Nurcapital Corporation Ltd.

Financial Statements

For the years ended December 31, 2024 and 2023

Independent Auditor's Report

To the Shareholders of Nurcapital Corporation Ltd.:

Opinion

We have audited the financial statements of Nurcapital Corporation Ltd. (the "Corporation"), which comprise the statements of financial position as at December 31, 2024 and December 31, 2023, and the statements of loss and comprehensive loss, changes in equity (deficit) and cash flows for the years then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as at December 31, 2024 and December 31, 2023, and its financial performance and its 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 audits 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 report. We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audits 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.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which indicates that the Corporation had a working capital deficit as of December 31, 2024 and is dependent on its ability to secure equity or other financing and/or the completion of the Qualifying Transaction. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Corporation'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 financial statements of the current period. 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.

Except for the matter described in the Material Uncertainty Related to Going Concern section, we have determined that there are no other key audit matters to communicate 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 financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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In connection with our audits of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audits or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis 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. 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 Corporation'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 Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation'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 these 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 Corporation'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 Corporation'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 Corporation 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.

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

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.

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

MNP LLP

Toronto, Ontario
April 25, 2025

Chartered Professional Accountants
Licensed Public Accountants

Nurcapital Corporation Ltd.

Statements of Financial Position
(in Canadian Dollars)

As at December 31, 2024 and 2023

	December 31, 2024 ($'s)	December 31, 2023($'s)
Assets		
Cash	**61,203**	89,459
Prepaid expenses	**1,413**	-
	62,616	89,459
Liabilities and Shareholders' Equity (Deficit)		
Liabilities:		
Accounts payable and accrued liabilities *(note 7)*	**77,261**	60,108
Shareholders' equity (deficit):		
Share capital *(note 3)*	**537,310**	537,310
Contributed surplus *(note 3)*	**45,500**	45,500
Deficit	**(597,455)**	(553,459)
	(14,645)	29,351
	62,616	89,459

Nature of Operations and Going Concern *(note 1)*

Approved by the Board on April 25, 2025

Signed: "Sharief Zaman"

Director

Nurcapital Corporation Ltd.

Statements of Loss and Comprehensive Loss
(in Canadian Dollars)

For the years ended December 31, 2024 and 2023

	2024 ($'s)	2023 ($'s)
Expenses		
Professional, listing and filing fees	**37,875**	40,607
General and administrative	**6,121**	9,136
Total expenses	**(43,996)**	(49,743)
Net loss and comprehensive loss	**(43,996)**	(49,743)
Basic and diluted loss per share	**(0.01)**	(0.02)
Weighted average number of shares outstanding - basic and diluted	**3,252,833**	3,252,833

Nurcapital Corporation Ltd.

Statements of Changes in Equity (Deficit)
(in Canadian Dollars)

For the years ended December 31, 2024 and 2023

	Number of shares	Share capital	Contributed surplus	Deficit	Total
		$	$	$	$
Balance, December 31, 2022	3,252,833	537,310	45,500	(503,716)	79,094
Net loss and comprehensive loss for the year	-	-	-	(49,743)	(49,743)
Balance, December 31, 2023	3,252,833	537,310	45,500	(553,459)	29,351
Net loss and comprehensive loss for the year	-	-	-	(43,996)	(43,996)
Balance, December 31, 2024	**3,252,833**	**537,310**	**45,500**	**(597,455)**	**(14,645)**

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

Nurcapital Corporation Ltd.

Statements of Cash Flows
(in Canadian Dollars)

For years ended December 31, 2024 and 2023

	2024 **($'s)**	2023 ($'s)
Cash provided by (used in):		
Operating activities:		
Net loss	**(43,996)**	(49,743)
Net change in non-cash working capital:		
Prepaid expenses	**(1,413)**	-
Accounts payable and accrued liabilities	**17,153**	7,462
Net cash used in operating activities	**(28,256)**	(42,281)
Net decrease in cash	**(28,256)**	(42,281)
Cash, beginning of year	**89,459**	131,740
Cash, end of year	**61,203**	89,459

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

1. Nature of Operations and Going Concern

Nurcapital Corporation Ltd. (“the Corporation” or “Nurcapital”) was incorporated under the *Business Corporations Act of Ontario* on January 8, 2015 and is classified as a Capital Pool Company as defined in Policy 2.4 of the TSX Venture Exchange (the “Exchange”) corporate finance manual. The Corporation has no assets other than cash and prepaid expenses. The Corporation proposes to identify and evaluate potential acquisitions or businesses, and once identified and evaluated, to negotiate an acquisition or participation with a view to completing a Qualifying Transaction (the “Qualifying Transaction”), as defined in the policies of the Exchange.

On July 31, 2018, the Corporation transferred its listing to NEX and cancelled 525,000 seed shares purchased by non-arm’s length parties for less than $0.2 per seed share.

On January 19, 2023, the Corporation held an Annual General and Special Meeting of Shareholders where disinterested shareholders approved certain resolutions, thereby implementing certain changes needed to transition to Policy 2.4 - Capital Pool Companies, effective as at January 1, 2021.

