



CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED MARCH 31, 2025

(EXPRESSED IN CANADIAN DOLLARS - UNAUDITED)

LETHO RESOURCES CORP.
MARCH 31, 2025
(Expressed in Canadian Dollars - Unaudited)

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NOTICE TO READER

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

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

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

LETHO RESOURCES CORP.
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars - Unaudited)

As at	March 31, 2025	December 31, 2024
	\$	\$
ASSETS		
Current assets		
Cash	9,687	1,164
Receivables	6,799	5,454
Prepaid expenses	2,455	255
Loans receivable (Notes 3 and 7)	410,701	392,572
	429,642	399,445
LIABILITIES AND SHAREHOLDERS' DEFICIENCY		
Current liabilities		
Accounts payable and accrued liabilities (Note 6)	196,738	229,243
Note payable (Note 4)	1,913,128	1,830,294
	2,109,866	2,059,537
Shareholders' deficiency		
Share capital (Note 5)	6,754,589	6,754,589
Deficit	(8,434,813)	(8,414,681)
	(1,680,224)	(1,660,092)
	429,642	399,445

Nature of Operations and Going Concern (Note 1)

Approved and authorized by the Board on May 29, 2025.

On behalf of the Board of Directors:

“Dimitris Soudas ”
Director

“Brian Morrison ”
Director

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

LETHO RESOURCES CORP.
CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars - Unaudited)

	For the three months ended March 31,	
	2025	2024
	\$	\$
Administrative expenses		
Insurance	-	461
Interest (Note 4)	32,272	28,294
Management fees (Note 6)	12,000	12,000
Office	391	289
Professional fees	5,920	2,000
Transfer agent and filing fees	5,321	4,457
Loss before other items	(55,904)	(47,501)
Other items		
Interest income (Note 3)	203	139
Foreign exchange gain (loss)	1,063	(17,669)
Accretion Recovery (Notes 3 and 7)	18,299	18,584
Write-off of accounts payable	16,207	-
	35,772	1,054
Net and comprehensive loss for the period	(20,132)	(46,447)
Basic and diluted loss per common share	(0.00)	(0.00)
Weighted average number of common shares outstanding	25,843,904	25,843,904

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

LETHO RESOURCES CORP.**CONDENSED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' DEFICIENCY**

(Expressed in Canadian Dollars - Unaudited)

	Share Capital		Deficit	Total
	Number	Amount		
		\$	\$	\$
Balance, December 31, 2023	25,843,904	6,754,589	(8,067,407)	(1,312,818)
Net loss for the period	-	-	(46,447)	(46,447)
Balance, March 31, 2024	25,843,904	6,754,589	(8,113,854)	(1,359,265)
Net loss for the period	-	-	(300,827)	(300,827)
Balance, December 31, 2024	25,843,904	6,754,589	(8,414,681)	(1,660,092)
Net loss for the period	-	-	(20,132)	(20,132)
Balance, March 31, 2025	25,843,904	6,754,589	(8,434,813)	(1,680,224)

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

LETHO RESOURCES CORP.
CONDENSED INTERIM STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars - Unaudited)

	For the three months ended March 31,	
	2025	2024
	\$	\$
Cash flows used in operating activities		
Net loss for the period	(20,132)	(46,447)
Add: Items not affecting cash		
Accrued interest income	(203)	(139)
Accrued interest expense	32,272	28,294
Foreign exchange	(1,065)	17,671
Accretion expense (Recovery)	(18,299)	(18,584)
Changes in non-cash operating working capital:		
Receivable	(1,345)	(717)
Prepaid expenses	(2,200)	(1,350)
Accounts payable and accrued liabilities	(32,505)	(9,691)
	(43,477)	(30,963)
Cash flows from financing activities		
Loan received	52,000	30,000
	52,000	30,000
Change in cash	8,523	(963)
Cash, beginning of period	1,164	7,963
Cash, end of period	9,687	7,000

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

LETHO RESOURCES CORP.
NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS
THREE MONTHS ENDED MARCH 31, 2025
(Expressed in Canadian Dollars - Unaudited)

1. NATURE OF OPERATIONS AND GOING CONCERN

Nature of operations

Letho Resources Corp. (“Letho” or the “Company”) is a publicly listed company incorporated in British Columbia and its shares are listed on the NEX Exchange (the “Exchange”). The Company is principally engaged in the acquisition, exploration, development of oil and gas properties.

