



Consolidated Financial Statements

Eleven months ended July 31, 2025 and year ended August 31, 2024

Expressed in Canadian Dollars

Independent Auditor's Report

To the Shareholders of Marvel Discovery Corp.

Opinion

We have audited the consolidated financial statements of Marvel Discovery Corp. (the "Group"), which comprise the consolidated statements of financial position as at July 31, 2025 and August 31, 2024 and the consolidated statements of operations and comprehensive loss, changes in shareholders' equity (deficit) and cash flows for the periods then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at July 31, 2025 and August 31, 2024, and its consolidated financial performance and its consolidated cash flows for the periods then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the consolidated financial statements which describes the material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Other than the matter described in the Material Uncertainty Related to Going Concern section, we have determined there are no key audit matters to be communicated in our report.

Other Information

Management is responsible for the other information. The other information comprises:

- Management's Discussion and Analysis

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the other information prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our

opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Hilda Leung.



Chartered Professional Accountants
Vancouver, Canada
November 27, 2025

MARVEL DISCOVERY CORP.

Consolidated Statements of Financial Position

As at July 31, 2025 and August 31, 2024

(Expressed in Canadian dollars)

	July 31, 2025	August 31, 2024
ASSETS		
Current		
Cash	\$ 614	\$ 80,888
Amount receivable	403	403
Due from related parties (Note 9)	-	80,517
Prepaid expenses and deposits (Note 9)	5,988	64,164
	7,005	225,972
Due from related parties (Note 9)	19,700	-
Investments (Note 12)	75,000	200,000
Investment in associate (Note 13)	147,500	429,739
Exploration and evaluation assets (Note 5)	-	1,935,913
	\$ 249,205	\$ 2,791,624
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Notes 6 and 9)	\$ 1,757,841	\$ 1,272,258
Due to related parties (Note 9)	16,256	7,645
Flow-through premium	-	103,000
	1,774,097	1,382,903
SHAREHOLDERS' EQUITY (DEFICIT)		
Share capital (Note 8)	19,502,523	19,507,523
Share subscription receivable (Note 8)	-	(78,400)
Reserves (Note 8)	2,077,088	2,059,974
Deficit	(23,104,503)	(20,080,376)
	(1,524,892)	1,408,721
	\$ 249,205	\$ 2,791,624

Nature and continuance of operations (Note 1)

Contingency (Note 7)

Subsequent events (Notes 5 and 8)

Approved and authorized for issuance on behalf of the Board of Directors on November 27, 2025:

/s/ Karim Rayani

/s/ Fraser Rieche

Karim Rayani

Fraser Rieche

MARVEL DISCOVERY CORP.

Consolidated Statements of Operations and Comprehensive Loss

For the eleven month period ended July 31, 2025 and year ended August 31, 2024

(Expressed in Canadian dollars)

	Eleven months ended July 31, 2025	Year ended August 31, 2024
Administrative expenses		
Bank and interest charges	\$ 9,650	\$ 15,821
Consulting fees (Note 9)	13,000	122,526
Filing and transfer agent fees	34,241	32,353
Management fees (Note 9)	165,000	180,000
Moving expenses (Note 9)	-	43,500
Office and miscellaneous	688	16,231
Part XII.6 tax	108,486	19,245
Professional fees (Note 9)	86,539	116,220
Property investigation cost	5,714	-
Rent (Note 9)	28,600	30,000
Share-based payments (Notes 8 and 9)	17,114	311,628
Shareholder communications	395	93,648
Travel and promotion	-	5,799
Total expenses	469,427	986,971
Loss before other items:	(469,427)	(986,971)
Other items:		
Unrealized loss on fair value of investments (Note 12)	(125,000)	(283,547)
Write-off accounts payable	325,452	-
Other income	-	85,272
Other expense (Note 7)	-	(9,500)
Provision for indemnification of flow-through subscribers (Note 14)	(537,000)	-
Share of loss of investee and impairment of investment (Note 13)	(282,239)	(144,089)
Bad debts	-	(27,452)
Option proceeds in excess of carrying value (Note 5)	-	73,318
Interest Income	-	4,777
Write-off of exploration and evaluation assets (Note 5)	(1,935,913)	(2,891,248)
Total other items	(2,554,700)	(3,192,469)
Net loss and comprehensive loss for the period	\$ (3,024,127)	\$ (4,179,440)
Basic and diluted loss per share	\$ (0.02)	\$ (0.03)
Weighted average number of common shares outstanding	149,716,120	137,569,871

MARVEL DISCOVERY CORP.

Consolidated Statements of Changes in Shareholders' Equity (Deficit)

For the eleven month period ended July 31, 2025 and year ended August 31, 2024

(Expressed in Canadian dollars)

	Number of shares	Share Capital	Share subscription advance/ receivable	Option reserves	Warrant reserves	Deficit	Total Shareholders' Equity (Deficit)
Balance, August 31, 2023	124,838,564	\$ 18,668,438	\$ (78,400)	\$ 1,327,393	\$ 385,429	\$ (15,900,936)	\$ 4,401,924
Shares issued pursuant to options exercised	100,000	7,970	-	(2,970)	-	-	5,000
Private placement	22,441,667	951,000	-	-	-	-	951,000
Flow-through premium	-	(60,000)	-	-	-	-	(60,000)
Share issue cost	-	(89,885)	-	-	30,385	-	(59,500)
Shares issued to acquire exploration and evaluation assets	1,000,000	30,000	-	-	8,109	-	38,109
Share-based payments	-	-	-	311,628	-	-	311,628
Net loss for the year	-	-	-	-	-	(4,179,440)	(4,179,440)
Balance, August 31, 2024	148,380,231	19,507,523	(78,400)	1,636,051	423,923	(20,080,376)	1,408,721
Share subscription cancelled	(1,386,957)	(75,000)	78,400	-	-	-	3,400
Private placement	4,666,667	70,000	-	-	-	-	70,000
Share-based payments	-	-	-	17,114	-	-	17,114
Net loss for the period	-	-	-	-	-	(3,024,127)	(3,024,127)
Balance, July 31, 2025	151,659,941	\$ 19,502,523	\$ -	\$ 1,653,165	\$ 423,923	\$ (23,104,503)	\$ (1,524,892)

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

MARVEL DISCOVERY CORP.

Consolidated Statements of Cash Flows

For the eleven month period ended July 31, 2025 and year ended August 31, 2024

(Expressed in Canadian dollars)

	Eleven months ended July 31, 2025	Year ended August 31, 2024
Operating Activities		
Net loss for the period	\$ (3,024,127)	\$ (4,179,440)
Items not affecting cash:		
Unrealized loss on fair value of investments	125,000	283,547
Share of loss of investee	282,239	144,089
Other income	-	(85,272)
Share-based payments	17,114	311,628
Cancellation of shares	400	-
Write-off of exploration and evaluation assets	1,935,913	2,891,248
Options proceeds in excess of carrying value	-	(73,318)
Bad debts	-	27,452
De-recognition of flow-through premium	(103,000)	-
Write off accounts payable	(325,452)	-
Changes in non-cash working capital items related to operations:		
Amount receivable	-	141,003
Prepaid expenses and deposits	58,176	(38,787)
Accounts payable and accrued liabilities	1,277,207	66,398
Cash used in operating activities	243,470	(511,452)
Investing Activities		
Repayment from (advances to) related parties	69,428	(69,657)
Exploration and evaluation assets, net of recovery	(463,172)	(630,167)
Cash used in investing activities	(393,744)	(699,824)
Financing Activities		
Issuance of common shares, net of share issue costs	70,000	896,500
Cash provided by financing activities	70,000	896,500
Change in cash during the period	(80,274)	(314,776)
Cash, beginning of period	80,888	395,664
Cash, end of the period	\$ 614	\$ 80,888

Supplemental disclosure – (Note 11)

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

MARVEL DISCOVERY CORP.

Notes to the Consolidated Financial Statements

For the eleven month period ended July 31, 2025 and year ended August 31, 2024

(Expressed in Canadian dollars)

1. Nature and continuance of operations

Marvel Discovery Corp. (formerly International Montoro Resources Inc.) (the “Company” or “Marvel”) was incorporated on January 30, 1987 under the laws of the Province of British Columbia, Canada, and its principal activity is the acquisition and exploration of mineral properties in Canada. The Company changed its name on February 24, 2021. The Company’s shares are traded on the TSX Venture Exchange (“TSX-V”) under the symbol “MARV”.

The address of the Company and the registered office is 29th Floor, 595 Burrard Street, Vancouver, British Columbia V7X 1J5. The address of the records office is 200-3310 South Service Road, Burlington, Ontario L7N 3M6.

The Company has changed its year end to July 31 and these consolidated financial statements reflect its operations for the eleven-month period ended July 31, 2025 with comparative figures for the twelve-month year ended August 31, 2024.

