2025 – $106,115), reflecting a higher level of option grants during the comparable period in 2025.

OUTSTANDING SHARE DATA

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

During the period ended June 30, 2026, the Company completed a 3-for-1 share consolidation. All references to shares, per-share amounts, warrants, DSUs, RSUs and stock options in this MD&A have been retroactively restated to reflect the consolidation.

The following table presents the Company's outstanding securities as of August 19, 2026:

Type of Security	Number
Issued and outstanding common shares	26,542,338
Issued common shares in escrow	4,000,000
Stock options with a weighted average exercise price of $0.18	1,102,832
Warrants with an exercise price of $0.60	878,431
Warrants with an exercise price of $0.90	1,840,311
RSUs	4,902
Total	**34,368,814**

TRANSACTIONS WITH RELATED PARTIES

Key management includes the CFO, CEO, COO and the Board of Directors. Compensation paid to key management for the six months ended June 30, 2026, and 2025 was as follows:

	Six months ended June 30, 2026 $	2025 $
Management fees and consulting	**407,990**	403,000
Research and development	**66,000**	66,000
Share-based compensation	**-**	95,836
	473,990	564,836

As at June 30, 2026, the Company had $1,981,114 (December 31, 2025 – $1,385,601) owing to related parties, included in accounts payable and accrued liabilities, of which $391,107 (December 31, 2025 – $106,387) is payable to former related parties.

During the year ended December 31, 2023, the Company received a $50,000 loan from an individual who became a director subsequent to year-end. The loan is unsecured and bears interest at 15% per annum. During the six months ended June 30, 2026, the Company recorded $3,719 (June 30, 2025 – $3,719) in interest expense related to this loan.

As at December 31, 2024, the Company had a $30,000 loan receivable from one of its directors, which was included in amounts receivable. The amount owing was unsecured, non-interest bearing and due on demand. During the year ended December 31, 2025, the loan was forgiven. The carrying amount of $30,000 was derecognized and the corresponding amount was recognized as management fees.

All related-party transactions were conducted in the normal course of operations and were measured at the agreed-upon amounts, representing the consideration established and agreed to by the related parties.

LIQUIDITY AND CAPITAL RESOURCES

To date, the Company has funded its operations primarily through government grants and shareholder funding. As at June 30, 2026, the Company did not have sufficient funds to meet its anticipated working capital requirements for the next twelve months. As at June 30, 2026, the Company had a working capital deficit of $3,710,182 (December 31, 2025, – $3,011,718), has generated minimal revenue from operations and has an accumulated deficit of $59,480,416 (December 31, 2025 - $58,622,044.)

The Company is seeking additional funding to support its working capital requirements and advance its commercialization activities, including H2Si™ commercial deployment, ZaeroTex™ production and fulfillment, and the continued development of the Zaeras™ long-duration energy storage platform.

To execute its business strategy, the Company expects to require additional capital for commercialization, production, research and development, and general working capital purposes. The Company expects to fund its future capital requirements through equity financing, government grants, and other available financing sources.

Factors that could affect the availability of such financing include those described under "*Risk Factors*" in the accompanying Circular. See also the "*Financial Instruments*" section of this MD&A.

FINANCING ACTIVITIES AND CAPITAL EXPENDITURES

During the six months ended June 30, 2026, the Company received a loan of €200,000, recorded at $324,360. The loan is unsecured, payable on demand and bears interest at 15% per annum.

During the same period, the Company converted $176,712 of vendor debt into an unsecured loan bearing interest at 4.45% per annum, with an initial payment of $50,000 and monthly payments of $5,548.

During the year ended December 31, 2025, the Company issued:

- 10,000 common shares pursuant to the exercise of warrants for gross proceeds of $3,000;
- 1,840,317 units, each consisting of one common share and one share purchase warrant (a "Unit"), pursuant to a private placement at a price of $0.075 per Unit for gross proceeds of $414,071. The warrants were valued at $192,883 using the relative fair value method. The Company incurred $955 in share issuance costs related to the closing of the private placement; and
- 3,467,333 common shares to settle debts of $520,100 related to various consulting agreements. The shares were valued at $0.15 per share. As part of the transaction, a gain on settlement of $104,020 was recorded in the consolidated statement of loss and comprehensive loss.