The head office and registered and records office of the Company is located at #300 – 1455 Bellevue Avenue, West Vancouver B.C., V7T 1C3.

The Company is currently awaiting a decision on bids submitted for oil and gas production opportunities in Canada. The Company’s continuing operations are entirely dependent upon the ability of the Company to obtain the necessary financing to complete these acquisitions, obtaining the necessary permits to extract natural resources, and on future profitable production or proceeds from the disposition of the properties.

Going concern

These condensed interim financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

Several adverse conditions may cast significant doubt on the validity of this assumption. The Company has incurred significant operating losses since inception and as at March 31, 2025, has a deficit of \$8,434,813 (December 31, 2024 - \$8,414,681), has limited resources, no sources of operating cash flow and no assurances that sufficient funding will be available to continue operations. The Company is in the exploration stage, and accordingly, has not yet commenced revenue-producing operations.

To date the Company has funded its operations substantially through equity and debt financings. The application of the going concern concept is dependent upon the Company’s ability to satisfy its liabilities as they become due and to obtain the necessary financing to complete the exploration and development of its resource interests, the attainment of profitable resource operations or the receipt of proceeds from the disposition of its resource interests. Management is actively engaged in the review and due diligence on opportunities of merit and is seeking to raise the necessary capital to meet its funding requirements. There can be no assurance that management’s plan will be successful.

If the going concern assumption was not appropriate for these condensed interim financial statements, then adjustments may be necessary to the carrying values of assets and liabilities, the reported expenses and the statement of financial position classifications used. Such adjustments could be material.

The Company’s business may be affected by changes in political and market conditions, such as interest rates, availability of credit, inflation rates, changes in laws, and national and international circumstances. Recent geopolitical events and potential economic global challenges such as the risk of higher inflation and energy crises, may create further uncertainty and risk with respect to the prospects of the Company’s business.

LETHO RESOURCES CORP.
NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS
THREE MONTHS ENDED MARCH 31, 2025
(Expressed in Canadian Dollars - Unaudited)

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

This financial report does not include all of the information required of a full annual financial report and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Company for the years ended December 31, 2024 and 2023.

These condensed interim financial statements of the Company were approved and authorized for issue by the Board of Directors on May 29, 2025.

Basis of preparation

These condensed interim financial statements have been prepared under the historical cost basis, except for investments which are measured at fair value. These condensed interim financial statements have been prepared under the accrual basis of accounting, except for cash flow information.

Foreign currency translation

The Company's presentation currency and functional currency is the Canadian dollar, as this is the principal currency of the economic environment in which it operates.

Transactions in foreign currencies are initially recorded in the Company's functional currency at the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange at the end of each reporting period.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions and are not subsequently restated.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when fair value is determined.

All gains and losses on translation of foreign currency transactions are included in profit or loss.

Use of estimates and judgments

The preparation of condensed interim financial statements requires management to make estimates and judgments that affect the reported amounts of assets and liabilities at the date of the condensed interim financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates, which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the condensed interim financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and may affect both the period of revision and future periods.

The key area of judgment applied in the preparation of the condensed interim financial statements that could result in a material adjustment to the carrying amounts of assets and liabilities is as follows:

LETHO RESOURCES CORP.
NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS
THREE MONTHS ENDED MARCH 31, 2025
(Expressed in Canadian Dollars - Unaudited)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of estimates and judgments (continued)

- Going Concern

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay its ongoing operating expenses, meets its liabilities for the ensuing year, and to fund planned and contractual exploration programs, involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

- Loans receivable

Loans receivables are recorded at the fair value, which requires the use of estimates such as future cash flows from assets, discount rates applicable to those assets' cash flows and the estimate of uncollectable accounts. These estimates are based on market conditions existing at the reporting date.

