MAYFAIR ACQUISITION CORP.

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED
DECEMBER 31, 2025 AND 2024
(EXPRESSED IN CANADIAN DOLLARS)

DAVIDSON

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Mayfair Acquisition Corp.

Opinion

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

In our opinion, these consolidated 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 (IFRS Accounting Standards).

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 Consolidated 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 consolidated 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 in our audit is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the consolidated financial statements, which indicates that as at December 31, 2025, the Company has a working capital deficiency of $29,144 and an accumulated deficit of $612,919. For the year ended December 31, 2025, the Company incurred a loss of $159,395. As stated in Note 1, these events and conditions 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matter described in the Material Uncertainty Related to Going Concern section, we have determined that there are no other key audit matters to communicate in our auditor's report.

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Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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 auditor's report. If, based on the work we have performed, 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 Consolidated Financial Statements

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

In preparing the consolidated 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 Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to 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 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 consolidated financial statements of the current year 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 Glenn Parchomchuk.

Davidson & Company LLP

Chartered Professional Accountants   Vancouver, Canada

April 24, 2026

MAYFAIR ACQUISITION CORP.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Expressed in Canadian Dollars)

As at,	December 31, 2025	December 31, 2024
ASSETS		
Current		
Cash and cash equivalents	**$ 106,358**	$ 125,307
Short term investments	**-**	75,600
Total assets	**$ 106,358**	$ 200,907
LIABILITIES		
Current		
Amounts payable and accrued liabilities (Note 7)	**$ 135,502**	$ 70,656
Total Liabilities	**135,502**	70,656
SHAREHOLDERS' EQUITY (DEFICIENCY)		
Share capital (Note 3)	**498,511**	498,511
Warrants (Note 3)	**30,117**	30,117
Contributed surplus (Note 3)	**55,147**	55,147
Deficit	**(612,919)**	(453,524)
Total shareholders' equity (deficiency)	**(29,144)**	130,251
Total liabilities and shareholders' equity (deficiency)	**$ 106,358**	$ 200,907

Nature and Continuance of Operations (Note 1)

APPROVED ON BEHALF OF THE BOARD:

"Peter Shaerf", Director

"Charles B. Walensky", Director

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

MAYFAIR ACQUISITION CORP.

CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

(Expressed in Canadian Dollars)

	Year ended December 31, 2025	2024
Operating expenses		
Legal fees	**$ 110,096**	$ 43,359
General and office expenses (Note 7)	**19,704**	17,458
Accounting and audit fees	**17,754**	26,541
Transfer agent and filing fees (Note 7)	**11,609**	14,574
Travel	**2,196**	5,279
Loss before items below:	**(161,359)**	(107,211)
Interest income	**1,964**	7,868
Net and comprehensive loss for the year	**$ (159,395)**	$ (99,343)
Basic and diluted loss per share (Note 6)	**$ (0.02)**	$ (0.01)
Weighted average number of shares - basic and diluted	**8,136,668**	8,136,668

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

MAYFAIR ACQUISITION CORP.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Expressed in Canadian Dollars)

	Year ended December 31, 2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the year	**$ (159,395)**	$ (99,343)
Charges not involving cash:		
Interest income	**-**	(7,868)
Changes in non-cash working capital items:		
Accounts payable and accrued liabilities	**64,846**	(20,763)
Net cash used in operating activities	**(94,549)**	(127,974)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income received	**600**	8,060
Short term investments	**75,000**	-
Net cash provided by investing activities	**75,600**	8,060
Change in cash during the year	**(18,949)**	(119,914)
Cash and cash equivalents, beginning of the year	**125,307**	245,221
Cash and cash equivalents, end of the year	**$ 106,358**	$ 125,307
Cash and cash equivalents are comprised of:		
Cash	**$ 106,358**	$ 24,853
Cash equivalents	**$ -**	$ 100,454
	$ 106,358	$ 125,307

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

MAYFAIR ACQUISITION CORP.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)

(Expressed in Canadian Dollars)

	Number of Shares	Share Capital	Warrants	Contributed Surplus	Deficit	Total
Balance, December 31, 2023	8,136,668	$ 498,511	$ 30,117	$ 73,229	$ (372,263)	$ 229,594
Expiry of stock options	-	-	-	(18,082)	18,082	-
Loss and comprehensive loss for the year	-	-	-	-	(99,343)	(99,343)
Balance, December 31, 2024	8,136,668	$ 498,511	$ 30,117	$ 55,147	$ (453,524)	$ 130,251
Loss and comprehensive loss for the year	-	-	-	-	(159,395)	(159,395)
Balance, December 31, 2025	8,136,668	$ 498,511	$ 30,117	$ 55,147	$ (612,919)	$ (29,144)

