SPECTRE CAPITAL CORP.

FINANCIAL STATEMENTS

AUGUST 31, 2025 AND 2024

(EXPRESSED IN CANADIAN DOLLARS)

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Independent Auditor's Report

To the Shareholders of Spectre Capital Corp.

Opinion

We have audited the financial statements of Spectre Capital Corp. (the "Company"), which comprise the statements of financial position as at August 31, 2025 and August 31, 2024 and the statements of loss and comprehensive loss, changes in shareholders' deficit and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at August 31, 2025 and August 31, 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 describes the material uncertainty 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. Other than the matter described in the Material Uncertainty Related to Going Concern section, we have determined there are no key audit matters to be communicated 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.

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 the other information 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 in this auditor's report. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the 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 Hilda Leung.

Crowe MacKay LLP

Chartered Professional Accountants
Vancouver, Canada
December 17, 2025

SPECTRE CAPITAL CORP.
Statements of Financial Position
As at August 31, 2025 and 2024
(Expressed in Canadian Dollars)

		2025		2024
ASSETS				
Current assets				
Cash	$	57,857	$	4,146
Total assets	$	57,857	$	4,146
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities (Note 9)	$	106,363	$	162,648
Loan payable (Note 5)		-		36,000
Total liabilities		106,363		198,648
SHAREHOLDERS' DEFICIT				
Share capital (Note 6)		643,400		463,900
Reserves (Note 6)		60,120		60,120
Retained earnings (deficit)		(752,026)		(718,522)
Total shareholders' deficit		(48,506)		(194,502)
Total liabilities and shareholders' deficit	$	57,857	$	4,146

Nature and continuance of operations – (Note 1)

APPROVED ON BEHALF OF THE BOARD:

"Geoff Balderson" Director ***"Robert Shewchuk"*** Director

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

SPECTRE CAPITAL CORP.
Statements of Loss and Comprehensive Loss
For the years ended August 31, 2025 and 2024
(Expressed in Canadian Dollars)

		2025		2024
Expenses				
Consulting fees	$	6,500	$	24,000
Listing and transfer agent fees		6,352		8,204
Office expenses		58		60
Professional fees		20,594		23,540
		(33,504)		(55,804)
Net loss and comprehensive loss for the year	$	(33,504)	$	(55,804)
Basic and diluted loss per share	$	(0.01)	$	(0.02)
Weighted average number of shares outstanding – basic and diluted		3,852,604		3,410,000

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

SPECTRE CAPITAL CORP.
Statements of Changes in Shareholders' Deficit
For the years ended August 31, 2025 and 2024
(Expressed in Canadian Dollars)

	Number of Shares	Share Capital	Reserves	Retained Earnings (Deficit)	Total
Balance, August 31, 2023	7,160,001	$ 463,900	$ 60,120	$ (662,718)	$ (138,698)
Net loss and comprehensive loss for the year	-	-	-	(55,804)	(55,804)
Balance, August 31, 2024	7,160,001	463,900	60,120	(718,522)	(194,502)
Private placement	3,590,000	179,500	-	-	179,500
Net loss and comprehensive loss for the year	-	-	-	(33,504)	(33,504)
Balance, August 31, 2025	10,750,001	$ 643,400	$ 60,120	$ (752,026)	$ (48,506)

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

SPECTRE CAPITAL CORP.
Statements of Cash Flows
For the years ended August 31, 2025 and 2024
(Expressed in Canadian Dollars)

		2025		2024
CASH FLOWS PROVIDED BY (USED IN)				
OPERATING ACTIVITIES				
Net loss for the year	$	(33,504)	$	(55,804)
Change in non-cash working capital item:				
Accounts payable and accrued liabilities		(56,285)		29,923
Net cash used in operating activities		(89,789)		(25,881)
FINANCING ACTIVITIES				
Loan payable advance		17,000		30,000
Loan payable repayment		(53,000)		-
Shares issued for cash		179,500		-
Net cash provided by financing activities		143,500		30,000
Change in cash for the year		53,711		4,119
Cash, beginning of year		4,146		27
Cash, end of year	$	57,857	$	4,146
Cash paid for interest during the year	$	-	$	-
Cash paid for income taxes during the year	$	-	$	-

There are no non-cash transactions for the years ended August 31, 2025 and 2024.

