

Consolidated Financial Statements of

ATLAS ENERGY CORP.

(Formerly Willow Biosciences Inc.)

For the Years Ended December 31, 2025 and 2024

(in thousands of Canadian dollars)



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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Atlas Energy Corp. (formally Willow Biosciences Inc.)

Opinion

We have audited the consolidated financial statements of Atlas Energy Corp. (formally Willow Biosciences Inc.) (the Entity), which comprise:

- the consolidated statements of financial position as at December 31, 2025 and December 31, 2024
- the consolidated statements of comprehensive loss for the years then ended
- the consolidated statement of changes in shareholders' equity (deficiency) for the years then ended
- the consolidated statements of cash flows for the years then ended
- and notes to the consolidated financial statements, including a summary of material accounting policy information

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at December 31, 2025 and December 31, 2024, and its consolidated financial performance and its consolidated cash flows for the years 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 Financial Statements***" section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the 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.



Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2025. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our auditor's report.

Determination of whether the criteria are met to classify the disposition of Epimeron USA, Inc., its wholly owned subsidiary, as a discontinued operation

Description of the matter

We draw your attention to Note 2, Note 3(g), Note 4(b) and Note 5 of the financial statements. During the year ended December 31, 2025, the Entity completed the sale of its wholly-owned subsidiary, Epimeron USA, Inc. ("Epimeron"), inclusive of the Entity's biotechnology business, intellectual property and research and development ("R&D") team for aggregate consideration of \$3.829 million. Accordingly, the Entity has re-presented the results of their R&D business as discontinued operations.

The Entity applied judgment to determine whether a component of the Entity that either has been disposed of, or classified as held for sale, meets the criteria of a discontinued operation. The key area that involves management judgment in this determination is whether the disposal represents a separate major line of business.

Why the matter is a key audit matter

We identified the determination of whether the criteria are met to classify the disposition of Epimeron, its wholly owned subsidiary, as a discontinued operation as a key audit matter. Significant auditor judgment was required to evaluate audit evidence related to management's assessment of the discontinued operation.

How the matter was addressed in the audit

The following are the primary procedures we performed to address this key audit matter:

- We evaluated management's assessment that the disposal of Epimeron met the discontinued operations classification criteria under the relevant accounting standards by obtaining and examining supporting documentation, including board of director meeting minutes, strategic plans, and historical accounting records.
- Evaluated the appropriateness of the presentation and disclosure of discontinued operations in the financial statements and assessed compliance with the applicable financial reporting framework.



Other Information

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

- the information included in Management's Discussion and Analysis.

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

In connection with our audit of the 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 financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information included in Management's Discussion and Analysis as at 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 the auditor's report.

We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 the 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 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 Entity'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 Entity'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 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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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.
- Provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



- 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 group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.
- Determine, from the matters communicated with those charged with governance, those matters that were of most significance in the audit of the 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 auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

KPMG LLP

Chartered Professional Accountants

The engagement partner on the audit resulting in this auditor's report is Jason Grodziski.

Calgary, Canada

April 6, 2026

Atlas Energy Corp.

(Formerly Willow Biosciences Inc.)

Table of Contents

	Page
Consolidated Statements of Financial Position	1
Consolidated Statements of Comprehensive Loss	2
Consolidated Statements of Cash Flows	3
Consolidated Statements of Changes in Shareholders' Equity (Deficiency)	4
Notes to Consolidated Financial Statements	5-21

Atlas Energy Corp.

(Formerly Willow Biosciences Inc.)

Atlas Energy Corp.
(Formerly Willow Biosciences Inc.)
Consolidated Statements of Financial Position

In thousands of Canadian dollars	Note	December 31 2025	December 31 2024
Assets			
Current			
Cash and cash equivalents		\$ 27,464	\$ 333
Accounts receivable		56	39
Short-term investments		20	20
Deposits and prepaid expenses		128	209
Inventory		-	56
		27,668	657
Property, plant and equipment		-	499
Right-of-use assets		-	1,176
Long-term deposits		-	157
		\$ 27,668	\$ 2,489
Liabilities			
Current			
Accounts payable and accrued liabilities		\$ 384	\$ 648
Current portion of lease liabilities		-	970
Deferred share awards liability	7g	-	208
Deferred revenue		-	167
		384	1,993
Lease liabilities		-	287
Convertible debenture	8	-	714
		384	2,994
Shareholders' equity (deficiency)			
Share capital and warrants	6,7	30,291	120,888
Equity component of convertible debentures	8	-	44
Contributed surplus		6,835	6,753
Accumulated other comprehensive loss		-	(316)
Deficit		(9,842)	(127,874)
Total shareholders' equity (deficit)		27,284	(505)
		\$ 27,668	\$ 2,489

See accompanying notes to these consolidated financial statements.

Subsequent event – Note 17

Atlas Energy Corp.
(Formerly Willow Biosciences Inc.)
Consolidated Statements of Comprehensive Loss

In thousands of Canadian dollars	Note	Year Ended December 31,	
		2025	2024
		Re-presented (Note 2, 5)	Re-presented (Note 2, 5)
Operating Expenses			
General and administrative	9	2,762	2,063
Share based compensation	7c	(18)	57
Depreciation and amortization		30	56
Foreign exchange loss		36	7
Loss on extinguishment of convertible debenture	8	107	-
Total operating expenses		2,917	2,183
Loss from operating activities		(2,917)	(2,183)
Net finance income (expense)	11	327	(87)
Loss from continuing operations		(2,590)	(2,270)
Net income (loss) from discontinued operations	5	1,222	(3,919)
Net (loss)		(1,368)	(6,189)
Foreign exchange gain on translation of discontinued foreign operations		-	97
Reclassification of foreign exchange translation gain on disposition		316	-
Net comprehensive income (loss)		(1,052)	\$ (6,092)
Loss per share from continuing operations:			
Loss per share, basic and diluted	10	\$ (0.01)	\$ (0.09)
Earnings per share from discontinued operations:			
Earnings (loss) per share, basic	10	\$ 0.00	\$ (0.16)
Earnings per share, diluted	10	\$ 0.00	\$ (0.16)

See accompanying notes to these consolidated financial statements.

