Samurai Capital Corp.
(A Capital Pool Company)

FINANCIAL STATEMENTS

For the Years Ended January 31, 2025 and 2024

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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, 2025 and January 31, 2024 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, 2025 and January 31, 2024, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements which describes the material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Other than the matter described in the Material Uncertainty Related to Going Concern section, we have determined there are no key audit matters to be communicated in our report.

Other Information

Management is responsible for the other information. The other information comprises:

- Management's Discussion and Analysis

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the other information prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

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

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

In preparing the financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company’s financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

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

Crowe Mackay LLP

Chartered Professional Accountants
Vancouver, Canada
May 27, 2025

(Expressed in Canadian dollars)

	January 31, 2025	January 31, 2024
	$	$
ASSETS		
Cash	**103,539**	10,949
Total assets	**103,539**	10,949
LIABILITIES		
Accounts payable and accrued liabilities (Note 8)	**67,661**	61,955
Loan payable (Note 8)	**35,000**	-
Total liabilities	**102,661**	61,955
SHAREHOLDERS' EQUITY (DEFICIENCY)		
Share capital (Note 5)	**356,353**	206,353
Reserves (Note 5)	**43,000**	43,000
Deficit	**(398,475)**	(300,359)
Total shareholders' equity (deficiency)	**878**	(51,006)
Total liabilities and shareholders' equity (deficiency)	**103,539**	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 May 27, 2025

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

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

(Expressed in Canadian dollars)

	For the year ended January 31, 2025	For the year ended January 31, 2024
	$	$
Expenses		
Admin and bank charges	**460**	12,993
Audit and accounting fees (Note 8)	**35,254**	38,249
Consulting	**18,387**	-
Legal fees	**28,694**	5,281
Regulatory and filing	**15,321**	10,449
Net loss and comprehensive loss for the year	**(98,116)**	(66,972)
Loss per share		
Basic and diluted	**(0.03)**	(0.03)
Weighted average number of common shares outstanding (basic and diluted)	**3,065,574**	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, 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)**
Private placement	3,000,000	150,000	-	-	150,000
Net loss for the year	-	-	-	(98,116)	(98,116)
Balance, January 31, 2025	**7,400,000**	**356,353**	**43,000**	**(398,475)**	**878**

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

(Expressed in Canadian dollars)

	For the year ended January 31, 2025	For the year ended January 31, 2024
	$	$
Cash provided by (used in)		
Operating activities		
Net loss for the year	**(98,116)**	(66,972)
Changes in non-cash working capital item:		
Accounts payable and accrued liabilities	**5,706**	(3,105)
Net cash used in operating activities	**(92,410)**	(70,077)
Financing activities		
Private placement	**150,000**	-
Loan proceeds received	**35,000**	-
Net cash provided by financing activities	**185,000**	-
Change in cash, for the year	**92,510**	(70,077)
Cash - beginning of year	**10,949**	81,026
Cash - end of year	**103,539**	10,949
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, 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 year ended January 31, 2025, the Company recorded a loss of $98,116 (2024 - $66,972) and as of that date, has a deficit of $398,475 (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

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 and loan payable 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 accounting standards and amendments effective for future periods

IFRS 18 Presentation and Disclosure in Financial Statements

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

1. Three defined categories for income and expenses (operating, investing and financing) to improve the structure of the income statement, and require all companies to provide new defined subtotals, including operating profit.

2. Requirement for companies to disclose explanations of management-defined performance measures (MPMs) that are related to the income statement.

3. Enhanced guidance on how to organize information and whether to provide it in the primary financial statements or in the notes.

This new standard is effective for reporting periods beginning on or after January 1, 2027.

The Company is evaluating the impact of the new standard on its financial statements.

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 and as amended on February 25, 2025, 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 two (2) 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 $3,000,000 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 years ended January 31, 2025 and 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 January 31, 2025, 2,400,000 common shares were held in escrow (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 January 31, 2025, these options had a remaining life of 1.32 years.

(Expressed in Canadian dollars unless otherwise stated)

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 years ended January 31, 2025 and 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 and 2025	**440,000**	**$0.10**

Stock options outstanding and exercisable at January 31, 2025 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, 2025, the Company's financial instruments consist of cash and accounts payable and accrued liabilities. The carrying value of accounts payable and accrued liabilities, and loan payable 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 year ended January 31, 2025.

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, 2025, 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, 2025 are due within 30 days of the reporting date and the loan payable has no fixed terms of repayment.

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 year ended January 31, 2025, the Company incurred $14,700 (2024 - $14,700) with a company controlled by the Chief Financial Officer for professional accounting services. As at January 31, 2025, $43,971 (2024 - $27,344) was owing to a company controlled by the Chief Financial Officer.

On May 8, 2024, the Company received a $35,000 loan from the Chief Executive Officer of the Company and his spouse. The amounts are included in loan payable, unsecured, non-interest bearing and carries no fixed terms of repayment. As at January 31, 2025, $36,050 (2024 - $Nil) was owing to the Chief Executive Officer which is comprised of the $35,000 unpaid loan and $1,050 of accounts payable for unpaid regulatory fees.

(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, 2025	Year ended January 31, 2024
Net loss for the year	**$(98,116)**	$(66,972)
Statutory tax rate	**27%**	27%
Expected income taxes (recovery) at the statutory tax rate	**(26,000)**	(18,000)
Change in tax assets not recognized	**26,000**	18,000
Income tax expense (recovery)	**-**	-

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

	January 31, 2025	January 31, 2024
	$	$
Loss carry-forwards	**437,000**	319,000
Share issuance costs	**21,000**	41,000
Deductible temporary differences	**458,000**	360,000

The Company has non-capital losses of approximately $437,000 available to offset future income for income tax purposes which commence expiring in 2041 through 2045. 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 2026.

Year of expiry	$
2041	12,000
2042	46,000
2043	173,000
2044	88,000
2045	118,000