The Company is in the business of exploring its mineral exploration assets and has not yet determined whether these properties contain ore reserves that are economically recoverable. At July 31, 2025, the Company was in the exploration stage and had interests in properties in Canada.

These consolidated financial statements have been prepared on a going concern basis, which presumes the realization of assets and discharge of liabilities in the normal course of business for the foreseeable future. The ability of the Company to continue as a going concern are dependent upon the ability of the Company to obtain necessary financing to acquire new mineral interests and complete the development, and upon future profitable production or proceeds from the disposition thereof. There is significant uncertainty regarding the outcome of these matters. The Company has sustained losses from operations. As at July 31, 2025, the Company had a working capital deficiency of \$1,767,092 (August 31, 2024 – \$1,156,931) and accumulated deficit of \$23,104,503 (August 31, 2024 - \$20,080,376). Based on its current plans, budgeted expenditures, and cash requirements, the Company does not have sufficient cash to finance its current plans. The Company expects that it will need to raise substantial additional capital to accomplish its business plan over the next several years. The Company expects to seek additional financing through equity financing. There can be no assurance as to the availability or terms upon which such financing might be available.

The Company’s business may be affected by changes in political and market conditions, such as interest rates, availability of credit, inflation rates, tariffs, changes in laws, and national and international circumstances. These factors may create further uncertainty and risk with respect to the prospects of the Company’s business.

These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern.

2. Basis of preparation

Statement of compliance

The consolidated financial statements of the Company have been prepared in accordance with IFRS Accounting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

The consolidated financial statements were reviewed by the Board of Directors and approved on November 27, 2025.

Basis of preparation

The consolidated financial statements of the Company have been prepared on an accrual basis and are based on historical costs, except for financial instruments classified as fair value through profit or loss, which are stated at their fair value. The consolidated financial statements are presented in Canadian dollars, which is the Company’s functional currency, unless otherwise noted.

MARVEL DISCOVERY CORP.

Notes to the Consolidated Financial Statements

For the eleven month period ended July 31, 2025 and year ended August 31, 2024

(Expressed in Canadian dollars)

2. Material accounting policies

The accounting policies set out below have been applied consistently in the consolidated financial statements, unless otherwise indicated.

Basis of consolidation

These consolidated financial statements include the accounts of the Company and its subsidiaries. The results of the subsidiaries will continue to be included in the consolidated financial statements of the Company until the date that the Company's control over the respective subsidiaries cease. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated on consolidation.

Entity	Incorporation	Status	Functional Currency
New Marvel Gold Corp.	B.C., Canada	Inactive	CDN Dollar
New Marvel Energy Corp.	B.C., Canada	Inactive	CDN Dollar

New Marvel Gold Corp. was incorporated on July 19, 2021, and New Marvel Energy Corp. was incorporated on April 8, 2022. They are wholly owned subsidiaries of the Company since their respective incorporation date to July 31, 2025.

Exploration and evaluation assets

The Company is in the exploration stage in respect to its exploration and evaluation assets.

Pre-exploration costs are expensed in the year in which they are incurred.

Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation expenditures are recognized and capitalized, in addition to the acquisition costs. These direct expenditures include such costs as materials used, geological and geophysical evaluation, surveying costs, drilling costs, payments made to contractors and depreciation on property and equipment during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are expensed in the year in which they occur.

Where the Company has entered into option agreements for the acquisition of an interest in exploration and evaluation assets which provided for periodic payments, such amounts unpaid are not recorded as a liability when they are payable entirely at the Company's discretion. Although the Company has taken steps to verify title to the exploration and evaluation assets in which it has an interest, these procedures do not guarantee the Company's title. The exploration and evaluation assets may be subject to prior undetected agreements or transfers and title may be affected by such defects.

When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation expenditure costs, in excess of estimated recoveries, are written-off to profit or loss.

The Company assesses exploration and evaluation assets for indications of impairment at each reporting date.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as "mine development cost". Exploration and evaluation assets are tested for impairment before the assets are transferred to development properties.

MARVEL DISCOVERY CORP.

Notes to the Consolidated Financial Statements

For the eleven month period ended July 31, 2025 and year ended August 31, 2024

(Expressed in Canadian dollars)

3. Material accounting policies – (cont'd)***Exploration and evaluation assets – (cont'd)***

The Company enters into option-out arrangements, whereby the Company will transfer mineral property interests to an optionee upon the optionee making certain cash and/or share payments to the Company and/or incurs expenditures on the property to earn that interest. Any cash or other consideration received from the agreement is credited against the costs previously capitalized to exploration and evaluation assets, with any excess consideration recognized in the consolidated statements of operations.

Any incidental revenue earned in connection with exploration activities is applied as a reduction to capitalized exploration costs. Any operational income earned in connection with exploration activities is recognized in profit or loss.

Impairment of assets

The carrying amount of the Company's assets (which include exploration and evaluation assets) is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in profit or loss.

The recoverable amount of assets is the greater of an asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years.

Financial instruments***Financial Assets***

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVTPL"), the transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Subsequent measurement of financial assets depends on their classification. The classification depends on the Company's business model for managing the financial assets and contractual terms of the cash flows.

The Company's cash has been designated as FVTPL and amount receivable and due from related parties are measured at amortized cost. Investments are measured at FVTPL.

MARVEL DISCOVERY CORP.

Notes to the Consolidated Financial Statements

For the eleven month period ended July 31, 2025 and year ended August 31, 2024

(Expressed in Canadian dollars)

3. Material accounting policies – (cont'd)***Financial instruments – (cont'd)******Impairment of Financial Assets at Amortized Cost***

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses of the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Derecognition

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in operations.

Financial Liabilities

The Company classifies its financial liabilities into the following categories: financial liabilities at FVTPL and amortized cost.

Financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest rate method. The Company classifies its accounts payable and accrued liabilities and due to related parties as financial liabilities held at amortized cost.

Provisions***Rehabilitation Provision***

The Company is subject to various government laws and regulations relating to environmental disturbances caused by exploration and evaluation activities. The Company records the present value of the estimated costs of legal and constructive obligations required to restore the exploration sites in the year in which the obligation is incurred. The nature of the rehabilitation activities includes restoration, reclamation and re-vegetation of the affected exploration sites.

The rehabilitation provision generally arises when the environmental disturbance is subject to government laws and regulations. When the liability is recognized, the present value of the estimated costs is capitalized by increasing the carrying amount of the related exploration and evaluation assets. Over time, the discounted liability is increased for the changes in present value based on current market discount rates and liability specific risks.

Additional environment disturbances or changes in rehabilitation costs will be recognized as additions to the corresponding assets and rehabilitation liability in the year in which they occur.

Other Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

MARVEL DISCOVERY CORP.

Notes to the Consolidated Financial Statements

For the eleven month period ended July 31, 2025 and year ended August 31, 2024

(Expressed in Canadian dollars)

3. Material accounting policies – (cont'd)***Share capital***

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component. The fair value of the common shares issued in the private placements is determined to be the more easily measurable component and is valued at their fair value, as determined by the closing quoted bid price on the announcement date of the private placement. The balance, if any, is allocated to the attached warrants. Any fair value attributed to the warrants is recorded to warrant reserves. The value of warrants that expire or are forfeited stays in reserves.

Flow-through shares

The Company will, from time to time, issue flow-through shares to finance a significant portion of its exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On the issuance of a flow-through share, it is bifurcated into equity (share) and liability (flow-through) components on the issue date. The equity portion is measured at the market value and the residual is allocated as a liability. This is effectively the “premium” the investor attributes to a flow-through share versus an ordinary share. Upon qualifying expenditures being incurred, the Company derecognizes the liability and recognizes the premium as other income. The flow-through share program requires the Company to spend an amount equivalent to the proceeds of the issued flow-through common shares on Canadian qualifying exploration expenditures within the timeline specified by the Government of Canada flow-through regulations. If this deadline has passed, the Company would need to amend the tax forms for any unspent exploration expenditures renounced and the related flow-through premium will be reversed to share capital. The Company will be required to indemnify the flow-through shareholders for any tax and other costs payable by them if the required exploration expenditures are not incurred before the deadline. The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Government of Canada flow-through regulations. The related interest and penalties for the Part XII.6 tax and any potential costs to indemnify the shareholders is recorded in operations.

Share-based payments

The Company operates a stock option plan. Share-based payments to employees and directors are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to option reserves. The fair value of options is determined using a Black–Scholes pricing model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest. All equity-settled share-based payment is reflected in option reserves, until exercised. Upon exercise, shares are issued from treasury and the amount reflected in reserve is credited to share capital, adjusted for any consideration paid. No adjustment is made when options expire or are cancelled.

For restricted share units (“RSUs”), the fair value of the grant is determined by multiplying the Company’s share price at grant date by the number of RSUs granted. The resulting fair value of the RSUs is then adjusted for an estimated forfeiture rate which is determined based on historical data and is recognized over the vesting period. As the Company intends to settle the RSUs through equity settlement, the corresponding credit is recorded to reserves.

