Management's Discussion and Analysis of Financial Condition and Results of Operations of

ONEnergy Inc.

As at and for the three months ended March 31, 2026

May 27, 2026

ONEnergy Inc.

MANAGEMENT'S DISCUSSION AND ANALYSIS
of the Financial Condition and Results of Operations
(In thousands of Canadian dollars, except per share amounts)

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1. CAUTION REGARDING FORWARD-LOOKING STATEMENTS

This management's discussion and analysis of financial condition and results of operations ("MD&A") includes forward-looking statements and information concerning expected future events, the future performance of ONEnergy Inc. ("ONEnergy" or the "Company"), its operations, and its financial performance and condition. These forward-looking statements and information include, among others, statements with respect to our objectives and strategies to achieve those objectives, as well as statements with respect to our beliefs, plans, expectations, anticipations, estimates, and intentions. When used in this MD&A, the words "believe", "anticipate", "may", "should", "intend", "estimate", "expect", "project", and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain such words. These forward-looking statements and information are based on current expectations.

The Company cautions that all forward-looking statements and information are inherently uncertain and actual future results, conditions, actions, or events may differ materially from the targets, assumptions, estimates, or expectations reflected or contained in the forward-looking statements and information, and that actual future results, conditions, actions, events, or performance will be affected by a number of factors including economic conditions and competitive factors, many of which are beyond the Company's control. New risks and uncertainties arise from time to time, and it is impossible for the Company to predict these events or the effect that they may have on the Company.

Certain statements in this MD&A, other than statements of historical fact, may include forward-looking information that involves various risks and uncertainties. This may include, without limitation, statements based on current expectations involving a number of risks and uncertainties. These risks and uncertainties include, but are not restricted to: (i) tax-related matters, (ii) human resources developments including competition for, and the availability of, qualified employees and contractors, (iii) business integrations and internal reorganizations, (iv) business process risks including the use of, and reliance on, external vendors and contractors, (v) the outcome of litigation and legal matters, (vi) any prospective acquisitions or divestitures, (vii) other risk factors related to the Company's historic business, (viii) risk factors related to the Company's future operations, and (ix) changes to and compliance with applicable laws and regulations. For a more detailed discussion of factors that may affect actual results or cause actual results to differ materially from any conclusion, forecast or projection in these forward-looking statements and information, see *Section 5 Corporate Strategy* and *Section 14 Operating Risks and Uncertainties*.

Therefore, future events and results may vary significantly from what the Company currently foresees. Readers are cautioned that the forward-looking statements and information made by the Company in this MD&A are stated as of the date of this MD&A, are subject to change after that date, are provided for the purposes of this MD&A and may not be appropriate for other purposes. We are under no obligation to update or alter the forward-looking statements whether as a result of new information, future events, or otherwise, except as required by National Instrument 51-102, and we expressly disclaim any other such obligation.

All financial information in this MD&A is expressed in thousands of Canadian dollars, unless otherwise noted. All references to the "Company" or "ONEnergy" refer to ONEnergy Inc., including its predecessor and successor companies, and its consolidated subsidiaries, unless the context requires otherwise. All information is as at May 27, 2026, unless otherwise indicated. Certain totals, subtotals and percentages may not reconcile due to rounding.

2. INTRODUCTION

The information provided in this MD&A is intended to help the reader understand the Company's operations, financial performance and present and future business environment. This MD&A is supplementary to, and should be read in conjunction with the unaudited interim condensed consolidated financial statements for the three months ended March 31, 2026. The following MD&A, dated May 27, 2026, has been prepared with all information available up to and including May 27, 2026. The Company's unaudited interim condensed consolidated financial statements and other disclosure documents are available on SEDAR+ at www.sedarplus.ca and on the Company's website at www.onenergyinc.com.

The unaudited interim condensed consolidated financial statements of the Company are prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting* ("IAS 34"), as issued by the International Accounting Standards Board ("IASB"). The audited consolidated financial statements for the year ended December 31, 2025 of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The unaudited interim condensed consolidated financial statements and audited consolidated financial statements of the Company are presented in thousands of Canadian dollars.

