VALENCIA CAPITAL INC.

Condensed Interim Financial Statements

Nine months ended March 31, 2026, and 2025

(Expressed in Canadian dollars)

(unaudited)

NOTICE TO READER

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

The accompanying unaudited condensed interim financial statements of the Company have been prepared by management and approved by the Audit Committee and Board of Directors of the Company.

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

Vancouver, Canada

May 29, 2026

VALENCIA CAPITAL INC.
Condensed Interim Statements of Financial Position
(Expressed in Canadian dollars)

	March 31, 2026 $	June 30, 2025 $
	(unaudited)	
Assets		
Current assets		
Cash	347,719	373,594
GST receivable	5,141	3,569
Prepaid expenses	6,250	4,375
Total assets	359,110	381,538
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (Note 3)	29,081	10,930
Total liabilities	29,081	10,930
Shareholders' equity		
Share capital	839,585	839,585
Share-based payment reserve	155,267	155,267
Deficit	(664,823)	(624,244)
Total shareholders' equity	330,029	370,608
Total liabilities and shareholders' equity	359,110	381,538

Nature of operations and continuance of business (Note 1)

Approved and authorized for issuance by the Board of Directors on May 29, 2026:

/s/ "John D. MacPhail" — John D. MacPhail, Director

/s/ "Brock Daeml" — Brock Daem, Director

(The accompanying notes are an integral part of these financial statements)

VALENCIA CAPITAL INC.
Condensed Interim Statements of Operations and Comprehensive Loss
(Expressed in Canadian dollars)

	Three months ended March 31, 2026 $	Three months ended March 31, 2025 $	Nine months ended March 31, 2026 $	Nine months ended March 31, 2025 $
Expenses				
General and administrative	2,233	2,321	6,634	7,470
Professional fees (Note 3)	13,500	14,330	22,500	33,513
Transfer agent and filing fees	6,017	9,113	11,445	16,486
Total expenses	21,750	25,764	40,579	57,469
Net loss and comprehensive loss	(21,750)	(25,764)	(40,579)	(57,469)
Loss per share, basic and diluted	(0.00)	(0.00)	(0.00)	(0.01)
Weighted average common shares outstanding	11,383,900	11,383,900	11,383,900	11,383,900

(The accompanying notes are an integral part of these financial statements)

VALENCIA CAPITAL INC.
Condensed Interim Statements of Changes in Shareholders' Equity
(Expressed in Canadian dollars)

	Share capital		Share-based payment reserve	Deficit	Total shareholders' equity
	Number of shares	Amount $	$	$	$
Balance, July 1, 2024	11,383,900	839,585	155,267	(539,760)	455,092
Net loss for the period	–	–	–	(57,469)	(57,469)
Balance, March 31, 2025	11,383,900	839,585	155,267	(597,229)	397,623
Balance, July 1, 2025	11,383,900	839,585	155,267	(624,244)	370,608
Net loss for the period	–	–	–	(40,579)	(40,579)
Balance, March 31, 2026	11,383,900	839,585	155,267	(664,823)	330,029

(The accompanying notes are an integral part of these financial statements)

VALENCIA CAPITAL INC.
Condensed Interim Statements of Cash Flows
(Expressed in Canadian dollars)

	Nine months ended March 31, 2026 $	Nine months ended March 31, 2025 $
Operating activities:		
Net loss	(40,579)	(57,469)
Changes in non-cash operating working capital:		
GST receivable	(1,572)	(2,457)
Prepaid expenses	(1,875)	8,796
Accounts payable and accrued liabilities	18,151	15,159
Net cash used in operating activities	(25,875)	(41,476)
Decrease in cash	(25,875)	(41,476)
Cash, beginning of period	373,594	453,767
Cash, end of period	347,719	412,291

(The accompanying notes are an integral part of these financial statements)

1. Nature of Operations and Continuance of Business

Valencia Capital Inc. (the "Company") was incorporated in the province of the British Columbia on June 19, 2019. The Company's head office is located at Suite 620, 1111 Melville Street, Vancouver, BC, V6E 3V6.

The Company completed an initial public offering ("IPO") and is a capital pool company ("CPC") pursuant to the policies of the TSX Venture Exchange (the "Exchange"). The Company is in the development stage, and its principal business is the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction as defined by the rules of the Exchange. Such a transaction will be subject to shareholder and regulatory approval.