MARVEL DISCOVERY CORP.

Notes to the Consolidated Financial Statements

For the eleven month period ended July 31, 2025 and year ended August 31, 2024

(Expressed in Canadian dollars)

3. Material accounting policies – (cont'd)***Investment in associate***

An associate is an entity in which the Company has significant influence and which is neither a subsidiary nor a joint venture.

Associates are those entities in which the Company has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Company holds between 20 and 50 percent of the voting power of another entity. Investments in associates are accounted for using the equity method (equity accounted investees) and are recognized initially at cost or the fair value of any previously held ownership interest. The consolidated financial statements include the Company's share of the income and expenses and equity movements of equity accounted investees, after adjustments to align the accounting policies with those of the Company from the date that significant influence or joint control commences, until the date that significant influence or joint control ceases. Profits and losses resulting from transactions between the Company and the associate are eliminated to the extent of the interest in the associate. When the Company's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest, including any long-term investments, is reduced to nil, and the recognition of further losses is discontinued, except to the extent that the Company has obligation, or has made payments on behalf of the investee.

When there is objective evidence that its net investment in the associate is impaired, the carrying amount of the investment is reduced to its recoverable amount.

When the Company no longer exercises significant influence over an investee, it discontinues the equity method of accounting. The Company recognizes its proportionate share of income or loss in the investee until the date of loss of significant influence, and thereafter accounts for the investment at fair value through profit or loss. Any difference between the carrying value of the investment and its fair value on the date of loss of significant influence is recorded as a gain or loss in the consolidated statement of operations.

Marketable Securities

Investments are fair valued at the end of each reporting period. The fair value of the common shares of the publicly traded companies have been directly referenced to published price quotations in an active market. For public company warrants (i.e., the underlying security of which is traded on a recognized stock exchange), valuation models such as the Black-Scholes model are used when there are sufficient and reliable observable market inputs. These market inputs include risk-free interest rate, exercise price, market price at date of valuation, expected dividend yield, expected life of the instrument and expected volatility of the underlying security. To the extent that the market inputs are insufficient or unreliable, the warrants are valued at their intrinsic value, which is equal to the higher of the closing price of the underlying security less the exercise price of the warrant, or nil.

Recent accounting pronouncements and changes in accounting policies

At the date of the authorization of these consolidated financial statements, several new, but not effective Standards and amendments to existing Standards, and Interpretations have been published by the IASB. None of these Standards or amendments to existing Standards have been adopted early by the Company. Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New standards, amendments and interpretations not adopted in the current year have not been disclosed as they are not expected to have a material impact to the Company's financial statements.

MARVEL DISCOVERY CORP.

Notes to the Consolidated Financial Statements

For the eleven month period ended July 31, 2025 and year ended August 31, 2024

(Expressed in Canadian dollars)

3. Material accounting policies – (cont'd)***Accounting standards issued but not yet effective****Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures*

The amendments clarify the classification of financial assets with environmental, social and corporate governance and similar features and addresses concerns raised regarding the settlement of liabilities through electronic payment systems. The amendments are effective for annual periods beginning on or after January 1, 2026 with early adoption permitted. The amendments are not expected to have a material effect on the Company's consolidated financial statements.

IFRS 18, Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements which will replace IAS 1. This standard aims to improve the consistency and clarity of financial statement presentation and disclosures by providing updated guidance on the structure and content of financial statements. IFRS 18 is effective for reporting periods beginning on or after January 1, 2027, with early adoption permitted. The Company is assessing the impact on the Company's consolidated financial statements.

4. Critical accounting estimates, assumptions and judgments

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in net loss in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

Significant estimates

Estimates and assumptions where there are significant risk of material adjustments to the consolidated statements of financial position in future accounting periods are as follows:

Impairment of Mineral Properties

In accordance with the Company's accounting policy for its mineral properties, exploration and evaluation expenditures on mineral properties are capitalized. There is no certainty that the expenditures made by the Company in the exploration of its property interests will result in discoveries of commercial quantities of minerals. The Company applies judgment to determine whether indicators of impairment exist for these capitalized costs.

Management uses several criteria in making this assessment, including the period for which the Company has the right to explore, expected renewals of exploration rights, whether substantive expenditures on further exploration and evaluation of mineral properties are budgeted, and evaluation of the results of exploration and evaluation activities up to the reporting date.

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

MARVEL DISCOVERY CORP.

Notes to the Consolidated Financial Statements

For the eleven month period ended July 31, 2025 and year ended August 31, 2024

(Expressed in Canadian dollars)

4. Critical accounting estimates, assumptions and judgments – (cont'd)*Provision for indemnification of flow-through subscribers*

The provision for indemnification requires management to consider several factors, including an estimate of each subscriber's tax status, tax jurisdiction, and tax bracket, which will not be known until potentially affected subscribers are reassessed for their tax positions by the Canada Revenue Agency.

Significant influence in associate and impairment assessment

Significant influence is the power to participate in the financial and operating policy decisions of an investee but does not represent control or joint control over those decisions. Management reviews the relevant factors and applies judgment in determining whether significant influence exists in associates. Relevant factors to consider include representation on the board of directors, participation in policy making decisions, material transactions between the investee and the entity, and interchange of managerial personnel.

The Company applies judgment to determine whether there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment, such as a significant or prolonged decline in the fair value of the investment below its cost.

Critical judgments in applying accounting policies

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the consolidated financial statements within the next financial year are discussed below:

Going concern

The assessment of the Company's ability to continue as a going concern require significant judgement. See Note 1.

MARVEL DISCOVERY CORP.

Notes to the Consolidated Financial Statements

For the eleven months ended July 31, 2025, and year ended August 31, 2024

(Expressed in Canadian dollars)

5. Exploration and evaluation assets

	Canada											
	Blackfly	Baie Verte and BVBL	Duhamel	East Bull	Gander	Highway	Key Lake	Pecors West	Sandy Pond	Victoria Lake	Other	Total
Balance, August 31, 2023	\$544,062	\$ 212,027	\$ 587,148	\$ 196,148	\$ 127,686	\$ 922,885	\$ 635,934	\$ -	\$ 189,255	\$ 350,788	\$ 174,987	\$ 3,940,920
Acquisition costs:												
Staking	-	-	-	-	-	-	22,500	-	-	750	-	23,250
Cash	-	-	-	-	-	-	75,000	10,000	-	-	10,000	95,000
Shares	-	-	-	-	-	17,500	-	12,500	-	-	-	30,000
Warrants	-	-	-	-	-	-	-	8,109	-	-	-	8,109
Deferred acquisition costs	-	-	-	-	-	-	-	40,000	-	-	-	40,000
	-	-	-	-	-	17,500	97,500	70,609	-	750	10,000	196,359
Exploration and evaluation costs:												
Assays	-	-	-	-	4,949	-	-	-	-	275	-	5,224
Assessments	-	66,400	-	-	-	-	-	-	6,950	20,000	16,000	109,350
Claim fees	-	12,500	-	-	-	-	-	-	-	-	-	12,500
Drilling	-	-	717,953	-	-	-	-	-	-	-	-	717,953
Geological consulting	-	27,720	500	7,893	12,900	(550)	100	-	5,200	21,766	21,645	97,174
Geophysics	-	-	86,250	-	-	-	-	-	4,800	-	48,900	139,950
Field cost	-	7,269	-	1,573	6,865	-	-	-	-	5,108	-	20,815
Reports and admin	-	-	-	-	10,095	-	-	-	-	46,550	-	56,645
Miscellaneous	-	-	-	-	-	-	6,954	-	-	-	-	6,954
	-	113,889	804,703	9,466	34,809	(550)	7,054	-	16,950	93,699	86,545	1,166,565
Recovery	-	(325,916)	-	-	-	-	(150,767)	-	-	-	-	(476,683)
Impairment	-	-	-	(205,614)	(162,495)	(939,835)	(589,721)	(70,609)	(206,205)	(445,237)	(271,532)	(2,891,248)
Total increase (decrease) for the year	-	(212,027)	804,703	(196,148)	(127,686)	(922,885)	(635,934)	-	(189,255)	(350,788)	(174,987)	(2,005,007)
Balance, August 31, 2024	544,062	-	1,391,851	-	-	-	-	-	-	-	-	1,935,913
Impairment	(544,062)	-	(1,391,851)	-	-	-	-	-	-	-	-	(1,935,913)
Balance, July 31, 2025	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

MARVEL DISCOVERY CORP.

Notes to the Consolidated Financial Statements

For the eleven months ended July 31, 2025, and year ended August 31, 2024

(Expressed in Canadian dollars)

5. Exploration and evaluation assets – (cont'd)

The following is a description of the Company's exploration and evaluation assets and the related spending commitments:

Blackfly Property (Ontario)

On August 21, 2020, the Company entered into an agreement to acquire a 100% interest in five claims consisting of 64 unpatented mining claims units near Atikokan, Ontario. The agreement is subject to a 2% Net Smelter Royalty ("NSR") to the optionors of which 1% may be purchased for \$1,200,000. Terms include cash payments totaling \$105,000, which includes \$40,000 in advance royalty payments commencing on August 4, 2024 and ending on August 4, 2027 (\$65,000 paid), and issue 500,000 common shares and 500,000 share purchase warrants (issued at a value of \$39,500 for the shares and \$18,670 for the warrants).

