



ENVIROMETAL TECHNOLOGIES INC.

Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2026 and 2025

(Unaudited - Expressed in Canadian dollars)

Notice of Disclosure of Non-auditor Review of the Condensed Interim Consolidated Financial Statements for the Three and Six Months Ended June 30, 2026 and 2025

Pursuant to National Instrument 51-102 *Continuous Disclosure Obligations*, part 4, subsection 4.3(3)(a) issued by the Canadian Securities Administrators, if an auditor has not performed a review of the 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 of EnviroMetal Technologies Inc. for the interim periods ended June 30, 2025 and 2024, have been prepared in accordance with the International Accounting Standard 34 *Interim Financial Reporting*, as issued by the International Accounting Standards Board, and are the responsibility of management.

The independent auditors, WDM CPA, have not performed a review of these unaudited condensed interim financial statements.

July 23, 2026

ENVIROMETAL TECHNOLOGIES INC.**Condensed Interim Consolidated Statements of Financial Position**

(Unaudited - Expressed in Canadian dollars)

	Note	June 30, 2026 \$	December 31, 2025 \$
ASSETS			
Current			
Cash		12,242	21,920
Trade and other receivables	5	8,845	8,824
Prepaid expenses and deposits		13,020	5,931
		34,107	36,675
Property, plant and equipment	7	64,685	79,688
Total assets		98,792	116,363
LIABILITIES			
Current			
Accounts payable and accrued liabilities	8	583,826	412,192
Due to related parties	12	412,508	956,735
Promissory notes	10	50,000	50,000
		1,046,334	1,418,927
SHAREHOLDERS' DEFICIENCY			
Share capital	11	35,594,867	35,594,867
Reserves		6,072,314	6,072,314
Contributed surplus		750,000	750,000
Deficit		(43,364,723)	(43,719,745)
Total shareholders' deficiency		(947,542)	(1,302,564)
Total liabilities and shareholders' deficiency		98,792	116,363

Nature of operations and going concern (Note 1)

Approved and authorized for issue on behalf of the Board of Directors on July 23, 2026.

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

ENVIROMETAL TECHNOLOGIES INC.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

(Unaudited - Expressed in Canadian dollars)

		Three months ended June 30		Six months ended June 30,	
	Note	2026	2025	2026	2025
				\$	\$
Revenue					
Consulting		-	-	-	-
Operating expenses					
Operating costs		7,069	2,216	8,228	8,149
Management and employee costs	12,13	-	753	235	72,071
General and administration	13	21,487	52,485	46,360	104,567
		28,556	55,454	54,823	184,787
Net gain (loss) from operations		(28,556)	(55,454)	(54,823)	(184,787)
Other income (expenses)					
Depreciation	7	(7,501)	(28,639)	(15,003)	(86,648)
Foreign exchange gain		103	(8)	(9,201)	589
Gain on forgiveness of accrued liabilities	8,12	438,904	-	438,904	-
Gain on disposal of plant, property and equipment		-	(150,128)	-	(28,599)
Interest income		-	-	234	407
Interest and financing costs	9,10	(4,396)	(4,762)	(5,089)	(6,698)
Other income		-	-	-	9,736
		427,110	(183,537)	409,845	(111,213)
Gain (loss) from continuing operations		398,554	(238,991)	355,022	(296,000)
Gain (loss) from discontinued operations	6,14	-	5,600	-	11,100
Net gain (loss) and comprehensive gain (loss)		398,554	(233,391)	355,022	(284,900)
Net gain (loss) per share:					
Basic and diluted		0.00	(0.00)	0.00	(0.00)
Weighted average number of common shares:					
Basic and diluted		113,607,280	113,607,280	113,607,280	113,607,280

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

ENVIROMETAL TECHNOLOGIES INC.
Condensed Interim Statements of Cash Flows
(Unaudited - Expressed in Canadian dollars)