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Mayfair Acquisition Corp. (the "Company" or “Mayfair”) was incorporated on May 5, 2021 under the laws of British Columbia and is classified as a Capital Pool Company ("CPC") as defined by in the TSX Venture Exchange ("Exchange") Policy 2.4. The Company will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction (as defined in Exchange Policy 2.4). The Company’s head office is located at 777 Hornby Street, Suite 600, Vancouver, British Columbia, V6Z 1S4 and its registered office is located at 550 Burrard Street, Suite 2501, Vancouver, British Columbia, V6C 2B5. The consolidated financial statements were approved by the Board of Directors on April 24, 2026.

On April 5, 2022, the Company completed its Initial Public Offering ("IPO") and began trading on the Exchange under the symbol "MFA.P".

Since incorporation on May 5, 2021, the Company has had no active business operations. As a CPC, the Company’s business objective is to identify and evaluate assets or businesses with a view to potential acquisition or participation by completing a Qualifying Transaction (“QT”), as defined in Exchange Policy 2.4 subject, in certain cases, to shareholder approval and acceptance by the Exchange. As a CPC, the proceeds raised from the issuance of share capital may only be used to identify and evaluate assets or businesses for future investment, with the exception that up to $3,000 per month may be used for reasonable general and administrative expenses of the Company. These restrictions will apply until completion of a QT by the Company as defined under the policies of the Exchange.

These consolidated financial statements for the years ended December 31, 2025 and 2024 have been prepared on a going concern basis, which assumed that the Company will be able to meet its obligations and continue its operations for at least the next twelve months. As at December 31, 2025, the Company has working capital deficiency of $29,144 (December 31, 2024 working capital: - $130,251) and an accumulated deficit of $612,919 (December 31, 2024 - $453,524). For the year ended December 31, 2025, the Company incurred a loss of $159,395 (December 31, 2024 - $99,343). The Company's ability to continue as a going concern is dependent upon its ability to raise adequate funding through equity or debt financing to discharge its liabilities as they come due. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. These material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern.

On November 7, 2023, the Company incorporated a wholly owned subsidiary, 1448505 B.C. Ltd., under the Business Corporations Act (British Columbia).

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

Statement of compliance:

The policies applied in these consolidated financial statements are based on IFRS Accounting Standards (“IFRS") as issued by the International Accounting Standards Board (“IASB") and interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”) issued and outstanding as of April 24, 2026, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these consolidated financial statements as compared with the most recent audited annual financial statements as at and for the year ended December 31, 2024. Any subsequent changes to IFRS that are given effect in the Company’s annual consolidated financial statements for the year ending December 31, 2025 could result in restatement of these consolidated financial statements.

The accounting policies set out below have been applied in preparing the consolidated financial statements for the year ended December 31, 2025.

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Functional and presentation currency

The Company and it's subsidiary's presentation and functional currency is the Canadian dollar. The Company does not have any foreign operations. Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items at period end exchange rates are recognized in the consolidated statements of loss and comprehensive loss.

Income taxes

Income tax comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive loss, in which case the income tax is also recognized directly in equity or other comprehensive loss.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of all qualifying temporary differences arising between the tax basis of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the end of the reporting period and are expected to apply when the deferred tax asset or liability is settled.

Deferred tax assets are recognized to the extent that it is probable that the assets can be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Basis of consolidation

These consolidated financial statements incorporate the financial statements of the Company and its subsidiary.

The subsidiary is consolidated from the date of acquisition, being the date on which the Company obtains control, and continues to be consolidated until the date that such control ceases. Control is achieved when an investor has power over an investee to direct its activities, exposure to variable returns from an investee, and the ability to use the power to affect the investor's returns.

The results of subsidiaries acquired or disposed of during the years presented are included in the consolidated statements of loss and comprehensive loss from the effective date of control and up to the effective date of disposal or loss of control, as appropriate. All intercompany transactions, balances, income and expenses are eliminated upon consolidation.

The following company has been consolidated within the consolidated financial statements:

Company	**Principal activity**	Ownership
1448505 B.C. Ltd.	Holding Company	100%

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Share capital

Common shares are classified as shareholders' equity. Transaction costs directly attributable to the issue of common shares and share purchase options are recognized as a deduction from equity, net of any tax effects. Costs related to issuances not completed will be recorded as deferred financing costs if the completion of the transactions is considered likely; otherwise they are expensed as incurred. Common shares issued for consideration other than cash are valued based on their market value at the date the shares are issued.

