FORM 5
QUARTERLY LISTING STATEMENT

Name of Listed Issuer: **Abound Energy Inc.** (the "**Issuer**").

Trading Symbol: **ABND**

This Quarterly Listing Statement must be posted on or before the day on which the Issuer's unaudited interim financial statements are to be filed under the *Securities* Act, or, if no interim statements are required to be filed for the quarter, within 60 days of the end of the Issuer's first, second and third fiscal quarters. This statement is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by the Exchange Policies. If material information became known and was reported during the preceding quarter to which this statement relates, management is encouraged to also make reference in this statement to the material information, the news release date and the posting date on the Exchange website.

General Instructions

(a) Prepare this Quarterly Listing Statement using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the following items must be in narrative form. When the answer to any item is negative or not applicable to the Issuer, state it in a sentence. The title to each item must precede the answer.

(b) The term "Issuer" includes the Listed Issuer and any of its subsidiaries.

(c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

There are three schedules which must be attached to this report as follows:

SCHEDULE A: FINANCIAL STATEMENTS

Financial statements are required as follows:

For the first, second and third financial quarters interim financial statements prepared in accordance with the requirements under Ontario securities law must be attached.

If the Issuer is exempt from filing certain interim financial statements, give the date of the exempting order.

SCHEDULE B: SUPPLEMENTARY INFORMATION

1. Related party transactions

All related party transactions have been disclosed in the Issuer's financial statements for the period ended June 30, 2026.

2. Summary of securities issued and options granted during the period.

All securities issued and/or convertible securities granted during the period have been disclosed in the Issuer's financial statements for the period ended June 30, 2026.

3. Summary of securities as at the end of the reporting period.

A summary of securities as at the end of the reporting period has been disclosed in the Issuer's financial statements for the period ended June 30, 2026.

4. List the names of the directors and officers, with an indication of the position(s) held, as at the date this report is signed and filed.

Name	**Position(s) Held**
Jason Birmingham	Interim President, Interim Chief Executive Officer and Director
Keith Morlock	Director and Chief Operating Officer
Michael L. Simpson	Director
Roy S. Jones	Director
Robert Schwetzke	Director
Swapan Kakumanu	Chief Financial Officer and Corporate Secretary

SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS

The MD&A for the period ended June 30, 2026 is attached.

Certificate of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Quarterly Listing Statement.

2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.

3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).

4. All of the information in this Form 5 Quarterly Listing Statement is true.

Dated **August 20, 2026**.

Jason Birmingham
Name of Director or Senior Officer

"Jason Birmingham"
Signature

Interim President and Interim CEO
Official Capacity

Issuer Details **Name of Issuer** Abound Energy Inc.	**For Quarter Ended** June 30, 2026	**Date of Report YY/MM/D** 26/08/20
Issuer Address Unit 108 – 3331 Viking Way		
City/Province/Postal Code Richmond, BC, V6V 1X7	**Issuer Fax No.** N/A	**Issuer Telephone No.** (604) 558-1408
Contact Name Jason Birmingham	**Contact Position** Interim President and Interim CEO	**Contact Telephone No.** N/A
Contact Email Address info@abound.energy	**Web Site Address** www.abound.energy	

Schedule A

Abound Energy Inc.

Condensed Interim Consolidated Financial Statements
For the Six Months Ended June 30, 2026 and 2025

(Unaudited - expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed interim consolidated financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements have been prepared by and are the responsibility of management.

The Company's independent auditor has not performed a review of these financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of condensed interim consolidated financial statements by an entity's auditor.