	Six months ended June 30,	
	2026	2025
	\$	\$
Operating activities:		
Net gain (loss) for the period	355,022	(284,900)
Items not affecting cash:		
Amortization	15,004	86,648
Gain on disposal of assets	-	-
Gain on disposal of plant, property and equipment	-	28,599
Interest expense	4,028	432
Changes in non-cash working capital items		
Trade and other receivables	(21)	29,723
Prepaid expenses	(7,089)	4,847
Accounts payable and accrued liabilities	167,606	(2,461)
Due to related party	(544,227)	71,250
Net cash used in operating activities	(9,678)	(65,862)
Cash used in operating activities of discontinued operations	-	(11,100)
Investing activities:		
Proceeds from disposals of property, plant and equipment	-	145,723
Proceeds from sale of investments	-	-
Cash provided by investing activities	-	145,723
Cash provided by discontinued operations	-	24,800
Financing activities:		
Payment of lease liabilities	-	(33,352)
Cash used in financing activities	-	(33,352)
Net cash used in continuing operations	(9,678)	46,509
Net cash provided by discontinued operations	-	13,700
Cash, beginning of period	21,920	14,780
Cash, end of period	12,242	74,989
Supplemental cash flow information		
Cash interest paid	1,061	2,311
Cash interest received	234	407

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

ENVIROMETAL TECHNOLOGIES INC.

Condensed Interim Statements of Changes in Shareholders' Deficiency

(Unaudited - Expressed in Canadian dollars, except number of shares)

	Reserves						Total
	Common Shares	Share Capital	Share-based Payments	Warrants Restated	Contributed Surplus	Deficit	Shareholders' Deficiency
	#	\$	\$	\$	\$	\$	\$
Balance, December 31, 2024	113,607,280	35,594,867	5,785,662	286,652	750,000	(43,419,827)	(1,002,646)
Net loss for the period	-	-	-	-	-	(284,900)	(284,900)
Balance, June 30, 2025	113,607,280	35,594,867	5,785,662	286,652	750,000	(43,704,727)	(1,287,546)
Net loss for the period	-	-	-	-	-	(15,018)	(15,018)
Balance, December 31, 2025	113,607,280	35,594,867	5,785,662	286,652	750,000	(43,719,745)	(1,302,564)
Net loss for the period	-	-	-	-	-	355,022	355,022
Balance, June 30, 2026	113,607,280	35,594,867	5,785,662	286,652	750,000	(43,364,723)	(947,542)

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

ENVIROMETAL TECHNOLOGIES INC.

Notes to the Condensed Interim Consolidated Financial Statements

For the three- and six-months ended June 30, 2026 and 2025

(Unaudited - Expressed in Canadian dollars, except where noted)

1. NATURE OF OPERATIONS AND GOING CONCERN

EnviroMetal Technologies Inc. ("the Company" or "EnviroMetal") was incorporated under the province of Alberta's Business Corporations Act on October 21, 2016. On December 4, 2020, the Company enacted a continuance from the province of Alberta to the province of British Columbia under the province of British Columbia's Business Corporation Act and adopted new articles of incorporation.

The Company specializes in precious metal extraction processes with applications in the primary and secondary metals industries. The Company shares are listed for trading on the Canadian Securities Exchange ("CSE") under the symbol "ETI". The Company additionally trades in the United States on the OTCQX under the symbol "EVLLF" and on the Frankfurt Stock Exchange under the symbol "7N2".

The Company's registered office is located at #1500 - 1055 West Georgia St., Vancouver, BC V6E 0B6 and its delivery address is PO Box 28180, Vancouver RPO West Pender, Vancouver, BC, V6C 3T7.

These unaudited financial statements for the three and six months ended June 30, 2026 and 2025 ("financial statements") have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. For the three and six months ended June 30, 2026, the Company incurred gains of \$398,554 and \$355,022 respectively (2025 - losses of \$233,391 and \$284,900) and has an accumulated deficit of \$43,364,723 (December 31, 2025 - \$43,719,745). At June 30, 2026 the Company had negative working capital of \$1,012,227 (December 31, 2025 -\$1,382,252). There are several adverse conditions which present a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. The Company has incurred operating losses since inception, is unable to self-finance operations and has significant on-going cash requirements to meet its overhead obligations. The continuing operations of the Company are dependent upon economic and market factors which involve uncertainties including the Company's ability to raise adequate equity financing and ultimately develop profitable operations. The Company is of the view that these objectives can be met, and that the going concern assumption is appropriate. If the going concern assumption were not appropriate for these financial statements, then adjustments would be necessary to the carrying value of assets and liabilities, the reported revenue, expenses and the statements of financial position classifications used, and such adjustments could be material.

