SAMURAI CAPITAL CORP.

FILING STATEMENT

IN RESPECT OF THE QUALIFYING TRANSACTION INVOLVING THE ACQUISITION BY SAMURAI CAPITAL CORP. OF ALL OF THE ISSUED AND OUTSTANDING COMMON SHARES OF A.C.L. CONSTRUCTION LTD.

Dated as of April 14, 2025

Neither the TSX Venture Exchange Inc. (the "Exchange") nor any securities regulatory authority has in any way passed upon the merits of the Qualifying Transaction described in this Filing Statement

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GLOSSARY

"**ACL**" means A.C.L. Construction Ltd. a company amalgamated under the BCBCA, and the company which is to be acquired by Samurai pursuant to the Proposed Qualifying Transaction;

"**ACL Board**" means the board of directors of ACL;

"**ACL DSU**" means the deferred share units governed by the ACL Omnibus Incentive Plan;

"**ACL Finder Warrant**" means a common share purchase warrant of ACL issued to eligible finders in connection with the Concurrent Financing, each ACL Finder Warrant entitling the holder to acquire one (1) ACL Share at an exercise price of $0.50/share for a period of 36 months from the Listing Date;

"**ACL Omnibus Incentive Plan"** means the omnibus equity incentive plan of ACL;

"**ACL Performance-Based Awards**" means, collectively or as applicable, ACL PSUs, ACL RSUs and ACL DSUs;

"**ACL PSU**" means the performance share units governed by the ACL Omnibus Incentive Plan;

"**ACL RSU**" means the restricted share units governed by the ACL Omnibus Incentive Plan;

"**ACL Shareholders**" means the shareholders of ACL;

"**ACL Shares**" means the common shares in the capital of ACL;

"**ACL Stock Option**" means the non-transferable options to purchase ACL Shares;

"**ACL Subscription Receipts**" means the subscription receipts in the capital of ACL to be issued as part of the Concurrent Financing, each representing the right of the holder thereof to receive, in certain circumstances set forth in the indenture governing the ACL Subscription Receipts, one ACL Unit;

"**ACL Unit Warrant**" means a common share purchase warrant of ACL issued to holders of ACL Subscription Receipts upon conversion of the ACL Subscription Receipts, each ACL Unit Warrant entitling the holder to acquire one (1) ACL Share at an exercise price of $0.50 per share for a period of 36 months from the Listing Date;

"**ACL Unit**" means a unit of ACL, each Unit being comprised of one (1) ACL Share and one (1) ACL Unit Warrant;

"**Affiliate**" means a Company that is affiliated with another Company as described below. A Company is an "Affiliate" of another Company if:

(a) one of them is the subsidiary of the other, or

(b) each of them is controlled by the same Person. A Company is "controlled" by a Person if:

 (i) voting securities of the Company are held, other than by way of security only, by or for the benefit of that Person, and

 (ii) the voting securities, if voted, entitle the Person to elect a majority of the directors of the Company. A Person beneficially owns securities that are beneficially owned by:

  (1) a Company controlled by that Person, or

  (2) an Affiliate of that Person or an Affiliate of any Company controlled by that Person;

"**Aggressive**" means Aggressive Contracting Ltd.

"**Amalco Shares**" means the common shares in the capital of Amalco;

"**Amalco**" means a company amalgamated under the BCBCA as a result of the amalgamation of ACL and Subco pursuant to the Business Combination Agreement;

"**Amalgamation**" means the multi-stepped business combination of ACL, Samurai and Subco pursuant to which, at the effective time:

(i) ACL will amalgamate with Subco under Section 269 of the BCBCA to form Amalco;

(ii) each holder of ACL Shares will receive one fully paid and non-assessable share of Amalco for each ACL Share held, following which all ACL Shares will be cancelled;

(iii) Samurai shall receive one fully paid and non-assessable Amalco Share for each one Subco Share held by Samurai, following which all Subco Shares will be cancelled; and

(iv) each holder of Amalco Shares (other than Samurai) shall transfer its Amalco Shares to Samurai in exchange for one fully paid and non-assessable Samurai Consolidated Share for each Amalco share held,

all as contemplated by the Business Combination Agreement.

"**Arm's Length Transaction**" means a transaction which is not a Related Party Transaction;

"**Associate**" when used to indicate a relationship with a Person, means

(a) any partner, other than a limited partner, of that person,

(b) any trust or estate in which that Person has a substantial beneficial interest or for which that Person serves as trustee or in a similar capacity,

(c) an issuer in respect of which that Person beneficially owns or controls, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to outstanding securities of the issuer,

(d) a relative, including a spouse, of that person, or a relative of that Person's if the relative has the same home as that person;

but

where the Exchange determines that two Persons shall, or shall not, be deemed to be Associates with respect to a Member firm (as defined by the Exchange's policies), Member corporation or holding company of a Member corporation, then such determination shall be determinative of their relationships in the application of Rule D.1.00 of the TSX Venture Exchange Rule Book and Policies with respect to that Member firm, Member corporation or holding company;

"**BCBCA**" means the *Business Corporations Act* (British Columbia);

"**Business Combination Agreement**" means the business combination agreement dated as of November 7, 2024 (as amended from time to time) among ACL, Samurai and Subco, a copy of which is available under Samurai's issuer profile on SEDAR+ at www.sedarplus.ca.

"**Business Combination**" means the business combination contemplated by the Business Combination Agreement.

"**Closing**" means the Completion of the Qualifying Transaction;

"**company**" unless specifically indicated otherwise, means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual;

"**Completion of the Qualifying Transaction**" means the issuance of the Final QT Exchange Bulletin by the Exchange with respect to the Proposed Qualifying Transaction;

"**Concurrent Financing**" means the non-brokered private placement of ACL Subscription Receipts at a price of $0.30 per ACL Subscription Receipt for minimum aggregate gross proceeds of $3,000,000 (the "**Minimum Financing**") and up to maximum aggregate gross proceeds of $7,000,000 (the "**Maximum Financing**");

"**Consolidation**" means the consolidation of the Samurai Shares on the basis of one (1) Samurai Consolidated Share for every two (2) Samurai Shares prior to the Completion of the Qualifying Transaction;

"**Control Person**" means any person or company that holds or is one of a combination of persons or companies that holds a sufficient number of any of the securities of an issuer so as to affect materially the control of that issuer, or that holds more than 20% of the outstanding voting securities of an issuer except where there is evidence showing that the holder of those securities does not materially affect the control of the issuer;

"**CPC**" means a corporation or trust:

(a) that has filed and obtained a receipt for a preliminary CPC Prospectus from one or more of the securities regulatory authorities in compliance with the Exchange Policy 2.4; and

(b) in regard to which the Final QT Exchange Bulletin has not yet been issued;

"**CPC Escrow Agreement**" means the escrow agreement dated February 1, 2021 among Samurai, the Escrow Agent and certain shareholders of Samurai with respect to 2,400,000 Samurai Shares and 440,000 Samurai Stock Options;

"**CPC IPO**" means Samurai's initial public offering of 2,000,000 Samurai Shares at $0.10 per Samurai Share (on a pre-Consolidation basis) which was completed on May 27, 2021;

"**Effective Date**" means the date of Closing, expected to be on or about May 30, 2025;

"**Effective Time**" means the time on the Effective Date that the Proposed Qualifying Transaction becomes effective;

"**Escrow Agent**" means TSX Trust Company;

"**Escrow Release Conditions**" has the meaning ascribed thereto in the Subscription Receipt Agreement;

"**Escrowed Proceeds**" means the gross proceeds received by ACL in connection with the ACL Subscription Receipts, to be held in escrow with Subscription Receipt Agent;

"**Exchange Policy 2.4**" means Exchange Policy 2.4 – *Capital Pool Companies* of the TSXV Corporate Finance Manual;

"**Exchange Ratio**" means the exchange of ACL Shares in exchange for Resulting Issuer Shares on the basis of one (1) Resulting Issuer Share for one (1) ACL Share;

"**Exchange**" or "**TSXV**" means the TSX Venture Exchange;

"**Filing Statement**" means this filing statement of Samurai, including the Schedules attached hereto;

"**Final QT Exchange Bulletin**" means the Exchange Bulletin evidencing final Exchange acceptance of the Proposed Qualifying Transaction that is to be issued following the Closing and the submission of all required documentation;

"Insider" if used in relation to an issuer, means:

(a) a director or senior officer of the issuer;

(b) a director or senior officer of a Company that is an Insider or subsidiary of the issuer;

(c) a Person that beneficially owns or controls, directly or indirectly, Voting Shares carrying more than 10% of the voting rights attached to all outstanding Voting Shares of the issuer; or

(d) the issuer itself if it holds any of its own securities;

"**Letter of Intent**" means the non-binding letter of intent entered into between Samurai and ACL dated August 19, 2024 (as amended from time to time) outlining the general terms and conditions pursuant to which Samurai and ACL agreed to complete the Qualifying Transaction, which letter of intent was subsequently superseded and replaced by the Business Combination Agreement;

"**Listing Date**" means the date that the Resulting Issuer Shares are listed for trading on the TSXV;

"Majority of the Minority Approval" means the approval by the majority of the votes cast at a meeting of Shareholders of the CPC, or by the written consent of Shareholders holding more than 50% of the issued Listed Shares of the CPC, provided that the votes attached to Listed Shares of the CPC held by the following Persons and their Associates and Affiliates are excluded from the calculation of any such approval or written consent:

(a) Non-Arm's Length Parties to the CPC;

(b) Non-Arm's Length Parties to the Qualifying Transaction; and

(c) in the case of a Related Party Transaction:

(i) if a CPC holds its own shares, the CPC, and

(ii) a Person acting jointly or in concert with a Person referred to in paragraph (a) or (b) in respect of the transaction;

"**MCTO**" means management cease trade order;

"**MI 61-101**" means Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*;

"**Name Change**" means the change of Samurai's name to "A.C.L. Construction Ltd.", or such other name as is acceptable to ACL and the Exchange;

"**NEO**" has the definition ascribed to it in Form 51-102F6 – *Statement of Executive Compensation* under NI 51-102;

"**NI 45-102**" means National Instrument 45-101- *Resale of Securities*;

"**NI 51-102**" means National Instrument 51-102 – *Continuous Disclosure Obligations*;

"**NI 52-110**" means National Instrument 52-110 *Audit Committees*;

"**Non-Arm's Length Party**" means in relation to a Company, a promoter, officer, director, other Insider or Control Person of that Company (including an Issuer) and any Associates or Affiliates of any of such Persons. In relation to an individual, means any Associate of the individual or any Company of which the individual is a promoter, officer, director, Insider or Control Person;

"**Non-Arm's Length Qualifying Transaction**" means a proposed Qualifying Transaction where the same party or parties or their respective Associates or Affiliates are Control Persons in both the CPC and in relation to the Significant Assets which are to be the subject of the proposed Qualifying Transaction;

"**NP 58-201**" mean National Policy 58-201 – *Corporate Governance Guidelines*;

"**Person**" means a Company or individual;

"**Principal**" has the meaning ascribed thereto in Exchange Policy 1.1 – *Interpretation* of the TSXV Corporate Finance Manual;

"**Promoter**" has the meaning ascribed thereto in the *Securities Act* (British Columbia);

"**Proposed Qualifying Transaction**" means the Qualifying Transaction pursuant to which Subco and ACL will be amalgamated, and Samurai will acquire all of the issued and outstanding ACL Shares in accordance with the terms and conditions of the Business Combination Agreement and as more particularly described in this Filing Statement;

"**Qualifying Transaction**" or "**QT**" means a transaction where a CPC acquires Significant Assets other than cash, by way of purchase, amalgamation, merger or arrangement with another company or by other means. Samurai intends that the Proposed Qualifying Transaction constitute its Qualifying Transaction;

"Resulting Issuer Finder Warrants" means the common share purchase warrants of the Resulting Issuer to be delivered to holders of ACL Finder Warrants upon Closing; in exchange for their ACL Finder Warrants;

"**Resulting Issuer Shares**" means the post-Consolidation common shares in the capital of the Resulting Issuer;

"**Resulting Issuer Stock Options**" means the options entitling their holders to purchase Resulting Issuer Shares under the incentive stock option plan of the Resulting Issuer;

"**Resulting Issuer Warrants**" means the common share purchase warrants of the Resulting Issuer to be delivered to holders of ACL Unit Warrants upon Closing in exchange for their ACL Unit Warrants;

"**Resulting Issuer**" means Samurai as it exists upon Completion of the Qualifying Transaction;

"**Samurai Consolidated Shares**" means the post-Consolidation common shares in the capital of Samurai;

"**Samurai Preferred Shares**" means the preferred shares in the capital of Samurai;

"**Samurai Shareholders**" means the holders from time to time of Samurai Shares;

"**Samurai Shares**" means common shares in the capital of Samurai, as constituted on the date hereof (on a pre-Consolidation basis);

"**Samurai Stock Options**" means the non-transferable options granted to the directors and officers of Samurai on May 27, 2021, to purchase up to 440,000 Samurai Shares, at a price of $0.10 per Samurai Share until May 27, 2026.

"**Samurai**" or "**Issuer**" means Samurai Capital Corp., a corporation incorporated pursuant to the BCBA;

"**Significant Assets**" means one or more assets or businesses which, when purchased, optioned or otherwise acquired by Samurai, together with any other concurrent transactions, would result in Samurai meeting the initial listing requirements of the Exchange;

“**Sponsor**” has the meaning specified in Exchange Policy 1.1 – *Interpretation*;

“**Subco Shares**” means common shares in the capital of Subco;

“**Subco**” means 1510430 B.C. Ltd., a wholly-owned subsidiary of Samurai, incorporated pursuant to the BCBCA;

“**Subscription Receipt Agent**” Odyssey Trust Company;

“**Subscription Receipt Agreement**” means the agreement to be entered into between ACL, Samurai and the Subscription Receipt Agent in connection with the issuance of the ACL Subscription Receipts;

“**Tax Act**” means the *Income Tax Act* (Canada) and the regulations thereunder;

“**TSXV Corporate Finance Manual**” means the Corporate Finance Manual of the TSXV;

“**Voting Shares**” means a security of Samurai that:

(a) is not a debt security; and

(a) carries a voting right either under all circumstances or under some circumstances that have occurred and are continuing; and

“**Wagner Agreement**” has the meaning ascribed thereto in Part III – Information Concerning ACL – Management Contracts.

GENERAL INFORMATION

This Filing Statement is being prepared in accordance with Exchange Policy 2.4 and Exchange Form 3B2 in connection with, among other things, the Proposed Qualifying Transaction. No person has been authorized to give any information or make any representation in connection with the Proposed Qualifying Transaction or any other matters disclosed herein other than those contained in this Filing Statement and, if given or made, any such information or representation must not be relied upon as having been authorized.

Readers are cautioned not to construe the contents of this Filing Statement as legal, tax or financial advice and are advised to consult their own professional advisors in considering the relevant legal, tax, financial or other matters contained in this Filing Statement.

Any information concerning ACL contained in this Filing Statement has been provided by ACL. With respect to this information, Samurai has relied exclusively upon ACL, without independent verification by Samurai. Although Samurai has no knowledge that would indicate that any of such information is untrue or incomplete, Samurai does not assume any responsibility for the accuracy or completeness of such information or the failure by ACL to disclose events which may have occurred or may affect the completeness or accuracy of such information but which are unknown to Samurai.

Any information concerning Samurai contained in this Filing Statement has been provided by Samurai. With respect to this information, ACL has relied exclusively upon Samurai, without independent verification by ACL. Although ACL has no knowledge that would indicate that any of such information is untrue or incomplete, ACL does not assume any responsibility for the accuracy or completeness of such information or the failure by Samurai to disclose events which may have occurred or may affect the completeness or accuracy of such information but which are unknown to ACL.

Unless otherwise indicated, any information concerning the Resulting Issuer in this Filing Statement is a reference to Samurai following the Completion of the Qualifying Transaction (assuming the Proposed Qualifying Transaction is completed).

Capitalized terms used in this summary, and not defined in this summary, will have the meaning provided in the Glossary or elsewhere in this Filing Statement.

This Filing Statement does not constitute an offer to sell, or a solicitation of an offer to purchase, any securities, by any person in any jurisdiction in which such an offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such an offer or solicitation.

An investment in securities of Samurai or the Resulting Issuer should be considered highly speculative. There is no guarantee that an investment in Samurai or the Resulting Issuer will earn any positive return in the short or long term. An investment in Samurai or the Resulting Issuer is appropriate only for investors who have the capacity to absorb a loss of some or all of their investment. There are certain risk factors associated with an investment in the securities of Samurai or the Resulting Issuer and with Completion of the Qualifying Transaction and with respect to the Resulting Issuer's business. In reviewing this Filing Statement, an investor should carefully consider the matters described in this Filing Statement under the heading "Risk Factors".

Samurai was only recently incorporated, does not own any ongoing business operations and has no assets other than cash and cash equivalents, and its listing on the Exchange. There is no assurance that Samurai will successfully complete the Proposed Qualifying Transaction, or even if it does, that the business of the Resulting Issuer will be profitable or will succeed. Moreover, additional funds may be required to accomplish the business objectives of the Resulting Issuer, and the Resulting Issuer may not be able to obtain such financing or may not be able to raise sufficient funds. If future business activities of the Resulting Issuer are financed by the issuance of Resulting Issuer Shares from treasury, control of the Resulting Issuer may change and shareholders may suffer additional dilution. Holders of Resulting Issuer Shares may be unable to enforce Canadian statutory and civil remedies against non-residents.

The head and registered office of Samurai is located at 228 – 1122 Mainland Street, Vancouver, B.C., Canada V6B 5L1.

Neither delivery of this Filing Statement nor any distribution of the securities referred to in this Filing Statement shall, under any circumstances, create an implication that there has been no change in the information set forth herein since the date of this Filing Statement.

SPECIAL NOTE REGARDING FORWARD LOOKING STATEMENTS

Certain statements in this Filing Statement may constitute forward-looking statements or information, including future-oriented financial information and financial outlooks (collectively "**forward- looking statements**") within the meaning of applicable securities legislation. We are hereby providing cautionary statements identifying important factors that could cause the actual results to differ materially from those projected in the forward-looking statements. The future-oriented financial information in this presentation has been approved by the management of ACL. Such future-oriented financial information is provided for the purpose of providing information about management's current expectations and management's plans relating to the future of the Resulting Issuer. Readers are cautioned that reliance on such information may not be appropriate for other purposes. Future-oriented financial information as with forward-looking statements generally, are, without limitation, based on the assumptions and subject to the risks. Actual financial position and results of operations may differ materially from ACL's and Samurai's current expectations. Such information is presented for illustrative purposes only and may not be an indication of our actual financial position or results of operations. Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions or future events or performance are not historical facts and may be forward-looking and may involve estimates, assumptions and uncertainties which could cause actual results or outcomes to differ materially from those expressed in the forward-looking statements.

Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "expects", or "believes" or the negatives thereof or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved.

Forward-looking statements in this Filing Statement include, but are not limited to:

- statements related to the completion of the Proposed Qualifying Transaction and the Concurrent Financing, and the events related thereto and contingent thereon;
- expectations as to future operations and financial position of the Resulting Issuer;
- the Resulting Issuer's ability to secure future bid jobs;
- the Resulting Issuer's expected operating costs, general and administrative expenses, costs of services and other costs and expenses;
- the Resulting Issuer's ability to meet current and future obligations and to generate revenue on a going-forward basis;
- the Resulting Issuer's anticipated capital structure;
- the anticipated legal name of the Resulting Issuer;
- the proposed use of proceeds available to the Resulting Issuer;
- timing and receipt of approvals, consents and permits under applicable legislation;
- the expected dividend policies of the Resulting Issuer;

- the Resulting Issuer's ability to obtain financing on acceptable terms or at all;

- the anticipated escrow periods, release schedules and contractual restrictions on transfer affecting the securities of the Resulting Issuer;

- the proposed directors, officers and insiders of the Resulting Issuer and their holdings of securities of the Resulting Issuer;

- the expected executive compensation and corporate governance practices of the Resulting Issuer;

- the future growth, results of operations, performance and business prospects and opportunities of ACL (and therefore, the Resulting Issuer);

- the funds available to the Resulting Issuer;

- the business objectives of ACL (and therefore, the Resulting Issuer);

- the ability of ACL to execute its business plan successfully or as disclosed herein, such that the future growth, results of operations, performance and business prospects and opportunities of ACL will be as anticipated.

Forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of the Resulting Issuer, as applicable, to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, but are not limited to, the factors discussed in the section entitled "Risk Factors" in this Filing Statement. Although Samurai and ACL have attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended.

Forward-looking statements reflect current beliefs of Samurai and ACL and is based on information currently available to Samurai and ACL and on assumptions it believes to be not unreasonable in light of all of the circumstances. In some instances, material factors or assumptions are discussed in this Filing Statement in connection with statements containing forward-looking statements. Such material factors and assumptions include, but are not limited to:

- ACL's ability to compete with other companies that are developing or selling products and services that are competitive with ACL;

- ACL's ability to attract and retain key personnel;

- ACL's ability to access the capital markets;

- completion of the Amalgamation;

- satisfying the conditions precedent and covenants in the Business Combination Agreement;

- satisfying the requirements of the Exchange with respect to the Proposed Qualifying Transaction;

- meeting the initial listing requirements of the Exchange, and anticipated and unanticipated costs and other factors referenced in this Filing Statement, including, but not limited to, those set forth in this Filing Statement under the heading "Risk Factors".

Although Samurai and ACL believe that the expectations represented in such forward-looking statements are reasonable, there can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The forward-looking statements contained in this Filing Statement are expressly qualified by this cautionary statement and by the risk factors described in the Filing Statement under the heading "*Risk Factors*". The forward-looking statements contained herein are made as of the date of this Filing Statement and Samurai, ACL and the Resulting Issuer disclaim any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise, except where required by applicable securities laws.

SUMMARY OF FILING STATEMENT

The following is a summary of information relating to Samurai, ACL and the Resulting Issuer (assuming Completion of the Qualifying Transaction) and should be read together with the more detailed information and financial data and statements contained elsewhere in this Filing Statement.

Summary of the Proposed Qualifying Transaction

Samurai has identified ACL as an appropriate target for Samurai to acquire for the purpose of completing its Qualifying Transaction. On August 19, 2024, Samurai and ACL, entered into the Letter of Intent in respect of the Proposed Qualifying Transaction, as described in a news release dated August 19, 2024.

On November 7, 2024, Samurai, Subco and ACL entered into the Business Combination Agreement, which supersedes the Letter of Intent, to carry out the Proposed Qualifying Transaction.

Pursuant to the terms of the Business Combination Agreement, Samurai will acquire all the issued and outstanding ACL Shares through the Amalgamation. Holders of ACL Shares will receive one Amalco Share in exchange for ACL Shares, and immediately thereafter, Holders of Amalco Shares will receive one Resulting Issuer Share in exchange for each Amalco Share held.

It is expected that the Resulting Issuer will issue 59,516,000 Resulting Issuer Shares at a deemed price of $0.30 per Resulting Issuer Share, to the holders of ACL Shares, pursuant to the Proposed Qualifying Transaction.

The Proposed Qualifying Transaction will constitute Samurai's Qualifying Transaction pursuant to Exchange Policy 2.4, and will constitute a reverse take-over of the Resulting Issuer inasmuch as the former Samurai Shareholders will own (on a non-diluted basis) approximately 5.05% of the equity of the Resulting Issuer immediately after the Closing and assuming completion of the Minimum Financing or 4.28% assuming the Maximum Financing is fully subscribed. See "*Part IV – Information Concerning the Resulting Issuer – Fully Diluted Share Capital*".

The Proposed Qualifying Transaction between ACL and Samurai is not a Related Party Transaction under MI 61-101. Consequently, the Proposed Qualifying Transaction does not require any approval of Samurai Shareholders.

There are four proposed directors of the Resulting Issuer, with such appointment to take effect only upon the Completion of the Qualifying Transaction. In accordance with the Business Combination Agreement and subject to regulatory approval, Samurai proposes to change its name to "A.C.L. Construction Ltd.", or such other name as is acceptable to ACL and the Exchange. The Name Change will take effect by the filing a notice of alteration with the British Columbia registrar of corporations on or prior to the date of Closing, pending completion of all of the conditions set forth in the Business Combination Agreement. The completion the Consolidation and the Name Change are conditions to the Closing.

Pre-Consolidation, Samurai has 7,400,000 Samurai Shares issued and outstanding, as well as 440,000 Samurai Stock Options issued to directors and officers of Samurai. After giving effect to the Consolidation, Samurai will have 3,700,000 post-Consolidation Samurai Shares issued and outstanding and there will be 220,000 Samurai Stock Options outstanding.

Assuming completion of the Minimum Financing, it is expected that the Resulting Issuer will have 73,216,000 Resulting Issuer Shares, 6,820,000 Resulting Issuer Stock Options, 10,000,000 Resulting Issuer Warrants and up to 900,000 Resulting Issuer Finder Warrants outstanding immediately upon the Completion of the Qualifying Transaction. Assuming the Maximum Financing is fully subscribed it is expected that the Resulting Issuer will have 86,549,333 Resulting Issuer Shares, 6,820,000 Resulting Issuer Stock Options, 23,333,333 Resulting Issuer Warrants and up to 2,100,000 Resulting Issuer Finder Warrants outstanding immediately upon the Completion of the Qualifying Transaction. See "*Part IV – Information Concerning the Resulting Issuer – Fully Diluted Share Capital*".

The Completion of the Qualifying Transaction is subject to the approval of the Exchange. The Completion of the Qualifying Transaction is also subject to certain other additional conditions precedent, including, but not limited to:

(i) the absence of any material change or change in a material fact which might reasonably be expected to have a material adverse effect on the financial and operational conditions or the assets of each of the parties to the Business Combination Agreement; and (ii) certain other conditions typical in a transaction of this nature.

Interests of Insiders

The following is a summary of the interests of any Insider, promoter or Control Person of Samurai, ACL and the Resulting Issuer and their respective Associates and Affiliates (before and after giving effect to the Proposed Qualifying Transaction and the Concurrent Financing), including any consideration that such individual may receive if the Proposed Qualifying Transaction Proceeds.

Insiders, Promoter, Control Person	**Position**	**Number Samurai Shares and/or ACL Shares as at the Date of the Filing Statement**[1]	**Approximate Number of Resulting Issuer Shares upon Completion of the Qualifying Transaction Assuming Completion of the Minimum Financing**[2]	**Approximate Number of Resulting Issuer Shares upon Completion of the Qualifying Transaction Assuming Completion of the Maximum Financing**[3]
Ryan Cheung	Chief Financial Officer of Samurai	100,000 Samurai Shares	50,000 Resulting Issuer Shares	50,000 Resulting Issuer Shares
Keir Reynolds	Control Person of Samurai	400,000 Samurai Shares	200,000 Resulting Issuer Shares	200,000 Resulting Issuer Shares
Craig Taylor	Director of Samurai	800,000 Samurai Shares[4]	400,000 Resulting Issuer Shares	400,000 Resulting Issuer Shares
David Weinkauf	Director of Samurai	300,000 Samurai Shares	150,000 Resulting Issuer Shares	150,000 Resulting Issuer Shares
Anthony Zelen	Director & Chief Executive Officer of Samurai; Proposed Director of Resulting Issuer	817,500 Samurai Shares[5]	408,750 Resulting Issuer Shares	408,750 Resulting Issuer Shares
John McPherson	Chief Executive Officer and Director of ACL	26,500,000 ACL Shares[6]	26,500,000 Resulting Issuer Shares	26,500,000 Resulting Issuer Shares
Thomas Hall	Chief Operating Officer and Director of ACL	26,500,000 ACL Shares[7]	26,500,000 Resulting Issuer Shares	26,500,000 Resulting Issuer Shares
Sophie Galper Komet	Proposed Director of Resulting Issuer	Nil	Nil	Nil
Rob Sandberg	Proposed Director of Resulting Issuer	Nil	Nil	Nil

Notes:

1. As of the date hereof, there are 7,400,000 Samurai Shares (on a pre-Consolidation basis) outstanding and 59,516,000 ACL Shares outstanding.
2. Upon Completion of the Qualifying Transaction assuming the Minimum Financing is fully subscribed, it is expected there will be 73,216,000 Resulting Issuer Shares issued and outstanding.

3. Upon Completion of the Qualifying Transaction assuming the Maximum Financing is fully subscribed, it is expected there will be 86,549,333 Resulting Issuer Shares issued and outstanding.
4. Consisting of 10,000 Samurai Shares held directly and 790,000 Samurai Shares held through 576112 B.C. Ltd.
5. Consisting of 17,500 Samurai Shares held directly and 800,000 Samurai Shares held through Zelen Consulting Inc.
6. Consisting of 51,200 ACL Shares held directly and 26,448,800 ACL Shares held through McPherson Family Trust (2019).
7. Consisting of 56,100 ACL Shares held directly and 26,443,900 ACL Shares held through Hall (2019) Family Trust.

Arm's Length Qualifying Transaction

The Proposed Qualifying Transaction is not a Non-Arm's Length Qualifying Transaction.

Procedure for the Proposed Qualifying Transaction to Become Effective

The Proposed Qualifying Transaction between ACL and Samurai is not a Related Party Transaction under MI 61-101. Consequently, the Proposed Qualifying Transaction does not require any approval of Samurai Shareholders.

Sources and Principal Purposes of Funds

Available Funds

Upon completion of the Proposed Qualifying Transaction, and taking into account the net proceeds of the Concurrent Financing, upon satisfaction of the Escrow Release Conditions, the Resulting Issuer is expected to have available funds of approximately ($1,963,800) assuming completion of the Minimum Financing and $2,036,200 assuming completion of the Maximum Financing is fully subscribed, based on the estimated working capital of each of Samurai and ACL as at March 31, 2025, in the aggregate amount of approximately $(4,963,800).

Sources of Funds	Estimated amount (Minimum Financing) $	Estimated amount (Maximum Financing) $
Estimated working capital of Samurai at March 31, 2025	(18,410)	(18,410)
Estimated working capital of ACL at March 31, 2025	(4,945,390)	(4,945,390)
Estimated gross proceeds from the Concurrent Financing	3,000,000	7,000,000
Estimated proceeds from contracts awarded to the Resulting Issuer (1)	14,500,000	14,500,000
Estimated costs to service contracts awarded to the Resulting Issuer (2)	(9,860,000)	(9,860,000)
Total Estimated Available Funds	**2,676,200**	**6,676,200**

Notes:
1. Estimated proceeds from contracts awarded to, or expected to be awarded to, the Resulting Issuer has been estimated for the twelve (12) month period consisting of March 1, 2025, until February 28, 2026. See "*Part IV – Information Concerning the Resulting Issuer– Sources and Principal Purposes of Funds – Revenue Model and Key Assumptions*" for further details.
2. Assumes a gross margin of 32 percent for the twelve (12) month period consisting of March 1, 2025, until February 28, 2026. See "*Part IV – Information Concerning the Resulting Issuer– Sources and Principal Purposes of Funds – Revenue Model and Key Assumptions*" for further details.

Principal Purposes

Upon completion of the Concurrent Financing and the Proposed Qualifying Transaction, the Resulting Issuer will carry on the business conducted by ACL. The principal purpose of the available funds, after giving effect to the Proposed Qualifying Transaction and for the 12 months period consisting of March 1, 2025, to February 28, 2026, will be for, among other things, costs to service contracts awarded to the Resulting Issuer, working capital and, additional debt repayments. It is anticipated that the Resulting Issuer will use such funds as follows, assuming that the Concurrent Financing is completed under the completion of each of the Minimum Financing and Maximum Financing:

Principal Use of Funds	Estimated amount (Minimum Financing) $	Estimated amount (Maximum Financing) $
Expenses related to the completion of the Proposed Qualifying Transaction [(1)]	650,000	850,000
Estimated general and administration expenses [(2)]	1,921,779	1,921,779
Long-term debt repayments	-	1,200,000
Unallocated working capital	104,421	2,704,421
Total	**2,676,200**	**6,704,200**

Notes:

1. Expenses related to the completion of the Proposed Qualifying Transaction are anticipated to include commissions of $150,000 if the Minimum Financing is achieved and $350,000 if the Maximum Financing is achieved reflecting cash finder's fee of up to 5% of the gross proceeds of the Concurrent Financing. ACL estimates professional fees and ACL transfer agent fees of $500,000 in aggregate.
2. Comprised of management and administrative salaries, wages and benefits consisting of $546,173 (of which $248,500 is expected to be paid to 0777528 B.C. Ltd. ("**0777**"), a Company owned by John McPherson and $210,000 is expected to be paid to 1204711 B.C. Ltd. ("**1204**"), a Company owned by Thomas Hall), professional fees consisting of $475,197, insurance fees consisting of $640,378, and miscellaneous and administrative expenses of $260,032.

See "*Part IV – Information Concerning the Resulting Issuer – Available Funds and Principal Purposes*".

Selected Pro Forma Consolidated Financial Information

The following table summarizes selected pro forma financial information for the Resulting Issuer as at November 30, 2024, after giving effect to the Proposed Qualifying Transaction, assuming the completion of the Minimum Financing, and should be read in conjunction with the pro forma financial statements of the Resulting Issuer attached hereto as Schedule "D".

Pro Forma Balance Sheet ($)	Samurai as at October 31, 2024 ($)	ACL as at November 30, 2024 ($)	Pro Forma Adjustments ($)	Resulting Issuer Pro Forma Consolidated (as at November 30, 2024) ($)
Current Assets	147,674	4,672,142	2,350,000	7,169,816
Non-current	--	16,724,752	-	16,724,752
Total Assets	147,674	21,396,894	2,350,000	23,894,568
Current Liabilities	93,430	9,148,404	(424,000)	8,787,834
Non-current	--	11,845,342	-	11,845,342
Total Liabilities	93,430	20,993,746	(424,000)	20,633,176
Total Shareholders' Equity	54,244	433,148	2,774,000	3,261,392

See "*Part IV – Information Concerning the Resulting Issuer – Pro Forma Consolidated Capitalization*".

Listing and Share Price on the Exchange

The Samurai Shares have been listed on the Exchange since May 27, 2021, under the symbol "SSS.P". Trading in Samurai Shares is currently halted pending Completion of the Qualifying Transaction. The closing price of the Samurai Shares on August 18, 2024, being the last day on which the Samurai Shares traded prior to the announcement of the Proposed Qualifying Transaction was $0.04 per Samurai Share. The ACL Shares are not traded publicly and there is no public market for the securities of ACL. The table in "*Part II – Information Concerning Samurai – Stock Exchange Price*" sets out trading information for the Samurai Shares for the periods indicated as reported by the Exchange.

Sponsorship

Pursuant to the sponsorship requirements of Policy 2.2 Sponsorship and Sponsorship Requirements of the Exchange unless an exemption is obtained sponsorship is generally required in connection with a Qualifying Transaction. Samurai has applied for, and was granted by the Exchange, a waiver of the sponsorship requirement.

Details of Any Conflict of Interest

Other than as disclosed herein, neither the management of Samurai nor ACL is aware of any material conflicts of interest arising out of the Proposed Qualifying Transaction.

The directors and officers of Samurai are aware of the existence of laws governing accountability of directors and officers for corporate opportunity and the laws requiring disclosure by directors and officers of conflicts of interest. Samurai will rely upon such laws in respect of any such conflict of interest or in respect of any breach of duty by any of its directors or officers. All such conflicts are required to be disclosed by such directors or officers in accordance with the BCBCA and the directors of Samurai are required to govern themselves in respect thereof to the best of their ability in accordance with the obligations imposed upon them by law.

Interests of Experts

No person or company, whose profession or business gives authority to a statement made by the person or company and who is named as having prepared or certified a part of this Filing Statement or as having prepared or certified a report or valuation described or included in this Filing Statement, holds, or is expected to hold, any beneficial interest, directly or indirectly, in any property of Samurai, ACL or the Resulting Issuer or of an Associate or Affiliate of Samurai, ACL or the Resulting Issuer and no such person is expected to be elected, appointed or employed as a director, senior officer or employee of Samurai, ACL or the Resulting Issuer or of an Associate or Affiliate of Samurai, ACL or the Resulting Issuer and no such person is a Promoter of Samurai, ACL or the Resulting Issuer or an Associate or Affiliate of Samurai, ACL or the Resulting Issuer.

Each of MNP LLP and Crowe Mackay LLP has informed ACL and Samurai, respectively, that they are independent with respect to ACL and Samurai, respectively, within the meaning of the Rules of Professional Conduct of the Institute of Chartered Professional Accountants of British Columbia.

Risk Factors

An investment in Samurai Shares or Resulting Issuer Shares (both before and after Completion of the Qualifying Transaction) should be considered highly speculative and involves a high degree of risk. Material risk factors affecting the Resulting Issuer include the following: the Proposed Qualifying Transaction may not be completed, the Business Combination Agreement may be terminated, Samurai has relied on information made available by ACL, changes in tax legislation or accounting rules could affect the profitability of the Resulting Issuer, the Resulting Issuer may be unable to successfully integrate the business of ACL and realize the anticipated benefits of the Proposed Qualifying Transaction. For a more detailed description of these and other risk factors affecting the Resulting Issuer, see "*Risk Factors*" below.

Conditional Listing Approval

The Exchange has conditionally accepted the Proposed Qualifying Transaction subject to Samurai fulfilling all of the requirements of the Exchange on or before July 14, 2025. Such conditional listing approval is subject to a number of standard conditions as well as receipt of final approval from the Exchange.

RISK FACTORS

AN INVESTMENT IN SECURITIES OF THE RESULTING ISSUER IS HIGHLY SPECULATIVE AND INVOLVES A HIGH DEGREE OF RISK AND SHOULD ONLY BE MADE BY INVESTORS WHO CAN AFFORD TO LOSE THEIR ENTIRE INVESTMENT.

Prior to making an investment decision, investors should consider the investment risks set forth below and those described elsewhere in this document, which are in addition to the usual risks associated with an investment in a business at an early stage of development. The directors of Samurai and ACL consider the risks set forth below to be the most significant, but do not consider them to be all of the risks associated with an investment in securities of Samurai, ACL or the Resulting Issuer. If any of these risks materialize into actual events or circumstances or other possible additional risks and uncertainties of which the directors are currently unaware or which they consider not to be material in connection with the Resulting Issuer's business, actually occur, the Resulting Issuer's assets, liabilities, financial condition, results of operations (including future results of operations), business and business prospects, are likely to be materially and adversely affected. In such circumstances, the price of the Resulting Issuer's securities could decline, and investors may lose all or part of their investment.

Risk Factors Relating to the Proposed Qualifying Transaction

The Proposed Qualifying Transaction may not be Completed

The completion of the transactions contemplated by the Business Combination Agreement is subject to certain conditions, including (a) obtaining all necessary regulatory approvals, including Exchange approval of the Proposed Qualifying Transaction, the Consolidation and the Name Change and other transactions comprising part of the Proposed Qualifying Transaction, (b) the approval by the ACL Shareholders of the Amalgamation and the transactions contemplated therein, and (c) other customary conditions. There can be no assurance that all of the necessary regulatory and shareholder approvals will be obtained.

The Business Combination Agreement may be terminated in certain circumstances

Each of the parties to the Business Combination Agreement has the right to terminate the Business Combination Agreement and not complete the Proposed Qualifying Transaction in certain circumstances. Accordingly, there is no certainty, nor can Samurai or ACL provide any assurance, that the Business Combination Agreement will not be terminated before the Completion of the Qualifying Transaction.

Samurai will incur significant costs

Certain costs related to the Proposed Qualifying Transaction, such as legal, accounting and certain transactional fees, must be paid by Samurai even if the Proposed Qualifying Transaction is not completed. If the transactions contemplated by the Business Combination Agreement are not completed for any reason, Samurai will have incurred significant costs associated with the failed implementation of the Proposed Qualifying Transaction. Samurai and ACL are each liable for their own costs incurred in connection with the Proposed Qualifying Transaction.

Tax Consequences

The transactions described herein may have tax consequences in Canada, or elsewhere, depending on each particular existing or prospective shareholder's specific circumstances. Such tax consequences are not described herein and this Filing Statement is not intended to be, nor should it be construed to be, legal or tax advice to any particular shareholder. Existing and prospective shareholders should consult their own tax advisors with respect to any such tax considerations.

Risk Factor Relating to the Resulting Issuer

Samurai has relied on information made available by ACL

ACL is not a stand-alone publicly-listed entity. As a result, all historical information relating to ACL presented in the Filing Statement has been provided in reliance on the information made available by ACL. Although Samurai has no reason to doubt the accuracy or completeness of the information provided by ACL, any inaccuracy or omission in such information contained in this Filing Statement could result in unanticipated liabilities or expenses, increase the costs expected to be borne by the Resulting Issuer or adversely affect the operational plans of the Resulting Issuer and its result of operations and financial condition.

Difficulty to Forecast

ACL has relied largely on its own market research to forecast sales as detailed forecasts are not generally obtainable from other sources. A failure in the demand for its products to materialize as a result of competition, technological change or other factors could have a Material Adverse Effect on the business, results of operations and financial condition of the Resulting Issuer.

The Resulting Issuer Pro Forma Financial Statements are presented for illustrative purposes only and may not be an indication of the Resulting Issuer's financial condition or results of operations following the Completion of the Qualifying Transaction

The Resulting Issuer Pro Forma Financial Statements contained in this Filing Statement are presented for illustrative purposes only as of their respective dates and may not be an indication of the financial condition or results of operations of the Resulting Issuer following the Proposed Qualifying Transaction for several reasons. For example, the Resulting Issuer Pro Forma Financial Statements have been derived from the respective historical financial statements of ACL and Samurai, and certain adjustments and assumptions made as of the dates indicated therein have been made to give effect to the Proposed Qualifying Transaction and the other respective relevant transactions. The information upon which these adjustments and assumptions have been made is preliminary, and these kinds of adjustments and assumptions are difficult to make with complete accuracy.

See "*Special Note Regarding Forward-Looking Information*".

Following Completion of the Qualifying Transaction, ACL will have the ability to significantly influence certain corporate actions of the Resulting Issuer

Assuming completion of the Minimum Financing, immediately following Completion of the Qualifying Transaction, the Resulting Issuer is expected to have 73,216,000 Resulting Issuer Shares issued and outstanding, of which (i) current Samurai Shareholders are expected to hold 3,700,000 Resulting Issuer Shares (or approximately 5.05% on a non-diluted basis), (ii) ACL shareholders are expected to hold 59,516,000 Resulting Issuer Shares (or approximately 81.29% on a non-diluted basis), and (iii) investors under the Minimum Financing are expected to holds, in the aggregate, 10,000,000 Resulting Issuer Shares (or approximately 13.66% on a non-diluted basis). Assuming completion of the Maximum Financing, immediately following Completion of the Qualifying Transaction, the Resulting Issuer is expected to have 86,549,333 Resulting Issuer Shares issued and outstanding, of which (i) current Samurai Shareholders are expected to hold 3,700,000 Resulting Issuer Shares (or approximately 4.28% on a non-diluted basis), and (ii) ACL shareholders are expected to hold 59,516,000 Resulting Issuer Shares (or approximately 68.77% on a non-diluted basis), and (iii) investors under the Maximum Financing are expected to holds, in the aggregate, 23,333,333 Resulting Issuer Shares (or approximately 26.96% on a non-diluted basis).

Current ACL shareholders will be entitled to exercise significant influence over matters requiring approval of the shareholders of the Resulting Issuer, including the election of directors, determination of significant corporate actions, amendments to the Resulting Issuer's articles of incorporation and the approval of any business combinations, mergers or takeover attempts, in a manner that could conflict with the interests of other shareholders of the Resulting Issuer.

Changes in tax legislation or accounting rules could affect the profitability of the Resulting Issuer

Changes to, or differing interpretation of, taxation laws or regulations in Canada, or any of the countries in which the Resulting Issuer's assets or relevant contracting parties are located, could result in some or all of the Resulting Issuer's profits being subject to additional taxation. No assurance can be given that new taxation rules or accounting policies will not be enacted or that existing rules will not be applied in a manner which could result in the Resulting Issuer's profits being subject to additional taxation or which could otherwise have a material adverse effect on the Resulting Issuer's profitability, results of operations, financial condition and the trading price of the Resulting Issuer's securities. In addition, the introduction of new tax rules or accounting policies, or changes to, or differing interpretations of, or application of, existing tax rules or accounting policies could make acquiring additional resource properties by the Resulting Issuer less attractive to counterparties. Such changes could adversely affect the Resulting Issuer's ability to acquire new assets or make future investments.

The Resulting Issuer may be unable to successfully integrate the business of ACL and realize the anticipated benefits of the Proposed Qualifying Transaction

Samurai is proposing to complete the Proposed Qualifying Transaction to maximize value for its shareholders. See "*Summary of Filing Statement – Reasons for the Transaction*". Achieving the benefits of the Transaction depends in part on the ability of the Resulting Issuer to effectively capitalize on its scale, to realize the anticipated capital, operating and financial synergies, to profitably sequence the growth prospects of its asset base and to maximize the potential of its improved growth opportunities and capital funding opportunities as a result of combining the businesses and operations of ACL. A variety of factors, including those risk factors set forth in the Filing Statement, may adversely affect the ability of the Resulting Issuer to achieve the anticipated benefits of the Proposed Qualifying Transaction.

The Resulting Issuer may face risks to its business and operations as a result of the outbreak of diseases

The Resulting Issuer may face risks related to health epidemics or pandemics and other outbreaks of communicable diseases, which could significantly disrupt its operations and may materially and adversely affect its business and financial conditions. There can be no assurance that the Resulting Issuer's personnel will not be impacted by these diseases and ultimately see its workforce productivity reduced or incur increased medical costs / insurance premiums as a result of these health risks.

Dependence on Business and Industry Expertise of Management Team

The Resulting Issuer is dependent on the business and industry expertise of its management team. If it is unable to rely on this business and industry expertise, or if any of the expertise is inadequately performed, the business, financial condition and results of the operations of the Resulting Issuer could be materially adversely affected until such time as the expertise could be replaced.

Market Price and Listing of Resulting Issuer Shares

The Resulting Issuer is seeking to have the Resulting Issuer Shares listed and posted for trading on the Exchange. The listing of the Resulting Issuer Shares will be subject to the satisfaction of all of the Exchange's initial listing requirements. If the Resulting Issuer receives final approval for listing the Resulting Issuer Shares on the Exchange, there is no assurance that it will maintain such listing on the Exchange or a listing on any other exchange or quotation service. There can be no assurance that an active trading market will develop or be sustained for the Resulting Issuer Shares. Shareholders may not be able to resell the Resulting Issuer Shares, which may affect the pricing of the Resulting Issuer Shares in the secondary market, the transparency and availability of trading prices and the liquidity of the Resulting Issuer Shares. If an active or liquid market for the Resulting Issuer Shares fails to develop or be sustained, the price at which the Resulting Issuer Shares trade may be adversely affected. An investment in ACL's securities is highly speculative, due to the high-risk nature of its business, lack of diversification and the present stage of its development. Shareholders of the Resulting Issuer may lose their entire investment.

If the Resulting Issuer Shares are publicly traded, the market price of the Resulting Issuer Shares may be affected by many variables not directly related to the corporate performance of ACL, including the market in which it is traded, the strength of the economy generally, the availability and attractiveness of alternative investments and the breadth of the public market for its shares. The effect of these and other factors on the market price of the Resulting Issuer Shares in the future cannot be predicted. The lack of an active public market could have a material adverse effect on the price of the Resulting Issuer Shares.

The Market Price of Resulting Issuer Shares May Be Volatile

The market price of Resulting Issuer Shares could be subject to significant fluctuations following the Completion of the Proposed Qualifying Transaction. In addition, securities markets worldwide have experienced, and are likely to continue to experience, significant price and volume fluctuations. This market volatility, as well as general economic, market or political conditions and the risk factors described in this Filing Statement could subject the market price of Resulting Issuer Shares to wide price fluctuations regardless of the Resulting Issuer's operating performance. There can be no assurance that continual fluctuations in price will not occur. There can also be no assurances that an active trading market in the Resulting Issuer Shares on the Exchange will be sustained.

The Resulting Issuer May Issue Additional Equity Securities

Following the Completion of the Transaction, the Resulting Issuer may issue equity securities and or securities convertible into equity securities to finance its activities, including in order to finance acquisitions. If the Resulting Issuer were to issue additional equity securities the ownership interest of existing shareholders may be diluted and some or all of the Resulting Issuer's financial measures on a per share basis could be reduced.

Liquidity and Availability of Financing

There is no guarantee that the Resulting Issuer will be able to achieve its business objectives. The continued development of the Resulting Issuer may require additional financing. The failure to raise such capital could result in the delay or indefinite postponement of current business objectives or the Resulting Issuer going out of business. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to the Resulting Issuer. If additional funds are raised through issuances of equity or convertible debt securities, existing shareholders could suffer significant dilution. In addition, from time to time, the Resulting Issuer may enter into transactions to acquire assets or the shares of other corporations. These transactions may be financed wholly or partially with debt, which may temporarily increase the Resulting Issuer's debt levels above industry standards. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for the Resulting Issuer to obtain additional capital and to pursue business opportunities, including potential acquisitions. The Resulting Issuer may require additional financing to fund its operations to the point where it is generating positive cash flows. Negative cash flow may restrict the Resulting Issuer's ability to pursue its business objectives.

No Assurance of Payment of Dividends

The declaration, timing, amount and payment of dividends are at the discretion of the board of directors of the Resulting Issuer and will depend upon the Resulting Issuer's future earnings, cash flows, acquisition capital requirements and financial condition, and other relevant factors. There can be no assurance that the Resulting Issuer will declare a dividend on a quarterly, annual or other basis.

The Resulting Issuer May Not Use the Available Funds as Described in this Filing Statement

The Resulting Issuer currently intends to use its available funds as set out in this Filing Statement. However, the Resulting Issuer Board and/or management will have discretion in the actual application of the available funds and may elect to allocate them differently from that described in the Filing Statement if they believe it would be in the Resulting Issuer's best interests to do so. Shareholders may not agree with the manner in which the Resulting Issuer Board and/or management chooses to allocate and spend the net proceeds. The failure by the Resulting Issuer Board and/or management to apply these funds effectively could have a material adverse effect on the Resulting Issuer's profitability, results of operations and financial condition and the trading price of its securities.

Directors and Officers May Have Conflicts of Interest

Certain of the proposed directors and/or officers of the Resulting Issuer, are or will be, and may continue to be, involved in other business ventures through their direct and indirect participation in corporations, partnerships, joint ventures, etc. that may become potential competitors of the technologies, products and services the Resulting Issuer intends to provide. Situations may arise where the other interest of these directors and officers conflict with, or diverge from, the Resulting Issuer's interest. Certain of such conflicts may be required to be disclosed in accordance with procedures and remedies, as applicable, under corporate law, however, such procedures and remedies may not fully protect the Resulting Issuer. In addition, in conflict of interest situations, the directors and officers of the Resulting Issuer may owe the same duty to another company and will need to balance their competing interest. Circumstances (including with respect to future corporate opportunities) may arise that may be resolved in a manner that is unfavorable to the Resulting Issuer.

Global Financial Conditions May Be Volatile

Market events and conditions, disruptions in the international credit markets and other financial systems, along with political instability, including the conflict in Ukraine, have resulted in commodity prices remaining volatile. These conditions have also caused a loss of confidence in global credit markets resulting in the collapse of, and government intervention in, major banks, financial institutions and insurers and creating a climate of greater volatility, tighter regulations, less liquidity, widening credit spreads, less price transparency, increased credit losses and tighter credit conditions. Notwithstanding various actions by governments, concerns about the general condition of the capital markets, financial instruments, banks and investment banks, insurers and other financial institutions caused the broader credit markets to be volatile and interest rates to remain at historical lows. These events are illustrative of the effect that events beyond the Resulting Issuer's control may have on commodity prices, availability of credit, investor confidence, and general financial market liquidity, all of which may adversely affect Resulting Issuer's business. Global financial conditions have always been subject to volatility. Access to public financing has been negatively impacted by sovereign debt concerns in Europe and emerging markets, as well as concerns over global growth rates and conditions. These and other factors may impact the ability of Resulting Issuer to obtain equity or debt financing in the future and, if obtained, the favourability of the terms of such financing to Resulting Issuer. Increased levels of volatility and market turmoil can adversely impact Resulting Issuer's operations and the price of the Resulting Issuer Shares.

Future Financial Results

The Resulting Issuer's public forecasts regarding the expected performance of the business and future operating results are forward-looking statements subject to risks and uncertainties, including the risks and uncertainties described in other public statements, and necessarily reflect current assumptions and judgments that may prove incorrect. As a result, there can be no assurance that the Resulting Issuer's performance will be consistent with any public forecasts or that any variation from such forecasts will not be material and adverse. Preparation of its financial statements requires the Resulting Issuer to use estimates and assumptions. Accounting for estimates requires the Resulting Issuer to use its judgment to determine the amount to be recorded on its financial statements in connection with these estimates. If the estimates and assumptions are inaccurate, the Resulting Issuer could be required to write down its recorded values. On an ongoing basis, the Resulting Issuer re-evaluates its estimates and assumptions. However, the actual amounts could differ from those based on estimates and assumptions.

Unknown Defects and Impairments

A defect in any business arrangement may arise to defeat or impair the claim of the Resulting Issuer to such transaction, which may have a Material Adverse Effect on the Resulting Issuer. It is possible that Material Adverse Changes could occur that may adversely affect management's estimate of the recoverable amount for any agreement the Resulting Issuer enters into. Impairment estimates, based on applicable key assumptions and sensitivity analysis, will be based on management's best knowledge of the amounts, events or actions at such time, and the actual future outcomes may differ from any estimates that are provided by the Resulting Issuer. Any impairment charges on the Resulting Issuer's carrying value of business arrangements could have a Material Adverse Effect on the Resulting Issuer.

Litigation

The Resulting Issuer may from time to time be involved in various claims, legal proceedings and disputes arising in the ordinary course of business. If the Resulting Issuer is unable to resolve these disputes favourably, it may have a Material Adverse Effect on the Resulting Issuer. Even if the Resulting Issuer is involved in litigation and wins, litigation can redirect significant Resulting Issuer resources. Litigation may also create a negative perception of the Resulting Issuer. Securities litigation could result in substantial costs and damages and divert the Resulting Issuer's management's attention and resources. Any decision resulting from any such litigation that is adverse to the Resulting Issuer could have a negative impact on the Resulting Issuer's financial position.

Risk Factors relating to Samurai

Limited Operating History and History of Losses

Samurai was only recently incorporated, has not commenced commercial operations and has no assets other than cash. It has no history of earnings and shall not generate earnings or pay dividends until at least after the Completion of the Qualifying Transaction. See "*Part II – Information Concerning Samurai – Corporate Structure*" and "*Part II – Information Concerning Samurai – General Development of the Business*";

Dilution

The Proposed Qualifying Transaction will be financed by the issuance of additional securities of Samurai and this will result in further dilution to the current Samurai Shareholders, which dilution will be significant and will result in a change of control of Samurai.

Risk Factors Relating to ACL

ACL's growth may not be sustainable and depends on its ability to attract new customers, retain revenue from existing customers and increase sales to both new and existing customers.

ACL generates revenue primarily from production (civil earthworks), general construction, trucking, underground utilities, and remediation/reclamations. If ACL is unable to retain revenue from existing customers or if it is unable to increase revenues from existing customers, even if such losses are offset by an increase in new customers or an increase in other revenues, ACL's operating results could be adversely impacted.

ACL may also fail to attract new customers, retain revenue from existing customers or increase sales to both new and existing customers as a result of a number of other factors, including:

- reductions in ACL's current or potential customers' spending levels;
- global political, economic, social and environmental risks that may impact ACL's operations or its customers' operations and/or decrease consumer spending, including pandemics and other global health emergencies, natural disasters, acts or threats of war or terrorism and other general security concerns;
- ACL's ability to execute on its growth strategy and operating plans;
- a decline in its customers' level of satisfaction with ACL's services;
- changes in ACL's relationships with third parties, including its suppliers, customers, contractual counterparties and other partners;
- the timeliness and success of new products and services ACL may offer in the future;
- customer perceptions of its business in the context of any acquisitions ACL completes;
- the frequency and severity of any system outages;
- technological changes or problems; and
- ACL's focus on long-term value over short-term results, meaning that it may make strategic decisions that may not maximize its short-term revenue or profitability if it believes that the decisions are consistent with its mission and will improve its financial performance over the long-term.

Due to these factors and the continued evolution of its business, ACL's historical revenue growth rate and operating margin may not be indicative of future performance.