Abound Energy Inc.
Condensed Interim Consolidated Statements of Financial Position
As at June 30, 2026
(Unaudited - expressed in Canadian Dollars)

	Note	June 30, 2026	December 31, 2025 (audited)
		$	$
Assets			
Current Assets			
Cash	4	**183,416**	7,212
Prepaid and deposits		**66,764**	47,772
Amounts receivable	10	**264**	36,472
		250,444	91,456
Non-current Assets			
Equipment	5	**124,715**	267,410
Right of use assets	5	**135,635**	83,140
Total Assets		**510,794**	442,006
Liabilities			
Current Liabilities			
Accounts payable and accrued liabilities	10	**3,372,005**	2,921,209
Deferred revenue	6	**-**	8,500
Lease liability – short term	7	**65,927**	108,095
Loans payable	8,10	**522,694**	65,370
		3,960,626	3,103,174
Non-Current Liabilities			
Lease liability – long term	7	**69,708**	-
		69,708	-
Total Liabilities		**4,030,334**	3,103,174
Shareholders' Deficiency			
Share capital	9	**46,764,355**	46,764,355
Contributed surplus	9	**9,196,521**	9,196,521
Deficit		**(59,480,416)**	(58,622,044)
		(3,519,540)	(2,661,168)
Total Liabilities and Shareholders' Deficiency		**510,794**	442,006

Nature of operations and continuance of business (Note 1)
Contingency (note 16)
Subsequent events (note 17)

Approved and authorized by the Board on August 19, 2026

"Mike Simpson" Director — Mike Simpson

"Jason Birmingham" Director — Jason Birmingham

The accompanying notes are an integral part of these condensed interim consolidated financial statements

Abound Energy Inc.
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
For the Six Months Ended June 30, 2026
(Unaudited - expressed in Canadian Dollars)

For the six months ended June 30,	Note	2026	2025
		$	$
Revenue			
Sale of goods		**46,133**	-
Provision of services		**-**	2,500
Total Revenue		**46,133**	2,500
Expenses			
Amortization	5	**225,811**	269,162
General and administrative		**38,912**	19,724
Interest		**16,702**	28,190
Filing and listing fees		**21,137**	11,455
Management and consulting fees	10	**427,220**	408,714
Marketing		**550**	2,462
Professional fees		**30,536**	30,600
Research and development	14	**68,310**	140,121
Rent		**73,695**	50,334
Share-based compensation	9,10	**-**	106,115
Travel		**2,876**	-
		905,749	1,066,877
Loss before other items		**(859,616)**	(1,064,377)
Other items:			
Gain on disposal of asset		**1,244**	-
Interest income	4	**-**	2,949
		1,244	2,949
Net and comprehensive loss		**(858,372)**	(1,061,428)
Basic and diluted loss per share		**(0.05)**	(0.09)
Weighted average shares outstanding		**17,426,251**	12,116,157

Abound Energy Inc.
Condensed Interim Consolidated Statements of Changes in Equity
As at June 30, 2026
(Unaudited - expressed in Canadian Dollars)

	Common shares	Share Capital	Contributed Surplus	Deficit	Total
	#	$	$	$	$
Balance, December 31, 2024	**12,108,601**	**46,125,042**	**8,902,881**	**(56,811,332)**	**(1,783,409)**
Shares issued pursuant to:					
Private placement	1,840,317	221,188	192,883	-	414,071
Debt settlement	3,467,333	520,100	-	-	520,100
Warrants exercised	10,000	3,000	-	-	3,000
Share-based compensation	-	-	106,115	-	106,115
Net loss for the period	-	-	-	(1,061,428)	(1,061,428)
Balance, June 30, 2025	**17,426,251**	**46,869,330**	**9,201,879**	**(57,872,760)**	**(1,801,551)**
Shares issued pursuant to:					
Private placement share issue costs	-	(955)	-	-	(955)
Gain on debt settlement	-	(104,020)	-	-	(104,020)
Share-based compensation	-	-	(5,358)	-	(5,358)
Net loss for the period	-	-	-	(749,284)	(749,284)
Balance, December 31, 2025	**17,426,251**	**46,764,355**	**9,196,521**	**(58,622,044)**	**(2,661,168)**
Shares issued pursuant to:					
Net loss for the period	-	-	-	(858,372)	(858,372)
Balance, June 30, 2026	**17,426,251**	**46,764,355**	**9,196,521**	**(59,480,416)**	**(3,519,540)**