Atlas Energy Corp.
(Formerly Willow Biosciences Inc.)
Consolidated Statements of Cash Flows

In thousands of Canadian dollars	Note	Year Ended December 31, 2025	2024
Cash provided by (used for):			
Operating activities			
Net loss		\$ (1,368)	\$ (6,189)
Items not affecting cash and cash equivalents:			
Share based compensation	7c	94	297
Depreciation and amortization		30	1,386
Interest on lease liabilities		39	121
Accretion on convertible debentures	8	19	38
Gain on sale of property, plant and equipment		-	(135)
Unrealized foreign exchange loss		36	-
Loss on settlement of convertible debentures	8	107	-
Interest on convertible debentures	8	-	96
Other loss on discontinued operations	5	250	-
Gain on sale of discontinued operations	5	(3,030)	-
Extinguishment of deferred share awards	7g	(96)	-
Net change in long-term deposits		73	(93)
Net change in non-cash working capital	12	218	756
Cash used in operating activities		(3,628)	(3,723)
Financing activities			
Lease payments		(363)	(860)
Proceeds from private placement	7b	30,000	1,910
Share issuance costs	7b	(1,365)	(266)
Proceeds from stock options exercised		-	2
Extinguishment of convertible debentures	8	(840)	-
Cash from financing activities		27,432	786
Investing activities			
Cash proceeds from sale of discontinued operations, net of cash disposed	5	3,363	-
Expenditures on property, plant and equipment		-	(20)
Proceeds on disposal of property, plant and equipment		-	135
Direct costs on leased equipment		-	(37)
Cash from investing activities		3,363	78
Increase (decrease) in cash and cash equivalents		27,167	(2,859)
Effect of foreign exchange on cash and cash equivalents		(36)	47
Cash and cash equivalents, beginning of year		333	3,145
Cash and cash equivalents, end of year		27,464	\$ 333

The following are included in cash flow from operating activities:

Interest income received in cash	\$ 335	\$ 58
Interest expense paid in cash	45	107
Income taxes paid	-	3

See accompanying notes to these consolidated financial statements

Atlas Energy Corp.
(Formerly Willow Biosciences Inc.)

Consolidated Statements of Changes in Shareholders' Equity (Deficiency)
For the years ended December 31,

In thousands of Canadian dollars, except for common share figures	Number of Common Shares	Share capital and Warrants	Convertible debenture – equity portion	Contributed Surplus	Accumulated Other Comprehensive Loss	Deficit	Total
	(Note 2,7)	(Note 7)	(Note 8)	(Note 7)			
December 31, 2024	28,969,309	\$ 120,888	\$ 44	\$ 6,753	\$ (316)	\$ (127,874)	\$ (505)
Private placement	600,000,000	30,000	-	-	-	-	30,000
Share issuance costs	-	(1,365)	-	-	-	-	(1,365)
Release of restricted share awards	470,045	227	-	(227)	-	-	-
Reclass of expired warrants	-	(59)	-	59	-	-	-
Reclass convertible debenture-equity portion	-	-	(44)	44	-	-	-
Share-based compensation	-	-	-	206	-	-	206
Reclass of foreign exchange loss on translation of foreign operations	-	-	-	-	316	-	316
Reduction in stated capital	-	(119,400)	-	-	-	119,400	-
Net income for the period	-	-	-	-	-	(1,368)	(1,368)
December 31, 2025	629,439,354	\$ 30,291	\$ -	\$ 6,835	\$ -	\$ (9,842)	\$ 27,284

In thousands of Canadian dollars, except for common share figures	Number of Common Shares	Share capital and Warrants	Convertible debenture – equity portion	Contributed Surplus	Accumulated Other Comprehensive Loss	Deficit	Total
	(Note 2,7)	(Note 7)	(Note 8)	(Note 7)			
December 31, 2023	24,887,565	\$ 118,176	\$ 44	\$ 7,314	\$ (413)	\$ (121,685)	\$ 3,436
Convertible debenture – interest payment	217,445	96	-	-	-	-	96
Exercising of equity settled awards	82,229	972	-	(970)	-	-	2
Private placement – issuance	502,597	270	-	-	-	-	270
Brokered Financing – issuance	3,279,473	1,640	-	-	-	-	1,640
Share issue costs	-	(266)	-	-	-	-	(266)
Share-based compensation	-	-	-	409	-	-	409
Foreign exchange gain on translation of foreign operations	-	-	-	-	97	-	97
Net loss for the period	-	-	-	-	-	(6,189)	(6,189)
December 31, 2024	28,969,309	\$ 120,888	\$ 44	\$ 6,753	\$ (316)	\$ (127,874)	\$ (505)

See accompanying notes to these consolidated financial statements.

Notes to Consolidated Financial Statements
For the years ended December 31, 2025 and 2024
(amounts in thousands of Canadian dollars, except for share amounts)

1. Reporting Entity

On April 30, 2025, Willow Biosciences Inc. (“Willow”)’s wholly-owned operating subsidiary Epimeron USA, Inc. (“Epimeron”) which included the biotechnology business, intellectual property and research and development (“R&D”) team was sold to a private company. The disposition of Epimeron constituted a sale of substantially all of Willow’s business operations.

