

GENCAN CAPITAL INC.

Financial Statements

Years Ended September 30, 2025 and 2024

(Expressed in Canadian Dollars)

Independent Auditor's Report

To the Shareholders of Gencan Capital Inc.

Opinion

We have audited the financial statements of Gencan Capital Inc. (the "Company"), which comprise the statements of financial position as at September 30, 2025 and 2024, and the statements of loss and comprehensive loss, changes in equity 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 Company as at September, 2025 and 2024, 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 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 report. We are independent of the Company 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.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements, which indicates that the Company incurred a loss and comprehensive loss of \$54,857 during the year ended September 30, 2025 and negative net cash flows of \$40,431. 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 Company'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 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 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, 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, 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 Company'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 Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company'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 Company'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 Company'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 Company 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 audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

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

The logo for DMCL LLP, featuring a stylized 'D' followed by the letters 'MCL' and 'LLP' in a smaller font.

CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC
January 28, 2026

Gencan Capital Inc.
Statements of Financial Position
As at September 30, 2025 and 2024

	September 30	
	2025	2024
Assets		
Current assets		
Cash and cash equivalents	\$ 11,393	\$ 51,824
Total assets	\$ 11,393	\$ 51,824
Liabilities and Shareholders' Equity		
Current liabilities		
Accounts payable and accrued liabilities	22,720	20,223
HST payable	11,929	-
Total liabilities	\$ 34,649	\$ 20,223
Shareholders' Equity		
Capital stock	81,215	81,215
Accumulated deficit	(104,471)	(49,614)
Total shareholders' equity	(23,256)	31,601
Total liabilities and shareholders' equity	\$ 11,393	\$ 51,824

Notes

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See accompanying notes to the financial statements

Gencan Capital Inc.

Statements of Loss and Comprehensive Loss

For the years ended September 30, 2025 and 2024

	<i>Notes</i>	Year Ended September 30	
		2025	2024
Revenue			
Interest income		\$ -	\$ 1,210
Expenses			
Administrative and general	8	54,857	81,843
Loss before other item		(54,857)	(80,633)
Debt forgiveness	8	-	34,977
Loss for the year, also being comprehensive loss		\$ (54,857)	(115,610)
Loss per share			
Basic and diluted		\$ (0.00)	\$ (0.01)
Weighted average number of common shares			
Basic and diluted		17,406,570	17,406,570

See accompanying notes to the financial statements

Gencan Capital Inc.
Statements of Changes in Equity
For the years ended September 30, 2025 and 2024

	Capital Stock		Retained Earnings (Deficit)	Total Equity
	Common Shares			
	Number of Shares	Amount		
Balance at September 30, 2023	16,092,284	\$ 10	\$ 65,996	\$ 66,006
Shares issued during the year	1,314,286	92,000	-	92,000
Share issuance costs	-	(10,795)	-	(10,795)
Net loss	-	-	(115,610)	(115,610)
Balance at September 30, 2024	17,406,570	\$ 81,215	\$ (49,614)	\$ 31,601
Balance at September 30, 2024	17,406,570	\$ 81,215	\$ (49,614)	\$ 31,601
Net loss	-	-	(54,857)	(54,857)
Balance at September 30, 2025	17,406,570	\$ 81,215	\$ (104,471)	\$ (23,256)

See accompanying notes to the financial statements

Gencan Capital Inc.

Statements of Cash Flows

For the years ended September 30, 2025 and 2024

	Year Ended September 30	
	2025	2024
Operating activities		
Net loss	\$ (54,857)	\$ (115,610)
Changes in non-cash components of working capital:		
Receivables	-	30,591
Due from shareholders	-	34,977
Income taxes recoverable	-	30,081
Accounts payable and accrued liabilities	2,497	(18,334)
HST payable	11,929	-
Net cash flows used in operating activities	(40,431)	(38,295)
Financing activities		
Proceeds from Private Placement	-	92,000
Share issuance costs	-	(10,795)
Cash flows provided by financing activities	-	81,205
Net Increase (decrease) in cash	(40,431)	42,910
Cash and cash equivalents, beginning of year	51,824	8,914
Cash and cash equivalents, end of year	\$ 11,393	\$ 51,824

See accompanying notes to the financial statements

Gencan Capital Inc.