Abound Energy Inc.
Condensed Interim Consolidated Statements of Cash Flows
For the Six Months Ended June 30
(Unaudited - expressed in Canadian Dollars)

For the six months ending June 30:	**2026**	2025
	$	$
Cash provided by (used in):		
Operating activities		
Net loss for the period	**(858,372)**	(1,061,428)
Items not affecting cash:		
Amortization	**225,811**	269,162
Disposal of asset	**(1,244)**	-
Share-based compensation	**-**	106,115
Changes in non-cash working capital items:		
Prepaid expense	**(18,992)**	(477)
Deferred income	**(8,500)**	-
Amounts receivable	**36,208**	14,627
Accounts payable and accrued liabilities	**457,048**	308,105
Net cash used in operating activities	**(168,041)**	(363,896)
Investing activity		
Change in restricted cash	**-**	100,000
Sale of equipment	**1,268**	-
Net cash provided by investing activity	**1,268**	100,000
Financing activities		
Private placement	**-**	414,071
Proceeds from issuance of loans payable	**451,072**	-
Lease payments	**(108,095)**	(97,850)
Warrant exercise	**-**	3,000
Net cash from financing activities	**342,977**	319,221
Change in cash for the period	**176,204**	55,325
Cash, beginning of period	**7,212**	3,372
Cash, end of period	**183,416**	58,697
Supplemental information		
Interest received	**-**	2,949
Taxes paid	**-**	-

See notes 4 and 15 for additional information.

1. NATURE OF OPERATIONS AND CONTINUANCE OF BUSINESS

Abound Energy Inc. (“Abound” or the “Company”) was incorporated on December 8, 2011, in Canada under the legislation of the Province of British Columbia. Abound’s head office is located at Unit 108 – 3331 Viking Way, Richmond, BC, V6V 1X7, Canada. Abound is a development-stage company and in the process of developing zinc-air batteries. The Company’s shares trade on the Canadian Stock Exchange (“CSE”) under the symbol “ABND”.

At the date of the statements, the Company has not yet realized profitable operations and it has relied on non-operational sources of financing to fund operations. The ability of the Company to achieve its objectives, meet its ongoing obligations and recover its investment in its technology and assets will depend on management’s ability to successfully execute its business plan, achieve profitable operations and obtain additional financing, if or when required. There is no assurance that these initiatives will be successful.

These 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 and to meet its liabilities as they become due. For the six months ended June 30, 2026, the Company had a net loss of $858,372 (2025 - $1,061,428) and at June 30, 2026 had an accumulated deficit of $59,480,416 (December 31, 2025 - $58,622,044) and expects to incur further losses in the development of its business, and does not have sufficient working capital to meet its anticipated expenditures for the next twelve months, all of which casts significant doubt about the Company’s ability to continue as a going concern. The continued operations of the Company are dependent on its ability to generate future cash flow or obtain additional financing and there is no assurance of either being achieved. Management is attempting to obtain external financing to meet the Company’s liabilities and commitments as they become due, although there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These condensed interim consolidated financial statements do not reflect any adjustments to the carrying values of assets and liabilities, the reported expenses, and the balance sheet classifications used that may be necessary if the Company is unable to continue as a going concern. Such adjustments could be material. Management monitors recent developments in relation to global tariffs and does not anticipate any material impacts to the financial position of the Company.

During the period ended June 30, 2026, the Company underwent a share consolidation at a 3-1 ratio. All references to share, per share amounts, warrants, DSU’s, RSU’s and stock options in these condensed interim consolidated financial statements have been retroactively restated to reflect the consolidation.

2. SIGNIFICANT ACCOUNTING POLICIES

These condensed interim consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) applicable to the presentation of interim financial statements, including IAS 34 Interim Financial Reporting. The condensed interim consolidated financial statements should be read in conjunction with the annual financial statements for the year ended December 31, 2025, which have been prepared in accordance with IFRS as issued by the IASB.