The Company must also incur \$153,600 in exploration expenditures before August 21, 2024 (incurred). During the year ended August 31, 2023, the Company staked additional claim units for a total cost of \$2,712.

Subsequent to July 31, 2025, the optionor agreed to amend the amounts and due dates of the advance royalty payments to the following schedule:

- \$2,000 on January 1, 2026
- \$2,000 on February 1, 2026
- \$6,000 on March 1, 2026
- \$10,000 on August 21, 2026
- \$10,000 on August 21, 2027

During the fiscal period ended July 31, 2025, the Company determined that it would not be carrying out exploration and evaluation activities on the Blackfly property during the subsequent fiscal year and recorded an impairment charge of \$544,062.

Duhamel Property (Quebec)

On January 24, 2018, the Company entered into an agreement to acquire a 100% interest in nine GESM mineral cells in Quebec known as the Duhamel Property. The agreement is subject to a 2% NSR to the optionors of which 1% may be purchased for \$1,200,000. Terms include cash payments totaling \$110,000 (paid), issuance of 1,000,000 shares (issued) and minimum exploration expenditures of \$150,000 (incurred) over a three-year period.

During the fiscal period ended July 31, 2025, the Company determined that it would not be carrying out exploration and evaluation activities on the Duhamel property during the subsequent fiscal year and recorded an impairment charge of \$1,391,851.

East Bull Property (Ontario)

On May 4, 2021, the Company entered into an agreement to acquire a 100% interest in 16 mineral claims in the Deagle, Gaiashk, and Gerow Mining District known as the East Bull Property. Terms include cash payments totaling \$20,000 of which \$10,000 is due within fifteen days of the effective date (paid) and the remaining \$10,000 within six months from the effective date (paid), and issuance of 300,000 units of the Company (issued at a value of \$45,000).

The agreement is subject to a 2% NSR to the vendors of which 1% may be purchased for \$750,000 cash.

MARVEL DISCOVERY CORP.

Notes to the Consolidated Financial Statements

For the eleven months ended July 31, 2025, and year ended August 31, 2024

(Expressed in Canadian dollars)

5. Exploration and evaluation assets – (cont'd)East Bull Property (Ontario) – (cont'd)

During the year ended August 31, 2024, management determined there were indicators of impairment on the property, and accordingly recorded an impairment charge of \$205,614.

Pecors West (Ontario)

On April 24, 2024, the Company entered into an agreement to acquire 100% undivided right, title and interest in 53 mineral claims in the Province of Ontario herein specified as the Pecors West Property. The Company will pay a 2% NSR to the vendor, of which 1% NSR can be repurchased for \$1,000,000. Terms include a cash payment of \$10 upon signing (paid), additional cash payments totaling \$50,000 and issuing 500,000 units as follows:

Cash payments as follows:

- i) \$10,000 within 10 days of effective date (June 6, 2024 - paid); and
- ii) \$40,000 within 6-months of effective date (December 6, 2024).

Issue 500,000 units as follows:

- i) 500,000 shares (issued at a value of \$12,500) and 500,000 warrants (issued at a value of \$8,109) on the effective date (June 6, 2024).

The warrants were fair valued using volatility of 127.87%, interest rate of 3.86%, share price at date of issuance of \$0.025, expected life of 3 years and dividend yield of 0.00%.

During the year ended August 31, 2024, management determined there were indicators of impairment on the property, and accordingly recorded an impairment charge of \$70,609.

Baie Verte Line Property (Newfoundland)

During the year ended August 31, 2021, the Company staked a total of 435 claim units for a total cost of \$28,275.

On September 28, 2021, the Company acquired 100% interest in 244 mineral claims in Newfoundland, Canada known as the Baie Verte Line property. As consideration the Company paid \$30,000 in cash and issued 200,000 common shares fair valued at \$27,000.

During the 2023 fiscal year, the Company entered into an option agreement with Carmanah Minerals Corp. ("Carmanah"), a related party that has at least one common director or officer, with respect to the Baie Verte claims whereby the Company would receive cash payments of \$93,000 over a four-year period and 6,000,000 common shares and 6,000,000 common share purchase warrants of Carmanah with each share purchase warrant exercisable for one common share at \$0.05 per share for a period of three years from the date of issue. In addition, the Company will retain a 2.5% NSR of which Carmanah may purchase 1% for \$1,000,000 at any time.

On April 18, 2024, the Company received approval by the TSX Venture Exchange to complete this transaction, and on April 29, 2024, the Company received 6,000,000 common shares and 6,000,000 share purchase warrants of Carmanah. In addition, as a result of a delay in receiving regulatory approval for the transaction, the Company received \$30,000 from Carmanah to offset ongoing exploration and evaluation expenditures incurred prior to the transfer. The Company recognized a recovery of \$325,916 and an excess of option proceeds over carrying value of \$73,318 on the consolidated statements of operations.

MARVEL DISCOVERY CORP.

Notes to the Consolidated Financial Statements

For the eleven months ended July 31, 2025, and year ended August 31, 2024

(Expressed in Canadian dollars)

5. Exploration and evaluation assets – (cont'd)BVBL Extension Property (Newfoundland)

On October 29, 2021, the Company acquired 100% interest in 120 mineral claims in Newfoundland, Canada known as the BVBL Extension Property. As consideration the Company paid \$13,000 in cash.

The BVBL Extension property is contiguous with and forms part of the Baie Verte property and was included in the transaction with Carmanah.

Gander Property (Newfoundland)

During the year ended August 31, 2021, the Company staked 1,848 claim units for a total cost of \$120,120.

During the year ended August 31, 2023, the Company allowed 898 claim units to expire and recorded an impairment of \$194,140.

During the year ended August 31, 2024, the Company determined that the Gander Property was of no interest for future exploration and recorded an impairment of \$162,495.

Highway Property (Saskatchewan)

On November 18, 2021, the Company entered into an assignment and assumption agreement with District 1 Exploration Corp. ("District 1") a company with common directors. District 1, pursuant to an option agreement dated October 30, 2018 and as amended on November 23, 2020, has an option agreement with Doctors Investment Group Ltd. whereby District 1 has an exclusive right and option to acquire a 100% interest in and to the Highway Zone Uranium Project located in the Province of Saskatchewan. The effective date of the agreement is March 10, 2022. During the year ended August 31, 2024, the Company entered into an amending agreement with Doctors Investment Group Ltd. to amend the due dates of certain cash payment, shares payment, and minimum expenditure requirements. The dates below have been updated for the amendment.

Cash payments of \$115,000 as follows:

- i. \$25,000 on or before December 21, 2023 (paid); and
- ii. \$90,000 30-months from the Effective Date (September 10, 2024).

Incur \$650,000 in Exploration Expenditures as follows:

- i. \$150,000 on or before December 21, 2023 (incurred); and
- ii. \$500,000 30-months from the Effective Date (September 10, 2024)

Issue 1,250,000 shares as follows:

- i. 250,000 shares 5 business days from the Effective Date (issued December 21, 2022 with a value of \$27,500 (Note 8));
- ii. 500,000 shares on or before December 21, 2023 (issued December 15, 2023 with a value of \$17,500 (Note 8)); and
- iii. 500,000 shares 30-months from the Effective Date (September 10, 2024).

MARVEL DISCOVERY CORP.

Notes to the Consolidated Financial Statements

For the eleven months ended July 31, 2025, and year ended August 31, 2024

(Expressed in Canadian dollars)

5. Exploration and evaluation assets – (cont'd)Highway Property (Saskatchewan) – (cont'd)

The agreement is subject to a 1% NSR to the Optionor. As consideration, the Company agreed to issue 4,600,000 common shares to District 1 as distribution to District 1's shareholders by way of a return of capital or dividend. On March 10, 2022, the Company issued 4,600,000 common shares to District 1 with a fair value of \$552,000 and paid cash of \$50,000.

During the year ended August 31, 2024, the Company determined that it would no longer focus on exploration of the Highway property and recorded impairment of \$939,835.

Key Lake Properties (Saskatchewan)

On March 10, 2022, the Company entered into a mineral property sale agreement with Doctors Investment Group Ltd. (the "Optionor") whereby the Company has the right to acquire 100% interest in 18 claims located in the Province of Saskatchewan. As consideration, the Company agreed to pay cash of \$560,000 and incur \$1,500,000 in exploration expenditures. On April 12, 2024, the agreement was amended for the due dates and amounts of certain cash payments. The dates and amounts below have been updated for the amendment:

Amended cash payments of \$560,000 as follows:

- i) \$15,000 on signing (paid).
- ii) \$35,000 within 90 days of the signing (paid).
- iii) \$50,000 on the first anniversary on signing (March 10, 2023 - paid).
- iv) \$20,000 on or before May 1, 2024 (paid).
- v) \$30,000 on or before July 1, 2024 (paid).
- vi) \$60,000 on or before September 1, 2024 (paid \$25,000).
- vii) \$100,000 on the third anniversary on signing (March 10, 2025).
- viii) \$250,000 on the fourth anniversary on signing (March 10, 2026).