The Company does not currently have any material commitments for capital expenditures.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not utilize off-balance sheet transactions.

PROPOSED TRANSACTIONS

On June 30, 2026, the Company closed its previously announced transaction with H2Si Power Incorporated for the exclusive licensing and commercialization rights to H2Si™ on-demand hydrogen production technology. As consideration, the Company issued 5,000,000 common shares, of which 1,000,000 were issued upon closing and 4,000,000 are held in escrow. The escrowed shares will be released following the commissioning and operation of the First Commercial Unit ("FCU"), capable of producing up to 1,600 kilograms of hydrogen per day, for 30 consecutive days.

SUBSEQUENT EVENTS

Subsequent to June 30, 2026, the Company completed the following transactions:

- **Debt Settlement:** On July 6, 2026, the Company issued 4,375,000 common shares to settle $350,000 of debt related to various consulting agreements.
- **Private Placement:** On July 31, 2026, the Company completed a private placement through the issuance of 3,741,087 common shares at a price of $0.08 per share for gross proceeds of $299,287.
- **H2Si™ Licensing and Commercialization Agreement:** On July 31, 2026, the Company closed its previously announced transaction with H2Si Power Incorporated for the exclusive licensing and commercialization rights to H2Si™.

ACCOUNTING POLICIES

The Company uses the same accounting policies and methods of computation as in the consolidated financial statements for the year ended December 31, 2025.

FINANCIAL INSTRUMENTS

Fair Values

The Company has classified the fair value measurements of its financial instruments using a fair value hierarchy that reflects the significance of the inputs used in making the measurements, as follows:

- **Level 1:** Valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- **Level 2:** Valuation based on directly or indirectly observable inputs in active markets for similar assets or liabilities, other than Level 1 prices, such as quoted interest or currency exchange rates; and
- **Level 3:** Valuation based on significant inputs that are not derived from observable market data, such as discounted cash flow methodologies based on internal cash flow forecasts.

As at June 30, 2026, the fair values of cash, amounts receivable, accounts payable and accrued liabilities, and loans payable approximate their carrying values due to the short-term maturity of these instruments. Lease liabilities are measured at amortized cost using the effective interest rate method. Cash is classified as a Level 1 fair value measurement.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company currently settles its financial obligations using available cash, and through the issuance of common shares of the Company. Its ability to meet these obligations depends on its ability to obtain financing in a timely manner and maintain sufficient cash to meet anticipated requirements.

As at June 30, 2026, the Company had a working capital deficit of $3,710,182 (December 31, 2025 – $3,011,718).

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The Company's cash is primarily held with major Canadian financial institutions. The Company's receivables primarily consist of GST receivable from the Government of Canada. Cash deposits are maintained with Schedule A financial institutions and, from time to time, may exceed federally insured limits.

The Company has not experienced any significant credit losses and believes that its exposure to credit risk is not significant.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Financial assets and liabilities with variable interest rates expose the Company to cash flow interest rate risk.

The Company does not have any financial liabilities with variable interest rates. The Company maintains bank accounts that earn interest at variable rates but does not believe it is currently exposed to significant interest rate risk.

Foreign Currency Exchange Rate Risk

The Company's functional and reporting currency is the Canadian dollar, and its major purchases are transacted in Canadian dollars. The Company's primary exposure to foreign currency risk relates to a loan payable denominated in euros.

As a result, the Company believes its exposure to foreign currency exchange rate risk is not significant.

RISKS AND UNCERTAINTIES

Risk is inherent in all business activities and cannot be entirely eliminated. The Company seeks to identify and mitigate risks arising from its business activities and the markets, regulatory environments and economic conditions in which it operates.