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

1 Nature and continuance of operations

Spectre Capital Corp. (the "Company") was incorporated as a private company by Certificate of Incorporation issued pursuant to the provisions of the *British Columbia Business Corporations Act* on May 24, 2018. On October 17, 2018, the Company changed its name to Spectre Capital Corp.

The Company completed its Initial Public Offering ("IPO") on February 21, 2020, and is classified as a Capital Pool Company as defined in the TSX Venture Exchange ("TSX-V" or the "Exchange") Policy 2.4. The Company was listed on February 21, 2020 and commenced trading on February 25, 2020 under the trading symbol "SOO.P".

The Company's head office and registered and records office address is Suite 1600 – 409 Granville Street, Vancouver, British Columbia, Canada, V6C 1T2.

These financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by International Accounting Standards Board ("IASB"), with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations.

The Company's continuing operations are dependent upon its ability to identify, evaluate and negotiate an agreement to acquire an interest in a material asset or business (the "Qualifying Transaction"). Any acquisition or investment proposed by the Company will be subject to regulatory approval. The above material uncertainty raises significant doubt about the Company's ability to continue as a going concern.

2 Basis of preparation

These financial statements of the Company have been prepared in accordance with IFRS as issued by the IASB.

These financial statements have been prepared on an accrual basis, except for cash flow information, and are based on historical costs except for certain financial instruments which are measured at fair value. The financial statements are presented in Canadian dollars which is the Company's functional currency.

The financial statements were authorized for issue by the Board of Directors on December 17, 2025.

2 Basis of preparation – (cont'd)

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and revenue 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, the results of which form the basis of making the 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 review affects both current and future periods.

The assessment of the Company's ability to continue as a going concern (note 1) involves significant judgment.

Investment in a private company (note 4)– When the fair values of financial assets recorded on the statements of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques. The inputs to these models are derived from observable market data where possible, but where observable market data is not available, judgment and estimates are required to establish fair value.

3 Material Accounting Policies

The accounting policies set out below have been applied consistently in the financial statements.

Financial instruments

Measurement and classification

Cash, accounts payable and accrued liabilities, and loan payable are classified as at amortized costs, initially measured at fair value net of transaction costs, subsequently measured at amortized cost using the effective interest method.

Investment is classified as at fair value through profit or loss ("FVTPL") measured initially and subsequently at fair value.

Earnings (loss) per share

Earnings (loss) per share is computed by dividing the net loss by the weighted average number of outstanding shares in issue during the reporting period. Diluted earning (loss) per share is computed similar to basic loss except that the weighted average number of outstanding shares include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods. In a loss reporting period, potentially dilutive common shares are excluded from the loss per share calculation as the effect would be anti-dilutive.

3 Material Accounting Policies – (cont'd)

Recent accounting pronouncements and changes in accounting policies

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for future accounting periods are as follows:

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 introduces three sets of new requirements to give investors more transparent and comparable information about companies' financial performance for better investment decisions.

1. Three defined categories for income and expenses – operating, investing or financing – to improve the structure of the income statements, and require all companies to provide new defined subtotals, including operating profit;
2. Requirement for companies to disclose explanations of management-defined performance measures ("MPMs") that are related to the income statement; and
3. Enhanced guidance on how to organize information and whether to provide it in the primary financial statements or in the notes.

This new standard is effective for reporting periods beginning on or after January 1, 2027. The Company is currently evaluating the impact of the above amendments on its financial statements.