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

(Unaudited - expressed in Canadian Dollars)

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

There have been no changes to the critical accounting estimates and judgements. Refer to the Company's annual consolidated financial statements and notes for the year ended December 31, 2025.

4. CASH AND CASH EQUIVALENTS

		June 30, 2026		December 31, 2025
Cash held in banks	$	**183,416**	$	7,212

The Company had a letter of credit, acquired at the request of a former office premises lessor, that bore interest at the lender's prime rate of interest plus 3.48% per annum and was secured by a $70,000 term deposit. The Company was able to borrow up to $70,000 under this credit facility. During the year ended December 31, 2025, the company cancelled the letter of credit. Upon the cancellation of the letter of credit, the company received $1,953 interest from the GIC used as security. In addition, the Company had a $30,000 restricted as security for its credit cards, which was redeemed during the year ended December 31, 2025, yielding $995 in interest income.

5. EQUIPMENT

	Lab Equipment $	Equipment $	Right of use asset $	Leasehold improvements $	Software $	Total $
Cost:						
Balance, December 31, 2024	**1,322,750**	**293,982**	**869,079**	**399,653**	**165,809**	**3,051,273**
Disposals	(336,753)	(192,137)	(76,126)	-	(31,085)	(636,101)
Impairment	(21,955)	-	-	-	-	(21,955)
Balance, December 31, 2025	**964,042**	**101,845**	**792,953**	**399,653**	**134,724**	**2,393,217**
Additions	-	-	135,635	-	-	135,635
Disposal	-	(5,012)	-	-	-	(5,012)
Balance, June 30, 2026	**964,042**	**96,833**	**928,588**	**399,653**	**134,724**	**2,523,840**
Accumulated Depreciation:						
Balance, December 31, 2024	**816,269**	**248,773**	**603,342**	**262,729**	**165,809**	**2,096,922**
Amortization	224,499	27,788	175,654	81,761	-	509,702
Disposal	(286,753)	(176,936)	(69,183)	-	(31,085)	(563,957)
Balance, December 31, 2025	**754,015**	**99,625**	**709,813**	**344,490**	**134,724**	**2,042,667**
Disposal	**-**	**(4,988)**	**-**	**-**	**-**	**(4,988)**
Amortization	**85,841**	**1,667**	**83,140**	**55,163**	**-**	**225,811**
Balance, June 30, 2026	**839,856**	**96,304**	**792,953**	**399,653**	**134,724**	**2,263,490**
Net Book Value:						
December 31, 2025	**210,027**	**2,220**	**83,140**	**55,163**	**-**	**350,550**
June 30, 2026	**124,186**	**529**	**135,635**	**-**	**-**	**260,350**

(Unaudited - expressed in Canadian Dollars)

6. DEFERRED REVENUE

At times, the Company may take payment in advance for services to be rendered. These amounts are held and recognized as revenue as the services are rendered.

	$
Opening balance December 31, 2024	**-**
Unearned revenues received	8,500
Balance December 31, 2025	**8,500**
Revenue recognized	(8,500)
Balance June 30, 2026	-

7. LEASE LIABILITY

The Company has entered into leases for office space and certain pieces of office equipment. The initial office lease was entered into on June 1, 2020, and during the year ended December 31, 2022, the Company renewed the lease for an additional two-year term, which expired on May 31, 2024, with monthly payments of $15,873. The Company also entered into leases for an office copier with the lease terms commencing on April 1, 2020. The copier has a 60-month term with monthly payment of $107.

During the year ended December 31, 2021, the Company entered into additional leases for office space and office equipment, the leases range from 24 to 60 months with monthly payments between $138 and $16,500 per month.

During the period ended June 30, 2026, the Company entered into a new lease for office space, replacing the previous lease which expires on July 10, 2026. The lease has a 24 month term with a monthly payment of $5,880 and expires on June 30, 2028. The present value of the minimum lease payments for the new lease was calculated using an interest rate of 4.45% stated n the lease agreement.

