Audited Financial Statements of

BOW LAKE CAPITAL CORP.
(A Capital Pool Corporation)

As at and for the years ended December 31, 2025 and 2024

(Expressed in Canadian Dollars)

Independent Auditors' Report

To: The Shareholders of **Bow Lake Capital Corp.**

Opinion

We have audited the financial statements of Bow Lake Capital Corp. (the "Company"), which comprise the statement of financial position as at December 31, 2025 and 2024 and the statements of net and comprehensive income (loss), changes in shareholders' equity and cash flows for the years then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2025 and 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 Auditors' 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.

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 and not otherwise addressed in our report. 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.

We have determined that there are no key audit matters to be communicated in our auditors' report.

Information Other than the Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. The other information comprises the information included in 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 Management's Discussion and Analysis prior to the date of this auditors' 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 auditors' 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 these 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.

Auditors’ 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 auditors' 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 judgement 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 auditors’ 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 auditors’ 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 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 Auditors' report is Scott A. Reinarz, CPA, CA.

Kenway Mack Slusarchuk Stewart LLP

Chartered Professional Accountants

February 5, 2026
Calgary, Alberta

Bow Lake Capital Corp.

Statements of Financial Position

As at	December 31, 2025	December 31, 2024
	$	$
ASSETS		
CURRENT		
Cash and cash equivalents	383,985	391,431
Interest receivable	559	1,026
	384,544	392,457
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	4,803	5,677
SHAREHOLDERS' EQUITY		
Share capital (Note 5)	479,902	479,902
Contributed surplus (Note 5)	106,673	106,673
Deficit	(206,834)	(199,795)
	379,741	386,780
	384,544	392,457

Going Concern (Note 1)

Approved on behalf of the Board:

signed "Michael Saliken"

Michael Saliken, Director

signed "Murray Hinz"

Murray Hinz, Director

The accompanying notes are an integral part of these financial statements

Bow Lake Capital Corp.

Statements of Net and Comprehensive Income (Loss)

For the year ended	December 31, 2025	December 31, 2024
	$	**$**
Expenses		
Professional fees	8,325	65,347
Regulatory and filing fees	8,362	13,404
Office and administration	110	142
Share based compensation	-	10,524
Total expenses	16,797	89,417
Interest income	9,758	17,651
Net and comprehensive income (loss)	(7,039)	(71,766)
Basic and diluted weighted average number of common shares outstanding	4,540,000	4,540,000
Basic and diluted net income (loss) per common share	($0.002)	($0.016)

The accompanying notes are an integral part of these financial statements

Bow Lake Capital Corp.

Statements of Cash Flows

For the year ended	December 31, 2025	2024
	$	$
Cash flows from the following activities:		
Operating activities		
Net income (loss) for the period	(7,039)	(71,766)
Item not affecting cash:		
Share based payments	-	10,524
Changes in non-cash working capital items:		
Interest receivable	467	1,066
Accounts payable and accrued liabilities	(874)	10
Net cash used in operating activities	(7,446)	(60,166)
Change in cash	(7,446)	(60,166)
Cash and cash equivalents, beginning of period	391,431	451,597
Cash and cash equivalents, end of period	383,985	391,431
Cash and cash equivalents are comprised of:		
Bank balance	6,427	16,431
Guaranteed investment certificate	377,558	375,000
	383,985	391,431

The accompanying notes are an integral part of these financial statements

Bow Lake Capital Corp.

Statements of Changes in Shareholders' Equity

	Common Shares	Share Capital $	Contributed Surplus $	Deficit $	Total Shareholders' Equity $
As at December 31, 2023	7,800,000	479,902	96,149	(128,029)	448,022
Share based compensation			10,524		10,524
Net and comprehensive loss for the period				(71,766)	(71,766)
As at December 31, 2024	7,800,000	479,902	106,673	(199,795)	386,780
As at December 31, 2024	7,800,000	479,902	106,673	(199,795)	386,780
Net and comprehensive loss for the period				(7,039)	(7,039)
As at December 31, 2025	7,800,000	479,902	106,673	(206,834)	379,741

The accompanying notes are an integral part of these financial statements

1. Incorporation and Nature of Business

Bow Lake Capital Corp. (the "Company") was incorporated under the Business Corporations Act (British Columbia) on March 29, 2021. The Company maintains its head office and registered office at 1200, 200 Burrard St., Vancouver, BC, V7X 1T2. The Company is a Capital Pool Company ("CPC") as defined pursuant to Policy 2.4 of The TSX Venture Exchange (the "TSXV').

As a CPC, the proceeds raised by the Company from the issuance of common shares may only be used to identify and evaluate businesses and assets for future investment, and reasonable expenses relating to the Company’s initial public offering, general and administrative expenses not exceeding in aggregate $3,000 per month and relating to a proposed qualifying transaction. These restrictions apply until the completion of a Qualifying Transaction by the Company as defined under the policies of the TSXV.