The following new standard was adopted during the year:

Classification of Liabilities as Current or Non-current (Amendments to IAS 1)

The amendments to IAS 1 provide a more general approach to the classification of liabilities based on the contractual arrangements in place at the reporting date. These amendments are effective for reporting periods beginning on or after September 1, 2024 and did not have a material impact on the Company.

4 Investment

On September 8, 2020, the Company entered into a letter of intent ("LOI") with Hemptown Organics Corp. ("Hemptown") pursuant to which the Company will acquire all of the issued and outstanding shares of Hemptown (the "Transaction") which is intended to constitute the Company's Qualifying Transaction. On March 22, 2022, the Company and Hemptown entered into a termination agreement whereby Hemptown has agreed to issue 2,000,000 Hemptown common shares to the Company as a break fee and the Company and Hemptown have released each other from all matters relating to the Transaction and the termination, including the repayment of the $225,000 loaned and $16,935 in expenses paid by the Company for a total balance of $241,935. The fair value of the shares of Hemptown received was determined by the most recent financing completed by Hemptown at $0.50 per share. The difference between the fair value of the shares received ($1,000,000) and the balance of the loan receivable ($241,935) was recorded as a break fee ($758,065) in other income during the year ended August 31, 2022. As at August 31, 2022, the fair value of the shares of Hemptown remains at $0.50 per share. At August 31, 2023, the Company determined the fair value of its investment to be $Nil due to a change in the corporate and operating events in Hemptown, and recognized a loss on change in fair value of $1,000,000. At August 31, 2024, there is no change in the fair value of the Hemptown shares.

4 Investment – (cont'd)

As a result of Hemptown's corporate restructuring, the Company received and kept 28,880 common shares of Functional Brands Inc. ("Functional"), a company organized under the General Corporation Law in the state of Delaware. Functional was in the process of filing its amendments to Form S-1 (Preliminary Prospectus) in connection with the direct listing on the Nasdaq Capital Market, which was completed subsequent to August 31, 2025. As at August 31, 2025, the Functional's shares have not been listed for trading, accordingly, the Company has valued these shares at $Nil.

5 Loan payable

On June 26, 2023, the Company issued a promissory note for proceeds of $6,000 to a lender. The promissory note is unsecured, non-interest bearing and payable on demand. During the year ended August 31, 2024, the Company issued two promissory notes for total proceeds of $30,000 that are unsecured, non-interest bearing with $10,000 due on November 23, 2024, and $20,000 due 365 days from advance. On November 1, 2024 the Company issued another promissory note in the amount of $17,000 which is unsecured, non-interest bearing, and due 120 days from advance. During the year ended August 31, 2025, the Company repaid these loans.

6 Share Capital

a) Authorized

Unlimited common shares, without par value.

b) Issued

On July 17, 2025, the Company issued 3,590,000 common shares at a price of $0.05 per common share for total proceeds of $179,500.

There were no shares issued during the year ended August 31, 2024.

c) Escrow Agreement

The shares issued in August 2019 are held in escrow. Under the escrow agreement, 10% of the shares will be released on the issuance of the Final Exchange Bulletin (the Exchange's acceptance of the Qualifying Transaction) and an additional 15% will be released on each of the dates which are 6 months, 12 months, 18 months, 24 months, 30 months and 36 months following the initial release. As these shares are considered contingently issuable until the Company completes the Qualifying Transaction, they are not considered to be outstanding shares for the purposes of earnings (loss) per share calculations. Consequently, basic and diluted earnings (loss) per share and weighted average number of shares disclosures have been reduced by 3,750,001, the number of shares held in escrow as at August 31, 2025 and 2024.

(Expressed in Canadian Dollars)

6 Share Capital – (cont'd)

d) Stock Options

The Company adopted a stock option plan under which it is authorized to grant options to officers, directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company. The options can be granted for a maximum of ten years and vest as determined by the Board of Directors. The exercise price of each option granted may not be less than the fair market value of the common shares.