On June 19, 2025, Willow completed a transformative recapitalization transaction to form Atlas Energy Corp. (the “Company”). The Company: (a) consolidated the common shares of the Company on the basis of one (1) post-Consolidation Common Share for every five (5) pre-Consolidation Common Shares; (b) appointed a new management team and new board of directors; (c) Changed its name to "Atlas Energy Corp."; and (d) completed a non-brokered equity private placement for aggregate gross proceeds of \$30.0 million (the "Private Placement").

Atlas Energy Corp. is focused on the acquisition and management of a portfolio of international upstream oil and gas royalty and streaming transactions. As at December 31, 2025, the Company has an active pipeline of potential opportunities but has not yet consummated any royalty or streaming agreement.

The Company has a wholly owned subsidiary, Atlas Energy International SEZC was incorporated under the laws of the Cayman Islands on September 18, 2025.

The Company’s shares are listed on the TSX Venture Exchange (“TSXV”) under the trading symbol “ATLE”. The Company’s head office and registered office is located at Suite 3200 Dome Tower, 333 7th Ave SW, Calgary AB T2P 2Z1.

2. Basis of Presentation

Statement of Compliance

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards, as issued by the International Accounting Standards Board and are presented in thousands of Canadian dollars. A summary of the material accounting policies under IFRS are presented in Note 3, “Material accounting policies”. These policies have been applied consistently for all periods presented in these financial statements.

The Company has re-presented the results of their R&D business as discontinued operations in the Consolidated Statements of Comprehensive Income (Loss) to conform with the requirements of IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations.

On June 16, 2025, the shareholders of the Company approved a consolidation of common shares on the basis of a ratio of five (5) pre-consolidation common shares for each post-consolidation common share (the "Share Consolidation"). The Share Consolidation was completed on June 19, 2025. All references to common shares, warrants, performance share awards, restricted share awards, deferred share awards and stock options in Consolidated Financial Statements have been re-presented and are reflected on a post-consolidation basis.

These consolidated financial statements were approved and authorized for issuance on April 6, 2026.

Basis of Measurement

The financial statements have been prepared on the historical cost basis, except for certain items that have been measured at fair value.

Functional and Presentation Currency

Unless otherwise stated, these financial statements are presented in Canadian (CAD) dollars. The Company’s functional currency is the Canadian (CAD) dollar. The functional currency for the Company’s wholly-owned Cayman Islands

Notes to Consolidated Financial Statements
For the years ended December 31, 2025 and 2024
(amounts in thousands of Canadian dollars, except for share amounts)

subsidiary is the United States (USD) dollar. Additionally, the functional currency for the Company's wholly-owned United States subsidiary which was sold during the year was also United States (USD) dollar.

Use of Estimates and Judgements

The preparation of these consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ materially from these estimates.

3. Material accounting policies

The accounting policies set out below have been applied consistently to all years presented in these consolidated financial statements unless otherwise indicated.

a) Consolidation

These consolidated financial statements include the accounts of the Company's subsidiary, Atlas Energy International SEZC, commencing September 18, 2025, the date the subsidiary was incorporated.

Subsidiaries:

Subsidiaries are entities controlled by the Company. Control exists when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, substantive potential voting rights are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Transactions eliminated on consolidation:

Intercompany balances and transactions, and any unrealized income and expenses arising from intercompany transactions, are eliminated in preparing the consolidated financial statements.

b) Foreign currencies

Transactions in foreign currencies are translated to the functional currency at exchange rates in effect at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate in effect at that date. The foreign currency gain or loss on monetary items has been recognized in net income or loss.

The Company's foreign operations that have a functional currency different from the Company's presentation currency are translated into the Company's presentation currency at period end exchange rates for assets and liabilities and at the average rate over the period for revenues and expenses. Translation gains and losses relating to the foreign operations are included as a component of shareholders' equity in Other Comprehensive Income/(Loss).

On disposal of a foreign operation, the cumulative translation gain and losses relating to the foreign operation included in shareholders' equity is reclassified to profit or loss. The reclassification forms part of the gain or loss on disposal.

c) Financial Instruments

i. Financial assets

The Company initially recognizes accounts receivable and deposits on the date that they originate. All other financial assets (including assets designated at fair value through profit or loss) are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

Notes to Consolidated Financial Statements
For the years ended December 31, 2025 and 2024
(amounts in thousands of Canadian dollars, except for share amounts)

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire or when it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position only when the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

ii. Financial Liabilities

Accounts payable and accrued liabilities are initially measured at fair value net any transaction costs directly attributable to the issuance of the instrument and are subsequently measured at amortized cost.

d) Share based payments

Prior to the recapitalization event, the Company had equity-settled long-term incentive share-based compensation plans which provided for the granting of options, performance share awards (“PSAs”) and restricted share awards (“RSAs”) to directors, officers, and employees. There were no provisions for cash settlement in these plans.

The Company followed the fair value method of valuing RSAs and PSA. Under this method, compensation cost was measured at fair value at the date of grant and expensed over the vesting period with a corresponding increase to contributed surplus. Upon the exercise of an instrument, consideration paid together with the amount previously recognized in contributed surplus is recorded as an increase to share capital.

The fair value of each tranche of options within an award is measured at the date of the grant using the Black-Scholes option pricing model. Assumptions used in the model included risk-free interest rate, underlying historic volatility, expected term of the instrument, expected dividends and estimated forfeiture rates. Service and non-market performance conditions attached to the transactions were not considered in determining fair value. The number of awards expected to vest were reviewed on an ongoing basis.

Forfeitures of share-based payment awards arising from failure to meet vesting conditions are accounted for by reversing previously recognized compensation expense such that only awards expected to vest are recognized. Cancellations of awards are treated as an acceleration of vesting, and any remaining unrecognized compensation expense is recognized immediately in profit or loss at the date of cancellation.