Notes to the Financial Statements

For the years ended September 30, 2025 and 2024

1. NATURE OF OPERATIONS

Nature of operations

Gencan Capital Inc. ("the Company") is a Canadian company and up until July 4, 2018 was the holder of a Solar Energy Feed-In Tariff Program Contract with an interest in solar energy generation equipment located in Ontario, Canada. The Company was incorporated on October 31, 2013 and has its registered office address at 87 Scollard Street, Suite 100, Toronto, Ontario, M5R 1G4.

On December 1, 2021, the CSE determined that the Company does not meet the continued listing requirements of the exchange. As a result, the Company was deemed to be an inactive issuer and its CSE trading symbol was changed to GCA.X.

Going Concern

These financial statements are prepared in accordance with IFRS applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they come due, for the foreseeable future.

For the year ended September 30, 2025, the Company had a loss and comprehensive loss of \$54,587 and negative net cash flows of \$40,431. In addition, the Company does not currently earn any revenue. These circumstances indicate that there is a material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

Management plans to secure funding from its shareholders while pursuing other financing alternatives to fund the Company's operations so it can continue as a going concern. Nevertheless, there can be no assurance that such actions will be sufficient or successful.

These financial statements do not reflect the adjustments to the carrying values of assets and liabilities, reported revenues and expenses, and balance sheet classifications that would be necessary were the going concern assumption inappropriate, and these adjustments could be material.

2. BASIS OF PREPARATION

(a) Statement of compliance

The Company prepares financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS"). The policies applied in these financial statements are based on IFRS issued and effective as of September 30, 2025.

These financial statements were authorized for issue by the Board of Directors on January 28, 2026.

(b) Functional currency

These financial statements are presented in Canadian dollars, the Company's functional currency.

(c) Basis of measurement

These financial statements are prepared on the historical cost basis.

(d) Critical judgements in the application of accounting policies

The following are the critical judgements that have been made in applying the Company's accounting policies and that have the most significant effect on the amounts in the financial statements:

Gencan Capital Inc.

Notes to the Financial Statements

For the years ended September 30, 2025 and 2024

Deferred income taxes: The Company's policy for deferred income taxes is described in note 3(e). In applying this policy, the Company makes judgements in determining whether the recoverability of deferred income tax assets is probable.

Going concern: Judgement is required in determining whether material uncertainties exist about the Company's ability to continue as a going concern as described in Note 1.

(e) Significant Accounting Estimates

The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the 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 the revision affects both current and future periods.

Significant assumptions about the future and other sources of estimation uncertainty that management has made that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- (i) the provision for income taxes and HST.

3. MATERIAL ACCOUNTING POLICY INFORMATION

(a) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise of cash at banks and short-term highly liquid deposits with a maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

(b) Foreign currencies

Foreign currency transactions are translated using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at period end rates are recognized in the statements of income and comprehensive income.

(c) Financial instruments

The Company's financial assets and liabilities include cash and cash equivalents, accounts payable and accrued liabilities.

Classification of financial instruments:

The Company's financial assets and liabilities can be classified into any of the following specified categories: i) financial assets at amortized cost, ii) financial assets at fair value through profit and loss ("FVTPL"), iii) financial assets at fair value through other comprehensive income ("FVOCI"), iv) financial liabilities at FVTPL and v) financial liabilities at amortized cost. The classification depends on the nature and purpose of the financial assets and liabilities and is determined at the time of initial recognition.

Amortized cost: The Company's financial assets classified as amortized cost include cash and cash equivalents. Cash and cash equivalents are initially recognized at the fair value that is directly attributable to the acquisition or issue. They are carried in the statements of financial position at amortized cost using the effective interest rate method.

Gencan Capital Inc.

Notes to the Financial Statements

For the years ended September 30, 2025 and 2024

The Company's financial liabilities classified as amortized cost include accounts payable and accrued liabilities. Accounts payable and accrued liabilities consist primarily of trade payables. They are initially recognized at the fair value that is directly attributable to their acquisition or issue and subsequently carried at amortized cost using the effective interest rate method. The effect of discounting on these financial instruments is not considered to be material.