The proceeds from the issue of units is allocated between common shares and common share purchase warrants based on the residual value method. Under this method, the proceeds are allocated to share capital based on the fair value of the common shares and any residual value is allocated to common share purchase warrants.

Share-based payments

The stock option plan ("Option Plan") allows Company directors, officers, employees, and consultants to acquire shares of the Company. The fair value of options granted is recognized as a share-based payment expense with a corresponding increase in shareholders’ equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee. Consideration paid on the exercise of stock options is credited to share capital and the fair value of the options is reclassified from contributed surplus to share capital.

In situations where equity instruments are issued to non-employees and some or all the services received by the entity as consideration cannot be specifically identified, they are all measured at the fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of the services received.

The fair value is measured at grant date and each tranche is recognized over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. At each reporting date, the amount recognized as an expense is adjusted to reflect the number of stock options that are expected to vest.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, bank deposits and short-term, highly-liquid investments that are readily convertible to known amounts of cash.

Short-term investments

Short-term investments include interest bearing deposits with original maturities less than one year which can not be readily redeemed prior to their original maturity date.

Basic and diluted loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the year. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Significant accounting judgments, estimates and assumptions

The preparation of consolidated financial statements in conformity with IFRS Accounting Standards requires the Company's management to make judgments, estimates and assumptions about future events that affect the amounts reported in the consolidated financial statements and related notes to the consolidated financial statements. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may differ from those estimates and these differences could be material.

The areas which require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to:

Stock Options

Determining the fair value of stock options requires estimates related to the choice of a pricing model, the estimation of stock price volatility, the expected forfeiture rate, and the expected term of the underlying instruments. Any changes in the estimates or inputs utilized to determine fair value could have a significant impact on the Company's future operating results or on other components of shareholders' equity

Deferred Tax Assets and Liabilities

The estimation of income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets will not be realized. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets, and future income tax provisions or recoveries could be affected.

Going Concern

These consolidated financial statements have been prepared in accordance with IFRS on a going concern basis, which assumes the realization of assets and discharge of liabilities in the normal course of business within the foreseeable future. Management uses judgment in assessing its ability to continue as a going concern as discussed in note 1.

Financial instruments

Recognition

The Company recognizes a financial asset or financial liability on the statements of financial position when it becomes party to the contractual provisions of the financial instrument. Financial assets are initially measured at fair value, and are derecognized either when the Company has transferred substantially all the risks and rewards of ownership of the financial asset, or when cash flows expire. Financial liabilities are initially measured at fair value and are derecognized when the obligation specified in the contract is discharged, cancelled or expired.

A write-off of a financial asset (or a portion thereof) constitutes a de-recognition event. Write-off occurs when the Company has no reasonable expectations of recovering the contractual cash flows on a financial asset.

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial instruments (continued)

Classification and Measurement

The Company determines the classification of its financial instruments at initial recognition. Financial assets and financial liabilities are classified according to the following measurement categories:

- those to be measured subsequently at fair value, either through profit or loss ("FVTPL") or through other comprehensive income ("FVTOCI"); and
- those to be measured subsequently at amortized cost.

The classification and measurement of financial assets after initial recognition at fair value depends on the business model for managing the financial asset and the contractual terms of the cash flows. Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding, are generally measured at amortized cost at each subsequent reporting period. All other financial assets are measured at their fair values at each subsequent reporting period, with any changes recorded through profit or loss or through other comprehensive income (which designation is made as an irrevocable election at the time of recognition).

After initial recognition at fair value, financial liabilities are classified and measured at either:

- amortized cost;
- FVTPL, if the Company has made an irrevocable election at the time of recognition, or when required (for items such as instruments held for trading or derivatives); or,
- FVTOCI, when the change in fair value is attributable to changes in the Company's credit risk.

The Company reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified.

Transaction costs that are directly attributable to the acquisition or issuance of a financial asset or financial liability classified as subsequently measured at amortized cost are included in the fair value of the instrument on initial recognition. Transaction costs for financial assets and financial liabilities classified at fair value through profit or loss are expensed in profit or loss.

The Company's financial assets consists of cash and cash equivalents and short term investments which are classified and measured at amortized cost, with realized and unrealized gains or losses related to changes in fair value reported in profit or loss.

The Company's financial liabilities consist of amounts payable and accrued liabilities, which are classified and measured at amortized cost using the effective interest method. Interest expense is reported in profit or loss.