The Company also had a cash-settled, deferred share awards (“DSAs”) plan for its non-executive directors. The cost of the DSAs were recognized as a liability in the consolidated statements of financial position and as a share-based compensation expense in the consolidated statements of comprehensive loss. At each reporting date between the grant date and settlement date, the fair value of the liability was re-measured with any changes in fair value recognized in the consolidated statements of comprehensive loss.

e) Income Tax

Income tax includes current and deferred tax. Income tax is recognized in the statement of income except when it relates to items recognized directly in equity where it is also recognized directly in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted, or substantially enacted, at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined on a non-discounted basis using tax

Notes to Consolidated Financial Statements
For the years ended December 31, 2025 and 2024
(amounts in thousands of Canadian dollars, except for share amounts)

rates and laws that have been enacted or substantively enacted at the balance sheet date and are expected to apply when the deferred tax asset or liability is settled.

Deferred tax assets are recognized to the extent that it is probable that the future taxable profits will be available against which they can be utilized.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period. The Company reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable income will be available to allow the benefit of part or all of these deferred tax assets to be utilized. Such reduction is reversed to the extent that it becomes probable that sufficient taxable income will be available.

f) Per share amounts

Basic loss per share (“EPS”) is calculated by dividing the net loss for the period attributable to equity owners of the Company by the weighted average number of common shares outstanding during the period.

Diluted EPS is calculated by adjusting the weighted average number of common shares outstanding for dilutive instruments. The Company uses the treasury stock method to determine the dilutive effect of issued instruments (stock options, and warrants). This method assumes that proceeds received from the exercise of in-the-money instruments are used to repurchase common shares at the average market price for the period.

g) Discontinued Operations

A discontinued operation is a component of the Company’s business, for which the operations and cash flows can be clearly distinguished from the rest of the Company, and:

- (i) represents a separate major line of business or geographic area of operations;
- (ii) is part of a single coordinated plan to dispose of a separate major line of business or geographic area of operations; or
- (iii) is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale.

Discontinued operations are presented as a single amount as net income (loss) from discontinued operation, net of tax, in the consolidated Statements of Comprehensive Loss. The consolidated Statements of Cash Flows include cash flows of the discontinued operation and has not been re-presented to reflect discontinued operations. The details of the cash flows from discontinued operations are presented in the notes to the consolidated financial statements. The consolidated Statements of Financial Position have not been re-presented to reflect discontinued operations.

h) Future Accounting policies

IFRS 18 Presentation and Disclosure in Financial Statements replaces IAS 1 Presentation of Financial Statements and will be effective for annual periods beginning on or after January 1, 2027, with early adoption permitted. IFRS 18 will introduce new totals, subtotals, and categories for income and expense in the statement of income, as well as requiring disclosure about management-defined performance measures and additional requirements regarding the aggregation and disaggregation of certain information. The Company is currently evaluating the impact on its financial statements.

IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures were amended in May 2024 to clarify the date of recognition and derecognition of financial assets and liabilities. The amendments are effective for fiscal years beginning on or after January 1, 2026, with early adoption permitted. The Company is currently evaluating the impact that this amendment will have on its financial statements.

4. Significant judgements, estimates and assumptions

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the amounts reported in these consolidated financial statements and notes. Accordingly, actual results may differ from estimated amounts as future confirming events occur. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Significant judgements and estimates made by management affecting the consolidated financial statements include:

a) Share-based payment transactions

Prior to the recapitalization event, the Company measured share-based payment transactions by reference to the fair value of the stock options at the date at which they were granted. Estimating the fair value for granted stock options was completed using the Black-Scholes option pricing model, which was dependent on the terms and conditions of the grant. This estimate also required determining and making assumptions about the most appropriate inputs to the valuation model, including the expected life of the option, volatility, and forfeitures. Estimating the value of the performance share awards was subject to the performance of the company and the individual.

b) Discontinued Operations

Judgement is required in determining whether a component is considered a discontinued operation.

As disclosed in Note 5, the Company sold the entirety of its R&D business. The Company applied judgement to determine whether a component of the Company that either has been disposed of, or classified as held for sale, meets the criteria of a discontinued operation. The key area that involves management judgement in this determination is whether the component represents a separate major line of business. There were no retained liabilities directly associated with the sale of this business and management determined this represented a major line of business for the Company. As such, the Company has accounted for the disposal of its R&D business as a discontinued operation and presented the after-tax income (loss) as a single amount in the Consolidated Statements of Comprehensive Loss.

c) Warrants

The fair value of the warrants was determined using the Black-Scholes option pricing model. The application of this valuation technique requires management to make significant estimates and assumptions, including the expected volatility of the Company's share price, expected life of the warrants, risk-free interest rate and expected dividend yield.

5. Discontinued Operations

On April 30, 2025, the Company completed the sale of its wholly owned operating subsidiary Epimeron, inclusive of the Entity's biotechnology business, intellectual property and research and development ("R&D") team for aggregate consideration of \$3.829 (US\$2.76) million in cash after closing adjustments. Of this amount, \$382,000 (US\$275,000) of the net proceeds were to be held in escrow till September 17, 2025. An allowance has been recognized for the full balance of the escrow receivable as the Company does not consider the amount to be collectible.

The disposition constituted a sale of all the Company's R&D business operations. The results of the R&D business have been classified as discontinued operations for the period ended December 31, 2025. Comparative figures have been re-presented accordingly.