Details of stock options activities for the years ended August 31, 2025 and 2024 are as follows:

	Number of options	Weighted Average Exercise Price
Balance outstanding, August 31, 2023	716,000	$0.10
Forfeited	(44,000)	0.10
Balance outstanding, August 31, 2024	672,000	$0.10
Expired	(672,000)	0.10
Balance outstanding, August 31, 2025	-	$-

e) Reserves

The Company's equity reserves are comprised of share-based payments and fair value of agent's warrants.

7 Financial Instruments

Financial risk factors

The Company's risk exposures and the impact on the Company's financial statements are summarized below.

Credit risk

Financial instruments that potentially subject the Company to a significant concentration of credit risk consist primarily of cash. The Company limits its exposure to credit loss by placing its cash with major financial institutions. The maximum exposure is its carrying amount on the statements of financial position.

Interest rate risk

The Company is exposed to interest rate risk to the extent that the cash maintained at the financial institutions is subject to floating rate of interest. The interest rate risks on cash and on the Company's obligations are not considered significant.

Liquidity risk

All of the Company's financial liabilities are classified as current and are anticipated to mature within the next fiscal period. At present, the Company's operations do not generate cash flow. The Company's primary source of funding has been the issuance of equity securities. Despite previous success in acquiring financing, there is no guarantee of obtaining future financings.

7 Financial Instruments – (cont'd)

Determination of Fair Value

Fair value measurements of financial instruments are required to be classified using a fair value hierarchy that reflects the significance of inputs in making the measurements. The levels of the fair value hierarchy are defined as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;
Level 3 – Inputs for the asset or liability that are not based on observable market data.

Investment in marketable securities is classified as fair value through profit or loss and measured at fair value using level 3 inputs. The fair values of other financial instruments, which include cash, accounts payable and accrued liabilities and loan payable approximate their carrying values due to the relatively short-term nature of these instruments.

8 Capital Management

Capital is comprised of the Company's shareholders' deficit. As at August 31, 2025, the Company's shareholders' deficit was $48,506 (2024 – $194,502) and there was no long term debt outstanding. The Company manages its capital structure to maximize its financial flexibility making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. The Company does not presently utilize any quantitative measures to monitor its capital.

The proceeds from the issuance of share capital raised by the Company, both prior to the Company's IPO and from the IPO itself, may only be used to identify and evaluate assets or businesses for future investments, with the lesser of 30% of the gross proceeds or $210,000 may be used to cover prescribed costs of issuing the common shares or administrative and general expenses of the Company. These restrictions apply until completion of a Qualifying Transaction by the Company as defined under the policies of the Exchange. There is no change to the Company's capital management policy for the years ended August 31, 2025 and 2024.

9 Related Party Transactions

Related party transactions are comprised of services rendered by directors and/or officers of the Company or by a company with a director in common. Related party transactions are in the ordinary course of business and are measured at the exchange amount.

Included in accounts payable and accrued liabilities at August 31, 2025 was $50,941 (2024 – $98,543) owing to a company controlled by the CEO for expense reimbursements. This amount is unsecured, non-interest owing and payable on demand.

Key management personnel compensation
The Company considers its President, Chief Executive Officer, Chief Financial Officer, and the directors of the Company to be key management. During the years ended August 31, 2025 and 2024, there were no compensations paid or accrued.

(Expressed in Canadian Dollars)

10 Income Taxes

A reconciliation of income taxes at statutory rates is as follows:

		2025		2024
Loss before income taxes	$	(33,504)	$	(55,804)
Statutory income tax rates		27%		27%
Expected tax expense (recovery)	$	(9,000)	$	(15,000)
Change in unrecognized deferred tax assets		9,000		15,000
Income tax expense (recovery)	$	-	$	-

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the statement of financial position are as follows:

	Expiry as at August 31, 2025		2025	Expiry as at August 31, 2024		2024
Non-capital losses	2041 to 2045	$	264,500	2041 to 2044	$	231,000
Investment	No expiry date	$	741,900	No expiry date	$	741,900