3. THE COMPANY

ONEnergy is a corporation continued under the *Business Corporations Act* (Ontario). ONEnergy is a Canadian publicly listed company trading on the NEX Board ("NEX") of the TSX Venture Exchange (the "Exchange"), under the symbol OEG.H. ONEnergy's head office is located in Toronto, Ontario, Canada.

The Company is comprised of ONEnergy, and its wholly-owned subsidiaries including:

(a) Sunwave Gas & Power Inc. ("Gas & Power");
(b) 0867893 B.C. Ltd. ("PVL");
(c) ONEnergy USA Holdings Inc.;
(d) 2594834 Ontario Inc.;
(e) 10927040 Canada Inc.; and
(f) 1581316 B.C. LTD.

In this MD&A, the terms "we", "us", "our", and "Company" refer to ONEnergy and, where the context of the narrative permits or requires, its wholly-owned subsidiaries.

4. SIGNIFICANT EVENTS

(a) Matrixset Transaction

On May 23, 2025, the Company announced it entered into a non-binding letter of intent (the "LOI") with Matrixset Investment Corporation ("Matrixset") with respect to the acquisition (the "Transaction") of two gold projects, being the Golden Heart Property and the Bingo Gold Deposit. On March 13, 2026, the Company announced it entered into a definitive acquisition agreement (the "Definitive Agreement") with Matrixset. Completion of the Transaction will result in a reverse takeover and change of business of the Company under the policies of the Exchange.

Completion of the Transaction is subject to a number of conditions, including, among other items, the receipt of all required regulatory and third-party consents, including approval of the Transaction by the Exchange and the listing of the Company on the Exchange as a Tier 1 Mining issuer.

(b) Secured promissory note financing

On May 26, 2023, the Company entered into a secured grid promissory note (the "Secured Note") with Stephen J.J. Letwin, a shareholder and the Chairman of the Board of Directors (the "Chairman"). The Secured Note is not convertible into securities of the Company, is secured by a first-ranking security over the Company's assets, permits repayments and additional drawdowns and bears an annual interest rate at 10%. On March 31, 2024, the borrowing limit on the Secured Note was amended and increased from $450 to $650, on December 31, 2024, the borrowing limit was amended and increased to $950 and on December 31, 2025, the borrowing limit was amended and increased to $1,250. On December 31, 2023, the original maturity date of December 31, 2023 was amended and extended to December 31, 2024, on December 31, 2024, the maturity date was amended and extended to December 31, 2025 and on December 31, 2025, the maturity date was amended and extended to December 31, 2026.

During the three months ended March 31, 2026, the Company received $26 of advances pursuant to the Secured Note (three months ended March 31, 2025 – $98). Subsequent to period end, the Company received $7 of advances pursuant to the Secured Note.

(c) Trading halt

Trading in the common shares of ONEnergy was halted on May 23, 2025 on announcement of the Transaction.

5. CORPORATE STRATEGY

The Company divested or exited its operating businesses in 2018 and 2019. It is the intention of management and the Board to pursue opportunities to complete a transaction, which may include completing a Reverse Takeover or other potential business acquisitions. There can be no guarantees or assurances that a transaction will take place.

As at March 31, 2026, the Company has an accumulated deficit of $42,941 (December 31, 2025 - $42,883), including a net loss of $58 for the three months ended March 31, 2026 (net loss of $179 for the three months ended March 31, 2025). The Company will need to raise cash and/or monetize assets, and/or reduce its outstanding commitments in order to meet the needs of its existing operations and commitments. Whether and when the Company can achieve the above is uncertain. As a result, there is material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

There can be no assurance that the Company will have sufficient capital to fund its ongoing operations without future financing. If adequate funds are not available or the Company is unable to find and develop profitable business opportunities, the Company may have to substantially reduce or eliminate planned expenditures and seek additional financing from shareholders or lenders. If the Company is unable to obtain additional financing when and if required, the Company may be unable to continue operations.