Additionally, to the extent ACL's growth rate slows, its business performance will become increasingly dependent on its ability to retain revenue from existing customers and increase sales to existing customers.

ACL may face risks to its business and operations as a result of fluctuating commodity prices

The nature of ACL's business results in substantial expenditures in fuel and other material inputs into its construction operations. Such expenditures may increase materially upon changes in market prices for such inputs, including tariffs or counter-tariffs which may be implemented by domestic or foreign governments. ACL reviews such prices regularly and incorporates such projected costs into its financial planning, however, sudden material changes may impair ACL's ability to recover such cost increases.

ACL may not be able to successfully implement its growth strategy on a timely basis or at all.

ACL's future growth, profitability and cash flows depend upon its ability to successfully implement its growth strategy, which, in turn, is dependent upon a number of factors, many of which are outside of ACL's control.

There can be no assurance that ACL can successfully achieve any or all of its initiatives in the manner or time period expected. Further, achieving these objectives will require investments which may result in short-term costs without generating any current revenue and therefore may be dilutive to ACL's earnings. ACL cannot provide any assurance that it will realize, in full or in part, the anticipated benefits it expects its strategy will achieve. The failure to realize those benefits could have a material adverse effect on ACL's business, financial condition and results of operations.

The impact of worldwide economic conditions, including the resulting effect on the operations of and spending by ACL's customers and on consumer spending, may adversely affect its business, operating results and financial condition.

ACL's performance is subject to worldwide economic conditions and global events, including political, economic, social and environmental risks that may impact its operations or its customers' operations and/or decrease consumer spending. Conditions and events such as pandemics like the COVID-19 pandemic and the related measures taken by public and private actors to protect the public health such as stay-at-home orders, other global health emergencies, natural disasters, climate change and global warming, acts or threats of war or terrorism and other general security concerns may impact the operations of and spending levels by its customers, and consumer spending levels. ACL's customers may be disproportionately affected by economic downturns.

Economic downturns may also adversely impact sales, which could result in customers going out of business or deciding to stop using ACL's services in order to conserve cash. Moreover, ACL's customers operate in industries which are intensely competitive and subject to heightened exposure to economic and social conditions generally.

Weakening economic conditions may also adversely affect third parties, including suppliers and partners, with whom ACL has entered into relationships and upon whom ACL depends in order to operate and grow its business.

ACL may make acquisitions and investments that could divert management's attention, result in operating difficulties and dilution to its shareholders and otherwise disrupt its operations and adversely affect its business, operating results or financial position.

Pursuing strategic and value-enhancing acquisitions or investment opportunities is one of ACL's key growth strategies. Any transactions that it enters into could be material to its financial condition and results of operations. The process of acquiring and integrating another company could create unforeseen operating difficulties and expenditures, whether or not such transactions are ultimately completed. Acquisitions and investments involve a number of risks, such as:

- diversion of management time and focus from operating ACL's business;

- use of resources that are needed in other areas of ACL's business;
- in the case of an acquisition, implementation or remediation of controls, procedures and policies of the acquired company;
- in the case of an acquisition, difficulty integrating the accounting systems and operations of the acquired company;
- in the case of an acquisition, difficulty integrating, supporting or enhancing acquired product or service lines or services;
- in the case of an acquisition, retention and integration of employees from the acquired company, and preservation of ACL's corporate culture;
- unforeseen costs or liabilities;
- adverse effects to ACL's existing business relationships with partners and customers as a result of the acquisition or investment;
- the possibility of adverse tax consequences;
- in the case of an acquisition, ACL may not be able to secure required regulatory approvals or otherwise satisfy closing conditions for a proposed transaction in a timely manner, or at all;
- litigation or other claims arising in connection with the acquired company or investment; and
- in the case of foreign acquisitions, the need to integrate operations across different cultures and languages and to address the particular economic, currency, political and regulatory risks associated with specific countries.

In the future, if ACL's acquisitions do not yield expected returns, ACL may be required to take charges to ACL's operating results based on this impairment assessment process, which could adversely affect its results of operations.

Acquisitions and investments may also result in dilutive issuances of equity securities, which could adversely affect ACL's share price, or result in issuances of securities with superior rights and preferences to the subordinate voting shares or the incurrence of debt with restrictive covenants that limit ACL's future uses of capital in pursuit of business opportunities.

ACL may not be able to identify acquisition or investment opportunities that meet ACL's strategic objectives, or to the extent that such opportunities are identified, ACL may not be able to negotiate terms with respect to the acquisition or investment that are acceptable to it.

ACL's growth depends in part on the success of its strategic relationships with third parties.

ACL maintains several relationships with third parties, including but not limited to customers and vendors, including relationships with First Nations whom fulfil Indigenous Participation Plan requirements applicable to certain government administered contracts. A deterioration in any relationships with third parties would be likely to have a material adverse impact on ACL's results.

If ACL is unable to hire, retain and motivate qualified personnel, its business will suffer.

ACL's ability to compete in its highly competitive industry is dependent on ACL's ability to attract and retain highly qualified personnel on acceptable terms or at all. To induce service providers to remain providing services to ACL, in addition to wages and other cash incentives, ACL may provide stock options or other equity awards which may vest over time. The value to service providers of stock options or other equity awards that vest over time may be significantly impacted by movements in ACL's stock price that are beyond ACL's control and may be insufficient to compete with more lucrative offers from competitors. If ACL is unable to attract and retain highly personnel, it will have a material adverse effect on ACL.

ACL is dependent on the continued services and performance of its senior management and other key employees, the loss of any of whom could adversely affect its business, operating results and financial condition.

ACL future performance depends on the continued services and contributions of its senior management, including its Chief Executive Officer, John McPherson, Chief Operating Officer, Thomas Hall, and other key employees to execute on ACL's business plan and to identify and pursue new opportunities. The failure to properly manage succession plans and/or the loss of services of senior management or other key employees could significantly delay or prevent the achievement of ACL's strategic objectives. From time to time, there may be changes in ACL's senior management team resulting from the hiring or departure of executives, which could disrupt its business. Departing executives could decide to join a competitor or otherwise compete with ACL. The loss of the services of one or more of its senior management or other key employees for any reason could adversely affect ACL's business, financial condition and operating results and require significant amounts of time, training and resources to find suitable replacements and integrate them within its business, and could adversely affect its corporate culture.

From time to time, ACL may become defendants in legal proceedings as to which it is unable to assess its exposure and which could become significant liabilities in the event of an adverse judgment.

From time to time in the ordinary course of ACL's business, it may become involved in various legal proceedings, including commercial, employment, class action and other litigation and claims, as well as governmental and other regulatory inquiries, investigations, audits and proceedings. Such matters can be time-consuming, divert management's attention and resources and cause ACL to incur significant expenses.

ACL's future effective tax rates could be subject to volatility or adversely affected by a number of factors.

ACL is subject to several tax measures including income tax and other indirect taxes levied by provincial governments and the federal government of Canada, which may be subject to change materially by new legislation. Additionally, as a result of the Amalgamation, ACL may not be able to fully utilize losses incurred in prior periods which may increase the effective rate of taxation.

ACL's insurance costs may increase significantly, ACL may be unable to obtain the same level of insurance coverage and its insurance coverage may not be adequate to cover all possible losses it may suffer.

ACL's insurance is based on management's assessment of the insurable risks that it expects to face in the near future. ACL may be subject to losses on uninsurable events as a result of failure to identifying risks and ability to maintain an appropriate level of coverage.

Climate change may have an impact on ACL's business.

While ACL seeks to mitigate its business risks associated with climate change by partnering with organizations who are also focused on mitigating their own climate-related risks, ACL recognizes that there are inherent climate-related risks wherever business is conducted. Any of ACL's primary locations may be vulnerable to the adverse effects of climate change. Changing market dynamics, global policy developments, and the increasing frequency and impact of extreme weather events on critical infrastructure in Canada and elsewhere have the potential to disrupt ACL's business and the business of its customers, and may cause ACL to experience higher attrition, losses and additional costs to maintain or resume operations.

Customer Insourcing

Outsourced heavy construction and resource extraction services constitute a large portion of ACL's work. The election by one or more of our customers to perform some or all of these services themselves, rather than outsourcing the work to ACL, could have a material adverse impact on our business and results of operations. Certain customers perform some of this work internally and may choose to expand on the use of internal resources to complete this work if they believe they can perform this work in a more cost effective and efficient manner using their internal resources.

Availability of Skilled Labour

The success of ACL's business depends on ACL's ability to attract and retain skilled labour. ACL's industry is faced with a shortage of skilled labour in certain disciplines, particularly in remote locations that require workers to live away from home for extended periods. The resulting competition for labour may limit ACL's ability to take advantage of opportunities otherwise available or alternatively may impact the profitability of such endeavors on a going forward basis. ACL's size and industry reputation will help mitigate this risk but there can be no assurance that ACL will be successful in identifying, recruiting or retaining a sufficient number of skilled workers.

Competition

The industry in which ACL operates is highly competitive and ACL competes with a substantial number of companies that have significant technical and financial resources. ACL's ability to generate revenue and earnings depends primarily upon its ability to win bids in competitive bidding processes and to perform awarded projects within estimated times and costs. There can be no assurance that ACL's competitors will not substantially increase the resources devoted to the development and marketing of services that compete with those of ACL or substantially reduce the price of its services that compete with those of ACL. There is also no assurance that new or existing competitors will not enter the various markets in which ACL is active. In addition, reduced levels of activity in the resource extraction industry (an industry in which many of ACL's customers operate) can intensify competition and may result in lower revenue to ACL.

Going forward, future and anticipated consolidation of competitors that provide services similar to those provided by ACL is likely. Further industry consolidation, should it happen, could result in additional competition in the competitive bidding processes, increased pressure on margins, and may result in lower revenue to ACL.

Performance of Obligations

ACL's success depends in large part on whether it fulfills its obligations with clients and maintains client satisfaction. If ACL fails to satisfactorily perform its obligations or makes errors in the services that it provides, its clients could terminate contracts, including master service agreements, exposing ACL to loss of its professional reputation, the loss of a project and risk of loss of revenue and reduced profits.

Agreements and Contracts

The business operations of ACL depend on written, verbal, or performance-based agreements with its client base that in many cases are cancellable at any time by either ACL or its clients. There can be no assurance that ACL's relationship with its clients will continue. A significant reduction or total loss of the business from these clients, if not offset by sales to new or existing clients, could have a material adverse effect on ACL's business, financial condition, results of operations and cash flows.

Vulnerability to Market Changes

Fixed costs, including leases, labour costs, interest on the Senior Facility, and depreciation, account for a significant portion of ACL's costs and expenses. As a result, reduced productivity resulting from reduced demand, equipment failure, weather or other factors could have a material adverse effect on ACL's financial condition, results of operations and cash flows.

Indigenous Participation Plan requirements

A portion of ACL's revenue has historically been the result of the successfully bidding on and subsequent fulfillment of contracts awarded federal, provincial, and municipal governments, and ACL plans to continue bidding for such projects. Such contracts are subject to Indigenous Participation Plan requirements requiring ACL to engage with indigenous groups along with sourcing from such vendors. Failure to comply with such requirements may negatively impact ACL's ability to bid on and subsequently fulfil contracts from the Government of Canada.

Going Concern

Although ACL Construction reasonably believes it will achieve positive cash flow over the next 12 months, there can be no assurance given that the Resulting Issuer will ever attain positive cash flow or profitability.

PART II - INFORMATION CONCERNING SAMURAI

Corporate Structure

Name and Incorporation

Samurai Capital Corp. was incorporated under the BCBCA on December 17, 2020. On May 27, 2021, Samurai completed its IPO, and the Samurai Shares began trading on the TSXV under the symbol "SSS.P". Samurai is classified as a CPC as defined under Policy 2.4 of the Exchange.

The principal business of Samurai is the identification and evaluation of a Qualifying Transaction ("QT") and once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder approval, if required, and acceptance by regulatory authorities.

The head office, principal address and registered office of Samurai are located at Suite 228 – 1122 Mainland Street, Vancouver, BC V6B 5L1, Canada.

The directors of Samurai are Anthony Zelen (Chief Executive Officer and a Director), Craig Taylor (Director), and David Weinkauf (Director). Ryan Cheung is the Chief Financing Officer and Corporate Secretary of Samurai.

Intercorporate Relationships

Samurai does not have any subsidiaries other than Subco and 246366 Alberta Ltd. Neither of Samurai's subsidiaries have ever carried on any active business operations.

General Development of the Business

History

On incorporation, Samurai issued 2,000,000 Samurai Shares for gross proceeds of $100,000.

On January 12, 2021, Samurai issued 400,000 Samurai Shares for gross proceeds of $20,000. The 2,400,000 seed shares issued below the IPO price, any shares acquired from treasury by non-arm's length parties while it is a CPC and CPC stock options and shares issued on exercise of CPC stock options, which were granted before the IPO and at an exercise price less than the IPO price, are all subject to the CPC Escrow Agreement among TSX Trust Company, as escrow agent, Samurai and each of the securityholders of Samurai are parties to the Escrow Agreement.

Samurai was formed as a CPC under Exchange Policy 2.4. Since becoming a CPC, the principal business of Samurai has been to identify and evaluate opportunities for the acquisition of an interest in assets or businesses for the completion of a Qualifying Transaction and once identified and evaluated, to negotiate an acquisition or participation subject to receipt of shareholder approval, where required, and acceptance for filing by the Exchange.

On May 27, 2021, Samurai completed the CPC IPO and began trading under the symbol "SSS.P" as a CPC on May 27, 2021. Pursuant to the CPC IPO, Samurai issued an aggregate of 2,000,000 Samurai Shares at a price of $0.10 per Samurai Share, as qualified by a final prospectus dated April 14, 2021. A cash finder's fee was paid in the amount of $20,000, and 200,000 compensation options were issued exercisable into Samurai Shares at a rate of $0.10 per share until May 27, 2023. In addition, Samurai incurred share issuance costs of $83,147 relating to the IPO.

On May 27, 2021, Samurai granted 440,000 Samurai Options to directors and officers of Samurai exercisable into Samurai Shares at a rate of $0.10 per Samurai Share until May 27, 2026.

Samurai entered into a letter of intent dated December 7, 2022 (the "**Previous LOI**"), with Home Run Oil & Gas Inc. with respect to a Proposed Qualifying Transaction. On April 14, 2023, the Previous LOI was terminated by Samurai.

On September 23, 2024, Samurai closed a non-brokered private placement (the "**Samurai Private Placement**") consisting of 3,000,000 Samurai Shares priced at $0.05 per Samurai Share for aggregate gross proceeds of $150,000. Proceeds from the Samurai Private Placement will be used to cover the costs associated with proceeding to completion of the QT with ACL including, audit fees, legal fees, preparing necessary documentation, due diligence and regulatory fees. All Samurai Shares issued pursuant to the Samurai Private Placement are subject to a statutory hold period of four months and one day following issuance in accordance with applicable Canadian securities laws and the policies of the Exchange.

Description of Qualifying Transaction

Parties to the Qualifying Transaction

<u>Samurai Capital Corp.</u>

Samurai is a "capital pool company" formed in accordance with Exchange Policy 2.4, and, at present, Samurai does not own any material assets other than cash. To date, Samurai has not conducted any active business operations. Since its incorporation, the principal activities of Samurai have consisted of the financing of Samurai through the CPC IPO, the initial listing of the Samurai Shares on the Exchange, the identification of potential acquisitions, the negotiation of the Business Combination Agreement and efforts to implement the Proposed Qualifying Transaction. See "*Part II – Information Concerning Samurai– General Development of the Business*".

<u>A.C.L. Construction Ltd.</u>

ACL is a company formed by amalgamation under the BCBCA on June 1, 2024. Its registered office is located at 9830 – 110 Avenue Fort St. John, British Columbia V1J 2T1 and head office is located at 10123 102 Avenue, Fort St. John, British Columbia.

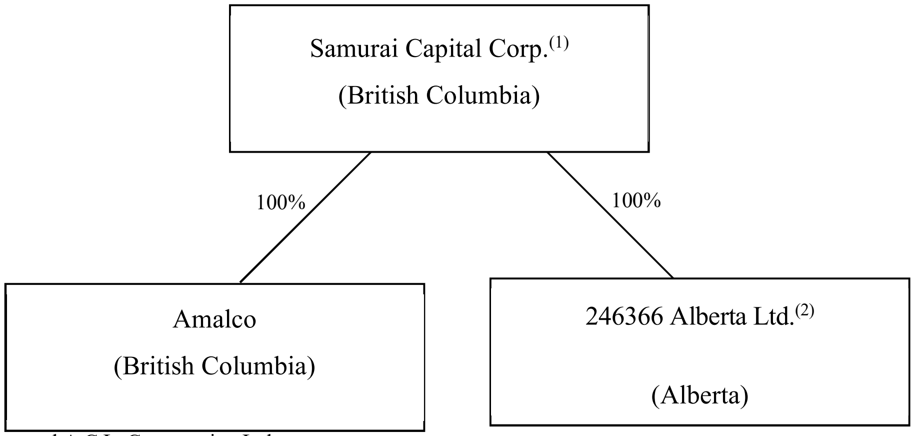
On June 1, 2024, Aggressive, a private company incorporated on March 11, 1997, under the provisions of the BCBCA, amalgamated with its wholly-owned subsidiary, A.C.L. Construction Ltd., and two of its shareholders, Aspen Falls Holdings Ltd. and TNTS Enterprises Ltd., to form ACL.

ACL does not have any subsidiaries.

ACL provides civil construction services primarily in northeastern British Columbia. It maintains a full fleet of heavy equipment and works on complex highway, civil and oilfield projects. ACL's key services include (among others) project management, reclamation & remediation and aggregate sales. See "*Part III – Information Concerning ACL – General Development of the Business*".

ACL is a private company and none of its securities have been traded or are listed for trading on any stock exchange. See "*Part III – Information Concerning ACL – Prior Sales*".

After the Completion of the Qualifying Transaction, the corporate structure of the Resulting Issuer will be as follows:



Notes:

1. To be renamed A.C.L. Construction Ltd.
2. A non-operating subsidiary from a prior transaction, that will remain inactive.

Reasons for the Transaction

Samurai was formed as a CPC and has been engaged in the business of identifying and evaluating properties or businesses with a view to completing a Qualifying Transaction. If completed, the Proposed Qualifying Transaction will constitute Samurai's Qualifying Transaction pursuant to Exchange Policy 2.4.

ACL is a privately held BCBCA company that operates a full fleet of heavy equipment and works on complex highway, civil and oilfield projects requiring strong knowledge and experience in multiple technical areas. ACL's key service includes (among others) project management, reclamation and remediation and aggregate sales.

The terms of the Proposed Qualifying Transaction were established through arm's length negotiations between the board of directors and management of each of Samurai and ACL. The Proposed Qualifying Transaction is not a Non-Arm's Length Qualifying Transaction.

Business Combination Agreement

The Proposed Qualifying Transaction will become effective on the Effective Date, subject to the satisfaction or waiver of the applicable conditions.

The principal features of the Business Combination Agreement may be summarized as follows:

(a) Samurai and ACL agree to effect the combination of their respective businesses and assets by way of a "three-cornered amalgamation" among Samurai, Subco and ACL;

(b) ACL shall seek approval of the ACL Shareholders for Amalgamation;

(c) following the approval of the Amalgamation by the ACL Shareholders, Samurai shall pass a special resolution, as sole shareholder of Subco, approving the Amalgamation;

(d) Samurai shall complete the Name Change and the Consolidation;

(e) Upon the approval of the Amalgamation by the ACL Shareholders and the Exchange, ACL and Subco will amalgamate, pursuant to the provisions of the BCBCA, by jointly completing and filing the Amalgamation Application with the Registrar, and shall continue as one corporation;

(f) As a result of the Amalgamation:

(i) each holder of ACL Shares (other than ACL dissenting shareholders) shall receive one (1) fully paid and non-assessable Samurai Share (on a post-Consolidation basis) for each one (1) ACL Share held, following which all such ACL Shares shall be cancelled;

(ii) Samurai shall receive one (1) fully paid and non-assessable Amalco Share for each one (1) Subco Share held by Samurai, following which all such Subco Shares shall be cancelled;

(iii) in consideration of the issuance of Samurai Shares, Amalco shall issue to Samurai one (1) Amalco Share for each Samurai Share so issued;

(iv) Amalco shall become a wholly-owned subsidiary of Samurai;

(v) each ACL Stock Option which is outstanding and has not been duly exercised prior to the completion of the Amalgamation shall be exchanged for a Replacement Option to purchase from the Resulting Issuer the number of Resulting Issuer Shares equal to (i) the Exchange Ratio multiplied by (ii) the number of ACL Shares subject to such ACL Stock Option immediately prior to the completion of the Amalgamation; and

(vi) all other convertible securities issued by ACL shall be exchanged for convertible securities in the capital of the Resulting Issuer on the basis of the Exchange Ratio.

Representations, Warranties and Covenants

The Business Combination Agreement contains certain customary representations and warranties of each of Samurai, Subco and ACL relating to, among other things, their respective organization, capitalization, qualification, operations, compliance with laws and regulations and other matters, including their authority to enter into the Business Combination Agreement and to consummate the Proposed Qualifying Transaction. Pursuant to the Business Combination Agreement, the parties have agreed to advise each other of material changes. Further, the parties have agreed to use their commercially reasonable efforts to obtain all regulatory and other consents, waivers and approvals required for the consummation of the Proposed Qualifying Transaction.

In addition, pursuant to the Business Combination Agreement, each of the parties has covenanted, among other things, until the Completion of the Qualifying Transaction, to maintain their respective businesses and not take certain actions outside the ordinary course.

Conditions of the Transaction

The Business Combination Agreement contains a number of conditions precedent to the obligations of Samurai and ACL thereunder. Unless all such conditions are satisfied or waived by the party or parties for whose benefit such conditions exist, to the extent they may be capable of waiver, the Proposed Qualifying Transaction will not proceed. There is no assurance that the conditions will be satisfied or waived on a timely basis, or at all. The conditions to the Proposed Qualifying Transaction becoming effective are set out in the Business Combination Agreement, and certain conditions are summarized below.

Conditions to Obligations of Samurai

The obligations of Samurai to complete the Proposed Qualifying Transaction are subject to the fulfillment or waiver of the following conditions at or prior to the Effective Date:

(a) The TSXV shall have conditionally approved the listing of the Resulting Issuer Shares, including the shares which are issuable upon the exercise of the Replacement Options and other convertible securities, subject to compliance with the usual requirements of the TSXV, and the resale of such shares not being subject to any Canadian hold or restricted period (except for a sale that would constitute a “control distribution” as defined in NI 45-102, and except for any other hold or escrow periods as may be required by the TSXV);

(b) ACL shall have obtained the approval of the ACL Board, and, if required by the BCBCA, its shareholders, in accordance with the BCBCA;

(c) Samurai shall have received from ACL a copy, certified by a duly authorized officer thereof to be true and complete as of the Effective Date, of the records of all corporate action taken to authorize the execution, delivery and performance of the Business Combination Agreement;

(d) Other than as stated in the Business Combination Agreement, the representations and warranties of ACL contained in this Business Combination Agreement will be true and correct at the Effective Time, with the same force and effect as if such representations and warranties were made at and as of such date (except to the extent such representations and warranties speak as of an earlier date, in which event they will be true as of such earlier date, or except as affected by transactions specifically permitted or contemplated by the Business Combination Agreement, or except for any failures or breaches of representations and warranties which, individually or in the aggregate, would not reasonably be expected to result in a ACL Material Adverse Effect (as such term is defined in the Business Combination Agreement) or prevent or delay the completion of the Business Combination or other Transactions contemplated in the Business Combination Agreement), and certificates of the Chief Executive Officer and the Chief Financial Officer of ACL dated the Effective Date will have been delivered to Samurai confirming the foregoing;

(e) All of the terms, covenants and conditions of the Business Combination Agreement to be complied with or performed by ACL at or before the Effective Time will have been complied with or performed (except to the extent that the failure to comply with or perform such covenants has not resulted in or would not result in, individually or in the aggregate, a ACL Material Adverse Effect (as such term is defined in the Business Combination Agreement) or prevent or delay the completion of the Business Combination or the other Transactions contemplated in the Business Combination Agreement) and certificates of the Chief Executive Officer and the Chief Financial Officer of ACL dated the Effective Date will have been delivered to Samurai confirming the foregoing;

(f) There will have been obtained, from all relevant governmental authorities, such authorizations as are required to be obtained by ACL to consummate the Business Combination, including the approval of the TSXV for the Business Combination and for the listing on the TSXV of the Resulting Issuer Shares issuable pursuant to the Business Combination (including the exercise of the Replacement Options issued in replacement for or in lieu of the ACL Stock Options pursuant to the terms of this Agreement);

(g) ACL will have given or obtained the notices, consents and approvals required pursuant to the Business Combination Agreement, as applicable, in each case in form and substance satisfactory to Samurai, acting reasonably;

(h) No bona fide legal or regulatory action or proceeding will be pending or threatened by any person to enjoin, restrict or prohibit the Business Combination or any other of the transactions contemplated hereby, or the right of Samurai, Subco, any of the Samurai Subsidiaries or ACL to conduct, expand, and develop their business;

(i) There will have been no ACL Material Adverse Effect (as such term is defined in the Business Combination Agreement) since the date of the Business Combination Agreement and a certificate of the President of ACL dated the Effective Date to that effect will have been delivered to Samurai; and

(j) Dissent Rights (as such term is defined in the Business Combination Agreement) will not have been exercised in respect of a total number of ACL Shares which would, if such shares were converted into Samurai Shares pursuant to the Business Combination, exceed 5.0% of the Samurai Shares outstanding upon completion of the Business Combination.

The conditions precedent listed above are for the exclusive benefit of Samurai and may be waived, in whole or in part, by Samurai.

Conditions to Obligations of ACL

The obligations of ACL to complete the Proposed Qualifying Transaction are subject to the fulfillment or waiver of the following conditions at or prior to the Effective Date:

(a) The TSXV shall have conditionally approved the listing of the common shares of the Resulting Issuer, including the shares which are issuable upon the exercise of the Replacement Options and other convertible securities, subject to compliance with the usual requirements of the TSXV, and the resale of such shares not being subject to any Canadian hold or restricted period (except for a sale that would constitute a "control distribution" as defined in NI 45-102, and except for any other hold or escrow periods as may be required by the TSXV);

(b) Each of Samurai and Subco shall have obtained the approval of its board of directors for the Business Combination Agreement and the transactions contemplated thereunder;

(c) ACL shall have received from each of Samurai and Subco a copy, certified by a duly authorized officer thereof to be true and complete as of the Effective Date, of the records of all corporate action taken to authorize the execution, delivery and performance of the Business Combination Agreement and the transactions contemplated thereunder;

(d) The Name Change and the Consolidation will have been completed;

(e) ACL will have completed the ACL Concurrent Financing in accordance with applicable laws;

(f) The representations and warranties of Samurai contained in the Business Combination Agreement will be true and correct at the Effective Time, with the same force and effect as if such representations and warranties were made at and as of such date (except to the extent such representations and warranties speak as of an earlier date, in which event they will be true as of such earlier date, or except as affected by transactions specifically permitted or contemplated by the Business Combination Agreement, or except for any failures or breaches of representations and warranties which, individually or in the aggregate, would not reasonably be expected to result in a Samurai Material Adverse Effect (as such term is defined in the Business Combination Agreement) or prevent or delay the completion of the Business Combination or other Transactions contemplated in the Business Combination Agreement), and a certificate of the Chief Executive Officer and the Chief Financial Officer of Samurai dated the Effective Date will have been delivered to ACL confirming the foregoing;

(g) All of the terms, covenants and conditions of the Business Combination Agreement to be complied with or performed by Samurai at or before the Effective Time will have been complied with or performed (except to the extent that the failure to comply with such covenants has not resulted in or would not result in, individually or in the aggregate, a Samurai Material Adverse Effect (as such term is defined in the Business Combination Agreement) or prevent or delay the completion of the Business Combination or the other Transactions contemplated in the Business Combination Agreement), and a certificate of the Chief Executive Officer and the Chief Financial Officer of Samurai dated the Effective Date will have been delivered to ACL confirming the foregoing;

(h) There will have been obtained, from all relevant governmental authorities, such authorizations as are required to be obtained by ACL and Samurai to consummate the Business Combination, including the approval of the TSXV for the Business Combination and for the listing on the TSXV of the Resulting Issuer Shares issuable pursuant to the Business Combination (including the exercise of the Replacement Options issued in replacement for or in lieu of the ACL Stock Options pursuant to the terms of this Agreement), in each case in form and substance satisfactory to ACL, acting reasonably;

(i) Samurai will have given or obtained the notices, consents and approvals required pursuant to the Business Combination Agreement, in each case in form and substance satisfactory to Samurai, acting reasonably;

(j) No bona fide legal or regulatory action or proceeding will be pending or threatened by any person to enjoin, restrict or prohibit the Business Combination or any other of the transactions contemplated hereby, or the right of Samurai, Subco, or ACL to conduct, expand, and develop their business;

(k) There will have been no Samurai Material Adverse Effect (as such term is defined in the Business Combination Agreement) and a certificate of the Chief Executive Officer and the Chief Financial Officer of Samurai dated the Effective Date to that effect will have been delivered to ACL;

(l) Each of the directors and officers of Samurai that resigns as contemplated in the Business Combination Agreement, will have executed and delivered releases in favour of Samurai in form and substance satisfactory to ACL, acting reasonably;

(m) Dissent Rights will not have been exercised in respect of a total number of ACL Shares which would, if such shares were converted into Samurai Shares pursuant to the Business Combination, exceed 5% of the Samurai Shares outstanding upon completion of the Business Combination; and

(n) The Samurai Shares to be issued to the former holders of ACL Shares in connection with the Business Combination and, after giving effect to the Business Combination, issuable upon the exercise of the options and warrants of Samurai in accordance with the respective terms thereof, shall be issued as fully paid and nonassessable shares in the capital of Samurai, free and clear of all encumbrances, liens, charges, demands of whatsoever nature under Canadian law, except those imposed pursuant to statutory “control block hold periods” and escrow restrictions of the TSXV, if any.

The conditions precedent listed above are for the exclusive benefit of ACL and may be waived, in whole or in part, by ACL.

Termination of Agreement

The Business Combination Agreement may be terminated as follows:

(a) by mutual written consent of Samurai and ACL;

(b) by either of Samurai or ACL by notice to the other if there has been a misrepresentation, breach or non-performance by the breaching party of any representation, warranty, covenant or obligation contained in the Business Combination Agreement, which could reasonably be expected to have a ACL Material Adverse Effect or Samurai Material Adverse Effect (as such terms are defined in the Business Combination Agreement) on the terminating party, as applicable, or the ability of either party to complete the Business Combination in accordance with the terms of Business Combination Agreement, provided the breaching party has been given notice of and ten (10) days to cure any such misrepresentation, breach or nonperformance;

(c) by Samurai pursuant to section 6.08 of the Business Combination Agreement which details the standstill obligations of Samurai or by Samurai if the conditions precedent set forth in Section 7.01 of the Business Combination Agreement are not met or waived;

(d) by ACL pursuant to section 6.07 of the Business Combination Agreement which details the standstill obligations of ACL or by ACL if the conditions precedent set forth in Section 7.02 of the Business Combination Agreement are not met or waived;

(e) by either ACL or Samurai, if the Business Combination has not been completed on or before March 31, 2025, or such later date as may be agreed to by ACL and Samurai (provided that this right to terminate the Business Combination Agreement shall not be available to any party whose failure to fulfill any of its obligations under this Agreement has been the cause of or resulted in the failure to consummate the transactions contemplated hereby by such date),

provided however that the right to terminate the Business Combination Agreement pursuant to paragraphs (a), (b), or (c) above is not available to a party if it is in material breach of any representation, warrant or covenant contained in the Business Combination Agreement.

Exchange Approval

The Completion of the Qualifying Transaction is subject to the approval of the Exchange. Listing of the Resulting Issuer Shares to be issued in connection with the Proposed Qualifying Transaction is subject to the Resulting Issuer fulfilling all requirements of the Exchange on Completion of the Qualifying Transaction.

The Resulting Issuer will be considered to have completed the Proposed Qualifying Transaction on the date that the Exchange issues the Final QT Exchange Bulletin, which is expected to be on or about the fifth Business Day after the Closing, provided that all required documentation is filed with the Exchange. Exchange Policy 2.4 regarding CPCs shall cease to apply after the Completion of the Qualifying Transaction, with the exception of any escrow or resale restrictions, which will continue in full force and effect.

Effect of the Transaction

The Proposed Qualifying Transaction will be effected in accordance with the terms of the Business Combination Agreement (a copy of which has been filed on SEDAR+ (www.sedarplus.com) under Samurai's issuer profile), subject to the satisfaction or waiver of all of the conditions precedent outlined in the Business Combination Agreement, including, among other things, (i) the absence of any material change or change in a material fact which might reasonably be expected to have a material adverse effect on the financial and operational conditions or the assets of each of the parties to the Business Combination Agreement; and (ii) certain other conditions typical in a transaction of this nature..

Following Completion of the Qualifying Transaction, it is expected that:

(a) the Samurai Shares will have been consolidated on the basis of one (1) Samurai Consolidated Share for every two (2) existing Samurai Shares, with each whole Samurai Consolidated Share being designated a Resulting Issuer Share upon Completion of the Qualifying Transaction;

(b) ACL will have amalgamated with Subco, and Amalco will become a wholly-owned subsidiary of Samurai;

(c) the Resulting Issuer will carry on the business carried on by ACL which maintains a full fleet of heavy equipment and works on complex highway, civil and oilfield projects (see "*Part III – Information Concerning ACL – Narrative Description of the Business*");

(d) the board of directors of the Resulting Issuer will initially be comprised of: John McPherson, Anthony Zelen, Rob Sandberg, and Sophie Galper Komet. In addition, it is expected that John

McPherson will serve as President and Chief Executive Officer, Thomas Hall will serve as Chief Operating Officer, and Jeff Wagner will serve as Chief Financial Officer and Corporate Secretary of the Resulting Issuer;

(e) assuming completion of the Minimum Financing, there will be an aggregate of 73,216,000 Resulting Issuer Shares issued and outstanding. If the Maximum Financing is fully subscribed, there will be an aggregate of 86,549,333 Resulting Issuer Shares issued and outstanding;

(f) the following convertible securities of the Resulting Issuer will be issued and outstanding:

  (i) 220,000 Resulting Issuer Stock Options, each exercisable to acquire one Resulting Issuer Share at a price of $0.20 per Resulting Issuer Share in respect of the Samurai Incentive Stock Options outstanding immediately prior to the Completion of the Qualifying Transaction;

  (ii) 6,600,000 Resulting Issuer Stock Options, each exercisable to acquire one Resulting Issuer Share at a price of $0.10 per Resulting Issuer Share in respect of ACL incentive stock options outstanding immediately prior to the Completion of the Qualifying Transaction;

  (iii) assuming completion of the Minimum Financing 10,000,000 Resulting Issuer Warrants and assuming the Maximum Financing is fully subscribed 23,333,333 Resulting Issuer Warrants, each exercisable to acquire one Resulting Issuer Share at a price of $0.50 per Resulting Issuer Share for a period of 36 months following the Listing Date in respect of Warrants issued upon conversion of the ACL Subscription Receipts issued pursuant to the Concurrent Financing; and

  (iv) assuming completion of the Minimum Financing, up to 900,000 Resulting Issuer Finder Warrants and assuming the Maximum Financing is fully subscribed up to 2,100,000 Resulting Issuer Finder Warrants, each exercisable to acquire one Resulting Issuer Share at a price of $0.50 per Resulting Issuer Share for a period of 36 months following the Listing Date in respect of ACL Finder Warrants issued upon completion of the Concurrent Financing.

Proposed Financing

In connection with the Proposed Qualifying Transaction, ACL will complete the Concurrent Financing of ACL Subscription Receipts at a price of $0.30 per ACL Subscription Receipt for minimum gross proceeds of $3,000,000 and up to maximum gross proceeds of $7,000,000. The ACL Subscription Receipts and the proceeds of the Concurrent Financing will be governed in accordance with the terms of the Subscription Receipt Agreement pending the satisfaction of the Escrow Release Conditions.

Subject to Exchange approval, ACL may pay finders a cash fee equal to up to 5% of the amount raided in the Concurrent Financing and issue such number of ACL Finder Warrants as is equal to up to 9% of the ACL Subscription Receipts sold under the Concurrent Financing.

Upon satisfaction of the Escrow Release Conditions, each Subscription Receipt entitles the holder thereof to receive, for no additional consideration and without further action on the part of the holder thereof, one ACL Unit. Pursuant to the Business Combination Agreement, at the Effective Time each Amalco Share (including Amalco Shares received in exchange for ACL Shares issued upon conversion of the Subscription Receipts) will be exchanged for one (1) Resulting Issuer Share.

In the event that the Escrow Release Conditions are not satisfied following 180 days of the closing of the Concurrent Financing, the Escrowed Proceeds will be returned to the holders of the Subscription Receipts and the Subscription Receipts will be cancelled.

Selected Consolidated Financial Information and Management's Discussion and Analysis

Since incorporation, Samurai has incurred costs in carrying out its initial public offering, in seeking, evaluating, and negotiating potential qualifying transactions, and in meeting the disclosure obligations imposed upon it as a reporting issuer listed for trading on the Exchange.

The following table sets forth a selected statement of financial position data for Samurai which has been derived from the unaudited condensed interim financial statements of Samurai for the three and nine months ended October 31, 2024. Such information should be read in conjunction with the financial statements of Samurai included elsewhere in this Filing Statement including those financial statements attached hereto as Schedule "A".

Selected Statement of Financial Position Data

	October 31, 2024	January 31, 2024
Net Working Capital	$ 54,244	$ (51,006)
Total Current Assets	$ 147,674	$ 10,949
Total Current Liabilities	$ 93,430	$ 61,955
Total shareholders' equity (deficit)	$ 54,244	$ (51,006)

The following table sets forth a selected statement of operations data for Samurai which has been derived from the unaudited condensed interim financial statements of Samurai for the three and nine months ended October 31, 2024. Such information should be read in conjunction with the financial statements of Samurai included elsewhere in this Filing Statement including those financial statements attached hereto as Schedule "A".

Selected Statement of Operations Data

	For the three months ended October 31, 2024	For the three months ended October 31, 2023	For the nine months ended October 31, 2024	For the nine months ended October 31, 2023
Total Revenues	$ Nil	$ Nil	$ Nil	$ Nil
Operating Expenses	$ 25,674	$ 4,315	$ 44,750	$ 48,197
Net Loss	$ 25,674	$ 4,315	$ 44,750	$ 48,197

Selected Statement of Operations Data

Samurai does not have any operations and will not conduct any business other than the identification and evaluation of business and assets for potential acquisition.

During the three months ended October 31, 2024, the Corporation recorded a net loss of $25,674 (2023 - $4,315), consisting of $123 (2023 - $117) in Admin and bank charges, $8,150 (2023 - $3,100) in audit and accounting fees, 12,074 (2023 - $1,098) in legal fees, and $5,327 (2023 - nil) in regulatory and filing fees.

During the nine months ended October 31, 2024, the Corporation recorded a net loss of $44,750 (2023 - $48,197) consisting of $327 (2023 - $325) in Admin and bank charges, $18,179 (2023 - $32,974) in audit and accounting fees, 12,074 (2023 - $5,281) in legal fees, and $14,170 (2023 - $9,617) in regulatory and filing fees.

Management Discussion and Analysis

Samurai's management's discussion and analysis ("**MD&A**") for the three and nine months ended October 31, 2024, is attached hereto as Schedule "B".

Certain information included in Samurai's MD&A is forward-looking and based upon assumptions and anticipated results that are subject to uncertainties. Should one or more of these uncertainties materialize or should the underlying assumptions prove incorrect, actual results may vary significantly from those expected. See "*Special Note Regarding Forward-Looking Statements*" for further details.

Description of the Securities

General

Samurai is authorized to issue an unlimited number of Samurai Shares without nominal or par value and an unlimited number of Samurai Preferred Shares issuable in series, of which, as at the date hereof, 7,400,000 Samurai Shares are issued and outstanding as fully paid and non-assessable and no Samurai Preferred Shares are issued and outstanding. Samurai has reserved an aggregate of up to 440,000 Samurai Shares for issue upon exercise of the 440,000 Samurai Stock Options at an exercise price of $0.10 per Samurai Share.

Each Samurai Share carries one vote at all meetings of shareholders, carries the right to receive a proportionate share, on a per share basis, of the assets of Samurai available for distribution in the event of a liquidation, dissolution, or winding-up of Samurai and the right to receive any dividend if declared by Samurai.

The Samurai Preferred Shares may be issued from time to time in one or more series and will have, among others, the following special rights and restrictions:

- The holders of Samurai Preferred Shares as a class shall, in preference to the holders of the Samurai Shares, be entitled to receive dividends.

- The holders of the Samurai Preferred Shares of any series shall also be entitled to such other preference, not inconsistent with these provisions, over the holders of the Samurai Shares and the shares of any other class ranking junior to the Samurai Preferred Shares.

- Unless subordinated in priority by the special rights and restrictions attached to any series of Samurai Preferred Shares, holders of Samurai Preferred Shares as a class will be entitled on distribution of the assets of Samurai on liquidation, dissolution or winding-up of Samurai, whether voluntary or involuntary, or on any other distribution of assets Samurai receive priority prior to any distribution to the holders of Samurai Shares or any other shares ranking junior.

- No Samurai Preferred Shares may be issued if Samurai is in arrears in the payment of dividends on any outstanding series of Samurai Preferred Shares without the approval of the holders of the Samurai Preferred Shares by resolution passed by the majority of holders of Samurai Preferred Shares.

The Samurai Board may also, by resolution, determine the maximum number of shares of any series of Samurai Preferred Shares, alter the articles of Samurai to create an identifying name by which the shares of any of the Samurai Preferred Shares may be identified and alter the articles of Samurai and authorize the alteration of the notice of articles to attach special rights or restrictions to Samurai Preferred Shares or to alter such special rights or restrictions, as follows, including without limitation: (a) the rate, amount or method of calculation of dividends, (b) whether such dividends are cumulative, partly cumulative or noncumulative, (c) the dates, manner and currency of payments of dividends and the date from which they accrue or become payable, (d) if redeemable or purchasable (whether at the option of Samurai or holder of the Samurai Preferred Shares or otherwise), the redemption or purchase prices and currencies thereof and terms and conditions of redemption or purchase, with or without provision for sinking or similar funds, (e) the voting rights, if any and (f) any conversion, exchange or reclassification rights.

Upon completion of the Consolidation, the following securities of Samurai will be issued and outstanding: (a) 3,700,000 Samurai Consolidated Shares, (b) 220,000 Samurai Stock Options to acquire an aggregate of 220,000 Samurai Consolidated Shares at an exercise price of $0.20 per Samurai Consolidated Share.

Samurai Stock Option Plan

Stock Option Terms

The policies of the Exchange provide that the board of directors of Samurai may from time to time, in its discretion, and in accordance with the Exchange requirements, grant to directors, officers and employees of Samurai and its Affiliates and to technical consultants and management company employees and Eligible Charitable Organizations, non-transferable options to purchase Samurai Shares for a period of up to 10 years from the date of the grant, provided that the number of Samurai Shares reserved for issuance may not exceed 10% of the total issued and outstanding Samurai Shares at the date of the grant.

The purpose of the stock option plan (the "**Samurai Stock Option Plan**") established by the Samurai, pursuant to which it may grant stock options, is to promote the profitability and growth of Samurai by facilitating the efforts of Samurai to obtain and retain key individuals. The Samurai Stock Option Plan provides an incentive for and encourages ownership of the Samurai Shares by its key individuals so that they may increase their stake in Samurai and benefit from increases in the value of the Samurai Shares. Pursuant to the Samurai Stock Option Plan, the maximum number of Samurai Shares reserved for issuance in any twelve (12) month period to any one optionee other than a consultant must not exceed 5% of the issued and outstanding Samurai Shares at the date of the grant. The maximum number of Samurai Shares reserved for issuance in any twelve (12) month period to any consultant must not exceed 2% of the issued and outstanding Samurai Shares at the date of the grant and the maximum number of Samurai Shares reserved for issuance in any twelve (12) month period to Eligible Charitable Organizations must not exceed 1% of the issued and outstanding number of Samurai Shares at the date of the grant. While Samurai is a CPC, it is prohibited from granting Samurai Stock Options to any person providing Investor Relations Activities (as that term is defined in Policy 1.1 of the Exchange policy manual).

The exercise price of the Samurai Stock Options granted under the Samurai Stock Option Plan is determined by the board of directors of Samurai, provided that it is not less than the Discounted Market Price, as that term is defined in the Exchange policy manual, or such other minimum price as is permitted by the Exchange in accordance with the policies in effect at the time of the grant, or, if the Samurai Shares are no longer listed on the Exchange, then such other exchange or quotation system on which the Samurai Shares are listed or quoted for trading.

All Samurai Stock Options granted pursuant to the Plan will be subject to such vesting requirements as may be prescribed by the Exchange, if applicable, or as may be imposed by Samurai's board of directors. Samurai Stock Options issued to persons retained to provide Investor Relations Activities must vest in stages over 12 months with no more than one-quarter of the options vesting in any three-month period, commencing three months after the date of grant. No acceleration of the vesting requirements applicable to Samurai Stock Options grants to an Investor Relations Service Provider are permitted without the prior written approval of the Exchange.

Notwithstanding the terms of the Samurai Stock Option Plan described above, Exchange Policy 2.4 imposes certain restrictions on incentive stock options during the period that Samurai remains a CPC. Such restrictions shall remain in place until the Exchange issues the Final QT Exchange Bulletin (such bulletin indicating that the Resulting Issuer will not be considered a CPC). Under Exchange Policy 2.4, Samurai, while it remains a CPC, is limited to granting incentive stock options to only directors, officers and technical consultants of Samurai. In addition, the total number of Samurai Shares reserved under option for issuance pursuant to the Samurai Stock Option Plan may not exceed 10% of the Samurai Shares to be outstanding at the closing of the CPC IPO. The maximum number of Samurai Shares reserved under option for issuance to any individual officer or director may not exceed 5% of the issued and outstanding Samurai Shares to be outstanding as at the date of grant of the Samurai Stock Option. The maximum number of Samurai Shares reserved under option for issuance to all technical consultants in aggregate may not exceed 2% of the issued and outstanding Samurai Shares as at the date of grant of any Samurai Stock Option. The number of Samurai Shares issuable at any given time to Eligible Charitable Organizations in aggregate will not exceed one percent (1%) of the issued and outstanding Samurai Shares at the date of the grant. In addition, while Samurai is a CPC, it is prohibited from granting stock options to any person providing investor relations activities, promotional or market making services. The exercise price per Samurai Share under any stock option granted by Samurai while it is a CPC may not be less than the greater of $0.05 and the Discounted Market Price (as defined under Exchange policies). The term of a Samurai Stock Option must expire not later than twelve (12) months after the optionee ceases to be a director, officer or technical consultant of Samurai, or of the Resulting Issuer, as the case may be, subject to any earlier expiry date of such Samurai Stock Option. If the Samurai Shares are listed on the Exchange and it is no longer a Capital Pool Company, the aggregate number of Samurai Shares which may be purchased by the exercise of Options granted to all persons providing Investor Relations Activities to Samurai must not exceed 2% of the issued and outstanding Samurai Shares in any 12-month period, calculated at the date an option is granted to any such person. Exchange and disinterested Shareholder approvals are required in accordance with the Exchange policies if any of these limitations are exceeded (at any time). Investor Relations Service Providers (as that term is defined in the Exchange policy manual) may not receive any Security Based Compensation other than Options, and Investor Relations Service Providers may not receive Samurai Stock Options for as so long as Samurai remains a CPC.

All Samurai Stock Options and Samurai Shares issued prior to the date of Completion of the Qualifying Transaction pursuant to the exercise of stock options were previously subject to escrow under the CPC Escrow Agreement in accordance with Exchange Policy 2.4. In addition, all Samurai Shares issued on or after the date Completion of the Qualifying Transaction pursuant to the exercise of Samurai Stock Options granted prior to the CPC IPO with an exercise price that is less than the price for offered securities under the CPC IPO were also subject to escrow under the CPC Escrow Agreement pursuant Exchange Policy 2.4.

Prior Sales

In the 12-month period prior to the date of this Filing Statement, the following securities of Samurai (on a pre-Consolidation basis) have been issued as indicated in the table below. Samurai Shares issued to any member of the Aggregate Pro Group are identified in the notes below:

Date of Issue	Number of Samurai Shares	Per Share Consideration	Aggregate Value of Consideration	Nature of Consideration
September 23, 2024	3,000,000	$0.05	$150,000	Cash

Immediately after completion of the CPC IPO, Samurai granted an aggregate of 440,000 Samurai Stock Options to directors and officers of Samurai (held in escrow pursuant to the terms of the CPC Escrow Agreement). See "*Part II – Information Concerning Samurai – Description of Securities – Stock Option Terms*"

Stock Exchange Price

The Samurai Shares are listed for trading on the Exchange under the symbol "SSS.P". Trading of the Samurai Shares was halted on August 19, 2024, in connection with the announcement by Samurai of the proposed Qualifying Transaction with ACL. On August 18, 2024, the last trading day prior to the trading halt, the closing price of the Samurai Shares was $0.04.

The following table sets forth the high and low daily closing prices and the volumes of trading of the Samurai Shares (on a pre-Consolidation basis) for the periods indicated:

Period	High	Low	Volume
February 2024	$0.04	$0.04	10,000
March 2024	$0.04	$0.04	1,000
April 2024	$0.06	$0.04	65,000
May 2024	N/A	N/A	0
June 2024	N/A	N/A	0
July 2024	$0.04	$0.03	41,000
August 2024	N/A	N/A	0
September 2024	N/A	N/A	0

Period	High	Low	Volume
October 2024	N/A	N/A	0
November 2024	N/A	N/A	0
December 2024	N/A	N/A	0
January 2025	N/A	N/A	0
February 2025	N/A	N/A	0
March 2025	N/A	N/A	0

Non-Arm's-Length Transactions

There have been no transactions before the date of this Filing Statement, or proposed transactions, in which any director, officer, Promoter or Insider of Samurai or Associates or Affiliates thereof have or have had a material interest.

Arm's-Length Qualifying Transaction

The acquisition by Samurai of all of the issued and outstanding ACL Shares is not a Related Party Transaction for the purposes of Exchange policies and MI 61-101 and is not a Non-Arm's Length Qualifying Transaction pursuant to the policies of the Exchange. As a result, approval of the Amalgamation or the Business Combination by Samurai's shareholders is not required under the Exchange policies as a condition to the Completion of the Qualifying Transaction.

Legal Proceedings

There are no material pending legal proceedings to which Samurai is a party or of which any of its property is the subject matter nor are any such proceedings known to Samurai to be contemplated.

Auditor, Transfer Agent and Registrar

The auditor of Samurai is Crowe Mackay LLP, whose principal office is located at 1400-1185 West Georgia Street, , Vancouver, British Columbia V6E 4E6.

The transfer agent and registrar for the Samurai Shares is TSX Trust Company, at its principal office at 100 Adelaide St W #301, Toronto, ON M5H 1S3.

Material Contracts

Since incorporation, the only material contracts entered into by Samurai, other than contracts entered into in the ordinary course of business, are as follows:

(a) the Business Combination Agreement;

(b) the agency agreement dated as of April 14, 2021, between Samurai and Research Capital Corp. in connection with Samurai's initial public offering;

(c) the CPC Escrow Agreement; and

(d) the service agreement dated January 18, 2021, between Samurai and TSX Trust Company.

Copies of the material contracts are available under Samurai's issuer profile on SEDAR+ at www.sedarplus.ca.

PART III - INFORMATION CONCERNING ACL

Corporate Structure

Name and Incorporation

ACL is a company formed by amalgamation under the BCBCA on June 1, 2024. Its registered office is located at 9830 – 110 Avenue Fort St. John, British Columbia V1J 2T1 and head office is located at 10123 102 Ave, Fort St. John, British Columbia V1J 2E3. ACL does not have any subsidiaries.

On June 1, 2024, Aggressive, a private company incorporated on March 11, 1997, under the provisions of the BCBCA, amalgamated with its wholly-owned subsidiary, A.C.L. Construction Ltd., and two of its shareholders, Aspen Falls Holdings Ltd. and TNTS Enterprises Ltd., to form ACL. The amalgamated company was then named "A.C.L. Construction Ltd."

General Development of the Business

History

Set forth below is a summary the development of ACL's business operations during the three-year period preceding this Filing Statement.

On July 14, 2022, ACL received $5.25 million from BDC which provided ACL with a facility to consolidate/refinance ACL's outstanding equipment financing, of which the proceeds were received during the year ended May 31, 2023. The loan bears interest at a rate of 7.00% per annum and matures on June 1, 2028.

In March 2023, ACL received net proceeds of approximately $4.1 million from the sale of operating equipment. The funds were primarily utilized to repay several equipment financing debts as well as a payment of $2.2 million on the loan with BDC.

During the year ended May 31, 2024, ACL entered into arrangement with Business Development Bank of Canada ("**BDC**") in which interest only payments were made between July 2023 and December 2023 with principal payments resuming thereafter. As a result of such arrangements in addition to additional payments made during the year ended May 31, 2023, the BDC loan now matures on October 1, 2026.

On May 31, 2024, ACL issued a secured convertible debenture (the "**Debenture**") in the aggregate principal amount of $400,000. The Debenture was convertible into ACL Shares at a conversion price of $0.25/share, had a maturity date of November 30, 2024, and accrued interest at a rate of twelve (12%) percent per annum. The Debenture was converted on December 6, 2024.

Effective June 1, 2024, Aggressive amalgamated with A.C.L. Construction Ltd., Aspen Falls Holdings Ltd, and TNTS Enterprises Ltd. (the "**Amalgamation**") to form A.C.L. Construction Ltd. Immediately following the Amalgamation, ACL's share capital consisted of 53,000,000 ACL Shares.

On July 23, 2024, ACL: (i) completed a financing in which ACL issued 3,750,000 ACL Shares upon receiving financing totaling $375,000; and (ii) issued 950,000 ACL Shares in consideration of past services received by ACL valued at a total of $95,000.

On August 19, 2024, ACL entered into the Letter of Intent with Samurai. Upon closing of the Proposed Qualifying Transaction, the Resulting Issuer Shares will be listed on the TSX-V as a Tier 2 issuer.

On September 27, 2024, ACL granted 5,000,000 ACL Stock Options to officers and directors. Each option may be exercised to purchase one (1) ACL Share at an exercise price of $0.10 per share until September 27, 2034.

On October 31, 2024, ACL issued 1,600,000 ACL Stock Options to officers, and employees and consultants of ACL. Each option may be exercised to purchase one (1) ACL Share at an exercise price of $0.10 per share until October 31, 2034.

On November 30, 2024, ACL entered into an arrangement with the holder of the secured convertible debenture to provide the holder with 120,000 ACL Shares (the "**ACL Consideration Shares**") as consideration for the conversion of the principal amount of the convertible debenture.

On December 6, 2024, ACL issued 1,816,000 ACL Shares in settlement of the principal, accrued interest, and ACL Consideration Shares.

Narrative Description of the Business

Summary

ACL was founded in 1997 in Fort St. John as a small company with one excavator and operating primarily in the oil & gas industry. Since formation, ACL has since expanded to include a full fleet of heavy equipment. ACL's historical operations have been in the provinces of British Columbia and Alberta as well as the Northwest Territories and Yukon.

ACL provides civil construction services primarily in northeastern British Columbia. It maintains a full fleet of heavy equipment and works on complex highway, civil and oilfield projects. ACL's key services include (among others) project management, reclamation & remediation and aggregate sales.

Included within ACL's services are long-term projects (see *Part III – Information Concerning ACL – Principal Products or Services*) in which ACL, upon securing the award of a long-term project, earns revenue over a period of time, which is historically within the range of $3-8 million per project secured.

Principal Products or Services

ACL's revenues are primarily derived from two main sources: maintenance revenue and bid job revenue. Maintenance revenue is generated through short-term agreements where labor and machinery are billed to clients on an hourly basis for services actually provided. Bid job revenue, on the other hand, arises from successful bids on tenders and the subsequent completion of related projects. Bid job revenue typically results in higher revenue for ACL and is recognized over a longer period. ACL will issue progress bills on a monthly basis for work completed during each period under bid job revenue. ACL's core operations are based in Canada with a primary focus on western and northern regions. Detailed below are the primary operations of ACL of which trucking, and general construction make up ACL's maintenance revenue, conversely production (civil earthworks), underground utilities and remediation and reclamation make up ACL's bid job revenue.

