MANDALA CAPITAL INC.

UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025 and 2024

(Expressed in Canadian Dollars)

Notice of Disclosure of Non-Auditor Review of Unaudited Interim Condensed Financial Statements

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

The accompanying unaudited interim condensed financial statements of Mandala Capital Inc. (the "Company") for the period ended June 30, 2025 and 2024, have been prepared in accordance with International Financial Reporting Standards and are the responsibility of the Company's management.

The Company's independent auditors, PKF Antares, have not performed a review of the unaudited interim condensed financial statements for the period ended June 30, 2025 and 2024 in accordance with the standards established by the Chartered Professional Accountants Canada for a review of interim financial statements by an entity's auditor.

MANDALA CAPITAL INC.

Unaudited Interim Condensed Statements of Financial Position
as at
(Expressed in Canadian dollars)

	Notes	(Unaudited) June 30, 2025	(Audited) December 31, 2024
		$	$
Assets			
Current assets			
Cash and cash equivalents		5,348	8,681
Short term investments		241,418	258,000
HST receivable		1,169	1,927
		247,935	268,608
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		6,732	14,464
		6,732	14,464
Shareholder's equity			
Common shares	4	611,594	611,594
Reserve	4	39,406	39,406
(Deficit)		(409,797)	(396,856)
		241,203	254,144
		247,935	268,608

Going concern (Note 1)

Approved on behalf of the Board

"Wendy Chan", Director

"Patrick Sapphire", Director

See accompanying notes to the unaudited interim condensed financial statements.

MANDALA CAPITAL INC.

Unaudited Interim Condensed Statements of Loss and Comprehensive Loss

For the periods ended June 30, 2025 and 2024

(Expressed in Canadian dollars)

	3 months ended June 30, 2025	3 months ended June 30, 2024	6 months ended June 30, 2025	6 months ended June 30, 2024
	$	$	$	$
Expenses				
Other expenses	54	-	112	163
Business development expenses	-	-	-	4,610
Filing fees	4,045	3,871	10,248	10,322
Professional fees	3,105	2,369	6,105	6,569
	7,204	6,240	16,465	21,664
(Loss) Income from operations	(7,204)	(6,240)	(16,465)	(21,664)
Interest income	1,442	3,147	3,524	6,270
Net (loss) and comprehensive (loss)	(5,762)	(3,093)	(12,941)	(15,394)
Net loss per share				
Basic and diluted	(0.001)	(0.000)	(0.001)	(0.002)
Weighted average number of shares outstanding				
Basic and diluted	9,110,000	9,110,000	9,110,000	9,110,000

See accompanying notes to the unaudited interim condensed financial statements.

MANDALA CAPITAL INC.

Unaudited Interim Condensed Statements of Changes in Equity

(Expressed in Canadian dollars)

	Notes	Common shares Number	Common shares Amount	Reserve	Deficit	Total shareholders' equity
			$	$	$	$
Balance at December 31, 2023		**9,110,000**	**611,594**	**39,406**	**(365,081)**	**285,919**
Net loss for the period		-	-		(15,394)	(15,394)
Balance at June 30, 2024		**9,110,000**	**611,594**	**39,406**	**(380,475)**	**270,525**
Balance at December 31, 2024		**9,110,000**	**611,594**	**39,406**	**(396,856)**	**254,144**
Net loss for the period		-	-		(12,941)	(12,941)
Balance at June 30, 2025		**9,110,000**	**611,594**	**39,406**	**(409,797)**	**241,203**

See accompanying notes to the unaudited interim condensed financial statements.

The accompanying notes are an integral part of the unaudited interim condensed financial statements.

MANDALA CAPITAL INC.

Unaudited Interim Condensed Statements of Cash Flows
For the periods ended June 30, 2025 and 2024
(Expressed in Canadian dollars)

	Notes	6 months ended June 30, 2025	6 months ended June 30, 2024
		$	$
Operating activities			
Net (loss)		(12,941)	(15,394)
Items not involving cash			
Changes in non-cash working capital		(6,974)	(3,566)
		(19,915)	(18,960)
Investing activities			
Short term investments		16,582	27,375
		16,582	27,375
Increase in cash		(3,333)	8,415
Cash, beginning of period		8,681	5,803
Cash, end of period		5,348	14,218

See accompanying notes to the unaudited interim condensed financial statements.

1. Nature of Operations and Going Concern

Mandala Capital Inc. (“Mandala” or the “Company”) was incorporated as 1292890 B.C. Ltd. under the Business Corporations Act of British Columbia, Canada on March 5, 2021, and changed its name to Mandala Capital Inc. on September 9, 2021. The Company’s registered address is 1500 Royal Centre PO Box 11117, 1055 West Georgia Street, Vancouver, BC, Canada, V6E 4N7. Its mailing address and head office is 100 Wellington Street West Unit 1240, Toronto, Ontario, Canada, M5K 1B7.

The Company is incorporated for the purpose of being a Capital Pool Company (“CPC”) as per policy 2.4 of the TSX Venture Exchange (the “Exchange”) with a view to completing a Qualifying Transaction (“QT”). As of December 31, 2024 and June 30, 2025, the Company has not commenced commercial operations and has no assets other than cash. The Company will not carry on any business other than in the identification and evaluation of assets or business to complete a QT as defined under the policies of the Exchange.