The Financial Statements of the Company for the year ended December 31, 2024 and 2023 have been prepared on the basis of accounting principles applicable to a going concern, which assumed 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 business. The Company has not commenced commercial operations and has no assets other than cash and prepaid expenses. Given the nature of the activities, no separate segmented information is reported. As of December 31, 2024, the Company had a working capital deficiency of $14,645 (2023 – surplus of $29,351). The Corporation’s continuing operations are dependent upon its ability to evaluate and negotiate an agreement to acquire an interest in a material asset or business. The Corporation will continue to pursue and evaluate businesses and assets with a view to completing a qualifying transaction and will make further announcements with respect to these efforts as soon as practically possible. The Corporation cannot offer any assurances that a qualifying transaction will be completed. Where an acquisition or participation is warranted, additional funding may be required. The ability of the Corporation to fund its potential future operations and commitments is dependent upon its ability to obtain additional financing. Such an acquisition will be subject to regulatory approval and, if required, shareholder approval. The above material uncertainty raises significant doubt about the Company’s ability to continue as a going concern.

The head office and the registered head office of the Corporation is located at 1 Adelaide Street, Suite 801, Toronto, Ontario, M5C 2V9.

On April 25, 2025, the Board of Directors approved the financial statements for issuance.

2. Summary of Material Accounting Policy Information

Statement of Compliance
These financial statements have been prepared in accordance with IFRS® Accounting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"). The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The financial statements are presented in Canadian dollars, which is the Corporation's functional and presentation currency.

Use of Estimates and Judgements
The preparation of these financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities. Estimates and assumptions in these financial statements relate primarily to the assumptions used in determining the value of warrants and stock options. Actual results could differ from these estimates.

Provisions for taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

Income Taxes
Income tax comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income, in which case the income tax is also recognized directly in equity or other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years. Current tax assets and current tax liabilities are only offset if a legally enforceable right exists to offset the amounts and the Company intends to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax is recognized in respect of all qualifying temporary differences arising between the tax basis of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the end of the reporting period and are expensed 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 assets can be recovered. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Deferred tax assets are recognized to the extent future recovery is probable. At each reporting period end, deferred tax assets are reduced to the extent that it is no longer probable that sufficient taxable earnings will be available to allow all or part of the asset to be recovered.

2. Summary of Material Accounting Policy Information (continued)

Share Capital
Common shares are classified as equity. Incremental costs directly attributable to the issuance of shares are recognized as a deduction from equity.

Basic and Diluted Loss Per Share
Basic loss per share is computed by dividing the net loss applicable to common shares by the weighted average number of common shares outstanding for the relevant period.

Diluted loss per share is computed by dividing the net loss applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding if potentially dilutive instruments were converted.

Financial Instruments
Recognition
The Corporation recognizes financial assets and financial liabilities on the date the Corporation becomes a party to the contractual provisions of the instruments.

Classification
The Corporation classifies its financial assets and financial liabilities in the following measurement categories: i) those to be measured subsequently at fair value (either through other comprehensive income ("FVOCI") or through profit or loss ("FVTPL"), and ii) those to be measured at amortized costs. The classification of financial assets depends on the business model for managing the financial assets and the contractual terms of the cash flows.

Financial liabilities are classified as those to be measured at amortized cost unless they are designated as those to be measured subsequently at FVTPL (irrevocable election at the time of recognition). For assets and liabilities measured at fair value, gains and losses are either recorded in profit or loss or other comprehensive income/loss.

The Corporation reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified.

The Corporation has implemented the following classifications:

- Cash is classified as a financial asset measured at fair value.

- Accounts payable and accrued liabilities are classified as other financial liabilities and measured at amortized cost using the effective interest rate method.

2. Summary of Material Accounting Policy Information (continued)

Measurement
All financial instruments are required to be measured at fair value on initial recognition, plus, in case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs of financial assets and financial liabilities with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortized cost at the end of the subsequent accounting periods. All other financial assets including equity investments are measured at their fair values at the end of subsequent accounting periods, with any changes taken through profit and loss or other comprehensive income (irrevocable election at the time of recognition).

Impairment
The Corporation assesses all information available, including on a forward-looking basis the expected credit loss associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Corporation compares the risk of a default occurring on the asset as the reporting date with the risk of default as at the date of initial recognition based on all information available, and reasonable and supportive forward-looking information.

IFRS 13 establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As of December 31, 2024, and 2023, cash is measured at fair value and is classified within Level 1 of the fair value hierarchy on the statements of financial position.

(in Canadian Dollars)

3. Share Capital

Authorized
Unlimited Common shares

Issued
As at December 31, 2024 there was 3,252,833 (2023 - 3,252,833) common shares issued.