Notes to Consolidated Financial Statements
For the years ended December 31, 2025 and 2024
(amounts in thousands of Canadian dollars, except for share amounts)

The carrying amounts of assets and liabilities as at the date of sale, April 30, 2025 were as follows:

	April 30, 2025
Cash and cash equivalents	\$ 84
Accounts receivable	1
Deposits and prepaid expenses	121
Inventory	48
Property, plant & equipment	480
Right-of-use-assets	1,103
Long-term deposits	84
	\$ 1,921

	April 30, 2025
Accounts payable and accrued liabilities and deferred revenue	\$ 681
Lease liabilities	889
	\$ 1,570
Net assets	\$ 351

The gain on sale is calculated as follows:

Cash received on sale of Epimeron	\$ 3,447
Consideration receivable ¹	382
Total consideration	3,829
Working capital adjustment to be credited to the purchaser from escrow funds ¹	(132)
Carrying amount of net assets of Epimeron	(351)
Gain on sale before reclassification of foreign currency translation reserve	3,346
Reclassification of foreign currency translation	(316)
Gain on sale	\$ 3,030

¹ During Q2, 2025, the Company and the purchaser of Epimeron USA Inc. mutually agreed \$132,000 (US\$96,000) would be credited back to the purchaser from the escrow.

Net income (loss) from discontinued operations includes the revenue and expenses related to the Company's R&D business inclusive of the gain on sale above.

Net income (loss) from discontinued operations is comprised of the following:

	April 30, 2025	December 31, 2024
Research and development revenue	\$ (2,179)	\$ (4,662)
General and administrative	1,905	1,440
Share based compensation	112	240
Research and development	1,388	5,057
Depreciation and amortization	-	1,330
Gain on sale of property, plant and equipment	-	(135)
Net finance expense	50	108
Foreign withholding tax expense	282	541
Net loss from discontinued operations	(1,558)	(3,919)
Gain on sale	3,030	-
Other loss ¹	(250)	-
Total net income (loss) from discontinued operations	\$ 1,222	(3,919)

¹ As at December 31, 2025, due to ongoing negotiations, the Company no longer believes collection of the remaining escrow funds is assured. Other loss relates to the additional amounts determined not to be collectible in the current quarter.

Notes to Consolidated Financial Statements
For the years ended December 31, 2025 and 2024
(amounts in thousands of Canadian dollars, except for share amounts)

Discontinued operations reported in the consolidated statements of cash flows are as follows:

	April 30, 2025	December 31, 2024
Cash flow used in operating activities	\$ (1,194)	\$ (1,717)
Cash flow used in financing activities	(336)	(806)
Cash flow from investing activities	3,363	78

6. Broker Warrants and Warrants

a) Broker warrants

	Number of Broker Warrants	Weighted Average Exercise Price \$
Broker warrants at December 31, 2023	-	-
Issued with private placement	164,984	0.500
Issued with private placement	9,000	0.650
Broker warrants at December 31, 2024 and 2025	173,984	0.508

In connection with the July 18, 2024 offering, the agent received a cash commission of \$86,992 and was issued 173,984 non-transferable broker warrants. Each broker warrant entitles the agent to purchase one (1) share (Note 7) until July 18, 2027, with 164,984 broker warrants being exercisable at the Issue Price of \$0.50, and 9,000 broker warrants being exercisable at the exercise price of \$0.65.

b) Warrants

	Number of Warrants	Weighted Average Exercise Price \$
Warrants at December 31, 2023	761,920	0.53
Issued with private placement	135,986	0.70
Issued with private placement	115,313	0.80
Issued with brokered financing	1,639,737	0.65
Warrants at December 31, 2024	2,652,956	0.63
Expired	(1,013,219)	0.58
Issued with recapitalization financing	300,000,000	0.05
Warrants at December 31, 2025	301,639,737	0.05

In connection with the July 18, 2024 offering, the Company issued 1,639,737 warrants at an exercise price of \$0.65 per Common Share for a period of 36 months from the closing of the Offering, subject to an accelerated expiry in the event the volume-weighted average closing price of the Common Shares on the TSXV is equal to or exceeds \$0.85 for ten (10) consecutive trading days.

In connection with the June 19, 2025 private placement (Note 7b), the Company issued 300 million Common Share Purchase Warrants. Each Common Share Purchase Warrant entitles the holder to purchase one Common Share at a price of \$0.05 for a period of five years. The Common Share Purchase Warrants vest and become exercisable in increments of one third upon which the first one third vests as the 10-day weighted average trading price of the Common Shares (the "Market Price") equalling or exceeding 50% above the Exercise Price, an additional one-third upon the Market Price equalling or exceeding

Notes to Consolidated Financial Statements
For the years ended December 31, 2025 and 2024
(amounts in thousands of Canadian dollars, except for share amounts)

75% above the Exercise Price and a final one-third upon the Market Price equalling or exceeding 100% above the Exercise Price. All of the above-listed warrants have now vested.

The fair value of warrants granted in connection with the June 19, 2025 private placement were allocated a value of \$5.3 million. The fair value has been estimated according to the Black-Scholes option pricing model. The following assumptions were used in arriving at the weighted average fair value of \$0.018 per warrant:

	December 31 2025	December 31 2024
Dividend	-	-
Risk-free interest	2.86%	3.41%
Estimated life (years)	5	3
Expected volatility *	35%	94.16%

*The expected volatility was estimated based on historical volatility of a peer group of comparable publicly traded companies.