Fair value of financial instruments:

Financial instruments that are recorded at fair value on the statements of financial position or disclosed at fair value in the notes to the financial statements are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- 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).

The Company does not have any financial instruments which are measured at fair value. See Note 7(f) for fair value disclosures of financial instruments.

Impairment of financial assets:

The Company uses the expected credit loss ("ECL") model for determining impairment of financial assets. This applies to financial assets measured at amortized cost.

(d) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

(e) Income taxes

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. This amount is measured using tax rates that have been enacted or substantively enacted at the end of the year.

The Company follows the asset and liability method of accounting for deferred income taxes. Under this method, deferred tax assets and liabilities are recognized for future tax consequences attributable to differences between the financial statement carrying value and tax basis of assets and liabilities and the benefit of tax losses available to be carried forward for tax purposes.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which temporary differences are expected to be recovered or settled. Deferred income tax assets are recorded in the financial statements if realization is considered probable. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the year that the rate changes.

(f) Earnings per share

Basic earnings per common share is calculated by dividing the earnings attributed to common shareholders for the year by the weighted average number of common shares outstanding in the year. Diluted earnings per common share is calculated by adjusting the weighted average number of common shares outstanding to assume conversion of all dilutive potential common shares. For the years presented, the Company made a net loss. Therefore, diluted loss per share equals basic loss per share as the effect of any diluted instruments would be anti-dilutive.

Gencan Capital Inc.

Notes to the Financial Statements

For the years ended September 30, 2025 and 2024

(g) Segment reporting

A segment is a component of the Company that: i) engages in business activities from which it may earn revenue and incur expenses, ii) whose operating results are reviewed by the board of directors, and iii) for which discrete financial information is available. Management of the Company has identified one reportable industry segment, corporate matters, with all assets located in Ontario, Canada.

4. CAPITAL STOCK AND EQUITY

Capital stock

Authorized

Unlimited Common shares, no par value

Issued and outstanding

	September 30	
	2025	2024
17,406,570 Common Shares (2024: 17,406,570)	\$ 81,215	\$ 81,215

No shares were issued during the year ended September 30, 2025.

On January 26, 2024, the Company closed on a non-brokered private placement issuing 1,314,286 units at a price of \$0.07 per Unit for gross proceeds of \$92,000. Each Unit consisted of one common share of the Company and one Common Share purchase warrant. Each warrant entitles the holder to acquire one additional Common Share for a period of 36-months expiring on January 24, 2027 at an exercise price of \$0.10. In connection with the financing, the Company incurred \$10,795 in share issuance costs.

Warrants

A summary of the changes in share-purchase warrants outstanding is as follows:

	Year ended September 30, 2025		Year ended September 30, 2024	
	Warrants outstanding	Weighted average exercise price	Warrants outstanding	Weighted average exercise price
Outstanding, beginning	1,314,286	\$ 0.10	-	\$ -
Warrants issued	-	-	1,314,286	\$ 0.10
Outstanding, ending	1,314,286	\$ 0.10	1,314,286	\$ 0.10

Share-purchase warrants at September 30, 2025, are as follows:

Outstanding and exercisable	Exercise price	Expiry date	Remaining life (years)
1,314,286	\$0.10	January 27, 2027	1.33

5. INCOME TAXES

The income of the Company is subject to income tax at a combined federal and provincial rate of 26.5%. The difference between the Company's effective tax rate of Nil% (2024 - Nil%) and the combined statutory tax rate is due to unrecognized tax assets and non-tax deductible expenses.

Gencan Capital Inc.

Notes to the Financial Statements

For the years ended September 30, 2025 and 2024

	Year Ended September 30	
	2025	2024
Net loss before income taxes	\$ (54,857)	\$ (115,610)
Statutory combined income tax rates	26.50%	26.50%
Income tax recovery computed at statutory tax rates	(14,537)	(31,000)
Increase in income tax resulting from:		
Share issuance costs		(2,000)
Unrecognized deferred tax assets	14,537	33,000
Total income tax recovery	\$ -	\$ -

The Company has losses available for income tax purposes totaling approximately \$482,116 (2024 - \$427,259). This amount can be used to reduce taxable income of future years.