The Company has not conducted commercial operations. The Company's continuing operations are dependent upon its ability to evaluate and negotiate an agreement to acquire an interest in a material asset or business. 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. Where an acquisition or participation is warranted, additional funding may be required. The ability of the Company to fund its potential future operations and commitments is dependent upon its ability to obtain additional financing. Such an acquisition will be subject to regulatory approval and, if required, shareholder approval. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

2. Functional and presentation currency

These financial statements are presented in Canadian dollars, which is the Company's functional currency.

3. Basis of presentation

These financial statements have been prepared in accordance with IFRS Accounting Standards and interpretations adopted by the International Accounting Standards Board (IASB).

These financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair value.

The financial statements were approved by the Board of Directors on February 5, 2026.

4. Material accounting policies

(a) Measurement uncertainty

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the period.

The following are the financial statement items which are most impacted by estimation uncertainty and critical judgments in applying the accounting policies.

The accounting estimates for share based payments is based on the Black-Scholes option pricing model which was developed for use in estimating the fair value of traded options which are fully tradable with no vesting restrictions. This option valuation model requires the input of subjective assumptions including the expected stock price volatility. Since the Company's options have characteristics significantly different from those of traded options and since changes in the subjective assumptions can materially affect the calculated fair value, such value is subject to measurement uncertainty.

The Company recognizes deferred tax assets to the extent that it is probable that future taxable profits will be available to utilize the Company's deductible temporary differences which are based on management's judgement on the degree of future taxable profits. To the extent that future taxable profits differ significantly from the estimates impacts the amount of the deferred tax assets management judges is probable.

(b) Financial instruments

Recognition

The Company recognizes financial assets and financial liabilities when it becomes party to the contractual provisions of the instrument.

Classification

Financial assets are classified as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss on the basis of both the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. The classification of subsequently measured at amortized cost is used when the objective of the business model is to hold assets and collect contractual cash flows, and the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company's cash and cash equivalents is classified as a financial asset measured at fair value through profit and loss. Interest receivable is classified as subsequently measured at amortized cost.

Financial liabilities are classified as subsequently measured at amortized cost, unless they meet the criteria for measurement at fair value or other prescribed measurement. Accounts payable and accrued liabilities are classified as subsequently measured at amortized cost.

Measurement

Financial assets and financial liabilities classified as subsequently measured at amortized cost are initially measured at fair value plus or minus transaction costs that are directly attributable to the acquisition of the financial asset or issue of the financial liability. Subsequently the financial assets and liabilities are measured at amortized cost using the effective interest rate method.

Impairment

Financial assets classified as subsequently measured at amortized cost or fair value through other comprehensive income reflect the Company's assessment of expected credit losses. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

(c) Cash and cash equivalents

The Company considers guaranteed investment certificates that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value to be cash equivalents.

(d) Deferred financing costs

Financing costs incurred related to the Company's proposed financing are deferred. Deferred costs consist primarily of agent and professional fees. Costs will be charged to share capital upon the issuance of shares. In the event that the share issuance does not occur, the costs will be charged to income in the period.

(e) Earnings per share

The Company presents basic and diluted earnings per share data for its common shares. Basic earnings per share is calculated by dividing earnings attributable to the equity shareholders by the weighted average number of common shares outstanding during the period. All of the shares held in escrow are considered contingently returnable until the Company completes a Qualifying Transaction and, accordingly, are not considered to be outstanding shares for purposes of the calculation. Diluted earnings per share are determined by adjusting the weighted average number of common shares for the dilutive effect of share based payments using the treasury stock method. Under this method, stock options, whose exercise price is less than the average market price of the Company's common shares, are assumed to be exercised and the proceeds used to repurchase common shares at the average market price for the period.

(f) Share based payments

Share based payments to employees are measured at the fair value of the equity instruments granted and amortized over the vesting period. Share-based payments to non-employees are measured at the fair value of the good or service received or the fair value of the equity instruments issued if it is determined that the fair value of the good or service cannot be measured reliably, and are recorded at the date the good or service is received. The corresponding amount is recorded to an equity reserve. The Company estimates the fair value of options using the Black-Scholes option pricing model.

(g) Income taxes

Income taxes are calculated using the liability method of tax allocation accounting. Temporary differences arising from the difference between the tax basis of an asset or liability and its carrying value on the statement of financial position are used to calculate deferred income tax liabilities or assets. Deferred income tax liabilities or assets are calculated using tax rates anticipated to apply in the periods that the temporary differences are expected to reverse. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment occurs. A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(h) Accounting standards issued but not yet adopted

The new accounting standards and amendments to existing standards that have been issued and that the Company will be required to adopt in future years are either not applicable or are not expected to have a significant impact on the Company's financial statements.

5. Share capital

Authorized

Unlimited number of Common shares
Unlimited number of Preferred shares

Share issuance detail

During the period ended December 31, 2021, the Company issued for cash consideration, 2,800,000 shares at a price of $0.05 per common share, for total gross proceeds of $140,000.