6. RESULTS OF OPERATIONS

Selected financial information

Three month periods ended March 31	**2026**	2025
Loss and comprehensive loss		
General and administrative	**$ (36)**	$ (163)
Finance cost	**(22)**	(16)
Net loss and comprehensive loss	**(58)**	(179)
Net loss per share – basic and diluted	**(0.00)**	(0.00)

As at	**March 31, 2026**	December 31, 2025
Financial position		
Current assets	**$ 16**	$ 17
Current liabilities	**1,666**	1,609
Shareholders' deficiency	**(1,650)**	(1,592)

General and administrative

General and administrative expenses include personnel costs, professional fees, information technology and other administrative overheads for the Company. A summary of the key components of general and administrative expenses is set out below:

Three month periods ended March 31	**2026**	2025
Personnel	**$ 67**	$ 82
Professional fees	**4**	32
Office and other expenses (recoveries)	**(35)**	49
Reported as general and administrative	**$ 36**	$ 163

Personnel

Personnel costs include wages, salaries, benefits, accrued directors' fees and share-based payments. Personnel costs decreased by $15 for the three months ended March 31, 2026 compared to the same period in 2025, primarily

due to lower compensation expense related to the revaluation of the deferred share unit liability, offset by an increase in contractor costs related to corporate development activities.

Professional fees

Professional fees are comprised of legal, accounting, audit and consulting fees. Professional fees decreased by $28 for the three months ended March 31, 2026 compared to the same period in 2025, primarily due to expense reimbursements received from Matrixset pursuant to the LOI and Definitive Agreement.

Other expenses

Other expenses include public company costs, insurance costs and other general & administrative costs. Other expenses decreased by $84 for the three months ended March 31, 2026 compared to the same period in 2025, primarily due to expense reimbursements received from Matrixset pursuant to the LOI and Definitive Agreement.

Finance costs

Finance costs were $22 for the three months ended March 31, 2026 compared to $16 for the same period in 2025, primarily due to an increase in the Secured Note.

Net loss

Net loss amounted to $58 or $0.00 per basic and diluted share for the three months ended March 31, 2026 compared to net loss of $179 or $0.00 per basic and diluted share for the same period in 2025.

7. ADJUSTED EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTIZATION ("ADJUSTED EBITDA")

Management views Adjusted EBITDA as an important measure of operating performance of the Company. However, since Adjusted EBITDA does not have any standardized meaning prescribed by IFRS, it may not be considered in isolation of IFRS measures such as (1) net income (loss), as an indicator of operating performance, or (2) cash flows from operating, investing and financing activities, as a measure of liquidity. We believe, however, that it is an important measure as it allows us to assess our ongoing business without the impact of depreciation or amortization expenses as well as non-operating factors. It is intended to indicate our ability to incur or service debt and invest in capital assets while allowing us to compare our business to our peers and competitors. This measure is not a defined term under IFRS and might not be comparable to similar measures presented by other issuers.

The following table reconciles Adjusted EBITDA to net loss for the respective periods as determined under IFRS:

Three month periods ended March 31	**2026**	2025
Net loss	**$ (58)**	$ (179)
Add/(subtract)		
Finance costs	**22**	16
Adjusted EBITDA	**$ (36)**	$ (163)

8. QUARTERLY FINANCIAL RESULTS

The table below sets out financial information for the past eight quarters:

	2026	2025				2024		
	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30
Revenue	**$ -**	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Operating expenses before the undernoted	**36**	170	117	99	163	124	80	137
Adjusted EBITDA	**(36)**	(170)	(117)	(99)	(163)	(124)	(80)	(137)
Finance income	**-**	-	-	-	-	1	-	-
Finance costs	**(22)**	(22)	(21)	(19)	(16)	(15)	(17)	(13)
Foreign exchange loss	**-**	(1)	-	-	-	-	-	(9)
Gain on settlement of unsecured liabilities	**-**	-	-	-	-	-	-	10,480
Net income (loss)	**$ (58)**	$ (193)	$ (138)	$ (118)	$ (179)	$ (138)	$ (97)	$10,321
Net income (loss) per share								
Basic and diluted	**$ (0.00)**	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)	$ 0.34

9. LIQUIDITY AND CAPITAL RESOURCES

The following sources of funding for future expenditures are expected by management to be available: (i) existing cash and working capital; (ii) financing provided by related parties; (iii) external debt financing; and (iv) new equity capital through the issuance of additional shares.