7. Share Capital

On June 16, 2025, the shareholders of the Company approved a consolidation of common shares on the basis of a ratio of five (5) pre-consolidation common shares for each post-consolidation common share (the "Share Consolidation"). The Share Consolidation was completed on June 19, 2025.

a) Authorized

Unlimited number of common shares without par value.
Unlimited number of preferred shares issuable in series.

b) Issued and outstanding

	Number of Common Shares	Share Capital and Warrants
Balance at December 31, 2023	24,887,565	\$ 118,176
Exercising of equity rewards	82,229	972
Common shares and warrants issued with private placement	502,597	270
Common shares and warrants issued with brokered financing	3,279,473	1,640
Share issuance costs	-	(266)
Common shares issued for interest payment on convertible debenture	217,445	96
Balance at December 31, 2024	28,969,309	\$ 120,888
Common share units issued with private placement	300,000,000	15,000
Common shares issued with private placement	300,000,000	15,000
Share issuance costs	-	(1,365)
Shares issued for vested RSU's	470,045	227
Reclass of expired warrants	-	(59)
Reduction in stated capital	-	(119,400)
Balance at December 31, 2025	629,439,354	\$ 30,291

On June 19, 2025, the Company issued 300 million units ("Units") at a price of \$0.05 per Unit for gross proceeds of \$15.0 million. Each Unit issued under the Private Placement was comprised of one Common Share and one Common Share purchase warrant (each, a "Warrant") (Note 6b). Additionally, the Company issued 300 million Common Shares at a price of \$0.05 per Common Share for gross proceeds of \$15.0 million.

Notes to Consolidated Financial Statements
For the years ended December 31, 2025 and 2024
(amounts in thousands of Canadian dollars, except for share amounts)

On June 16, 2025, at the special meeting for shareholders, the shareholders authorized and approved a reduction in Stated Capital of \$119,400,000 to the capital account maintained by the Company in respect of its Common Shares.

c) Share-based compensation expense

	Year Ended December 31	
	2025	2024
Stock options	\$ 69	\$ 70
Restricted share awards	21	55
Performance share awards	4	44
Equity-settled share-based compensation expense	94	169
Deferred share awards / Cash share-based compensation expense	(112)	(112)
Total share-based compensation continued operations	\$ (18)	\$ 57
Total share-based compensation discontinued operations	\$ 112	\$ 240

d) Issued and outstanding employee stock options

During the year ended December 31, 2025, nil stock options (2024-120,000) were granted to employees and board members, 1,006,067 stock options (2024-103,267) were forfeited due to terminations and the sale of discontinued operations, 637,635 (2024-nil) stock options expired and 560,335 (2024- nil) stock options were cancelled upon recapitalization of the Company.

	Number of Employee Stock Options	Weighted Average Exercise Price \$
Options at December 31, 2023	1,698,736	1.70
Forfeited	(215,800)	0.65
Expired	(192,366)	6.70
Issued	916,800	0.45
Exercised	(3,333)	0.45
Options at December 31, 2024	2,204,037	0.85
Forfeited	(1,006,067)	0.45
Expired	(637,635)	1.80
Cancelled	(560,335)	0.45
Options at December 31, 2025	-	-

e) Restricted share awards (“RSAs”)

The RSAs vest in one-third increments on the first, second and third anniversaries of the date of grant. The Company estimates the fair value of RSAs based on the market price of the underlying stock on the date of grant. All RSA’s vested and were issued upon recapitalization of the Company.

	Number of restricted share awards	Weighted average grant date fair value \$
RSAs at December 31, 2023	533,955	0.80
Released upon vesting	(55,577)	3.60
Forfeited	(5,667)	0.55
RSAs at December 31, 2024	472,711	0.80
Forfeited	(2,667)	0.55
Released upon vesting	(470,044)	0.50
RSAs at December 31, 2025	-	-

Notes to Consolidated Financial Statements
For the years ended December 31, 2025 and 2024
(amounts in thousands of Canadian dollars, except for share amounts)

f) Performance share awards (“PSAs”)

The PSAs vest three years from the date of grant. The Company estimates the fair value of PSAs based on the market price of the underlying stock on the date of grant. All PSA’s were cancelled upon recapitalization of the Company.

	Number of performance share awards	Weighted average grant date fair value \$
PSAs at December 31, 2023	120,177	3.95
Released upon vesting	(23,318)	7.50
Cancelled	(23,318)	7.50
Forfeited	(3,000)	1.40
PSAs at December 31, 2024	70,541	1.70
Forfeited	(3,000)	0.55
Cancelled	(67,541)	1.75
PSAs at December 31, 2025	-	-

g) Deferred share awards (“DSAs”)

The DSAs vest immediately when they are granted. The DSAs are payable at the discretion of the holder at the time they cease to hold office of director for any reason and are settled by a lump-sum cash payment, in accordance with the terms of the DSA plan. The company estimates the fair value of the cash payout based on the market price of the underlying units at the end of each reporting period.

The following table summarizes the change in the number of DSAs:

	Number of Deferred share awards
DSA’s at December 31, 2024	640,000
Exercised	(640,000)
DSA’s at December 31, 2025	-

The deferred share awards were settled at a share price of \$0.15 on June 20, 2025.

The following table summarizes the change in compensation liability relating to the DSAs:

	Value of liability \$
DSA’s at December 31, 2023	\$ 320
Change in accrued compensation liabilities	(112)
DSAs at December 31, 2024	\$ 208
Change in accrued compensation liabilities	(112)
Cash Payment	(96)
DSAs at December 31, 2025	\$ -

Notes to Consolidated Financial Statements
For the years ended December 31, 2025 and 2024
(amounts in thousands of Canadian dollars, except for share amounts)

8. Convertible Debentures

On October 10, 2023, the Company closed a non-brokered private placement of convertible debenture units (“Debenture Units”) for gross proceeds of \$800,000. Each Debenture Unit consisted of \$1,000 in principal amount of unsecured convertible debenture of the Company and 952 common share purchase warrants. The convertible debenture bore interest at 12% per annum, was paid semi-annually in arrears in cash or common shares at the Company’s option and was set to mature on October 10, 2026. Each warrant was exercisable at \$0.525 per share until October 10, 2025. The convertible debentures were convertible at the holder’s option into common shares at a fixed conversion price of \$0.525 per share.