2. BASIS OF PREPARATION

a) Statement of compliance

These financial statements were approved by the Board of Directors and authorized for issue on July 23, 2026.

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee applicable to the preparation of interim financial statements, including International Accounting Standard 34 *Interim Financial Reporting*. These financial statements do not include all disclosures required for annual audited financial statements. Accordingly, they should be read in conjunction with the notes to the Company's audited financial statements for the years ended December 31, 2025 and 2024 (the "Annual Financial Statements").

b) Basis of measurement

These financial statements have been prepared using the historical cost basis, except for certain financial assets and liabilities which are measured at fair value as specified by IFRS Accounting Standards for each type of asset, liability, income, and expense as set out in the accounting policies below. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

c) Functional and presentation currency

The financial statements are presented in Canadian dollars, which is the functional currency of the Company.

3. MATERIAL ACCOUNTING POLICIES

In the preparation of these financial statements, the Company used the same accounting policies as those applied and disclosed in the Annual Financial Statements.

ENVIROMETAL TECHNOLOGIES INC.

Notes to the Condensed Interim Consolidated Financial Statements

For the three- and six-months ended June 30, 2026 and 2025

(Unaudited - Expressed in Canadian dollars, except where noted)

4. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, and which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and further periods if the revision affects both current and future periods.

In the preparation of these financial statements, the Company used the same accounting estimates and judgments as those applied and disclosed in the Annual Financial Statements.

5. TRADE AND OTHER RECEIVABLES

A summary of the Company's trade and other receivables is as follows:

	June 30, 2026	December 31, 2025
	\$	\$
Government subsidies	3,857	3,837
Other receivables	4,988	4,987
	8,845	8,824

A summary of the Company's aging of trade and other receivables is as follows:

	June 30, 2026	December 31, 2025
	\$	\$
Current to 30 days	3,857	3,837
31 - 60 days	-	-
Greater than 90 days	4,988	4,987
	8,845	8,824

6. ASSETS HELD FOR SALE

During the year ended December 31, 2022, the Company ceased processing E-waste (Note 14). As a result, management determined the value of the E-waste processing assets to be recovered through a sale transaction rather than continued use. Accordingly, the Company reclassified \$997,401 from property, plant, and equipment to assets held for sale. The assets reclassified as assets held for sale are measured at the lower of carrying amount and fair value less costs to sell.

A summary of the Company's assets held for sale is as follows:

	\$
Balance, December 31, 2024	13,700
Sold	(24,800)
Gain on disposal of assets held for sale	11,100
Balance, December 31, 2025	-

During the three and six months ended June 30, 2025, the Company disposed of certain assets held for sale with a carrying value of \$13,700 for gross proceeds of \$24,800 resulting in a \$11,100 gain on disposals of assets held for sale (Note 14).

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Notes to the Condensed Interim Consolidated Financial Statements

For the three- and six-months ended June 30, 2026 and 2025

(Unaudited - Expressed in Canadian dollars, except where noted)

7. PROPERTY, PLANT AND EQUIPMENT

A summary of the Company's property, plant and equipment is as follows:

	Equipment	Right-of-use assets	Office fixtures	Computers	Total
	\$	\$	\$	\$	\$
Cost					
Balance, December 31, 2024	3,371,302	1,831,609	363,951	41,391	5,608,253
Disposals	(380,190)	-	-	-	(380,190)
Balance, December 31, 2025	2,991,112	1,831,609	363,951	41,391	5,228,063
Disposals	-	-	-	-	-
Balance, March 31, 2026	2,991,112	1,831,609	363,951	41,391	5,228,063
Accumulated depreciation					
Balance, December 31, 2024	3,071,282	1,793,385	343,470	41,391	5,249,528
Additions	43,206	38,224	20,481	-	101,911
Disposals	(203,064)	-	-	-	(203,064)
Balance, December 31, 2025	2,911,424	1,831,609	363,951	41,391	5,148,375
Additions	15,003	-	-	-	15,003
Balance June 30, 2026	2,926,427	-	-	-	5,163,378
Carrying value					
Balance, December 31, 2025	79,688	-	-	-	79,688
Balance, June 30, 2026	64,685	-	-	-	64,685

During the six months ended June 30, 2026, the Company recorded depreciation of \$15,003 (2025 - \$86,648) from continuing operations.