The Company's total cash liquidity is $9 as at March 31, 2026 (December 31, 2025 – $9). The Company divested or exited its operating businesses and is unable to generate sufficient amounts of cash, both in the short term and long term. As a result, the Company receives periodic cash advances from the Chairman to support working capital needs and to fund development activities as they arise. During the three months ended March 31, 2026, the Company received $26 of cash advances from the Chairman. See *Section 13 Related Party Transactions* for additional information.

The change in cash is summarized as follows:

Three month periods ended March 31	**2026**	2025
Cash used in operating activities	**$ (26)**	$ (108)
Cash provided by financing activities	**26**	97
Decrease in cash	**$ -**	$ (11)

Cash used in operating activities for the three months ended March 31, 2026 was $26 compared to cash used in operating activities of $108 for the same period in 2025, a decrease of $82. The decrease was a result of net loss decreasing by $121 and finance costs increasing by $6, offset by non-cash operating assets and liabilities decreasing by $45.

Cash provided by financing activities for the three months ended March 31, 2026 was $26 compared to cash provided by financing activities of $97 for the same period in 2025, a decrease of $71, due to a decrease in proceeds from the secured promissory note.

10. SHARE CAPITAL

As at March 31, 2026 there were 148,253,197 Common Shares issued and outstanding (December 31, 2025 – 148,253,197).

11. STOCK BASED COMPENSATION

Stock option plans

Stock option costs are recognized as selling expenses and general and administrative expenses and recorded in contributed surplus.

There are no outstanding options.

Deferred share units

Deferred share units ("DSUs") are recognized as general and administrative expenses and recorded as current liabilities.

The Company did not grant DSUs during the three months ended March 31, 2026 and March 31, 2025.

12. TAX LOSSES

The Company's tax attributes may be utilized by the Company in its future operations, or may be utilized by a potential acquirer to offset income, provided certain tests are satisfied including those related to a change in control of the Company.

Deferred taxes, in respect of the Company's loss carry-forwards, are recognized to the extent that it is probable that they can be utilized. The Company has the following Federal non-capital income tax losses, which may be carried forward to reduce future years' taxable income. These losses will expire in the taxation years ending December 31 as follows:

Year	Amount
2029	$ 111,911
2030	5,748
2031	19,992
2032	3,457
2033	3,702
2034	2,983
2035	3,295
2036	87
2037	3,641
2038	1,192
2039	773
2040	1,210
2041	1,662
2042	1,548
2043	874
2044	662
2045	579
2046	52
	$ 163,368

13. RELATED PARTY TRANSACTIONS

(a) Compensation of key management personnel

The Company's key management personnel are comprised of the Board of Directors and members of the executive team of the Company.

Three month periods ended March 31	**2026**	2025
Salaries, fees and short-term employee benefits	**$ 40**	$ 40

(b) Secured promissory note payable

During the three months ended March 31, 2026, the Company received $26 of advances from the Chairman pursuant to the Secured Note (three months ended March 31, 2025 – $98). At March 31, 2026, the Secured Note is comprised of $905 (December 31, 2025 – $879) advanced by the Chairman. See *Section 4(b) Significant Events – Secured promissory note financing* for additional information.

(c) Business development expenses

At March 31, 2026, accounts payable and accrued liabilities included $263 (December 31, 2025 – $249) payable to the Chairman for reimbursement of expenses incurred on the Company's behalf.

14. OPERATING RISKS AND UNCERTAINTIES

Management of capital

The Company's overall strategy with respect to management of capital is to maintain financial flexibility to support profitable growth and expansion into new markets. The Company considers capital to be primarily cash and secured promissory note payable.

Financial instruments and risk management

The Company's activities may expose it to a variety of financial risks: credit risk, liquidity risk and foreign currency risk.

Risk management is carried out by the Company's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

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 obligations. Financial instruments, which are potentially subject to credit risk for the Company, consist primarily of cash and other receivables.

Credit risk associated with cash is minimized by ensuring this financial asset is placed with financial institutions with high credit ratings.

All of the Company's cash is held with major financial institutions in Canada, and management believes the exposure to credit risk with these institutions is not significant. The Company's maximum assessed exposure to credit risk, as at March 31, 2026 and December 31, 2025, is the carrying value of its other receivables.