Incur \$1,500,000 in Exploration Expenditures as follows:

- i) \$250,000 on or before the first anniversary on signing (March 10, 2023 - incurred).
- ii) \$500,000 on or before the second anniversary on signing (March 10, 2024).
- iii) \$750,000 on or before the third anniversary on signing (March 10, 2025).

The Company will pay a 1% NSR to the Optionor upon Commencement of Commercial Production. The Company will have the right to purchase from the Optionor the 1% NSR at any time at a cost of \$1,000,000.

During the year ended August 31, 2024, the Company staked additional claims for a total cost of \$22,500 (2023 - \$3,100).

On October 4, 2022, Carmanah Minerals Corp. ("Carmanah") entered into an option agreement with the Company to earn-in a 50% interest to the Walker Creek claims which is the southern part of the Key Lake Property. Upon completion of the earn-in, the Company and Carmanah will each own 50% interest in the project. On August 7, 2024, the agreement was amended for the due dates of certain cash payments. As consideration, Carmanah agreed to pay cash of \$400,000, issue 7,000,000 units (one share and one warrant per unit) and incur \$1,500,000 in exploration expenditures as follows:

MARVEL DISCOVERY CORP.

Notes to the Consolidated Financial Statements

For the eleven months ended July 31, 2025, and year ended August 31, 2024

(Expressed in Canadian dollars)

5. Exploration and evaluation assets – (cont'd)Key Lake Properties (Saskatchewan) – (cont'd)

Amended cash payment of \$400,000 as follows:

- i) \$10,000 on effective date (October 4, 2022) (received);
- ii) \$40,000 within 90 days of the effective date (received);
- iii) \$75,000 on the first anniversary of the effective date (October 4, 2023* - \$63,000 received);
- iv) \$75,000 on the second anniversary of the effective date (October 4, 2026);
- v) \$100,000 on the third anniversary of the effective date (October 4, 2027); and
- vi) \$100,000 on the fourth anniversary of the effective date (October 4, 2028).

* The Company and Carmanah agreed to defer the remaining \$12,000 cash payment to March 31, 2024 (received).

Issue 7,000,000 units as follows:

- i) 1,000,000 units on effective date (received and fair valued at \$36,131);
- ii) 1,500,000 on the first anniversary of the effective date (October 4, 2023 - received November 15, 2023 and fair valued at \$32,886); (See Note 13)
- iii) 1,500,000 on the second anniversary of the effective date (October 4, 2024);
- iv) 2,000,000 on the third anniversary of the effective date (October 4, 2025); and
- v) 1,000,000 on the fourth anniversary of the effective date (October 4, 2026).

Incur \$1,500,000 in amended Exploration Expenditures as follows:

- i) \$187,500 on or before the first anniversary of the effective date (October 4, 2023);
- ii) an additional \$375,000 on or before the second anniversary of the effective date (October 4, 2024); and
- iii) an additional \$937,500 on or before the third anniversary of the effective date (October 4, 2025).

Carmanah will pay a 2% NSR to the Company upon commencement of commercial production.

Subsequent to August 31, 2024, Carmanah terminated the option agreement.

During the fiscal year ended August 31, 2024, the Company determined that it would no longer focus on exploration of the Key Lake property and recorded impairment of \$589,721.

Sandy Pond Property (Newfoundland)

On August 10, 2021, the Company entered into an agreement to acquire a 100% interest in 335 mineral claims in the Province of Newfoundland and Labrador herein specified as the Sandy Pond Property. The Company will pay a 0.5% NSR to the Optionor, which may be purchased from the Optionor at a cost of \$600,000. Terms include cash payments of \$25,000 upon signing (paid), issuance of 400,000 common shares within 15 days of the effective date (issued) fair valued at \$54,000, issuance of 200,000 share purchase warrants exercisable at a price of \$0.25 per share for a period of two years within fifteen days of the effective date (issued) fair valued at \$14,000 and a further cash payment of \$25,000 within sixty days of the effective date (paid).

During the year ended August 31, 2021, the Company staked a total of 171 claim units for a total cost of \$11,115.

During the year ended August 31, 2024, the Company determined that it would not be carrying out exploration and evaluation activities on the Sandy Pond property and recorded impairment of \$206,205.

MARVEL DISCOVERY CORP.

Notes to the Consolidated Financial Statements

For the eleven months ended July 31, 2025, and year ended August 31, 2024

(Expressed in Canadian dollars)

5. Exploration and evaluation assets – (cont'd)Victoria Lake Gold Property and Extension (Newfoundland)

On October 13, 2020, the Company entered into an agreement to acquire a 100% interest in five claims consisting of 53 claim units. Terms include cash payments totaling \$10,000 (paid), and the issuance of 350,000 units of the Company (issued at a value of \$39,704). Each warrant is exercisable for two years at a price of \$0.12 until October 26, 2022. The shares were valued at \$28,000 and the warrants were valued at \$11,704 using volatility of 98.88%, interest rate of 0.24% and dividend yield of 0.00%. The agreement is subject to a 2% NSR to the vendors of which 1% may be purchased for \$1 million cash.

During the year ended August 31, 2021, the Company staked six claims consisting of 302 claim units for total cost of \$13,715.

During the year ended August 31, 2024, the Company staked additional claim units for a total cost of \$750.

On July 23, 2021, the Company entered into an agreement to acquire 100% interest in 55 mineral claims located in the Victoria Lake area of Newfoundland ("Victoria Lake Extension") which is contiguous to the Victoria Lake Gold Property. As consideration the Company agreed to pay cash payments totaling \$55,000 of which \$15,000 was due within fifteen days on the effective date (paid) and \$40,000 within three years of the effective date, and issue 500,000 common shares of which 300,000 common shares within fifteen days on the effective date (issued and fair valued at \$36,000) and 200,000 common shares within three years from the effective date. The Company also issued 300,000 share purchase warrants exercisable at \$0.25 per share for two years from the date TSX Venture exchange approval (October 20, 2021). The warrants were fair valued at \$21,000. The agreement is subject to paying a pre-NSR flat fee of \$10,000 within 5 years of the effective date. The Company is committed to a minimum \$60,000 exploration program by the end of year 3 and the Company shall pay the vendor, upon commencement of commercial production, a NSR Royalty being equal to 2% with the option to acquire 50% (ie. 1% NSR) from the Vender for \$1,500,000.

During the year ended August 31, 2024, the Company determined that the Victoria Lake property would not be part of its future activities and recorded impairment of \$445,237.

Other propertiesElliot Lake Property (Ontario)

On May 31, 2022, the Company entered into a mineral property purchase agreement with Power One Resources Corp. ("Power One"), a company related by common directors, whereby the Company acquired 100% interest in 209 mineral claims located in Ontario. As consideration, the Company agreed to pay cash of \$10,450.

During the year ended August 31, 2024, management determined there were indicators of impairment on the property, and accordingly recorded an impairment charge of \$10,450.

Hope Brook Project (Newfoundland)

During the years ended August 31, 2021 and 2022, the Company staked 996 claim units.

During the year ended August 31, 2023, the Company allowed 414 claim units to expire and recorded an impairment of \$11,101.

During the year ended August 31, 2024, the Company determined that it would not be carrying out exploration and evaluation activities on the Hope Brook property and recorded an impairment of \$184,784.

MARVEL DISCOVERY CORP.

Notes to the Consolidated Financial Statements

For the eleven months ended July 31, 2025, and year ended August 31, 2024

(Expressed in Canadian dollars)

5. Exploration and evaluation assets – (cont'd)Wicheeda North Property (British Columbia)

On January 31, 2019, the Company entered into an agreement to acquire a 100% interest in four mineral claims located in the Cariboo Mining Division northeast of Prince George, British Columbia. Terms of the agreement are as follows:

- i. Cash payment of a total of \$50,000 (paid);
- ii. Issuance of an aggregate of 1,000,000 units of the Company (issued at a value of \$73,356); and
- iii. Payment of 2% NSR. The Company may acquire one-half of the NSR for \$1 million within five years of the Agreement Date.

On May 13, 2021, the Wicheeda North Property was included in the spin-out assets transferred to Power One. As at August 31, 2021, the Company still retained four claim blocks in the Wicheeda North at a nominal amount. During the year ended August 31, 2022, the Company paid \$4,110 in claim maintenance payment.

During the year ended August 31, 2023, the Company purchased two mineral claims from Eagle Bay Resources Corp. for a total cost of \$26,649.