Accounting standards and amendments issued but not yet adopted

The Company has performed an assessment of new standards issued by the IASB that are not yet effective and has determined that any standards that have been issued would have no or very minimal impact on the Company's condensed interim consolidated financial statements.

3. LOANS RECEIVABLE

- a. In January 2021, the Company entered into a loan agreement with an arm's length party, whereby the Company loaned \$353,160 (US\$270,000) bearing no interest and due on January 30, 2023 for the purpose of providing a security deposit in connection with the application for the license agreement for the Cakran-Mollaj oilfield. If the Company is awarded the right to proceed with the signing of a license agreement for the Cakran-Mollaj oilfield, the loan will be waived. In March 2021, the loan agreement was amended to increase the loan amount to \$391,410 (US\$300,000). In October 2021, the Company received a repayment of \$123,570 (US\$100,000) leaving a remaining balance of \$258,660 (US\$200,000). As at December 31, 2024, the Company recorded a discounted loan receivable balance of \$239,816 and an accretion expense of \$21,182. As at March 31, 2025, the Company recorded a discounted loan receivable balance of \$250,774 and an amount of \$11,184 was recorded as accretion.
- b. In March 2021, the Company entered into another loan agreement with an arm's length party, whereby the Company loaned \$159,375 (US\$150,000) bearing interest of 0.5% per annum and due on March 30, 2023 for the purpose of providing a security deposit in connection with the application for the license agreement for the Amonica oilfield. If the Company is awarded the right to proceed with the signing of a license agreement for the Amonica oilfield, the loan will be waived. During the year ended December 31, 2021, the Company loaned \$158,483 (US\$125,000) to this arm's length party. As at December 31, 2024, the Company recorded a discounted loan receivable balance of \$152,756, accretion expense of \$13,479, and accrued interest of \$749. As at March 31, 2025, the Company recorded a discounted loan receivable balance of \$159,928, and an amount of \$7,115 and \$202 was recorded as accretion and accrued interest, respectively.

The Company used a discounted cash flow model with an estimated fair value interest rate of 20% to estimate the fair value of the liability. See Note 7 in regard to the loan receivable from Anio.

LETHO RESOURCES CORP.
NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS
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(Expressed in Canadian Dollars - Unaudited)

4. NOTE PAYABLE

In October 2020, the Company entered into a loan agreement for a \$2,072,453 (US\$1,577,329) unsecured loan from an arm's length third party bearing interest at 8% per annum, with the principal and interest due June 30, 2026.

	\$
December 31, 2023	1,414,196
Interest	109,889
Foreign exchange adjustment	119,494
December 31, 2024	1,643,579
Interest	28,311
Foreign exchange adjustment	(1,438)
March 31, 2025	1,670,452

On March 23, 2023 the Company entered into a debt settlement agreement with a lender to settle a portion of the outstanding loan payable in the amount of the equivalent to \$1,193,597 pursuant to the loan agreement dated October 14, 2020, by issuing 12,564,183 common shares in the capital of the Company at a deemed price of \$0.095 per share. Pursuant to the debt settlement the Company recorded a gain of \$314,105. These shares were issued on May 29, 2023 (Note 5).

Alcan Petroleum Ltd.

On July 4 2023, the Company entered into a loan agreement for a \$100,000 unsecured loan from an arm's length third party Alcan Petroleum Ltd. bearing interest at 8% per annum, with the principal and interest due July 31, 2026. On May 28, 2024, the agreement was amended to a maximum loan of \$200,000 with the same terms as the original loan agreement. On March 18, 2025, the agreement was amended to a maximum loan of \$300,000 with the same terms as the original loan agreement. As at the quarter ended March 31, 2025, the Company had received \$227,000 towards the unsecured loan.

	\$
December 31, 2023	71,707
Loan	105,000
Interest	10,008
December 31, 2024	186,715
Loan	52,000
Interest	3,961
March 31, 2025	242,676

5. SHARE CAPITAL AND RESERVES

Authorized

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

Issued

The Company had no share issuance transactions during the three months ended March 31, 2025.

The Company had no share issuance transactions during the year ended December 31, 2024.