On March 24, 2022, the Company completed its initial public offering (the "IPO") of 5,000,000 common shares at a price of $0.10 per unit for gross proceeds of $500,000. In connection with the IPO, the Company paid a cash commission of $50,000, other share issuance costs of $72,540, and granted 500,000 agent's compensation warrants. Each agent's compensation warrant entitles the holder to purchase one common share at a price of $0.10 per common share until March 24, 2027.

Escrowed shares

Pursuant to the terms of an amended and restated escrow agreement, 3,260,000 of the issued and outstanding common shares were deposited in escrow. Upon the Company completing a Qualifying Transaction, the TSXV will issue a bulletin announcing the final acceptance, and a percentage of the common shares held pursuant to the escrow agreement shall immediately be released. Every six months, for the subsequent eighteen months following the initial release, an additional percentage will be released. Once in escrow the common shares are considered contingently returnable until the Company completes a Qualifying Transaction and, accordingly, are not considered to be outstanding shares for purposes of the calculation of loss per share.

Stock Options

The Company has adopted an incentive stock option plan which provides that the Board of Directors may from time to time, in its discretion, and in accordance with the TSXV requirements, grant to directors, officers, employees and consultants to the Company, nontransferable options to purchase Common Shares, provided that the number of Common Shares reserved for issuance will not exceed 10% of the issued and outstanding Common Shares. However, other than in connection with a Qualifying Transaction, during the time that the Company is a CPC, the aggregate number of Common Shares issuable upon exercise of all options granted under the Option Plan shall not exceed 10% of the Common Shares of the Company issued and outstanding at the closing of the Company's initial public offering. Such options will be exercisable for a period of up to ten years from the date of grant.

The Board of Directors determines the exercise price per common shares, the number of options granted to individual directors, officers, employees and consultants and all other terms and conditions of the options. The Plan is subject to regulatory approval.

Concurrently with the IPO the Company granted stock options to certain officers and directors to acquire, in aggregate, 780,000 common shares at a price of $0.10 per share and expiring 5 years from the date of grant on March 24, 2027.

In April 2024 180,000 stock options were forfeited and the Company granted stock options to an officer and director to acquire 180,000 common shares at a price of $0.10 per share that vest immediately and expire 5 years from the date of grant on April 5, 2029. The Company recorded a share-based payment of $10,524 related to these stock options. The fair value of the options was determined using the Black-Scholes option pricing model with the following assumptions: Share price on grant date of $0.08; Risk-free interest rate of 3.62%; Dividend yield of Nil; Expected volatility of 100%; and Expected life of 5 years. The value of these options has been recognized as stock-based compensation in net income.

As at December 31, 2025 780,000 stock options were outstanding and exercisable.

Warrants

In connection with the IPO, the Company granted 500,000 agent’s compensation warrants. Each agent’s compensation warrant entitles the holder to purchase one common share at a price of $0.10 per common share until March 24, 2027.

As at December 31, 2025 500,000 warrants were outstanding and exercisable.

6. Financial instruments

The Company's financial instruments, consisting of cash and cash equivalents, interest receivable and accounts payable and accrued liabilities, approximate fair value due to the relatively short maturities of the instruments. It is management's opinion that the Company is not exposed to significant interest, credit or currency risks arising from these instruments.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs. Accounts payable generally have contractual maturities of less than thirty days and are subject to normal trade terms. Until such time as the Company completes its Qualifying Transaction, it is subject to certain expenditure restrictions (see note 1).

7. Capital management

The Company defines capital as total equity which was $379,741 at December 31, 2025 (2024 - $386,780). The Company's objective when managing capital is to safeguard the entity's ability to continue as a going concern and to have sufficient capital to be able to identify, evaluate and then acquire an interest in a business or assets. The Company does not have any externally imposed capital requirements to which it is subject other than the restriction on the use of cash as referred to in Note 1. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares.

8. Income taxes

The provision for income taxes varies from the amount that would be computed by applying the expected tax rate to loss before income taxes. The principal reasons for differences between such “expected” income tax recovery and the amount recorded are as follows:

	2025	2024
Loss before income taxes	(7,039)	(71,766)
Statutory income tax rate	23%	23%
Expected income tax recovery	(1,619)	(16,506)
Non-deductible item	-	2,421
Change in unrecognized deferred tax assets	1,619	14,085
Deferred income tax expense	$ -	$ -

Deferred tax assets have not been recognized in respect of the following:

Deductible temporary differences	$	18,528	$	43,436
Non-capital losses		243,731		211,784
	$	262,259	$	255,220

The non-capital losses expire in 2045 - $31,947, 2044 - $86,150, 2043 – $43,818, 2042 - $55,536 and 2041 - $26,279.

Deferred tax assets have not been recognized in respect of these items because it is not considered probable that future taxable profits will be available against which such losses could be utilized.

9. Related party transactions

During the year ended December 31, 2025, the Company incurred legal fees of $4,325 (2024: $61,147), recorded as professional fees, for services provided by a law firm, a partner of which is a director of the Company. As at December 31, 2025, $803 is included in accounts payable and accrued liabilities for these services.

During the year ended December 31, 2025 compensation paid to key management personnel consisted of share based compensation of $Nil (2024 - $10,524).