These condensed interim financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. During the nine months ended March 31, 2026, the Company has no active business and has negative cash flow from operations. As at March 31, 2026, the Company has an accumulated deficit of $664,823. The Company's continuing operations are dependent upon its ability to identify and evaluate assets or businesses with a view to potential acquisition or participation by completing a Qualifying Transaction, as defined in Exchange Policy 2.4. Any acquisition or investment proposed by the Company will be subject to regulatory approval. The preceding indicates the existence of a material uncertainty that may cast substantial doubt about the Company's ability to continue as a going concern. These financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern. Such adjustments could be material.

2. Material Accounting Policy Information

(a) Statement of Compliance

These condensed financial statements have been prepared in accordance with IAS34, *Interim Financial Reporting*, as issued by the International Accounting Standards Board ("IASB").

(b) Basis of Presentation

These financial statements have been prepared on a historical cost basis. In addition, these financial statements have been prepared using the accrual basis of accounting, except for the cash flow information. The presentation and functional currency of the Company is the Canadian dollar.

(c) Use of Estimates and Judgments

The preparation of these financial statements in conformity with IFRS Accounting Standards ("IFRS") requires the Company's management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, revenues, and expenses. Actual results may differ from these estimates.

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 and in any future periods affected.

Estimates and Assumptions

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods are outlined below:

<u>Deferred income tax</u>

The Company estimates the expected manner and timing of the realization or settlement of the carrying value of its assets and liabilities and applies the tax rates that are enacted or substantively enacted on the estimated dates of realization or settlement. In assessing the probability of realizing income tax assets, management makes estimates related to expectations of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities.

2. Material Accounting Policy Information (continued)

(c) Use of Estimates and Judgments (continued)

Judgments

Judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements are outlined below:

Going concern

The application of the going concern assumption requires management to take into account all available information about the future, which is at least, but is not limited to, 12 months from the end of the reporting period. The Company is aware that material uncertainties related to events or conditions may cast significant doubt upon the Company's ability to continue as a going concern.

(d) Cash and Cash Equivalents

The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance, are readily convertible to known amounts of cash, and which are subject to insignificant risk of changes in value to be cash equivalents.

(e) Financial Instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the respective instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are included in the initial carrying value of the related instrument and are amortized using the effective interest method. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in the statement of operations.

Fair value estimates are made at the statement of financial position date based on relevant market information and information about the financial instrument. All financial instruments are classified into either: fair value through profit or loss ("FVTPL") or amortized cost.

The Company has made the following classifications:

Cash	Amortized cost
Accounts payable and accrued liabilities	Amortized cost

Financial Assets

The classification of financial assets depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial assets at FVTPL

Financial assets are classified as FVTPL when the financial asset is either held for trading or it is designated as FVTPL. A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

2. Material Accounting Policy Information (continued)

(e) Financial Instruments (continued)

Financial Assets (continued)

Financial assets at amortized cost

Financial assets at amortized cost are non-derivative financial assets which are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition. After initial recognition, financial assets are measured at amortized cost using the effective interest method, less any impairment.

Impairment of financial assets

Financial assets, other than those classified as FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been decreased.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets except for trade receivables, where the carrying amount is reduced through the use of an allowance account.

When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are offset against the allowance account. Changes in the carrying amount of the allowance account are recognized in the statement of operations. Loss allowances are based on the lifetime ECL's that result from all possible default events over the expected life of the trade receivable, using the simplified approach.

For financial assets measured at amortized cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through the statement of operations to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Financial Liabilities and Equity Instruments

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

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

2. Material Accounting Policy Information (continued)

(e) Financial Instruments (continued)

Financial Liabilities and Equity Instruments (continued)

Other financial liabilities

Other financial liabilities (including loans and borrowings and trade payables and other liabilities) are initially measured at fair value, net of transaction costs. Subsequently, other financial liabilities are measured at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

(f) Income Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in the statement of operations. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax

Deferred income tax is provided using the statement of financial position method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable income will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred income tax assets and deferred income tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

(g) Loss Per Share

Basic loss per share is computed using the weighted average number of common shares outstanding during the year. The treasury stock method is used for the calculation of diluted loss per share, whereby all “in the money” stock options and share purchase warrants are assumed to have been exercised at the beginning of the period and the proceeds from their exercise are assumed to have been used to purchase common shares at the average market price during the period. When a loss is incurred during the period, basic and diluted losses per share are the same as the exercise of stock options and share purchase warrants is considered to be anti-dilutive. As at March 31, 2026, the Company has 533,390 (2025: 1,138,390) potentially dilutive shares outstanding.