During the year ended December 31, 2025, the Company disposed of certain property, plant, and equipment assets with a carrying value of \$177,126 for gross proceeds of \$148,527 resulting in a \$28,599 loss on the disposal of property plant and equipment.

As at June 30, 2026, equipment is held by third-party contractors under non-monetary loan agreements to facilitate service delivery. The Company retains ownership and manages residual value risk through contractual indemnification and insurance agreements.

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Notes to the Condensed Interim Consolidated Financial Statements

For the three- and six-months ended June 30, 2026 and 2025

(Unaudited - Expressed in Canadian dollars, except where noted)

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

A summary of the Company's accounts payable and accrued liabilities is as follows:

	June 30, 2026	December 31, 2025
	\$	\$
Accounts payable	353,999	349,160
Accrued liabilities	212,969	50,000
Accrued interest (Note 10)	16,858	13,032
	583,826	412,192

During the six months ended June 30, 2026 the Company reclassified \$136,416 (US \$96,000) in accrued fees from Due to Related Party to Accrued Liabilities when the counter party ceased to be a related party.

9. LEASE LIABILITIES

The Company's right-of-use assets are included in property, plant and equipment (Note 7). The imputed financing costs for lease liabilities were determined based on the Company's incremental borrowing rate and finance lease terms available to similar sized natural resource focussed companies, which was estimated to be 11.48% for equipment and 10.96% for buildings.

A summary of the Company's lease liabilities is as follows:

	\$
Balance, December 31, 2024	32,920
Payment of lease liabilities	(33,352)
Interest expense	432
Balance, June 30, 2026 and December 31, 2025	-
Current portion	-
Non-current portion	-

10. PROMISSORY NOTES

On December 15, 2023, existing convertible notes of \$50,000 were reclassified to promissory notes. The promissory notes bear interest at a rate of 12% per annum and mature the earlier of: (i) the Company completing an equity financing of \$500,000 or more; or (ii) March 30, 2024. The Notes have been classified as a financial liability measured at amortized cost and are due on demand.

During the three and six months ended June 30, 2026, the promissory notes accrued interest of \$1,942 and \$3,826 respectively (2025 - \$1,970 and \$3,632) which is included in accounts payable and accrued liabilities (Note 8).

11. SHARE CAPITAL

a) Authorized

Authorized share capital consists of an unlimited number of common shares, without par value.

b) Issued and outstanding

During the six months ended June 30, 2026 and year ended December 31, 2025, the Company had no share capital transactions.

c) Stock options

The Company's equity compensation plan ("2020 Plan") was approved by shareholders on November 24, 2020. Per the 2020 Plan, the aggregate number of shares reserved for issuance will not exceed 20% of the Company's issued and outstanding common shares on the date of grant. Options that are exercised, expire or are otherwise terminated for any reason will again be available for the purpose of granting options pursuant to the 2020 Plan. The 2020 Plan allows for options to be issued to directors,

ENVIROMETAL TECHNOLOGIES INC.

Notes to the Condensed Interim Consolidated Financial Statements

For the three- and six-months ended June 30, 2026 and 2025

(Unaudited - Expressed in Canadian dollars, except where noted)

11. SHARE CAPITAL (continued)

officers, employees, consultants or a subsidiary of the Company. Options granted must be exercised no more than five years from the date of grant or such lesser period as may be determined by the Company's board of directors and in accordance with the policies of the CSE. The board of directors determine the time period during which options will vest and the method of vesting, which are subject to the policies of the CSE.