The Company recognized its right-of-use assets and lease liabilities for these leases based on the present value of the minimum lease payments. The present value of minimum lease payments for the copier was calculated using the interest rate implicit in the lease and the present value of minimum lease payments for the old office lease and lab equipment were calculated using the incremental borrowing rate of 8%.

During the six months ended June 30, 2026, the Company recognized an interest expense on lease liabilities of $2,464 (2025 - $10,611.)

The Company's future minimum lease payments as at June 30, 2026, and December 31, 2025, are as follows:

	June 30, 2026 $	December 31, 2025 $
Less than 1 year	**64,680**	110,559
1 to 5 years	**77,350**	-
Total minimum lease payments	**142,030**	110,559
Less: imputed interest	**(6,395)**	(2,464)
Total lease obligation	**135,635**	108,095
Current portion of lease obligations	**65,927**	108,095
Non-current portion of lease obligations	**69,708**	-

(Unaudited - expressed in Canadian Dollars)

7. LEASE LIABILITY (CONT'D)

Lease obligations	$
At December 31, 2024	**312,493**
Payments	(204,398)
At December 31, 2025	**108,095**
Additions	**135,635**
Payments	**(108,095)**
At June 30, 2026	**135,635**

8. LOANS PAYABLE

During the year ended December 31, 2023, the Company received a loan from an individual who became a director subsequent to receiving the loan, for $50,000 (note 10.) The loan is unsecured and bears interest at 15% per annum.

During the period ending June 30, 2026, the Company received a loan from an individual for $324,360 (€200,000.) The loan is unsecured payable upon demand, and bears interest at 15% per annum.

During the period ended June 30, 2026, the Company converted $176,712 of debt from a vendor into a loan. The loan is unsecured, bears interest at 4.45% per annum, with an initial payment of $50,000, and monthly payments of $5,548.

During the six months ended June 30, 2026, the Company recorded $6,251 (June 30, 2025 - $3,719) in interest expense related to the loans.

9. SHARE CAPITAL

a) Authorized

Unlimited number of common shares without par value.
Unlimited number of preferred shares without par value.

During the period ended June 30, 2026, the Company underwent a share consolidation at a 3-1 ratio. All references to share, per share amounts, warrants, DSU's, RSU's and stock options in these condensed interim consolidated financial statements have been retroactively restated to reflect the consolidation.

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 consisting of one common share and one share purchase warrant ("Unit") in 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 placement.
- 3,467,333 common shares to settle debts of $520,100 for 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.

(Unaudited - expressed in Canadian Dollars)

9. SHARE CAPITAL (CONT'D)

b) Options

The Company has adopted a Stock Option Plan, which is a rolling stock option plan, under which, options may be granted equal in number up to 10% of the issued and outstanding capital of the Company at the time of grant of the stock option. No single participant may be granted options to purchase a number of Company shares equaling more than 5% of the issued shares of the Company in any 12-month period. The Board of Directors may determine the term of the options, but the term shall, in no event, be greater than five years from the date of issuance. Terms of vesting of the options, eligibility of directors, officers, employees, and consultants to receive options and the number of options issued to each participant shall be determined at the discretion of the Board of Directors.

The balance of options outstanding as at June 30, 2026, and December 31, 2025, and the changes for the periods then ended is as follows:

	Number of Options #	Weighted Average Exercise Price $	Weighted Average Life Remaining (years)
Balance, December 31, 2024	**1,061,671**	**1.74**	**4.01**
Issued	930,832	0.15	-
Expired	(10,500)	9.60	-
Settled	(831,000)	0.93	-
Balance, December 31, 2025	**1,151,003**	**0.96**	**4.14**
Expired	(48,171)	18.60	-
Balance, June 30, 2026	**1,102,832**	**0.18**	**3.81**

During the year ended December 31, 2025, the Company and certain option holders agreed to settle 2,493,000 options for no consideration. The options were originally issued on January 30, 2024, had an exercise price of $0.31 and expired on January 30, 2029.