On February 8, 2023, the Company completed the initial public offering of 5,150,000 common shares at a price of $0.10 per share for gross proceeds of $515,000 pursuant to an amended and restated prospectus dated November 22, 2022. The Company’s shares started trading as a Capital Pool Company on Tier 2 of the TSXV on February 10, 2023 under the symbol MAN.P.

These unaudited interim condensed financial statements have been prepared on a going concern basis in accordance with International Financial Reporting Standards (“IFRS”) with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. The Company has not yet achieved profitable operations with working capital of $241,203 as of June 30, 2025 (December 31, 2024 - $254,144) and incurred a net loss of $12,941 for the period ended June 30, 2025 (2024 - $15,394).

The ability of the Company to carry out its business objectives is dependent on its ability to secure continued financial support from related parties, obtain equity financing, or ultimately attain profitable operations in the future. Whether and when the Company can attain profitability and positive cash flows are uncertain. The Company closed a private placement of $515,000 on February 8, 2023 on its completion of IPO. If the going concern assumption is not appropriate, adjustments to the carrying value of the assets and liabilities, the expenses and the balance sheet classification, which could be material, would be necessary.

For these reasons, the Company continues to adopt the going concern basis in preparing the financial statements.

2. Basis of presentation and statement of compliance

Statement of compliance

These unaudited interim condensed financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of unaudited interim condensed financial statements, including IAS 34 – Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”). The Board of Directors approved these financial statements on August 28, 2025.

2. Basis of presentation and statement of compliance (continued)

The policies used for the preparation of these unaudited interim condensed financial statements were the same accounting policies and methods of application as the audited financial statements of the Company for the year ended December 31, 2024, and were consistently applied to all the periods presented unless otherwise noted below. They do not include all of the information required for full annual financial statements and should be read in conjunction with the audited financial statements for the year ended December 31, 2024.

Basis of measurement

These unaudited condensed interim financial statements are presented using, and have been prepared on, a going concern basis under the historical cost convention except for certain financial instruments that are measured at fair value. These unaudited condensed interim financial statements are presented on the accrual basis except for the statement of cash flows.

Functional and presentation currency

These unaudited interim condensed financial statements have been presented in Canadian dollars (“$”) which is the functional currency of the Company.

New standards and interpretations not yet adopted

There are no new standards, interpretations, and amendments to existing standards that have been issued by the IASB or IFRIC that are applicable or are consequential to the Company that need to be disclosed.

3. Material accounting judgments and estimates

The preparation of the Company’s unaudited interim condensed financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the unaudited interim condensed financial statements and the reported amounts of revenue and expenses during the reporting period. Estimates and assumptions are continually evaluated and are based on management’s experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from these estimates.

The critical accounting estimates and judgments used for the preparation of these unaudited interim condensed financial statements were the same as the audited financial statements of the Company for the year ended December 31, 2024.

4. (a) Share capital

Authorized: Unlimited common shares at no par value.

Issued and outstanding:

As of June 30, 2025, the Company had 9,110,000 (December 31, 2024 – 9,110,000) common shares issued and outstanding.

The Company's directors and officers have signed an escrow agreement and have placed 3,960,000 common shares into escrow. It will be released from escrow in stages over 18 months from the date of the Final Qualifying Transaction Exchange Bulletin.

(b) Reserves

On February 8, 2023, the Company issued 515,000 Agent's Option Each option entitles the holder to subscribe for one common share of the Company at an exercise price of $0.10 per share before February 8, 2028. The value of the 515,000 options is determined to be $39,406 using a Black Scholes model with the following assumptions: 0% dividend, risk free rate of 4.5%, expected life of 5 years, and stock price volatility of 100%. As at June 30, 2025 there were 515,000 (December 31, 2024 - $515,000) options outstanding with an expiry date of February 8, 2028.

5. Related party transactions

All transactions with related parties have occurred in the normal course of business operations.

No related party transaction is recorded for the periods ended June 30, 2025 and 2024.

6. Financial risk management

Risk management framework

The Company’s board of directors has overall responsibility for the establishment and oversight of the Company’s risk management framework. The board of directors has established a risk management strategy, which incorporates the development and monitoring of the Company’s risk management activities. The Company’s risk management policies are established to identify and analyze the risks faced by the Company, set appropriate risk limits and controls, and monitor risks and adherence to limits. The Company’s approach to risk management is assessed regularly to reflect changes in market conditions and the Company’s activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risk on its cash. The Company's maximum exposure to this risk is equal to the carrying amount of these financial assets. The cash is held with a financial institution that is highly rated. The Company has assessed an insignificant loss allowance on these financial instruments.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company’s approach to managing liquidity is to ensure, as far as possible, that it will have access to sufficient liquid assets to meet its current liabilities when they are due, under both normal and stressed conditions, without incurring excessive losses. Further, the Company's management is responsible for ensuring funds exist and are readily accessible to support business opportunities as they arise. The Company is exposed to this risk on its accounts payable and accrued liabilities.

7. Capital management

The Company's objectives when managing its capital are to maintain a sufficient capital base to (i) meet its short-term obligations, (ii) sustain future operations and expansions, (iii) ensure its ability to continue as a going concern, and (iv) retain stakeholder confidence and value. The Company defines capital as its net assets, total assets less total liabilities. The company is not subject to any externally imposed capital requirements. As of June 30, 2025, the Company managed a net asset of $241,203.