Production (Civil Earthworks): Construction and Widening of Federal and Provincial Highways.

ACL's civil earthworks operations are primarily focused on the construction, and expansion of federal and provincial highway systems. Services include large-scale grading, embankment construction, excavation, subgrade stabilization, and granular base development. ACL serves as a contractor for major infrastructure projects, often acting as prime contractor or subcontractor for transportation departments and infrastructure consortia.

General construction: Oilfield construction and road building.

ACL's general construction operations supports infrastructure development for both public and private sector clients, with a significant focus on oilfield-related infrastructure. This includes construction of access roads, lease sites, well pads, and other surface works critical to the exploration and production of oil and gas. ACL also provides industrial road building services, ranging from forestry and resource roads to temporary construction access routes, often in remote or environmentally sensitive regions. ACL's experience in these sectors enables it to efficiently mobilize resources and navigate regulatory and logistical complexities associated with industrial development.

Trucking: Hauling of gravel and contaminated soil as well as transportation of heavy equipment.

ACL maintains an in-house fleet of heavy haul trucks and specialized transport equipment that supports its internal operations and provides standalone trucking services to third-party clients. Key trucking services include:

(a) aggregate hauling, including gravel and crushed stone for infrastructure and construction projects;

(b) contaminated soil hauling to designated treatment or disposal facilities in compliance with environmental regulations;

(c) transportation of heavy equipment, such as excavators, dozers, and loaders, between project sites across regional jurisdictions.

These capabilities contribute to operational efficiency, cost control, and flexibility in project execution.

Underground Utilities: Underground Sanitary Lines, Water Lines and Storm Sewers.

ACL's underground utilities operations are responsible for the installation and servicing of municipal and industrial utility infrastructure, including:

(a) Sanitary sewer systems, including gravity and pressurized lines;

(b) Water distribution lines, including potable water systems and mainline connections;

(c) Stormwater management systems, including storm sewers, culverts, and outfall structures.

These services are typically performed in conjunction with larger civil construction or roadwork projects and are delivered in accordance with local municipal engineering standards. ACL's crews are certified and experienced in trenching, shoring, and confined space work, ensuring compliance with safety and environmental regulations.

Remediations and Reclamations: Cleanup of Orphan Wells, Restoration of Sites, Transportation of Materials to Facility for Cleanup.

The remediation and reclamation operations of ACL focuses on environmental site cleanup and land restoration, with a particular emphasis on the decommissioning and remediation of orphaned or inactive oil and gas wells. Services include:

(a) Site assessment and preparation;

(b) Contaminated soil removal and transportation to licensed treatment or disposal facilities;

(c) Re-contouring and topsoil replacement;

(d) Re-vegetation and land stabilization to restore sites to regulatory and ecological standards.

These services are often performed under provincial or federal funding programs and are aligned with broader environmental and regulatory initiatives to reduce legacy environmental liabilities within the energy sector.

Operations

ACL pursues requests for proposal (RFPs) for projects within the scope of ACL's operational capabilities, as described above. ACL has previously bid on, and subsequently secured projects in regions as far north as the Canadian Arctic, as far east as Hudson's Bay, along with many other projects located in the provinces of British Columbia and Alberta as well as the Northwest Territories and Yukon. ACL continues to seek niche projects in which ACL believes the cost of inputs are relatively low compared to the potential award which permit ACL to allocate its resources to projects providing yields above industry standards.

ACL has an active safety program that meets and or exceeds current regulations as demonstrated through its active COR certificate, where ACL is in good standing through the British Columbia Construction Safety Alliance (BCCSA). ACL also holds active WorkSafe accounts in the British Columbia, Alberta, Northwest Territories and Yukon.

ACL continues to adjust its processes, in a function of centering goals on maintaining growth to drive profitability. Performance increases in cutting of the construction related costs has led to a favourable performance since such changes have been and continue to be made, including a refined strategic process of identifying and subsequently bidding on new projects.

ACL has made recent investments into its equipment fleet to adapt to changing market conditions, such as the installation of technology into equipment to diagnose issues and return equipment to service quicker than with legacy units as well as replacing units that were diesel-powered and contained manual transmissions with units that are hybrid-powered and contain automatic transmissions.

Working Capital Deficit

As a result of the nature of ACL's business, ACL's working capital can fluctuate, which may lead the company into a working capital deficit as a result of ACL operating in a capital-intensive industry which requires costly inputs in which ACL has historically relied on financing arrangements to facilitate such purchases, such as heavy machinery. This results in ACL acquiring an asset, which is classified as non-current along with a corresponding liability which is separated into current and non-current portions, which weakens ACL's working capital position. Additionally, the ability to secure future revenue may be dependent on ACL's possession of certain equipment or other assets requiring ACL to enter into such arrangements months in advances of being able to recover the associated costs through the provision of service to customers.

On a cash perspective, ACL closely manages its available funds to all of its obligations, including its contractual obligations under financing arrangements, however, due to the nature of requiring a full year worth of principal repayments being required to be reported as a current liability and the lag before ACL is able to realize the related benefits (actual utilization plus 90 days to collect) ACL is put in a working capital deficit on the commencement of the financing arrangements which do not reflect ACL's ability to utilize the cash collected from its customers to service its debt.

ACL has entered into arrangements with several of its debtors to reduce repayments on its obligations during the months of May and June which has typically been ACL's weakest months in the business cycle as a result of lower payments from customers due to the time lag of less funds being paid to ACL in the 90 days prior, which are part of the winter months in Northeastern British Columbia. While ACL closely monitors its cash to ensure it may meet its obligations, ACL's working capital improves when operations are at their peak during the summer months and ACL's ability to record revenue exceeds its associated costs on an accrual basis leading to a greater increase in accounts receivable and subsequent collection than the corresponding increase in accounts payable and subsequent remittance to the respective vendors.

Competitive Conditions

ACL's management has noted positive trends in new projects for tender, including increases in the federal and provincial capital roads, mines and others, as well as increases within the oil & gas industries, from new construction to fill pipelines to the west coast and remediation and reclamations on older wells within the orphan well programs. Additionally, growth has been observed within local infrastructure, lot construction, land developments, and underground city services.

ACL faces competition from local and non-local firms within the under $10 million projects within the Peace River region as well as local and non-local competition for projects outside this region. Increases in competition lead to a greater number of bids on the projects in which ACL is bidding on, which can lead to decreases in the price of the winning bid, leading to overall decreases in yields and ACL's chances of securing work. ACL expects upon closing of the Concurrent Financing to gain the resources necessary to place bids on work that would have an expected winning bid of over $10 million which ACL expects would have reduced competition and lead to projects producing greater yield.

ACL anticipates seeing continued growth within the transportation side of the business in particular, of which ACL believes that it is well positioned to capture a share of such growth within the competitive environment.

Components

ACL sources its raw materials from long-established vendors who have consistently supplied materials in a timely manner. In some instances, customers supply the materials themselves for use in production.

Cycles

The nature of ACL's operations are highly seasonal. ACL's ability to generate revenue is largely dependent on favourable weather conditions and related customer demand, and as a result, ACL typically recognizes greater revenue during the first and second quarters which typically results in the greatest amount of collections occurring during the second and third quarters.

Environmental Protection

ACL is aware of growing customer awareness for environmental sustainability and as a result has begun to incorporate hybrid equipment into its fleet and offers the availability of carbon offsets through its partnership with Karbon-X.

Employees

The nature of ACL's operations are highly seasonal and ACL's headcount varies throughout the business cycle resulting in higher counts during the summer months and lower during the winter. During the past fiscal year ACL's headcount reached a low of 19 employees during April 2024 and a high of 45 in September 2023.

Foreign Operations

The Company operates exclusively within Canada and does not earn any revenue from foreign customers and does not have any foreign reportable segments.

Reorganizations

Effective June 1, 2024, A.C.L., Aggressive and its two shareholders; Aspen and TNTS amalgamated to form the Successor, carrying on as A.C.L. Construction Ltd.

Environmental Policies

ACL has implemented an environmental policy that outlines a commitment to operating in a manner that reduces negative environmental impacts to human health and the environment. ACL has implemented this through its incorporation of hybrid equipment into its fleet and through its relationship with Karbon-X. ACL has also committed to making environmental concerns as part of its planning processes and commitment to ensuring completion.

Selected Consolidated Financial Information

The following table sets forth a selected statement of financial position data for ACL which has been derived from the unaudited condensed interim financial statements of ACL for the three and six months ended November 30, 2024. Such information should be read in conjunction with the financial statements of ACL included elsewhere in this Filing Statement including those financial statements attached hereto as Schedule "C".

Selected Statement of Financial Position Data

	November 30, 2024	May 31, 2024
Net Working Capital	$ (4,446,262)	$ (4,235,518)
Total Current Assets	$ 4,672,142	$ 3,442,250
Total Current Liabilities	$ 9,118,404	$7,677,768
Total shareholders' equity (deficit)	$433,148	$ (180,083)

The following table sets forth a selected statement of operations data for ACL which has been derived from the unaudited condensed interim financial statements of Samurai for the three and six months ended November 30, 2024. Such information should be read in conjunction with the financial statements of ACL included elsewhere in this Filing Statement including those financial statements attached hereto as Schedule "C".

Selected Statement of Operations Data

	For the three months ended November 30, 2024	For the three months ended November 30, 2023	For the nine months ended November 30, 2024	For the nine months ended November 30, 2023
Total Revenues	$ 4,347,435	$ 4,515,012	$ 11,335,697	$ 8,637,529
(Loss) Income from Operations	$ (135,756)	$ 827,555	$ 345,850	$ 1,924,047
Net and Comprehensive (Loss) Income	$ (384,300)	$ 638,623	$ (171,107)	$ 1,542,909

Management's Discussion and Analysis

ACL's management's discussion and analysis for the fiscal year ended May 31, 2024, and for the interim period ended November 30, 2024 are attached as Schedule "C" to this Filing Statement. ACL's MD&A should be read in conjunction with the corresponding financial statements, which are attached as Schedule "C" to this Filing Statement.

Certain information included in the ACL MD&A is forward-looking and based upon assumptions and anticipated results that are subject to uncertainties. Should one or more of these uncertainties materialize or should the underlying assumptions prove incorrect, actual results may vary significantly from those expected. See "*Special Note Regarding Forward Looking Statements*" above.

Description of Securities

ACL Shares

The holders of ACL Shares are entitled to receive notice of and to attend all meetings of the shareholders of ACL and to one vote per share at meetings of the shareholders of ACL. The holders of ACL Shares are also entitled to receive dividends as and when declared by ACL's board of directors on the ACL Shares as a class. The holders of the ACL Shares shall be entitled, in the event of any liquidation event, to share rateably in such assets of ACL as are available for distribution.

ACL Stock Options

ACL has reserved an aggregate of up to 6,600,000 ACL Shares for issue upon exercise of the 6,600,000 ACL Stock Options at an exercise price of $0.10 per ACL Share.

ACL Subscription Receipts

Each ACL Subscription Receipt of ACL will automatically convert into one ACL Unit for no additional consideration upon satisfaction of the Escrow Release Conditions and in accordance with the Subscription Receipt Agreement. Each

ACL Unit will be comprised of one (1) ACL Share and one (1) ACL Unit Warrant entitling the holder to acquire one (1) ACL Share at an exercise price of $0.50 per share for a period of 36 months from the Listing Date.

Consolidated Capitalization

There have been no material changes in ACL's share and loan capital since the date of its financial statements for the period ended November 30, 2024, attached to as Schedule "C" to this Filing Statement.

Prior Sales

The following table sets forth the number and price at which securities of ACL have been sold within the 12-month period prior to the date of this Filing Statement.

Date of Issue	Number of Securities	Type of Securities	Issue Price/Exercise Price Per Security	Aggregate Issue Price	Nature of Consideration Received
May 31, 2024	1	Convertible Debenture	$0.25/share	$400,000 aggregate principal amount	Cash
July 23, 2024	3,750,000	ACL Shares	$0.10/share	$375,000	Cash
July 23, 2024	950,000	ACL Shares	$0.10/share	$95,000	Services
September 27, 2024	5,000,000	ACL Stock Options(1)	$0.10/share	N/A	N/A
October 31, 2024	1,600,000	ACL Stock Options(2)	$0.10/share	N/A	N/A
December 6, 2024	1,696,000	ACL Shares	$0.25/share	$424,000	Debenture Conversion
December 6, 2024	120,000	ACL Shares	$0.25/share	$30,000	Debt settlement

Notes:

1. Each option may be exercised to purchase one (1) ACL Share at an exercise price of $0.10 per share until September 27, 2034.
2. Each option may be exercised to purchase one (1) ACL Share at an exercise price of $0.10 per share until October 31, 2034.

Executive Compensation

Summary Compensation Table

The following table sets forth the total compensation paid to ACL's Chief Executive Officer, Chief Financial Officer, and the three most highly compensated executive officers of ACL and its subsidiaries for the years ended May 31, 2024, May 31, 2023, and May 31, 2022. These individuals are referred to as the "NEOs":

Name and Position	Year	Salary ($), consulting fee, retainer or commission	Bonus ($)	Committee or meeting fees ($)	Value of Perquisites	Value of all other compensation ($)	Total compensation ($)
John McPherson *Chief Executive Officer and a Director*	2024	292,750 [(1)]	Nil	Nil	Nil	Nil	292,750 [(1)]
	2023	278,513 [(2)]	Nil	Nil	Nil	Nil	278,513 [(2)]
	2022	249,654[(3)]	Nil	Nil	Nil	Nil	249,654[(3)]
Thomas Hall *Chief Operating Officer*	2024	307,500[(4)]	Nil	Nil	Nil	Nil	307,500[(4)]
	2023	285,000[(5)]	Nil	Nil	Nil	Nil	285,000[(5)]
	2022	237,438[(6)]	Nil	Nil	Nil	Nil	237,438[(6)]
Jeffrey Wagner *Chief Financial Officer*[(7)]	2024	188,000[(8)]	Nil	Nil	Nil	Nil	188,000[(8)]
	2023	N/A	N/A	N/A	N/A	N/A	N/A
	2022	N/A	N/A	N/A	N/A	N/A	N/A

Notes:

1. Comprised of an annual salary of $120,000 and management fees of $172,750 paid to 0777, a company owned by John McPherson totaled.
2. Comprised of an annual salary of $120,000 and management fees of $158,513 paid to 0777.
3. Comprised of an annual salary of $106,154 and management fees of $143,500 paid to 0777.
4. Comprised of an annual salary of $120,000 and management fees of 187,500 paid to 1204, a company owned by Thomas Hall.
5. Comprised of an annual salary of $120,000 and management fees of $165,000 paid to 1204.
6. Comprised of an annual salary of $107,438 and management fees of $130,000 paid to 1204.
7. Jeffrey Wagner was appointed as CFO of ACL on May 14, 2024. Mr. Wagner is an employee of 1006098 B.C. Ltd. ("**1006**") and 1006 is compensated for the services Mr. Wagner's provides to ACL pursuant to the Wagner Agreement.
8. This figure represents the amount paid to 1006 by ACL pursuant to the Wagner Agreement. Mr. Wagner is an employee of 1006 and receives a salary from 1006 for providing CFO services.

Share Based Compensation

The following table discloses the particulars of the securities-based awards granted to each director and NEO of ACL in the most recently completed financial year.

Compensation Securities					
Name and Position	Type of compensation security	Number of compensation securities, number of underlying securities and percentage of class(1)	Date of issue or grant	Issue, conversion or exercise price (CAD$)	Expiry date
John McPherson	ACL Stock Option	2,500,000	September 27,	$0.10	September

Chief Executive Officer and a Director of ACL			2024		27, 2034
Thomas Hall *Chief Operating Officer*	ACL Stock Option	2,500,000	September 27, 2024	$0.10	September 27, 2034
Jeffrey Wagner *Chief Financial Officer*	ACL Stock Option	500,000	October 31, 2024	$0.10	October 31, 2034

ACL Omnibus Incentive Plan

On April 11, 2025, the ACL Board adopted the ACL Omnibus Equity Incentive Plan. The ACL Omnibus Incentive Plan is a "rolling" plan which allows ACL to grant ACL Awards to directors, officers, employees and consultants of ACL, up to an aggregate maximum of 10% of the issued and outstanding ACL Shares, from time to time.

ACL Omnibus Incentive Plan Summary

Purpose

The purpose of the ACL Omnibus Incentive Plan is to promote the long-term success of ACL and the creation of Shareholder value by: (i) encouraging the attraction and retention of eligible persons; (ii) encouraging such eligible persons to focus on critical long-term objectives; and (iii) promoting greater alignment of the interests of such eligible persons with the interests of ACL.

The ACL Omnibus Incentive Plan provides flexibility to ACL to grant equity-based incentive awards in the form of Options, RSUs, PSUs and DSUs to eligible persons.

Shares Subject to the ACL Omnibus Incentive Plan

The ACL Omnibus Incentive Plan is a rolling 10% plan such that the aggregate number of ACL Shares that may be issued upon the exercise or settlement of all Security-Based Compensation Arrangements (as defined in the ACL Omnibus Incentive Plan) shall not exceed 10% of the issued and outstanding ACL Shares outstanding from time to time. ACL Shares that were the subject of any Awards (as defined in the ACL Omnibus Incentive Plan) made under the ACL Omnibus Incentive Plan that have been settled in cash, or that have been cancelled, terminated, surrendered, forfeited or have expired without being exercised, and pursuant to which no securities have been issued, may continue to be issuable under the ACL Omnibus Incentive Plan.

Participation Limits

The ACL Omnibus Incentive Plan provides that:

a) unless ACL has obtained disinterested shareholder approval, the maximum aggregate number of ACL Shares issuable to any Participant (as defined in the ACL Omnibus Incentive Plan) under the ACL Omnibus Incentive Plan, within any 12 month period and at any point in time under ACL Omnibus Incentive Plan, together with ACL Shares reserved for issuance to such Participant (and to companies wholly-owned by that participant) under all of ACL's other Security-Based Compensation Arrangements, shall not exceed 5% of the issued and outstanding ACL Shares (calculated as at the date of any grant);

b) unless ACL has obtained disinterested shareholder approval, the maximum aggregate number of ACL Shares issuable to insiders under the ACL Omnibus Incentive Plan, within any 12 month period, together with ACL Shares reserved for issuance to insiders under all of ACL's other Security-Based Compensation Arrangements, shall not exceed 10% of the issued and outstanding ACL Shares (calculated as at the date of any grant);

c) unless ACL has obtained disinterested shareholder approval, the maximum aggregate number of ACL Shares issuable to insiders under the ACL Omnibus Incentive Plan, at any point in time, together with ACL Shares reserved for issuance to insiders under all of ACL's other Security-Based Compensation Arrangements, shall not exceed 10% percent of the issued and outstanding ACL Shares (calculated as at the date of any grant);

d) the maximum aggregate number of ACL Shares issuable to any one consultant (as defined in the ACL Omnibus Incentive Plan) under the ACL Omnibus Incentive Plan, within any 12 month period, together with ACL Shares issuable to such consultant under all of ACL's other Security-Based Compensation Arrangements, shall not exceed 2% percent of the issued and outstanding ACL Shares (calculated as at the date of any grant); and

e) the maximum aggregate number of ACL Shares issuable pursuant to grants of ACL Stock Options to all investor relation service providers performing investor relations activities under the ACL Omnibus Incentive Plan, within any 12 month period, shall not in aggregate exceed 2% percent of the issued and outstanding ACL Shares (calculated as at the date of any grant). For the avoidance of doubt, persons performing investor relations activities are only eligible to receive ACL Stock Options under the ACL Omnibus Incentive Plan; they are not eligible to receive any Performance-Based Award or other type of securities-based compensation under the ACL Omnibus Incentive Plan.

Administration of the ACL Omnibus Incentive Plan

The ACL Omnibus Incentive Plan is administered by the ACL Board and the ACL Board has full authority to administer the ACL Omnibus Incentive Plan, including the authority to interpret and construe any provision of the ACL Omnibus Incentive Plan and to adopt, amend and rescind such rules and regulations for administering the ACL Omnibus Incentive Plan as the ACL Board may deem necessary in order to comply with the requirements of the ACL Omnibus Incentive Plan.

Eligible Persons under the ACL Omnibus Incentive Plan

When used in connection with the grant of ACL Stock Options, all officers, directors, employees, management company employees and consultants of ACL are eligible to participate in the ACL Omnibus Incentive Plan. When used in connection with the grant of ACL Performance-Based Awards, all officers, directors, employees, management company employees and consultants of ACL that do not perform investor relations activities are eligible to participate in the ACL Omnibus Incentive Plan. The extent to which any such individual is entitled to receive a grant of an award pursuant to the ACL Omnibus Incentive Plan will be determined in the sole and absolute discretion of the ACL Board. Each person who receives a grant under the ACL Omnibus Incentive Plan is referred to as a "**Participant**".

Types of Awards

Awards of ACL Stock Options, ACL RSUs, ACL PSUs and ACL DSUs may be made under the ACL Omnibus Incentive Plan. All of the awards described below are subject to the conditions, limitations, restrictions, exercise price, vesting, settlement and forfeiture provisions determined by the ACL Board, in its sole discretion, subject to such limitations provided in the ACL Omnibus Incentive Plan, and will generally be evidenced by an award agreement.

ACL Stock Options

Each ACL Stock Option entitles a holder thereof to purchase a prescribed number of ACL Shares at an exercise price determined by the ACL Board at the time of the grant of the Option, provided that the exercise price of an ACL Stock Option granted under the ACL Omnibus Incentive Plan shall not be less than the Discounted Market Price (as defined in the ACL Omnibus Incentive Plan), provided that if an ACL Stock Option is proposed to be granted by ACL after ACL has just been recalled for trading following a suspension or halt, ACL must wait at least 10 trading days since the day on which trading in ACL's securities resumes before setting the exercise price for and granting the ACL Stock Option. Each ACL Stock Option shall, unless sooner terminated, expire on a date to be determined by the ACL Board which will not exceed 10 years from the date of grant of the ACL Stock Option. The ACL Board may, in its absolute discretion, upon granting ACL Stock Options under the ACL Omnibus Incentive Plan, specify different time periods following the dates of granting the ACL Stock Options during which the Participant may exercise their ACL Stock Options to purchase ACL Shares and may designate different exercise prices and numbers of ACL Shares in respect of which each Participant may exercise ACL Stock Options during each respective time period. Subject to the discretion of the ACL Board, the ACL Stock Options granted to a Participant under the ACL Omnibus Incentive Plan shall vest as determined by the ACL Board on the date of grant of such ACL Stock Options. If the ACL Board does not specify a vesting schedule at the date of grant, then ACL Stock Options granted to persons, other than those conducting investor relations activities, shall vest fully on the date of grant, and in any event in accordance with the policies of the TSXV. ACL Stock Options issued to persons conducting investor relations activities must vest (and shall not otherwise be exercisable) in stages over a minimum of 12 months such that: (a) no more than 1/4 of the ACL Stock Options vest no sooner than 3 months after the date of grant; (b) no more than another 1/4 of the ACL Stock Options vest no sooner than 6 months after the date of grant; (c) no more than another 1/4 of the ACL Stock Options vest no sooner than 9 months after the date of grant; and (d) the remainder of the ACL Stock Options vest no sooner than 12 months after the date of grant.

If the award agreement for the grant of ACL Stock Options so provides, in the event of a change of control (as defined in the ACL Omnibus Incentive Plan), all ACL Stock Options granted to a Participant who ceases to be an eligible person shall become fully vested and shall become exercisable by the Participant in accordance with the terms of such award agreement and the ACL Omnibus Incentive Plan. No acceleration of the vesting of any ACL Stock Options shall be permitted without prior TSXV review and acceptance for ACL Stock Options issued to persons conducting investor relations activities.

Other than as may be set forth in the award agreement for the grant of ACL Stock Options, upon the death of a Participant, any ACL Stock Options granted to such Participant which, prior to the Participant's death, have not vested, will immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect; and the Participant or their estate, as the case may be, shall have no right, title or interest therein whatsoever. Any ACL Stock Options granted to such Participant which, prior to the Participant's death, had vested pursuant to the terms of the applicable Award Agreement will accrue to the Participant's estate in accordance with ACL Omnibus Incentive Plan.

Where a Participant's relationship with ACL is terminated by ACL or a subsidiary for cause, all ACL Stock Options granted to the Participant under the ACL Omnibus Incentive Plan will immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the termination date.

Where a Participant's relationship with ACL terminates by reason of termination by ACL or a subsidiary without cause, by voluntary termination, voluntary resignation or due to retirement by the Participant, such that the Participant no longer qualifies as an eligible person, all ACL Stock Options granted to the Participant under the ACL Omnibus Incentive Plan that have not vested will, unless the applicable award agreement provides otherwise and subject to the provisions below, immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the termination date; provided, however, that any ACL Stock Options granted to such Participant which, prior to the Participant's termination without cause, voluntary termination, voluntary resignation or retirement, had vested pursuant to the terms of the applicable award agreement will accrue to the Participant in accordance with the ACL Omnibus Incentive Plan and shall be exercisable by such Participant for a period of 90 days following the date the Participant ceased to be an eligible person, or such longer period as may be provided for in the award agreement or as may be determined by the ACL Board provided such period does not exceed 12 months after the termination date.

Where a Participant becomes afflicted by a disability, all ACL Stock Options granted to the Participant under the ACL Omnibus Incentive Plan will continue to vest in accordance with the terms of such ACL Stock Options; provided, however, that no ACL Stock Options may be redeemed during a leave of absence. Where a Participant's relationship is terminated due to disability such that the Participant ceases to be an eligible person, all ACL Stock Options granted to the Participant under the ACL Omnibus Incentive Plan that have not vested will, unless the applicable award agreement provides otherwise and subject to the provisions below, immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the termination date; provided, however, that any ACL Stock Options granted to such Participant which, prior to the termination of the Participant's relationship with ACL due to disability, had vested pursuant to terms of the applicable award agreement, will accrue to the Participant in accordance with the ACL Omnibus Incentive Plan and shall be exercisable by such Participant for a period of 90 days following the termination date, or such longer period as may be provided for in the award agreement or as may be determined by the ACL Board, provided such period does not exceed 12 months after the termination date.

Participants may elect to undertake (i) a broker assisted "cashless exercise" pursuant to which ACL or its designee may deliver a copy of irrevocable instructions to a broker engaged for such purposes by ACL to sell the ACL Shares otherwise deliverable upon the exercise of ACL Stock Options and to deliver promptly to ACL an amount equal to the exercise price and all applicable required withholding obligations against delivery of ACL Shares to settle the applicable trade; or (ii) a "net exercise" procedure effected by ACL withholding the minimum number of ACL Shares otherwise deliverable in respect of an ACL Stock Option that are needed to pay for the exercise price and all applicable required withholding obligations, such that the number of ACL Shares received by the Participant is equal to the quotient obtained by dividing: (A) the product of the number of ACL Stock Options being exercised multiplied by the difference between the VWAP (as defined in the ACL Omnibus Incentive Plan) of the underlying ACL Shares and the exercise price of the subject ACL Stock Options; by (B) the VWAP of the underlying ACL Shares. A "net exercise" may not be undertaken by Participants engaged in investor relations activities.

Restricted Share Units

An ACL RSU is a right awarded to a Participant, as compensation for employment or consulting services or services as a director or officer, to receive for no additional cash consideration, securities of ACL upon specified vesting criteria being satisfied, and subject to the terms and conditions of the ACL Omnibus Incentive Plan and the applicable award agreement, and which may be paid in cash and/or ACL Shares. The number of ACL RSUs to be credited to each Participant shall be determined by the ACL Board in its sole discretion in accordance with the ACL Omnibus Incentive Plan. All ACL RSUs will vest and become payable by the issuance of ACL Shares at the end of the restriction period if all applicable restrictions have lapsed, as such restrictions may be specified in the award agreement.

ACL RSUs shall be subject to such restrictions as the ACL Board, in its sole discretion, may establish in the applicable award agreement, which restrictions may lapse separately or in combination at such time or times and on such terms, conditions and satisfaction of objectives as the ACL Board may, in its discretion, determine at the time a ACL RSU is granted. The ACL Board shall determine any vesting terms applicable to the grant of ACL RSUs, however, no ACL RSUs may vest before the date that is 12 months following the date of the award.

If the award agreement so provides, in the event of a change of control (as defined in the ACL Omnibus Incentive Plan) pursuant to which a Participant ceases to be an eligible person, all restrictions upon any ACL RSUs shall lapse immediately and all such ACL RSUs shall become fully vested in the Participant in accordance with the ACL Omnibus Incentive Plan.

Upon the death of a Participant, any ACL RSUs granted to such Participant which, prior to the Participant's death, have not vested, will be immediately and automatically forfeited and cancelled without further action and without any cost or payment, and the Participant or their estate, as the case may be, shall have no right, title or interest therein whatsoever. Any ACL RSUs granted to such Participant which, prior to the Participant's death, had vested pursuant to the terms of the applicable award agreement will accrue to the Participant's estate in accordance with the ACL Omnibus Incentive Plan.

Where a Participant's relationship with ACL is terminated by ACL or a subsidiary for cause, all ACL RSUs granted to the Participant under the ACL Omnibus Incentive Plan will immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the termination date. Where a Participant's relationship with ACL terminates by reason of termination by ACL or a subsidiary without cause, by voluntary termination, voluntary resignation or due to retirement by the Participant, all ACL RSUs granted to the Participant under the ACL Omnibus Incentive Plan that have not vested will, subject to the provisions below, immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the termination date and the Participant shall have no right, title or interest therein whatsoever; provided, however, that any ACL RSUs granted to such Participant which, prior to the Participant's termination without cause, voluntary termination, voluntary resignation or retirement, had vested pursuant to the terms of the applicable award agreement will accrue to the Participant in accordance with the ACL Omnibus Incentive Plan.

Where a Participant becomes afflicted by a disability, all ACL RSUs granted to the Participant under the ACL Omnibus Incentive Plan will continue to vest in accordance with the terms of such ACL RSUs; provided, however, that no ACL RSUs may be redeemed during a leave of absence. Where a Participant's relationship is terminated due to disability such that the Participant ceases to be an eligible person, all ACL RSUs granted to the Participant under the ACL Omnibus Incentive Plan that have not vested will, unless the applicable award agreement provides otherwise and subject to the provisions below, immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the termination date and the Participant shall have no right, title or interest therein whatsoever; provided, however, that any ACL RSUs granted to such Participant which, prior to the Participant's termination due to disability, had vested pursuant to terms of the applicable award agreement will accrue to the Participant in accordance with the ACL Omnibus Incentive Plan.

As soon as practicable after each vesting date of an ACL RSU, ACL shall, at the sole discretion of the ACL Board, either: (a) issue to the Participant from treasury the number of ACL Shares equal to the number of ACL RSUs that have vested; or (b) make a cash payment in an amount equal to the Market Unit Price (as defined in the ACL Omnibus Incentive Plan) on the next trading day after the vesting date of the ACL RSUs, net of applicable withholdings.

Performance Share Units

An ACL PSU is a right awarded to a Participant, as compensation for employment or consulting services or services as a director or officer, to receive, for no additional cash consideration, securities of ACL upon specified performance and vesting criteria being satisfied, subject to the terms and conditions of the ACL Omnibus Incentive Plan and the applicable award agreement, and which may be paid in cash and/or ACL Shares.

Subject to the provisions of the ACL Omnibus Incentive Plan and such other terms and conditions as the ACL Board may prescribe, the ACL Board may, from time to time, grant awards of ACL PSUs to eligible persons that do not perform investor relations activities. The number of ACL PSUs to be awarded to any Participant shall be determined by the ACL Board, in its sole discretion, in accordance with the ACL Omnibus Incentive Plan. Each ACL PSU shall, contingent upon the attainment of the performance criteria within the performance cycle, represent one ACL Share.

The ACL Board will select, settle and determine the performance criteria (including without limitation the attainment thereof), for purposes of the vesting of the ACL PSUs, in its sole discretion. An award agreement may provide the ACL Board with the right to revise the performance criteria and the award amounts if unforeseen events (including, without limitation, changes in capitalization, an equity restructuring, an acquisition or a divestiture) occur which have a substantial effect on the financial results and which in the sole judgement of the ACL Board make the application of the performance criteria unfair unless a revision is made.

All ACL PSUs will vest and become payable to the extent that the performance criteria set forth in the award agreement are satisfied in the performance cycle, the determination of which satisfaction shall be made by the ACL Board on the determination date. No ACL PSU may vest before the date that is 12 months following the date of the award. If the award agreement so provides, in the event of a change of control (as defined in the ACL Omnibus Incentive Plan) pursuant to which a Participant ceases to be an eligible person, all ACL PSUs granted to a Participant shall become fully vested in such Participant (without regard to the attainment of any performance criteria) and shall become payable to the Participant in accordance with the ACL Omnibus Incentive Plan.

Other than as may be set forth in the applicable award agreement and below, upon the death of a Participant, all ACL PSUs granted to the Participant which, prior to the Participant's death, have not vested, will immediately and automatically be forfeited and cancelled without further action and without any cost or payment, and the Participant or their estate, as the case may be, shall have no right, title or interest therein whatsoever; provided, however, the ACL Board may determine, in its sole discretion, the number of the Participant's ACL PSUs that will vest based on the extent to which the applicable performance criteria have been satisfied in that portion of the performance cycle that has lapsed.

Where a Participant's relationship with ACL is terminated by ACL or a subsidiary for cause, all ACL PSUs granted to the Participant under the ACL Omnibus Incentive Plan will immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the termination date. Where a Participant's relationship with ACL terminates by reason of termination by ACL or a subsidiary without cause, by voluntary termination, voluntary resignation or due to retirement by the Participant, all ACL PSUs granted to the Participant which have not vested will, unless the award agreement provides otherwise and subject to the provisions below, immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the termination date, and the Participant shall have no right, title or interest therein whatsoever; provided, however, the ACL Board may determine, in its sole discretion, the number of the Participant's ACL PSUs that will vest based on the extent to which the applicable performance have been satisfied in that portion of the performance cycle that has lapsed.

Where a Participant becomes afflicted by a disability, all ACL PSUs granted to the Participant under the ACL Omnibus Incentive Plan will continue to vest in accordance with the terms of such ACL PSUs; provided, however, that no ACL PSUs may be redeemed during a leave of absence. Where a Participant's relationship is terminated due to disability such that the Participant ceases to be an eligible person, all ACL PSUs granted to the Participant under the Omnibus Incentive Plan that have not vested will, unless the applicable award agreement provides otherwise and subject to the provisions below, immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the termination date, and the Participant shall have no right, title or interest therein whatsoever; provided, however, that the ACL Board may determine, in its sole discretion, the number of the Participant's ACL PSUs that will vest based on the extent to which the applicable performance criteria have been satisfied in that portion of the performance cycle that has lapsed.

Payment to Participants in respect of vested ACL PSUs shall be made after the determination date for the applicable award and in any case within 90 days after the last day of the performance cycle to which such award relates. ACL shall, at the sole discretion of the ACL Board, either: (a) issue to the Participant the number of ACL Shares equal to the number of ACL PSUs that have vested on the Determination Date (as defined in the ACL Omnibus Incentive Plan); or (b) make a cash payment in an amount equal to the Market Unit Price (as defined in the ACL Omnibus Incentive Plan) on the next trading day after the determination date of the ACL PSUs that have vested, net of applicable withholdings.

Deferred Share Units

An ACL DSU is a right granted to a Participant, as compensation for employment or consulting services or services as a director or officer, to receive, for no additional cash consideration, securities of ACL on a deferred basis upon specified vesting criteria being satisfied, subject to the terms and conditions of the ACL Omnibus Incentive Plan and the applicable award agreement, and which may be paid in cash and/or ACL Shares.

Subject to the provisions of the ACL Omnibus Incentive Plan and such other terms and conditions as the ACL Board may prescribe, the ACL Board may, from time to time, grant awards of ACL DSUs to directors that do not perform investor relations activities in lieu of Fees (as defined in the ACL Omnibus Incentive Plan) or to other eligible persons that do not perform investor relations activities as compensation for employment or consulting services. The number of ACL DSUs to be credited to each Participant shall be determined by the ACL Board in its sole discretion in accordance with the ACL Omnibus Incentive Plan. The number of ACL DSUs shall be specified in the applicable award agreement. Each director may elect to receive any or all of their fees in ACL DSUs under the ACL Omnibus Incentive Plan.

The number of ACL DSUs shall be calculated by dividing the amount of Fees selected by a director by the Market Unit Price (as defined in the ACL Omnibus Incentive Plan) on the grant date (or such other price as required under the Policies of the TSXV) which shall be the 10th business day following each financial quarter end. Any fractional ACL DSU shall be rounded down and no payment or other adjustment will be made with respect to the fractional ACL DSU.

No ACL DSUs may vest before the date that is 12 months following the date of the award of the ACL DSU.

Each Participant shall be entitled to receive, after the effective date that the Participant ceases to be an eligible person for any reason, on a day designated by the Participant and communicated to ACL by the Participant in writing at least fifteen (15) days prior to the designated day (or such earlier date after the Participant ceases to be an eligible person as the Participant and ACL may agree, which date shall be no later than one year after the date upon which the Participant ceases to be an eligible person) and if no such notice is given, then on the first anniversary of the effective date that the Participant ceases to be an eligible person, at the sole discretion of the ACL Board, either: (a) that number of ACL Shares equal to the number of vested ACL DSUs credited to the participant's account, such ACL Shares to be issued from treasury of ACL; or (b) a cash payment in an amount equal to the Market Unit Price on the next trading day after the Participant ceases to be an eligible person of the vested ACL DSUs, net of applicable withholdings.

In the event that the value of an ACL DSU would be determined with reference to a period commencing at a fiscal quarter end of ACL and ending prior to the public disclosure of interim financial statements for the quarter (or annual financial statements in the case of the fourth quarter), the cash payment of the value of the ACL DSUs will be made to the Participant with reference to the five (5) trading days immediately following the public disclosure of the interim financial statements for that quarter (or annual financial statements in the case of the fourth quarter).

Upon death of a Participant holding ACL DSUs that have vested, the Participant's estate shall be entitled to receive, within one year of the Participant's death and at the sole discretion of the ACL Board, a cash payment or ACL Shares that would have otherwise been payable in accordance with the ACL Omnibus Incentive Plan to the Participant upon such Participant ceasing to be an eligible person.

General Provisions of the Omnibus Incentive Plan

Non-Transferability

No ACL Stock Option or ACL Performance-Based Award and no right under any such ACL Stock Option or ACL Performance-Based Award shall be assignable, alienable, saleable, or transferable by a Participant otherwise than by will or by the laws of descent and distribution and only then if permitted by the Policies of the TSXV. No ACL Stock Option or ACL Performance-Based Award and no right under any such ACL Stock Option or ACL Performance-Based Award, may be pledged, alienated, attached, or otherwise encumbered, and any purported pledge, alienation, attachment, or encumbrance thereof shall be void and unenforceable against ACL.

Black-out Periods

In the event that the date provided for expiration, redemption or settlement of an award falls within a blackout period imposed by ACL pursuant to a trading policy as the result of the bona fide existence of undisclosed material information, the expiry date, redemption date or settlement date, as applicable, of the award shall automatically be extended to the date that is ten (10) business days following the date of expiry of the blackout period. Notwithstanding the foregoing, there will be no extension of any award if ACL (or the Participant) is subject to a cease trade order (or similar order under applicable law).

Deductions

Whenever cash is to be paid in respect of ACL DSUs, ACL RSUs or ACL PSUs, ACL shall have the right to deduct from all cash payments made to a Participant any taxes required by law to be withheld with respect to such payments. Whenever ACL Shares are to be delivered in respect of ACL DSUs, ACL RSUs or ACL PSUs, ACL shall have the right to deduct from any other amounts payable to the Participant any taxes required by law to be withheld with respect to such delivery of ACL Shares, or if any payment due to the Participant is not sufficient to satisfy the withholding obligation, to require the Participant to remit to ACL in cash an amount sufficient to satisfy any taxes required by law to be withheld. At the sole discretion of the ACL Board, a Participant may be permitted to satisfy the foregoing requirement, all in accordance with the Policies of the TSXV, by delivering (on a form prescribed by ACL and in any event in accordance with the Policies of the TSXV) an irrevocable direction to a securities broker approved by ACL to sell all or a portion of the ACL Shares and deliver to ACL from the sales proceeds an amount sufficient to pay the required withholding taxes.

Amendments to the Omnibus Incentive Plan

The ACL Board may at any time or from time to time, in its sole and absolute discretion and without the approval of Shareholders, amend, suspend, terminate or discontinue the ACL Omnibus Incentive Plan and may amend the terms and conditions of any ACL Stock Options or ACL Performance-Based Awards granted hereunder, subject to:

a) any required disinterested shareholder approval to (i) reduce the exercise price of an ACL Stock Option or ACL Performance-Based Award issued to an insider or (ii) extend the term of a ACL Stock Option granted to an insider, in either event, in accordance with the Policies of the TSXV while the ACL Shares are listed on the TSXV;

b) any required approval of any applicable regulatory authority or the TSXV; and

c) any approval of shareholders as required by the Policies of the TSXV (or otherwise required by the TSXV) or applicable law, provided that shareholder approval shall not be required for the following amendments (except that the TSXV may require approval of shareholders for amendments under items (c)(iii) to (c)(vii) below) and the ACL Board may make any changes which may include but are not limited to:

   i. amendments of a "housekeeping nature";

   ii. amendments for the purpose of curing any ambiguity, error or omission in the ACL Omnibus Incentive Plan or to correct or supplement any provision of the ACL Omnibus Incentive Plan that is inconsistent with any other provision of the ACL Omnibus Incentive Plan;

   iii. amendments which are necessary to comply with applicable law or the requirements of the TSXV;

   iv. amendments respecting administration and eligibility for participation under the ACL Omnibus Incentive Plan;

   v. amendments to the terms and conditions on which ACL Stock Options or ACL Performance-Based Awards may be or have been granted pursuant to ACL Omnibus Incentive Plan including amendments to the vesting provisions and terms of any ACL Stock Options or ACL Performance-Based Awards;

   vi. with the exception of ACL Stock Options granted to persons performing investor relations activities, amendments which alter, extend or accelerate the terms of vesting applicable to any ACL Stock Options or ACL Performance-Based Awards; and

   vii. changes to the termination provisions of an ACL Stock Option, ACL Performance-Based Award or the ACL Omnibus Incentive Plan which do not entail an extension beyond the original fixed term.

Management Contracts

Thomas Hall and John McPherson receive compensation for their services to ACL in accordance with an unwritten fee arrangement determined by the ACL Board. The payments made pursuant to the unwritten fee arrangement are made from time to time, subject to the working capital position of ACL being sufficient to support such payments. In the event it is determined that ACL's working capital cannot support the immediate payment of fees, the unpaid fees are accrued and paid out when fiscally prudent to do so.

On May 14, 2024, ACL and 1006 entered into a services agreement (as amended on September 30, 2024, the "**Wagner Agreement**"). In accordance with the Wagner Agreement, Jeff Wagner has been appointed as the CFO of ACL and is expected to be the CFO of the Resulting Issuer. Compensation for services provided under the Wagner Agreement include cash fees of $188,000 per annum, plus applicable taxes, as well as participation in ACL's equity incentive plans. The Wagner Agreement may be terminated by either party upon thirty (30) days advance written notice by either party, or immediately by ACL if Mr. Wagner ceases to be employed by 1006 or otherwise ceases to be able or qualified to perform his functions as the CFO of ACL.

Oversight and description of Director and NEO Compensation

ACL's compensation program is intended to attract, motivate, reward and retain the management talent needed to achieve ACL's business objectives of improving overall corporate performance and creating long-term value for ACL's shareholders. The compensation program is intended to reward executive officers on the basis of individual performance and achievement of corporate objectives. ACL's current compensation program is comprised of base salary or fees, short term incentives such as discretionary bonuses and long-term incentives such as stock options.

The ACL Board has not created or appointed a compensation committee given ACL's current size and stage of development. All tasks related to developing and monitoring ACL's approach to the compensation of ACL's NEOs and directors are performed by the members of the ACL Board. The compensation of the NEOs, directors and ACL's employees or consultants, if any, is reviewed, recommended and approved by the ACL Board without reference to any specific formula or criteria. NEOs that are also directors of ACL are involved in discussion relating to compensation and disclose their interest in and may abstain from voting on compensation decisions relating to them, as applicable, in accordance with the applicable corporate legislation.

Non-Arm's Length Party Transactions

As of November 30, 2024, ACL was indebted to 0777, a company owned by John McPherson, in the amount of $129,577, to 1204, a company controlled by Thomas Hall, in the amount of $77,103, to 1298321 B.C. Ltd. ("**1298**") a company owned jointly by companies controlled by Thomas Hall and John McPherson, in the amount of $113,295, to John McPherson in the amount of $42,082, and to Thomas Hall in the amount of $79,145. These amounts are unsecured and non-interest bearing and were advanced to ACL for payment of expenses.

As of November 30, 2024, 0777was indebted to ACL, in the amount of $140,556, 1204, was indebted to ACL in the amount of $290,587, 1210244 B.C. Ltd. ("**1210**") a company owned jointly by companies controlled by Thomas Hall and John McPherson, was indebted to ACL in the amount of $705,969, 1298, was indebted to ACL in the amount of $113,295, and John McPherson was indebted to ACL, in the amount of $32,546. These amounts are unsecured and non-interest bearing and were advanced by ACL for payment of expenses.

Effective April 1, 2021, ACL entered into a lease agreement with 1210 for the lease of yard storage, at a rate of $13,500 per month plus GST, for a period of ten (10) years with two (2) options to extend the lease for five (5) years per option. ACL did not make any payments on the lease during the three and six months ended November 30, 2024.

During the three and six months ended November 30, 2024, ACL sold a vehicle to 0777 for cash consideration of $36,441 which resulted in a gain on disposal of $24,842.

Legal Proceedings

There are no material pending legal proceedings to which ACL is a party or of which any of its property is the subject matter nor are any such proceedings known to ACL to be contemplated.

Material Contracts

Since incorporation, the only material contracts entered into by ACL, other than contracts entered into in the ordinary course of business, is the Business Combination Agreement.

Copies of these agreements may be inspected during regular business hours at the office of ACL's legal counsel, Pushor Mitchell LLP, 301 – 1665 Ellis Street, Kelowna, British Columbia, until the Completion of the Qualifying Transaction and for a period of 30 days thereafter. These agreements are also publicly available under Samurai's profile on the SEDAR+ website at www.sedarplus.ca.

PART IV - INFORMATION CONCERNING THE RESULTING ISSUER

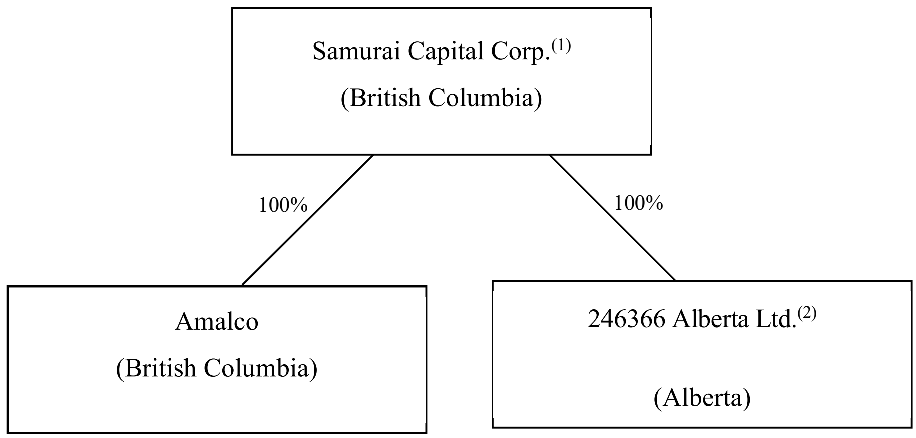
Corporate Structure

Name and Incorporation

Following Closing, the Resulting Issuer will operate under the name "A.C.L. Construction Ltd." and will continue to be governed by the provisions of the BCBCA.

Intercorporate Relationships

The following organizational chart reflects the proposed structure of the Resulting Issuer after Completion of the Qualifying Transaction:



Notes:

1. To be renamed A.C.L. Construction Ltd.
2. A non-operating subsidiary from a prior transaction, that will remain inactive.

Narrative Description of the Business

Business Objectives and Milestones

Upon Completion of the Qualifying Transaction the Resulting Issuer will continue the business of ACL. For further details on the business of ACL, see *Part III – Information Concerning ACL – Narrative Description of Business*. The Resulting Issuer intends to utilize the proceeds of the Concurrent Financing for debt repayments as well as meeting its immediate working capital deficiency which will occur upon receipt of the proceeds under the Minimum Financing. If the Maximum Financing is fully subscribed, the Resulting Issuer intends to expand its capabilities and business through competing in an increasing number of competitive bid processes and also exploring and, where deemed appropriate, pursuing M&A opportunities. ACL has not currently identified any potential M&A targets.

Description of the Securities

The authorized capital of the Resulting Issuer will consist of an unlimited number of Resulting Issuer Shares without nominal or par value and an unlimited number of preferred shares issuable in series. The Resulting Issuer Shares will have the same right, privileges, restrictions and conditions as the Samurai Shares. See: *Part II – Information Concerning Samurai – Description of Securities*.

Immediately prior to Closing, on a post-Consolidation basis, Samurai will have 3,700,000 Samurai Shares, 220,000 Samurai Stock Options. Assuming the completion of the Minimum Financing, ACL will have 69,516,000 ACL Shares (including the ACL Shares issuable upon the conversion of the ACL Subscription Receipts), 10,000,000 ACL Unit Warrants, up to 900,000 ACL Finder Warrants and 6,600,000 ACL Stock Options. Assuming completion of the Maximum Financing, ACL will have 82,849,333 ACL Shares (including the ACL Shares issuable upon the conversion of the ACL Subscription Receipts), 23,333,333 ACL Unit Warrants, up to 2,100,000 ACL Finder Warrants and 6,600,000 ACL Stock Options.

After completion of Closing, assuming the completion of the Minimum Financing, it is expected that the Resulting Issuer will have 73,216,000 Resulting Issuer Shares, 6,820,000 Resulting Issuer Stock Options, 10,000,000 Resulting Issuer Warrants, and up to 900,000 Resulting Issuer Finder Warrants. Assuming the Maximum Financing is fully subscribed, it is expected that the Resulting Issuer will have 86,549,333 Resulting Issuer Shares, 23,333,333 Resulting Issuer Warrants, 6,820,000 Resulting Issuer Stock Options, and up to 2,100,000 Resulting Issuer Finder Warrants.

For a further description of the Samurai securities and the ACL securities see "*Part II – Information Concerning Samurai – Description of Securities*" and "*Part III – Information Concerning ACL - Description of Securities*".

Pro Forma Consolidated Capitalization

The following table sets forth the pro forma share and loan capital of the Resulting Issuer as at November 30, 2024 after giving effect to the Closing on a consolidated basis, based on the pro forma consolidated financial statements contained in this Filing Statement after giving effect to the Proposed Qualifying Transaction. This table should be read in conjunction with the pro forma consolidated financial statements and notes thereto included in this Filing Statement.

Designation of Security	Amount authorized or to be authorized	Amount outstanding after giving effect to the Qualifying Transaction and the Minimum Financing	Amount outstanding after giving effect to the Qualifying Transaction and the (Maximum Financing)
Resulting Issuer Shares	Unlimited	73,216,000	86,549,333
Resulting Issuer Options	Up to 10% of the issued and outstanding Resulting Issuer Shares	6,820,000	6,820,000
Resulting Issuer Warrants	Up to 23,333,333	10,000,000	23,333,333
Resulting Issuer Finder Warrants	Up to 2,100,000	Up to 900,000	Up to 2,100,000

Fully Diluted Share Capital

The following table sets out the number and percentage of securities of the Resulting Issuer anticipated to be outstanding, on a fully diluted basis, after giving effect to the Proposed Qualifying Transaction and the Concurrent Financing.

Designation of Security	Number of securities (Minimum Financing)	Percentage (fully-diluted)	Number of securities (Maximum Financing)	Percentage (fully-diluted)
Resulting issuer shares issued in exchange for:				
Samurai Shares	3,700,000	4.31%	3,700,000	3.30%
ACL Shares	59,516,000	72.71%	59,516,000	55.65%
ACL Subscription Receipts	10,000,000	21.99%	23,333,333	39.28%
Resulting Issuer Shares reserved for issuance pursuant to:				
ACL Stock Options	6,600,000	7.26%	6,820,000	5.56%
Samurai Stock Options	220,000	0.24%	220,000	0.19%
Resulting Issuer Warrants	10,000,000	11.00%	23,333,333	19.64%
Resulting Issuer Finder Warrants	900,000	0.99%	2,100,000	1.77%
Total (Fully Diluted)	**90,936,000**	**100 %**	**118,802,666**	**100 %**

Sources and Principal Purposes of Funds

Available Funds

Upon completion of the Proposed Qualifying Transaction, and taking into account the net proceeds of the Concurrent Financing, upon satisfaction of the Escrow Release Conditions, the Resulting Issuer is expected to have available funds of approximately ($1,963,800) assuming completion of the Minimum Financing and $2,036,200 assuming completion of the Maximum Financing is fully subscribed, based on the estimated working capital of each of Samurai and ACL as at March 31, 2025, in the aggregate amount of approximately $(4,963,800).

Sources of Funds	Estimated amount (Minimum Financing) $	Estimated amount (Maximum Financing) $
Estimated working capital of Samurai at March 31, 2025	(18,410)	(18,410)
Estimated working capital of ACL at March 31, 2025	(4,945,390)	(4,945,390)
Estimated gross proceeds from the Concurrent Financing	3,000,000	7,000,000
Estimated proceeds from contracts awarded to the Resulting Issuer (1)	14,500,000	14,500,000
Estimated costs to service contracts awarded to the Resulting Issuer (2)	(9,860,000)	(9,860,000)
Total Estimated Available Funds	**2,676,200**	**6,676,200**

Notes:

3. Estimated proceeds from contracts awarded to, or expected to be awarded to, the Resulting Issuer has been estimated for the twelve (12) month period consisting of March 1, 2025, until February 28, 2026. See "*Part IV – Information*

Concerning the Resulting Issuer– Sources and Principal Purposes of Funds – Revenue Model and Key Assumptions" for further details.

4. Assumes a gross margin of 32 percent for the twelve (12) month period consisting of March 1, 2025, until February 28, 2026. See "*Part IV – Information Concerning the Resulting Issuer– Sources and Principal Purposes of Funds – Revenue Model and Key Assumptions*" for further details.

Principal Purposes

Upon completion of the Concurrent Financing and the Proposed Qualifying Transaction, the Resulting Issuer will carry on the business conducted by ACL. The principal purpose of the available funds, after giving effect to the Proposed Qualifying Transaction and for the 12 months period consisting of March 1, 2025, to February 28, 2026, will be for, among other things, costs to service contracts awarded to the Resulting Issuer, working capital and, additional debt repayments. It is anticipated that the Resulting Issuer will use such funds as follows, assuming that the Concurrent Financing is completed under the completion of each of the Minimum Financing and Maximum Financing:

Principal Use of Funds	Estimated amount (Minimum Financing) $	Estimated amount (Maximum Financing) $
Expenses related to the completion of the Proposed Qualifying Transaction (1)	650,000	850,000
Estimated general and administration expenses (2)	1,921,779	1,921,779
Long-term debt repayments	-	1,200,000
Unallocated working capital	104,421	2,704,421
Total	**2,676,200**	**6,704,200**

Notes:

3. Expenses related to the completion of the Proposed Qualifying Transaction are anticipated to include commissions of $150,000 if the Minimum Financing is achieved and $350,000 if the Maximum Financing is achieved reflecting cash finder's fee of up to 5% of the gross proceeds of the Concurrent Financing. ACL estimates professional fees and ACL transfer agent fees of $500,000 in aggregate.
4. Comprised of management and administrative salaries, wages and benefits consisting of $546,173 (of which $248,500 is expected to be paid to 0777, a Company owned by John McPherson and $210,000 is expected to be paid to 1204, a Company owned by Thomas Hall), professional fees consisting of $475,197, insurance fees consisting of $640,378, and miscellaneous and administrative expenses of $260,032.