During the year ended December 31, 2025, the Company granted a total of 930,832 stock options to directors and consultants, all of which vested immediately. The options expire on June 30, 2030, with a fair value of $106,115, determined using the Black-Scholes Option Pricing Model with following assumptions: a risk-free rate of 3.09%, expected volatility of 185%, an expected life of 5 years, and no forfeiture or dividend rates.

During the six months ended June 30, 2026, the Company recorded share-based compensation expense related to stock options of $nil (2025 - $106,115).

As at June 30, 2026 the following options were outstanding:

Expiry Date	Exercise Price $	Options #
July 9, 2029	0.30	219,000
June 30, 2030	0.15	883,832
		1,102,832

(Unaudited - expressed in Canadian Dollars)

9. SHARE CAPITAL (CONT'D)

c) Warrants

The balance of warrants outstanding as at June 30, 2026, and December 31, 2025, and the changes during the respective periods are as follows:

	Number of Warrants #	Weighted Average Exercise Price $	Weighted Average Life Remaining (years)
Balance, December 31, 2024	5,602,736	0.42	0.77
Issued	1,840,311	0.90	-
Exercised	(10,000)	0.30	-
Expired	(3,475,033)	0.30	-
Balance, December 31, 2025	3,958,014	0.74	1.01
Balance June 30, 2026	**3,958,014**	**0.74**	**0.51**

As at June 30, 2026, the following share purchase warrants were outstanding and exercisable:

Expiry Date	Number Outstanding	Exercise Price $
July 9, 2026	1,239,272	0.60
September 16, 2026	878,431	0.60
June 30, 2027	1,840,311	0.90
	3,958,014	

During the year ended December 31, 2025, management extended the expiry date on the warrants originally set to expire on July 9, 2025 and September 16, 2025 by twelve months.

During the year ended December 31, 2025, the Company issued 1,840,311 warrants as part of a private placement. Each warrant is exercisable for two years from the issuance date with an exercise price of $0.125 for the first year and $0.30 for the second year and were valued at $192,883 using the relative fair value method.

d) Restricted Share Units ("RSU")

During the year ended December 31, 2021, the Company approved a RSU Plan under which RSUs may be granted, equal in number, up to 10% of the issued and outstanding common shares of the Company to directors, employees and consultants in lieu of cash compensation for services rendered.

The balance of RSUs outstanding as at June 30, 2026, and December 31, 2025, and the changes for the periods then ended is as follows:

	Number of RSU #
Balance, December 31, 2024	**4,902**
Balance, December 31, 2025	**4,902**
Balance, June 30, 2026	**4,902**
Exercisable at June 30, 2026	**4,902**

(Unaudited - expressed in Canadian Dollars)

9. SHARE CAPITAL (CONT'D)

e) Deferred Share Units ("DSU")

During the year ended December 31, 2022, the Company adopted a DSU plan as an alternative form of compensation for directors and officers of the Company. Each DSU is comprised of one notional common share that entitles the participant, on termination of services, to receive, at the discretion of the Company, common shares of the Company up to the number of DSUs held or the cash equivalent. In the event the Company decides to settle all or a portion of the DSUs outstanding in cash, the total DSUs owing will be multiplied by the fair market value of one common share of the Company. The fair market value will be determined as the VWAP of the Company's common shares on the valuation date.

As the DSU can be settled in cash or shares, at the discretion of the Company, the value associated with each DSU grant is recorded as a liability and fair valued at each reporting period.

	Number of DSU **#**
Balance, December 31, 2024	**21,540**
Expired	(21,540)
Balance December 31, 2025	**-**
Balance June 30, 2026	**-**

10. RELATED PARTY DISCLOSURES

Key management includes the CEO, COO, CFO, 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 loan from an individual who became a director subsequent to the year-end for $50,000 (note 8.) 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 of December 31, 2024, the Company had provided a loan of $30,000 to one of its directors, which was recorded as part of the amounts receivable. The amount owing was unsecured, non-interest bearing and due upon 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.