6. FINANCIAL RISK MANAGEMENT

The Company's financial instruments consist primarily of cash and cash equivalents, receivables, due from shareholders accounts payable and accrued liabilities. The Company is exposed to various risks as it relates to these financial instruments. The risks and processes for managing the risks are set out below:

(a) Liquidity risk

Liquidity risk arises from the Company's management of working capital and principal repayments on its debt obligations. It is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due.

The Company's objective is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. To achieve this goal the Company seeks to maintain cash balances to meet expected requirements for a period of twelve months. At the date of the statement of financial position, the Company expected to generate sufficient liquid resources to meet its obligations under all reasonable expected circumstances.

Accounts payable and accrued liabilities are due within one year.

The Company's does not have any major contractual obligations outstanding as of September 30, 2025.

(b) Foreign exchange risk

Currency risk is the risk that a variation in exchange rates between the Canadian dollar and foreign currencies will affect the Company's operating and financial results. Any currency gains or losses are included in the consolidated statements of income and comprehensive income.

At September 30, 2025, the Company had a negligible amount of monetary assets or liabilities denominated in foreign currencies and had no outstanding foreign exchange commitments. The Company does not undertake currency hedging activities.

(c) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Company has not used derivative financial instruments to alter its exposure to interest rate risk.

As of September 30, 2025, the Company has not exposed itself to fluctuations in interest rates that are inherent in such a market.

Gencan Capital Inc.

Notes to the Financial Statements

For the years ended September 30, 2025 and 2024

(d) Other price risk

Other price risk is the risk that the market value or future cash flows of financial instruments will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). The Company does not have any financial instruments subject to this risk.

(e) Concentration of credit risk

Financial instruments which potentially subject the Company to concentrations of credit risk consist primarily of cash and cash equivalents, receivables and due from shareholders. The Company does not have any significant amounts outstanding which are past due or impaired.

Cash is maintained at one financial institution. Deposits held with banks may exceed the amount of insurance provided on such deposits. Generally, these deposits may be redeemed upon demand and are maintained with financial institutions of reputable credit and therefore bear minimal credit risk.

(f) Fair value of financial assets and liabilities

Fair Value Measurement

The Company does not have any financial assets or liabilities which are measured at fair value.

Fair Value Disclosures

Fair value represents management's estimates of the market value at a given point in time, which may not reflect fair value in the future. These calculations are subjective in nature, involve uncertainties and are a matter of judgement and therefore cannot be determined with precision.

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

7. CAPITAL RISK MANAGEMENT

The Company's primary objective when managing capital is to create and maximize shareholder value. Subsequent to the sale of its solar energy generation equipment in 2018, the Company continues to evaluate potential new business prospects.

The Company considers its total capitalization to consist of Common share capital and accumulated retained earnings. Management reviews its capital management approach on an ongoing basis.

As at September 30, 2025 the Company did not have any externally imposed capital requirements.

The following table provides a summary of certain information with respect to the Company's capital structure and financial position as at September 30, 2025 and 2024:

	September 30	
	2025	2024
Shareholders' equity	\$ (23,256)	\$ 31,601

8. RELATED PARTY TRANSACTIONS

The Company's key management personnel consist of the Company's directors and officers. The Company did not pay any remuneration to key management for the year ended September 30, 2025, and paid \$5,000 to key management during the year ended September 30, 2024. The Company did not pay director's fees to independent directors for the years ended September 30, 2025 and 2024.

Gencan Capital Inc.

Notes to the Financial Statements

For the years ended September 30, 2025 and 2024

On January 24, 2024, the Company's Board of Directors forgave the outstanding amount due from shareholders related to the acquisition of the Company. The total amount forgiven totaled \$34,977 of which \$8,743 was owed by officers and directors of the Company.

As part of the private placement that closed on January 26, 2024, an officer of the Company invested a total of \$5,512 to acquire 78,786 Units in the private placement.

9. SUBSEQUENT EVENT

On December 30, 2025, the Company closed on a non-brokered private placement issuing 500,000 common shares at a price of \$0.08 per Share for gross proceeds of \$40,000. No Finder's fees or commissions were paid as part of this offering. All securities issued under the Private Placement are subject to a four month hold period in accordance with applicable securities laws.