The grant date fair value is calculated using the Black-Scholes option pricing model. Where relevant, the expected life has been adjusted based on management's best estimate for the effects of historical forfeitures and behavioral considerations. Expected volatility is based on the historical share price volatility. For the three and six months ended June 30, 2026 share-based payments recognized in profit or loss were \$nil and \$nil (2025 - \$nil and \$nil).

A summary of the Company's stock option activity is as follows:

	Number of stock options	Weighted average exercise price
	#	\$
Balance, December 31, 2024	900,000	0.62
Expired	(900,000)	0.62
Balance, December 31, 2025	-	-
Granted	-	-
Balance, June 30, 2026	-	-

d) Warrants

A summary of the Company's warrant activity is as follows:

	Number of warrants	Weighted average exercise price
	#	\$
Balance, December 31, 2024	5,678,822	0.15
Expired	(5,678,822)	0.15
Balance December 31, 2025	-	-
Issued	-	-
Balance, June 30, 2026	-	-

12. RELATED PARTY TRANSACTIONS

Related parties include directors and key management of the Company and entities controlled by these individuals. Key management personnel consist of senior management including the Chief Executive Officer.

Compensation paid or accrued to key management and/or their related companies during the three and six months ended June 30, 2026 and 2025 is as follows:

	Three months ended June 30,		Six months ended June 30,	
	2026	2025	2026	2025
	\$	\$	\$	\$
Salaries and benefits included in management and employee costs	-	-	-	71,250
	-	-	-	71,250

As at June 30, 2026, the Company had a balance due to related parties of \$412,508 (2025 - \$956,753) consisting of accrued wages and holiday pay totalling \$397,508 and advances to the Company totalling \$15,000. These amounts are unsecured, non-interest bearing, without specific repayment terms, are due on demand and have been incurred in the normal course of business. All transactions involving related parties are made on terms equivalent to those which prevail with arm's length transactions.

ENVIROMETAL TECHNOLOGIES INC.

Notes to the Condensed Interim Consolidated Financial Statements

For the three- and six-months ended June 30, 2026 and 2025

(Unaudited - Expressed in Canadian dollars, except where noted)

12. RELATED PARTY TRANSACTIONS (continued)

During the six months ended June 30, 2026 the Company recognized a gain of \$438,904 after it entered into agreements by which US \$312,000 in accrued director fees were forgiven. The Company recognized a gain of \$418,128 for the amounts forgiven on the date the agreements were entered into and an additional gain of \$20,776 to reflect exchange and other gains related to the forgiveness of the accrued director fees.

During the six months ended June 30, 2026 the Company reclassified \$136,416 (US \$96,000) in accrued fees from Due to Related Party to Accrued Liabilities when the counter party ceased to be a related party.

13. GENERAL AND ADMINISTRATION

A summary of the Company's general and administration expenses for the three months ended March 31, 2025 and 2024 is as follows:

	Three months ended June 30,		Six months ended June 30,	
	2026	2025	2026	2025
	\$	\$	\$	\$
Consulting fees	-	12,000	5,000	16,000
General and administration	1,481	1,926	3,815	28,919
Professional fees	9,804	19,879	19,758	29,205
Public company costs	10,202	13,344	17,787	24,572
Travel	-	5,336	-	5,871
	21,487	52,485	46,360	104,567

14. DISCONTINUED OPERATIONS

During the year ended December 31, 2022, the Company discontinued processing E-waste at its EnviroCircuit facility. Consequently, as at December 31, 2022, assets and liabilities allocable to EnviroCircuit were classified as a disposal group. Revenue and expenses, gains and losses relating to the discontinuation of this subgroup have been eliminated from the Company's continuing operations and are shown as a single line item in profit or loss.

A summary of the Company's net gain (loss) from discontinued operations for the three and six months ended June 30, 2026 and 2025 is as follows:

	Three months ended June 30,		Six months ended June 30,	
	2026	2025	2026	2025
	\$	\$	\$	\$
Revenue				
Gain (loss) on sale of inventory previously written down	-	5,600	-	11,100
	-	5,600	-	11,100

15. FINANCIAL INSTRUMENTS AND RISK 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 - quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - 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 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company's financial instruments consist of cash, trade and other receivables (excluding government subsidies and taxes receivable), due to related parties, accounts payable and accrued liabilities and promissory notes. The Company classifies its

ENVIROMETAL TECHNOLOGIES INC.