Revenue Model and Key Assumptions

The information set forth in the table above is forward-looking in nature and based upon assumptions and anticipated results that are subject to uncertainties. Should one or more of these uncertainties materialize or should the underlying assumptions prove incorrect, actual results may vary significantly from those expected. See "*Special Note Regarding Forward-Looking Statements*". The Estimated proceeds from contracts awarded to the Resulting Issuer have been estimated on the following basis:

(a) approximately $4,200,000 or 29% of the projected revenue consists of revenue for which ACL is currently contracted to complete through bid jobs that have been awarded to ACL;

(b) approximately $2,800,000 or 19% of the projected revenue relates to recurring revenue that ACL has historically received from long term clients that are billed on an hourly basis for labour and heavy machinery services provided by ACL, this work is not done pursuant to a written contract however ACL has no reasonable basis to assume this revenue source will not continue;

(c) approximately $7,500,000 or 52% of the projected revenue relates to revenue that ACL expects to secure through future bid jobs but has not currently been contracted to complete. ACL notes that due to the seasonality of the industry in which it operates ACL expects to be successful in securing future bid jobs as the calendar year progresses; and

(d) the projected costs to service the contracts awarded to the Resulting Issuer has been estimated based upon the historical costs incurred by ACL in servicing prior contracts.

Dividends

It is currently anticipated that the Resulting Issuer will retain all future earnings and other cash resources for the future operation and development of its business, and accordingly, it is not expected that the Resulting Issuer will declare or pay any cash dividends in the foreseeable future. Payment of any dividends in the future will be at the discretion of the board of the directors of the Resulting Issuer after taking into account many factors including the Resulting Issuer's operating results, financial condition and current and anticipated cash assets.

Principal Securityholders

To the knowledge of the Issuer's directors and senior officers, upon completion of the Transaction, the following individuals are anticipated to own of record or beneficially, directly or indirectly, or exercise control or direction over, Resulting Issuer Shares carrying more than 10% of all voting rights attached to the outstanding Resulting Issuer Shares:

Name and Municipality of Residence	Number of Resulting Issuer Shares Owned[(1)]	Percentage of Resulting Issuer Shares After Giving Effect to the Proposed Qualifying Transaction, assuming completion of the Minimum Financing [(2)]	Percentage of Resulting Issuer Shares After Giving Effect to the Proposed Qualifying Transaction, assuming completion of the Maximum Financing [(3)]
Thomas Hall, British Columbia, Canada[(4)]	26,500,000	36.19%	30.62%
John McPherson, British Columbia, Canada[(5)]	26,500,000	36.19%	30.62%

Notes:

1. Includes aggregate number of Resulting Issuer Shares expected to be held, directly or indirectly, by such shareholder.
2. Presented on a basic, undiluted basis. On the assumption that upon Completion of the Qualifying Transaction assuming the Minimum Financing, it is expected there will be approximately 73,216,000 Resulting Issuer Shares issued and outstanding.
3. Upon Completion of the Qualifying Transaction assuming the Maximum Financing, it is expected there will be approximately 86,549,333 Resulting Issuer Shares issued and outstanding.
4. Consisting of 51,200 ACL Shares held directly and 26,448,800 ACL Shares held indirectly through McPherson Family Trust (2019).
5. Consisting of 56,100 ACL Shares held directly and 26,443,900 ACL Shares held indirectly through Hall (2019) Family Trust.

Directors, Officers and Promoters

Name, Address, Occupation and Security Holdings

The following are the names and municipalities of residence of each proposed director and officer of the Resulting Issuer, the positions and offices to be held with the Resulting Issuer, their respective principal occupations within the five preceding years and the number and percentage of the Resulting Issuer Shares which will be held by each of them on completion of the Amalgamation, after giving effect to the Concurrent Financing. Each director will hold office until the next annual meeting of the Resulting Issuer unless his office is earlier vacated in accordance with the BCBCA.

Name and Province of Residence	Position to be Held with the Resulting Issuer	Principal Occupation for the last five years	Number and Percentage of Resulting Issuer Shares After Giving Effect to the Proposed Qualifying Transaction, assuming completion of the Minimum Financing (on a non diluted basis)	Number and Percentage of Resulting Issuer Shares After Giving Effect to the Proposed Qualifying Transaction, assuming completion of the Maximum Financing (on a non diluted basis)
John McPherson(5) *British Columbia, Canada*	Chief Executive Officer and a Director	Owner at A.C.L. Construction Ltd. since inception, with over 35 years experience in forestry, heavy civil and underground utility projects.	26,500,000(1) (36.19%)	26,500,000(1) (30.62%)
Jeffrey Wagner *Manitoba, Canada*	Chief Financial Officer and Corporate Secretary	Senior Accountant at PubCo Reporting Solutions providing fractional CFO services and financial reporting consulting to publicly traded entities in the United States and Canada.	Nil	Nil
Thomas Hall(5) *British Columbia, Canada*	Chief Operating Officer	Owner at A.C.L. Construction Ltd. since inception, with over 35 years experience in Oil & Gas industry, heavy civil and underground utility projects.	26,500,000(2) (36.19%)	26,500,000(2) (30.62%)
Anthony Zelen(4) *British Columbia, Canada*	Director	President of Zelen Consulting Inc., a private company providing consulting services to public and private companies; and senior officer and director of public and private companies.	408,750(3) (0.56%)	408,750(3) (0.47%)
Rob Sandberg(4) British Columbia, Canada	Independent Director	Certified Financial Planner working for First Choice Insurance and Investments Services Inc for the past 26 years.	Nil	Nil
Sophie Galper Komet (4) Ontario, Canada	Independent Director	Founder of Wisdom Star a boutique consultancy that provides C-level executive corporate services to corporate clients and qualified investors. Professional board director who possesses over 20 years corporate finance experience.	Nil	Nil

Notes:

1. Consisting of 51,200 Resulting Issuer Shares to be held directly and 26,448,800 Resulting Issuer Shares to be held through McPherson Family Trust (2019).

2. Consisting of 56,100 Resulting Issuer Shares to be held directly and 26,443,900 Resulting Issuer Shares to be held through Hall (2019) Family Trust.

3. Consisting of 8,750 Resulting Issuer Shares to be held directly and 400,000 Resulting Issuer Shares to be held through Zelen Consulting Inc., a company wholly-owned and controlled by Anthony Zelen.

4. Denotes a member of the Audit Committee.

5. Denotes promoter of ACL.

Shareholdings of Directors and Executive Officers

As at the date of this Filing Statement, after giving effect to the Proposed Qualifying Transaction (including the Concurrent Financing), the proposed directors and executive officers of the Resulting Issuer, as a group, will own, directly or indirectly, approximately 53,408,750 Resulting Issuer Shares, representing approximately 72.95%, of the issued and outstanding Resulting Issuer Shares (on a non-diluted basis) assuming completion of the Minimum Financing and 61.71% of the issued and outstanding Resulting Issuer Shares (on a diluted basis) assuming the Maximum Financing is fully subscribed.

Biographies of Directors and Executive Officers

The following is a brief description of each of the proposed directors and executive officers of the Resulting Issuer.

John McPherson: *Age 54 - CEO and Director*. Mr. McPherson brings over 30 years' worth of experience in the construction industry to the team with a heavy background in road and lease construction and maintenance. He was intimately involved in the tendering and subsequent startup of the MCW contract for the Site C dam in his previous position as Construction Director with PRHP. After leaving PRHP JV he continued working on BC Hydro projects within Site C with Petrowest Corporation ("Petrowest"). He has been involved with other major project which included the Dawson Creek Processing Facility for Spectra Energy and the civil earthworks and underground works for the Fort St. John Hospital and Residential Care Facility for Northern Health. John is a Registered Professional Forester (RPF) and has great experience in tendering projects with great knowledge of the laws and regulations of the various government bodies. It is not anticipated that Mr. McPherson will enter into a non-competition or non-disclosure agreement with the Resulting Issuer.

Jeffrey Wagner: *Age 35 – Chief Financial Officer and Corporate Secretary*.

Mr. Wagner is a CPA, CA bringing over a decade of experience, much of which has been working with publicly traded companies on Canadian and American stock exchanges. Mr. Wagner served as Chief Financial Officer of Yangaroo Inc. (TSX-V: YOO) from August 2023 to February 2024. Mr. Wagner has been employed as a Senior Accountant with PubCo Reporting Solutions since 2021 after previously serving as a financial reporting analyst with Ag Growth International Inc. (TSX: AFN) from 2019 to 2021. It is not anticipated that Mr. Wagner will enter into a non-competition or non-disclosure agreement with the Resulting Issuer.

Thomas Hall: *Age 50* **–** *Chief Operating Officer.* Mr. Hall grew up working in the Oil & Gas industry alongside his father which gave him a vast knowledge of the industry, including road & lease construction in and around Northeastern British Columbia. He brings over 25 years' worth of experience in the industry and has built on this experience as the Co-Owner of D. Hall and Associates and then GM of B.C. Operations at Petrowest Construction BC. Thomas has been involved in many projects throughout the NE, including the Site C project in Fort St. John. He was appointed the task of overseeing all BC operations for Petrowest prior to his departure and was an integral part of the senior management of the operation. Thomas has a substantial knowledge and background in the maintenance of Oil & Gas well sites and road maintenance. He has also been actively involved in the management of sandstone and gravel pits, in the Peace River area. It is not anticipated that Mr. Hall will enter into a non-competition or non-disclosure agreement with the Resulting Issuer.

Anthony Zelen: *Age 53 –Director.* Mr. Zelen brings over 27 years of experience in finance, investor relations, sales, and corporate development across various sectors including technology, cannabis, crypto currency, mining, and oil and gas. His extensive background includes serving as an officer and director of at least 16 publicly listed companies in both Canada and the United States. He has built a substantial network of market contacts, angel investors, family offices, accredited investors, and investment banking collegues across North America, Europe, and Asia. Mr. Zelen currently serves as CEO of Purewave Hydrogen and Generation Uranium and is a director of BIGG Digital Assests which he co-founded. Anthony received an undergraduate degree from Simon Fraser University.

Anthony's breadth of experience and established network in the capital markets provide a well-rounded capital markets perspective to ACL s listing, making him a valuable asset to the issuer.

Rob Sandberg: *Age 58 - Independent Director.* Mr. Sandberg grew up in Fort St John where he worked in the oil Industry. In 1987 he started an Oil well testing company which he sold in 1990. He then worked for a supply company until 1998 and a Blow out Preventer technician. In 1998 he started in the financial sector and works there to this day. In 2024 he was the 44th inductee into the Sunlife Hall of fame out of the last 160 years.

Sophie Galper Komet: *Age 49 - Independent Director.* Ms. Galper Komet is a funder of Wisdom Star, a boutique consultancy that provides C-level executive corporate services to corporate clients and qualified investors in a wide variety of industries. Prior to that (2019 – 2022) Ms. Galper Komet has served as Chief Operating Officer of a private real estate investment company. Prior to this role, she served as the principal and owner of Business Scope International, a private consultancy firm focused on corporate strategy, funding solutions, and corporate governance services for an array of corporate clients. In addition, Ms. Galper Komet's has served on the board of directors of numerous public companies and financial institutions, both on the Toronto Stock Exchange and Tel Aviv Stock Exchange, including serving as the chair of several board committees, as well as the advisory boards roles. Ms. Galper Komet possesses over 20 years corporate finance experience with a focus on initial public offerings, bond offerings, mergers and acquisitions and private equity solutions. Ms. Galper Komet obtained her MBA from Tel Aviv University (2001).

Promoters

The following table sets forth the individuals that is, or has been within the two years immediately preceding the date of this Filing Statement, a promoter of the Resulting Issuer:

Name and Province of Residence	Number and Percentage of Resulting Issuer Shares After Giving Effect to the Proposed Qualifying Transaction, assuming completion of the Minimum Financing (on a non diluted basis)	Number and Percentage of Resulting Issuer Shares After Giving Effect to the Proposed Qualifying Transaction, assuming completion of the Maximum Financing (on a non diluted basis)
John McPherson *British Columbia, Canada*	26,500,000 (1) (36.19%)	26,500,000 (1) (30.62%)
Thomas Hall *British Columbia, Canada*	26,500,000 (2) (36.19%)	26,500,000 (2) (30.62%)

Notes:

1. Consisting of 51,200 Resulting Issuer Shares to be held directly and 26,448,800 Resulting Issuer Shares to be held through McPherson Family Trust (2019).

2. Consisting of 56,100 Resulting Issuer Shares to be held directly and 26,443,900 Resulting Issuer Shares to be held through Hall (2019) Family Trust.

Corporate Cease Trade Orders, Bankruptcies,

Except as set forth below, no proposed director, officer or promoter of the Resulting Issuer, or any shareholder anticipated to hold sufficient number of securities of the Resulting Issuer to materially affect the control of the Resulting Issuer, is, or, within 10 years before the date of this Filing Statement, has been, a director, officer or promoter of any person or company that, while that person was acting in that capacity:

(a) was the subject of a cease trade or similar order that denied the relevant company access to any exemptions under applicable securities legislation that was in effect for a period of more than 30 consecutive days; or

(b) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that person.

While Mr. Zelen was acting as the chief executive officer and a director of Lida Resources Corp. ("**Lida**"), Lida was subject to a failure-to-file financial statements MCTO issued by the principal regulator of British Columbia on December 31, 2021. The MCTO was revoked on March 4, 2022.

Mr. Zelen was a director of New Wave Holdings Corp. which received a cease trade order on July 30, 2021, from its principal regulator (British Columbia) and the Ontario Securities Commission for failure to file its audited financial statements and management's discussion and analysis; the cease trade order was revoked on October 29, 2021, by the British Columbia Securities Commission and the Ontario Securities Commission.

While Mr. Zelen was a director of YourWay Cannabis Brands Inc. (formerly Hollister Biosciences Inc.) ("**Yourway**"), Yourway was subject to a failure-to-file financial statements MCTO issued by the principal regulator of British

Columbia on June 16, 2020. The MCTO was revoked on July 15, 2020. While Mr. Zelen was a director of YourWay it was subject to a failure-to-file financial statements MCTO issued by the principal regulator of British Columbia on May 4, 2021. The MCTO was revoked on June 1, 2021.

Penalties or Sanctions

No proposed director, officer or promoter of the Resulting Issuer, or any shareholder anticipated to hold a sufficient number of securities of the Resulting Issuer to materially affect control of the Resulting Issuer; is, or, within the last 10 years, has been:

(a) subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(b) subject to any other penalties or sanctions imposed by a court or regulatory body, including a self-regulatory body, that would be likely to be considered important to a reasonable investor making an investment decision.

Personal Bankruptcies

No proposed director, officer or promoter of the Resulting Issuer, or any shareholder anticipated to hold sufficient securities of the Resulting Issuer to materially affect the control of the Resulting Issuer, or a personal holding company of any such persons, has, within the last 10 years, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the individual.

Conflicts of Interest

Some of the individuals proposed as directors or officers of the Resulting Issuer upon the completion of the Proposed Qualifying Transaction are also directors, officers and/or Promoters of other reporting and non-reporting issuers. In particular, the proposed directors and officers of the Resulting Issuer may also serve as directors and/or officers of other companies engaged in similar business to the Resulting Issuer and may be presented from time to time with situations or opportunities which give rise to apparent conflicts of interest which cannot be resolved by arm's length negotiations, but only through exercise by the officers and directors of such judgment as is consistent with their fiduciary duties to the Resulting Issuer which arise under applicable corporate law, especially insofar as taking advantage, directly or indirectly, of information or opportunities acquired in their capacities as directors or officers of the Resulting Issuer.

The proposed directors and officers of the Resulting Issuer are aware of the existence of laws governing accountability of directors and officers for corporate opportunity and the laws requiring disclosure by directors and officers of conflicts of interest. The Resulting Issuer will rely upon such laws in respect of any such conflict of interest or in respect of any breach of duty by any of its directors or officers. All such conflicts are required to be disclosed by such directors or officers in accordance with the BCBCA and the directors of the Resulting Issuer will be expected to govern themselves in respect thereof in accordance with the obligations imposed upon them by law.

Other Reporting Issuer Experience

The following table sets out the proposed directors, officers and promoters of the Resulting Issuer that are, or have been directors, officers or promoters of other reporting issuers:

Name	**Name and Jurisdiction of Reporting Issuer**	**Name of Trading Market**	**Position**	**From**	**To**
Jeffrey Wagner	Yangaroo Inc., Ontario, Canada	TSXV	Chief Financial Officer	August 2023	February 2024
Anthony Zelen	Ronin Ventures Corp.	TSXV	Director/CEO/CFO/ Corporate Secretary	January 2022	Present
	Longhorn Exploration Corp. now PureWave Hydrogen Corp.	TSXV	Director/CEO	April 2021	Present
	Midpoint Holdings Limited	TSXV	Director	May 2021	March 2022
	Prospect Park Capital Corp	CSE	Director	July 2021	Present
	Lida Resources Inc.	CSE	Director/CEO	June 2021	October 2024
	Kings Entertainment Group Inc. (formerly, 1242455 B.C. Ltd.)	CSE	Director	December 2021	March 2022
	New Wave Holdings Corp	CSE	Director	June 2020	Present
	Rex Resources	TSXV	Director	July 2020	Present
	Samurai Capital Corp	TSXV	Director	December 2020	Present
	Generation Uranium Corp	TSXV	Director/CEO	November 2018	Present
	Paloma Resources Inc.	TSXV	Director/CFO	May 2017	March 2022
	YourWay Cannabis Brands Inc. (formerly, Hollister Biosciences Inc.)	TSXV	Director	November 2019	October 2021
	First Hydrogen Corp. (formerly Pure Extraction Corp.)	TSXV	Director	April 2008	August 2021
	BIGG Assets Inc.	TSXV	Director	November 2017	Present
	Allied Corp.	OTC Markets	Director	August 2019	March 2020
	Eats & Beyond Global Holdings Inc.	CSE	Director	January 2023	Present
	MegaWatt Lithium & Battery	CSE	Director	April 2022	Present
	Bullet Exploration Inc.	TSXV	Director/CEO	January 2023	November 2024
	Anonymous Intelligence Company Inc. (Formerly Cloud Nine)	CSE	Director	July 2022	February 2024
Sophie Galper Komet	Impact Development Group Inc	TSXV	Director	November 2023	Present
	Zero Canadida Technologies Inc.	TSXV	Chief Financial Officer	November 2024	Present
	SuperBuzz Inc.	TSXV	Director	June 2020	Present
	Youneeq AI Inc.	OTC	Director	February 2024	Present

	Bitfarms Ltd.	TSXV	Director	January 2020	May 2021
	StickIt Technologies	OTC	Director and Chief Financial Officer	October 2023	Present
	Ordea Print Ltd.	TASE	Director	January 2014	March 2020
	B. Yair Constractions Ltd.	TASE	Director	May 2011	May 2020

AUDIT COMMITTEE AND CORPORATE GOVERNANCE

Audit Committee

The Resulting Issuer's audit committee is expected to include Sophie Galper Komet (Chair), Rob Sandberg, and Anthony Zelen. Each of the proposed members of the Audit Committee is "financially literate" within the meaning of NI 52-110, in that they possess the education or experience relevant for the performance of their responsibilities as a member of the Audit Committee, and have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the financial statements of the Resulting Issuer. Both Ms. Galper Komet and Mr. Sandberg are expected to be "independent" within the meaning of NI 52-110, in that Ms. Galper Komet and Mr. Sandberg do not have any direct or indirect relationship with the Resulting Issuer that could, in the view of the Resulting Issuer Board, be reasonably expected to interfere with the exercise of such member's independent judgment. For a description of the relevant education and experience of each of the members of the Audit Committee, see "*Part IV – Information Concerning the Resulting Issuer – Directors, Officers and Promoters*".

The mandate of the Audit Committee is expected to be to assist the Resulting Issuer Board to fulfill its oversight responsibilities relating to financial accounting, reporting and internal controls for the Resulting Issuer. The Audit Committee is expected to be responsible for, among other things, reviewing and discussing with management and the external auditors all matters relating to audit and financial reporting; assessing the integrity of the internal controls and financial reporting procedures of the Resulting Issuer and ensuring the proper implementation of such controls and procedures; reviewing the annual and interim financial statements and the management discussion and analysis of the Resulting Issuer and in the case of the annual financial statements and related management discussion and analysis, reporting thereon to the Resulting Issuer Board for approval; selecting and monitoring the independence and performance of the Resulting Issuer's external auditors; overseeing the work of all disclosure relating to and information deriving from financial statements, management's discussion and analysis; overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing any other audit, review or attest services for the Resulting Issuer and pre-approving any non-audit services to the Resulting Issuer; meeting with the Resulting Issuer's the Chief Financial Officer and the Chief Executive Officer to review accounting practices, internal controls and procedure, and other matters the Audit Committee deems appropriate; reviewing the procedures which are in place for the review of the public disclosure by the Resulting Issuer of financial information extracted or derived from the financial statements of the Resulting Issuer and periodically assessing the adequacy of such procedures; and establishing and maintaining complaint procedures regarding accounting, internal accounting controls, or auditing matters.

The Audit Committee is not expected to adopt specific policies and procedures for the engagement of non-audit services. Subject to the requirements of NI 52-110, the engagement of non-audit services will be considered by the board of the Resulting Issuer, and where applicable the Audit Committee, on a case-by-case basis.

Upon completion of the Proposed Qualifying Transaction, the Resulting Issuer will be a "venture issuer" within the meaning of NI 52-110, and accordingly, will be exempt from the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

The Resulting Issuer is expected to adopt a written charter for the Audit Committee following the completion of the Proposed Qualifying Transaction, in accordance with NI 52-110.

External Auditor Service Fees

The aggregate fees paid to the auditors of Samurai (being the predecessor of the Resulting Issuer) for the year ended January 31, 2024, and January 31, 2023, were as follows:

Financial Year Ending	Audit Fees	Audit Related Fees	Tax Fees	All Other Fees
January 31, 2024	$10,000	Nil	Nil	Nil
January 31, 2023	$22,000	Nil	Nil	Nil

Corporate Governance

Corporate governance relates to the activities of the board of directors of a company, the members of which are elected by and are accountable to the shareholders of the company and takes into account the role of the individual members of management of the company who are appointed by the board of directors of the company and who are charged with its day-to-day management.

NP 58-201 establishes corporate governance guidelines which apply to all public companies. These guidelines are not intended to be prescriptive but to be used by issuers in developing their own corporate governance practices. The Resulting Issuer Board will be committed to sound corporate governance practices, which are both in the interest of the shareholders of the Resulting Issuer and contribute to effective and efficient decision making.

Pursuant to NI 58-101, public companies are required to disclose their corporate governance practices. Accordingly, the following sections describe the proposed approach of the Resulting Issuer to corporate governance in relation to the Guidelines. The Resulting Issuer Board will continue to monitor the practices described below on an ongoing basis and, when necessary, implement such additional practices as it deems appropriate.

Board of Directors

In connection with the completion of the Proposed Qualifying Transaction, it is anticipated that each of the existing Samurai directors other than Anthony Zelen will resign and each of John McPherson, Rob Sandberg, and Sophie Galper Komet will be appointed in their place. The board of directors of the Resulting Issuer is expected to appoint John McPherson as Chief Executive Officer, Jeffrey Wagner as Chief Financial Officer and Corporate Secretary, and Thomas Hall as Chief Operating Officer.

The term of office of the directors will expire annually at the time of the Resulting Issuer's annual general meeting or when or until their successor is duly appointed or elected. The term of office of the Resulting Issuer's executive officers expires at the discretion of the Resulting Issuer's board of directors. John McPherson, a proposed director of the Resulting Issuer will not be independent within the meaning of NI 58-101 by virtue of being the Resulting Issuer's Chief Executive Officer and Anthony Zelen a proposed director of the Resulting Issuer will not be independent within the meaning of NI 58-101 being the Samurai's Chief Executive Officer prior to the completion of the Proposed Qualifying Transaction. The remaining proposed directors of the Resulting Issuer will be considered independent within the meaning of NI 58-101.

Orientation and Continuing Education

The Resulting Issuer will not have a formal orientation and education program for new members of the board, the Resulting Issuer plans to provide such orientation and education on an ad hoc and informal basis. The proposed directors believe that these procedures will be a practical and effective approach in light of the Resulting Issuer's particular circumstances, including the size of the Resulting Issuer and the number, experience and expertise of its proposed directors.

Ethical Business Conduct

As a responsible business and corporate citizen, the Resulting Issuer is committed to conducting its affairs with integrity, honesty, fairness and professionalism. In order to encourage and promote a culture of ethical business conduct, the board of directors of the Resulting Issuer will implement a Code of Business Conduct and Ethics which all employees, officers and directors will be expected to meet in the performance of their responsibilities.

The Resulting Issuer's reputation for honesty and integrity amongst its shareholders and other stakeholders is key to the success of its business. No employee or director will be permitted to achieve results through violation of laws or regulations, or through unscrupulous dealings.

Any director with a conflict of interest or who is capable of being perceived as being in conflict of interest with respect to the Resulting Issuer will be obligated to abstain from discussion and voting by the board or any committee of the board on any motion to recommend or approve the relevant agreement or transaction. The Resulting Issuer’s board or directors must comply with conflict of interest provisions of the BCBCA.

Nomination of Directors

Responsibility for identifying new candidates to join the board of directors of the Resulting Issuer will belong to the board of directors of the Resulting Issuer as a whole. The board of directors of the Resulting Issuer will encourage all directors to participate in the process of identifying and recruiting new candidates. It is expected that the board of directors of the Resulting Issuer will have the responsibility of making recommendations to the board of directors of the Resulting Issuer with respect to the new nominees and for assessing directors on an on-going basis. While there are no specific criteria for board of directors of the Resulting Issuer membership, it is expected that the Resulting Issuer will seek to attract and retain directors with business knowledge and a particular expertise the Resulting Issues Business or other areas of specialized knowledge (such as finance) which will assist in guiding the officers of the Resulting Issuer.

Compensation

ACL does not have a compensation committee or a formal compensation policy and the Resulting Issuer does not, at this time, anticipate appointing any such committees. The Resulting Issuer expects to rely on its board of directors to determine the compensation of its directors and officers. In determining compensation, the directors consider industry standards and the Resulting Issuer’s financial situation. The performance of each executive officer will be informally monitored by the directors, having in mind the business strengths of the individual and the purpose of originally appointing the individual as an officer.

Other Board Committees

At this time, it is not anticipated that the board of directors of the Resulting Issuer will have any standing committees other than the Audit Committee.

Assessments

The Resulting Issuer Board is expected to monitor the adequacy of information given to directors, communication between the management and Resulting Issuer Board and the strategic direction and processes of the Resulting Issuer Board and its committees. The Resulting Issuer's proposed corporate governance practices are appropriate and effective for the Resulting Issuer given its stage of development and growth, and will allow the Resulting Issuer to operate efficiently, with simple checks and balances that control and monitor management of the Resulting Issuer and corporate functions without excessive administrative burden or cost.

Executive Compensation

The statement of executive compensation contained in this section relates only to the proposed executive compensation of the Resulting Issuer assuming completion of the Proposed Qualifying Transaction and should be read and interpreted as though the Proposed Qualifying Transaction has been completed. For information relating to the executive compensation practices of ACL for periods prior to the date of this Filing Statement, see "*Information Concerning ACL - Executive Compensation*".

Compensation Discussion and Analysis

The Resulting Issuer's compensation philosophy for NEOs is designed to attract well-qualified individuals. The objectives of the Resulting Issuer's executive compensation program are as follows:

- to attract, retain and motivate talented executives who create and sustain the Resulting Issuer's continued success;
- to align the interests of the Resulting Issuer's executives with the interests of the Resulting Issuer's shareholders; and
- to provide total compensation to executives that is competitive with that paid by other companies of comparable size engaged in a similar business in appropriate regions.

Overall, the executive compensation program aims to design executive compensation packages that mirror executive compensation packages for executives with similar talents, qualifications and responsibilities at companies with similar financial, operating and industrial characteristics. The Resulting Issuer is committed to retaining its key executives for the next several critical years, while at the same time ensuring that executive compensation is tied to specific corporate goals and objectives. The Resulting Issuer's executive compensation program will be designed to reward executives for reinforcing the Resulting Issuer's business objectives and values, for achieving the Resulting Issuer's performance objectives, and for their individual performance.

The Resulting Issuer will adopt procedures to ensure that all employment, consulting, or other compensation arrangements between the Resulting Issuer and any Director or senior officer of the Resulting Issuer or between any subsidiary of the Resulting Issuer and any Director or senior officer of the Resulting Issuer are considered and approved by independent Directors, in accordance with Exchange policies.

Equity Incentive Plan Awards

It is anticipated that the Resulting Issuer will adopt the ACL Omnibus Equity Incentive Plan. See *"Information Concerning ACL – ACL Omnibus Incentive Plan"*. The Resulting Issuer Board will administer and interest the Resulting Issuer equity incentive plan's arrangements and policies respecting the grant of awards under such plan and the terms thereof.

Summary Compensation Table

Following Closing, the Resulting Issuer will have the following NEOs, whose names and positions held are set out in the compensation table below.

There is no existing or agreed upon annual incentive plan for the NEOs at this time. Any additional compensation to be paid to the NEOs for fiscal 2025, including option-based awards, will be determined by the Resulting Issuer Board or a committee thereof. See "*Executive Compensation – Compensation Discussion and Analysis*".

Name and Position	Salary ($), consulting fee, retainer or commission	Bonus ($)	Committee or meeting fees ($)	Value of Perquisites	Value of all other compensation ($)(4)	Total compensation ($)
John McPherson *Chief Executive Officer and a Director*	368,500 (1)	Nil	Nil	Nil	Nil	333,000

Thomas Hall *Chief Operating Officer*	330,000[(2)]	Nil	Nil	Nil	Nil	330,000
Jeffrey Wagner *Chief Financial Officer*[(3)]	188,000[(5)]	Nil	Nil	Nil	Nil	188,000

Notes:

1) Comprised of an annual salary of $120,000 and management fees of $248,500 paid to 0777.

2) Comprised of an annual salary of $120,000 and management fees of $210,000 paid to 1204

3) Mr. Wagner's compensation is paid pursuant to the Wagner Agreement (see "See *Information Concerning ACL – Executive Compensation – Management Contracts*").

4) Any bonuses to be paid will be determined by the Resulting Issuer's Board.

5) This figure represents the amount to be paid to 1006 by the Resulting Issuer pursuant to the Wagner Agreement. Mr. Wagner is an employee of 1006 and receives a salary from 1006 for providing CFO services.

Employment, Consulting and Management Agreements

Management functions of the Resulting Issuer will not, to any substantial degree, be performed other than by directors or NEOs of the Resulting Issuer. There are currently no agreements or arrangements that provide for compensation to NEOs or directors of the Resulting Issuer, or that provide for payments to a NEO or director at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, severance, a change of control in the Resulting Issuer or a change in the NEO or director's responsibilities.

Director Compensation

Compensation of directors of the Resulting Issuer will be reviewed annually and determined by the Resulting Issuer Board. The level of compensation for directors will be determined after consideration of various relevant factors, including the expected nature and quantity of duties and responsibilities, past performance, comparison with compensation paid by other issuers of comparable size and nature, and the availability of financial resources. It is anticipated that non-management directors will be reimbursed for transportation and other out-of-pocket expenses incurred for attendance at Resulting Issuer Board meetings and in connection with discharging their director functions.

In the Resulting Issuer Board's view, there is no need for the Resulting Issuer to design or implement a formal compensation program for directors. While the Resulting Issuer Board considers option grants to directors under the Resulting Issuer equity incentive plan from time to time, the Resulting Issuer Board does not employ a prescribed methodology when determining the grant or allocation of equity incentive awards. Other than the Resulting Issuer equity incentive plan, as discussed above, the Resulting Issuer does not offer any long-term incentive plans or any other such benefit programs for directors.

Indebtedness of Directors and Officers

Except described herein under "*Information Concerning ACL – Non-Arm's Length Party Transactions*" or as identified in the financial statements of ACL attached hereto as Schedule "C", no individual who is, or at any time since the beginning of the most recently completed financial year of Samurai or ACL, was, a director or officer of Samurai of ACL, no proposed director or officer of the Resulting Issuer, and no associate of any such director, officer or proposed nominee, is indebted to Samurai or ACL or any of its subsidiaries (other than for "routine indebtedness" as defined by applicable securities legislation) or has any indebtedness that is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by Samurai or ACL.

Investor Relations Arrangements

There is no written or oral agreement or understanding that has been reached with any person to provide any promotional or investor relations services for the Resulting Issuer.

Security Based Compensation

Security Based Compensation Plans

Upon completion of the Proposed Qualifying Transaction, it is anticipated that the Resulting Issuer will adopt the ACL Omnibus Incentive Plan, and the ACL Stock Options granted thereunder will continue to be governed by the ACL Omnibus Incentive Plan. The adoption of the ACL Omnibus Incentive Plan shall be subject to approval by the shareholders of the Resulting Issuer and any grants made pursuant to the new plan prior to such approval shall be subject to disinterested shareholder approval. For an overview of the ACL Omnibus Incentive Plan, see "*Part III - Information Concerning ACL – Executive Compensation – ACL Omnibus Incentive Plan*".

Options to Purchase Securities

As of the date of this Filing Statement there are 6,600,000 ACL Stock Options outstanding, all of which were granted to directors, officers, employees or consultants of ACL.

As of the date of this Filing Statement there are 220,000 Samurai Stock Options (on a post-Consolidation basis) outstanding, all of which were granted to current directors and officers of Samurai.

The following table sets out particulars with respect to the stock options to purchase Resulting Issuer Shares expected to be held upon completion of the Proposed Qualifying Transaction by (i) all executive officers and past executive officers of the Resulting Issuer, as a group, (ii) and all directors and past directors of the Resulting Issuer who are not also executive officers, as a group, (iii) all other employees and past employees of the Resulting Issuer, as a group, (iv) all consultants of the Resulting Issuer, as a group, and (vi) any other person or company, including any underwriter or agent. For the purposes of the foregoing description and the below table, references to the "Resulting Issuer" include Samurai, where applicable.

Class of Award Holders (as a group)	Type of Security	Number	Exercise Price	Expiry Date
Executive Officers and Past Executive Officers (6 Persons)	Resulting Issuer Options	500,000	$0.10	October 31, 2034
	Resulting Issuer Options	5,000,000	$0.10	September 27, 2034
Directors and Past Directors of the Issuer who are not also Executive Officers	Resulting Issuer Options	220,000	$0.20	May 27, 2026
Employees and Past Employees	Resulting Issuer Options	600,000	$0.10	October 31, 2034
Consultants and Past Consultants	Resulting Issuer Options	500,000	$0.10	October 31, 2034

Escrow Securities

CPC Escrowed Securities

The following table sets out, as of the date hereof and to the knowledge of Samurai and ACL, the name and municipality of residence of the security holders whose securities will be subject to the release conditions of the CPC Escrow Agreement (on a non-diluted and post-Consolidation basis):

Name and Jurisdiction of Residence	Designation of Class	Prior to Giving Effect to the Proposed Qualifying Transaction		After Giving Effect to the Proposed Qualifying Transaction		
		Number of Securities to be Held in Escrow	% of Class	Number of Securities to be Held in Escrow	Percentage of Class (Minimum Financing)	Percentage of Class (Maximum Financing)
Craig Taylor[(1)] British Columbia	Samurai Shares	400,000	10.81 %	400,000	0.55 %	0.46 %
Anthony Zelen[(2)] British Columbia	Samurai Shares	408,750	11.05 %	408,750	0.56 %	0.47 %
David Weinkauf British Columbia	Samurai Shares	150,000	4.05 %	150,000	0.20 %	0.17 %
Ryan Cheung British Columbia	Samurai Shares	50,000	1.35 %	50,000	0.07 %	0.06 %
Keir Reynolds British Columbia	Samurai Shares	200,000	5.41 %	200,000	0.27 %	0.23 %
Craig Taylor British Columbia	Samurai Options	88,000	40.00 %	88,000	1.29 %	1.29 %
Anthony Zelen British Columbia	Samurai Options	88,000	40.00 %	88,000	1.29 %	1.29 %
David Weinkauf British Columbia	Samurai Options	11,000	5.00 %	11,000	0.16 %	0.16 %
Ryan Cheung British Columbia	Samurai Options	33,000	15.00 %	33,000	0.48 %	0.48 %

Notes:

1) Consisting of 395,000 Samurai Shares registered to and beneficially owned by 576112 B.C. Ltd. which is a private company controlled by Craig Taylor and 5,000 Samurai Shares registered to and beneficially owned by Craig Taylor.

2) Consisting of 400,000 Samurai Shares registered to and beneficially owned by Zelen Consulting Inc. which is a private company controlled by Anthony Zelen and 8,750 Samurai Shares registered to and beneficially owned by Anthony Zelen.

The Securities summarized in the above table held by certain principals of Samurai will be escrowed in accordance with the CPC Escrow Agreement and applicable securities laws as follows:

Percentage of Shares Released from Escrow	Shares Release Date
25%	Date of Final Exchange Bulletin
25%	6 months from Final Exchange Bulletin
25%	12 months from Final Exchange Bulletin

25%	18 months from Final Exchange Bulletin

Qualifying Transaction Escrow Securities

Following the closing of the Proposed Qualifying Transaction, the following executive officers and directors of the Resulting Issuer, together with any companies controlled by such individuals will enter into a Value Security Escrow Agreement with Odyssey Trust Company. The following table sets out, as of the date hereof and to the knowledge of Samurai and ACL, the name and jurisdiction of residence of the securityholders whose securities will be Value Escrowed Securities (on a non-diluted basis):

Name and Jurisdiction of Residence	Designation of Class	Prior to Giving Effect to the Proposed Qualifying Transaction		After Giving Effect to the Proposed Qualifying Transaction		
		Number of Securities to be Held in Escrow	% of Class	Number of Securities to be Held in Escrow	Percentage of Class (Minimum Financing)	Percentage of Class (Maximum Financing)
John McPherson, British Columbia	ACL Shares	26,500,000	44.53 %	26,500,000	36.19 %	30.62 %
Thomas Hall, British Columbia	ACL Shares	26,500,000	44.53 %	26,500,000	36.19 %	30.62 %
John McPherson, British Columbia	ACL Options	2,500,000	37.88 %	2,500,000	36.66 %	36.66 %
Thomas Hall, British Columbia	ACL Options	2,500,000	37.88 %	2,500,000	36.66 %	36.66 %
Jeffrey Wagner, Manitoba	ACL Options	500,000	7.58 %	500,000	7.33 %	7.33 %

Following Completion of the Qualifying Transaction, securities summarized in the above table held by directors and officers of the Resulting Issuer will be escrowed in accordance with TSXV policies and applicable securities laws as follows:

The Value Escrow Agreement is in a form prescribed by the Exchange and is required to be entered into by the principals of the Resulting Issuer in conjunction with a Qualifying Transaction. Unless otherwise modified, all of the above-noted Resulting Issuer Shares will be subject to a Value Escrow Agreement and will be released from escrow as follows (assuming the Resulting Issuer is a Tier 2 issuer):

Percentage of Securities Released from Escrow (Tier 2 Issuer)	Release Date
10%	Date of Final Exchange QT Bulletin
15%	6 months from Final Exchange QT Bulletin
15%	12 months from Final Exchange QT Bulletin
15%	18 months from Final Exchange QT Bulletin
15%	24 months from Final Exchange QT Bulletin
15%	30 months from Final Exchange QT Bulletin
15%	36 months from Final Exchange QT Bulletin

All holders of escrowed shares must obtain Exchange consent to transfer Resulting Issuer Shares then subject to escrow, other than in specified circumstances set out in the applicable escrow agreement.

Seed Share Restrictions

The following table sets out, as of the date hereof and to the knowledge of Samurai and ACL, aggregate securities which will be subject to the Exchange's seed share resale restrictions with 20 % released each month with first release on the Completion of the Qualifying Transaction (on a non-diluted and post-Consolidation basis):

Designation of Class	Aggregate Number of Securities Subject to Resale Restrictions	Percentage of Class After Giving Effect to the Proposed Qualifying Transaction (Minimum Financing)	Percentage of Class After Giving Effect to the Proposed Qualifying Transaction (Maximum Financing)	Expiry date of the Resale Restrictions
ACL Shares	4,700,000	6.42 %	5.43 %	Date that is 4 months and 1 day after the Completion of the Qualifying Transaction.
ACL Options	1,100,000	16.67 %	16.13 %	Date that is 4 months and 1 day after the Completion of the Qualifying Transaction.

Auditor, Transfer Agent and Registrar

Auditor, Transfer Agent and Registrar

The auditor of the Resulting Issuer will be MNP LLP, at its offices located at 2000, 112 - 4th Avenue SW, Calgary, Alberta T2P 0H3.

The transfer agent and registrar for the Resulting Issuer Shares will be Odyssey Trust Company, at its principal office at 350 – 409 Granville Street, Vancouver, British Columbia V6C 1T2.

PART V – GENERAL MATTERS

Sponsorship and Agent Relationship

Sponsor

Pursuant to the sponsorship requirements of Policy 2.2 Sponsorship and Sponsorship Requirements of the Exchange unless an exemption is obtained sponsorship is generally required in connection with a Qualifying Transaction. Samurai has applied for, and was granted by the Exchange, a waiver of the sponsorship requirement.

Reports and Opinions

The following professional persons have prepared reports or provided opinions that are either included in or referred to in this Filing Statement:

- Crowe Mackay LLP have provided an auditors' report on the financial statements of Samurai for the financial period ended January 31, 2024, a copy of which is attached hereto as part of Schedule "A".
- MNP LLP, have provided an auditors' report on the financial statements of ACL for the financial years ended May 31, 2024 and 2023, a copy of which is attached hereto as part of Schedule "C".

Interest of Experts

No person or company whose profession or business gives authority to a statement made by the person or company and who is named as having prepared or certified a part of this Filing Statement or as having prepared or certified a report or valuation described or included in this Filing Statement holds more than 1% beneficial interest, direct or indirect, in any property of the Resulting Issuer or of an associate or affiliate of the Resulting Issuer and no such person is expected to be elected, appointed or employed as a director, senior officer or employee of the Resulting Issuer or of an associate or affiliate of the Resulting Issuer and no such person is a promoter of the Resulting Issuer or an associate or affiliate of Samurai or the Resulting Issuer.

MNP LLP and Crowe Mackay LLP have informed Samurai and ACL that each are independent with respect to the Resulting Issuer within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of British Columbia.

Other Material Facts

There are no material facts about Samurai, ACL, the Resulting Issuer or the Proposed Qualifying Transaction that are not disclosed under the preceding items and are necessary in order for the Filing Statement to contain full, true and plain disclosure of all material facts relating to Samurai, ACL and the Resulting Issuer, assuming Completion of the Qualifying Transaction.

Board Approval

This Filing Statement has been approved by the board of directors of each of Samurai and ACL. Where information contained in this Filing Statement rests particularly with the knowledge of a Person other than Samurai and ACL, each has relied upon information furnished by such Person.

Financial Statement Requirements

Financial statements for each of Samurai, ACL and the Resulting Issuer may be found attached hereto at Schedules “A” through “D”, respectively.

SCHEDULE "A"

AUDITED FINANCIAL STATEMENTS OF SAMURAI CAPITAL CORP.

Samurai Capital Corp.
(A Capital Pool Company)

FINANCIAL STATEMENTS

For the Years Ended January 31, 2024 and 2023

Crowe MacKay LLP
1100 - 1177 West Hastings Street
Vancouver, BC V6E 4T5
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Fax +1 (604) 687-5805
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Independent Auditor's Report

To the Shareholders of Samurai Capital Corp.

Opinion

We have audited the financial statements of Samurai Capital Corp. (the "Company"), which comprise the statements of financial position as at January 31, 2024 and January 31, 2023 and the statements of loss and comprehensive loss, changes in shareholders' equity (deficiency) 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 January 31, 2024 and January 31, 2023, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our 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 Kevin Kwan.

Crowe Mackay LLP

Chartered Professional Accountants
Vancouver, Canada
May 22, 2024

(Expressed in Canadian dollars)

	January 31, 2024	January 31, 2023
	$	$
ASSETS		
Cash	**10,949**	81,026
Total assets	**10,949**	81,026
LIABILITIES		
Accounts payable and accrued liabilities (Note 8)	**61,955**	65,060
Total liabilities	**61,955**	65,060
SHAREHOLDERS' EQUITY (DEFICIENCY)		
Share capital (Note 5)	**206,353**	206,353
Reserves (Note 5)	**43,000**	43,000
Deficit	**(300,359)**	(233,387)
Total shareholders' equity (deficiency)	**(51,006)**	15,966
Total liabilities and shareholders' equity (deficiency)	**10,949**	81,026

Nature of operations and going concern (Note 1)
Previous proposed qualifying transaction (Note 4)
Subsequent event (Note 10)

Approved by on behalf of the Board of Directors on May 22, 2024:

"Anthony Zelen"	***"Craig Taylor"***
Director	Director

	For the year ended January 31, 2024	For the year ended January 31, 2023
	$	$
Expenses		
Admin and bank charges	**12,993**	906
Audit and accounting fees (Note 8)	**38,249**	33,554
Legal fees	**5,281**	95,203
Regulatory and filing	**10,449**	23,378
Net loss and comprehensive loss for the year	**(66,972)**	(153,041)
Loss per share		
Basic and diluted	**(0.03)**	(0.08)
Weighted average number of common shares outstanding (basic and diluted)	**2,000,000**	2,000,000

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

(Expressed in Canadian dollars)

	Number of outstanding shares	Share capital	Reserves	Deficit	Total shareholders' equity (deficiency)
		$	$	$	$
Balance, January 31, 2022	**4,400,000**	**206,353**	**43,000**	**(80,346)**	**169,007**
Net loss for the year	-	-	-	(153,041)	(153,041)
Balance, January 31, 2023	**4,400,000**	**206,353**	**43,000**	**(233,387)**	**15,966**
Net loss for the year	-	-	-	(66,972)	(66,972)
Balance, January 31, 2024	**4,400,000**	**206,353**	**43,000**	**(300,359)**	**(51,006)**

(Expressed in Canadian dollars)

	For the year ended January 31, 2024	For the year ended January 31, 2023
	$	$
Cash provided by (used in)		
Operating activities		
Net loss for the year	**(66,972)**	(153,041)
Changes in non-cash working capital items:		
Accounts payable and accrued liabilities	**(3,105)**	57,410
Net cash used in operating activities	**(70,077)**	(95,631)
Change in cash, for the year	**(70,077)**	(95,631)
Cash - beginning of year	**81,026**	176,657
Cash - end of year	**10,949**	81,026
Supplemental cash flow disclosure		
Taxes paid	**-**	-
Interest paid	**-**	-

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

1. Nature of operations and going concern

Nature of operations

Samurai Capital Corp. (the "Company") was incorporated under the *Business Corporations Act* (British Columbia) on December 17, 2020. On May 27, 2021, the Company completed its initial public offering ("IPO"), and the common shares of the Company began trading on the TSX Venture Exchange (the "Exchange") under the symbol "SSS". The Company is classified as a Capital Pool Company ("CPC") as defined under Policy 2.4 of the Exchange. The principal business of the Company is the identification and evaluation of a Qualifying Transaction ("QT") and once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder approval, if required, and acceptance by regulatory authorities. See Note 4 for previously proposed QT which was terminated on April 14, 2023.

The head office, principal address and registered office of the Company are located at Suite 228 – 1122 Mainland Street, Vancouver, BC V6B 5L1, Canada.

Going concern

These financial statements have been prepared on a going concern basis. The going concern basis of presentation assumes that the Company will continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of business. The Company has not generated revenues from operations, and there is no assurance that the Company will identify a QT under the policies of the Exchange. If a QT is not completed, the Company will need to identify other sources of financing to remain as a going concern. The Company has incurred losses from inception. During the year ended January 31, 2024, the Company recorded a loss of $66,972 (2023 - $153,041) and as of that date, has a deficit of $300,359 (2023 - $233,387). These circumstances have resulted in a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. These financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. If the going concern basis was not appropriate for these financial statements, then adjustments would be necessary to the carrying values of assets and liabilities. Such adjustments could be material.

2. Basis of presentation and material accounting policies

Statement of Compliance

These financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

Basis of Presentation

These financial statements have been prepared on a historical cost basis, except for any financial assets and liabilities held at fair value, as explained in the accounting policies set out below. These financial statements are presented in Canadian dollars, which is also the Company's functional currency. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

2. Basis of presentation and material accounting policies (continued)

Material accounting policies

Financial instruments

Measurement and classification

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

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

Share capital and share issuance costs

The Company's common shares and any future offerings of share warrants and options are classified as equity instruments. Costs directly attributable to the raising of capital are charged against the related share capital. Costs related to shares not yet issued are recorded as deferred share issuance costs. These costs are deferred until the issuance of the shares to which the costs relate, at which time the costs will be charged against the related share capital or charged to profit or loss if the shares are not issued.

Stock-based compensation

The Company grants stock options to buy common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes or provides services similar to those performed by an employee. The Company accounts for share-based payments using the fair value method. Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured and are recorded at the date the goods or services are received.

The fair value of the stock-based compensation awards is determined at the date of grant using the Black-Scholes option pricing model. The fair value of the award is charged to profit or loss, unless they are considered to be share issuance costs in which case they are booked as a reduction to share capital, and credited to reserves rateably over the vesting period, after adjusting for the number of awards that are expected to vest. Expenses recognized for forfeited awards are reversed. For awards that are cancelled, any expense not yet recognized is recognized immediately in profit or loss. Where the terms of an equity-settled award are modified, as a minimum an expense is recognized as if the terms had not been modified over the original vesting period. In addition, an expense is recognized for any modification which increases the total fair value of the share-based payment arrangement as measured at the date of modification, over the remainder of the vesting period. On expiration of options, the previously recognized amount is left in the reserves.

Warrants

Warrants issued to agents in connection with a financing are recorded at fair value using the Black-Scholes option pricing model and charged as share issuance costs associated with the offering with an offsetting credit to reserves.

Proceeds of the exercise of these warrants are credited to share capital together with the corresponding amount, if any, of the original warrant charge included in reserves.

2. Basis of presentation and material accounting policies (continued)

New standards issued but not yet effective and standards adopted during the year

The following standards are adopted during the year:

Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting Policies

These amendments continue the IASB's clarifications on applying the concept of materiality. These amendments help companies provide useful accounting policy disclosures, and they include: requiring companies to disclose their material accounting policies instead of their significant accounting policies; clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and do not need to be disclosed; and clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material. The IASB also amended IFRS Practice Statement 2 to include guidance and examples on applying materiality to accounting policy disclosures.

These amendments are effective for reporting periods beginning on or after January 1, 2023. The adoption of the amendments reduced the Company's disclosure of its accounting policies.

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

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 January 1, 2024. The adoption of these amendments will not have any significant impact on the Company.

3. Significant Accounting Estimates and Judgments

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Estimates are reviewed on an ongoing basis and are based on historical experience and other facts and circumstances. Revisions to estimates and the resulting effects on the carrying amounts of the Company's assets and liabilities are accounted for prospectively. Management believes the estimates and assumptions used in these financial statements are reasonable; however, actual results could differ from those estimates and could have a material impact on future results of the Company's financial statements.

The following significant accounting judgments have been applied in these financial statements:

Judgments

Going Concern

Management assesses the Company's ability to continue as a going concern at each reporting date, using all quantitative and qualitative information available. This assessment, by its nature, relies on estimates of future cash flows and other future events (as discussed in Note 1), whose subsequent changes could materially impact the validity of such an assessment.

4. Previous Proposed Qualifying Transaction

The Company entered into a letter of intent ("**LOI**") dated December 7, 2022, to enter into a business combination (the "**Transaction**") with Home Run Oil & Gas Inc. ("**Home Run**"). It was expected that upon completion of the Transaction, the combined entity (the "**Resulting Issuer**") would have met the listing requirements for a Tier 2 Oil & Gas issuer under the policies of the TSX Venture Exchange (the "**TSXV**"). The Transaction was intended to constitute the QT of the Company, as such a term is defined in Policy 2.4 – "*Capital Pool Companies*" of the TSXV. Home Run was incorporated under the *Business Corporations Act* (Alberta) on August 5, 2021. Home Run's head office is located at Suite 610, 1414 8th Street SW, Calgary AB, T2R 1J6. Home Run is a private junior oil and gas exploration and development company currently active in west central Alberta, specifically in the Ante Creek N. Area. The Transaction was expected to be completed by way of a three-cornered amalgamation, share purchase, share exchange or alternate transaction to be determined with input from the legal and tax advisors to each of the Company and Home Run, which would have resulted in Home Run (or an Alberta incorporated parent entity) becoming a wholly-owned subsidiary of the Company. On April 14, 2023, the LOI was terminated by the Company.

5. Share Capital and Reserves

Authorized

The Company is authorized to issue an unlimited number of Class A common shares ("common shares") without par value and an unlimited number of Class B preferred shares without par value (none issued).

Share issuances

For the years ended January 31, 2024 and 2023:

No share issuance activity.

Escrowed Shares

On incorporation, the Company issued 2,000,000 common shares for gross proceeds of $100,000.

On January 12, 2021, the Company issued 400,000 common shares for gross proceeds of $20,000. The 2,400,000 seed shares issued below the IPO price, any shares acquired from treasury by non-arm's length parties while it is a CPC and CPC stock options and shares issued on exercise of CPC stock options, which were granted before the IPO and at an exercise price less than the IPO price, are all subject to the Company's escrow agreement in Form 2F of the Exchange dated February 1, 2021 (the "Escrow Agreement") among TSX Trust Company, as escrow agent, the Company and each of the securityholders of the Company party to the Escrow Agreement. Under the Escrow Agreement, 25% of the escrowed common shares will be released from escrow on the issuance of the Final QT Exchange Bulletin (as defined in the policies of the Exchange) (the "Initial Release") and an additional 25% will be released on each of the dates which are 6 months, 12 months, and 18 months following the Initial Release. As at January 31, 2024, 2,400,000 common shares were held in escrow (2023 – 2,400,000).

Shares acquired by the Pro Group (as defined in the policies of the Exchange) at or above the IPO price and shares acquired by a Control Person (as defined in the policies of the Exchange) in the secondary market are not subject to the CPC Escrow Agreement.

(Expressed in Canadian dollars unless otherwise stated)

5. Share Capital and Reserves (continued)

Options
The Company adopted a stock option plan (the "Plan") to grant options to directors, senior officers, employees and consultants of the Company. The aggregate outstanding options are limited to 10% of the outstanding common shares, and the maximum term for options granted under the Plan is 10 years. The option exercise price under each option shall be not less than the Discounted Market Price as defined in the policies of the exchange on the Grant Date.

On May 27, 2021, the Company granted 440,000 options to directors and officers of the Company. As at January 31, 2024, these options had a remaining life of 2.32 years.

Compensation Options
On May 27, 2021, the Company granted 200,000 compensation options related to the closing of IPO. On May 27, 2023, these options expired unexercised.

The changes in share options for the years ended January 31, 2024 and 2023 are as follows:

	Number of Options	Weighted Average Exercise Price
Balance, January 31, 2022 and 2023	640,000	$0.10
Expired	(200,000)	$0.10
Balance, January 31, 2024	**440,000**	**$0.10**

Stock options outstanding and exercisable at January 31, 2024 are as follows:

Number of Options Outstanding	Number of Options Exercisable	Exercise Price	Expiry Date
440,000	440,000	$0.10	May 27, 2026

6. Financial Instruments

As at January 31, 2024, the Company's financial instruments consist of cash and accounts payable and accrued liabilities. The carrying value of accounts payable and accrued liabilities approximates its fair value because of their nature and relatively short maturity dates or durations.

The Company's cash is considered to be Level 1 within the fair value hierarchy (as discussed below).

Level 1 – fair values based on unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 – fair values based on inputs that are observable for the asset or liability, either directly or indirectly; and
Level 3 – fair values based on inputs for the asset or liability that are not based on observable market data.

The Company's policy for determining when a transfer occurs between levels in the fair value hierarchy is to assess the impact at the date of the event or the change in circumstances that could result in a transfer. There were no transfers between the levels during the period ended January 31, 2024.

6. Financial Instruments (continued)

The risk exposure arising from these financial instruments is summarized as follows:

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a loss for the other party by failing to discharge an obligation. As the Company's cash is held in one bank, there is a concentration of credit risk. This risk is managed by using a major bank that is a high credit quality financial institution as determined by rating agencies. As of January 31, 2024, the Company's exposure to credit risk is minimal.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they fall due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Company's ability to continue to meet its liabilities when due, beyond the current cash balance, is dependent on future support of shareholders through equity offerings. There is no assurance of continued access to significant equity funding. The Company's accounts payable and accrued liabilities as at January 31, 2024 are due within 30 days of the reporting date.