During the year ended August 31, 2024, management determined there were indicators of impairment on the property, and accordingly recorded an impairment charge of \$62,598.

Costigan (Saskatchewan)

On October 9, 2023, the Company entered into an option agreement to earn a 100% interest in the Costigan Lake mineral claims which are located in Saskatchewan. The agreement was amended on December 1, 2023 and the terms of the amended agreement are as follows:

- i. Cash payments of \$1,000,000 (\$10,000 paid); and
- ii. Incur \$2,000,000 in exploration expenditures

The Company will pay a 1% NSR to the vendor upon commencement of commercial production. Marvel will have the right to purchase the 1% NSR at any time for \$1,500,000.

During the year ended August 31, 2024, the Company terminated the option agreement and recorded impairment of \$13,700.

6. Accounts payable and accrued liabilities

	July 31, 2025	August 31, 2024
Accounts payable	\$ 774,645	\$ 1,137,594
Accrued liabilities	882,696	82,650
Part XII.6 tax payable	100,500	52,014
	<u>\$ 1,757,841</u>	<u>\$ 1,272,258</u>

MARVEL DISCOVERY CORP.

Notes to the Consolidated Financial Statements

For the eleven months ended July 31, 2025, and year ended August 31, 2024

(Expressed in Canadian dollars)

7. Contingency

During the year ended August 31, 2024, a legal claim was brought against the Company as a third-party defendant. The legal claim relates to equipment rented from the plaintiff by a third-party contractor who was engaged by Marvel to execute drilling activities during the year ended August 31, 2023. The legal claim was settled during the year ended August 31, 2024 and the Company incurred a settlement cost of \$9,500 which was recorded to other expense on the consolidated statements of operations and comprehensive loss.

8. Share capital***Authorized share capital***

Unlimited number of common shares without par value.

Issuances

During the period ended July 31, 2025:

On March 3, 2025, the Company issued 4,666,667 non-flow-through units at a price of \$0.015 per unit for total proceeds of \$70,000. Each unit consists of one common share and one common share purchase warrant entitling the holder to purchase one common share at \$0.05 for a period of thirty-six months from the date of issue.

On January 29, 2025, the Company cancelled 1,386,957 common shares and 86,957 warrants in connection with the share subscription receivable.

During the year ended August 31, 2024:

On November 7, 2023, the Company issued 100,000 shares for proceeds of \$5,000 on the exercise of options.

On November 23, 2023, the Company issued 12,000,000 flow-through units at a price of \$0.05 per unit for total proceeds of \$600,000. Each unit consists of one flow-through common share and one-half of one common share purchase warrant, with each whole warrant entitling the holder to subscribe for one non-flow-through common share at a price of \$0.10 per share for a period of two years from issuance. The Company also issued 1,250,000 non-flow-through units at a price of \$0.04 per unit for total proceeds of \$50,000. Each unit consists of one non-flow-through common share and one common share purchase warrant, with each warrant entitling the holder to subscribe for one non-flow through common share at a price of \$0.075 per share for a period of five years from issuance. In connection with the private placements, the Company paid cash finders' fees of \$45,500 and issued 927,500 finders' warrants. Each finders' warrants entitles the holder thereof to purchase one non-flow-through common share at a price of \$0.075 for a period of two years from issuance. The finders' warrants were valued at \$23,349 using volatility of 112.38%, interest rate of 4.18%, share price at the date of issuance of \$0.05, expected life of 2 years and dividend yield of 0.00%. Expected volatility was determined based on the historical stock price.

On December 15, 2023, pursuant to the terms of the Highway Property agreement, the Company issued 500,000 common shares valued at \$17,500.

MARVEL DISCOVERY CORP.

Notes to the Consolidated Financial Statements

For the eleven months ended July 31, 2025, and year ended August 31, 2024

(Expressed in Canadian dollars)

8. Share capital – (cont'd)***Issuances – (cont'd)***

On February 12, 2024, the Company issued 2,525,000 non-flow-through units at a price of \$0.04 per unit for total proceeds of \$101,000. Each unit consists of one non-flow-through common share and one common share purchase warrant, with each warrant entitling the holder to subscribe for one non-flow through common share at a price of \$0.075 per share for a period of five years from issuance.

On June 7, 2024, pursuant to the terms of the Pecors West Property agreement, the Company issued 500,000 units with a value of \$12,500. Each unit consists of one common share and one common share purchase warrant entitling the holder to subscribe for one common share at a price of \$0.05 for a period of three years from issuance. The warrants were valued at \$8,109 using volatility of 128%, interest rate of 3.86%, share price at the date of issuance of \$0.025, expected life of 3 years and dividend yield of 0.00%. Expected volatility was determined based on the historical stock price.

On July 30, 2024, the Company issued 6,666,667 flow-through units at a price of \$0.03 per unit for total proceeds of \$200,000. Each unit consists of one flow-through common share and one-half of one common share purchase warrant, with each whole warrant entitling the holder to subscribe for one non-flow-through common share at a price of \$0.075 per share for a period of two years from issuance. In connection with the private placements, the Company paid cash finders' fees of \$14,000 and issued 466,666 finders' warrants. Each finders' warrants entitles the holder thereof to purchase one non-flow-through common share at a price of \$0.075 for a period of two years from issuance. The finders' warrants were valued at \$7,036 using volatility of 134.24%, interest rate of 3.50%, share price at the date of issuance of \$0.03, expected life of 2 years and dividend yield of 0.00%. Expected volatility was determined based on the historical stock price.

Stock options

The Company has an omnibus security-based compensation plan ("Plan") in accordance with the policies of the TSX Venture Exchange (the "Exchange"). The plan includes authorization to grant options to directors, officers, employees and consultants to purchase shares of the Company, and to grant restricted share units and deferred share units to officers, directors, employees and consultants to acquire shares of the Company or to be settled in cash. The stock option component of the plan is a rolling plan and the maximum number of authorized but unissued shares available to be granted shall not exceed 10% of its issued and outstanding shares. Each stock option granted is for a term not exceeding ten years unless otherwise specified. Outstanding options vest immediately at date of grant or at the discretion of the Board of Directors. Options granted to investor relations personnel vest in accordance with Exchange regulations. The fixed security-based compensation component of the plan pursuant to all other security-based compensation other than stock options is limited to 12,483,856 shares.

Options may be exercised no later than 90 days following cessation of the optionee's position with the Company or 30 days following cessation of an optionee conducting a investor relations activities' position.

MARVEL DISCOVERY CORP.

Notes to the Consolidated Financial Statements

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(Expressed in Canadian dollars)

8. Share capital – (cont'd)***Stock options – (cont'd)***

The changes in options during the eleven months ended July 31, 2025, and year ended August 31, 2024, are as follows:

	July 31, 2025		August 31, 2024	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Options outstanding, beginning of year	9,400,000	\$ 0.05	2,433,333	\$ 0.11
Granted	-	-	9,500,000	0.05
Exercised	-	-	(100,000)	0.05
Expired	-	-	(2,433,333)	0.11
Options outstanding and exercisable, end of period/year	9,400,000	\$ 0.05	9,400,000	\$ 0.05

The stock price at the date of option exercise was \$nil (2024 - \$0.05).

Details of options outstanding and exercisable as at July 31, 2025 are as follows:

Number of Stock Options	Weighted average Contractual life	Exercise Price	Expiry Date
2,400,000	3.09 years	\$0.05	September 1, 2028
4,000,000	3.47 years	\$0.05	January 17, 2029
3,000,000	3.85 years	\$0.05	June 7, 2029
9,400,000	3.50 years	\$0.05	

During the year ended August 31, 2024, the following weighted average assumptions were used for the Black-Scholes valuation of stock options granted: volatility of 131.08%, interest rate of 3.69%, share price at the date of issuance of \$0.04, expected life of 5 years and dividend yield of 0.00%. Expected volatility was determined based on the historical stock price. Fair value of the options granted in September 2023, January 2024, and June 2024, were \$74,250, \$156,400, and \$61,200 respectively.

Restricted Share Units

On January 17, 2024, the Company granted 1,000,000 RSUs with a fair value of \$45,000. During the eleven months ended July 31, 2025, the Company recognized \$17,114 (August 31, 2024 - \$19,778) as share-based payment. The RSUs have a term of three years and vest as follows:

January 17, 2025	500,000
January 17, 2026	250,000
January 17, 2027	250,000

MARVEL DISCOVERY CORP.

Notes to the Consolidated Financial Statements

For the eleven months ended July 31, 2025, and year ended August 31, 2024

(Expressed in Canadian dollars)

8. Share capital – (cont'd)**Share Purchase Warrants**

The changes in warrants during the eleven months ended July 31, 2025, and year ended August 31, 2024 are as follows:

	July 31, 2025		August 31, 2024	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
Balance, beginning of year	35,435,831	\$ 0.15	24,014,625	\$ 0.21
Issued	4,666,667	0.05	15,002,500	0.08
Cancelled	(86,957)	0.15	-	-
Expired	(15,078,855)	0.21	(3,581,294)	0.20
Balance, end of period/year	24,936,686	\$ 0.10	35,435,831	\$ 0.15

The weighted average remaining life of the warrants is 1.36 (2024 – 1.34) years.