11. FINANCIAL INSTRUMENTS

(a) Fair values

The Company has classified fair value measurements of its financial instruments using a fair value hierarchy that reflects the significance of 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: Valuations 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: Valuations 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, restricted cash, amounts receivable, accounts payable and accrued liabilities, and loans payable approximate their carrying value due to the short-term maturity of these instruments. Lease liabilities are measured at amortized costs using effective interest rate. Cash, and restricted cash are carried at level 1 fair value measurement.

(b) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs. As at June 30, 2026 the Company had a working capital deficit of $3,710,182 (December 31, 2025 $3,011,718.)

(c) 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 largely held in large Canadian financial institutions. The Company does not have any asset-backed commercial paper. The Company's receivables mainly consist of the GST receivable due from the Federal Government of Canada. The Company maintains cash deposits with Schedule A financial institutions, which from time to time may exceed federally insured limits. The Company has not experienced any significant credit losses and believes it is not exposed to any significant credit risk.

(d) Interest rate risk

Interest rate risk is the risk 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 hold any financial liabilities with variable interest rates. The Company does maintain bank accounts which earn interest at variable rates but it does not believe it is currently subject to any significant interest rate risk.

(e) Foreign currency exchange rate risk

The Company's functional and reporting currency is the Canadian dollar and major purchases are transacted in Canadian dollars. The only significant exposure the Company has to foreign currency risk is related to the loan payable in European Euros (note 8.) As a result, the Company believes its exposure to foreign currency risk is minimal.

12. CAPITAL MANAGEMENT

The Company's objective when managing capital is to maintain adequate cash resources to support planned activities which include administrative costs and general expenditures. In the management of capital, the Company includes cash, lease liabilities and the components of shareholders' equity. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. Historically, funding for the Company's plan is primarily managed through the issuance of additional common shares, through its commercial activities and through obtaining financing. There are no assurances that funds will be made available to the Company when required.

In order to carry out the planned development and pay for administrative costs, the Company will spend its existing working capital and expects to raise additional amounts as needed. The Company will continue to assess new business and seek to acquire an interest in additional business if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

The Company invests all capital that is surplus to its immediate operational needs in short-term, liquid and highly rated financial instruments, such as cash, and all are held in major Canadian financial institutions. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the period ended June 30, 2026. The Company is not subject to externally imposed capital requirements.

13. COOPERATION AGREEMENT

The Company entered into a Cooperation agreement (the "Agreement") dated December 24, 2019, with The Power Authority of the State of New York (the "Authority") for the installation of a 100kW/1MWh Zinc-Air Battery Energy Storage System in New York State.

Under the Agreement with the Authority, the Authority agreed to collaborate with the Company and contribute to a research and development project through its participation in aspects of design and fabrication of a zinc air energy storage system, then demonstration of the system and the Company agreed to collaborate with the Authority to pursue the research and development project.

The Agreement is valid for an initial period of 10 years with automatic renewals of one year periods each unless either party provides written notification to the other. The Authority, within its sole discretion and for any reason, may terminate this Agreement at any time upon 30 days' notice to the Company. Upon such termination, the parties will conduct a final payment schedule, which will include any and all final payments due to each side.

In May 2020, the Company and the Authority reached a mutual agreement to delay the timeline of the project due to COVID-19 restrictions. As such, the Company did not receive any payments after the First Contribution. A revised project timeline is pending further information. During the period ended June 30, 2026, the Company and the Authority continued discussions around a revised timeline

The Authority agreed to contribute the monetary contributions to the Company at the following dates but not before actual qualified expenses and the Company's project expenses have equaled or exceeded the minimum required expenditures as follows:

(Unaudited - expressed in Canadian Dollars)

13. COOPERATION AGREEMENT (CONT'D)

1) First Contribution - $835,000 USD to be received by January 26, 2020 ($1,109,632 CAD received in 2020).