(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 value of its holdings or financial instruments. The Company's activities have only been transacted in Canadian dollars since incorporation; in addition, the Company carries no interest-bearing debt. As such, the Company has minimal market risks facing it at present.

7. Capital Management

The Company manages its capital structure and adjusts it, based on the funds available to the Company, in order to support the identification and evaluation of a QT and continue as a going concern. The Company considers capital to be all accounts in equity. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. Additional funds may be required to finance the Company's QT. The Company is not subject to any externally imposed capital requirements other than the expenditure restrictions applicable under Policy 2.4, which apply following the completion of the IPO. These expenditure restrictions limit the Company's on-going expenditures to reasonable expenditures relating to the IPO, reasonable expenses relating to a proposed Qualifying Transaction, assurance and audit fees, escrow agent and transfer agent fees, regulatory filing fees and a maximum of $3,000 per month for other general and administrative costs.

8. Related Party Transactions

Key management personnel are the persons having authority and responsibility for planning, directing and controlling the activities of the Company either directly or indirectly, including entities controlled by such persons. The key management personnel include the Company's executive management team and the Board of Directors.

During the year ended January 31, 2024, the Company incurred $14,700 (2023 - $14,175) to the Chief Financial Officer for professional accounting services and $12,600 (2023 - $Nil) in office rent charges. As at January 31, 2024, $27,344 (2023 - $7,875) was owing to the Chief Financial Officer for professional accounting services, office rent, and reimbursable expenses.

(Expressed in Canadian dollars unless otherwise stated)

9. Income Taxes

A reconciliation of the expected income tax recovery to the actual income tax recovery is as follows:

	Year ended January 31, 2024	Year ended January 31, 2023
Net loss for the year	**$(66,972)**	$(153,041)
Statutory tax rate	**27%**	27%
Expected income taxes (recovery) at the statutory tax rate	**(18,000)**	(41,000)
Other	**-**	(3,000)
Change in tax assets not recognized	**18,000**	44,000
Income tax expense (recovery)	**-**	-

The Company has the following deductible temporary differences for which no deferred tax asset has been recognized:

	January 31, 2024	January 31, 2023
	$	$
Loss carry-forwards	**319,000**	231,000
Share issuance costs	**41,000**	62,000
Deductible temporary differences	**360,000**	293,000

The Company has non-capital losses of approximately $319,000 available to offset future income for income tax purposes which commence expiring in 2041 through 2044. Due to the uncertainty of realization of these loss carry-forwards, the benefit is not reflected in the financial statements. The share issuance costs expire in 2024 through 2026.

Year of expiry	$
2041	12,000
2042	46,000
2043	173,000
2044	88,000

10. Subsequent Event

Subsequent to year end, the Company received $35,000 in advances from an officer of the Company and his spouse. The amounts are unsecured, non-interest bearing and carries no fixed terms of repayment.

Samurai Capital Corp.
(A Capital Pool Company)

CONDENSED INTERIM FINANCIAL STATEMENTS

For the Third Quarter Ended October 31, 2024 and 2023

(unaudited)

(Expressed in Canadian dollars)

	October 31, 2024 (unaudited)	January 31, 2024 (audited)
	$	$
ASSETS		
Cash	**134,549**	10,949
Prepaid expense	**13,125**	-
Total assets	**147,674**	10,949
LIABILITIES		
Accounts payable and accrued liabilities (Note 8)	**93,430**	61,955
Total liabilities	**93,430**	61,955
SHAREHOLDERS' EQUITY (DEFICIENCY)		
Share capital (Note 5)	**356,353**	206,353
Reserves (Note 5)	**43,000**	43,000
Deficit	**(345,109)**	(300,359)
Total shareholders' equity (deficiency)	**54,244**	(51,006)
Total liabilities and shareholders' equity (deficiency)	**147,674**	10,949

Nature of operations and going concern (Note 1)
Proposed qualifying transaction (Note 4)

Approved by on behalf of the Board of Directors on December 24, 2024

"Anthony Zelen"	***"Craig Taylor"***
Director	Director

Samurai Capital Corp.
(A CAPITAL POOL COMPANY)
CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian dollars - Unaudited)

	For the three months ended October 31, 2024	For the three months ended October 31, 2023	**For the nine months ended October 31, 2024**	For the nine months ended October 31, 2023
	$	$	**$**	$
Expenses				
Admin and bank charges	**123**	117	**327**	325
Audit and accounting fees (Note 8)	**8,150**	3,100	**18,179**	32,974
Legal fees	**12,074**	1,098	**12,074**	5,281
Regulatory and filing	**5,327**	-	**14,170**	9,617
Net loss and comprehensive loss for the period	**(25,674)**	(4,315)	**(44,750)**	(48,197)
Loss per share				
Basic and diluted	**(0.01)**	(0.00)	**(0.02)**	(0.02)
Weighted average number of common shares outstanding (basic and diluted)	**3,239,130**	2,000,000	**2,416,058**	2,000,000

(Expressed in Canadian dollars - Unaudited)

	Number of outstanding shares	Share capital	Reserves	Deficit	Total shareholders' equity (deficiency)
		$	$	$	$
Balance, January 31, 2023	**4,400,000**	**206,353**	**43,000**	**(233,387)**	**15,966**
Net loss for the period	-	-	-	(48,197)	(48,197)
Balance, October 31, 2023	**4,400,000**	**206,353**	**43,000**	**(281,584)**	**(32,231)**
Balance, January 31, 2024	**4,400,000**	**206,353**	**43,000**	**(300,359)**	**(51,006)**
Private placement proceeds	3,000,000	150,000	-	-	150,000
Net loss for the period	-	-	-	(44,750)	(44,750)
Balance, October 31, 2024	**7,400,000**	**356,353**	**43,000**	**(345,109)**	**54,244**

Samurai Capital Corp.
(A CAPITAL POOL COMPANY)
CONDENSED INTERIM STATEMENTS OF CASH FLOW
(Expressed in Canadian dollars - Unaudited)

	For the nine months ended October 31, 2024	For the nine months ended October 31, 2023
	$	$
Cash provided by (used in)		
Operating activities		
Net loss for the period	**(44,750)**	(48,197)
Changes in non-cash working capital items:		
Prepaid expense	**(13,125)**	-
Accounts payable and accrued liabilities	**31,475**	(20,715)
Net cash used in operating activities	**(26,400)**	(68,912)
Financing activity		
Private placement	**150,000**	-
Change in cash, for the period	**123,600**	(68,912)
Cash - beginning of period	**10,949**	81,026
Cash - end of period	**134,549**	12,114
Supplemental cash flow disclosure		
Taxes paid	-	-
Interest paid	-	-

1. Nature of operations and going concern

Nature of operations

Samurai Capital Corp. (the "Company") was incorporated under the *Business Corporations Act* (British Columbia) on December 17, 2020. On May 27, 2021, the Company completed its initial public offering ("IPO"), and the common shares of the Company began trading on the TSX Venture Exchange (the "Exchange") under the symbol "SSS". The Company is classified as a Capital Pool Company ("CPC") as defined under Policy 2.4 of the Exchange. The principal business of the Company is the identification and evaluation of a Qualifying Transaction, as defined under Policy 2.4 of the Exchange, and once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder approval, if required, and acceptance by regulatory authorities.

The head office, principal address and registered office of the Company are located at Suite 228 – 1122 Mainland Street, Vancouver, BC V6B 5L1, Canada.

Going concern

These financial statements have been prepared on a going concern basis. The going concern basis of presentation assumes that the Company will continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of business. The Company has not generated revenues from operations, and there is no assurance that the Company will identify a Qualifying Transaction under the policies of the Exchange. If a Qualifying Transaction is not completed, the Company will need to identify other sources of financing to remain as a going concern. The Company has incurred losses from inception. During the period ended October 31, 2024, the Company recorded a loss of $44,750 (2023 - $48,197) and as of that date, has a deficit of $345,109 (January 31, 2024 - $300,359). These circumstances have resulted in a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. These financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. If the going concern basis was not appropriate for these financial statements, then adjustments would be necessary to the carrying values of assets and liabilities. Such adjustments could be material.

2. Basis of presentation and material accounting policies

Statement of Compliance

The Company applies IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by the IASB. The accounting policies applied by the Company in these condensed interim financial statements are the same as those applied by the Company as at and for the year ended January 31, 2024. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending January 31, 2025 could result in the restatement of these condensed interim financial statements.

Basis of Presentation

These financial statements have been prepared on a historical cost basis, except for any financial assets and liabilities held at fair value, as explained in the accounting policies set out below. These financial statements are presented in Canadian dollars, which is also the Company's functional currency. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

2. Basis of presentation and material accounting policies (continued)

Material accounting policies

Financial instruments

Measurement and classification

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

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

Share capital and share issuance costs

The Company's common shares and any future offerings of share warrants and options are classified as equity instruments. Costs directly attributable to the raising of capital are charged against the related share capital. Costs related to shares not yet issued are recorded as deferred share issuance costs. These costs are deferred until the issuance of the shares to which the costs relate, at which time the costs will be charged against the related share capital or charged to profit or loss if the shares are not issued.

Stock-based compensation

The Company grants stock options to buy common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes or provides services similar to those performed by an employee. The Company accounts for share-based payments using the fair value method. Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured and are recorded at the date the goods or services are received.

The fair value of the stock-based compensation awards is determined at the date of grant using the Black-Scholes option pricing model. The fair value of the award is charged to profit or loss, unless they are considered to be share issuance costs in which case they are booked as a reduction to share capital, and credited to reserves rateably over the vesting period, after adjusting for the number of awards that are expected to vest. Expenses recognized for forfeited awards are reversed. For awards that are cancelled, any expense not yet recognized is recognized immediately in profit or loss. Where the terms of an equity-settled award are modified, as a minimum an expense is recognized as if the terms had not been modified over the original vesting period. In addition, an expense is recognized for any modification which increases the total fair value of the share-based payment arrangement as measured at the date of modification, over the remainder of the vesting period. On expiration of options, the previously recognized amount is left in the reserves.

Warrants

Warrants issued to agents in connection with a financing are recorded at fair value using the Black-Scholes option pricing model and charged as share issuance costs associated with the offering with an offsetting credit to reserves.

Proceeds of the exercise of these warrants are credited to share capital together with the corresponding amount, if any, of the original warrant charge included in reserves.

3. Significant Accounting Estimates and Judgments

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Estimates are reviewed on an ongoing basis and are based on historical experience and other facts and circumstances. Revisions to estimates and the resulting effects on the carrying amounts of the Company's assets and liabilities are accounted for prospectively. Management believes the estimates and assumptions used in these financial statements are reasonable; however, actual results could differ from those estimates and could have a material impact on future results of the Company's financial statements.

The following significant accounting judgments have been applied in these financial statements:

Judgments

Going Concern

Management assesses the Company's ability to continue as a going concern at each reporting date, using all quantitative and qualitative information available. This assessment, by its nature, relies on estimates of future cash flows and other future events (as discussed in Note 1), whose subsequent changes could materially impact the validity of such an assessment.

4. Proposed Qualifying Transaction

On November 7, 2024, the Company entered into a definitive agreement ("Agreement") with A.C.L. Construction Ltd., a British Columbia company that specializes in project management, civil earthworks and transportation. The Company intends that the Proposed Transaction will constitute its Qualifying Transaction by way of a three-cornered amalgamation with the Company's wholly-owned subsidiary to form a single entity (the "Resulting Issuer"). The Agreement prescribes that each common share in the capital of A.C.L. Construction Ltd. outstanding immediately prior to the completion of the Proposed Transaction (other than A.C.L. Construction Shares held by shareholders of A.C.L. Construction Ltd. who exercise their dissent rights) is expected to be converted into one (1) issued, fully paid and non-assessable common share in the share capital of the Resulting Issuer. Prior to completion of the Proposed Transaction, it is intended that the Company will effect a consolidation of its common shares on a three (3) common share to one (1) common share basis.

The completion of the Proposed Transaction is subject to the satisfaction of various conditions that are standard for a transaction of this nature, including but not limited to:

(i) the execution of a definitive agreement on or prior to October 31, 2024 (completed);
(ii) the completion of a $3,500,000 minimum financing of subscription receipts in A.C.L. Construction Ltd.;
(iii) the approval by the shareholders of A.C.L. Construction Ltd. to complete the Proposed Transaction;
(iv) receipt of all requisite regulatory, stock exchange, court or governmental authorizations and consents, including the Exchange; and
(v) the completion of satisfactory due diligence by each of the parties.

5. Share Capital and Reserves

Authorized

The Company is authorized to issue an unlimited number of Class A common shares ("common shares") without par value and an unlimited number of Class B preferred shares without par value (none issued).

Share issuances

For the nine months ended October 31, 2024 and for the year ended January 31, 2024

The Company completed a private placement of 3,000,000 of its common shares at a price of $0.05 per share for gross proceeds of $150,000 for transaction related costs related to the Qualifying Transaction with A.C.L. Construction Ltd., in accordance with Exchange policies.

Escrowed Shares

On incorporation, the Company issued 2,000,000 common shares for gross proceeds of $100,000.

On January 12, 2021, the Company issued 400,000 common shares for gross proceeds of $20,000. The 2,400,000 seed shares issued below the IPO price, any shares acquired from treasury by non-arm's length parties while it is a CPC and CPC stock options and shares issued on exercise of CPC stock options, which were granted before the IPO and at an exercise price less than the IPO price, are all subject to the Company's escrow agreement in Form 2F of the Exchange dated February 1, 2021 (the "Escrow Agreement") among TSX Trust Company, as escrow agent, the Company and each of the securityholders of the Company party to the Escrow Agreement. Under the Escrow Agreement, 25% of the escrowed common shares will be released from escrow on the issuance of the Final QT Exchange Bulletin (as defined in the policies of the Exchange) (the "Initial Release") and an additional 25% will be released on each of the dates which are 6 months, 12 months, and 18 months following the Initial Release. As at October 31, 2024, 2,400,000 common shares were held in escrow (January 31, 2024 – 2,400,000).

Shares acquired by the Pro Group (as defined in the policies of the Exchange) at or above the IPO price and shares acquired by a Control Person (as defined in the policies of the Exchange) in the secondary market are not subject to the CPC Escrow Agreement.

Options

The Company adopted a stock option plan (the "Plan") to grant options to directors, senior officers, employees and consultants of the Company. The aggregate outstanding options are limited to 10% of the outstanding common shares, and the maximum term for options granted under the Plan is 10 years. The option exercise price under each option shall be not less than the Discounted Market Price as defined in the policies of the exchange on the Grant Date.

On May 27, 2021, the Company granted 440,000 options to directors and officers of the Company. As at October 31, 2024, these options had a remaining life of 1.57 years.

(Expressed in Canadian dollars unless otherwise stated - Unaudited)

5. Share Capital and Reserves (continued)

Compensation Options
On May 27, 2021, the Company granted 200,000 compensation options related to the closing of IPO. On May 27, 2023, these options expired unexercised.

The changes in share options for the period ended October 31, 2024 and January 31, 2024, are as follows:

	Number of Options	Weighted Average Exercise Price
Balance, January 31, 2023	**640,000**	**$0.10**
Expired	(200,000)	$0.10
Balance, January 31, 2024	**440,000**	**$0.10**
Balance, October 31, 2024	**440,000**	**$0.10**

Stock options outstanding and exercisable at October 31, 2024 are as follows:

Number of Options Outstanding	Number of Options Exercisable	Exercise Price	Expiry Date
440,000	440,000	$0.10	May 27, 2026

6. Financial Instruments

As at October 31, 2024, the Company's financial instruments consist of cash and accounts payable and accrued liabilities. The carrying value of accounts payable and accrued liabilities approximates its fair value because of their nature and relatively short maturity dates or durations.

The Company's cash is considered to be Level 1 within the fair value hierarchy (as discussed below).

Level 1 – fair values based on unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 – fair values based on inputs that are observable for the asset or liability, either directly or indirectly; and
Level 3 – fair values based on inputs for the asset or liability that are not based on observable market data.

The Company's policy for determining when a transfer occurs between levels in the fair value hierarchy is to assess the impact at the date of the event or the change in circumstances that could result in a transfer. There were no transfers between the levels during the period ended October 31, 2024.

The risk exposure arising from these financial instruments is summarized as follows:

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a loss for the other party by failing to discharge an obligation. As the Company's cash is held in one bank, there is a concentration of credit risk. This risk is managed by using a major bank that is a high credit quality financial institution as determined by rating agencies. As of October 31, 2024, the Company's exposure to credit risk is minimal.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they fall due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Company's ability to continue to meet its liabilities when due, beyond the current cash balance, is dependent on future support of shareholders through equity offerings. There is no assurance of continued access to significant equity funding. The Company's accounts payable and accrued liabilities as at October 31, 2024 are due within 30 days of the reporting date.

6. Financial Instruments (continued)

(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 value of its holdings or financial instruments. The Company's activities have only been transacted in Canadian dollars since incorporation; in addition, the Company carries no interest-bearing debt. As such, the Company has minimal market risks facing it at present.

7. Capital Management

The Company manages its capital structure and adjusts it, based on the funds available to the Company, in order to support the identification and evaluation of a Qualifying Transaction and continue as a going concern. The Company considers capital to be all accounts in equity. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. Additional funds may be required to finance the Company's Qualifying Transaction. The Company is not subject to any externally imposed capital requirements other than the expenditure restrictions applicable under Policy 2.4, which apply following the completion of the IPO. These expenditure restrictions limit the Company's on-going expenditures to reasonable expenditures relating to the IPO, reasonable expenses relating to a proposed Qualifying Transaction, assurance and audit fees, escrow agent and transfer agent fees, regulatory filing fees and a maximum of $3,000 per month for other general and administrative costs.

8. Related Party Transactions

Key management personnel are the persons having authority and responsibility for planning, directing and controlling the activities of the Company either directly or indirectly, including entities controlled by such persons. The key management personnel include the Company's executive management team and the Board of Directors.

During the nine months ended October 31, 2024, the Company incurred $9,000 (October 31, 2023 - $9,000) to the Chief Financial Officer for professional accounting services. As at October 31, 2024, $38,325 (January 31, 2024 - $27,344) was owing to the Chief Financial Officer for professional accounting services.

On May 8, 2024, the Company received a $35,000 loan from an officer of the Company and his spouse. The amounts are included in accounts payable and accrued liabilities, unsecured, non-interest bearing and carries no fixed terms of repayment.

SCHEDULE "B"

MD&A OF SAMURAI CAPITAL CORP.

Samurai Capital Corp.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FOURTH QUARTER ENDED JANUARY 31, 2024

Background

This management's discussion and analysis ("MD&A") of the operations, results, and financial position of Samurai Capital Corp. (the "Company") for the year ended January 31, 2024, should be read in conjunction with the Company's audited financial statements for the year ended January 31, 2024 with related notes to those financial statements.

The effective date of this report is May 22, 2024.

These financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), Except as otherwise disclosed, all dollar figures included therein and in the following MD&A are quoted in Canadian dollars. Additional information relevant to the Company's activities can be found on SEDAR+ at www.sedarplus.ca.

Company Overview

Samurai Capital Corp. (the "Company") was incorporated under the Business Corporations Act (British Columbia) on December 17, 2020. On May 27, 2021, the Company completed its initial public offering ("IPO") and the shares of the Company began trading on the TSX Venture Exchange under the symbol "SSS". The principal business of the Company is the identification and evaluation of a Qualifying Transaction ("QT") and once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder approval, if required, and acceptance by regulatory authorities.

The head office, principal address and registered office of the Company are located at Suite 228 – 1122 Mainland Street, Vancouver, B.C. V6B 5L1, Canada.

The Company's continuing operations are dependent upon its ability to identify, evaluate and negotiate an acquisition of an interest in assets or businesses which qualifies as a QT. Such an acquisition or investment will be subject to regulatory approval and may or may not require additional financing. There is no assurance that the Company will be able to complete a QT.

Previous Proposed Qualifying Transaction

The Company entered into a letter of intent ("LOI") dated December 7, 2022, to enter into a business combination (the "Transaction") with Home Run Oil & Gas Inc. ("Home Run"). It was expected that upon completion of the Transaction, the combined entity (the "Resulting Issuer") would have met the listing requirements for a Tier 2 Oil & Gas issuer under the policies of the TSX Venture Exchange (the "TSXV"). The Transaction was intended to constitute the QT of the Company, as such a term is defined in Policy 2.4 – "Capital Pool Companies" of the TSXV. Home Run was incorporated under the Business Corporations Act (Alberta) on August 5, 2021. Home Run's head office is located at Suite 610, 1414 8th Street SW, Calgary AB, T2R 1J6. Home Run is a private junior oil and gas exploration and development company currently active in west central Alberta, specifically in the Ante Creek N. Area. The Transaction was expected to be completed by way of a three-cornered amalgamation, share purchase, share exchange or alternate transaction to be determined with input from the legal and tax advisors to each of the Company and Home Run, which would have resulted in Home Run (or an Alberta incorporated parent entity) becoming a wholly-owned subsidiary of the Company. On April 14, 2023, the LOI was terminated by the Company.

Completion of Initial Public Offering

The Company completed its IPO of 2,000,000 common shares at $0.10 per share for gross proceeds of $200,000 pursuant to a Prospectus dated April 14, 2021 filed with the British Columbia, Alberta and Ontario Securities Commissions. Pursuant to the IPO, the Company paid a cash commission of $20,000, incurred costs of $83,147 relating to the IPO, and granted 200,000 compensation options.

Overall Performance and Qualifying Transaction

The Company was incorporated on December 17, 2020. The Company is classified as a Capital Pool Company ("CPC") as defined under Policy 2.4 of the Exchange. The Company does not have any operations to the date of this document and, until it completes a QT, will not conduct any business other than the identification and evaluation of businesses and assets for potential acquisition. Accordingly, the Company does not generate any revenue, nor does it pay any dividends.

As at January 31, 2024, the Company had a deficit of $300,359. The Company's potential acquisition of a QT and recurring operating losses and working capital needs may require that it obtain additional capital to continue its operation. Such outside capital may include the sale of additional common shares. During the year ended January 31, 2024, the Company's cash balance decreased to $10,949, from $81,026. The decrease is due to settlement of historical vendor payables, and payment of ongoing overhead expenses.

Selected Annual Financial Information

	For the year ended January 31, 2024	For the year ended January 31, 2023	For the year ended January 31, 2022
	$	$	$
Total assets	10,949	81,026	176,657
Total non-current liabilities	-	-	-
Less interest income	-	-	-
Loss and comprehensive loss	(66,972)	(153,041)	(68,802)
Basic & diluted loss per share	(0.03)	(0.08)	(0.05)
Weighted average number of common shares outstanding	2,000,000	2,000,000	1,364,384

SELECTED QUARTERLY RESULTS

The following table contains selected financial information for prior quarters:

Quarters Ended:	January 31, 2024	October 31, 2023	July 31, 2023	April 30, 2023
	$	$	$	$
Expenses	(18,775)	(4,315)	(31,069)	(12,813)
Less interest income	-	-	-	-
Loss and comprehensive loss	(18,775)	(4,315)	(31,069)	(12,813)
Basic & diluted earnings loss per share	(0.01)	(0.00)	(0.02)	(0.01)

Quarters Ended:	January 31, 2023	October 31, 2022	July 31, 2022	April 30, 2022
	$	$	$	$
Expenses	(116,037)	(7,799)	(19,993)	(9,212)
Less interest income	-	-	-	-
Loss and comprehensive loss	(116,037)	(7,799)	(19,993)	(9,212)
Basic & diluted loss per share	(0.06)	(0.00)	(0.01)	(0.00)

During the three and twelve months ended January 31, 2024, the Company had net loss of $18,775 and $66,972 compared to a net loss of $116,037 and $153,041 for the comparable periods. During the current year, the Company was billed the difference in audit fees from the previous fiscal year totaling $23,994; total audit fees increased due to the previously proposed Transaction with Home Run. In addition, office rent was charged by CFO of the Company.

Additional Disclosure for Venture Issuers without Significant Revenue

Additional financial information is available in the Company's audited financial statements for the year ended January 31, 2024. These statements are available on SEDAR+ at www.sedarplus.ca.

The following addresses the specific disclosure requirements for venture issues without significant revenues:

(a) Capitalized or expensed exploration and development costs – Not applicable
(b) Expensed research and development costs – Not applicable
(c) Deferred development costs – Not applicable
(d) General administrative expenses – the financial information is presented in the Statement of Loss and Comprehensive Loss in the financial statements.
(e) Any material costs, whether capitalized, deferred or expensed, not referred to in (a) through (d) – None.

Profits

At this time, the Company is not anticipating profit or revenue from operations. The Company will report an annual deficit and quarterly deficit and will rely on its ability to obtain equity financing to fund its search for a QT. For information concerning the business of the Company, please see "Company Overview".

Liquidity

As at January 31, 2024 the Company had cash of $10,949.

As at January 31, 2024 the Company had a working capital deficiency of $51,006 which is defined as current assets less current liabilities. This is not expected to be adequate to maintain the Company's current levels of activity (the Company may need to raise additional capital).

Capital Resources

On May 27, 2021, the Company completed an IPO whereby 2,000,000 common shares were issued for $0.10 per share for gross proceeds of $200,000. A cash finder's fee was paid in the amount of $20,000, and 200,000 compensation options were issued exercisable into common shares of the Company at $0.10 per share until May 27, 2023. In addition, the Company incurred share issuance costs of $83,147 relating to the IPO.

In accordance with Policy 2.4 of the Exchange, the proceeds raised from the sale of securities may only be used to identify and evaluate assets or businesses, and obtain shareholder approval for a QT, with the exception that not more than $3,000 per month of the gross proceeds may be used to cover prescribed costs of issuing the common shares or administrative and general expenses of the Company (and that up to the lesser of 30% of the gross proceeds realized by the Company in respect of the sale of its securities, or $210,000, may be used for purposes other than such identification and evaluation of businesses or assets). These restrictions apply until completion of a QT by the Company as defined under Policy 2.4 of the Exchange. The Company is not subject to any externally or internally imposed capital requirements at period-end apart from the capital requirements of the Exchange.

There is no assurance that the Company will be able to identify a suitable business, asset or property as its Qualifying Transaction. Furthermore, even if a QT is identified, there can be no assurance that the Company will be able to complete the transaction.

If the Company identifies a QT, it may be necessary for the Company to seek additional financing. Capital markets may not always be receptive to offerings of new equity from treasury or debt, whether by way of private placements or public offerings, under terms that would be acceptable for the Company.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Transactions between Related Parties

Key management personnel are the persons having authority and responsibility for planning, directing and controlling the activities of the Company either directly or indirectly, including entities controlled by such persons. The key management personnel include the Company's executive management team and the Board of Directors.

During the year ended January 31, 2024, the Company incurred $14,700 (2023 - $14,175) to the Chief Financial Officer for professional accounting services and $12,600 (2023 - $Nil) in office rent charges. As at January 31, 2024, $27,344 (2023 - $7,875) was owing to the Chief Financial Officer for professional accounting services, office rent, and reimbursable expenses.

Proposed Transaction

See "Previous Proposed Qualifying Transaction".

Critical Accounting Estimates and Judgments

The preparation of the financial statements in conformity with IFRS requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Estimates are reviewed on an ongoing basis and are based on historical experience and other facts and circumstances. Revisions to estimates and the resulting effects on the carrying amounts of the Company's assets and liabilities are accounted for prospectively. Management believes the estimates and assumptions used in these financial statements are reasonable; however, actual results could differ from those estimates and could impact future results of the Company's financial statements.

The Company's significant accounting judgments applied in its financial statements are as follows:

Judgments

Going Concern

Management assesses the Company's ability to continue as a going concern at each reporting date, using all quantitative and qualitative information available. This assessment, by its nature, relies on estimates of future cash flows and other future events, whose subsequent changes could materially impact the validity of such an assessment.

Financial Instruments

Measurement and classification

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

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

The Company's cash is considered to be Level 1 within the fair value hierarchy (as discussed below).

- Level 1– fair values based on unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – fair values based on inputs that are observable for the asset or liability, either directly or indirectly; and
- Level 3 – fair values based on inputs for the asset or liability that are not based on observable market data.

The risk exposure arising from these financial instruments is summarized as follows:

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a loss for the other party by failing to discharge an obligation. As the Company's cash is held in one bank, there is a concentration of credit risk. This risk is managed by using a major bank that is a high credit quality financial institution as determined by rating agencies. As of January 31, 2024, the Company's exposure to credit risk is minimal.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they fall due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Company's ability to continue to meet its liabilities when due, beyond the current cash balance, is dependent on future support of shareholders through equity offerings. There is no assurance of continued access to significant equity funding. The Company's accounts payable and accrued liabilities as at January 31, 2024 are due within 30 days of the reporting date.

(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 value of its holdings or financial instruments. The Company's activities have only been transacted in Canadian dollars since incorporation; in addition, the Company carries no interest-bearing debt. As such, the Company has minimal market risks facing it at present.

Disclosure of Outstanding Share Data

The Company is authorized to issue an unlimited number of Class A common shares ("common shares") without par value and an unlimited number of Class B preferred shares without par value.

As at the date of this MD&A, the Company had 4,400,000 common shares, 440,000 stock options and no warrants outstanding.

New accounting standards and interpretations

The following standards are adopted during the year:

Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting Policies

These amendments continue the IASB's clarifications on applying the concept of materiality. These amendments help companies provide useful accounting policy disclosures, and they include: requiring companies to disclose their material accounting policies instead of their significant accounting policies; clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and do not need to be disclosed; and clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material. The IASB also amended IFRS Practice Statement 2 to include guidance and examples on applying materiality to accounting policy disclosures.

These amendments are effective for reporting periods beginning on or after January 1, 2023. The adoption of the amendments reduced the Company's disclosure of its accounting policies.

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

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 January 1, 2024. The adoption of these amendments will not have any significant impact on the Company.

Risks and Uncertainties

The Company's financial performance is likely to be subject to the following risks:

1. The Company has no commercial operations, and has no assets other than cash. The Company has no history of earnings, and will not generate earnings or pay dividends until at least after the completion of the Qualifying Transaction, if ever.

2. Until completion of the Qualifying Transaction, the Company is not permitted to carry on any business other than the identification and evaluation of potential Qualifying Transactions.

3. The Company only has limited funds with which to identify and evaluate potential Qualifying Transactions and there can be no assurance that the Company will be able to identify or complete a suitable Qualifying Transaction.

4. If a Qualifying Transaction is completed, there can be no assurance that an active and liquid market for the Company's common shares will develop and investors may find it difficult to resell the common shares.

Disclosure Controls and Procedures

Disclosure controls and procedures are intended to provide reasonable assurance that information required to be disclosed is recorded, processed, summarized, and reported within the time periods specified by securities regulations and that the information required to be disclosed is accumulated and communicated to management. Internal controls over financial reporting are intended to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. As the Company is a venture issuer, management does not make any representations in this regard, and the Company has inherent limitations in this regard that may result in additional risks relating to its filings and reporting.

Forward-Looking Statements

This MD&A contains forward-looking statements. All statements, other than statements of historical fact, constitute "forward-looking statements" and include any information that addresses activities, events or developments that the Company believes, expects or anticipates will or may occur in the future including the Company's strategy, plans or future financial or operating performance and other statements that express management's expectations or estimates of future performance. There can be no assurance that a Qualifying Transaction will close nor can there be any assurances that the Company raises additional capital.

Forward-looking statements are generally identifiable by the use of the words "may", "will", "should", "continue", "expect", "anticipate", "estimate", "believe", "intend", "plan" or "project" or the negative of these words or other variations on these words or comparable terminology. All such forward-looking information and statements are based on certain assumptions and analyses made by the Company's management in light of their experience and perception of historical trends, current conditions and expected future developments, as well as other factors management believes are appropriate in the circumstances. These statements, however, are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed, implied by or projected in the forward-looking information or statements. Important factors that could cause actual results to differ from these forward-looking statements are discussed in Risks and Uncertainties.

There can be no assurance that any forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, the reader should not place any undue reliance on forward-looking information or statements. Except as required by law, the Company does not intend to revise or update these forward-looking statements.

Samurai Capital Corp.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THIRD QUARTER ENDED OCTOBER 31, 2024

Background

This management's discussion and analysis ("MD&A") of the operations, results, and financial position of Samurai Capital Corp. (the "Company") for the third quarter ended October 31, 2024, should be read in conjunction with the Company's condensed interim financial statements for the same period, and the audited financial statements for the year ended January 31, 2024 with related notes to those financial statements.

The effective date of this report is December 24, 2024.

These financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), Except as otherwise disclosed, all dollar figures included therein and in the following MD&A are quoted in Canadian dollars. Additional information relevant to the Company's activities can be found on SEDAR+ at www.sedarplus.ca.

Company Overview

Samurai Capital Corp. (the "Company") was incorporated under the *Business Corporations Act* (British Columbia) on December 17, 2020. On May 27, 2021, the Company completed its initial public offering ("IPO") and the shares of the Company began trading on the TSX Venture Exchange (the "Exchange") under the symbol "SSS". The principal business of the Company is the identification and evaluation of a Qualifying Transaction, as defined under Policy 2.4 of the Exchange, and once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder approval, if required, and acceptance by regulatory authorities.

The head office, principal address and registered office of the Company are located at Suite 228 – 1122 Mainland Street, Vancouver, B.C. V6B 5L1, Canada.

The Company's continuing operations are dependent upon its ability to identify, evaluate and negotiate an acquisition of an interest in assets or businesses which qualifies as a Qualifying Transaction. Such an acquisition or investment will be subject to regulatory approval and may or may not require additional financing. There is no assurance that the Company will be able to complete a Qualifying Transaction or that it will be able to secure the necessary financing to complete a Qualifying Transaction.

Overall Performance

The Company was incorporated on December 17, 2020. The Company is classified as a Capital Pool Company ("CPC") as defined under Policy 2.4 of the Exchange. The Company does not have any operations to the date of this document and, until it completes a Qualifying Transaction, will not conduct any business other than the identification and evaluation of businesses and assets for potential acquisition. Accordingly, the Company does not generate any revenue, nor does it pay any dividends.

As at October 31, 2024, the Company had a deficit of $345,109. The Company's potential completion of a Qualifying Transaction and recurring operating losses and working capital needs may require that it obtain additional capital to continue its operation. Such outside capital may include the sale of additional common shares. During the period ended October 31, 2024, the Company's cash balance increased to $134,549, from $10,949. During the quarter, the Company received a $35,000 loan from the CEO and his spouse and closed a $150,000 private placement financing; these proceeds were used to pay third party payables.

Proposed Qualifying Transaction

On November 7, 2024, the Company entered into a definitive agreement ("Agreement") with A.C.L. Construction Ltd., a British Columbia company that specializes in project management, civil earthworks and transportation. The Company intends that the Proposed Transaction will constitute its Qualifying Transaction by way of a three-cornered amalgamation with the Company's wholly-owned subsidiary to form a single entity (the "Resulting Issuer"). The Agreement prescribes that each common share in the capital of A.C.L. Construction Ltd. outstanding immediately prior to the completion of the Proposed Transaction (other than A.C.L. Construction Shares held by shareholders of A.C.L. Construction Ltd. who exercise their dissent rights) is expected to be converted into one (1) issued, fully paid and non-assessable common share in the share capital of the Resulting Issuer. Prior to completion of the Proposed Transaction, it is intended that the Company will effect a consolidation of its common shares on a three (3) common share to one (1) common share basis.

The completion of the Proposed Transaction is subject to the satisfaction of various conditions that are standard for a transaction of this nature, including but not limited to:

(i) the execution of a definitive agreement on or prior to October 31, 2024 (completed);
(ii) the completion of a $3,500,000 minimum financing of subscription receipts in A.C.L. Construction Ltd.;
(iii) the approval by the shareholders of A.C.L. Construction Ltd. to complete the Proposed Transaction;
(iv) receipt of all requisite regulatory, stock exchange, court or governmental authorizations and consents, including the Exchange; and
(v) the completion of satisfactory due diligence by each of the parties.

SELECTED QUARTERLY RESULTS

The following table contains selected financial information for prior quarters:

Quarters Ended:	**October 31, 2024**	**July 31, 2024**	**April 30, 2024**	**January 31, 2024**
	$	$	$	$
Expenses	(25,674)	(10,066)	(9,010)	(18,775)
Less interest income	-	-	-	-
Loss and comprehensive loss	(25,674)	(10,066)	(9,010)	(18,775)
Basic & diluted earnings loss per share	(0.01)	(0.01)	(0.00)	(0.01)

Quarters Ended:	**October 31,**	**July 31,**	**April 30,**	**January 31,**

	2023	2023	2023	2023
	$	$	$	$
Expenses	(4,315)	(31,069)	(12,813)	(116,037)
Less interest income	-	-	-	-
Loss and comprehensive loss	(4,315)	(31,069)	(12,813)	(116,037)
Basic & diluted loss per share	(0.00)	(0.02)	(0.01)	(0.06)

During the three and nine months ended October 31, 2024, the Company had net loss of $25,674 and $44,750 compared to a net loss of $4,315 and $48,197 for the comparable periods in 2023 due to more expenses incurred in connection with the previously announced transaction with Home Run Oil & Gas Inc. which terminated on April 14, 2023 . The Company's net loss for the coming quarters may increase because of activities supporting the proposed Qualifying Transaction with A.C.L. Construction Ltd.

Additional Disclosure for Venture Issuers without Significant Revenue

Additional financial information is available in the Company's audited financial statements for the period ended October 31, 2024. These statements are available on SEDAR+ at www.sedarplus.ca.

The following addresses the specific disclosure requirements for venture issues without significant revenues:

(a) Capitalized or expensed exploration and development costs – Not applicable
(b) Expensed research and development costs – Not applicable
(c) Deferred development costs – Not applicable
(d) General administrative expenses – the financial information is presented in the Statement of Loss and Comprehensive Loss in the financial statements.
(e) Any material costs, whether capitalized, deferred or expensed, not referred to in (a) through (d) – None.

Profits

At this time, the Company is not anticipating profit or revenue from operations. The Company will report an annual deficit and quarterly deficit and will rely on its ability to obtain equity financing to fund its search for a Qualifying Transaction. For information concerning the business of the Company, please see "Company Overview".

Liquidity

As at October 31, 2024 the Company had cash of $134,549.

The Company completed a private placement of 3,000,000 of its common shares at a price of $0.05 per share for gross proceeds of $150,000 for transaction related costs related to the Qualifying Transaction with A.C.L. Construction Ltd., in accordance with Exchange policies.

As at October 31, 2024 the Company had a working capital of $54,244 which is defined as current assets less current liabilities. This is not expected to be adequate to maintain the Company's current levels of activity (the Company may need to raise additional capital).

Capital Resources

On May 27, 2021, the Company completed an IPO whereby 2,000,000 common shares were issued for $0.10 per share for gross proceeds of $200,000. A cash finder's fee was paid in the amount of $20,000, and 200,000 compensation options were issued exercisable into common shares of the Company at $0.10 per share until May 27, 2023. In addition, the Company incurred share issuance costs of $83,147 relating to the IPO.

In accordance with Policy 2.4 of the Exchange, the proceeds raised from the sale of securities may only be used to identify and evaluate assets or businesses, and obtain shareholder approval for a Qualifying Transaction, with the exception that not more than $3,000 per month of the gross proceeds may be used to cover prescribed costs of issuing the common shares or administrative and general expenses of the Company (and that up to the lesser of 30% of the gross proceeds realized by the Company in respect of the sale of its securities, or $210,000, may be used for purposes other than such identification and evaluation of businesses or assets). These restrictions apply until completion of a Qualifying Transaction by the Company. The Company is not subject to any externally or internally imposed capital requirements at period-end apart from the capital requirements of the Exchange.

There is no assurance that the Company will be able to identify a suitable business, asset or property as its Qualifying Transaction. Furthermore, even if a Qualifying Transaction is identified, there can be no assurance that the Company will be able to complete the transaction.

If the Company identifies a Qualifying Transaction, it may be necessary for the Company to seek additional financing. Capital markets may not always be receptive to offerings of new equity from treasury or debt, whether by way of private placements or public offerings, under terms that would be acceptable for the Company.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Transactions between Related Parties

Key management personnel are the persons having authority and responsibility for planning, directing and controlling the activities of the Company either directly or indirectly, including entities controlled by such persons. The key management personnel include the Company's executive management team and the Board of Directors.

During the nine months ended October 31, 2024, the Company incurred $9,000 (October 31, 2023 - $9,000) to the Chief Financial Officer for professional accounting services. As at October 31, 2024, $38,325 (January 31, 2024 - $27,344) was owing to the Chief Financial Officer for professional accounting services.

On May 8, 2024, the Company received a $35,000 loan from an officer of the Company and his spouse. The amounts are included in accounts payable and accrued liabilities, unsecured, non-interest bearing and carries no fixed terms of repayment.

Proposed Transaction

On November 7, 2024, the Company entered into a definitive agreement with A.C.L. Construction Ltd., a British Columbia company that specializes in project management, civil earthworks and transportation.

Critical Accounting Estimates and Judgments

The preparation of the financial statements in conformity with IFRS requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Estimates are reviewed on an ongoing basis and are based on historical experience and other facts and circumstances. Revisions to estimates and the resulting effects on the carrying amounts of the Company's assets and liabilities are accounted for prospectively. Management believes the estimates and assumptions used in these financial statements are reasonable; however, actual results could differ from those estimates and could impact future results of the Company's financial statements.

The Company's significant accounting judgments applied in its financial statements are as follows:

Judgments

Going Concern

Management assesses the Company's ability to continue as a going concern at each reporting date, using all quantitative and qualitative information available. This assessment, by its nature, relies on estimates of future cash flows and other future events, whose subsequent changes could materially impact the validity of such an assessment.

Financial Instruments

Measurement and classification

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

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

The Company's cash is considered to be Level 1 within the fair value hierarchy (as discussed below).

- Level 1– fair values based on unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – fair values based on inputs that are observable for the asset or liability, either directly or indirectly; and
- Level 3 – fair values based on inputs for the asset or liability that are not based on observable market data.

The risk exposure arising from these financial instruments is summarized as follows:

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a loss for the other party by failing to discharge an obligation. As the Company's cash is held in one bank, there is a concentration of credit risk. This risk is managed by using a major bank that is a high credit quality financial institution as determined by rating agencies. As October 31, 2024, the Company's exposure to credit risk is minimal.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they fall due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Company's ability to continue to meet its liabilities when due, beyond the current cash balance, is dependent on future support of shareholders through equity offerings. There is no assurance of continued access to significant equity funding. The Company's accounts payable and accrued liabilities as at October 31, 2024 are due within 30 days of the reporting date.

(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 value of its holdings or financial instruments. The Company's activities have only been transacted in Canadian dollars since incorporation; in addition, the Company carries no interest-bearing debt. As such, the Company has minimal market risks facing it at present.

Disclosure of Outstanding Share Data

The Company is authorized to issue an unlimited number of Class A common shares ("common shares") without par value and an unlimited number of Class B preferred shares without par value.

As at the date of this MD&A, the Company had 7,400,000 common shares, 440,000 stock options and no warrants outstanding.

Risks and Uncertainties

The Company's financial performance is likely to be subject to the following risks:

1. The Company has no commercial operations, and has no assets other than cash. The Company has no history of earnings, and will not generate earnings or pay dividends until at least after the completion of the Qualifying Transaction, if ever.

2. Until completion of the Qualifying Transaction, the Company is not permitted to carry on any business other than the identification and evaluation of potential Qualifying Transactions.

3. The Company only has limited funds with which to identify and evaluate potential Qualifying Transactions and there can be no assurance that the Company will be able to identify or complete a suitable Qualifying Transaction.

4. If a Qualifying Transaction is completed, there can be no assurance that an active and liquid market for the Company's common shares will develop and investors may find it difficult to resell the common shares.

Disclosure Controls and Procedures

Disclosure controls and procedures are intended to provide reasonable assurance that information required to be disclosed is recorded, processed, summarized, and reported within the time periods specified by securities regulations and that the information required to be disclosed is accumulated and communicated to management. Internal controls over financial reporting are intended to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. As the Company is a venture issuer, management does not make any representations in this regard, and the Company has inherent limitations in this regard that may result in additional risks relating to its filings and reporting.

Forward-Looking Statements

This MD&A contains forward-looking statements. All statements, other than statements of historical fact, constitute "forward-looking statements" and include any information that addresses activities, events or developments that the Company believes, expects or anticipates will or may occur in the future including the Company's strategy, plans or future financial or operating performance and other statements that express management's expectations or estimates of future performance. There can be no assurance that a Qualifying Transaction will close nor can there be any assurances that the Company raises additional capital.

Forward-looking statements are generally identifiable by the use of the words "may", "will", "should", "continue", "expect", "anticipate", "estimate", "believe", "intend", "plan" or "project" or the negative of these words or other variations on these words or comparable terminology. All such forward-looking information and statements are based on certain assumptions and analyses made by the Company's management in light of their experience and perception of historical trends, current conditions and expected future developments, as well as other factors management believes are appropriate in the circumstances. These statements, however, are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed, implied by or projected in the forward-looking information or statements. Important factors that could cause actual results to differ from these forward-looking statements are discussed in Risks and Uncertainties.

There can be no assurance that any forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, the reader should not place any undue reliance on forward-looking information or statements. Except as required by law, the Company does not intend to revise or update these forward-looking statements.

SCHEDULE "C"

FINANCIAL STATEMENTS AND MD&A OF A.C.L. CONSTRUCTION LTD.

Aggressive Contracting Ltd.

Combined Financial Statements
May 31, 2024 and 2023

To the Board of Directors of Aggressive Contracting Ltd.:

Opinion

We have audited the combined financial statements of Aggressive Contracting Ltd. (the "Company"), which comprise the combined statements of financial position as at May 31, 2024 and May 31, 2023, and the combined statements of loss (income) and comprehensive loss (income), changes in shareholders' (deficit) equity and cash flows for the years then ended, and notes to the combined financial statements, including material accounting policy information.

In our opinion, the accompanying combined financial statements present fairly, in all material respects, the combined financial position of the Company as at May 31, 2024 and May 31, 2023, and its combined financial performance and its combined cash flows for the years then ended in accordance with IFRS® Accounting Standards.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Combined Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the combined 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 2 in the combined financial statements, which indicates that the Company is primarily dependent on externally provided financing to continue as a going concern, these events or conditions, along with other matters as set forth in Note 2, 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.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the combined financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audits of the combined financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the combined financial statements or our knowledge obtained in the audits or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

In preparing the combined 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 Combined Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined 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 combined 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 combined 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 combined 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 combined financial statements, including the disclosures, and whether the combined financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Calgary, Alberta

MNP LLP

April 14, 2025

Chartered Professional Accountants

Aggressive Contracting Ltd.
Combined Statements of Financial Position
(expressed in Canadian Dollars)

As at May 31,	Note		2024		2023
Assets					
Current					
Cash		$	**3,940**	$	5,877
Accounts receivable	5		**2,039,539**		1,392,283
Inventory	6		**81,547**		51,757
Prepaid expenses			**69,973**		80,650
Advances to related parties	16		**1,247,251**		1,127,243
			3,442,250		2,657,810
Non-Current					
Property and equipment	7		**12,310,993**		9,957,098
Right-of-use assets	8		**4,594,043**		4,916,962
		$	**20,347,286**	$	17,531,870
Liabilities					
Current					
Bank indebtedness	9	$	**726,127**	$	670,767
Accounts payable & accruals	16		**1,571,305**		1,927,270
Secured convertible debenture	12		**400,000**		-
Advances from related parties	16		**393,287**		294,092
Current portion of lease liabilities	10 & 16		**1,481,439**		1,085,146
Current portion of long-term debt	11		**3,105,610**		2,327,142
			7,677,768		6,304,417
Non-Current					
Lease liabilities	10 & 16		**3,683,426**		4,110,908
Long-term debt	11		**7,849,881**		6,167,664
Deferred income tax liability	14		**1,316,294**		600,593
			20,527,369		17,183,582
Shareholders' (Deficit) Equity					
Share capital	13		**553**		553
Retained (deficit) earnings			**(180,636)**		347,735
			(180,083)		348,735
		$	**20,347,286**	$	17,531,870

Going concern	2(b) & 3(e)
Commitments and contingencies	15
Subsequent events	21

(signed) Thomas Hall
Director

(signed) John McPherson
Director

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

Aggressive Contracting Ltd.
Combined Statements of (Loss) Income and Comprehensive (Loss) Income
(expressed in Canadian Dollars)

Year ended May 31	Note		2024		2023
Revenue		**$**	**13,742,455**	$	19,866,739
Cost of revenue	17		**10,825,202**		17,333,537
Gross profit			**2,917,253**		2,533,202
Operating expenses	17		**1,823,394**		1,839,244
					-
Income from operations			**1,093,859**		693,958
Finance and other costs	17		**906,529**		911,143
Net income (loss) before income tax			**187,330**		(217,185)
Income tax expense (benefit)					
Deferred	14		**715,701**		(357,344)
Net (loss) income and comprehensive (loss) income		**$**	**(528,371)**		140,159
Basic and diluted (loss) income per share	13	**$**	**(1,258)**	$	334

Aggressive Contracting Ltd.
Combined Statements of Changes in Shareholders' (Deficit) Equity
(expressed in Canadian Dollars)

		Share capital		Retained (deficit) earnings		Total
Balance at May 31, 2022	$	553	$	207,576	$	208,129
Net comprehensive income for the year		-		140,159		140,159
Balance at May 31, 2023	**$**	**553**	**$**	**347,735**	**$**	**348,288**
Net comprehensive loss for the year		-		(528,371)		(528,371)
Balance at May 31, 2024	**$**	**553**	**$**	**(180,636)**	**$**	**(180,083)**

Aggressive Contracting Ltd.
Combined Statements of Cash Flows
(expressed in Canadian Dollars)

Year ended May 31	Note		2024		2023
Cash flow from operating activities:					
Net income (loss) before income taxes		$	**187,330**	$	(217,185)
Items not affecting cash:					
Depreciation and amortization	7 & 8		**2,634,410**		1,869,845
Loss (gain) on disposals of property and equipment	7 & 16		**18,403**		(46,673)
Loss on settlement of debt			**-**		165,450
Finance costs			**888,126**		792,366
Changes in non-cash operating working capital:					
Accounts receivable			**(647,256)**		382,832
Inventory			**(29,790)**		(43,067)
Prepaid expenses			**10,677**		(42,495)
Accounts payable & accruals			**(355,965)**		(498,775)
Interest paid on long-term debt			**(530,268)**		(578,853)
Interest paid on lease liabilities			**(195,462)**		(181,723)
Net cash provided by operating activities			**1,980,205**		1,601,722
Cash flow from investing activities:					
Acquisitions of property and equipment	7		**(4,802,488)**		(6,337,039)
Proceeds of disposition of property and equipment	7 & 16		**589,605**		4,215,593
Advances to related parties	16		**(181,153)**		(383,443)
Repayment of advances to related parties	16		**61,145**		169,120
Net cash used in investing activities			**(4,332,891)**		(2,335,769)
Cash flow from financing activities:					
Proceeds of long-term debt			**4,890,210**		11,347,295
Increase in bank indebtedness			**55,360**		210,040
Proceeds of secured convertible debenture	12		**400,000**		-
Principal repayments of lease liability			**(604,236)**		(1,774,780)
Principal repayments of long-term debt			**(2,508,539)**		(8,903,499)
Advances from related parties	16		**145,154**		6,082
Repayment of advances from related parties	16		**(27,200)**		(146,153)
Net cash provided by financing activities			**2,350,749**		738,985
Net change in cash			**(1,937)**		4,938
Cash and cash equivalents, beginning of the year			**5,877**		939
Cash and cash equivalents, end of the year		$	**3,940**	$	5,877

1. Corporate information

Aggressive Contracting Ltd. ("Aggressive" or the "Company") was incorporated under the laws of British Columbia on March 11, 1997. The Company's registered office is located at 9830-110 Avenue, Fort St. John, British Columbia, V1J 2T1. The Company provides civil construction services, project management, general construction, and underground utilities primarily in northeastern British Columbia.

2. Summary of material accounting policies

(a) Statement of compliance

These combined financial statements have been prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee.These combined financial statements represent the Company's first presentation of its financial results and financial position under IFRS.

These combined financial statements were authorized for issue by the Company's Board of Directors on April 14, 2025.

(b) Basis of preparation

These combined financial statements are presented in Canadian dollars with is also the Company and its subsidiary's functional currency. All values presented have been rounded to the nearest dollar. These combined financial statements have been prepared on the historical cost basis.

The Company is primarily dependent on externally provided financing to continue as a going concern. Additional funds will be required to enable the Company to pursue such an initiative, and the Company may be unable to obtain such financing on satisfactory terms. Management intends to finance operating costs over the next twelve months with its cash on hand, and/or additional financing that has not currently been received. These conditions indicate the existence of a material uncertainty that casts significant doubt about the Company's ability to continue as a going concern. These combined financial statements do not reflect any adjustments that may be necessary should the Company be unable to continue as a going concern, and such adjustments could be material.

(c) Principles of combination

The combined financial statements include the results of A.C.L. Construction Ltd. ("ACL"), the Company's wholly owned subsidiary as well as Aspen Falls Holdings Ltd. and TNTS Enterprises Ltd., the shareholders of the Company, which represent a group under common control. The companies are located in Canada.

The Company consolidates subsidiaries beginning on the date in which it obtains control, which continues until such control has ceased. The financial statements of the subsidiaries are prepared for the same reporting periods as the Company, in accordance with IFRS. All intercompany balances, including revenues and expenses are eliminated upon consolidation.

(d) Cash and cash equivalents

Highly liquid temporary cash investments with a maturity date of three months or less upon purchase are deemed to be cash equivalents. The Company's cash and cash equivalents consist of cash balances net of outstanding lines of credit.

(e) Inventory

The Company's inventory is comprised of raw materials and spare parts. All inventory is measured at the lower of cost and net realizable value, at average cost.

Inventory is written down to net realizable value when the cost of inventory is determined to be unrecoverable due to obsolescence or damage. Net realizable value of spare parts and raw materials is measured at replacement cost, being the cost that would be required for the Company to purchase a similar asset in the market in which the Company operates.

(f) Property and equipment

The Company's property and equipment is measured at cost less accumulated depreciation and impairment losses. Cost includes the purchase prices as well as any costs directly attributable to bringing the asset to the location and condition required to operate. When major components of property and equipment have different useful lives, the components are separated into such components and depreciated separately. The Company records in the carrying amount of an item of property and equipment the cost of replacing a part of an item when the cost is incurred and if it is probable that that future economic benefits of such replacement can be measured reliably. All other repair and maintenance costs are recognized in the combined statements of income (loss) and comprehensive income (loss) as an expense when incurred.

Depreciation of the Company's property and equipment is as follows:

Class	Method	Rate
Vehicles	Declining balance	20% - 30%
Equipment	Declining balance	15%
Furniture and fixtures	Declining balance	12% - 20%
Computers	Declining balance	55% - 100%

Derecognition of an item of property and equipment occurs upon disposition or when no future economic benefits are expected from the continued use or disposition of the asset. Gains or losses arising from derecognition are included in the combined statements of income (loss) and comprehensive income (loss) in the period in which the asset is derecognized.

The Company reviews the estimated useful lives and methods of depreciation at the end of each fiscal year and if measures any changes in estimate prospectively.

(g) Leases

The Company assesses, upon inception of a contract, whether such contract is or contains a lease. A contract meets such recognition criteria when the contract provides the right to control the use of an identifiable underlying asset for a period of time in exchange for consideration.

In determining whether a contract provides the right to control the use of an identifiable underlying asset, the Company performs an assessment utilizing the following criteria:
- An identifiable asset, identified either explicitly or implicitly, is physically distinct or represents substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, the asset is not identifiable;
- The Company has the right to obtain substantially all of the economic benefits provided by the asset during the period of use; and
- The Company has the right to direct the use of the asset, which includes the right to determine how and for what purpose the asset is used.

Upon commencement or reassessment of a contract containing a lease, the consideration in the contact is allocated to each component of the lease on the basis of the relative stand-alone prices.

The Company recognizes a right-of-use asset and lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, comprising the initial amount of the lease liability adjusted for any initial direct costs or lease incentives received.

Right-of-use assets are subsequently depreciated from the commencement date to the earlier of the useful life of the asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as property and equipment.

Lease liabilities are initially measured as the present value of lease payments that have not been paid as of the commencement date, discounted using the interest rate implicit in the lease or, if that rate can not readily be determined, the Company's incremental borrowing rate ("IBR") on the date of the commencement of the lease.