Impairment

The Company assesses all information available, including on a forward-looking basis the expected credit losses associated with any financial assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition based on all information available, and reasonable and supportive forward-looking information.

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Accounting standards issued but not yet effective

The Company has not yet adopted certain standards, interpretations to existing standards and amendments that have been issued, but have an effective date of later than December 31, 2025. These updates are not expected to have a significant impact on the Company and are therefore not discussed herein.

IFRS 18 Presentation and Disclosure in Financial Statements ("IFRS 18")

On April 9, 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements. IFRS 18 will apply for reporting period beginning on or after January 1, 2027 and also applies to comparative information. IFRS 18 will not impact the recognition or measurement of items in the consolidated financial statements, but it may change what an entity reports as its 'operating profit or loss'. Key new concepts introduced in IFRS 18 relate to: (i) the structure of the statement of profit or loss; (ii) required disclosures in the consolidated financial statements for certain profit or loss performance measures that are reported outside an entity's consolidated financial statements (that is, management-defined performance measures); and (iii) enhanced principles on aggregation and disaggregation which apply to the primary consolidated financial statements and notes in general. The Company is current assessing the effects of IFRS 18 on the consolidated financial statements.

3. SHARE CAPITAL

(a) Authorized Share Capital

Unlimited number of common shares, without par value.

(b) Issued

As at December 31, 2025 and 2024, of the 8,136,668 common shares issued and outstanding, 4,136,668 common shares were held in escrow for a period of 18 months from the date of completion of a qualifying transaction. The escrowed shares will be released at a rate of 25% on completion of a qualifying transaction, and a further 25% every six months thereafter.

(c) Stock Options

On October 20, 2021, the Company adopted an incentive stock option plan whereby the Company may issue up to 10% of the issued and outstanding common shares to eligible directors, officers, employees or consultants. These options may be granted for a maximum term of ten years from the date of grant and vest as determined by the board of directors. The exercise price will be set by the directors at the time of grant and cannot be less than the discounted market price of the Company’s common shares.

Any common shares acquired pursuant to the exercise of options under the Option Plan prior to Completion of the Qualifying Transaction must be deposited in escrow and will be subject to escrow until the final exchange bulletin is issued. As at December 31, 2025, 612,748 (December 31, 2024 - 813,664) options remain in escrow, subject to the same release terms described in note 3(b).

(EXPRESSED IN CANADIAN DOLLARS)

3. SHARE CAPITAL, OPTIONS AND WARRANTS (CONTINUED)

A summary of changes in stock options is as follows:

	Number of Options	Weighted Average Exercise Price
Balance, December 31, 2023	**813,664**	**$ 0.10**
Cancelled	(200,916)	0.10
Balance, December 31, 2024	**612,748**	**$ 0.10**
Balance, December 31, 2025	**612,748**	**$ 0.10**

As at December 31, 2025, the following stock options were outstanding:

Number of Options	Exercisable Options	Exercise Price	Weighted Average Remaining Contractual Life (years)	Expiry Date
612,748	612,748	$0.10	6.27	April 05, 2032

(d) Warrants

The following summarizes the warrant activity for the years ended December 31, 2025 and 2024:

A summary of changes in warrants is as follows:

	Number of Warrants	Weighted Average Exercise Price
December 31, 2024 and December 31, 2025	**400,000**	**$ 0.10**

The following table reflects the Company's warrants outstanding and exercisable as at December 31, 2025:

Number of Warrants	Exercise Price	Expiry Date	Weighted Average Life
400,000	$0.10	April 05, 2027	1.26 years

4. CAPITAL MANAGEMENT

Capital is comprised of the Company's shareholders' equity (deficiency). The Company's objectives when managing capital are to maintain financial strength and to protect its ability to meet its ongoing liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term. Protecting the ability to pay current and future liabilities includes maintaining capital above minimum regulatory levels, current financial strength rating requirements and internally determined capital guidelines and calculated risk management levels. In the management of capital, the Company includes components of shareholders' equity (deficiency).

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. There were no changes to management's approach to capital management during the year.

The proceeds raised from the issuance of share capital may only be used to identify and evaluate assets or businesses for future investment, with the exception that up to $3,000 per month may be used for reasonable general and administrative expenses of the Company. These restrictions apply until completion of a qualifying transaction by the Company as defined under the policies of the Exchange.

5. FINANCIAL INSTRUMENTS

Fair Value

IFRS Accounting Standards requires that the Company disclose information about the fair value of its financial assets and liabilities. Fair value estimates are made at the end of the reporting period based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties in significant matters of judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect these estimates.