Details of warrants outstanding as at July 31, 2025 are as follows:

Number of warrants	Exercise price \$	Date of expiry
**2,692,693	0.20	December 3, 2025
**1,808,522	0.15	December 3, 2025
**766,304	0.15	December 16, 2025
6,000,000	0.10	November 23, 2025 *
4,666,667	0.05	March 3, 2028
1,250,000	0.08	November 23, 2028
2,525,000	0.08	February 12, 2029
500,000	0.05	June 7, 2027
3,333,334	0.08	July 30, 2026
927,500	0.08	November 23, 2025 *
466,666	0.08	July 30, 2026
24,936,686		

* Expired unexercised subsequent to July 31, 2025.

** During the year ended August 31, 2024, the Company amended the exercise price of 2,692,693 warrants from \$0.25 to a new exercise price of \$0.20 per warrant, amended the exercise price of 2,574,826 warrants from \$0.20 to a new exercise price of \$0.15 per warrant, and extended the expiry date of all 5,267,519 warrants to 24 months following their original expiry date.

Reserves

The reserves recorded on the Company's consolidated statements of financial position are composed of the value of stock option grants and share purchase warrants prior to exercise at which time the corresponding amount will be transferred to share capital, as well as options and warrants that have expired unexercised. In addition, the value of restricted share units granted but not yet settled is included in reserves. The Company uses the Black-Scholes model to determine the fair value of stock option grants and share purchase warrants.

MARVEL DISCOVERY CORP.

Notes to the Consolidated Financial Statements

For the eleven months ended July 31, 2025, and year ended August 31, 2024

(Expressed in Canadian dollars)

9. Related party transactions***Key management personnel compensation***

The Company's related parties include key management personnel, which includes Officers and Directors of the Company, and companies related by way of directors or shareholders in common. During the eleven months ended July 31, 2025 and year ended August 31, 2024, key management compensations are as follows:

	Eleven months ended July 31, 2025	Year ended August 31, 2024
Management fees – to a company controlled by the CEO	\$ 165,000	\$ 180,000
Consulting fee – to current Directors	6,000	34,000
Professional fees – to a company controlled by the CFO	22,000	22,000
Moving expenses – to a company controlled by the CEO	-	40,000
Share-based payments	17,114	279,888
	\$ 210,114	\$ 555,888

Other related party transactions

	Eleven months ended July 31, 2025	Year ended August 31, 2024
Rent – to a company controlled by the CEO	\$ 28,600	\$ 30,000

Related party balances

As at July 31, 2025, prepaid expenses include \$Nil (August 31, 2024 - \$45,000) in prepaid rent and management fees to a company controlled by the CEO.

As at July 31, 2025, accounts payable and accrued liabilities include \$115,747 (August 31, 2024 - \$2,260) due to companies controlled by the CEO and CFO for unpaid fees. This amount is unsecured, non-interest bearing and payable on demand.

As at July 31, 2025, accounts payable and accrued liabilities include \$2,371 (August 31, 2024 - \$1,321) due to the CEO and CFO for expenses. This amount is unsecured, non-interest bearing and payable on demand.

As at July 31, 2025, accounts payable and accrued liabilities include \$11,300 (August 31, 2024 - \$11,300) due to current directors for consulting services. This amount is unsecured, non-interest bearing and payable on demand.

Due to/from related parties

Included in due to/from related parties are as follows:

- a) During the year ended August 31, 2024, the Company advanced \$9,428 to a company controlled by CEO. During the period ended July 31, 2025, the loan was repaid in full.

MARVEL DISCOVERY CORP.

Notes to the Consolidated Financial Statements

For the eleven months ended July 31, 2025, and year ended August 31, 2024

(Expressed in Canadian dollars)

9. Related party transactions – (cont'd)***Due to/from related parties – (cont'd)***

- b) During the year ended August 31, 2024, the Company entered into an agreement to loan \$19,700 to a company controlled by the CEO. The loan is non-interest bearing, unsecured, and the maturity date has been extended to December 31, 2026.
- c) During the year ended August 31, 2024, the Company advanced \$60,000 to Falcon Gold Corp ("Falcon"), a company related by common directors. This payment was for a letter of intent (LOI) to acquire the Central Canada Project. The LOI was cancelled, and the funds were repaid during the period ended July 31, 2025. Other expenses totaling \$5,024 were paid by Falcon on behalf of the Company during the year ended August 31, 2024. The balance payable of \$8,611 (August 31, 2024 – \$Nil) remains outstanding at July 31, 2025, is unsecured, non-interest bearing and payable on demand.
- d) During the year ended August 31, 2024, the Company owed Power One \$7,645 for the expenses paid on behalf of Marvel. The balance remains outstanding at July 31, 2025, is unsecured, non-interest bearing and payable on demand.

Commitments

The Company has an agreement with a company controlled by the CEO with a base fee of \$15,000 per month. The agreement includes clauses which entitle this company to a lump sum payment equal to two times of the sum of (a) the annual base fees and (b) the average annual bonuses for the preceding two calendar years in the case of a change of control; and a lump sum severance payment equal to three times of the sum of (a) the annual base fees and (b) the average annual bonuses for the preceding two calendar years in the case of a termination without cause.

10. Financial risk management

The Company is exposed in varying degrees to a variety of financial instrument related risks.

Credit Risk

The Company is exposed to credit risk by holding cash. Holding the cash in large Canadian financial institutions minimizes this risk. The Company has minimal accounts receivable exposure. The Company is exposed to credit risk with the amounts due from related parties. The maximum exposure to loss arising from the amounts due from related parties is equal to their total carrying amounts.

Currency Risk

The Company's functional currency is the Canadian dollar. There is minimal foreign exchange risk to the Company as its mineral property interests are located in Canada. Management does not have any foreign currency balances. The Company does not engage in any hedging activities to reduce its foreign currency risk.

Interest Rate Risk

The Company's exposure to interest rate risk relates to its ability to earn interest income on cash balances at variable rates. Currently, this risk will have an immaterial effect on operations.

MARVEL DISCOVERY CORP.

Notes to the Consolidated Financial Statements

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10. Financial Risk Management – (cont'd)**Price Risk**

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk). The Company is at risk to changes in commodity prices which may affect financing options available to the Company and the fair value of its investment.

Liquidity Risk

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company manages this risk by careful management of its working capital and deferring related party payables.

The Company's expected source of cash flow in the upcoming year will be through equity financing. Cash on hand at July 31, 2025 and expected cash flows for the next 12 months are not sufficient to fund the Company's ongoing operational needs. The Company will need funding through equity or debt financing, entering into joint venture agreements, or a combination thereof.

Capital Management

The Company is engaged in the mineral exploration field and manages related industry risk issues directly. The Company is potentially at risk for environmental issues and fluctuations in commodity based market prices associated with resource property interests. Management is of the opinion that the Company addresses environmental risk and compliance in accordance with industry standards and specific project environmental requirements.

The Company includes cash and equity in the definition of capital. Equity is comprised of issued common shares, reserves, and deficit.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of underlying assets. In order to maintain or adjust its capital structure, the Company may issue new shares, purchase shares for cancellation pursuant to normal course issuer bids or make special distributions to shareholders. The Company is not subject to any externally imposed capital requirements and does not presently utilize any quantitative measures to monitor its capital.

There were no changes in the Company's approach to capital management during the period.

Fair Value

The fair value of the Company's financial assets and liabilities approximates the carrying amount. Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

July 31, 2025	Level 1	Level 2	Level 3
	\$	\$	\$
Cash	614	-	-
Investments	75,000	-	-

MARVEL DISCOVERY CORP.

Notes to the Consolidated Financial Statements

For the eleven months ended July 31, 2025, and year ended August 31, 2024

(Expressed in Canadian dollars)

10. Financial Risk Management – (cont'd)

Fair Value – (cont'd)

August 31, 2024	Level 1	Level 2	Level 3
	\$	\$	\$
Cash	80,888	-	-
Investments	200,000	-	-

Management believes that the recorded values of accounts payable and accrued liabilities, and amounts due to and from related parties approximate their current fair values because of their nature and anticipated settlement dates.