Subsequently, lease liabilities are increased to reflect the accretion of interest and reduced for the lease payment received. Lease liabilities are remeasured when there is a change in future lease payments arising from a change in rate, amount expected to be payable under a residual value guarantee, or upon the Company's determination that it will exercise an option to purchase, extend or terminate a lease. Upon remeasurement of a lease liability, a corresponding adjustment is made to the respective right-of-use asset or is charged directly to the combined statements of income (loss) and comprehensive income (loss) if the carrying amount of the right-of-use asset has been reduced to zero.

The Company utilizes the exemptions available for short-term leases, those with a term of twelve (12) months or less and low-value leases. Lease payments from such leases are recorded as an expense as incurred in the combined statements of income (loss) and comprehensive income (loss).

(h) Impairment of non-financial assets

The Company performs an assessment at each reporting date to determine whether there are any indicators of impairment of its non-financial assets. If such indicators are present, or upon annual testing, the Company estimates the recoverable amount of the affected asset(s). The recoverable amount of an asset or Cash-Generating Unit ("CGU") is the greater of the fair value less costs to sell and value-in-use. The Company determines value in use by performing a discounted cash flow analysis, utilizing a pre-tax discount rate reflecting the current market assessment of the time value of money and risks specific to the asset. If no specific transactions are identified, an appropriate valuation model is utilized. The recoverable amount of assets that do not generate independent cash flows is determined based on the CGU group to which the asset belongs.

Impairment analyses are based on detailed forecasts and budgets prepared by management for each CGU to which assets are allocated. Forecasts cover a period of five years after which a terminal value approach is used. The Company's operations consist of a single CGU.

An impairment charge is recorded in the combined statements of income (loss) and comprehensive income (loss) if the carrying amount of an asset or the CGU in which it is allocated exceeds its recoverable amount. Impairment losses of a CGU are charged to the respective assets proportionately to their respective carrying amounts.

At each reporting date, the Company performs an assessment to determine whether there are any indications present that previously recognized impairment losses may no longer be present or have decreased. If such indications are present, the Company estimates the asset or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. Reversals are limited such that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset or CGU group in prior years. Such a reversal is recognized in the combined statements of income (loss) and comprehensive income (loss).

(i) Financial instruments

Classification

The Company classifies its financial assets as amortized cost, financial assets at fair value through profit or loss ["FVTPL"] or fair value through other comprehensive income ["FVTOCI"]. The appropriate classification of financial assets is based on the Company's business model for managing the respective financial assets and the contractual cash flow characteristics of the financial assets.

All financial instruments are recognized initially at fair value plus, in the case of instruments not at FVTPL, directly attributable transaction costs. Financial instruments are recognized on the trade date, which is the date on which the Company commits to purchase or sell the asset.

Amortized cost

Financial assets are measured at amortized cost if the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Assets in this category include accounts receivable and advances to related parties and are measured at amortized cost using the effective interest method less any impairment. The effective interest amortization is included in finance costs in the combined statements of income (loss) and comprehensive income (loss). The losses arising from impairment are recognized in the combined statements of income (loss) and comprehensive income (loss) in finance costs.

Financial assets at fair value through profit or loss

Financial assets are measured at FVTPL unless they are measured at amortized cost or at FVTOCI. Assets in this category include financial assets designated upon initial recognition at FVTPL and derivative instruments entered into that are not designated as hedging instruments Financial assets at FVTPL are carried in the combined statements of financial position at fair value, with changes in the fair value recognized in finance income or finance costs in the combined statements of income (loss).

An embedded derivative is a component of a hybrid contract that also includes a non-derivative host, with the effect that some of the cash of the combined instrument varies in a way similar to a stand-alone derivative. Derivatives embedded in a financial asset are assessed in their entirety, and the asset as whole is measured at FVTPL. Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value. These embedded derivatives are measured at fair value with changes in fair value recognized in the combined statements of income (loss) and comprehensive income (loss). Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required.

Impairment

The Company recognizes an allowance for expected credit losses (“ECLs”) for debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

Under the general approach, ECLs are recognized in two stages: Stage one is for credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months. Stage two is for those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The Company utilizes the simplified approach in measuring potential ECLs associated with its accounts receivable. The Company does not track changes in credit risk but realizes a loss allowance based on the lifetime ECL at each reporting date, utilizing a provisional matrix based on its historical losses adjusted for forward-looking factors specific to the counterparties and the related economic environment.

When internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company, the Company considers such financial asset to be in default. Financial assets are written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial liabilities

Financial liabilities are measured at amortized cost, using the effective interest rate method, except for financial liabilities designated at initial recognition at FVTPL and those required to be FVTPL. Liabilities measured at amortized cost include accounts payable and accruals. Long-term debt and secured convertible debentures are initially measured at fair value, which is the consideration received, net of transaction costs incurred, net of the equity component, if any, and then subsequently measured at amortized cost. Transaction costs related to those instruments are included in the value of the instruments and amortized using the effective interest rate method. The effective interest expense is included in finance costs in the combined statements of income (loss) and comprehensive income (loss). The Company has not designated any financial liabilities as FVTPL upon initial recognition.

Derecognition

Financial assets are derecognized when the contractual rights to receive cash flows from the asset have expired or when the Company has transferred its rights to receive cash flows from the asset. Financial liabilities are derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the combined statements of income (loss) and comprehensive income (loss).

Offsetting of financial instruments

The Company offsets financial assets and financial liabilities and the net amount reported in the combined statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

Fair value of financial instruments

The fair value of a financial instrument is the estimated amount that the Company would pay or receive to dispose of such contracts in an arms-length manner between knowledgeable and will parties who are not under any compulsion to act. The fair value of financial instruments that are trade in active markets at each reporting date are based on quoted market prices without consideration of transaction costs.

When financial instruments are not traded in an active market, the fair value is measured using relevant valuation techniques that are recognized by market participants. Such techniques include recent arms-length market transactions, reference to the fair value of a financial instrument that is essentially the same, discounted cash flow, or another valuation model.

(j) Provisions

Provisions are recognized when there is a present obligation, legal or constructive, as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. When the expense relating to any provision is presented in the combined statements of income (loss) and comprehensive income (loss), net of any anticipated reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the provision. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

(k) Earnings (loss) per share

The computation of earnings or loss per share is based on the weighted average number of shares outstanding during the period. Diluted earnings or loss per share is calculated in a similar way to basic earnings or loss per share except that the weighted average shares outstanding are increased to include additional shares assuming the exercise any dilutive instruments.

(l) Revenue from contracts with customers

The Company recognizes revenue in accordance with the satisfaction of the performance obligations within the respective contract. The Company satisfies performance obligations when control of a good or service has been transferred to the customer. In many cases, the customer controls the work-in-progress, located on their property, and the Company has a right to payment for work performed to date, in addition to a reasonable profit to deliver products or services that do not have an alternative use to the Company. In such cases, the control transfers from the Company to the customer over time, and as such, revenue is recognized over time.

The Company recognizes revenue from contracts in which performance obligations are satisfied over time by measuring the progress towards the satisfaction of each performance obligation in the contract. The Company measures progress towards performance obligations by recognizing revenue based on the portion of the amount delivered to date (output method). If the Company cannot reliably measure the ultimate profitability of a contract with reasonable certainty, due to an inability to estimate the ultimate outcome, profit is not recognized. The Company continues to reassess whether the constrained margin and associated revenue have changed as the contract continues.

Revenue associated with a contract modification, such as a change order, is recognized to the extent that the modification has been appropriately approved by the Company and customer and the amount of the modification can be measured reliably. The Company accounts for the modification as a termination and replacement of an existing contract if the remaining goods or services under the existing contract are distinct from those already delivered and accounts for such changes prospectively. If the modification results in the remaining goods or services to be delivered are not extinct from those already delivered, the Company accounts for the modification as a modification of an existing performance obligation and records an adjustment to revenue on a trued-up basis.

The Company accounts for claims against or disputes with customers as variable consideration due to the nature of such being an addition to the originally agreed upon performance obligations as the subsequent settlement causes uncertainty as to the amount that will be ultimately collected. Variable consideration is estimated through the use of the most likely amount or expected value method and is only recognized when it is highly probable that a significant reversal of the aggregate revenue through the current date will not be reversed.

In many cases, contracts with customers entered into by the Company require the Company to perform a service requiring several tasks to be performed and items to be delivered, as part of a single project. The Company considers such contracts to contain a single performance obligation. When a contract requires the Company to provide distinct items or services within a contract, the contract is separated into multiple performance obligations. When a contract contains multiple performance obligations, the Company allocates the total contract price to each performance obligation based on the estimated standalone selling prices of the items or services included in each performance obligation. When the Company is engaged to perform a project, the Company estimates a budget related to the anticipated costs, including subcontract and overheads, to be incurred when it determines a transaction price. Therefore, the Company deems this to be the appropriate determination of the standalone selling price for the associated performance obligations.

The Company regularly assesses situations where the expected costs of a contract are expected to exceed the total revenues of the contract. When this occurs, the Company incurs a loss within provisions.

(m) Cost of revenue

Costs of revenue are expensed as incurred unless they result in an asset relating to future contract activity and meet the contract asset recognition requirements. Cost of revenue includes all expenses relating directly to the execution of the specific contract, such as depreciation and amortization of assets used in production, labour, subcontractors, materials, repairs and maintenance, fuel and travel to the site.

(n) Contract assets and liabilities

The Company recognizes a contract asset when costs or estimated earnings exceed progress billings as at the reporting date. Additionally, a contract asset is recognized if the Company capitalizes incremental costs of obtaining a contract, if such costs are determined to relate directly to a contract or anticipated contract, the costs will generate or enhance resources that the Company will utilize to satisfy future performance obligations, and they will be recovered by that specific contract. The Company amortizes contract assets utilizing the same pattern of recognition of the revenue associated with the contract.

Contract liabilities reflect the excess of progress billings over the revenue recognized to date.

The Company reports contract assets and liabilities on a net position, contract-by-contract basis at the end of the respective reporting period. The Company records all contract assets and liabilities as current as they are expected to be settled within 12 months of the reporting date.

(o) Income taxes

Current income tax assets and liabilities for the current and prior period are measured at the amount expected to be paid to or recovered from the respective taxation authority. 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 equity is recognized in equity and not in the combined statements of income (loss) and comprehensive income (loss). The Company evaluates positions, periodically, taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

The Company utilizes the liability method of accounting for deferred taxes. This method requires the Company to recognize income tax liabilities and assets for the estimated tax consequences attributable to the temporary differences between the carrying value of the assets and liabilities on the combined statements of financial position and their respective tax bases.

The Company assesses the carrying amount of deferred tax assets at each reporting date and reduces when it is no longer probable that sufficient future taxable profit will be generated to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it is probable that sufficient future taxable profit will be generated to allow all or part of the deferred tax asset to be utilized. Deferred tax assets and liabilities are measured utilizing the tax rates that are expected to be in effect in the year in which the deferred tax asset is used or liability settled, based on tax rate and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset, if and only if, a legally enforceable right exists to offset the respective current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity to the same taxation authority.

Income tax provisions and income tax filings require estimates and interpretations of income tax rules and regulations and judgments as to the interpretation of such relating to the Company specifically. Additionally, the amount and timing of reversals of temporary differences depend on future operating results and dispositions of assets and liabilities. The computation of income taxes payable or recoverable as a result of such transactions involves several factors as well as the Company's interpretation of and compliance with the respective tax legislation and regulations. The Company believes that its tax filing positions are probable to be sustained, there are tax positions that may be subject to review by taxation authorities. Therefore, there remains a possibility that the Company may be subject to additional taxation and the value of the Company's income tax assets and liabilities may change in the future and such changes may materially affect these combined financial statements.

(p) Secured Convertible Debenture

The Company calculates the liability portion of convertible debentures by calculating the present value of the debenture and related interest, using a discount rate equal to the market rate that would be given for similar debt, without a conversion feature. Management determines this rate by assessing what rate the Company could borrow funds at from an unrelated party. Subsequent measurement of the liability component is carried at amortized cost using effective interest method.

3. Critical accounting judgments, estimates and assumptions

The preparation of the combined financial statements requires management to make judgments, estimates and assumptions that affect the Company's assets, liabilities, revenue, expenses and contingent liability disclosures. The Company bases its estimates and corresponding assumptions from its past experience and other facts deemed reasonable upon the circumstances, the results of which form the basis for marking assumptions regarding carrying values of assets and liabilities that are not readily apparent from other sources. However, uncertainty may exist regarding these assumptions and estimates that may result in a material adjustment to the carrying amount of the affected asset or liability in future years.

The Company reviews its estimates and underlying assumptions on an ongoing basis. Revisions to accounting estimates are recognized prospectively in the period in which the revision has been made if it affects only the current period or in the period of revision and future periods if the revision affects the current and future periods. Key assumptions regarding the future and other key sources of estimation uncertainty at the reporting date that carry a significant risk of potentially resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year are described below:

(a) Useful lives of property and equipment

The depreciation methods and estimated useful lives reflect the pattern in which the Company estimates the asset's future economic life to be consumed.

(b) Incremental borrowing rate of leases (IBR)

The Company is unable to readily determine the interest rate implicit in leases in which it is a lessee, and therefore, uses the IBR to measure its leases liabilities. The IBR is the estimated rate of interest that the Company would be charged to borrow over a similar term for a similar asset of a similar value to the right-of-use asset in a similar economic market. The Company estimates the IBR using observable inputs such as market interest rates and credit spreads.

(c) Provisions

Considerable judgement is used in measuring and recognizing provisions and the exposure to contingent liabilities. This includes consideration of all facts and evidence that are applicable to the event. Judgement is necessary to determine the likelihood that a pending litigation or other claim will succeed, or a liability will arise and to quantify the possible range of the final settlement. In case of legal claims, the Company relies on its legal advisors to determine the likelihood of the outcome.

(d) Revenue recognition

Revenue from long-term contracts is determined on the percentage of completion method, based on the amount delivered to the customer to date (output method). The Company has a process whereby progress on jobs is reviewed by management on a regular basis and estimated costs to complete are updated. However, due to unforeseen changes in the nature or cost of the work to be completed or performance factors, contract profit can differ significantly from earlier estimates.

(e) Going concern

Management is required to determine whether the going concern assumption is appropriate for the Company at the end of each reporting period. Considerations taken into account include available information about the future including the availability of financing and revenue projections, as well as current working capital balances and future commitments of the Company. Management prepares the combined financial statements on a going concern basis unless management either intends to liquidate the entity or has no realistic alternative other than to do so.

(f) Secured convertible debenture

In accordance with IFRS 9, *Financial Instruments*, the Company is required to separate hybrid financial instruments into debt and equity components whereby the equity component resembles the residual value between the amortized cost at the stated rate of interest and that of a similar debt instrument at the prevailing market rate of interest. Management has determined that the rate of interest of the secured convertible debenture does not exceed the fair value of a similar debt instrument at the prevailing market rate of interest and as a result, the fair value of the equity component at May 31, 2024 is nil.

4. New accounting pronouncements

(a) Adoption of new accounting policies

Amendments to IAS 8 – Definition of Accounting Estimates

These amendments clarify how companies distinguish changes in accounting policies from changes in accounting estimates, with a primary focus on the definition of and clarifications on accounting estimates. The distinction between the two is important because changes in accounting policies are applied retrospectively, whereas changes in accounting estimates are applied prospectively. Further, the amendments clarify that accounting estimates are monetary amounts in the financial statements subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy. These amendments are effective for reporting periods beginning on or after January 1, 2023. The adoption of these amendments did not have a material impact on the Company’s combined financial statements.

Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting Policies

These amendments continue the IASB's clarifications on applying the concept of materiality. These amendments help companies provide useful accounting policy disclosures, and they include: requiring companies to disclose their material accounting policies instead of their significant accounting policies; clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and do not need to be disclosed; and clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material. The IASB also amended IFRS Practice Statement 2 to include guidance and examples on applying materiality to accounting policy disclosures. These amendments are effective for reporting periods beginning on or after January 1, 2023. The adoption of these amendments did not have a material impact on the Company’s combined financial statements.

(expressed in Canadian Dollars)

(b) Standards issued not yet effective

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

The amendments to IAS1 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 January 1, 2024. The Company is evaluating the impact of the above amendments on its combined financial statements.

Presentation and Disclosure in Financial Statements – IFRS 18

In April 2024, the IASB issued IFRS 18, which will replace IAS 1 - *Presentation of Financial Statements.* The standard aims to improve the manner in which companies communicate in their financial statements, with a focus on information about financial performance in the statement of profit or loss, specifically introducing additional defined subtotals, disclosures about management-defined performance measures and new principles for aggregation and disaggregation of information. IFRS 18 is accompanied by limited amendments to the requirements in IAS 7 Statement of Cash Flows. IFRS 18 is effective from 1 January 2027. Companies are permitted to apply IFRS 18 before that date. The Company is evaluating the impact of the above amendments on its combined financial statements.

5. Accounts receivable

As at May 31		**2024**		2023
Trade accounts receivable	**$**	**1,460,348**	$	1,074,308
GST receivable		**114,853**		24,264
Holdbacks		**464,338**		293,711
	$	**2,039,539**	$	1,392,283

Holdbacks receivable represent amounts billed on construction contracts which are not due until the contract work is substantially complete and the applicable lien period has expired.

During the year ended May 31, 2024, the Company did not record any bad debt expense (2023 – nil).

Details of the Company’s accounts receivable aging as at May 31, 2024 and 2023 is as follows:

As at May 31		**2024**		2023
Neither impaired nor past due	**$**	**1,976,292**	$	1,277,130
Not impaired and past due as follows:				
31 to 60 days		**1,700**		22,027
61 to 90 days		**-**		5,041
Over 90 days		**61,547**		88,085
	$	**2,039,539**	$	1,392,283

6. Inventory

The Company’s inventory consists of spare parts and construction materials. During the year ended May 31, 2024, the Company recognized $14,044 (2023 - $11,161) related to inventory recorded as cost of revenue.

(expressed in Canadian Dollars)

7. Property and equipment

Cost	Vehicles	Equipment	Furniture and Fixtures	Computers	Total
Balance, May 31, 2022	$ 2,067,771	$ 8,721,340	$ 195,803	$ 21,452	$ 11,006,366
Additions	806,196	5,297,819	187,623	45,401	6,337,039
Transferred from right-of use assets (Note 8)	-	1,228,317	-	-	1,228,317
Disposals	(783,975)	(5,566,431)	-	-	(6,350,406)
Balance, May 31, 2023	2,089,992	9,681,045	383,426	66,853	12,221,316
Additions	774,514	4,023,139	-	4,835	4,802,488
Disposals	(470,105)	(301,294)	-	-	(771,399)
Balance, May 31, 2024	$ 2,394,401	$ 13,402,890	$ 383,426	$ 71,688	$ 16,252,405

Accumulated Depreciation	Vehicles	Equipment	Furniture and Fixtures	Computers	Total
Balance, May 31, 2022	$ 577,676	$ 2,656,002	$ 57,336	$ 16,175	$ 3,307,189
Additions	197,584	910,734	22,703	7,494	1,138,515
Disposals	(341,177)	(1,840,309)	-	-	(2,181,486)
Balance, May 31, 2023	434,083	1,726,427	80,039	23,669	2,264,218
Additions	373,946	1,379,968	34,471	27,965	1,816,350
Disposals	(89,078)	(50,078)	-	-	(139,156)
Balance, May 31, 2024	$ 718,951	$ 3,056,317	$ 114,510	$ 51,634	$ 3,941,412

Net book value	Vehicles	Equipment	Furniture and Fixtures	Computers	Total
Balance, May 31, 2024	**$ 1,675,450**	**$ 10,346,573**	**$ 268,916**	**$ 20,054**	**$ 12,310,993**
Balance, May 31, 2023	$ 1,655,909	$ 7,954,618	$ 303,387	$ 43,184	$ 9,957,098

During the year end May 31, 2024 property and equipment having a net book value of $632,243 (2023 - $4,168,920) were disposed for cash proceeds of $589,605 (2023 - $4,215,593) resulting in a loss on disposal of $18,403 (2023 – gain of $46,673).

(expressed in Canadian Dollars)

8. Right-of-use assets

The Company has lease contracts for various items of equipment, vehicles and office space used in its operations. Leases of equipment and vehicles typically have lease terms between 3 and 5 years, while leases of office space typically have lease terms between 5 and 10 years. The Company's lease obligations are secured by the lessor's title to the corresponding asset.

Set out below are the carrying amounts of right-of-use assets during the years ended May 31, 2024 and 2023:

	Equipment	Vehicles	Building	Total
Balance, May 31, 2022	$ 3,095,402	$ -	$ 1,439,589	$ 4,534,991
Additions	2,102,501	54,016	-	2,156,517
Amortization	(449,803)	(900)	(189,663)	(640,366)
Terminations	94,137	-	-	94,137
Transferred to property and equipment (Note 7)	(1,228,317)	-	-	(1,228,317)
Balance, May 31, 2023	3,613,920	53,116	1,249,926	4,916,962
Additions	412,122	219,163	-	631,285
Amortization	(592,341)	(36,056)	(189,663)	(818,060)
Modifications	(136,144)	-	-	(136,144)
Balance, May 31, 2024	**$ 3,297,557**	**$ 236,223**	**$ 1,060,263**	**$ 4,594,043**

9. Bank indebtedness

The Company, through its primary financial institution, has available two lines of credit with an aggregate limit of $700,000. The overdraft bears interest at a rate of prime plus 3.25% with outstanding principal and interest due on demand. As at May 31, 2024, the Company had drawn $726,127 (2023 - $670,767) on its lines of credit. The Company's bank overdrafts are secured by joint and several guarantees from Thomas Hall and John McPherson (see note 16) in the aggregate amount of $700,000 each and guarantees between the Company and A.C.L. for the credit facilities held by the other entity.

10. Lease liabilities

As at May 31	Incremental borrowing rate	Maturity	**2024**	2023
Current	1.95 - 9.36%	2024 - 2025	**$ 1,481,439**	$ 1,085,146
Non-current	1.95 - 9.36%	2026 - 2031	**3,683,426**	4,110,908
Balance, end of year			**$ 5,164,865**	$ 5,196,054

Set out is the schedule of principal repayments of the Company's lease liabilities as at May 31, 2024:

As at May 31, 2024	
Less than one year	$ 1,481,439
1-3 years	2,277,408
3-5 years	1,114,449
5+ years	291,569
	$ 5,164,865

(expressed in Canadian Dollars)

11. Long-term debt

As at May 31	Interest rate	Maturity	**2024**	2023
Equipment financing	0.00% - 15.03%	2023 - 2028	**$ 8,803,240**	$ 5,938,005
BDC Term loan	7%	October 1, 2026	**2,152,251**	2,516,801
CEBA Line of credit	Nil	December 31, 2025	**-**	40,000
			10,955,491	8,494,806
Current portion			**3,105,610**	2,327,142
Non-current portion			**$ 7,849,881**	$ 6,167,664

(a) Equipment financing

As at May 31, 2024, the Company's equipment financing was secured by vehicles with a net book value of $1,571,286 (2023 - $1,493,124), heavy equipment of $7,085,431 (2023 - $4,236,588), and furniture and fixtures of $57,612 (2023 - $64,997).

(b) CEBA line of credit ("CEBA LOC")

The Company's CEBA LOC was a non-interest-bearing loan which was repayable at any time without penalty until December 31, 2023. The Company repaid the loan prior to December 31, 2023, and as a result, settled such loan for consideration totaling $40,000 during the year ended May 31, 2024.

(c) Business Development Bank of Canada (the "Lender") loan ("BDC Loan")

On July 14, 2022, the Company received $5.25 million from the BDC Loan which provided the Company with a facility to consolidate/refinance the Company's outstanding equipment financing, of which the proceeds were received during the year ended May 31, 2023. The loan bears interest at a rate of 7.00% per annum and matures on June 1, 2028.

During the year ended May 31, 2024, the Company entered into arrangement with the Lender in which interest only payments were made between July 2023 and December 2023 with principal payments resuming thereafter. As a result of such arrangements in addition to additional payments made during the year ended May 31, 2023, the BDC loan now matures on October 1, 2026.

The BDC Loan is secured by the following:

- A general security agreement from the Company providing the lender with a first security interest on equipment; a security interest in all other present and future acquired personal property other than commercial goods, subject to existing and future chargers to lender extending line of credit, existing charges on leases of equipment, future charges on equipment to the party financing the acquisition or lease of the equipment of which an existing general security agreement shall provide security over the BDC Loan;
- A guarantee of A.C.L., (the "Guarantor") for the full amount of the Loan supported by a general security agreement providing a security interest in all present and after-acquired personal property, except consumer goods, subject to all existing and future registered charges except charges in favour of a shareholder, director, officer or family member of any of those persons, or any entity in which any of those persons have an interest. An existing general security agreement will stand as security for this Loan. The Guarantor shall be directly responsible for the payment of the cancellation, standby and legal fees;
- Personal guarantees made by Thomas Hall and John McPherson (see note 16) where each individual shall be responsible for 25% of the outstanding amount of the BDC loan if the Lendor demands payment under such guarantees made by these individuals.

(expressed in Canadian Dollars)

12. Secured convertible debenture

On May 31, 2024, the Company entered into a secured convertible debenture agreement which provided the Company with consideration of $400,000. The convertible debenture matures on November 30, 2024. Any time subsequent to the amalgamation (Note 21) and the date of maturity the debenture holder has the right, to notify the Company that it wishes to convert all or any part of the then outstanding principal amount of the debenture, together with any accrued by unpaid interest thereon. The secured convertible debenture bears interest at a rate of twelve (12%) percent per annum. Payments in the form of the Company's common shares are issued at a rate of $0.25 per common share.

The convertible debentures are secured by 1298321 BC Ltd., a Company owned jointly by companies controlled by Thomas Hall and John McPherson (see Note 16).

13. Share capital

(a) Authorized

The Company has an unlimited amount of voting Common Shares without par value.

(b) Share issued and outstanding

	Number of shares		Value
Balance at May 31, 2022	300	$	553
Balance, May 31, 2023	300		553
Balance at May 31, 2024	**300**	**$**	**553**

(c) Per share amounts

The weighted average number of common voting shares outstanding for the years ended May 31, 2024 and 2023 was 300. The Company does not have any dilutive instruments as at and for the years ended May 31, 2024 and 2023.

14. Income taxes

The reconciliation between the Company's statutory income tax rate applied to the net income for the years ended May 31, 2024 and 2023 is as follows:

Year ended May 31		**2024**		2023
Income (loss) before income tax	**$**	**187,330**	$	(217,185)
Income tax expense (benefit) at the statutory income tax rate of 27%		**50,579**		(58,640)
Permanent differences and other		**(20,606)**		23,890
Changes in temporary differences		**715,701**		(357,344)
Effects of the small business deduction		**(29,973)**		34,750
Income tax expense (benefit)	**$**	**715,701**	$	(357,344)

(expressed in Canadian Dollars)

Deferred taxes reflects the tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax values. Deferred tax assets (liabilities) at May 31, 2024 and 2023 are comprised of the following:

As at May 31		2024		2023
Non-capital losses	**$**	**740,754**	$	877,039
Lease liabilities		**1,394,514**		1,402,935
Other		**1,080**		1,080
Property and equipment and right-of-use assets		**(3,452,642)**		(2,881,647)
Deferred tax liability	**$**	**(1,316,294)**	$	(600,593)

As of May 31, 2024, the Company has Canadian income tax losses of approximately $2,743,534 available for application in future years expiring between 2037 and 2044.

15. Commitments and contingencies

(a) Commitments

As at May 31, 2024, the Company has made the following commitments:

- A guarantee by A.C.L. to 1210244 B.C. Ltd., a Company owned jointly by Companies controlled by Thomas Hall and John McPherson (see note 16) for a loan provided by BDC to such entity. The outstanding balance of the loan at May 31, 2024 was $779,096 (2023 - $792,906) and is also secured by land and land improvements with a book value of $1,080,858 (May 31, 2023 - $1,100,953).

(b) Contingencies

On September 7, 2023, the Company was named as a defendant in a civil action alleging damages from the Company on the plaintiff's property. Management has assessed that the probability of loss is unlikely as at May 31, 2024, and as a result, no provision was recorded at May 31, 2024 and 2023.

16. Related party transactions

(a) Key management compensation

Key management personnel are those persons having the authority and responsibility for planning, directing, and controlling the activities of the Company. The Company's key management consists of the Company's Board of Directors, Chief Executive Officer and Chief Financial Officer.

During the year ended May 31, 2024, key management compensation totaled $240,000 (2023 - $240,000).

(b) Transactions with related parties

During the year ended May 31, 2024, the Company incurred management fees expense of $172,750 (2023 – $158,513) to 0777528 BC Ltd., a Company owned by John McPherson, a director of the Company. As at May 31, 2023, included in accounts payable and accruals is $87,663 due to this entity (2023 - $42,000). During the year ended May 31, 2024, the Company received advances from this entity of $55,000 (2023 – nil) and included in advances from related parties is $119,575 (2023 - $64,575) of previously advanced funds. During the year ended May 31, 2024, the Company received repayments from previous advances to this entity of $2,000 (2023 - $3,174) and included in advances to related parties is $140,556 (2023 - $142,556) of previously advanced funds.

During the year ended May 31, 2024, the Company incurred management fees expense of $187,500 (2023 – $165,000) to 1204711 BC Ltd., a Company owned by Thomas Hall, a director of the Company. During the year ended May 31, 2024, the Company sold a vehicle to this entity for cash consideration of $36,441 of which resulted in a gain on disposal of $24,842, provided an advance of $822 and received repayment of previous advances totaling $6,507. During the year ended May 31, 2023, the Company's subsidiary repaid previous advances from this entity of $50,000 and the Company advanced $37,271 to this entity and received repayments of $55,988 associated with previous advances to the entity. As at May 31, 2024, included in accounts payable and accruals is $104,148 due to the entity (2023 - $40,898), $287,887 (2023 - $257,132) in advances to related parties, and $77,103 (2023 - $77,103) in advances from related parties.

During the year ended May 31, 2024, the Company advanced $136,900 (2023 - $213,817) to 1210244 BC Ltd. and received repayments from this entity of $50,000 (2023 – nil), a Company owned jointly by Companies controlled by Thomas Hall and John McPherson. As at May 31, 2024, the amount receivable from this entity, included within advances to related parties was $673,067 (2023 - $586,167). Effective April 1, 2021, the Company entered into a lease agreement with 1210244 BC Ltd. for the lease of yard storage, at a rate of $13,500 per month plus GST, for a period of ten (10) years with two (2) options to extend the lease for five (5) years per option. The Company did not make any payments on the lease during the year ended May 31, 2024 (2023 – nil). As at May 31, 2024, included in lease liability is $1,511,935 (2023 - $1,490,950) reflecting the balance of the unpaid lease liability of which $567,367 (2023 - $427,579) is recorded as the current portion and includes all unpaid amounts in arrears.

During the year ended May 31, 2024, the Company advanced $203 (2022 - $270) to 1298321 BC Ltd., a Company owned jointly by Companies controlled by Thomas Hall and John McPherson. As at May 31, 2024, the amount receivable from this entity, included within due from related parties was $113,159 (2023 - $112,956). This entity has pledged security for the secured convertible debenture issued by the Company (see note 12).

During the year ended May 31, 2024, the Company advanced $6,788 (2023 – $131,679) to John McPherson, of which no amounts were repaid during the year (2023 – $109,960 was repaid). During the year ended May 31, 2024, the Company's subsidiary received advances of $15,543 (2023 – $1,752) and repaid $10,600 (2023 - $64,210) to the individual from previous advances to the Company's subsidiary. As at May 31, 2024, included in advances to related parties is $32,546 (2023 - $25,758) receivable from the individual and $62,248 (2023 - $57,306) within advances from related parties.

During the year ended May 31, 2024, the Company repaid Thomas Hall $16,600 (2023 - $31,943) of previous advances to the entity and received advances of $29,112 (2023 – $4,330). As at May 31, 2024, included in advances from related parties is $107,629 (2023 - $95,109) repayable to the individual.

During the year ended May 31, 2024, the Company received advances of $25,000 (2023 – nil) from close family members of Thomas Hall. As at May 31, 2024, $25,000 (2023 – nil) of previous advances are recorded within advances from related parties.

During the year ended May 31, 2024, the Company received repayment of previous advances to the Hall (2019) Family Trust totaling $2,636 (2023 – nil). During the year ended May 31, 2023, the Company advanced $405 to the entity. As at May 31, 2024, there was no remaining balance in advances to related party from the entity (2023 - $2,636).

During the year ended May 31, 2024, the Company received advances of $1,741 from the McPherson Family Trust (2019) (2023 – nil). As at May 31, 2024, included within advances from related parties is $1,741 repayable to the entity (2023 – nil).

(expressed in Canadian Dollars)

During the year ended May 31, 2024, compensation to close family members of key management personnel totaled $20,031 (2023 - $18,751).

The above amounts receivable and payable are unsecured, non-interest bearing and due on demand. Related party transactions are incurred in the normal course of operations and have been measured at fair value.

17. Expenses by nature

(a) Cost of revenue

Year ended May 31		**2024**		2023
Salaries, wages & benefits	**$**	**3,687,394**	$	4,261,954
Depreciation of property and equipment		**1,753,914**		1,199,282
Amortization of right-of-use assets		**628,397**		450,703
Subcontracts		**1,396,511**		4,758,611
Fuel		**1,135,999**		1,391,511
Purchases		**480,076**		2,953,575
Repairs & maintenance		**950,969**		1,460,931
Supplies		**517,557**		537,743
Travel		**274,385**		319,227
	$	**10,825,202**	$	17,333,537

(b) Operating expenses

Year ended May 31		**2024**		2023
Amortization of right-of-use assets	**$**	**189,663**	$	189,663
Depreciation of property and equipment		**62,436**		30,197
Insurance		**568,081**		583,643
Management salary		**365,250**		323,513
Office		**266,954**		495,286
Professional fees		**241,214**		76,152
Salaries, wages and benefits		**129,796**		140,790
	$	**1,823,394**	$	1,839,244

(c) Finance and other costs

Year ended May 31		**2024**		2023
Interest on long-term debt	**$**	**614,758**	$	610,643
Interest on lease liabilities		**273,368**		181,723
Gain (loss) on disposals of property and equipment		**18,403**		(46,673)
Loss on settlement of debt		**-**		165,450
	$	**906,529**	$	911,143

(expressed in Canadian Dollars)

18. Reconciliation of liabilities arising from financing activities

	May 31, 2023	Cash flows	Additions	Accretion	Other	May 31, 2024
Lease liabilities	**$ 5,196,054**	**$ (799,698)**	**$ 631,285**	**$ 273,368**	**$ (136,144)**	**$ 5,164,865**
Long-term debt	**8,494,806**	**(3,038,807)**	**4,890,210**	**614,758**	**(5,476)**	**10,955,491**
Secured convertible debenture	**-**	**-**	**400,000**	**-**	**-**	**400,000**
Balance at May 31, 2024	**$ 13,690,860**	**$ (3,838,505)**	**$ 5,921,495**	**$ 888,126**	**$ (141,620)**	**$ 16,520,356**

	May 31, 2022	Cash flows	Additions	Accretion	Other	May 31, 2023
Lease liabilities	$ 4,720,180	$ (1,956,503)	$ 2,156,517	$ 181,723	$ 94,137	$ 5,196,054
Long-term debt	5,853,770	(9,482,352)	11,347,295	610,643	165,450	8,494,806
Balance at May 31, 2023	$ 10,573,950	$ (11,438,855)	$ 13,503,812	$ 792,366	$ 259,587	$ 13,690,860

19. Financial instruments and risk management

The Company's principle financial assets consist of accounts receivable and advances to related parties. The Company's principal financial liabilities are comprised of bank indebtedness, accounts payable and accruals, secured convertible debentures, advances from related parties and long-term debt. The main purpose of the existence of such liabilities is to finance the Company's operations. Additionally, the Company has trade and other receivables that arise as a result of the Company's operations.

The Company's operations expose it to financial risk, including market risk (interest rate and commodity price risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize certain exposures to risk.

The risks associated with the Company's financial instruments are as follows:

(a) Market risk

Market risk is the risk that the fair value or future cash flows will fluctuate as a result in a change in market prices. The Company's market risk is as follows:

(i) *Interest rate risk*: is the risk that the fair value or future cash flows will fluctuate as a result of a change in market interest rates. The Company is exposed to interest rate risk as a result of its lines of credit and long-term debt. The Company minimizes its interest rate risk through entering into debt arrangements with fixed-rate interest rates. An increase in BMO's prime rate of 100 basis points would result in an insignificant increase in the Company's finance costs incurred on its bank indebtedness at May 31, 2024 and 2023.

(ii) *Commodity price risk*: is the risk that the Company may experience fluctuations in its future cash flows as a result changes in market prices for commodities, which includes the price of fuel and other material inputs in construction. The Company minimizes its commodity price risk by reviewing market prices, at least annually, and incorporating into its bids for future work. Additionally, certain contracts permit the Company to add a fuel surcharge to compensate the Company for increases in the price of fuel.

(b) Credit risk

Credit risk is the risk of financial loss arising when a partner or counterparty to a financial instrument fails to meet its contractual obligations and arises primarily as a result of the Company's trade accounts receivable. The carrying amounts of the Company's financial assets represents the maximum credit exposure.

The Company limits its exposure to credit risk on cash by placing financial instruments with high-credit quality financial institutions and the Company believes that it has no significant credit risk regarding its cash.

The Company is subject to a concentration of credit risk related to its trade accounts receivable as two customers exceed 10% of the Company's total outstanding trade accounts receivable for an aggregate of 52% of the Company's trade accounts receivable at May 31, 2024 (May 31, 2023 – two customers for an aggregate of 37% of the Company's trade accounts receivable).

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as the come due. The Company manages its liquidity risk through the close monitoring of its forecasted and actual cash flows as well as investing and financing activities to ensure that the Company has sufficient liquidity to meet its liabilities when due and to fund future operations.

(expressed in Canadian Dollars)

Set out below is the undiscounted contractual payments of the Company's financial liabilities as at May 31, 2024 and 2023:

As at May 31, 2024	**Total**	**2025**	**2026**	**2027**	**2028**	**2029**	**Thereafter**
Bank indebtedness	**$ 726,127**	**$ 726,127**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Accounts payable & accruals	**1,571,305**	**1,571,305**	**-**	**-**	**-**	**-**	**-**
Advances from related parties	**393,287**	**393,287**	**-**	**-**	**-**	**-**	**-**
Secured convertible debenture	**400,000**	**400,000**	**-**	**-**	**-**	**-**	**-**
Lease liabilities	**5,164,720**	**1,481,439**	**1,201,479**	**1,075,784**	**810,352**	**304,097**	**291,569**
Long-term debt	**12,461,035**	**3,645,609**	**3,577,229**	**2,855,425**	**1,664,636**	**652,779**	**65,357**
	$ 20,716,474	**$ 8,217,767**	**$ 4,778,708**	**$ 3,931,209**	**$ 2,474,988**	**$ 958,876**	**$ 356,926**

As at May 31, 2023	Total	2024	2025	2026	2027	2028	Thereafter
Bank indebtedness	$ 670,767	$ 670,767	$ -	$ -	$ -	$ -	$ -
Accounts payable & accruals	1,927,270	1,927,270	-	-	-	-	-
Advances from related parties	294,092	294,092	-	-	-	-	-
Lease liabilities	5,352,146	1,417,747	1,033,447	1,155,901	832,192	453,859	459,000
Long-term debt	10,944,893	2,557,443	2,478,651	2,404,317	2,217,696	1,213,876	72,910
	$ 19,189,168	$ 6,867,319	$ 3,512,098	$ 3,560,218	$ 3,049,888	$ 1,667,735	$ 531,910

(expressed in Canadian Dollars)

The following represents the carrying amounts and fair value of the Company's financial instruments as at May 31, 2024 and 2023:

			As at May 31, 2024				As at May 31, 2023		
	Level		**Carrying amount**		**Fair value**		Carrying amount		Fair value
Financial assets									
Amortized cost									
Accounts receivable	2	**$**	**2,039,539**	**$**	**2,039,539**	$	1,392,283	$	1,392,283
Advances to related parties	2		**1,247,251**		**1,247,251**		1,127,243		1,127,243
Financial liabilities									
Amortized cost									
Bank indebtedness	1	**$**	**726,127**	**$**	**726,127**	$	670,767	$	670,767
Accounts payable and accruals	2		**1,571,305**		**1,571,305**		1,927,270		1,927,270
Secured convertible debentures	2		**400,000**		**400,000**		-		-
Advances from related parties	2		**393,287**		**393,287**		294,092		294,092
Lease liabilities	2		**5,164,865**		**5,164,865**		5,196,054		5,196,054
Long-term debt	2		**10,955,491**		**10,955,491**		8,494,806		8,494,806

The Company did not transfer any financial instruments between Level 1, Level 2, and Level 3 fair value measurements during the year ended May 31, 2024 or May 31, 2023. The fair values of financial assets and liabilities are measured at the amount in which each instrument could be exchanged in an current transaction between willing parties, where such exchange is not forced or as part of a liquidation sale. The fair values of the Company's financial instruments are approximated by their carrying amounts due to the short-term maturities of such instruments or the market rate of interest attached to the debt instruments.

The disclosure of the fair value of the Company's financial instruments is followed by the following hierarchy:

- *Level 1*: Fair value is measured utilizing quoted, unadjusted market prices for identical assets or liabilities;
- *Level 2*: Fair value is measured utilizing inputs other than those in Level 1, and such inputs that have a significant impact on the fair value are observable, directly or indirectly;
- *Level 3*: Fair value is measured utilizing unobservable market data or statistical techniques to derive forward estimates from observable market data and unobservable inputs.

20. Capital disclosure and management

The Company's capital structure consists of shareholders' equity and long-term debt. The Company's objectives in managing its capital is to maintain access to capital markets, sustain its ability to meet its financial obligations, and finance its growth. The Company's capital structure is managed in such a way that adjustments may be made when changes arise in the current economic conditions and changes in the risk profile of its underlying assets. The Company is not subject to any externally imposed capital requirements or financial covenants. Additionally, the Board of Directors does not establish quantitative capital structure targets for management.

21. Subsequent events

Effective June 1, 2024, the Company amalgamated with ACL, Aspen Falls Holdings Ltd, and TNTS Enterprises Ltd. to form A.C.L. Construction Ltd (the “Amalgamation”). Immediately following the Amalgamation, the Company’s share capital consisted of 53,000,000 Class A Common Shares.

On July 23, 2024, the Company: (i) completed a financing in which the Company issued 3,750,000 Class A Common Shares upon receiving financing totaling $375,000; and (ii) issued 950,000 Class A Common Shares in consideration of past services received by the Company valued at a total of $95,000.

On August 19, 2024 the Company entered into a non-binding letter of intent with Samurai Capital Corp. (“Samurai”). Samurai is a Capital Pool Company as defined by TSX Venture Exchange (“TSX-V”) Policy 2.4. The principal business of Samurai is the identification and evaluation of a Qualifying Transaction (“QT”) and once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder approval, if required, and acceptance by regulatory authorities. Upon closing of the QT, the Company intends to have its shares listed on the TSX-V as a Tier 2 issuer.

On September 27, 2024, the Company granted a total of 5,000,000 stock options to John McPherson and Thomas Hall. Each stock option permits the optionee an option to purchase one (1) common share of the Company at an exercise price of $0.10 per share for a period of ten (10) years from the date in which the options were granted.

On October 31, 2024, the Company granted 1,600,000 stock options to an officer, employees and consultant. Each stock option permits the optionee an option to purchase one (1) common share of the Company at an exercise price of $0.10 per share for a period of ten (10) years from the date in which the options were granted.

On December 6, 2024, the Company issued 1,816,000 Common Shares in settlement of the conversion of the secured convertible debenture.

A.C.L. Construction Ltd.

Condensed Interim Financial Statements
Three- and six-months ended
November 30, 2024 and 2023
(Unaudited)

A.C.L. Construction Ltd.
Condensed Interim Statements of Financial Position
(expressed in Canadian Dollars)
(unaudited)

As at	Note	November 30, 2024	May 31, 2024
Assets			
Current			
Cash		$ **95,425**	$ 3,940
Accounts receivable	7	**3,150,700**	2,039,539
Inventory		**78,562**	81,547
Prepaid expenses		**64,466**	69,973
Advances to related parties	12	**1,282,989**	1,247,251
		4,672,142	3,442,250
Non-Current			
Property and equipment	8	**12,557,163**	12,310,993
Right-of-use assets		**4,167,589**	4,594,043
		$ **21,396,894**	$ 20,347,286
Liabilities			
Current			
Bank indebtedness	9	$ **-**	$ 726,127
Accounts payable & accruals	12	**3,341,266**	1,571,305
Secured convertible debenture		**424,000**	400,000
Advances from related parties	12	**329,647**	393,287
Current portion of lease liabilities		**1,694,960**	1,481,439
Current portion of long-term debt		**3,328,531**	3,105,610
		9,118,404	7,677,768
Non-Current			
Lease liabilities		**3,095,496**	3,683,426
Long-term debt		**7,433,552**	7,849,881
Deferred income tax liability		**1,316,294**	1,316,294
		20,963,746	20,527,369
Shareholders' Equity (Deficit)			
Share capital	10	**470,553**	553
Contributed surplus		**314,338**	-
Retained deficit		**(351,743)**	(180,636)
		433,148	(180,083)
		$ **21,396,894**	$ 20,347,286

Going concern	2(c)
Commitments and contingencies	11
Subsequent events	16

(signed) Thomas Hall
Director

(signed) John McPherson
Director

A.C.L. Construction Ltd.
Condensed Interim Statements of (loss) income and Comprehensive (loss) income
(expressed in Canadian Dollars)
(unaudited)

		Three months ended November 30		Six months ended November 30	
	Note	**2024**	2023	**2024**	2023
Revenue		**$ 4,347,435**	$ 4,515,012	**$ 11,335,697**	$ 8,637,529
Cost of revenue	13	**3,553,416**	3,206,541	**9,301,631**	5,832,470
Gross profit		**794,019**	1,308,471	**2,034,066**	2,805,059
Operating expenses	13	**929,775**	480,916	**1,688,216**	881,012
(Loss) income from operations		**(135,756)**	827,555	**345,850**	1,924,047
Finance and other costs (income)	13	**248,544**	188,932	**516,957**	381,138
Net and comprehensive (loss) income		**$ (384,300)**	$ 638,623	**$ (171,107)**	$ 1,542,909
Basic (loss) income per share	10(c)	$ (0.01)	$ 0.12	$ (0.00)	$ 0.29
Diluted (loss) income per share	10(c)	$ (0.01)	$ 0.12	$ (0.00)	$ 0.29

A.C.L. Construction Ltd.
Condensed Interim Statements of Changes in Shareholders' Equity (Deficit)
(expressed in Canadian Dollars)
(unaudited)

	Note	Share capital	Contributed Surplus	Retained earnings (deficit)	Total
Balance, May 31, 2023		$ 553	$ -	$ 347,735	$ 348,288
Net income for the period		-	-	1,542,909	1,542,909
Balance at November 30, 2023		$ 553	$ -	$ 1,890,644	$ 1,891,197
Balance at May 31, 2024		$ 553	$ -	$ (180,636)	$ (180,083)
Proceeds of issuance of common shares	10	375,000	-	-	375,000
Share-based payments	10	95,000	-	-	95,000
Stock-based compensation	10	-	314,338	-	314,338
Net loss for the period		-	-	(171,107)	(171,107)
Balance at November 30, 2024		**$ 470,553**	**$ 314,338**	**$ (351,743)**	**$ 433,148**

A.C.L. Construction Ltd.
Condensed Interim Statements of Cash Flows
(expressed in Canadian Dollars)
(unaudited)

Six months ended November 30	Note	2024	2023
Cash flow from operating activities:			
Net (loss) income		**$ (171,107)**	$ 1,542,909
Items not affecting cash:			
Depreciation and amortization	8	**1,439,119**	1,262,104
Finance costs		**524,792**	397,051
Stock-based compensation	10	**314,338**	-
Share-based payments	10	**95,000**	-
Gain on disposals of property and equipment	8	**(7,835)**	(15,913)
Changes in non-cash operating working capital:			
Accounts receivable		**(1,111,161)**	(1,380,199)
Inventory		**2,985**	-
Prepaid expenses		**5,507**	(41,794)
Accounts payable & accruals		**1,769,961**	103,216
Interest paid on long-term debt		**(310,437)**	(211,344)
Interest paid on lease liabilities		**(125,179)**	(91,502)
Net cash provided by operating activities		**2,425,983**	1,564,528
Cash flow from investing activities:			
Acquisitions of property and equipment	8	**(1,260,700)**	(1,481,294)
Proceeds of disposition of property and equipment	8	**9,700**	359,561
Advances to related parties	12	**(36,538)**	(153,029)
Repayment of advances to related parties	12	**800**	54,637
Net cash used in investing activities		**(1,286,738)**	(1,220,125)
Cash flow from financing activities:			
Proceeds of issuance of common shares	10	**375,000**	-
Proceeds of long-term debt		**1,266,207**	1,406,572
Decrease in bank indebtedness		**(726,127)**	(501,176)
Principal repayments of lease liability		**(397,487)**	(265,774)
Principal repayments of long-term debt		**(1,501,713)**	(975,294)
Advances from related parties	12	**106,271**	2,746
Repayment of advances from related parties	12	**(169,911)**	(10,400)
Net cash used in financing activities		**(1,047,760)**	(343,326)
Net change in cash		**91,485**	1,077
Cash and cash equivalents, beginning of the period		**3,940**	5,877
Cash and cash equivalents, end of the period		**$ 95,425**	$ 6,954

1. Corporate information

A.C.L. Construction Ltd. (“A.C.L.” or the “Company”) was incorporated on March 17, 2018 under the laws of British Columbia as a wholly-owned subsidiary of Aggressive Contracting Ltd. (“Aggressive” or the “Predecessor”). Effective June 1, 2024, A.C.L., Aggressive and its two shareholders; Aspen Falls Holdings Ltd. (“Aspen”) and TNTS Enterprises (“TNTS”) amalgamated (the “Amalgamation”) to form A.C.L. (the “Successor” – see note 5). The Company’s registered office is located at 9830-110 Avenue, Fort St. John, British Columbia, V1J 2T1. The Company provides civil construction services, project management, general construction, and underground utilities primarily in northeastern British Columbia.

On August 19, 2024 the Company entered into a non-binding letter of intent with Samurai Capital Corp. (“Samurai”). Samurai is a Capital Pool Company as defined by TSX Venture Exchange (“TSX-V”) Policy 2.4. The principal business of Samurai is the identification and evaluation of a Qualifying Transaction (“QT”) and once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder approval, if required, and acceptance by regulatory authorities. Upon closing of the QT, the Company intends to have its shares listed on the TSX-V as a Tier 2 issuer.

2. Basis of preparation

(a) Statement of compliance

These condensed interim financial statements have been prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (“IASB”) and interpretations of the IFRS Interpretations Committee.

These condensed interim financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34 Interim Financial Reporting and have been prepared using the same accounting policies, judgements, estimates and methods of application as those used in the Company’s audited combined financial statements for the year ended May 31, 2024. These condensed interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the Company’s audited combined financial statements for the year ended May 31, 2024.

These condensed interim financial statements were authorized for issue by the Company’s Board of Directors on [•].

(b) Going concern

The Company is primarily dependent on externally provided financing to continue as a going concern. Additional funds will be required to enable the Company to pursue such an initiative and the Company may be unable to obtain such financing on satisfactory terms. Management intends to finance operating costs over the next twelve months with its cash on hand, and/or additional financing that has not currently been received. These conditions indicate the existence of a material uncertainty that casts significant doubt about the Company’s ability to continue as a going concern. These condensed interim financial statements do not reflect any adjustments that may be necessary should the Company be unable to continue as a going concern, and such adjustments could be material.

3. Critical accounting judgments, estimates and assumptions

The preparation of the condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the Company's assets, liabilities, revenue, expenses and contingent liability disclosures. The Company bases its estimates and corresponding assumptions from its past experience and other facts deemed reasonable upon the circumstances, the results of which form the basis for marking assumptions regarding carrying values of assets and liabilities that are not readily apparent from other sources. However, uncertainty may exist regarding these assumptions and estimates that may result in a material adjustment to the carrying amount of the affected asset or liability in future years.

The following judgement was utilized in the preparation of the condensed interim financial statement in addition to those judgements disclosed in the audited combined consolidated financial statements for the year ended May 31, 2024:

Business combination under common control

Upon the execution of the Amalgamation on June 1, 2024, the Company used its judgment to determine that the parties to the Amalgamation represented a group of businesses under common control and determined that an appropriate accounting policy for its accounting where guidance is not prescribed by IFRS 3 – Business Combinations (see Note 5).

4. New accounting pronouncements

(a) Adoption of new accounting policies

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

The amendments to IAS1 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 January 1, 2024. The adoption of the standard did not have a material impact on the condensed interim financial statements.

(b) Standards issued not yet effective

Presentation and Disclosure in Financial Statements – IFRS 18

In April 2024, the IASB issued IFRS 18, which will replace IAS 1 - *Presentation of Financial Statements.* The standard aims to improve the manner in which companies communicate in their financial statements, with a focus on information about financial performance in the statement of profit or loss, specifically introducing additional defined subtotals, disclosures about management-defined performance measures and new principles for aggregation and disaggregation of information. IFRS 18 is accompanied by limited amendments to the requirements in IAS 7 Statement of Cash Flows. IFRS 18 is effective from January 1, 2027. Companies are permitted to apply IFRS 18 before that date. The Company is evaluating the impact of the above amendments on its financial statements.

(expressed in Canadian Dollars)

5. Amalgamation

Effective June 1, 2024, A.C.L., Aggressive and its two shareholders; Aspen and TNTS (collectively the “Group”) amalgamated to form the Successor, carrying on as A.C.L. Construction Ltd. Upon Amalgamation, the Company performed an assessment and determined that the group of entities were businesses under common control due to the control held by the shareholders of Aspen and TNTS to execute the Amalgamation. Additionally, as per the assessment, the Company determined that Aggressive is the Predecessor and that the Amalgamation did not have economic substance. As such, in preparing the condensed interim financial statements, the Company applied the “pooling of interests method” to the earliest date of reporting, June 1, 2023, where assets of Aspen and TNTS that came under common control were transferred into the Group on the date in which common control was achieved.

As part of the Amalgamation, shares were issued to the existing shareholders for nil consideration. Therefore, the number of shares outstanding was increased without an increase in resources, and the number of shares outstanding before the Amalgamation has been adjusted for the change in shares as if the issuance had occurred at the beginning of the earliest period presented. All share and per share information presented herein has been retrospectively adjusted to give effect to the culmination of the Amalgamation on June 1, 2023. As the Company’s annual audited financial statements for the year ended May 31, 2024 were prepared on a combined basis, there is no impact on any comparative figures as a result of this basis of accounting.

6. Seasonality of business

The interim period revenues and profit or loss historically reflects some seasonality as the nature of the Company’s operations are highly seasonal, which results in the Company’s profit or loss and related cash flows to fluctuate during the year. The Company’s ability to generate revenue is largely dependent on favourable weather conditions and related customer demand, and as a result, the Company typically recognizes greater revenue during the first and second quarters which typically results in the greatest amount of collections occurring during the second and third quarters.

7. Accounts receivable

As at		**November 30, 2024**		May 31 2024
Trade accounts receivable	**$**	**1,864,554**	$	1,460,348
GST receivable		**206,712**		114,853
Holdbacks		**1,079,434**		464,338
	$	**3,150,700**	$	2,039,539

Holdbacks receivable represent amounts billed on construction contracts which are not due until the contract work is substantially complete and the applicable lien period has expired.

During the six months ended November 30, 2024, the Company did not record any bad debt expense (2023 – nil).

(expressed in Canadian Dollars)

Details of the Company's accounts receivable aging as at November 30, 2024 and May 31, 2024 is as follows:

As at		November 30, 2024		May 31 2024
Neither impaired nor past due	**$**	**3,139,147**	$	1,976,292
Not impaired and past due as follows:				
31 to 60 days		**-**		1,700
61 to 90 days		**-**		-
Over 90 days		**11,553**		61,547
	$	**3,150,700**	$	2,039,539

8. Property and equipment

		November 30, 2024		May 31, 2024
Balance, beginning of period	**$**	**12,310,993**	$	9,957,098
Additions		**1,260,700**		4,802,488
Disposals		**(1,865)**		(632,243)
Depreciation		**(1,012,665)**		(1,816,350)
Balance, end of period	**$**	**12,557,163**	$	12,310,993

During the six months ended November 30, 2024, property and equipment having a net book value of $1,865 (2023 - $343,648) were disposed for cash proceeds of $9,700 (2023 - $359,561) resulting in a gain on disposal of $7,835 (2023 – $15,913).