Fair value hierarchy

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities
- Level 2 - Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, and
- Level 3 - Inputs that are not based on observable market data

As of December 31, 2025, the Company's financial instruments consisted of cash and cash equivalents and, accounts payable and accrued liabilities. These financial instruments are classified at amortized cost. The fair values of these financial instruments approximate their carrying values because of their short-term nature.

Financial risk factors

The Company's risk exposures and the impact on the Company's financial instruments are summarized below. There have been no changes in the risks, objectives, policies and procedures for the year ended December 31, 2025.

5. FINANCIAL INSTRUMENTS (continued)

Market risk

Market risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate because of changes in market prices or prevailing conditions. Market risk comprises three types of risk: foreign currency risk, interest rate risk and other price risk and are disclosed as follows:

Price risk

The Company is exposed to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors individual equity movements and the stock markets to determine the appropriate course of action to be taken by the Company.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of financial instruments will fluctuate because of changes in market interest rates. The Company's interest rate risk is low.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company does not have any significant assets in currency other than the functional currency of the Company, nor has significant foreign currency denominated liabilities, therefore any changes in foreign exchange rates will not give rise to significant changes to the loss.

Credit risk

The Company's credit risk is primarily attributable to cash. The Company has no significant concentration of credit risk arising from operations. The Company considers its credit risk to be minimal.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2025, the Company had a cash and cash equivalents balance of $106,358 to settle current liabilities of $135,502.

6. BASIC AND DILUTED LOSS PER SHARE

The calculation of basic and diluted loss per share for the years ended December 31, 2025 and 2024 was based on the net loss attributable to common shareholders of $159,395 and $99,343, and the weighted average number of common shares outstanding of 8,136,668. Diluted loss per share does not include the effect of warrants and stock options as they are anti-dilutive.

7. RELATED PARTY TRANSACTIONS

Related parties include the Board of Directors, officers, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions. The below noted transactions are in the normal course of business and are measured at the exchange amount, as agreed to by the parties, and approved by the Board of Directors in strict adherence to conflict of interest laws and regulations.

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including directors (executive or non-executive) of the Company. Amounts payable to related parties are unsecured, non-interest bearing and due on demand.

(EXPRESSED IN CANADIAN DOLLARS)

7. RELATED PARTY TRANSACTIONS (continued)

During the year ended December 31, 2025, the Company expensed $23,319, (year ended December 31, 2024 - $18,786) to Marrelli Capital Limited. ("Marrelli Capital") DSA Corporate Services LP - Press Release Division ("Marrelli Press Release") and DSA Corporate Services LP - Corporate Services Division ("DSA"), together known as the "Marrelli Group" for:

(i) Office Rent
(ii) Press Release dissemination services
(iii) Regulatory filing services
(iv) Accounting services

The Company is party to an occupancy lease from Marrelli Capital at a monthly rate of $961 per month which may be terminated at the option of either party upon 30 days notice.

The Company's CFO is the president of Marrelli Support Services Inc., a corporation within the Marrelli Group, from which there were no services provided or amounts owed as at and for the year ended December 31, 2025 or 2024.

As of December 31, 2025, the Marrelli Group was owed $3,842 (December 31, 2024 - $9,682). These amounts are included in amounts payable and accrued liabilities.

As of December 31, 2025, Charles Walensky was owed $1,288 (December 31, 2024 - $1,085). These amounts are included in amounts payable and accrued liabilities.

8. INCOME TAXES

The reconciliation of the income tax recovery, calculated using the combined Canadian federal and provincial statutory income tax rate of 27% (2024 – 27%) is as follows:

		2025		2024
Loss before income taxes	$	(159,395)	$	(99,343)
Expected income tax (recovery)		(43,000)		(27,000)
Adjustments to benefit resulting from:				
Adjustment to prior years provision versus statutory tax				
Changes in unrecognized deductible temporary difference		43,000		27,000
Income tax (recovery)	$	-	$	-

Unrecognized deferred tax assets

Deferred taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities. Deferred tax assets have not been recognized in respect of the following deductible temporary differences:

		2025		2024
Share issue costs	$	4,000	$	8,000
Operating tax losses carried forward		152,000		104,000
	$	156,000	$	112,000
Unrecognized deferred tax assets		(156,000)		(112,000)
	$	-	$	-

As at December 31, 2025, the Company has non-capital tax losses of approximately $564,000 (2024 - $387,000) that may be offset against future Canadian taxable income. These losses expire commencing 2045.