The following table summarizes the continuity of the Company’s convertible debentures:

	Number of convertible debentures	Liability Component	Equity Component
Balance at December 31, 2023	800	\$ 676	\$ 44
Accretion interest	-	38	-
Balance at December 31, 2024	800	\$ 714	\$ 44
Accretion interest	-	19	-
Settlement	(800)	(733)	(44)
Balance at December 31, 2025	-	\$ -	\$ -

The Company incurred \$42,000 in interest expense, which was paid on settlement.

The convertible debt was paid out in its entirety including a 5% penalty of \$40,000 on June 13, 2025. A loss of \$107,000 has been recognized inclusive of the \$40,000 penalty.

	December 31, 2025
Cash paid on extinguishment	\$ 840
Convertible debt balance at extinguishment	(733)
Loss on extinguishment of convertible debt	\$ 107

9. General and Administrative Expenses

General and Administrative Expenses

	Year Ended December 31	
	2025	2024
Consulting and technical services	\$ 129	\$ 51
Salaries, wages and benefits	1,196	829
Legal, audit and accounting	700	439
Investor relations	23	147
Corporate and office	714	597
Total	\$ 2,762	\$ 2,063

Notes to Consolidated Financial Statements
For the years ended December 31, 2025 and 2024
(amounts in thousands of Canadian dollars, except for share amounts)

10. Loss per Share

The following table summarizes the weighted average number of common shares used in calculating basic and diluted loss per share.

	Year Ended December 31	
	2025	2024
Loss from continuing operations	\$ (2,590)	\$ (2,270)
Net income (loss) from discontinued operations	\$ 1,222	\$ (3,919)
Weighted average common shares outstanding, basic	350,711,674	26,907,892
Dilutive effect of warrants ¹	209,090,909	-
Weighted average common shares outstanding, diluted	559,802,583	26,907,892
Loss per share, basic and diluted from continuing operations:	\$ (0.01)	\$ (0.09)
Earnings (loss) per share, basic and diluted from discontinued operations:		
Earnings (loss) per share, basic	\$ 0.00	\$ (0.16)
Earnings per share, diluted	\$ 0.00	\$ (0.16)

¹ For the year ended December 31, 2025, the Company included the dilutive effect of warrants in the calculation of diluted earnings per share from discontinued operations.

For the year ended December 31, 2025, the Company reported a net loss from continuing operations; accordingly, all potentially dilutive securities were anti-dilutive and were excluded from the calculation of diluted earnings per share. As a result, diluted loss per share is equal to basic loss per share for the year.

For the year ended December 31, 2024, the Company reported a net loss from continuing operations and discontinued operations; accordingly, all potentially dilutive securities were anti-dilutive and were excluded from the calculation of diluted earnings per share. As a result, diluted loss per share is equal to basic loss per share for the year.

11. Net Finance Income

	Year Ended December 31	
	2025	2024
Interest on savings accounts	\$ (391)	\$ (58)
Interest on lease liabilities	1	3
Interest on convertible debenture	42	96
Interest on payment arrangements	2	8
Accretion interest on convertible debenture	19	38
	\$ (327)	\$ 87

12. Supplementary Cash Flow Information

Net change in non-cash working capital

	Year Ended December 31	
	2025	2024
Accounts receivable	\$ (18)	\$ 127
Deposits and prepaid expenses	(40)	410
Inventory	8	165
Accounts payable and accrued liabilities	326	13
Deferred revenue	(58)	41
	\$ 218	\$ 756

Notes to Consolidated Financial Statements
For the years ended December 31, 2025 and 2024
(amounts in thousands of Canadian dollars, except for share amounts)

Relating to:		
Operating activities	\$ 218	\$ 756
Investing activities	-	-
	<hr/> \$ 218	<hr/> \$ 756

13. Financial Instruments and Risk Management

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's financial instruments at December 31, 2025 include cash and cash equivalents, accounts receivable, short – term investments, accounts payable and accrued liabilities and warrants.

a) Fair Values of Financial Instruments

The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The Company maximizes the use of observable inputs when preparing calculations of fair value, where possible. The fair value hierarchy has the following levels:

- Level 1 – Values are based on unadjusted quoted prices available in active markets for identical assets or liabilities as of the reporting date.
- Level 2 – Values are based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace. Prices in Level 2 are either directly or indirectly observable as of the reporting date.
- Level 3 – Values are based on prices or valuation techniques that are not based on observable market data. Assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the placement within the fair value hierarchy.

The fair value of cash and cash equivalents, short-term investments, accounts receivable, accounts payable and accrued liabilities approximate their carrying values due to the short-term nature of those instruments.

b) Risks Associated with Financial Assets and Liabilities

The Company has exposure to the following risks from its use of financial instruments:

- Market risk
- Credit risk
- Liquidity risk

This note presents information about the Company's exposure to each of the above risks.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market. Market risk is comprised of two types of risk: foreign currency risk and interest rate risk. The Company does not currently have significant market risk exposure other than foreign currency risk, as described below.

a) Foreign Currency Risk

Foreign currency risk is the risk that the future cash flows or fair value of the Company's financial instruments that are denominated in a currency that is not the Company's functional currency will fluctuate due to changes in foreign exchange rates.

Notes to Consolidated Financial Statements
For the years ended December 31, 2025 and 2024
(amounts in thousands of Canadian dollars, except for share amounts)

As at December 31, 2025, the Company had a net excess of US dollar denominated cash and cash equivalents of US \$144 thousand which is equivalent to \$197 thousand CAD at the December 31, 2025 exchange rate.