9. Bank indebtedness

The Company, through its primary financial institution, has available two lines of credit with an aggregate limit of $700,000. The overdraft bears interest at a rate of prime plus 3.25% with outstanding principal and interest due on demand. As at November 30, 2024, the Company had not drawn (May 31, 2024 - $725,550) on its lines of credit. The Company's bank overdrafts are secured by joint and several guarantees from Thomas Hall and John McPherson (see note 12) in the aggregate amount of $700,000 each.

(expressed in Canadian Dollars)

10. Share capital

(a) Authorized

The Company has an unlimited amount of voting Common Shares without par value.

(b) Share issued and outstanding

	Number of shares		Value
Balance at June 1, 2023(*)	53,000,000	$	553
Balance at May 31, 2024(*)	53,000,000		553
Issuance of common shares for cash *(i)*	3,750,000		375,000
Issuance of common shares as a consulting fee *(ii)*	950,000		95,000
Balance at November 30, 2024	**57,700,000**	**$**	**470,553**

(*)As a result of the amalgamation of the Group (note 6), the Company's number of shares reflects the post amalgamation shares along with the combined share capital of the Group applied to June 1, 2023, the earliest reporting date of these condensed interim financial statements.

(i) On July 23, 2024, the Company completed a financing in which the Company issued 3,750,000 Class A Common Shares upon receiving financing totaling $375,000.

(ii) On July 23, 2024, the Company issued 950,000 Class A Common Shares in accordance with consulting arrangements entered into by the Company. During the six months ended November 30, 2024, the Company recorded expense of $95,000 reflecting the value of the shares issued at $0.10 per share, measured as the price in which the concurrent financing shares were issued.

(c) Per share amounts

The weighted average number of common voting shares outstanding for the three- and six-months ended November 30, 2024 was 57,701,319 and 57,135,628, respectively (2023 – 53,000,000 and 53,000,000 respectively). The dilutive effect of 5,000,000 outstanding stock options and the conversion rights associated with the secured convertible debenture has not been included in the calculation of the Company's loss per share amounts for the three and six months ended November 30, 2024 as they are anti-dilutive. There were no dilutive instruments issued and outstanding during the three and six months ended November 30, 2023.

(expressed in Canadian Dollars)

(d) Stock options

Changes in the number of options outstanding during the six months ended November 30, 2024 and 2023 is as follows:

	Six months ended November 30, 2024		
	Number of options		**Weighted average exercise price**
Balance, beginning of period	**-**	**$**	**-**
Granted	**6,600,000**		**0.10**
Balance, end of period	**6,600,000**	**$**	**0.10**
Options exercisable, end of period	**6,600,000**	**$**	**0.10**

The following is a summary of the 5,000,000 outstanding options issued under the Plan:

Exercise price		Number outstanding	Weighted average remaining contractual life	Number exercisable
$	0.10	6,600,000	9.85 years	6,600,000

The fair value of the options issued during the six months ended November 30, 2024 was estimated using the following Black-Scholes Model assumptions:

	Six months ended November 30, 2024	
Expected life		**10 years**
Expected volatility(*)		**31.53% - 31.62%**
Risk-free rate		**2.95% - 3.22%**
Dividend yield		**-**
Underlying share price	**$**	**0.10**
Exercise price	**$**	**0.10**

(*)The Company measures its volatility based on a proxy of publicly traded companies that are similar in size and operate in a similar industry. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the Options is indicative of future trends which may not necessarily be the actual outcome.

(expressed in Canadian Dollars)

11. Commitments and contingencies

(a) Commitments

As at May 31, 2024, the Company has made the following commitments:

- A guarantee by A.C.L. to 1210244 B.C. Ltd., a Company owned jointly by Companies controlled by Thomas Hall and John McPherson (see note 11) for a loan provided by BDC to such entity. The outstanding balance of the loan at November 30, 2024 was $762,156 (May 31, 2024 - $779,096) and is also secured by land and land improvements with an approximate book value of $1,072,001(May 31, 2024 - $1,080,858).

(b) Contingencies

On September 7, 2023, the Company was named as a defendant in a civil action alleging damages from the Company on the plaintiff's property. Management has assessed that the probability of loss is unlikely as at November 30, 2024, and as a result, no provision was recorded at November 30, 2024 and May 31, 2024.

12. Related party transactions

(a) Key management compensation

Key management personnel are those persons having the authority and responsibility for planning, directing, and controlling the activities of the Company. The Company's key management consists of the Company's Board of Directors, Chief Executive Officer, Chief Operating Officer and Chief Financial Officer.

Set out below is a summary of key management compensation during the three and six months ended November 30, 2024 and 2023:

Three months ended November 30,	**2024**	2023
Wages and benefits	**$ 60,000**	$ 60,000
Stock-based compensation	**261,117**	-
Balance end of period	**$ 321,117**	$ 60,000

Six months ended November 30,	**2024**	2023
Wages and benefits	**$ 120,000**	$ 120,000
Stock-based compensation	**261,117**	-
Balance end of period	**$ 381,177**	$ 120,000

(b) Transactions with related parties

During the three and six months ended November 30, 2024, the Company incurred management fees expense of $53,250 and $124,250, respectively (2023 – $45,750 and $91,500, respectively) to 0777528 BC Ltd., a Company owned by John McPherson, a director of the Company. As at November 30, 2024, included in accounts payable and accruals is $153,825 due to this entity (May 31, 2024 - $87,663). During the three and six months ended November 30, 2024, the Company received advances from this entity of nil and $10,000, respectively (2023 – nil and nil, respectively) and included in advances from related parties is $129,577 (May 31, 2024 - $119,575) of previously advanced funds. During the three and six months ended November 30, 2023, the Company sold a vehicle to this entity for cash consideration of $36,441 of which resulted in a gain on disposal of $24,842. During the three and six months ended November 30, 2024, the Company did not receive any repayments on previous advances to the entity (2023 - $36,440 and $36,440, respectively) and included in advances to related parties is $140,556 (May 31, 2024 - $140,556) of previously advanced funds.

During the three and six months ended November 30, 2024, the Company incurred management fees expense of $52,500 and $105,000, respectively (2023 – $50,000 and $95,000, respectively) to 1204711 BC Ltd., a Company owned by Thomas Hall, a director of the Company. During the three and six months ended November 30, 2024, the Company advanced $2,500 and $3,500, respectively to the entity (2023 – nil and $822, respectively) and received repayments of previous advances of nil and $800, respectively (2023 – nil and nil, respectively). As at November 30, 2024, included in accounts payable and accruals is $151,148 due to the entity (May 31, 2024 - $104,148), $290,587 (May 31, 2024 - $287,887) in advances to related parties, and $77,103 (May 31, 2024 - $77,103) in advances from related parties.

During the three and six months ended November 30, 2024, the Company advanced $16,323 and $32,902, respectively (2023 - $89,264 and $108,866, respectively) to 1210244 BC Ltd. and during the three and six months ended November 30, 2023, received repayments from this entity of nil and $50,000, respectively, a Company owned jointly by Companies controlled by Thomas Hall and John McPherson. As at November 30, 2024, the amount receivable from this entity, included within advances to related parties was $705,969 (May 31, 2024 - $673,067). Effective April 1, 2021, the Company entered into a lease agreement with 1210244 BC Ltd. for the lease of yard storage, at a rate of $13,500 per month plus GST, for a period of ten (10) years with two (2) options to extend the lease for five (5) years per option. The Company did not make any payments on the lease during the three and six months ended November 30, 2024 (2023 – nil and nil, respectively). As at May 31, 2024, included in lease liability is $1,558,959 (May 31, 2024 - $1,549,232) reflecting the balance of the unpaid lease liability of which $738,626 (May 31, 2024 - $656,236) is recorded as the current portion and includes all unpaid amounts in arrears.

During the three and six months ended November 30, 2024, the Company advanced $68 and $136, respectively (2023 - $45 and $113, respectively) to 1298321 BC Ltd., a Company owned jointly by Companies controlled by Thomas Hall and John McPherson. As at November 30, 2024, the amount receivable from this entity, included within advances from related parties was $113,295 (May 31, 2024 - $113,159). This entity has pledged security for the secured convertible debenture issued by the Company.

During the three and six months ended November 30, 2023, the Company advanced $4,513 and $6,788, respectively to John McPherson, of which no amounts were repaid during either period. During the three and six months ended November 30, 2024, the Company received advances of $1,209 and $41,432, respectively (2023 – nil and nil) and repaid $48,998 and $61,598, respectively (2023 - $2,600 and $5,200, respectively) to the individual from previous advances to the Company's subsidiary. As at November 30, 2024, included in advances to related parties is $32,546 (May 31, 2024 - $32,546) receivable from the individual and $42,082 (May 31, 2024 - $62,248) within advances from related parties.

During the three and six months ended November 30, 2024, the Company repaid Thomas Hall $72,814 and $83,314, respectively (2023 - $2,600 and $5,200, respectively) of previous advances to the entity and received advances of $39,245 and $54,839, respectively (2023 – nil and $1,006). As at November 30, 2024, included in advances from related parties is $79,145 (2023 - $107,620) repayable to the individual.

During the three and six months ended November 30, 2024, the Company repaid previous advances of $25,000 and $25,000, respectively (2023 – nil and nil) from close family members of Thomas Hall. As at November 30, 2024, there were no amounts (2023 – nil) of previous advances are recorded within advances from related parties.

During the three and six months ended November 30, 2023, the Company received advances of nil and $1,740 from the McPherson Family Trust (2019), an entity controlled by John McPherson. As at November 30, 2024, included within advances from related parties is $1,740 repayable to the entity (May 31, 2024 - $1,740).

During the three and six months ended November 30, 2023, the Company received repayment nil and $2,637 of previous advances to the Hall (2019) Family Trust, an entity controlled by Thomas Hall. There were no balances received at November 30, 2024 or May 31, 2024.

The above amounts receivable and payable are unsecured, non-interest bearing and due on demand. Related party transactions are incurred in the normal course of operations and are initially measured at fair value.

(expressed in Canadian Dollars)

13. Expenses by nature

(a) Cost of revenue

	Three months ended November 30		Six months ended November 30	
	2024	2023	**2024**	2023
Salaries, wages & benefits	**$ 882,636**	$ 958,671	**$ 2,277,821**	$ 2,028,017
Depreciation of property and equipment	**510,998**	405,084	**989,951**	805,042
Amortization of right-of-use assets	**149,766**	169,465	**331,622**	327,442
Subcontracts	**626,835**	562,437	**2,846,250**	762,150
Fuel	**226,547**	337,118	**679,813**	550,236
Purchases	**909,946**	251,144	**1,393,901**	440,956
Repairs & maintenance	**109,141**	358,953	**366,090**	544,631
Supplies	**99,834**	119,474	**218,778**	255,223
Travel	**37,713**	44,195	**197,405**	118,773
	$ 3,553,416	$ 3,206,541	**$ 9,301,631**	$ 5,832,470

(b) Operating expenses

	Three months ended November 30		Six months ended November 30	
	2024	2023	**2024**	2023
Amortization of right-of-use assets	**$ 47,416**	$ 47,416	**$ 94,832**	$ 94,832
Depreciation of property and equipment	**10,889**	16,462	**22,714**	34,788
Insurance	**122,369**	136,593	**285,402**	270,732
Management salary	**105,750**	95,750	**229,250**	186,500
Office	**100,930**	88,428	**243,541**	112,895
Professional fees	**175,231**	61,037	**396,863**	111,754
Salaries, wages and benefits	**52,852**	35,230	**101,276**	69,511
Stock-based compensation	**314,338**	-	**314,338**	-
	$ 929,775	$ 480,916	**$ 1,688,216**	$ 881,012

(expressed in Canadian Dollars)

(c) Finance and other costs

	Three months ended November 30		Six months ended November 30	
	2024	2023	**2024**	2023
Interest on long-term debt	**$ 172,302**	$ 134,020	**$ 352,535**	$ 261,723
Interest on lease liabilities	**72,077**	70,447	**148,257**	135,328
Accretion on convertible note	**12,000**	-	**24,000**	-
Gain (loss) on disposals of property and equipment	**(7,835)**	(15,535)	**(7,835)**	(15,913)
	$ 248,544	$ 188,932	**$ 516,957**	$ 381,138

14. Financial instruments and risk management

The Company's principle financial assets consist of accounts receivable and advances to related parties. The Company's principal financial liabilities are comprised of bank indebtedness, accounts payable and accruals, secured convertible debentures, advances from related parties and long-term debt. The main purpose of the existence of such liabilities is to finance the Company's operations. Additionally, the Company has trade and other receivables that arise as a result of the Company's operations.

The Company's operations expose it to financial risk, including market risk (interest rate and commodity price risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize certain exposures to risk.

The risks associated with the Company's financial instruments are as follows:

(a) Market risk

Market risk is the risk that the fair value or future cash flows will fluctuate as a result in a change in market prices. The Company's market risk is as follows:

(i) *Interest rate risk*: is the risk that the fair value or future cash flows will fluctuate as a result of a change in market interest rates. The Company is exposed to interest rate risk as a result of its lines of credit and long-term debt. The Company minimizes its interest rate risk through entering into debt arrangements with fixed-rate interest rates. An increase in BMO's prime rate of 100 basis points would result in an insignificant increase in the Company's finance costs incurred on its bank indebtedness at November 30, 2024 and May 31, 2024.

(ii) *Commodity price risk*: is the risk that the Company may experience fluctuations in its future cash flows as a result changes in market prices for commodities, which includes the price of fuel and other material inputs in construction. The Company minimizes its commodity price risk by reviewing market prices, at least annually, and incorporating into its bids for future work. Additionally, certain contracts permit the Company to add a fuel surcharge to compensate the Company for increases in the price of fuel.

(b) Credit risk

Credit risk is the risk of financial loss arising when a partner or counterparty to a financial instrument fails to meet its contractual obligations and arises primarily as a result of the Company's trade accounts receivable. The carrying amounts of the Company's financial assets represents the maximum credit exposure.

The Company limits its exposure to credit risk on cash by placing financial instruments with high-credit quality financial institutions and the Company believes that it has no significant credit risk regarding its cash.

The Company is subject to a concentration of credit risk related to its trade accounts receivable as two customers exceed 10% of the Company's total outstanding trade accounts receivable for an aggregate of 54% of the Company's trade accounts receivable at November 30, 2024 (May 31, 2024 – two customers for an aggregate of 52% of the Company's trade accounts receivable).

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as the come due. The Company manages its liquidity risk through the close monitoring of its forecasted and actual cash flows as well as investing and financing activities to ensure that the Company has sufficient liquidity to meet its liabilities when due and to fund future operations.

The Company did not transfer any financial instruments between Level 1, Level 2, and Level 3 fair value measurements during the six months ended November 30, 2024 or 2023. The fair values of financial assets and liabilities are measured at the amount in which each instrument could be exchanged in an current transaction between willing parties, where such exchange is not forced or as part of a liquidation sale. The fair values of the Company's financial instruments are approximated by their carrying amounts due to the short-term maturities of such instruments or the market rate of interest attached to the debt instruments.

The disclosure of the fair value of the Company's financial instruments is followed by the following hierarchy:

- *Level 1*: Fair value is measured utilizing quoted, unadjusted market prices for identical assets or liabilities;
- *Level 2*: Fair value is measured utilizing inputs other than those in Level 1, and such inputs that have a significant impact on the fair value are observable, directly or indirectly;
- *Level 3*: Fair value is measured utilizing unobservable market data or statistical techniques to derive forward estimates from observable market data and unobservable inputs.

15. Capital disclosure and management

The Company's capital structure consists of shareholders' equity and long-term debt. The Company's objectives in managing its capital is to maintain access to capital markets, sustain its ability to meet its financial obligations, and finance its growth. The Company's capital structure is managed in such a way that adjustments may be made when changes arise in the current economic conditions and changes in the risk profile of its underlying assets. The Company is not subject to any externally imposed capital requirements or financial covenants. Additionally, the Board of Directors does not establish quantitative capital structure targets for management.

16. Subsequent events

On December 6, 2024, the Company issued 1,816,000 Common Shares in settlement of the conversion of the secured convertible debenture.

Aggressive Contracting Ltd.

Management Discussion and Analysis
For the year ended May 31, 2024

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the audited combined financial statements of Aggressive Contracting Ltd. ("Aggressive" or the "Company") for the year ended May 31, 2024 and related notes thereto which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All figures are in Canadian dollars unless otherwise noted. This MD&A has been prepared as of April 14, 2025.

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

This MD&A contains forward-looking statements about the Company's objectives, plans, goals, aspirations, strategies, financial condition, results of operations, cash flows, performance, prospects, opportunities, and legal and regulatory matters. Specific forward-looking statements in this MD&A include, but are not limited to, statements with respect to the Company's anticipated future results, events, plans, strategic initiatives, future liquidity, and planned capital investments, including the steps involved to realize on such opportunities and the timeline in which such opportunities may be realized.

Forward-looking statements are typically identified by words such as "expect", "anticipate", "believe", "foresee", "could", "estimate", "goal", "intend", "plan", "seek", "strive", "will", "may", "maintain", "achieve", "grow", "should" and similar expressions, as they relate to the Company and its management. Forward-looking statements reflect the Company's current estimates, beliefs and assumptions, which are based on management's perception of historical trends, current conditions and expected future developments, as well as other factors it believes are appropriate in the circumstances. The Company's expectation of operating and financial performance is based on certain assumptions including but not limited to assumptions about operational growth, anticipated cost savings, operating efficiencies, anticipated benefits from strategic initiatives, future liquidity, and planned capital investments. The Company's estimates, beliefs and assumptions are inherently subject to significant business, economic, competitive, and other uncertainties and contingencies regarding future events and as such, are subject to change. There is no assurance that such estimates, beliefs and assumptions will prove to be correct.

The forward-looking statements made herein are subject to a variety of risk factors and uncertainties, many of which are beyond the Company's control, which could cause actual events or results to differ materially and adversely from those reflected in the forward-looking statements. Readers are cautioned that forward-looking statements are not guarantees of future performance.

The Company's actual results, programs, and financial position could differ materially from those expressed in or implied by the forward-looking statements made herein, and accordingly, no assurance can be given that the events anticipated by the forward-looking statements will transpire or occur, or that, if any of them do so, what benefits the Company will derive therefrom. The forward-looking statements made herein are made as of the date of this MD&A unless otherwise stated and are expressly qualified by this cautionary statement. The Company does not undertake any obligation to publicly update or revise any forward-looking statements except as expressly required by applicable securities laws.

COMPANY OVERVIEW AND OVERALL PERFORMANCE

Aggressive Contracting Ltd. ("Aggressive" or the "Company") was incorporated under the laws of British Columbia on March 11, 1997. The Company's registered office is located at 9830-110 Avenue, Fort St. John, British Columbia, V1J 2T1. The Company provides civil construction services primarily in northeastern British Columbia.

On December 6, 2024, the Company issued 1,816,000 Common Shares in settlement secured convertible debenture issued on May 31, 2024.

On October 31, 2024, the Company granted 1,600,000 stock options to an officer, employees and a consultant. Each stock option permits the optionee an option to purchase one (1) common share of the Company at an exercise price of $0.10 per share for a period of ten (10) years from the date in which the options were granted.

On September 27, 2024, the Company granted a total of 5,000,000 stock options to John McPherson and Thomas Hall. Each stock option permits the optionee an option to purchase one (1) common share of the Company at an exercise price of $0.10 per share for a period of ten (10) years from the date in which the options were granted.

On August 19, 2024 the Company entered into a non-binding letter of intent with Samurai Capital Corp. (“Samurai”). Samurai is a Capital Pool Company as defined by TSX Venture Exchange (“TSX-V”) Policy 2.4. The principal business of Samurai is the identification and evaluation of a Qualifying Transaction (“QT”) and once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder approval, if required, and acceptance by regulatory authorities. Upon closing of the QT, the Company intends to have its shares listed on the TSX-V as a Tier 2 issuer.

On July 23, 2024, the Company: (i) completed a financing in which the Company issued 3,750,000 Class A Common Shares upon receiving financing totaling $375,000; and (ii) issued 950,000 Class A Common Shares in consideration of past services received by the Company valued at a total of $95,000.

Effective June 1, 2024, the Company amalgamated with A.C.L. Construction Ltd., Aspen Falls Holdings Ltd, and TNTS Enterprises Ltd. (the “Amalgamation”) to form A.C.L. Construction Ltd. Immediately following the Amalgamation, the Company’s share capital consisted of 53,000,000 Class A Common Shares.

The Company continues to adjust its processes, in a function of centering goals on maintaining growth to continue to drive profitability. Performance increases in cutting of the construction related costs has led to a favourable performance since such changes have been and continue to be made, including a refined strategic process of identifying and subsequently bidding on new projects. Management has noted positive trends in new projects for tender, including increases in the federal and provincial capital roads, mines and others, as well as increases within the oil & gas industries, from new construction to fill pipelines to the west coast and remediation and reclamations on older wells within the Orphan well programs. Additionally growth has been observed within local infrastructure, lot construction, land developments, and underground city services. Management is projecting to see increases in demand within our organization likely in the 15% mark. We anticipate seeing continued growth within the transportation side of the business in particular.

As a result of the Company’s ongoing cash requirements, several of the Company’s long-term payables have been restructured such that the payments are lower during the months of May and June when the Company’s liquidity is historically lower than other months of the year.

Outside of the items disclosed in the Contractual Obligations section of this MD&A, and Proposed Transactions, the Company does not have any long-term financial commitments.

During the year ended May 31, 2024, the Company recorded net loss of $528,371 or $1,258 per share compared to net income of $140,157 or $334 per share during the year ended May 31, 2023. Set out below is a summary of the financial results for the year ended May 31, 2024 compared to the year ended May 31, 2023:

Year ended May 31		**2024**		2023		Change
Revenue	**$**	**13,742,455**	$	19,866,739	$	(6,124,284)
Cost of revenue		**(10,825,202)**		(17,333,537)		6,508,335
Gross profit		**2,917,253**		2,533,202		384,051
Operating expenses		**(1,823,394)**		(1,839,244)		15,850
Finance and other costs		**(906,529)**		(911,143)		4,614

Net income (loss) before income taxes		**187,330**		(217,185)	404,515
Income tax expense (benefit)		**715,701**		(357,344)	1,073,045
Net (loss) income	**$**	**(528,371)**	$	140,159	$ (668,530)

The increase in net loss of $668,530 during the year ended May 31, 2024 compared to the prior year was a result of the following:

- *Revenue*: Revenue during the year ended May 31, 2024 was $13,742,455 and a decrease of $6,124,284 or 31% compared to revenue of $19,866,739 during the year ended May 31, 2023. The decrease in revenue in the current year was mainly a result of the Company's refining of its strategic process of identifying and bidding on new projects, which resulted in less work performed during the current year relative to the prior year, aiming for projects that are expected to have higher yields to the Company. As a result, the Company's gross profit percentage (see "Non-IFRS measures") improved to 20.1% during the year ended May 31, 2024 compared to 13.4% during the prior year.
- *Cost of revenue*: Cost of revenue during the year ended May 31, 2024 was $10,825,202 and represents a decrease of $6,508,335 or 38% compared to cost of revenue of $17,333,537 during the year ended May 31, 2023. The decrease in cost of revenue in the current year was a result of a decrease in revenue during the current year as well as savings from a decrease in the use of subcontractors of $3,362,100 or 70% compared to the prior year, the result of the Company's acquisitions of production equipment during the current year to bring such operations in-house, and as a result, the Company experienced an increase in depreciation and amortization related to such acquisitions.
- *Operating expenses*: Operating expenses during the year ended May 31, 2024 were $1,823,394 and represent an decrease of $15,850 or 1% compared to operating expenses of $1,839,244 during the year ended May 31, 2023. The decrease in operating expenses in the current year was mainly the result of decreased general and administrative expenses offset by increases professional fees incurred with the Company's current efforts to obtain a public listing.
- *Finance and other costs*: Finance and other costs during the year ended May 31, 2024 were $906,529 and represent a decrease of $4,614 or 1% compared to finance and other costs of $911,143 during the year ended May 31, 2023. Significant changes included an increase in interest charges from leases, the result of entering into additional leases during the year offset by a loss on settlement of debt during the year ended May 31, 2023, the result of the Company refinancing its debt and lease commitments through its loan with the Business Development Bank of Canada (the "BDC Loan") at a lower interest rate when compared to its prior debt and lease obligations.
- *Income tax expense (benefit)*: Income tax expense of $715,701 during the year ended May 31, 2024 represented an increase of $1,073,045 compared to income tax benefit of $357,344 during the year ended May 31, 2023. The Company's income tax expense (benefit) during both years was a result of a change in the Company's deferred tax liability related to changes in temporary differences.

SUMMARY OF QUARTERLY RESULTS

The Company has not prepared quarterly financial statements, and as a result is relying on the exception noted in item 1.5 of Form 51-102F1.

FOURTH QUARTER

During the quarter ended May 31, 2024, the Company recorded revenue of $2,056,281 and a net loss of $1,682,912. The Company's third and fourth quarters which cover the winter months in Canada typically yield lower revenues due to the Company's operations consisting of outdoor work which may adversely affect the Company's ability to perform the same volume of work that can be performed during the summer months in Canada.

SELECTED ANNUAL INFORMATION

Set out below is selected annual financial information for the Company's three last completed financial years:

Year ended May 31		**2024**		2023		2022 (unaudited)
Revenue	**$**	**13,742,455**	$	19,866,739	$	16,880,092
Net (loss) income		**(528,371)**		140,159		(926,078)
Basic (loss) income per share		**(1,258.00)**		334.00		(3,087.00)
Diluted (loss) income per share		**(1,258.00)**		334.00		(3,087.00)
Total assets		**20,347,286**		17,531,870		15,060,951
Total non-current financial liabilities		**11,533,307**		10,278,572		7,821,982
Dividends per share	**$**	**-**	$	-	$	-

Fluctuations during the years ended May 31, 2024, 2023 and 2022 include the following, reported in Canadian dollars, the Company's functional currency, and in accordance with IFRS:

- *Revenue*: Revenue during the year ended May 31, 2024 was $13,742,455 compared to revenue of $19,866,739 during the year ended May 31, 2023 and $16,880,092 during the year ended May 31, 2022. The decrease in revenue in the current year compared to the prior years was a result of the Company's refining of its strategic process of identifying and bidding on new projects, which resulted in less work performed during the current year relative to the prior year, aiming for projects that are expected to have higher yields to the Company. As a result, the Company's gross profit percentage (see "Non-IFRS measures") improved to 21.2% during the year ended May 31, 2024 compared to 12.8% during the year ended May 31, 2023 and 10.6% during the year ended May 31, 2022.
- *Net (loss) income*: Net loss during the year ended May 31, 2024 was $528,371 compared to net income of $140,159 during the year ended May 31, 2023 and net loss of $926,078 during the year ended May 31, 2022. Fluctuations in the Company's net (loss) income during the above periods were the result of the effect of the strategic process changes described above, which resulted in the Company realizing cost savings as a result of its capital expenditures to bring new capabilities to the Company in which the Company has historically subcontracted to other parties. Slightly offsetting these cost savings was an increase in amortization and depreciation resulting from the increased capital expenditures during the current year.
- *Basic and diluted income (loss) per share*: The Company's basic income (loss) per share during the above periods is directly correlated with the income (loss) in each period. The Company's share capital was 300 Class A Common shares during each of the above periods and there were no dilutive instruments issued and outstanding during such periods.
- *Total assets*: The Company's total assets have shown an increasing trend and were $20,347,286 as at May 31, 2024, $17,531,870 as at May 31, 2023, and $15,060,951 as at May 31, 2022. The increases in total assets during the later periods are the result of the Company's strategic decision to increase capital expenditures to restructure its operations in such a way that the Company can provide additional services to its customers while reducing dependence on subcontractors to perform these services.
- *Total non-current financial liabilities*: The Company's non-current financial liabilities have shown an increasing trend and were $11,533,307 as at May 31, 2024, $10,278,572 as at May 31, 2023, and $7,821,982 as at May 31, 2022. The increases in total non-current financial liabilities during the later periods are the result of the Company's increased capital expenditures in later years which have been financed through debt financing arrangements.

NET INCOME (LOSS) BEFORE INCOME TAXES AND ADJUSTED EBITDA

Set out below is a reconciliation of the Company's net (loss) income before income taxes to adjusted EBITDA:

Year ended May 31		2024		2023
Net income (loss) before income taxes	$	**187,330**	$	(217,185)
Finance costs		**888,126**		792,366
Depreciation and amortization		**2,634,410**		1,869,845
EBITDA		**3,709,866**		2,445,026
Loss on settlement of debt		**-**		165,450
Loss (Gain) on disposals of property and equipment		**18,403**		(46,673)
Adjusted EBITDA	$	**3,728,269**	$	2,563,803

(*) EBITDA and Adjusted EBITDA are non-IFRS measures used throughout this MD&A. See "Non-IFRS measures" for more information on each non-IFRS measure.

The Company's Adjusted EBITDA increased to $3,728,269 representing an increase of $1,164,466 or 45% compared to Adjusted EBITDA of $2,563,803 during the prior year. The increase in the Company's Adjusted EBITDA during the year ended May 31, 2024 compared to the prior year was primarily the result of the Company's refining of its strategic processes in which the Company refined its methods of identifying and bidding on new projects which led to decreases in revenue and cost of revenue, however, Company's gross profit percentage (see "Non-IFRS measures") showed favourable results with an improvement from 12.9% during the prior year to 27.1% during the current year. Additionally, the Company's increased capital expenditures financed by borrowings as well as increases in leased assets resulted in increased finance costs and depreciation and amortization added back to net (loss) income in arriving at Adjusted EBITDA provided the Company with additional internal capabilities to perform work in which the Company previously relied on third party contractors.

LIQUIDITY AND CAPITAL RESOURCES

The Company's combined financial statements have been prepared in accordance with IFRS on the basis that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through forced liquidation.

The Company had working capital of negative $4,235,518 at May 31, 2024 compared to negative working capital of $3,646,607 at May 31, 2023. The Company had bank indebtedness of $726,127 at May 31, 2024 compared to $670,767 at May 31, 2023. The Company, through its primary financial institution, has available to it two lines of credit with an aggregate limit of $700,000.

Cash provided by operating activities was $1,980,205 during the year ended May 31, 2024 compared to $1,601,722 during the year ended May 31, 2023. Cash provided by operating activities during the year ended May 31, 2024 consisted of, net income before income taxes of $187,330, non-cash addbacks for depreciation and amortization of $2,634,410, loss on disposal of property and equipment of $18,403, finance costs of $888,126 and a working capital adjustment for prepaid expenses of $10,677. Offsetting such increases was negative working capital adjustments for accounts receivable of $647,256, inventory of $29,790, accounts payable and accruals of $355,965, as well as interest payments of $530,268 on the Company's long-term debt and $195,462 on the Company's lease liabilities. Cash provided by operating activities during the year ended May 31, 2023 consisted of non-cash addbacks for depreciation and amortization of $1,869,845, finance costs of $792,366, and loss on settlement of debt of $165,450 as well as a working capital increase from the Company's accounts receivable of $382,832. Offsetting such increases was net loss before income taxes of $217,185, a non-cash adjustment for loss on disposals of property and equipment of $46,673 and working capital adjustments for prepaid expenses of $42,495, inventory of $43,067, accounts payable and accrued liabilities of $498,775 and interest payments of $578,853 on the Company's long-term debt and $181,723 on the Company's lease liabilities.

Cash used in investing activities was $4,332,891 during the year ended May 31, 2024 compared to cash used in investing activities of $2,335,769 during the year ended May 31, 2023. Cash used in investing activities during the year ended May 31, 2024 consisted of acquisitions of property and equipment of $4,802,488 and advances to related parties of $181,153; offset by, proceeds of disposition of property and equipment of $589,605 and repayment of advances from related parties of $61,145. Cash used in investing activities during the year ended May 31, 2023 consisted of acquisitions of property and equipment of $6,337,039 and advances to related parties of $383,443; offset by, proceeds of disposition of property and equipment of $4,215,593 and repayment of advances from related parties of $169,120.

Cash provided by financing activities was $2,350,749 during the year ended May 31, 2024 compared to $738,985 during the year ended May 31, 2023. Cash provided by financing activities during the year ended May 31, 2024 consisted of proceeds of long-term debt of $4,890,210, proceeds from the issuance of the secured convertible note of $400,000, increase in bank indebtedness of $55,360 and advances from related parties of $145,154; offset by principal repayment of lease liabilities of $604,236, principal repayments of long-term debt of $2,508,539 and repayments of advances from related parties of $27,200. Cash provided by financing activities during the year ended May 31, 2023 consisted of proceeds of long-term debt of $11,347,295 and a net increase in the Company's bank indebtedness of $210,040, offset by; principal repayments of long-term debt of $8,903,499 and lease liabilities $1,774,780 as well as repayment of advances from related parties of $146,153.

The Company intends to address its working capital deficiency through continuing to generate cash flow from operations as well as through an equity financing expected to close concurrently to the QT with Samurai. The Company expects such financing to sustain its short-term business objectives, with longer-term objectives to be financed by operating cash flows and/or future debt or equity financings which may be dilutive in nature. The is a risk that the Company may not be able to obtain additional financing on a timely basis or on terms that are acceptable to the Company, however, management currently assesses this risk as low.

Since inception, the Company has relied on the reinvestment of its operating cash flows and financing arrangements from related parties and asset lenders to fund its operations. The Company ensures its obligations are met through the close monitoring of its ongoing cash forecasts and plans its operations and investments accordingly. As a result of the Company's ongoing cash requirements, several of the Company's long-term payables have been restructured such that the payments are lower during the months of May and June when the Company's liquidity is typically lower. The Company does not have any committed capital expenditures as at May 31, 2024.

The Company does not have any externally imposed working capital requirements, capital restrictions or covenants, however, several of the Company's capital assets have been pledged as security on their respective financing arrangements and personal guarantees have been made by Thomas Hall and John McPherson where each individual shall be responsible for 25% of the outstanding amount of the BDC Loan if the lender demands payment under such guarantees.

The Company has guaranteed a loan to 1210244 B.C. Ltd., a Company jointly owned by Companies controlled by Thomas Hall and John McPherson (see "Related Party Transactions"), secured by land and land improvements. If the counterparty fails to pay, and the Company is unable to enforce its claims to the land and land improvements, there is a risk that the Company's cash flow may be negatively impacted due to the requirement of the Company to pay all, or a portion of the remaining balance on such loan. As at May 31, 2024, the Company has not had to make any payments to the lender on behalf of the counterparty and management believes that a risk of loss under this arrangement is low.

CONTRACTUAL OBLIGATIONS

Set out below is the Company's undiscounted contractual obligations as at May 31, 2024:

As at May 31, 2024	Total	2025	2026	2027	2028	2029	Thereafter
Bank indebtedness	$ 726,127	$ 726,127	$ -	$ -	$ -	$ -	$ -
Accounts payable & accruals	1,571,305	1,571,305	-	-	-	-	-
Advances from related parties	393,287	393,287	-	-	-	-	-
Secured convertible debenture	400,000	400,000	-	-	-	-	-
Lease liabilities	5,164,720	1,481,439	1,201,479	1,075,784	810,352	304,097	291,569
Long-term debt	12,461,035	3,645,609	3,577,229	2,855,425	1,664,636	652,779	65,357
	$ 20,716,474	$ 8,217,767	$ 4,778,708	$ 3,931,209	$ 2,474,988	$ 956,876	$ 356,926

CAPITAL RESOURCES

Common shares:

The Company has an unlimited amount of voting Common Shares without par value. The Company's share capital consisted of 59,516,000 issued and outstanding Common Shares at [•] and 300 issued and outstanding Common Shares at each of May 31, 2024 and May 31, 2023. The Company's sole dilutive instrument at May 31, 2024 consists of a secured convertible debenture (see "Secured convertible debenture").

Secured convertible debenture

On May 31, 2024, the Company entered into a secured convertible debenture agreement which provided the Company with consideration of $400,000. The convertible debenture matures on November 30, 2024. Any time subsequent to the amalgamation (see Note 21 of the annual financial statements) and the date of maturity the debenture holder has the right, to notify the Company that it wishes to convert all or any part of the then outstanding principal amount of the debenture, together with any accrued by unpaid interest thereon. The secured convertible debenture bears interest at a rate of twelve (12%) percent per annum. Payments in the form of the Company's common shares are issued at a rate of $0.25 per common share.

On November 30, 2024, the Company entered into an arrangement with the holder of the secured convertible debentures to provide the holder with 120,000 Common Shares (the "Consideration Shares") as consideration for the conversion of the principal amount of the note. On December 6, 2024, the Company issued 1,816,000 Common Shares in settlement of the principal, accrued interest, and Consideration Shares.

The convertible debentures are secured by 1298321 BC Ltd., a Company owned jointly by companies controlled by Thomas Hall and John McPherson (see "Related Party Transactions") in the form of shares in a publicly traded entity which a fair market value of approximately $613,665 as at May 31, 2024.

Debt facilities

The Company's debt facilities as at May 31, 2024 are as follows:

As at May 31	Interest rate	Maturity	Total facility	Amount drawn
Bank indebtedness(*)	Prime + 3.25%	N/A	$ 700,000	$ 726,127
Equipment financing	0.00% - 15.03%	2023 - 2028	8,803,240	8,803,240
BDC Term loan	7%	June 1, 2028	2,152,251	2,152,251
			$ 11,655,491	$ 11,681,618

(*) – Aggregate limit of $700,000 from two available lines.

RELATED PARTY TRANSACTIONS

During the year ended May 31, 2024, the Company incurred management fees expense of $172,750 (2023 – $158,513) to 0777528 BC Ltd., a Company owned by John McPherson, a director of the Company. As at May 31, 2023, included in accounts payable and accruals is $87,663 due to this entity (2023 - $42,000). During the year ended May 31, 2024, the Company received advances from this entity of $55,000 (2023 – nil) and included in advances from related parties is $119,575 (2023 - $64,575) of previously advanced funds. During the year ended May 31, 2024, the Company received repayments from previous advances to this entity of $2,000 (2023 - $3,174) and included in advances to related parties is $140,556 (2023 - $142,556) of previously advanced funds.

During the year ended May 31, 2024, the Company incurred management fees expense of $187,500 (2023 – $165,000) to 1204711 BC Ltd., a Company owned by Thomas Hall, a director of the Company. During the year ended May 31, 2024, the Company sold a vehicle to this entity for cash consideration of $36,441 of which resulted in a gain on disposal of $24,842, provided an advance of $822 and received repayment of previous advances totaling $6,507. During the year ended May 31, 2023, the Company's subsidiary repaid previous advances from this entity of $50,000 and the Company advanced $37,271 to this entity and received repayments of $55,988 associated with previous advances to the entity. As at May 31, 2024, included in accounts payable and accruals is $104,148 due to the entity (2023 - $40,898), $287,887 (2023 - $257,132) in advances to related parties, and $77,103 (2023 - $77,103) in advances from related parties.

During the year ended May 31, 2024, the Company advanced $136,900 (2023 - $213,817) to 1210244 BC Ltd. and received repayments from this entity of $50,000 (2023 – nil), a Company owned jointly by Companies controlled by Thomas Hall and John McPherson. As at May 31, 2024, the amount receivable from this entity, included within advances to related parties was $673,067 (2023 - $586,167). Effective April 1, 2021, the Company entered into a lease agreement with 1210244 BC Ltd. for the lease of yard storage, at a rate of $13,500 per month plus GST, for a period of ten (10) years with two (2) options to extend the lease for five (5) years per option. The Company did not make any payments on the lease during the year ended May 31, 2024 (2023 – nil). As at May 31, 2024, included in lease liability is $1,511,935 (2023 - $1,490,950) reflecting the balance of the unpaid lease liability of which $567,367 (2023 - $427,579) is recorded as the current portion and includes all unpaid amounts in arrears.

During the year ended May 31, 2024, the Company advanced $203 (2022 - $270) to 1298321 BC Ltd., a Company owned jointly by Companies controlled by Thomas Hall and John McPherson. As at May 31, 2024, the amount receivable from this entity, included within due from related parties was $113,159 (2023 - $112,956). This entity has pledged security for the secured convertible debenture issued by the Company (see note 12).

During the year ended May 31, 2024, the Company advanced $6,788 (2023 – $131,679) to John McPherson, of which no amounts were repaid during the year (2023 – $109,960 was repaid). During the year ended May 31, 2024, the Company's subsidiary received advances of $15,543 (2023 – $1,752) and repaid $10,600 (2023 - $64,210) to the individual from previous advances to the Company's subsidiary. As at May 31, 2024, included in advances to related parties is $32,546 (2023 - $25,758) receivable from the individual and $62,248 (2023 - $57,306) within advances from related parties.

During the year ended May 31, 2024, the Company repaid Thomas Hall $16,600 (2023 - $31,943) of previous advances to the entity and received advances of $29,112 (2023 – $4,330). As at May 31, 2024, included in advances from related parties is $107,629 (2023 - $95,109) repayable to the individual.

During the year ended May 31, 2024, the Company received advances of $25,000 (2023 – nil) from close family members of Thomas Hall. As at May 31, 2024, $25,000 (2023 – nil) of previous advances are recorded within advances from related parties.

During the year ended May 31, 2024, the Company received repayment of previous advances to the Hall (2019) Family Trust totaling $2,636 (2023 – nil). During the year ended May 31, 2023, the Company advanced $405 to the entity. As at May 31, 2024, there was no remaining balance in advances to related party from the entity (2023 - $2,636).

During the year ended May 31, 2024, the Company received advances of $1,741 from the McPherson Family Trust (2019) (2023 – nil). As at May 31, 2024, included within advances from related parties is $1,741 repayable to the entity (2023 – nil).

During the year ended May 31, 2024, compensation to close family members of key management personnel totaled $20,031 (2023 - $18,751).

The above amounts receivable and payable are unsecured, non-interest bearing and due on demand. Related party transactions are incurred in the normal course of operations and have been measured at fair value.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

PROPOSED TRANSACTIONS

On August 19, 2024 the Company entered into a non-binding letter of intent with Samurai Capital Corp. ("Samurai"). Samurai is a Capital Pool Company as defined by TSX Venture Exchange ("TSX-V") Policy 2.4. The principal business of Samurai is the identification and evaluation of a Qualifying Transaction ("QT") and once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder approval, if required, and acceptance by regulatory authorities. Upon closing of the QT, the Company intends to have its shares listed on the TSX-V as a Tier 2 issuer.

The Company intends to complete private placement concurrent (the "Offering") to the QT, whereby the Company will raise minimum gross proceeds of $3,000,000 and a maximum of $7,000,000. The offering is anticipated to sell subscription receipts at a price of $0.30 per unit, which will prior to the effective time of the QT convert into one (1) common share and one (1) common share purchase warrant exercisable into one (1) common share at an exercise price of $0.50 per share for a period of 36 months following the closing date for no additional consideration upon the satisfaction of certain escrow release conditions, including the conditional approval of the TSX-V for the Transaction and satisfaction or waiver of all of the conditions precedent to the QT.

CRITICAL ACCOUNTING ESTIMATES

Impairment of non-financial assets

The Company performs an impairment test of its non-financial assets by utilizing a discounted cash flow model or fair value less cost to sell to determine the value-in-use. The Company determines the cash flows based on a five-year forecast. Such calculations require the use of estimates and forecasts of future cash flows. Additionally, qualitative factors such as market trends, obsolescence, customer relationships, strength of management, strength of debt and capital markets, and degree of variability in cash flows, as well as other factors, are considered when making assumptions with regard to future cash flows and the appropriate discount rate. The recoverable amount is most sensitive to the discount rate, as well as the forecasted income and revenue growth rate used for forecasting purposes. A change in any of the critical assumptions or estimates used to evaluate goodwill and other non-financial assets could result in a material change to the results of operations.

Impairment of financial assets

Determinations about the recoverability of financial assets, including trade accounts receivable, require the Company to make a critical judgment in determining whether there is objective evidence that a loss event has occurred, and if so, estimate the amount and timing of future cash flows. The Company estimates expected credit losses resulting from any inability to collect its trade receivables.

When determining whether objective evidence of impairment exists at each reporting date, the Company uses a provision matrix to estimate expected credit losses. The provision rates are based on days past due and the calculation reflects the probability-weighted outcome, discounted for the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in note 18(c) of the annual financial statements. The Company evaluates the concentration of risk with respect to trade receivables and contract assets as low, as the Company does not regularly experience material write-offs. Future collections of trade accounts receivable that differ from the Company's current estimates may affect the results of the Company's operations in future periods as well as the Company's trade receivables and general and administrative expenses, and such amounts may be material.

Useful lives of property and equipment

The depreciation methods and estimated useful lives reflect the pattern in which the Company estimates the asset's future economic life to be consumed.

Fair value of financial instruments

When the fair value of financial assets and financial liabilities recorded in the combined statements of financial position cannot be derived from active markets, the Company determines the financial instruments' fair values using valuation techniques including discounted cash flow models. The inputs to these models are taken from observable markets where possible, but when such observable markets do not exist, a degree of judgment is required in establishing fair values.

The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Incremental borrowing rate of leases (IBR)

The Company is unable to readily determine the interest rate implicit in leases in which it is a lessee, and therefore, uses the IBR to measure its leases liabilities. The IBR is the estimated rate of interest that the Company would be charged to borrow over a similar term for a similar asset of a similar value to the right-of-use asset in a similar economic market. The Company estimates the IBR using observable inputs such as market interest rates and credit spreads.

Revenue recognition

Revenue from long-term contracts is determined on the percentage of completion method, based on the amount delivered to the customer to date (output method). The Company has a process whereby progress on jobs is reviewed by management on a regular basis and estimated costs to complete are updated. However, due to unforeseen changes in the nature or cost of the work to be completed or performance factors, contract profit can differ significantly from earlier estimates.

Secured convertible debenture

In accordance with IFRS 9, Financial Instruments, the Company is required to separate hybrid financial instruments into debt and equity components whereby the equity component resembles the residual value between the amortized cost at the stated rate of interest and that of a similar debt instrument at the prevailing market rate of interest. Management has determined that the rate of interest of the secured convertible debenture does not exceed the fair value of a similar debt instrument at the prevailing market rate of interest and as a result, the fair value of the equity component at May 31, 2024 is nil.

NEW ACCOUNTING PRONOUNCEMENTS

The following accounting standards were adopted during the year ended May 31, 2024:

Amendments to IAS 8 **–** *Definition of Accounting Estimates*

These amendments clarify how companies distinguish changes in accounting policies from changes in accounting estimates, with a primary focus on the definition of and clarifications on accounting estimates. The distinction between the two is important because changes in accounting policies are applied retrospectively, whereas changes in accounting estimates are applied prospectively. Further, the amendments clarify that accounting estimates are monetary amounts in the financial statements subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy. These amendments are effective for reporting periods beginning on or after January 1, 2023. The adoption of these amendments did not have a material impact on the Company's combined financial statements.

Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting Policies

These amendments continue the IASB's clarifications on applying the concept of materiality. These amendments help companies provide useful accounting policy disclosures, and they include: requiring companies to disclose their material accounting policies instead of their significant accounting policies; clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and do not need to be disclosed; and clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material. The IASB also amended IFRS Practice Statement 2 to include guidance and examples on applying materiality to accounting policy disclosures. These amendments are effective for reporting periods beginning on or after January 1, 2023. The adoption of these amendments did not have a material impact on the Company’s combined financial statements.

The following accounting standards and amendments have been issued by the IASB or the International Financial Reporting Interpretations Committee that are not yet effective as of the date of the Company’s combined financial statements:

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

The amendments to IAS1 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 January 1, 2024. The Company is evaluating the impact of the above amendments on its combined financial statements.

Presentation and Disclosure in Financial Statements – IFRS 18

In April 2024, the IASB issued IFRS 18, which will replace IAS 1 - *Presentation of Financial Statements.* The standard aims to improve the manner in which companies communicate in their financial statements, with a focus on information about financial performance in the statement of profit or loss, specifically introducing additional defined subtotals, disclosures about management-defined performance measures and new principles for aggregation and disaggregation of information. IFRS 18 is accompanied by limited amendments to the requirements in IAS 7 Statement of Cash Flows. IFRS 18 is effective from 1 January 2027. Companies are permitted to apply IFRS 18 before that date. The Company is evaluating the impact of the above amendments on its combined financial statements.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The following represents the carrying amounts and fair value of the Company's financial instruments as at May 31, 2024 and 2023:

		As at May 31, 2024		As at May 31, 2023	
	Level	**Carrying amount**	**Fair value**	Carrying amount	Fair value
Financial assets					
Amortized cost					
Accounts receivable	2	**$ 2,039,539**	**$ 2,039,539**	$ 1,392,283	$ 1,392,283
Advances to related parties	2	**1,247,251**	**1,247,251**	1,127,243	1,127,243
Financial liabilities					
Amortized cost					
Bank indebtedness	1	**$ 726,127**	**$ 726,127**	$ 670,767	$ 670,767
Accounts payable and accruals	2	**1,571,305**	**1,571,305**	1,927,270	1,927,270
Secured convertible debentures	2	**400,000**	**400,000**	-	-
Advances from related parties	2	**393,287**	**393,287**	294,092	294,092
Lease liabilities	2	**5,164,865**	**5,164,865**	5,196,054	5,196,054
Long-term debt	2	**10,955,491**	**10,955,491**	8,494,806	8,494,806

The Company did not transfer any financial instruments between Level 1, Level 2, and Level 3 fair value measurements during the year ended May 31, 2024 or May 31, 2023. The fair values of financial assets and liabilities are measured at the amount in which each instrument could be exchanged in a current transaction between willing parties, where such exchange is not forced or as part of a liquidation sale. The fair values of the Company's financial instruments are approximated by their carrying amounts due to the short-term maturities of such instruments.

The disclosure of the fair value of the Company's financial instruments is followed by the following hierarchy:

- *Level 1*: Fair value is measured utilizing quoted, unadjusted market prices for identical assets or liabilities;
- *Level 2*: Fair value is measured utilizing inputs other than those in Level 1, and such inputs that have a significant impact on the fair value are observable, directly or indirectly;
- *Level 3*: Fair value is measured utilizing unobservable market data or statistical techniques to derive forward estimates from observable market data and unobservable inputs.

The risks associated with the Company's financial instruments are as follows:

(a) Market risk

Market risk is the risk that the fair value or future cash flows will fluctuate as a result in a change in market prices. The Company's market risk is as follows:

(i) *Interest rate risk*: is the risk that the fair value or future cash flows will fluctuate as a result of a change in market interest rates. The Company is exposed to interest rate risk as a result of its lines of credit and long-term debt. The Company minimizes its interest rate risk through entering into debt arrangements with fixed-rate interest rates. A increase in BMO's prime rate of 100 basis points would result in an insignificant increase in the Company's finance costs incurred on its bank indebtedness at May 31, 2024 and 2023.

(ii) *Commodity price risk*: is the risk that the Company may experiences fluctuations in its future cash flows as a result changes in market prices for commodities, which includes the price of fuel and other material inputs in construction. The Company minimizes its commodity price risk by reviewing market prices, at least annually, and incorporating into its bids for future work. Additionally, certain contracts permit the Company to add a fuel surcharge to compensate the Company for increases in the price of fuel.

(b) Credit risk

Credit risk is the risk of financial loss arising when a partner or counterparty to a financial instrument fails to meet its contractual obligations and arises primarily as a result of the Company's trade accounts receivable. The carrying amounts of the Company's financial assets represents the maximum credit exposure.

The Company limits its exposure to credit risk on cash by placing financial instruments with high-credit quality financial institutions and the Company believes that it has no significant credit risk regarding its cash.

The Company is subject to a concentration of credit risk related to its trade accounts receivable as two customers exceed 10% of the Company's total outstanding trade accounts receivable for an aggregate of 52% of the Company's trade accounts receivable at May 31, 2024 (May 31, 2023 – two customers for an aggregate of 37% of the Company's trade accounts receivable).

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as the come due. The Company manages its liquidity risk through the close monitoring of its forecasted and actual cash flows as well as investing and financing activities to ensure that the Company has sufficient liquidity to meet its liabilities when due and to fund future operations.

RISKS AND UNCERTAINTIES

The Company is subject to a number of risks and uncertainties that may significantly impact its financial condition and future financial performance. Prospective investors should carefully consider the risks described below, together with all the other information included in this MD&A, before making an investment decision.

Availability of financing and dilution:

The Company intends to finance its operations with the proceeds from the QT along with its current debt facilities. The Company may require additional financing to pursue its strategic objectives which may not be available on satisfactory terms, or at all. Such financing may be dilutive to existing shareholders of the Company.

Nature of the securities:

The Company's securities involve a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks. The Company's securities should not be purchased by persons who cannot afford the possibility of the loss of their entire investment.

Economic conditions:

Unfavourable economic conditions may impact the Company's financial viability as a result of increased financing costs and limited access to capital markets. Specifically, at the current time the Company is unable to measure the impacts of ongoing global conflicts.

Dependence on management:

The Company is highly dependent on the personal efforts and commitments of its existing management team. If any such efforts were to be unavailable or limited, the Company's operations may experience a significant disruption in which the Company would require the services of additional management personnel to manage and operate the Company.

Litigation:

The Company and/or its directors may be subject to a variety of civil or other legal proceedings which may be with or without merit.

Dividends:

The Company is unlikely to pay any dividends in the foreseeable future as a result of the Company's limited resources which are currently deployed in the Company's corporate and business development activities. The decision to pay dividends in the future will be at the discretion of the Company's board of directors and will be dependent on the Company's financial condition, results of operations, capital requirements and any other considerations deemed relevant by the Board of Directors

NON-IFRS MEASURES

This MD&A refers to certain specified financial measures, including non-IFRS financial measures, non-IFRS ratios and supplementary financial measures. Management uses these financial measures for purposes of comparison to prior periods and development of future projections and earnings growth prospects. This information is also used by management to measure the profitability of ongoing operations and in analyzing our business performance and trends. These specified financial measures are not recognized measures under IFRS, do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement our financial information reported under IFRS by providing further understanding of our results of operations from management's perspective. Accordingly, they should not be considered in isolation nor as a substitute for analysis of our financial information reported under IFRS.

The Company uses the following non-IFRS financial measures: "gross profit percentage", "earnings before interest, taxes, depreciation, and amortization ("EBITDA")" and "adjusted earnings before interest, taxes, depreciation, and amortization ("Adjusted EBITDA")". Management also uses non-IFRS financial measures to prepare annual operating budgets. We strongly encourage investors to review our combined financial statements and publicly filed reports in their entirety and not to rely on any single financial measure.

The Company uses these non-IFRS financial measures in addition to, and in conjunction with, results presented in accordance with IFRS. These non-IFRS financial measures provide an additional way of view of the Company's operations that, when viewed with our IFRS results and, the accompanying reconciliations to the most directly comparable IFRS financial measures may provide a more complete understanding of factors and trends that affect the Company. In this MD&A, we discuss the specified financial measures, including the reasons that we believe that these measures provide useful information regarding our financial condition, results of operations, cash flows and financial position, as applicable, and, to the extent material, the additional purposes, if any, for which these measures are used. Reconciliations of non-IFRS financial measures to the most directly comparable IFRS financial measures are contained in this MD&A.

"Gross profit percentage" is defined as gross profit as a percentage of revenue. "EBITDA" is defined as profit or loss before income taxes, finance costs, depreciation and amortization. "Adjusted EBITDA" is defined as profit or loss before income taxes, finance costs, depreciation and amortization, gain or loss on disposals of property and equipment, and loss on settlement of debt. Gross profit percentage, EBITDA and Adjusted EBITDA are non-IFRS financial measures in which the Company's profit or loss is the most directly comparable measure published in the Company's combined financial statements. Management believes that Gross profit percentage is a useful measure to assess the Company's performance to demonstrate the yield from the Company's performance during the period prior to consideration of general operating costs and EBITDA and Adjusted EBITDA are useful measures to assess the Company's performance as they exclude the impacts of interest, taxes, depreciation, and amortization; and in the case of Adjusted EBITDA, excludes impacts of other items that management believes do not reflect the underlying business performance of the Company. Management cautions investors that Gross profit percentage, EBITDA and Adjusted EBITDA should not replace profit or loss as indicators of performance, or cash flows from operating, investing, and financing activities as a measure of the Company's liquidity and cash flows. See "Net (loss) income and Adjusted EBITDA" for the reconciliation of Adjusted EBITDA to net (loss) income before income taxes for the current and comparative periods.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The information provided in this MD&A, including the combined financial statements, is the responsibility of management. In the preparation of these statements, estimates are necessary to make an appropriate determination of the measurement of certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the accompanying combined financial statements. In contrast to the certificate required under National Instrument 52-109 Certificate of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109, in particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

- Controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- A process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of combined financial statements for external purposes in accordance with IFRS.