LETHO RESOURCES CORP.
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5. SHARE CAPITAL AND RESERVES (continued)

Stock options

The Company has a 10% “rolling” stock option plan pursuant to the policies of the Exchange. The exercise price of each option is to be determined by the Board of Directors, but shall not be less than the discounted market price as defined by the Exchange. The expiry date for each option should be for a maximum term of five years.

Options granted to consultants not engaged in investor relations activities are granted for past services and vest immediately. Options granted to investor relations consultants vest according to Exchange policy.

As at December 31, 2024 and March 31, 2025, there were no stock options outstanding.

Warrants

As at December 31, 2024 and March 31, 2025, there were no warrants outstanding.

6. RELATED PARTY TRANSACTIONS AND BALANCES

During the three months ended March 31, 2025, the Company entered into the following transactions with related parties, not disclosed elsewhere in these condensed interim financial statements:

- As at March 31, 2025, \$26,557 was included in accounts payable owing to the Company’s President and Chief Executive Officer to the company for prepaid reimbursement of expenses and management fees (December 31, 2024 – 20,692).
- As at March 31, 2025, \$16,586 (December 31, 2024 - \$16,586) was included in accounts payable and accrued liabilities owing to a director of the Company for reimbursement of expenses and unpaid management fees.

Amounts due to related parties have no stated rates of interest and are due on demand.

Key management comprises officers and directors of the Company. Summary of key management compensation:

	For the three months ended March 31,	
	2025	2024
	\$	\$
Management fees	12,000	12,000

LETHO RESOURCES CORP.
NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS
THREE MONTHS ENDED MARCH 31, 2025
(Expressed in Canadian Dollars - Unaudited)

7. ABANDONED TRANSACTIONS

Anio Oil & Gas Sh.a. Transaction

In May 2018, the Company signed a memorandum of understanding (“MOU”) to undertake a business combination transaction with Anio. Anio is a private company registered in Albania that holds a license to the Ballsh-Hekal producing oil field in Albania. If successful, the transaction will be completed by way of a share exchange, that will result in a reverse takeover of the Company by Anio.

In July 2018, the Company obtained Exchange approval for the Company to raise up to \$1.5 million through private placement, with the net proceeds being used to fund the Company’s obligations under the MOU, including a loan of up to \$500,000 to Anio. The loan to Anio will bear no interest and is repayable on January 30, 2022, or earlier if Anio terminates the business combination prior to that date. The loan will be secured by a security charge over Anio’s crude oil production from the Ballsh-Hekal oil field and may be repaid at any time in cash or in kind in the form of crude oil equivalent produced by the Ballsh-Hekal oil field. During the year ended December 31, 2019, the Company advanced \$289,225 (US\$230,000) to Anio. In January 2020, the loan receivable was extended to be due on or before January 20, 2023.

In October 2021, the Company and Anio mutually agreed to terminate the MOU. As at March 31, 2022, the discounted loan receivable was \$246,896 and the carrying value was \$287,408 (US\$230,000). During the three months ended March 31, 2022, an amount of \$11,161 was recorded as recovery of accretion.

During the year ended December 31, 2022, the Company incurred \$89,235 (2021 - \$735,097) with regards to property investigation costs related to the Ballsh-Hekal, Cakran-Mollaj, Gorisht-Kocul and Amonica oilfields in Albania, and certain other properties outside of Albania. In July 2022, the Anio Oil and Gas Sha repaid \$210,171 (US\$163,100), leaving US\$66,900 outstanding to the Company pursuant to the loan advanced in connection with the proposed transaction between the parties, which has now been terminated. As at December 31, 2022, the Company impaired the outstanding loan receivable balance of \$89,243 (US\$ 66,900) from Anio Oil and Gas Sha.

Vermilion Resources Transaction

In July 2022, the Company entered into a purchase and sale agreement to acquire certain producing oil and gas assets (the “Assets”) in Central Alberta from Vermilion Resources (“Acquisition”). Total consideration for the Acquisition is \$2,100,000 in cash, subject to adjustments. In connection with the acquisition, the Company will pay a finder’s fee by issuing 1,957,143 common shares of the Company to an arm’s length finder.