Liquidity risk

Liquidity risk is the risk the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled in cash or other financial assets. The Company's approach is to ensure it will have sufficient liquidity to meet operations, tax, capital, regulatory requirements and obligations, and debt repayments under both normal and stressed circumstances. Cash flow projections are prepared and reviewed by management to ensure a sufficient continuity of funding exists.

Contractual Obligations

In the normal course of business, the Company is obligated to make future payments under various non-cancellable contracts and other commitments.

The Company's financial liabilities are comprised of its accounts payable and accrued liabilities and secured promissory note payable. The payments due by period are set out in the following table:

As at March 31, 2026	Payment due by period			
	Less than one year	Between one and five years	More than five years	Total
Accounts payable and accrued liabilities	$ 605	$ -	$ -	**$ 605**
Secured promissory note payable	1,061	-	-	**1,061**
	$ 1,666	**$ -**	**$ -**	**$ 1,666**

Currency risk

Foreign currency risk is created by fluctuations in the fair value or cash flows of financial instruments due to changes in foreign exchange rates and exposure primarily as a result of the Company's U.S. dollar denominated liabilities.

Fair Values

IFRS 7, *Financial Instruments: Disclosures* requires disclosure of a three-level hierarchy ("FV hierarchy") that reflects the significance of the inputs used in making fair value measurements and disclosures. Fair values of assets and liabilities included in Level 1 are determined by reference to quoted prices in active markets for identical assets and liabilities. Assets and liabilities in Level 2 include those whose valuations are determined using inputs other than quoted prices for which all significant outputs are observable, either directly or indirectly. Level 3 valuations are those based on inputs that are unobservable and significant to the overall fair value measurement.

The fair values of short-term financial assets and liabilities, including cash, other receivables, accounts payable and accrued liabilities and secured promissory note payable, as presented in the consolidated statements of financial position, approximate their carrying amounts due to the short period to maturity of these financial instruments.

15. OTHER RISK FACTORS

In addition to operating risks described in *Section 14 Operating Risks and Uncertainties* are other risk and uncertainties that the Company can foresee. The information presented in *Section 16 Other Risk Factors* in our MD&A for the year ended December 31, 2025 has not changed materially since December 31, 2025.

16. COMMITMENTS AND CONTINGENCIES

Contingencies

In the normal course of its operations, the Company may be subject to litigation and claims.

The Company indemnifies its directors, officers, consultants and employees against claims and costs reasonably incurred and resulting from the performance of their services to the Company, and maintains liability insurance for its directors and officers.

17. SUMMARY OF MATERIAL ACCOUNTING POLICIES

Management's discussion and analysis of financial condition and results of operations are made with reference to the Company's unaudited interim condensed consolidated financial statements for the three months ended March 31, 2026 which have been prepared in accordance with IAS 34. The Company's material accounting policies are summarized in detail in Note 2 of the Company's unaudited interim condensed consolidated financial statements for the three months ended March 31, 2026 and in Note 2 of the Company's audited consolidated financial statements for year ended December 31, 2025.

18. ACCOUNTING POLICY DEVELOPMENTS

Refer to Note 4 of Company's unaudited interim condensed consolidated financial statements for the three months ended March 31, 2026 for a description of accounting policy developments, including standards, interpretations and amendments applied in the reporting period.

19. ADDITIONAL INFORMATION

Additional information regarding the Company's financial statements and corporate documents is available on SEDAR+ at www.sedarplus.ca and on the Company's website at www.onenergyinc.com.

ONEnergy Inc.

SHAREHOLDER INFORMATION

Board of Directors

Chairman of the Board
Stephen J.J. Letwin
President & CEO, Mancal Corporation

Directors
Lawrence Silber
Partner, Kelly Santini LLP

Dr. Ivan Bos
President, Bos Veterinary Professional Corp.

Officers
Stephen J.J. Letwin
Chairman

Ray de Ocampo
Chief Financial Officer

Auditors
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Stock exchange listing
ONEnergy's shares are listed on NEX Board of the TSX Venture Exchange under the symbol OEG.H