Escrow Shares
1,050,000 common shares were subject to an Escrow Agreement pursuant to the requirements of the Exchange. Under the terms of the Escrow Agreement, these shares were held in escrow and released as to 10% thereof on the completion of the Corporation's Qualifying Transaction, as defined in the policies of the Exchange, and as to 15% thereof on each of the 6th, 12th, 18th, 24th, 30th and 36th months following the initial release. As disclosed in note 1, on July 30, 2018, the Corporation cancelled 525,000 seed shares purchased by non-arm's length parties for less than $0.20 per seed share, as approved by Nurcapital's shareholders at its annual and special meeting held on May 4, 2018. As at December 31, 2024, 513,333 shares remain in escrow (2023 - 513,333).

All common shares acquired on exercise of stock options granted to directors and officers prior to the completion of a Qualifying Transaction must also be deposited in escrow until the Final Exchange Bulletin is issued.

All common shares of the Corporation acquired in the secondary market prior to the completion of a Qualifying Transaction by a Control Person, as defined in the policies of the Exchange, are required to be deposited in escrow. Subject to certain permitted exemptions, all securities of the Corporation held by principals of the resulting issuer will also be escrowed.

Stock Options
On February 2, 2016, the Corporation granted incentive stock options to its five officers and directors to acquire a total of 220,850 common shares. The options may be exercised for a period of ten years at a price of $0.20 per share. The options were valued at $36,200 on the date of issue at using the Black-Scholes option pricing model with the following assumptions: dividend yield 0%, risk-free interest rate of 1 %, expected volatility of 100% and an expected life of ten years.

4. Income Taxes

The reconciliation of the combined Canadian federal and provincial statutory income tax rate of 26.5% (2023 - 26.5%) to the effective tax rate is as follows:

	2024 **($'s)**	2023 ($'s)
Net loss	**(43,996)**	(49,742)
Expected income tax recovery	**(11,660)**	(13,180)
Tax changes and other adjustments	**11,660**	13,180
Income tax expense	**-**	-

(in Canadian Dollars)

4. Income Taxes (continued)

Deferred taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities. Deferred tax assets have not been recognized in respect of the following deductible temporary differences.

	2024 ($'s)	2023 ($'s)
Other tax attributes	**61,440**	61,440
Non-capital losses carried forward	**611,400**	567,410
	672,840	628,850

The Canadian losses carry forwards expire as noted in the table below. The remaining deductible temporary differences may be carried forward indefinitely.

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can utilize the benefits therefrom.

The Company's Canadian non-capital income tax losses expire as follows:

2035	-	$ 42,130
2036	-	78,400
2037	-	89,580
2038	-	133,250
2039	-	55,250
2040	-	42,560
2041	-	26,620
2042	-	49,890
2043	-	49,740
2044	-	44,000
		$ 611,400

5. Financial Instruments

Fair Values
At December 31, 2024 and December 31, 2023, the Corporation's financial instruments at amortized cost consist of accounts payable and accrued liabilities. The fair value of accounts payable and accrued liabilities approximates their carrying value due to the relatively short-term maturity of these instruments.

Credit Risk
Credit risk is the risk of loss associated with the counterparty's inability to fulfil its payment obligations. Financial instruments that potentially subject the Corporation to concentrations of credit risk consist of cash.

5. Financial Instruments (continued)

Interest Rate Risk
The Corporation is not exposed to any significant interest rate risk.

Liquidity Risk
Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they fall due. The Corporation currently settles its financial obligations out of cash. The ability to do this relies on the Corporation raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs.

6. Capital Management

The Corporation's capital currently consists of common shares. Its principal source of cash is from the issuance of common shares. The Corporation's capital management objectives are to safeguard its ability to continue as a going concern and to have sufficient capital to be able to identify, evaluate and then acquire an interest in a business or assets. The Corporation does not have any externally imposed capital requirements to which it is subject. The Corporation 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 Corporation may attempt to issue new shares.

The proceeds raised from the issuance of share capital may only be used to identify and evaluate assets or businesses for future investment, with the exception that up to $3,000 per month may be used for reasonable general and administrative expenses of the Corporation. These restrictions apply until completion of a QT by the Corporation as defined under the policies of the Policy.

7. Related Party Balances and Transactions

During the year ended December 31, 2024, the Corporation was charged $6,215 (2023 - $6,215) by a corporation owned by the Chief Financial Officer of the Company, for accounting and financial reporting. As at December 31, 2024, $12,430 (2022 - $6,215) was owing to and included in accounts payable and accrued liabilities.

8. Qualifying Transaction

The Company entered into a letter of intent, dated March 31, 2023 (the “LOI”), with Caravel Resources Corp. (“Caravel”), a private company existing under the laws of the Province of Alberta. The LOI outlines the general terms and conditions pursuant to which Nurcapital and Caravel were to effect a business combination and reverse takeover transaction that would have resulted in Nurcapital acquiring all of the issued and outstanding securities of Caravel in exchange for equity in Nurcapital (the “Proposed Transaction”). On May 11, 2023, the LOI was terminated. The Company will continue to search for new business opportunities and transactions.