2) Second Contribution - $0, USD to be received after June 27, 2020, and after meeting the following expenditure requirements:
   (i) Minimum Required Qualified Expenses: $355,000 USD
   (ii) Minimum Required the Company's Project Expenses: $0

3) Third Contribution - $0, USD to be received after December 27, 2020, and after meeting the following expenditure requirements:
   (i) Minimum Required Qualified Expenses: $835,000 USD
   (ii) Minimum Required the Company's Project Expenses: 80% of $2,950,000 USD

4) Fourth Contribution - $160,000 USD, to be paid after June 27, 2021, and after meeting the following expenditure requirements:
   (i) Minimum Required Qualified Expenses: $995,000 USD
   (ii) Minimum Required the Company's Project Expenses: 80% of $4,100,000 USD

5) Fifth Contribution - $380,000 USD, to be paid after December 27, 2021, and after meeting the following expenditure requirements:
   (i) Minimum Required Qualified Expenses: $1,375,000 USD
   (ii) Required the Company's Project Expenses: 80% of $5,400,000 USD

6) Sixth Contribution - $20,000 USD, to be paid after June 27, 2022, and after meeting the following expenditure requirements:
   (i) Minimum Required Qualified Expenses: $1,395,000 USD
   (ii) Minimum Required the Company's Project Expenses: 80% of $6,450,000 USD

7) Final Contribution – $155,000 will be paid after meeting the following expenditure requirements:
   (i) Minimum Required Qualified Expenses: $1,550,000 USD
   (ii) Minimum Required the Company's Project Expenses: 80% of $6,450,000 USD

14. GOVERNMENT ASSISTANCE

The Company receives funding for its research and development activities through various programs. During the six months ended June 30, 2026, and 2025, the following amounts were received:

	2026 **$**	**2025** **$**
(a) NRC-IRAP Funding	**-**	12,653
Total received	**-**	12,653
Less: credit against research and development expense	**-**	(12,653)
	-	-

14. GOVERNMENT ASSISTANCE (CONT'D)

(a) During the year ended December 31, 2022, the Company entered into contribution agreements with the National Research Council of Canada's Industrial Research Assistance Program ("NRC-IRAP") which provides the Company with contributions of up to $655,000 for specific research and development projects undertaken during the year. Under the terms of the agreements, NRC-IRAP will reimburse the Company for 80% of salaries paid to Company employees involved in the project. During the six months ended June 30, 2026, the Company received $nil (2025 – $12,653) in connection with the NRC-IRAP grants. NRC-IRAP reserves the right to claim back all or part of the grant plus interest from the Company under certain circumstances. No repayment has been requested for and no contingent liability has been accrued as of June 30, 2026.

15. SUPPLEMENTAL CASH FLOW

During the six months ended June 30, 2026, and 2025, the following non-cash activities were conducted by the Company:

(a) Shares issued to settle debts of $nil (June 30, 2025 $520,100)

16. CONTINGENCY

On June 10, 2022, OCI Inc. ("OCI") filed a claim against the Company for unpaid invoices of $361,000 relating to a strategic advisory services agreement. The Company's position is that it did not receive any of the services mentioned in the advisory agreement. As at June 30, 2026, the Company had $135,600 in accounts payable and accrued liabilities owing to OCI.

17. SUBSEQUENT EVENTS

Subsequent to June 30, 2026 the Company:

- On July 6, 2026, the Company issued 4,375,000 common shares to settle $350,000 of debt for various consulting agreements.
- On July 31, 2026, the Company issued 3,741,087 common shares in a private placement at a price of $0.08 per share, for gross proceeds of $299,287.
- On July 31, 2026, the Company issued 5,000,000 common shares for the exclusive licensing and commercialization rights of H2Si Power Incorporated's on demand hydrogen production technology. 1,000,000 shares were issued upon closing and 4,000,000 shares will be held in escrow and released only after a commercial unit utilizing H2Si technology, capable of producing up to 1,600 kilograms of hydrogen per day, has been commissioned and operated for 30 consecutive days.

Schedule C

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.