In connection with the Acquisition, the Company arranged an unsecured convertible debenture (the “Debenture”) financing for gross proceeds up to \$2,100,000. The Debentures bear interest at 10% per annum and mature on December 31, 2024. The principal amount of the debenture will be convertible into common shares of the Company at \$0.07 per share until one year after the date of issue of the debenture and thereafter at \$0.10 per share. The holder of the Debenture will also receive a royalty on production per barrel from the Assets once certain production criteria have been met. In addition, the Company will pay finder’s fee by issuing up to 3,750,000 common shares of the Company. In March 2023 the Company terminated the sales and purchase agreement to acquire producing oil and gas assets in Central Alberta from Vermilion Resources due to Alberta Energy Regulatory Changes, in reference to license transfers.

The Company has been actively investigating and submitting bids on oil and gas production opportunities in Canada.

LETHO RESOURCES CORP.
NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS
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(Expressed in Canadian Dollars - Unaudited)

8. FINANCIAL RISK AND CAPITAL MANAGEMENT

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.

The fair value of the Company's loans receivable, receivables, accounts payable and accrued liabilities, and note payable approximate their carrying values. The Company's other financial instrument, being cash, is measured at fair value using Level 1 inputs.

The Company is exposed in varying degrees to a variety of financial instrument related risks. The type of risk exposure and the way in which such exposure is managed is provided as follows:

a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company manages credit risk, in respect of cash, by placing it at a major Canadian financial institution. The Company is exposed to significant credit risk on its loan receivable balance. The carrying amount of financial assets represents the maximum credit exposure. The amounts owed in loans receivable is from Anio (Note 7) and two arm's length parties (Note 3). The Company mitigates this risk by lending money to companies in good standing.

b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's approach to managing liquidity is to ensure that it will have sufficient liquidity to meet liabilities when they become due. The Company is exposed to liquidity risk, as it does not have sufficient cash to settle its liabilities. As such, management plans to meet its financial obligations through further private placements and loans, as necessary. The Company's accounts payable and accrued liabilities are due within 90 days of March 31, 2025. The Company's note payable balance of \$1,913,128 is due in 2026 (Note 4).

c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimizing the return. The Company is exposed to foreign currency risk from fluctuation between the Canadian and US dollar as certain of Company's financial instruments are in US dollars. As at March 31, 2025, the company's maximum exposure thereto is the carrying amount of the loan receivables (Note 3), loan payable (Note 4), and funds held in US dollar bank accounts.

LETHO RESOURCES CORP.
NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS
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(Expressed in Canadian Dollars - Unaudited)

10. SEGMENTED DISCLOSURE

The Company currently has one operating segment, being the acquisition and exploration of oil and gas properties. The Company's assets are located in Canada, apart from the loan receivable, which is due from a company in Albania.

11. CAPITAL MANAGEMENT

The Company considers its capital to be comprised of shareholders' equity (deficiency) and note payable. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares. Although the Company has been successful at raising funds in the past through the issuance of share capital, it is uncertain whether it will continue this method of financing due to the current difficult market conditions.

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. Management reviews the capital structure on a regular basis to ensure that the above objectives are met. The Company is not exposed to any externally imposed capital requirements. There have been no changes to the Company's approach to capital management during the period ended March 31, 2025.

12. COMMITMENTS

In June 2016, the Company entered into a consulting services agreement with the Company's President and Chief Executive Officer to provide various advisory services to the Company for an indefinite term. The agreement requires total payments of \$15,000 per month and are subject to certain performance-based compensation. Also included in the agreement is a provision for an 18-month payout in the event of a termination without cause and a provision for a 36-month payout in the event of a change in control. On January 1, 2018, the Company and the officer mutually agreed to revise the contract to a reduced monthly rate of \$1,500 to December 31, 2018, if the Company completes a financing over \$5 million during 2018, the monthly rate will increase to the original monthly rate of \$15,000. As of July 1, 2021, the agreement was amended so that at the discretion of the officer, this rate could remain reduced or altered to lesser than the original or at original rate.