Each change of 5% in the US dollar in relation to the Canadian dollar will result in a gain or loss, with corresponding effect on cash flow, of \$10 thousand, based on the December 31, 2025 net US dollar asset position.

b) Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. As at December 31, 2025, the Company has no exposure to risk with respect to interest rate fluctuations, as its interest-bearing debt has been settled.

The Company's current policy is to invest excess cash in guaranteed investment certificates or interest-bearing accounts of major Canadian chartered banks or credit unions with comparable credit ratings.

The Company regularly monitors compliance to its cash management policy.

The Company, as at December 31, 2025, does not have any borrowings with financial institutions. Interest rate risk is limited to potential decreases on the interest rate offered on cash and cash equivalents held with chartered Canadian financial institutions. The Company considers this risk to be immaterial.

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or a counter party to a financial instrument fails to meet its contractual obligations. Financial instruments which are potentially subject to credit risk for the Company consist primarily of cash and cash equivalents and short-term investments. The Company mitigates this risk by only transacting with investment grade financial institutions with high credit ratings. Cash and cash equivalents and short-term investments with such financial institutions may be redeemed upon demand.

The carrying amount of financial assets represents the maximum credit exposure. Credit risk exposure is limited through maintaining cash and cash equivalents and short-term investments with high-credit quality financial institutions and management considers this risk to be minimal for all cash and cash equivalents and short-term investments assets based on changes that are reasonably possible at each reporting date.

Accounts receivable includes accrued interest receivable on cash and cash equivalents held with financial institutions of \$56 thousand. Interest income is recognized as it is earned using the effective interest method and is included in net finance income in the consolidated statements of comprehensive loss.

Liquidity Risk

Liquidity risk is the risk that the Company will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Company's objective in managing liquidity risk is to maintain sufficient available resources to meet its liquidity requirements at any point. The Company achieves this by managing its capital spending and maintaining sufficient funds for anticipated short-term spending in the cash and cash equivalents account.

The outstanding accounts payable and accrued liabilities of \$384 thousand will be settled in 2026 using cash and cash equivalents.

14. Capital Management

The Company considers all components of shareholders' equity as capital. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and generate positive operational cash flow

Notes to Consolidated Financial Statements
For the years ended December 31, 2025 and 2024
(amounts in thousands of Canadian dollars, except for share amounts)

and to maintain a flexible capital structure which optimizes the costs of capital while maintaining an acceptable level of financial risk. The Company is not exposed to any externally imposed capital requirements.

15. Income Taxes

a) Deferred Income Tax Expense (Recovery)

The income taxes shown on the statements of comprehensive loss differ from amounts obtained by applying statutory rates due to the following:

	Year Ended December 31	
	2025	2024
Loss before income taxes	\$ (1,368)	\$ (6,186)
Capitalized research costs	1,321	5,882
Loss before income taxes	(47)	(304)
Statutory income tax rate	27.00%	27.00%
Expected income tax recovery	\$ (13)	\$ (82)
Differences in tax rates in foreign jurisdictions ¹	89	-
Non-deductible items and other	24	68
Change in tax rates	58	133
Change in unrecognized tax benefits	(158)	(116)
Income tax (recovery) expense	\$ -	\$ 3

¹ During the year ended December 31, 2025, the Company's subsidiary domiciled in the Cayman Islands generated a net loss of \$334 thousand.

Capitalized research costs include depreciation and amortization expense related to the research and development facility. These costs are included in Net income (loss) from discontinued operations on the Consolidated Statement of Comprehensive Loss.

b) Deferred Income Tax Asset

The components of the Company's unrecognized deductible temporary difference are as follows:

	2025	2024
Share issuance costs	\$ 1,960	\$ 820
Plant, property and equipment	1,759	1,728
Capital losses and other	-	130
Non-capital losses	85,310	83,533
Unrecognized deductible temporary differences	\$ 89,029	\$ 86,211

As at December 31, 2025, the Company had approximately \$89 million (December 31, 2024 - \$86.2 million) in tax pools available for deduction against future taxable income. Included in this tax basis are estimated non-capital loss carry forwards of approximately \$85.3 million (December 31, 2024- \$83.5 million) that expire between 2034 and 2042. The tax pools have not been recorded in the Company's records as it is not probable that they will be realized because of the change in business.

Notes to Consolidated Financial Statements
For the years ended December 31, 2025 and 2024
(amounts in thousands of Canadian dollars, except for share amounts)

16. Related Party Transactions

a) Key management compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the Company's activities as a whole. Key management personnel consist of the members of the Board of Directors along with senior officers of the Company, a total of 6 individuals (2024 - 7 individuals).

Key management personnel compensation is comprised of:

	Year Ended December 31	
	2025	2024
Salaries and short-term employee benefits	\$ 737	\$ 1,487
Share-based compensation	-	143
	\$ 737	\$ 1,630

b) Amounts payable to related parties

As at December 31, 2025, the Company had \$10 thousand (December 31, 2024 - \$25 thousand outstanding to related parties which included directors, for salaries) outstanding to related parties which included expense reimbursements.

The Company paid \$568 thousand of its outstanding convertible debentures which included the face value, accrued interest and a 5% penalty to related parties which include key management personnel and members of the Board of Directors. See Note 8 for other disclosures relating to the convertible debentures.

As part of the private placement noted in Note 7(b), certain insiders of the Company participated in the Offering, subscribing for a total of 276,800,000 Units for aggregate proceeds of \$13.8 million.

17. Subsequent Event

Subsequent to December 31, 2025, the Company's subsidiary incorporated a new wholly-owned subsidiary, Atlas Energy International Holdings, in Cayman Islands. The new entity has not commenced significant operations as at the date of these financial statements.