Notes to the Condensed Interim Consolidated Financial Statements

For the three- and six-months ended June 30, 2026 and 2025

(Unaudited - Expressed in Canadian dollars, except where noted)

15. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

cash at fair value through profit or loss, trade and other receivables (excluding government subsidies and taxes receivable) and due to related parties at amortized cost. The Company's accounts payable and accrued liabilities and promissory notes are classified at amortized cost.

As at June 30, 2026, and December 31, 2025, the carrying value of trade and other receivables, due to related parties, accounts payable and accrued liabilities and promissory notes are approximate their respective fair values because of their short-term nature.

The Company's current business involves consulting for clients, licensing its proprietary technology for the extraction of precious metals for the mining and E-waste industries and select processing of ores and concentrates, which exposes the Company to a variety of financial instrument related risks. These risks include credit risk, liquidity risk and market risk. The Company's board of directors provides oversight for the Company's risk management processes.

a) Credit risk

The Company's credit risk is primarily attributable to cash and trade and other receivables. The Company has no significant concentration of credit risk arising from operations. Cash and guaranteed investment certificates consists of accounts at reputable financial institution, from which management believes the risk of loss to be remote. In Canada, federal deposit insurance covers balances up to \$100,000. As at June 30, 2026, management considers the Company's exposure to credit risk is minimal. Aging of trade and other receivables are as disclosed in Note 5.

b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, considering its anticipated cash flows from operations and its holdings of cash.

As at June 30, 2026, the Company had a cash balance of \$12,242 (2025 - \$21,920) to settle current liabilities of \$1,046,334 (2025 - \$1,418,927). The Company is exposed to liquidity risk.

A summary of the Company's contractual undiscounted cash flow requirements as at March 31, 2026 is as follows:

	Less than 1 year	1 to 3 years	Total
	\$	\$	\$
Accounts payable and accrued liabilities	583,826	-	583,826
Due to related parties	412,508	-	412,508
Promissory notes	50,000	-	50,000
	1,046,334	-	1,046,334

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 exposures within acceptable parameters, while optimizing the return. As at June 30, 2026, the Company is not exposed to significant market risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company has no financial instruments that are subject to variable interest rates. As at June 30, 2026, the Company is not exposed to interest rate risk.

ENVIROMETAL TECHNOLOGIES INC.

Notes to the Condensed Interim Consolidated Financial Statements

For the three- and six-months ended June 30, 2026 and 2025

(Unaudited - Expressed in Canadian dollars, except where noted)

15. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Foreign currency risk

The Company is exposed to currency risk due to business transactions in foreign countries or currencies. The Company primary transactions are in Canadian dollars and United States dollars. Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company is subject to normal risks including fluctuations in foreign exchange rates. While the Company manages its operations in order to minimize exposure to these risks, it has not entered into any derivatives or contracts to hedge or otherwise mitigate this exposure.

A summary of the Company's financial assets and liabilities that are denominated in US\$ is as follows:

	June 30, 2026	December 31, 2025
	\$	\$
Cash	721	6,241
Accounts payable and accrued liabilities	(36,854)	(35,121)
Due to related parties	(136,416)	(559,205)
	(172,549)	(588,085)

As at June 30, 2026 the Company has determined that a 5% change in US dollars against the Canadian dollar on financial assets and liabilities would result in an increase or decrease of approximately \$8,627 (2025 - \$29,404) to net loss and comprehensive loss.

16. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders, and to bring its mineral properties to commercial production.

The Company manages its capital structure and adjusts it for changes in economic conditions and the risk characteristics of the underlying assets, being mineral properties.

In order to maintain or adjust its capital structure, the Company may issue new shares through equity offerings or sell assets to fund operations. Management reviews the Company's capital management approach on a regular basis. The Company is not subject to externally imposed capital requirements.

The Company invests all capital that is surplus to its immediate operational needs in short-term, liquid, and highly rated financial instruments, such as cash and other short-term guaranteed deposits, all held with major financial institutions. There have not been changes to the Company's capital management policy during the year.