(Expressed in Canadian dollars)

2. Material Accounting Policy Information (continued)

(h) Accounting Standards Issued But Not Yet Effective

A number of new standards, and amendments to standards and interpretations, are not yet effective for the three months ended March 31, 2026, and have not been early adopted in preparing these financial statements.

IFRS 18, Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18 – Presentation and Disclosure in Financial Statements which will replace IAS 1, Presentation of Financial Statements. The key new concepts introduced in IFRS 18 relate to the structure of the statement of earnings (loss), required disclosures in the financial statements for certain earnings or loss performance measures that are reported outside an entity's financial statements and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general. IFRS 18 will apply for reporting periods beginning on or after January 1, 2027, and also applies to comparative information. The Company is still in the process of assessing the impact of this standard on its financial statements.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or not expected to have a significant impact on the Company's financial statements.

3. Related Party Transactions

As at March 31, 2026, the Company owed $1,575 (2025: $4,200) to a company controlled by the Chief Financial Officer of the Company which is included in accounts payable and accrued liabilities. During the nine months ended March 31, 2026, the Company incurred professional fees of $13,500 (2025: $13,500) to a company controlled by the Chief Financial Officer of the Company.

4. Share Capital

Authorized: Unlimited number of common shares without par value. Issued and outstanding: 11,383,900

5. Stock Options

On January 2, 2020, the Company adopted a stock option plan, pursuant to which the Company may grant stock options to directors, officers, and consultants. The maximum aggregate number of common shares which may be reserved for issuance may not exceed 10% of the issued and outstanding common shares of the Company at the time of granting the stock options. In connection to the foregoing, number of common shares which may be reserved for issuance to any individual director or officer may not exceed 5% and to all consultants may not exceed 2% of the issued and outstanding common shares. The exercise price of any stock options granted under the plan shall be determined by the Board of Directors but may not be less than the market price of the common shares on the Exchange on the date of grant (less any discount permissible under Exchange rules to a minimum of $0.10 per common share). The term of any stock options granted under the plan shall be determined by the Board at the time of grant but may not exceed five years.

The following table summarizes the continuity of the Company's stock options:

	Number of options	Weighted average exercise price $
Outstanding, September 30, 2023, and 2024	1,138,390	0.10
Expired, August 14, 2025	(605,000)	0.10
Outstanding, March 31, 2026	533,390	0.10

5. Stock Options (continued)

Additional information regarding stock options outstanding as at March 31, 2026, is as follows:

	Outstanding and exercisable		
Range of exercise prices $	Number of shares	Weighted average remaining contractual life (years)	Weighted average exercise price $
0.10	533,390	0.10	0.10

6. Financial Instruments and Risk Management

(a) Fair Values

Fair value measurements are classified using a fair value hierarchy that reflects the significance of 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 fair values of financial instruments, which include cash, and accounts payable and accrued liabilities, approximate their carrying values due to the relatively short-term maturity of these instruments.

(b) Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash. The Company limits its exposure to credit loss by placing its cash with high credit quality financial institutions. The carrying amount of financial assets represents the maximum credit exposure.

(c) Foreign Exchange Rate Risk

Foreign exchange risk is the risk that the Company's financial instruments will fluctuate in value as a result of movements in foreign exchange rates. The Company is not exposed to any significant foreign exchange rate risk.

(d) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk as it does not have any liabilities with variable rates.

(e) 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 currently settles its financial obligations out of cash. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs.

7. Capital Management

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of cash and shareholders' equity.

The Company manages its capital structure and makes adjustments to it considering economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issues or by undertaking other activities as deemed appropriate under the specific circumstances.

The proceeds raised from the issuance of common shares may only be used to identify and evaluate assets or businesses for future investment, with the exception that general and administrative expenses have a limit of $3,000 per month. These restrictions apply until completion of a Qualifying Transaction by the Company as defined under the Exchange Policy 2.4. The Company currently is not subject to other externally imposed capital requirements.