The risks and uncertainties described under "Risk Factors" in the accompanying Circular are considered by management to be among the most significant risks affecting the Company's business. These risks and uncertainties are not exhaustive, and the Company may be subject to additional risks that are currently unknown or considered immaterial but could adversely affect its business, financial condition or results of operations.

Going Concern

Certain conditions may cast significant doubt on the ability of Abound to continue as a going concern. Abound has a limited commercial operating history and currently generates insufficient revenue to provide the operating capital required to fund its activities. Until sufficient cash flows from operations are generated on a consistent basis, Abound will remain reliant on debt and equity financing, government funding, and other available sources of capital to sustain its operations.

Abound has incurred significant losses to date, and there is uncertainty regarding its ability to continue as a going concern. Management has historically financed operations through debt and equity financings and government funding and intends to continue seeking financing from these and other available sources, as appropriate. There can be no assurance that sufficient financing will be available on favorable terms, or at all.

If adequate financing is not available, Abound may be required to reduce operating expenditures, which could adversely affect its ability to execute its business strategy. Accordingly, Abound's ability to continue as a going concern is dependent upon its ability to obtain sufficient financing, generate increased cash flows from operations, manage expenditures and, ultimately, achieve profitable operations.

Management continues to monitor developments relating to global tariffs and does not currently anticipate any material impact on the financial position of the Company.

Liquidity

Shareholders may be unable to sell significant quantities of the Company's common shares in the public market without adversely affecting the market price, or at all. There can be no assurance that an active and liquid market for the Company's common shares will be maintained or that the Company will continue to satisfy the listing requirements of the CSE or any other exchange on which its common shares may be listed.

Market Price of Common Shares

The market price of the Company's common shares may be volatile and subject to significant fluctuations as a result of factors both within and outside the Company's control. These factors may include the Company's operating and financial results, market expectations, general economic and market conditions, industry trends, financing activities, acquisitions, dispositions, material corporate developments, and announcements by the Company or its competitors.

These and other factors may cause the market price of the Company's common shares to fluctuate significantly and may affect the ability of shareholders to sell their common shares at an advantageous price.

Market for Common Shares

An active and sustained trading market for the Company's common shares may not develop or be maintained. If an active market is not maintained, shareholders may have difficulty selling their common shares, the market price may experience increased volatility, and the Company's ability to raise additional equity capital may be adversely affected.

Dilution
The Company expects to require additional capital to support commercialization, production, research and development, working capital, and the continued execution of its business strategy. To the extent that the Company raises additional capital through the issuance of equity securities, existing shareholders may experience dilution of their ownership interests.

Future debt financing may include covenants or other restrictions that could limit the Company's operating or financial flexibility. In addition, financing or strategic arrangements with third parties may require the Company to grant rights or interests relating to certain technologies, products, or commercial opportunities on terms that may affect the Company's future economic interests.

Volatility in Capital Markets

Publicly traded securities in the industrial technology sector may experience significant price volatility as a result of general market conditions, industry trends, investor sentiment, and other factors that may be unrelated to the Company's operating performance.

Adverse or volatile capital market conditions may also affect the Company's ability to obtain financing on acceptable terms and could limit its ability to pursue commercialization activities, strategic relationships, licensing opportunities, and other initiatives necessary to execute its business strategy.

FINANCIAL AND DISCLOSURE CONTROLS AND PROCEDURES

n connection with National Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the Chief Executive Officer and Chief Financial Officer of the Company have filed a Venture Issuer Basic Certificate with respect to the financial information contained in the condensed interim consolidated financial statements for the six months ended June 30, 2026, and this accompanying MD&A (together, the "Interim Filings").

In contrast to the full certificate under NI 52-109, the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures or internal control over financial reporting, as those terms are defined in NI 52-109.
For further information, readers should refer to the Venture Issuer Basic Certificates filed by the Company with the Interim Filings on SEDAR+.

Additional information related to the Company, including the Company's annual information form for the year ended December 31, 2025, is available on SEDAR+ at www.sedarplus.ca.