The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

A.C.L. Construction Ltd.

Management Discussion and Analysis
For the three and six months ended November 30, 2024

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the unaudited condensed interim financial statements for the three and six months ended November 30, 2024 and audited combined financial statements of Aggressive Contracting Ltd. ("Aggressive" or the "Company") for the year ended May 31, 2024 and related notes thereto which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All figures are in Canadian dollars unless otherwise noted. This MD&A has been prepared as of April 14, 2025.

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

This MD&A contains forward-looking statements about the Company's objectives, plans, goals, aspirations, strategies, financial condition, results of operations, cash flows, performance, prospects, opportunities, and legal and regulatory matters. Specific forward-looking statements in this MD&A include, but are not limited to, statements with respect to the Company's anticipated future results, events, plans, strategic initiatives, future liquidity, and planned capital investments, including the steps involved to realize such opportunities and the timeline in which such opportunities may be realized.

Forward-looking statements are typically identified by words such as "expect", "anticipate", "believe", "foresee", "could", "estimate", "goal", "intend", "plan", "seek", "strive", "will", "may", "maintain", "achieve", "grow", "should" and similar expressions, as they relate to the Company and its management. Forward-looking statements reflect the Company's current estimates, beliefs and assumptions, which are based on management's perception of historical trends, current conditions and expected future developments, as well as other factors it believes are appropriate in the circumstances. The Company's expectation of operating and financial performance is based on certain assumptions including but not limited to assumptions about operational growth, anticipated cost savings, operating efficiencies, anticipated benefits from strategic initiatives, future liquidity, and planned capital investments. The Company's estimates, beliefs and assumptions are inherently subject to significant business, economic, competitive, and other uncertainties and contingencies regarding future events and as such, are subject to change. There is no assurance that such estimates, beliefs and assumptions will prove to be correct.

The forward-looking statements made herein are subject to a variety of risk factors and uncertainties, many of which are beyond the Company's control, which could cause actual events or results to differ materially and adversely from those reflected in the forward-looking statements. Readers are cautioned that forward-looking statements are not guarantees of future performance.

The Company's actual results, programs, and financial position could differ materially from those expressed in or implied by the forward-looking statements made herein, and accordingly, no assurance can be given that the events anticipated by the forward-looking statements will transpire or occur, or that, if any of them do so, what benefits the Company will derive therefrom. The forward-looking statements made herein are made as of the date of this MD&A unless otherwise stated and are expressly qualified by this cautionary statement. The Company does not undertake any obligation to publicly update or revise any forward-looking statements except as expressly required by applicable securities laws.

COMPANY OVERVIEW AND OVERALL PERFORMANCE

A.C.L. Construction Ltd. ("A.C.L." or the "Company") was incorporated on March 17, 2018 under the laws of British Columbia as a wholly-owned subsidiary of Aggressive Contracting Ltd. ("Aggressive" or the "Predecessor"). Effective June 1, 2024, A.C.L., Aggressive and its two shareholders; Aspen Falls Holdings Ltd. ("Aspen") and TNTS Enterprises ("TNTS") amalgamated (the "Amalgamation") to form A.C.L. (the "Successor"). The Company's registered office is located at 9830-110 Avenue, Fort St. John, British Columbia, V1J 2T1. The Company provides civil construction services, project management, general construction, and underground utilities primarily in northeastern British Columbia.

On December 6, 2024, the Company issued 1,816,000 Common Shares in settlement of the secured convertible debenture agreement entered into on May 31, 2024.

On October 31, 2024, the Company granted 1,600,000 stock options to an officer, employees and a consultant. Each stock option permits the optionee an option to purchase one (1) common share of the Company at an exercise price of $0.10 per share for a period of ten (10) years from the date in which the options were granted.

On September 27, 2024, the Company granted a total of 5,000,000 stock options to John McPherson and Thomas Hall. Each stock option permits the optionee an option to purchase one (1) common share of the Company at an exercise price of $0.10 per share for a period of ten (10) years from the date in which the options were granted.

On August 19, 2024 the Company entered into a non-binding letter of intent with Samurai Capital Corp. (“Samurai”). Samurai is a Capital Pool Company as defined by TSX Venture Exchange (“TSX-V”) Policy 2.4. The principal business of Samurai is the identification and evaluation of a Qualifying Transaction (“QT”) and once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder approval, if required, and acceptance by regulatory authorities. Upon closing of the QT, the Company intends to have its shares listed on the TSX-V as a Tier 2 issuer.

On July 23, 2024, the Company: (i) completed a financing in which the Company issued 3,750,000 Class A Common Shares upon receiving financing totaling $375,000; and (ii) issued 950,000 Class A Common Shares in consideration of past services received by the Company valued at a total of $95,000.

Effective June 1, 2024, the Company amalgamated with A.C.L. Construction Ltd., Aspen Falls Holdings Ltd, and TNTS Enterprises Ltd. (the “Amalgamation”) to form A.C.L. Construction Ltd. Immediately following the Amalgamation, the Company’s share capital consisted of 53,000,000 Class A Common Shares.

The Company continues to adjust its processes, in a function of centering goals on maintaining growth to continue to drive profitability. Performance increases in cutting of the construction related costs has led to a favourable performance since such changes have been and continue to be made, including a refined strategic process of identifying and subsequently bidding on new projects. Management has noted positive trends in new projects for tender, including increases in the federal and provincial capital roads, mines and others, as well as increases within the oil & gas industries, from new construction to fill pipelines to the west coast and remediation and reclamations on older wells within the Orphan well programs. Additionally growth has been observed within local infrastructure, lot construction, land developments, and underground city services. Management is projecting to see increases in demand within our organization likely in the 15% mark. The Company has noted increased competition in addition to compliance with Indigenous Participation Plan requirements during the current year has led to an overall decrease in the yield related to bid projects. However, we anticipate seeing continued growth within the transportation side of the business in particular.

As a result of the Company’s ongoing cash requirements, several of the Company’s long-term payables have been restructured such that the payments are lower during the months of May and June when the Company’s liquidity is historically lower than other months of the year.

Outside of the items disclosed in the Contractual Obligations section of this MD&A and Proposed Transactions, the Company does not have any long-term financial commitments.

Three months ended November 30, 2024 and 2023

During the three months ended November 30, 2024, the Company recorded net loss of $384,300 or $0.01 per share compared net income of $638,623 or $0.12 per share during the three months ended November 30, 2023. Set out below is a summary of the financial results for the three months ended November 30, 2024 compared to the three months ended November 30, 2023:

Three months ended November 30		**2024**		2023		Change
Revenue	**$**	**4,347,435**	$	4,515,012	$	(167,577)
Cost of revenue		**(3,553,416)**		(3,206,541)		(346,875)
Gross profit		**794,019**		1,308,471		(514,452)
Operating expenses		**(929,775)**		(480,916)		(448,859)
Finance and other costs		**(248,544)**		(188,932)		(59,612)
Net (loss) income	**$**	**(384,300)**	$	638,623	$	(1,022,923)

The decrease in net income of $1,022,923 during the three months ended November 30, 2024 compared to the prior year was a result of the following:

- *Revenue*: Revenue during the three months ended November 30, 2024 was $4,347,435 and a decrease of $167,577 or 4% compared to revenue of $4,515,012 during the three months ended November 30, 2023. The decrease in revenue in the current year was mainly a result of increased competition during the current quarter when compared to the prior year.
- *Cost of revenue*: Cost of revenue during the three months ended November 30, 2024 was $3,553,416 and represents an increase of $346,875 or 11% compared to cost of revenue of $3,206,542 during the three months ended November 30, 2023. The increase in cost of revenue in the current year was primarily the result of a significant delivery of materials to fulfil a specific contract, which typically result in lower yields to the Company, which was completed during the period as well as increased depreciation and amortization on the Company's production assets as a result of the capital investments the Company has made in the past year. As a result, the Company's gross profit percentage (see "Non-IFRS measures") weakened to 18.2% during the three months ended November 30, 2024 compared to 41.7% during the prior year.
- *Operating expenses*: Operating expenses during the three months ended November 30, 2024 were $929,775 and represent an increase of $448,859 or 93% compared to operating expenses of $480,916 during the three months ended November 30, 2023. The increase in operating expenses in the current year was mainly the result of increased professional fees incurred with the Company's current efforts to obtain a public listing as well as a non-cash charge of $314,338 related to the fair value of 6,600,000 stock options granted to directors, officers, employees and a consultant during the current period.
- *Finance and other costs*: Finance and other costs during the three months ended November 30, 2024 were $248,544 and represent an increase of $59,612 or 32% compared to finance and other costs of $188,932 during the three months ended November 30, 2023. The increase is primarily related to increased interest expense on long-term debt as a result of the additional debt assumed by the Company in the past year which has been utilized to finance capital expenditures as well as $12,000 in accretion expense related to a convertible note issued by the Company at the end of the prior fiscal year.

Six months ended November 30, 2024 and 2023

During the six months ended November 30, 2024, the Company recorded net loss of $201,107 or $0.00 per share compared to net income of $1,542,909 or $0.29 per share during the six months ended November 30, 2023. Set out below is a summary of the financial results for the six months ended November 30, 2024 compared to the six months ended November 30, 2023:

Six months ended November 30		**2024**		2023		Change
Revenue	**$**	**11,335,697**	$	8,637,529	$	2,698,168
Cost of revenue		**(9,301,631)**		(5,832,470)		(3,469,161)
Gross profit		**2,034,066**		2,805,059		(770,993)
Operating expenses		**(1,688,216)**		(881,012)		(807,204)
Finance and other costs		**(516,957)**		(381,138)		(135,819)
Net (loss) income	**$**	**(171,107)**	$	1,542,909	$	(1,714,016)

The decrease in net income of $1,714,016 during the six months ended November 30, 2024 compared to the prior year was a result of the following:

- *Revenue*: Revenue during the six months ended November 30, 2024 was $11,335,697 and an increase of $2,698,168 or 31% compared to revenue of $8,637,529 during the six months ended November 30, 2023. The increase in revenue in the current year was mainly a result of two large projects completed during the current year, one of which was the largest in the Company's history and in aggregate, provided revenue of $4.6 million.
- *Cost of revenue*: Cost of revenue during the six months ended November 30, 2024 was $9,301,631 and represents an increase of $3,469,161 or 59% compared to cost of revenue of $5,832,470 during the six months ended November 30, 2023. The increase in cost of revenue in the current year was a result of increased subcontract costs associated with compliance with Indigenous Participation Plan requirements in the first quarter related to a large contract, a significant delivery of materials to fulfil a specific contract during the second quarter, and amortization on the Company's production assets as a result of the capital investments the Company has made in the past year. As a result, the Company's gross profit percentage (see "Non-IFRS measures") weakened to 18.0% during the six months ended November 30, 2024 compared to 45.6% during the prior year.
- *Operating expenses*: Operating expenses during the six months ended November 30, 2024 were $1,688,216 and represent an increase of $807,204 or 92% compared to operating expenses of $881,012 during the six months ended November 30, 2023. The increase in operating expenses in the current year was mainly the result of increased professional fees incurred with the Company's current efforts to obtain a public listing as well as a non-cash charge of $314,338 related to the fair value of 6,600,000 stock options granted to directors, officers, employees and a consultant during the current period and the issuance of 950,000 shares as a result of a consulting arrangement which resulted in aggregate non-cash charges of $95,000.
- *Finance and other costs*: Finance and other costs during the six months ended November 30, 2024 were $516,957 and represent an increase of $135,819 or 36% compared to finance and other costs of $381,138 during the six months ended November 30, 2023. The increase is primarily related to increased interest expense on long-term debt as a result of the additional debt assumed by the Company in the past year which has been utilized to finance capital expenditures as well as $24,000 in accretion expense related to a convertible note issued by the Company at the end of the prior fiscal year.

SUMMARY OF QUARTERLY RESULTS

Three months ended		November 30, 2024
Revenue	$	**4,347,435**
Net and comprehensive loss		**(384,300)**
Loss per share - basic		**(0.01)**
Loss per share - diluted		**(0.01)**

Note: The Company has not prepared quarterly financial statements prior to the three and six months ended November 30, 2024, and as a result is relying on the exception noted in item 1.5 of Form 51-102F1, and periods prior to this date have not been presented. Results from the above have been prepared in accordance with IFRS.

NET INCOME (LOSS) AND ADJUSTED EBITDA

Three months ended November 30, 2024 and 2023

Set out below is a reconciliation of the Company's net (loss) income to adjusted EBITDA:

Three months ended November 30		**2024**		2023
Net income (loss)	**$**	**(384,300)**	$	638,623
Finance costs		**256,379**		204,467
Depreciation and amortization		**719,069**		638,428
EBITDA		**591,148**		1,481,518
Share-based compensation		**314,338**		-
Gain on disposals of property and equipment		**(7,835)**		(15,535)
Adjusted EBITDA	**$**	**897,651**	$	1,465,983

(*) EBITDA and Adjusted EBITDA are non-IFRS measures used throughout this MD&A. See "Non-IFRS measures" for more information on each non-IFRS measure.

During the three months ended November 30, 2024, the Company's Adjusted EBITDA decreased to $897,651 representing a decrease of $568,332 or 39% compared to Adjusted EBITDA of $1,465,983 during the same period in the prior year. The decrease in the Company's Adjusted EBITDA during the three months ended November 30, 2024 compared to the prior year was primarily the result of the decrease in revenue as a result of increased competition during the current quarter when compared to the prior year, along with decreased yields during the quarter, as described above, and increased professional fees associated with the Company's current efforts to obtain a public listing.

Six months ended November 30, 2024 and 2023

Set out below is a reconciliation of the Company's net (loss) income to adjusted EBITDA:

Six months ended November 30		**2024**		2023
Net income (loss)	**$**	**(171,107)**	$	1,542,909
Finance costs		**524,792**		397,051
Depreciation and amortization		**1,439,119**		1,262,104
EBITDA		**1,792,804**		3,202,064
Share-based payments		**95,000**		-
Share-based compensation		**314,338**		-
Gain on disposals of property and equipment		**(7,835)**		(15,913)
Adjusted EBITDA	**$**	**2,194,307**	$	3,186,151

(*) EBITDA and Adjusted EBITDA are non-IFRS measures used throughout this MD&A. See "Non-IFRS measures" for more information on each non-IFRS measure.

During the six months ended November 30, 2024, the Company's Adjusted EBITDA decreased to $2,194,307 representing a decrease of $991,844 or 31% compared to Adjusted EBITDA of $3,186,151 during the same period in the prior year. The decrease in the Company's Adjusted EBITDA during the six months ended November 30, 2024 compared to the prior year was primarily the result of the decrease in revenue as a result of increased competition during the current period when compared to the prior year, decreased yields as described above and increased professional fees associated with the Company's current efforts to obtain a public listing.

LIQUIDITY AND CAPITAL RESOURCES

The Company's combined financial statements have been prepared in accordance with IFRS on the basis that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through forced liquidation.

The Company had negative working capital of $4,446,262 compared to negative working capital of $4,235,518 at May 31, 2024. The Company had cash of $95,425 at November 30, 2024 compared to cash of $3,940 and bank indebtedness of $726,127 at May 31, 2024. The Company, through its primary financial institution, has available to it two lines of credit with an aggregate limit of $700,000.

Cash provided by operating activities was $2,425,983 during the six months ended November 30, 2024 compared to $1,564,528 during the six months ended November 30, 2023. Cash provided by operating activities during the six months ended November 30, 2024 consisted of, non-cash addbacks for depreciation and amortization of $1,439,119, stock-based compensation of $314,338, share-based payments of $95,000, finance costs of $524,792 and working capital adjustments for accounts payable and accrued liabilities of $1,769,962, prepaid expenses of $5,507 and inventory of $2,985. Offsetting such increases was net loss of $171,107, gain on disposal of property and equipment of $7,835, a negative working capital adjustment for accounts receivable of $1,111,161, as well as interest payments of $310,437 on the Company's long-term debt and $125,179 on the Company's lease liabilities. Cash provided by operating activities during the six months ended November 30, 2023 consisted of net income of $1,542,909, non-cash addbacks for depreciation and amortization of $1,262,104, finance costs of $397,051, as well as a working capital increase from the Company's accounts payable and accruals of $103,216. Offsetting such increases was a non-cash adjustment for a gain on disposals of property and equipment of $15,913 and working capital adjustments for accounts receivable of $1,380,199, prepaid expenses of $41,794 and interest payments of $211,344 on the Company's long-term debt and $91,502 on the Company's lease liabilities.

Cash used in investing activities was $1,286,738 during the six months ended November 30, 2024 compared to cash used in investing activities of $1,220,125 during six months ended November 30, 2023. Cash used in investing activities during the six months ended November 30, 2024 consisted of acquisitions of property and equipment of $1,260,700 and advances to related parties of $36,538; offset by, proceeds of disposition of property and equipment of $9,700 and repayment of advances from related parties of $800. Cash used in investing activities during the six months ended November 30, 2023 consisted of acquisitions of property and equipment of $1,481,294 and advances to related parties of $153,029; offset by, proceeds of disposition of property and equipment of $359,561 and repayment of advances from related parties of $54,637.

Cash used in financing activities was $1,047,760 during the six months ended November 30, 2024 compared to $343,326 during the six months ended November 30, 2023. Cash used in financing activities during the year ended November 30, 2024 consisted of principal repayment of lease liabilities of $397,487, principal repayments of long-term debt of $1,501,713, decrease in bank indebtedness of $726,127, and repayment of advances from related parties of $169,911, offset by proceeds of long-term debt of $1,266,207, proceeds from the issuance of common shares of $375,000, and advances from related parties of $106,271. Cash used in financing activities during the six months ended November 30, 2023 consisted of principal repayments of long-term debt of $975,294 and lease liabilities of $265,774 as well as a decrease of bank indebtedness of $501,176 and repayments of advances from related parties of $10,400 offset by proceeds of long-term debt of $1,406,572 and advances from related parties of $2,746.

The Company intends to address its working capital deficiency through continuing to generate cash flow from operations as well as through an equity financing expected to close concurrently to the QT with Samurai. The Company expects such financing to sustain its short-term business objectives, with longer-term objectives to be financed by operating cash flows and/or future debt or equity financings which may be dilutive in nature. The is a risk that the Company may not be able to obtain additional financing on a timely basis or on terms that are acceptable to the Company, however, management currently assesses this risk as low.

Since inception, the Company has relied on the reinvestment of its operating cash flows and financing arrangements from related parties and asset lenders to fund its operations. The Company ensures its obligations are met through the close monitoring of its ongoing cash forecasts and plans its operations and investments accordingly. As a result of the Company's ongoing cash requirements, several of the Company's long-term payables have been restructured such that the payments are lower during the months of May and June when the Company's liquidity is typically lower. The Company does not have any committed capital expenditures as at November 30, 2024.

The Company does not have any externally imposed working capital requirements, capital restrictions or covenants, however, several of the Company's capital assets have been pledged as security on their respective financing arrangements and personal guarantees have been made by Thomas Hall and John McPherson where each individual shall be responsible for 25% of the outstanding amount of the BDC Loan if the lender demands payment under such guarantees.

The Company has guaranteed a loan to 1210244 B.C. Ltd., a Company jointly owned by Companies controlled by Thomas Hall and John McPherson (see "Related Party Transactions"), secured by land and land improvements. If the counterparty fails to pay, and the Company is unable to enforce its claims to the land and land improvements, there is a risk that the Company's cash flow may be negatively impacted due to the requirement of the Company to pay all, or a portion of the remaining balance on such loan. As at November 30, 2024, the Company has not had to make any payments to the lender on behalf of the counterparty and management believes that a risk of loss under this arrangement is low.

CONTRACTUAL OBLIGATIONS

Set out below is the Company's undiscounted contractual obligations as at November 30, 2024:

As at November 30, 2024	Total	2025	2026	2027	2028	2029	Thereafter
Accounts payable & accruals	$ 3,341,266	$ 3,341,266	$ -	$ -	$ -	$ -	$ -
Advances from related parties	329,647	329,647	-	-	-	-	-
Secured convertible debenture	424,000	424,000	-	-	-	-	-
Lease liabilities	4,684,611	1,258,195	1,313,892	992,703	612,627	210,194	297,000
Long-term debt	11,971,510	2,027,502	3,829,687	3,143,557	1,955,296	867,524	147,944
	$ 20,751,034	$ 7,380,610	$ 5,143,579	$ 4,136,260	$ 2,567,923	$ 1,077,718	$ 444,944

CAPITAL RESOURCES

Common shares:

The Company has an unlimited amount of voting Common Shares without par value. The Company's share capital consisted of 59,516,000 issued and outstanding Common Shares at [•], 57,700,000 at November 30, 2024 and 53,000,000 (adjusted for reorganization on June 1, 2024) issued and outstanding Common Shares at each of May 31, 2024. The Company's dilutive instruments at November 30, 2024 consists of a secured convertible debenture (see "Secured convertible debenture") and 6,600,000 stock options granted to directors, officers, employees and a consultant of the Company.

Secured convertible debenture

On May 31, 2024, the Company entered into a secured convertible debenture agreement which provided the Company with consideration of $400,000. The convertible debenture matures on November 30, 2024. Any time subsequent to the amalgamation (see Note 21 of the annual financial statements) and the date of maturity the debenture holder has the right, to notify the Company that it wishes to convert all or any part of the then outstanding principal amount of the debenture, together with any accrued by unpaid interest thereon. The secured convertible debenture bears interest at a rate of twelve (12%) percent per annum. Payments in the form of the Company's common shares are issued at a rate of $0.25 per common share.

The convertible debentures are secured by 1298321 BC Ltd., a Company owned jointly by companies controlled by Thomas Hall and John McPherson (see "Related Party Transactions") in the form of shares in a publicly traded entity which a fair market value of approximately $613,665 as at May 31, 2024.

On November 30, 2024, the Company entered into an arrangement with the holder of the secured convertible debentures to provide the holder with 120,000 Common Shares (the "Consideration Shares") as consideration for the conversion of the principal amount of the note. On December 6, 2024, the Company issued 1,816,000 Common Shares in settlement of the principal, accrued interest, and Consideration Shares.

Debt facilities

The Company's debt facilities as at November 30, 2024 are as follows:

	Interest rate	Maturity		Total facility		Amount drawn
Bank indebtedness	Prime + 3.25%	N/A	$	700,000	$	-
Equipment financing	0.00% - 15.03%	2024 - 2028		9,058,222		9,058,222
BDC Term loan	7%	October 1, 2026		1,703,861		1,703,861
			$	11,462,083	$	10,762,083

(*) – Aggregate limit of $700,000 from two available lines.

RELATED PARTY TRANSACTIONS

Key management personnel are those persons having the authority and responsibility for planning, directing, and controlling the activities of the Company. The Company's key management consists of the Company's Board of Directors, Chief Executive Officer, Chief Operating Officer and Chief Financial Officer.

Set out below is a summary of key management compensation during the three and six months ended November 30, 2024 and 2023:

Three months ended November 30,		**2024**		2023
Wages and benefits	**$**	**60,000**	$	60,000

Stock-based compensation		**261,117**		-
Balance end of period	**$**	**321,117**	$	60,000

Six months ended November 30,		**2024**		2023
Wages and benefits	**$**	**120,000**	$	120,000
Stock-based compensation		**261,117**		-
Balance end of period	**$**	**381,177**	$	120,000

During the three and six months ended November 30, 2024, the Company incurred management fees expense of $53,250 and $124,250, respectively (2023 – $45,750 and $91,500, respectively) to 0777528 BC Ltd., a Company owned by John McPherson, a director of the Company. As at November 30, 2024, included in accounts payable and accruals is $153,825 due to this entity (May 31, 2024 - $87,663). During the three and six months ended November 30, 2024, the Company received advances from this entity of nil and $10,000, respectively (2023 – nil and nil, respectively) and included in advances from related parties is $129,577 (May 31, 2024 - $119,575) of previously advanced funds. During the three and six months ended November 30, 2023, the Company sold a vehicle to this entity for cash consideration of $36,441 of which resulted in a gain on disposal of $24,842. During the three and six months ended November 30, 2024, the Company did not receive any repayments on previous advances to the entity (2023 - $36,440 and $36,440, respectively) and included in advances to related parties is $140,556 (May 31, 2024 - $140,556) of previously advanced funds.

During the three and six months ended November 30, 2024, the Company incurred management fees expense of $52,500 and $105,000, respectively (2023 – $50,000 and $95,000, respectively) to 1204711 BC Ltd., a Company owned by Thomas Hall, a director of the Company. During the three and six months ended November 30, 2024, the Company advanced $2,500 and $3,500, respectively to the entity (2023 – nil and $822, respectively) and received repayments of previous advances of nil and $800, respectively (2023 – nil and nil, respectively). As at November 30, 2024, included in accounts payable and accruals is $151,148 due to the entity (May 31, 2024 - $104,148), $290,587 (May 31, 2024 - $287,887) in advances to related parties, and $77,103 (May 31, 2024 - $77,103) in advances from related parties.

During the three and six months ended November 30, 2024, the Company advanced $16,323 and $32,902, respectively (2023 - $89,264 and $108,866, respectively) to 1210244 BC Ltd. and during the three and six months ended November 30, 2023, received repayments from this entity of nil and $50,000, respectively, a Company owned jointly by Companies controlled by Thomas Hall and John McPherson. As at November 30, 2024, the amount receivable from this entity, included within advances to related parties was $705,969 (May 31, 2024 - $673,067). Effective April 1, 2021, the Company entered into a lease agreement with 1210244 BC Ltd. for the lease of yard storage, at a rate of $13,500 per month plus GST, for a period of ten (10) years with two (2) options to extend the lease for five (5) years per option. The Company did not make any payments on the lease during the three and six months ended November 30, 2024 (2023 – nil and nil, respectively). As at May 31, 2024, included in lease liability is $1,558,959 (May 31, 2024 - $1,549,232) reflecting the balance of the unpaid lease liability of which $738,626 (May 31, 2024 - $656,236) is recorded as the current portion and includes all unpaid amounts in arrears.

During the three and six months ended November 30, 2024, the Company advanced $68 and $136, respectively (2023 - $45 and $113, respectively) to 1298321 BC Ltd., a Company owned jointly by Companies controlled by Thomas Hall and John McPherson. As at November 30, 2024, the amount receivable from this entity, included within advances from related parties was $113,295 (May 31, 2024 - $113,159). This entity has pledged security for the secured convertible debenture issued by the Company.

During the three and six months ended November 30, 2023, the Company advanced $4,513 and $6,788, respectively to John McPherson, of which no amounts were repaid during either period. During the three and six months ended November 30, 2024, the Company received advances of $1,209 and $41,432, respectively (2023 – nil and nil) and repaid $48,998 and $61,598, respectively (2023 - $2,600 and $5,200, respectively) to the individual from previous advances to the Company's subsidiary. As at November 30, 2024, included in advances to related parties is $32,546 (May 31, 2024 - $32,546) receivable from the individual and $42,082 (May 31, 2024 - $62,248) within advances from related parties.

During the three and six months ended November 30, 2024, the Company repaid Thomas Hall $72,814 and $83,314, respectively (2023 - $2,600 and $5,200, respectively) of previous advances to the entity and received advances of $39,245 and $54,839, respectively (2023 – nil and $1,006). As at November 30, 2024, included in advances from related parties is $79,145 (2023 - $107,620) repayable to the individual.

During the three and six months ended November 30, 2024, the Company repaid previous advances of $25,000 and $25,000, respectively (2023 – nil and nil) from close family members of Thomas Hall. As at November 30, 2024, there were no amounts (2023 – nil) of previous advances are recorded within advances from related parties.

During the three and six months ended November 30, 2023, the Company received advances of nil and $1,740 from the McPherson Family Trust (2019), an entity controlled by John McPherson. As at November 30, 2024, included within advances from related parties is $1,740 repayable to the entity (May 31, 2024 - $1,740).

During the three and six months ended November 30, 2023, the Company received repayment nil and $2,637 of previous advances to the Hall (2019) Family Trust, an entity controlled by Thomas Hall. There were no balances received at November 30, 2024 or May 31, 2024.

The above amounts receivable and payable are unsecured, non-interest bearing and due on demand. Related party transactions are incurred in the normal course of operations and have been measured at fair value.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

PROPOSED TRANSACTIONS

On August 19, 2024 the Company entered into a non-binding letter of intent with Samurai Capital Corp. ("Samurai"). Samurai is a Capital Pool Company as defined by TSX Venture Exchange ("TSX-V") Policy 2.4. The principal business of Samurai is the identification and evaluation of a Qualifying Transaction ("QT") and once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder approval, if required, and acceptance by regulatory authorities. Upon closing of the QT, the Company intends to have its shares listed on the TSX-V as a Tier 2 issuer.

The Company intends to complete private placement concurrent (the "Offering") to the QT, whereby the Company will raise minimum gross proceeds of $3,000,000 and a maximum of $7,000,000. The offering is anticipated to sell subscription receipts at a price of $0.30 per unit, which will prior to the effective time of the QT convert into one (1) common share and one (1) common share purchase warrant exercisable into one (1) common share at an exercise price of $0.50 per share for a period of 36 months following the closing date for no additional consideration upon the satisfaction of certain escrow release conditions, including the conditional approval of the TSX-V for the Transaction and satisfaction or waiver of all of the conditions precedent to the QT.

CRITICAL ACCOUNTING ESTIMATES

Impairment of non-financial assets

The Company performs an impairment test of its non-financial assets by utilizing a discounted cash flow model or fair value less cost to sell to determine the value-in-use. The Company determines the cash flows based on a five-year forecast. Such calculations require the use of estimates and forecasts of future cash flows. Additionally, qualitative factors such as market trends, obsolescence, customer relationships, strength of management, strength of debt and capital markets, and degree of variability in cash flows, as well as other factors, are considered when making assumptions with regard to future cash flows and the appropriate discount rate. The recoverable amount is most sensitive to the discount rate, as well as the forecasted income and revenue growth rate used for forecasting purposes. A change in any of the critical assumptions or estimates used to evaluate goodwill and other non-financial assets could result in a material change to the results of operations.

Impairment of financial assets

Determinations about the recoverability of financial assets, including trade accounts receivable, require the Company to make a critical judgment in determining whether there is objective evidence that a loss event has occurred, and if so, estimate the amount and timing of future cash flows. The Company estimates expected credit losses resulting from any inability to collect its trade receivables.

When determining whether objective evidence of impairment exists at each reporting date, the Company uses a provision matrix to estimate expected credit losses. The provision rates are based on days past due and the calculation reflects the probability-weighted outcome, discounted for the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in note 18(c) of the annual financial statements. The Company evaluates the concentration of risk with respect to trade receivables and contract assets as low, as the Company does not regularly experience material write-offs. Future collections of trade accounts receivable that differ from the Company's current estimates may affect the results of the Company's operations in future periods as well as the Company's trade receivables and general and administrative expenses, and such amounts may be material.

Useful lives of property and equipment

The depreciation methods and estimated useful lives reflect the pattern in which the Company estimates the asset's future economic life to be consumed.

Fair value of financial instruments

When the fair value of financial assets and financial liabilities recorded in the combined statements of financial position cannot be derived from active markets, the Company determines the financial instruments' fair values using valuation techniques including discounted cash flow models. The inputs to these models are taken from observable markets where possible, but when such observable markets do not exist, a degree of judgment is required in establishing fair values.

The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Incremental borrowing rate of leases (IBR)

The Company is unable to readily determine the interest rate implicit in leases in which it is a lessee, and therefore, uses the IBR to measure its leases liabilities. The IBR is the estimated rate of interest that the Company would be charged to borrow over a similar term for a similar asset of a similar value to the right-of-use asset in a similar economic market. The Company estimates the IBR using observable inputs such as market interest rates and credit spreads.

Revenue recognition

Revenue from long-term contracts is determined on the percentage of completion method, based on the amount delivered to the customer to date (output method). The Company has a process whereby progress on jobs is reviewed by management on a regular basis and estimated costs to complete are updated.

However, due to unforeseen changes in the nature or cost of the work to be completed or performance factors, contract profit can differ significantly from earlier estimates.

Secured convertible debenture

In accordance with IFRS 9, Financial Instruments, the Company is required to separate hybrid financial instruments into debt and equity components whereby the equity component resembles the residual value between the amortized cost at the stated rate of interest and that of a similar debt instrument at the prevailing market rate of interest. Management has determined that the rate of interest of the secured convertible debenture does not exceed the fair value of a similar debt instrument at the prevailing market rate of interest and as a result, the fair value of the equity component at May 31, 2024 is nil.

NEW ACCOUNTING PRONOUNCEMENTS

The following accounting standards were adopted during the six months ended November 30, 2024:

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

The amendments to IAS1 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 January 1, 2024. The adoption of these amendments did not have a material impact on the Company's combined financial statements.

The following accounting standards and amendments have been issued by the IASB or the International Financial Reporting Interpretations Committee that are not yet effective as of the date of the Company's combined financial statements:

Presentation and Disclosure in Financial Statements **–** *IFRS 18*

In April 2024, the IASB issued IFRS 18, which will replace IAS 1 - *Presentation of Financial Statements.* The standard aims to improve the manner in which companies communicate in their financial statements, with a focus on information about financial performance in the statement of profit or loss, specifically introducing additional defined subtotals, disclosures about management-defined performance measures and new principles for aggregation and disaggregation of information. IFRS 18 is accompanied by limited amendments to the requirements in IAS 7 Statement of Cash Flows. IFRS 18 is effective from 1 January 2027. Companies are permitted to apply IFRS 18 before that date. The Company is evaluating the impact of the above amendments on its combined financial statements.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The following represents the carrying amounts and fair value of the Company's financial instruments as at November 30, 2024 and May 31, 2024:

		As at November 30, 2024		As at May 31, 2024	
	Level	**Carrying amount**	**Fair value**	Carrying amount	Fair value
Financial assets					
Amortized cost					
Accounts receivable	2	**$ 3,150,700**	**$ 3,150,700**	$ 2,039,539	$ 2,039,539
Advances to related parties	2	**1,282,989**	**1,282,989**	1,247,251	1,247,251
Financial liabilities					
Amortized cost					
Bank indebtedness	1	**$ -**	**$ -**	$ 726,127	$ 726,127
Accounts payable and accruals	2	**3,341,266**	**3,341,266**	1,571,305	1,571,305
Secured convertible debenture	2	**424,000**	**424,000**	400,000	400,000
Advances from related parties	2	**329,647**	**329,647**	393,287	393,287
Lease liabilities	2	**4,790,456**	**4,790,456**	5,164,865	5,164,865
Long-term debt	2	**10,762,083**	**10,762,083**	10,955,491	10,955,491

The Company did not transfer any financial instruments between Level 1, Level 2, and Level 3 fair value measurements during the six months ended November 30, 2024 or November 30, 2023. The fair values of financial assets and liabilities are measured at the amount in which each instrument could be exchanged in a current transaction between willing parties, where such exchange is not forced or as part of a liquidation sale. The fair values of the Company's financial instruments are approximated by their carrying amounts due to the short-term maturities of such instruments.

The disclosure of the fair value of the Company's financial instruments is followed by the following hierarchy:

- *Level 1*: Fair value is measured utilizing quoted, unadjusted market prices for identical assets or liabilities;
- *Level 2*: Fair value is measured utilizing inputs other than those in Level 1, and such inputs that have a significant impact on the fair value are observable, directly or indirectly;
- *Level 3*: Fair value is measured utilizing unobservable market data or statistical techniques to derive forward estimates from observable market data and unobservable inputs.

The risks associated with the Company's financial instruments are as follows:

(a) Market risk

Market risk is the risk that the fair value or future cash flows will fluctuate as a result in a change in market prices. The Company's market risk is as follows:

(i) *Interest rate risk*: is the risk that the fair value or future cash flows will fluctuate as a result of a change in market interest rates. The Company is exposed to interest rate risk as a result of its lines of credit and long-term debt. The Company minimizes its interest rate risk through entering into debt arrangements with fixed-rate interest rates. An increase in BMO's prime rate of 100 basis points would result in an insignificant increase in the Company's finance costs incurred on its bank indebtedness at November 30, 2024 and May 31, 2024.

(ii) *Commodity price risk*: is the risk that the Company may experience fluctuations in its future cash flows as a result changes in market prices for commodities, which includes the price of fuel and other material inputs in construction. The Company minimizes its commodity price risk by reviewing market prices, at least annually, and incorporating into its bids for future work. Additionally, certain contracts permit the Company to add a fuel surcharge to compensate the Company for increases in the price of fuel.

(b) Credit risk

Credit risk is the risk of financial loss arising when a partner or counterparty to a financial instrument fails to meet its contractual obligations and arises primarily as a result of the Company's trade accounts receivable. The carrying amounts of the Company's financial assets represents the maximum credit exposure.

The Company limits its exposure to credit risk on cash by placing financial instruments with high-credit quality financial institutions and the Company believes that it has no significant credit risk regarding its cash.

The Company is subject to a concentration of credit risk related to its trade accounts receivable as two customers exceed 10% of the Company's total outstanding trade accounts receivable for an aggregate of 54% of the Company's trade accounts receivable at November 30, 2024 (May 31, 2024 – two customers for an aggregate of 52% of the Company's trade accounts receivable).

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as the come due. The Company manages its liquidity risk through the close monitoring of its forecasted and actual cash flows as well as investing and financing activities to ensure that the Company has sufficient liquidity to meet its liabilities when due and to fund future operations.

The Company did not transfer any financial instruments between Level 1, Level 2, and Level 3 fair value measurements during the six months ended November 30, 2024 or 2023. The fair values of financial assets and liabilities are measured at the amount in which each instrument could be exchanged in an current transaction between willing parties, where such exchange is not forced or as part of a liquidation sale. The fair values of the Company's financial instruments are approximated by their carrying amounts due to the short-term maturities of such instruments or the market rate of interest attached to the debt instruments.

The disclosure of the fair value of the Company's financial instruments is followed by the following hierarchy:

- *Level 1*: Fair value is measured utilizing quoted, unadjusted market prices for identical assets or liabilities;
- *Level 2*: Fair value is measured utilizing inputs other than those in Level 1, and such inputs that have a significant impact on the fair value are observable, directly or indirectly;
- *Level 3*: Fair value is measured utilizing unobservable market data or statistical techniques to derive forward estimates from observable market data and unobservable inputs.

RISKS AND UNCERTAINTIES

The Company is subject to a number of risks and uncertainties that may significantly impact its financial condition and future financial performance. Prospective investors should carefully consider the risks described below, together with all the other information included in this MD&A, before making an investment decision.

Availability of financing and dilution:

The Company intends to finance its operations with the proceeds from the QT along with its current debt facilities. The Company may require additional financing to pursue its strategic objectives which may not be available on satisfactory terms, or at all. Such financing may be dilutive to existing shareholders of the Company.

Nature of the securities:

The Company's securities involve a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks. The Company's securities should not be purchased by persons who cannot afford the possibility of the loss of their entire investment.

Economic conditions:

Unfavourable economic conditions may impact the Company's financial viability as a result of increased financing costs and limited access to capital markets. Specifically, at the current time the Company is unable to measure the impacts of ongoing global conflicts.

Dependence on management:

The Company is highly dependent on the personal efforts and commitments of its existing management team. If any such efforts were to be unavailable or limited, the Company's operations may experience a significant disruption in which the Company would require the services of additional management personnel to manage and operate the Company.

Litigation:

The Company and/or its directors may be subject to a variety of civil or other legal proceedings which may be with or without merit.

Dividends:

The Company is unlikely to pay any dividends in the foreseeable future as a result of the Company's limited resources which are currently deployed in the Company's corporate and business development activities. The decision to pay dividends in the future will be at the discretion of the Company's board of directors and will be dependent on the Company's financial condition, results of operations, capital requirements and any other considerations deemed relevant by the Board of Directors

NON-IFRS MEASURES

This MD&A refers to certain specified financial measures, including non-IFRS financial measures, non-IFRS ratios and supplementary financial measures. Management uses these financial measures for purposes of comparison to prior periods and development of future projections and earnings growth prospects. This information is also used by management to measure the profitability of ongoing operations and in analyzing our business performance and trends. These specified financial measures are not recognized measures under IFRS, do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement our financial information reported under IFRS by providing further understanding of our results of operations from management's perspective. Accordingly, they should not be considered in isolation nor as a substitute for analysis of our financial information reported under IFRS.

The Company uses the following non-IFRS financial measures: "gross profit percentage", "earnings before interest, taxes, depreciation, and amortization ("EBITDA")" and "adjusted earnings before interest, taxes, depreciation, and amortization ("Adjusted EBITDA")". Management also uses non-IFRS financial measures to prepare annual operating budgets. We strongly encourage investors to review our combined financial statements and publicly filed reports in their entirety and not to rely on any single financial measure.

The Company uses these non-IFRS financial measures in addition to, and in conjunction with, results presented in accordance with IFRS. These non-IFRS financial measures provide an additional way of view of the Company's operations that, when viewed with our IFRS results and, the accompanying reconciliations to the most directly comparable IFRS financial measures may provide a more complete understanding of factors and trends that affect the Company. In this MD&A, we discuss the specified financial measures, including the reasons that we believe that these measures provide useful information regarding our financial condition, results of operations, cash flows and financial position, as applicable, and, to the extent material, the additional purposes, if any, for which these measures are used. Reconciliations of non-IFRS financial measures to the most directly comparable IFRS financial measures are contained in this MD&A.

"Gross profit percentage" is defined as gross profit as a percentage of revenue. "EBITDA" is defined as profit or loss before income taxes, finance costs, depreciation and amortization. "Adjusted EBITDA" is defined as profit or loss before income taxes, finance costs, depreciation and amortization, gain or loss on disposals of property and equipment, and loss on settlement of debt. Gross profit percentage, EBITDA and Adjusted EBITDA are non-IFRS financial measures in which the Company's profit or loss is the most directly comparable measure published in the Company's combined financial statements. Management believes that Gross profit percentage is a useful measure to assess the Company's performance to demonstrate the yield from the Company's performance during the period prior to consideration of general operating costs and EBITDA and Adjusted EBITDA are useful measures to assess the Company's performance as they exclude the impacts of interest, taxes, depreciation, and amortization; and in the case of Adjusted EBITDA, excludes impacts of other items that management believes do not reflect the underlying business performance of the Company. Management cautions investors that Gross profit percentage, EBITDA and Adjusted EBITDA should not replace profit or loss as indicators of performance, or cash flows from operating, investing, and financing activities as a measure of the Company's liquidity and cash flows. See "Net (loss) income and Adjusted EBITDA" for the reconciliation of Adjusted EBITDA to net (loss) income for the current and comparative periods.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The information provided in this MD&A, including the combined financial statements, is the responsibility of management. In the preparation of these statements, estimates are necessary to make an appropriate determination of the measurement of certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the accompanying combined financial statements. In contrast to the certificate required under National Instrument 52-109 Certificate of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109, in particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

- Controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- A process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of combined financial statements for external purposes in accordance with IFRS.

The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

SCHEDULE “D”

**PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS
OF THE RESULTING ISSUER**

Samurai Capital Corp.

Pro Forma Consolidated Statement of Financial Position
October 31, 2024
(Unaudited)

Samurai Capital Corp.
Pro Forma Consolidated Statement of Financial Position
(expressed in Canadian Dollars)
(unaudited)

As at	Samurai October 31, 2024	A.C.L. November 30, 2024	Note	Pro Forma Adjustments	**Pro Forma Consolidated**
Assets					
Current					
Cash	$ 134,549	$ 95,425	(b)	$ 3,000,000	$ **2,579,974**
			(c)	(150,000)	
			(d)	(500,000)	
Accounts receivable	-	3,150,700		-	**3,150,700**
Inventory	-	78,562		-	**78,562**
Prepaid expenses	13,125	64,466		-	**77,591**
Advances to related parties	-	1,282,989		-	**1,282,989**
	147,674	4,672,142		2,350,000	**7,169,816**
Non-Current					
Property and equipment	-	12,557,163		-	**12,557,163**
Right-of-use assets	-	4,167,589		-	**4,167,589**
	$ 147,674	$ 21,396,894		$ 2,350,000	$ **23,894,568**
Liabilities					
Current					
Accounts payable & accruals	$ 93,430	$ 3,341,266		$ -	$ **3,434,696**
Secured convertible debenture	-	424,000	(a)	(424,000)	**-**
Advances from related parties	-	329,647		-	**329,647**
Current portion of lease liabilities	-	1,694,960		-	**1,694,960**
Current portion of long-term debt	-	3,328,531		-	**3,328,531**
	93,430	9,118,404		(424,000)	**8,787,834**
Non-Current					
Lease liabilities	-	3,095,496		-	**3,095,496**
Long-term debt	-	7,433,552		-	**7,433,552**
Deferred income tax liability	-	1,316,294		-	**1,316,294**
	93,430	20,963,746		(424,000)	**20,633,176**

The accompanying notes are an integral part of this pro forma consolidated statement of financial position

Samurai Capital Corp.
Pro Forma Consolidated Statement of Financial Position
(expressed in Canadian Dollars)
(unaudited)

Shareholders' Equity					
Share capital	356,353	470,553	(a)	436,000	**4,856,844**
			(b)	3,000,000	
			(c)	(150,000)	
			(c)	(9,709)	
			(e)	1,110,000	
			(e)	(356,353)	
Contributed surplus	43,000	314,338	(c)	9,709	**348,455**
			(e)	(43,000)	
			(e)	24,408	
Retained deficit	(345,109)	(351,743)	(a)	(12,000)	**(1,943,907)**
			(d)	(500,000)	
			(e)	345,109	
			(e)	(1,080,164)	
	54,244	433,148		2,774,000	**3,261,392**
	$ 147,674	$ 21,396,894		$ 2,350,000	$ **23,894,568**

The accompanying notes are an integral part of this pro forma consolidated statement of financial position

1. Basis of preparation

The unaudited pro forma consolidated statement of financial position as at October 31, 2024 (the “Pro Forma Consolidated Financial Statements”), has been prepared in accordance with International Financial Reporting Standards (“IFRS”), for illustrative purposes only, after giving effect to the Arrangement between Samurai Capital Corp. (“Samurai”) and A.C.L. Construction Ltd. (“A.C.L.”) (the “Arrangement”) on the basis of the assumptions and adjustments described in note 2.

The unaudited Pro Forma Consolidated Financial Statements of the Company have been compiled from:

(a) The unaudited financial statements of Samuari for the three and nine months ended October 31, 2024; and
(b) The unaudited financial statements of A.C.L. for the three and six months ended November 30, 2024.

The unaudited pro forma consolidated statement of financial position of Samurai and A.C.L. as at October 31, 2024 has been presented assuming the Transaction had been completed on November 30, 2024.

The Transaction has been accounted for in accordance with IFRS 2, Share-Based Payments. The fair value of the shares issued was determined based on the fair value of the common shares issued by Samurai.

The unaudited pro forma consolidated financial statements have been prepared in accordance with the accounting policies as set out in the audited financial statements of A.C.L. as at and for the period ended May 31, 2024, which have been prepared in accordance with International Financial Reporting Standards (“IFRS”), and, in the opinion of management, include all adjustments necessary for fair presentation. No adjustments have been made to reflect additional costs or cost savings that could result from the combination of the operations of Samurai and A.C.L., as management does not anticipate any material costs or cost savings as a result of the Transaction.

The unaudited pro forma consolidated statements have been prepared for illustration purposes only and may not be indicative of the combined results or financial position had the Transaction been in effect at the date and for the period indicated.

The consolidated entity would be subject to an effective income tax rate of 27%.

2. Pro Forma Assumptions and Adjustments

On November 7, 2024, A.C.L. entered into a business combination agreement with Samurai, superseding a letter of intent entered into by both parties on August 19, 2024. Pursuant to the agreement, Samurai will acquire all of the issued and outstanding securities of A.C.L. and A.C.L. will, subject to a number of conditions, amalgamate with a wholly owned subsidiary of Samurai to form a newly amalgamated entity which will be a wholly owned subsidiary of Samurai, which will subsequently amalgamate with Samurai (the “Resulting Issuer”). From an accounting perspective, A.C.L. will ultimately obtain the listing status of Samurai and Samurai will cease to be a reporting issuer on the TSX Venture Exchange. The stock options of A.C.L. will also be exchanged for stock options to acquire Samurai shares, adjusted based on the Exchange Ratio. On closing of the Transaction former Samurai and A.C.L. shareholders will respectively control 3,700,000 and 59,516,000 common shares of the Resulting Issuer, respectively. Subscribers to the concurrent private placement will control 10,000,000 common shares of the Resulting Issuer, under an assumption that the minimum financing of $3,000,000 is achieved and 23,333,333 if the maximum financing is achieved.

Samurai Capital Corp.
Pro Forma Consolidated Statement of Financial Position
(expressed in Canadian Dollars)
(unaudited)

The unaudited pro forma consolidated statement of financial position gives effect to the following assumptions and adjustments. All figures contained in the unaudited consolidated statement of financial position reflect the assumption of the completion of the minimum financing of 10,000,000 subscription units with gross proceeds to the Company of $3,000,000:

(a) Subsequent to November 30, 2024, the Company issued an aggregate of 1,816,000 Common Shares reflecting conversion of the principal balance of $400,000 and accrued interest of $24,000 at a price of $0.25 per Common Share. The Company issued an additional 120,000 Common Shares to holder at a value of $0.10 per Common Share measured as the value of the financing completed during the six months ended November 30, 2024.

(b) Concurrent with the Transaction, the Company will complete a non-brokered private placement of a minimum of 10,000,000 subscriptions and a maximum of 23,333,333 subscriptions each sold at a price of $0.30 per unit. Each unit is composed of one (1) common share of the Resulting Issuer share capital and one (1) warrant to purchase a common share of the Company at a price of $0.50 per share for a period of 36 months from the Listing Date.

(c) The Company has entered into various arrangements with brokers associated with finding investors to participate in the concurrent financing. Such arrangements include compensation ranging from cash commissions between 5% and 9% and in addition to ACL Finder Warrants issued at rates between 5% and 9% of the shares issued to investors in which the respective broker has brought to the Company. Cash fees paid to the broker are estimated as $150,000 if the minimum financing is achieved and $350,000 if the maximum financing is achieved. In the above, the Company has recorded $150,000 reflecting the minimum commission of 5% applied to the minimum financing being achieved. The fair value of the 500,000 ACL Finder Warrants are estimated as $9,709 if the minimum financing is achieved and 1,166,667 ACL Finder Warrants are estimated as $22,654 if the maximum financing is achieved. In the above, the Company has recorded $9,709 reflecting the issuance of 500,000 ACL Finder Warrants in which the minimum commission of 5% has been applied to the minimum financing. The fair value of the ACL Finder's warrants were valued using the Black-Scholes option pricing model with the following assumptions:

Expected life		3.00 years
Expected volatility		28.39%
Risk-free rate		2.98%
Dividend yield		-
Underlying share price	$	0.30
Exercise price	$	0.50

(d) Other transaction costs directly associated with the transaction are estimated as $500,000.

(e) Share capital, contributed surplus and the deficit of Samurai are eliminated as Samurai shares are reverse split at a ratio of 1:2.

The fair value of the consideration is as follows:

Deemed issuance of 3,700,000 common shares to the former shareholders of Samurai	$	1,110,000
Fair value of 220,000 replacement stock options to the former optionees of Samurai		24,408
	$	1,134,408

(expressed in Canadian Dollars)

The allocation of the consideration is as follows:

Cash and cash equivalents	$	134,549
Prepaid expenses		13,125
Accounts payable and accruals		(93,430)
Transaction costs expensed		1,080,164
Value attributed to the Samurai shares issued	$	1,134,408

The fair value of the replacement stock options to the former optionees of Samurai were valued using the Black-Scholes option pricing model with the following assumptions:

Expected life		1.49 years
Expected volatility		24.83%
Risk-free rate		3.02%
Dividend yield		-
Underlying share price	$	0.30
Exercise price	$	0.20

3. Pro Forma Share Capital

The following details the share capital of A.C.L. prior to the Amalgamation:

	Note	Number of shares		Amount
Common shares issued and outstanding as at November 30, 2024		57,700,000	$	470,553
Conversion of secured convertible debenture to common shares subsequent to November 30, 2024	(a)	1,816,000		436,000
Total common shares prior to amalgamation		59,516,000	$	906,553

The following details the share capital of Samurai Capital Corp. prior to the Amalgamation:

	Note	Number of shares		Amount
Common shares issued and outstanding as at October 31, 2024		7,400,000	$	356,353
Adjustment for the transaction	(e)	(3,700,000)		753,647
Total common shares prior to amalgamation		3,700,000	$	1,110,000

Samurai Capital Corp.
Pro Forma Consolidated Statement of Financial Position
(expressed in Canadian Dollars)
(unaudited)

The following details the share capital of the Resulting Issuer under an assumption that the minimum financing is achieved:

	Note	Number of shares		Amount
Common shares issued and outstanding of A.C.L.		59,516,000	$	906,553
Common shares issued and outstanding of Samurai		3,700,000		1,110,000
Common shares issued in Concurrent Financing	(b)	10,000,000		3,000,000
Fees paid to broker	(c)	-		(150,000)
ACL Finder Warrants	(c)	-		(9,709)
Total common shares of the resulting issuer		73,216,000	$	4,856,844

The following details the share capital of the Resulting Issuer under an assumption that the maximum financing is achieved:

	Note	Number of shares		Amount
Common shares issued and outstanding of A.C.L.		59,516,000	$	906,553
Common shares issued and outstanding of Samurai		3,700,000		1,110,000
Common shares issued in Concurrent Financing	(b)	23,333,333		7,000,000
Fees paid to broker	(c)	-		(350,000)
ACL Finder Warrants	(c)	-		(22,654)
Total common shares of the resulting issuer		86,549,333	$	8,643,899

CERTIFICATE OF SAMURAI CAPITAL CORP.

Dated: April 14, 2025

The foregoing, constitutes full, true and plain disclosure of all material facts relating to the securities of Samurai Capital Corp. assuming Completion of the Qualifying Transaction.

"Anthony Zelen"	*"Ryan Cheung"*
Name: Anthony Zelen	Name: Ryan Cheung
Title: Chief Executive Officer	Title: Chief Financial Officer

On behalf of the board of directors of Samurai Capital Corp.

"Craig Taylor"	*"David Weinkauf"*
Name: Criag Taylor	Name: David Weinkauf
Title: Director	Title: Director

CERTIFICATE OF A.C.L. CONSTRUCTION LTD.

Dated: April 14, 2025

The foregoing, as it relates to A.C.L. Construction Ltd., constitutes full, true and plain disclosure of all material facts relating to the securities of A.C.L. Construction Ltd.

"John McPherson"	*"Jeff Wagner"*
Name: John McPherson	Name: Jeff Wagner
Title: Chief Executive Officer and Director	Title: Chief Financial Officer

On behalf of the board of directors of A.C.L. Construction Ltd.

"John McPherson"	*"Thomas Hall"*
Name: John McPherson	Name: Thomas Hall
Title: Director	Title: Director

PERSONAL INFORMATION

"Personal Information" means any information about an identifiable individual, and includes information contained in any Items in the attached filing statement that are analogous to Items 4.2, 11, 12.1, 15, 17.2, 18.2, 23, 24, 26, 31.3, 32, 33, 34, 35, 36, 37, 38, 40 and 41 of Form 3B2 – Information Required in a Filing Statement For A Qualifying Transaction, as applicable.

Samurai Capital Corp. hereby acknowledges and agrees that it has obtained the express written consent of each individual to:

(a) the disclosure of Personal Information by Samurai Capital Corp. to the Exchange pursuant to the Exchange's Form 3B2 – Information Required in a Filing Statement For A Qualifying Transaction; and

(b) the collection, use and disclosure of Personal Information by the Exchange for the purposes described in the Exchange's Appendix 6B or as otherwise identified by the Exchange, from time to time.

DATED this 14 day of April, 2025.

"Anthony Zelen"

Name: Anthony Zelen
Title: Chief Executive Officer

"Ryan Cheung"

Name: Ryan Cheung
Title: Chief Financial Officer