11. Supplemental disclosure with respect to cash flows

During the eleven months ended July 31, 2025 and year ended August 31, 2024, the Company incurred the following non-cash financing and investing transactions:

	July 31, 2025 \$	August 31, 2024 \$
Non-cash financing and investing activities:		
Issuance of share capital for:		
Shares and warrants issued for exploration and evaluation assets	-	38,109
Shares and warrants received for option payments	-	440,001
Fair value of finder warrants	-	30,385
Fair value of stock options transferred	-	2,970
Fair value transferred on initial recognition of investment in associate	-	573,828
Share subscription proceeds netted with accounts payable	3,000	-
Accounts payable related to exploration and evaluation assets	455,628	918,800

12. Investments

Investments	Number of Units Held	Investment Cost	Fair Value at July 31, 2025	Number of units held	Investment Cost	Fair Value at August 31, 2024
	#	\$	\$	#	\$	\$
Public Company						
Power One – shares	5,000,000	581,578	75,000	5,000,000	581,578	200,000
Total	5,000,000	581,578	75,000	5,000,000	581,578	200,000

On May 13, 2021, the Company completed the plan of arrangement (the “Arrangement”) whereby the Company spun out its Serpent River and Wicheeda North property assets and liabilities (the “Spin-Out”) in order to create a new exploration company, Power One, by way of plan of arrangement under the Business Corporations Act (British Columbia). In consideration for the transferred assets and liabilities, the Company received 5,000,000 common shares of Power One fair valued at \$581,578. As at August 31, 2023, the Company has accounted for the investment at fair value based on Power One’s most recent private placement at \$0.10 per share.

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Notes to the Consolidated Financial Statements

For the eleven months ended July 31, 2025, and year ended August 31, 2024

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12. Investments – (cont'd)

During the year ended August 31, 2024, Power One's shares were listed on the TSXV. As at July 31, 2025 and August 31, 2024, the Company used the published share price to determine the fair value of the investment. During the period ended July 31, 2025, the Company recognized a loss on fair value of investment of \$125,000 (August 31, 2024 - \$300,000).

Power One is a related party with a director and an officer in common.

13. Investment in Associate

Pursuant to the property option agreement on October 4, 2022, the Company received 1,000,000 units of Carmanah on November 22, 2022. Each unit consists of one common share and one common share purchase warrant, with each warrant entitling the holder to subscribe for one common share of Carmanah at a price of \$0.065 per share for a period of five years from issuance. On the date of issuance, the Carmanah shares were valued at the market price of \$0.05 per share for a value of \$50,000 and the warrants were valued at \$36,131 using volatility of 100%, interest rate of 3.18%, share price at the date of issuance of \$0.10, expected life of 5 years and dividend yield of 0.00%. Expected volatility was determined using entities of similar size and industry.

During the year ended August 31, 2023, the Company subscribed \$40,000 to a private placement offering in Carmanah for 1,333,334 units at a price of \$0.03 per unit. Each unit consists of one common share and one common share purchase warrant, with each warrant entitling the holder to subscribe for one common share of Carmanah at a price of \$0.05 per share for a period of two years from issuance.

On November 15, 2023, the Company received 1,500,000 units of Carmanah pursuant to the property option agreement. Each unit consists of one common share and one common share purchase warrant, with each warrant entitling the holder to subscribe for one common share of Carmanah at a price of \$0.0375 per share for a period of five years from issuance. On the date of issuance, the Carmanah shares were valued at the market price of \$0.03 per share for a value of \$45,000 and the warrants were valued at \$41,733 using volatility of 161%, interest rate of 3.60%, share price at the date of issuance of \$0.03, expected life of 5 years and dividend yield of 0.00%. Expected volatility was determined using entities of similar size and industry.

On April 29, 2024, the Company received 6,000,000 common shares and 6,000,000 share purchase warrants of Carmanah pursuant to a property option agreement. The share purchase warrants enable the holder of each warrant to subscribe for one common share of Carmanah at a price of \$0.05 for a period of three years from the date of issue. The Carmanah shares were valued at the market price of \$0.0325 for a value of \$195,000 and the warrants were valued at \$158,268 using volatility of 161%, interest rate of 4.18%, share price at the date of issuance of \$0.0325, expected life of 3 years and dividend yield of 0.00%. Expected volatility was determined using entities of similar size and industry.

As a result of the shares received, together with the shares and warrants of Carmanah previously held by the Company with a fair value of \$220,560 as remeasured on April 29, 2024, Marvel obtained 18.57% interest in Carmanah. The Company had determined that despite having less than 20% of the voting power of the investee, the existence of significant influence can be clearly demonstrated. The investment in Carmanah is accounted for using the equity method commencing April 29, 2024. Prior to the threshold of significant influence being met, the Company recognized a gain on fair value of investment in shares and warrants of Carmanah of \$16,453 from September 1, 2023 to April 28, 2024.

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(Expressed in Canadian dollars)

13. Investment in Associate – (cont'd)

Investment in Associate, September 1, 2023	\$ -
Fair value of Carmanah shares and warrants on initial recognition	573,828
Share of loss of investee from April 29, 2024 to August 31, 2024	(144,089)
Balance, August 31, 2024	429,739
Share of loss of investee	(83,892)
Provision for impairment	(198,347)
Balance, July 31, 2025	\$ 147,500

Carmanah is publicly traded on the Canadian Securities Exchange under the symbol "CARM". As at July 31, 2025, the Company held a total of 9,833,334 shares of Carmanah, and 8,500,000 warrants of Carmanah with exercise prices between \$0.05 and \$0.065 per warrant and expiry dates between April 2027 and November 2028, representing approximately 16% ownership interest (August 31, 2024 – 9,833,334 shares and 9,833,334 warrants representing approximately 19%). The fair value of Carmanah's shares and warrants is \$147,500 (August 31, 2024 - \$147,500).

During the period, the Company determined there were indications of impairment in the investment and recorded an impairment of \$198,347.

The following tables provide a summary of the financial information of Carmanah:

	July 31, 2025	August 31, 2024
Total current assets	\$ 45,972	\$ 114,638
Total non-current assets	204,100	305,770
Total current liabilities	(203,936)	(105,866)
Total non-current liabilities	-	-
Total net liabilities	\$ 46,136	\$ 314,542

	Period from September 1, 2024 to July 31, 2025	Period from April 29, 2024 to August 31, 2024
Revenue	\$ -	\$ -
Net loss and comprehensive loss	\$ (458,906)	\$ (775,923)

14. Income taxes

Income tax expense varies from the amount that would be computed from applying the combined federal and provincial income tax rate to loss before taxes as follows:

	July 31, 2025	August 31, 2024
Net loss before income taxes for the year	\$ (3,024,127)	\$ (4,179,440)
Statutory Canadian corporate tax rate	27.00%	27.00%
Expected (recovery) at statutory rate	(817,000)	(1,128,000)
Unrecognized items for tax purposes	221,000	93,000
Change in unrecognized deferred tax assets	596,000	1,035,000
Income tax recovery	\$ -	\$ -

MARVEL DISCOVERY CORP.

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(Expressed in Canadian dollars)

14. Income taxes – (cont'd)

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the consolidated statement of financial position are as follows:

	Expiry	2025	2024
Exploration and evaluation asset	No expiry date	\$ 4,776,000	\$ 3,007,000
Share issuance costs	2026 - 2028	\$ 119,000	\$ 186,000
Non-capital losses	2026 - 2045	\$ 6,728,000	\$ 6,594,000
Capital items and other	No expiry date	\$ 746,000	\$ 339,000
Capital loss	No expiry date	\$ 89,000	\$ 89,000

Flow-through

Flow-through common shares require the Company to spend an amount equivalent to the proceeds of the issued flow-through common shares on Canadian qualifying exploration expenditures within a 24-month period. The Company may be required to indemnify the holders of such shares for any tax and other costs payable by them in the event the Company has not made the required exploration expenditures.

During the year ended August 31, 2023, the Company received \$2,135,004 from the issuance of flow-through shares. These amounts will not be available to the Company for future deduction from taxable income. A flow-through premium of \$195,834 was recognized initially and \$94,964 was recognized as other income during the year ended August 31, 2023. During the year ended August 31, 2024, the Company incurred an additional \$739,000 exploration expenditures for a cumulative amount incurred of approximately \$1,834,000 as at August 31, 2024. On December 31, 2024, the deadline to incur the qualifying expenditures with respect to flow-through renounced under the look-back rule effective December 31, 2023 had passed and the Company did not fulfill its obligations of approximately \$301,000.

During the year ended August 31, 2024, the Company received \$800,000 from the issuance of flow-through shares. These amounts will not be available to the Company for future deduction from taxable income. A flow-through premium of \$60,000 was recognized initially. On December 31, 2024, the deadline to incur the qualifying expenditures with respect to flow-through renounced under the look-back rule effective December 31, 2023 had passed and the Company did not fulfill its obligations of approximately \$600,000. The remaining \$200,000 were renounced under the look-back rule effective December 31, 2024, therefore, the Company has until December 31, 2025 to incur this amount.

An amount totaling \$640,000 has been accrued in accounts payable and accrued liabilities as at July 31, 2025 for the indemnification of the shareholders for taxes and penalties related to the unspent portion of the commitment of \$901,000, and for Part XII.6 taxes and related interest and penalties owed to the Canada Revenue Agency and Revenu Quebec. \$103,000 flow-through premium liability has been derecognized and netted against flow-through penalties and indemnification costs.