AMV II CAPITAL CORPORATION
(A Capital Pool Company)

Financial Statements
March 31, 2025

Independent Auditor's Report

To the Shareholders of AMV II Capital Corporation,

Opinion

We have audited the financial statements of AMV II Capital Corporation (the "Company"), which comprise the statements of financial position as at March 31, 2025 and 2024, and the statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the year ended March 31, 2025 and the period from incorporation on June 2, 2023 to March 31, 2024, and notes to the financial statements, including material accounting policy information (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2025 and 2024, and its financial performance and its cash flows for the year ended March 31, 2025 and the period from incorporation on June 2, 2023 to March 31, 2024 in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB").

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 events or conditions that indicate 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 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.

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 report.

Other Information

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 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 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 Heather McGhie.

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DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC

July 29, 2025

AMV II CAPITAL CORPORATION
(A Capital Pool Company)
Statements of Financial Position
As at March 31, 2025 and 2024
(In Canadian Dollars)

	Note	March 31, 2025	March 31, 2024
Assets			
Current assets			
Cash		$ 279,874	$ 177,644
Prepaids	4	-	10,000
Total assets		$ 279,874	$ 187,644
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	9	$ 113,726	$ 67,085
Total liabilities		113,726	67,085
Shareholders' equity			
Share capital	4	408,738	195,717
Reserve	5	79,112	-
Deficit		(321,702)	(75,158)
Total shareholders' equity		166,148	120,559
Total liabilities and shareholders' equity		$ 279,874	$ 187,644

Nature of operations (Note 1)

The financial statements were approved and authorized for issue by the Board of Directors on July 29, 2025 and were signed on its behalf by:

"Norman Tsui"
Norman Tsui
Director

"Sean Wang"
Sean Wang
Director

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

AMV II CAPITAL CORPORATION
(A Capital Pool Company)
Statements of Loss and Comprehensive Loss
For the year ended March 31, 2025 and the period from incorporation on June 2, 2023 to March 31, 2024
(In Canadian Dollars)

		Year ended March 31, 2025	For the period from incorporation on June 2, 2023 to March 31, 2024
Expenses	Note		
Professional fees		$ 130,715	$ 61,323
Filing fees		32,923	-
Consulting fees	9	13,367	10,075
Business development		7,290	3,510
General and administration		116	250
Share-based compensation	5	62,133	-
Loss and comprehensive loss for the year / period		$ (246,544)	$ (75,158)
Loss per common share			
Basic and diluted		$ (0.06)	$ (0.02)
Weighted average number of common shares outstanding			
Basic and diluted		4,321,918	3,095,710
Total common shares issued and outstanding	4	6,500,000	4,000,000

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

AMV II CAPITAL CORPORATION
(A Capital Pool Company)
Statements of Changes in Shareholders' Equity
For the year ended March 31, 2025 and the period from incorporation on June 2, 2023 to March 31, 2024
(In Canadian Dollars)

	Note	Number of Shares	Share capital	Reserve	Deficit	Total
Balance at March 31, 2024		4,000,000	$ 195,717	$ -	$ (75,158)	$ 120,559
Net loss for the year		-	-	-	(246,544)	(246,544)
Share-based compensation	5	-	-	79,112	-	79,112
Issuance of common shares – initial public offering	4	2,500,000	250,000	-	-	250,000
Share issuance costs	4, 5	-	(36,979)	-	-	(36,979)
Balance at March 31, 2025		6,500,000	$ 408,738	$ 79,112	$ (321,702)	$ 166,148

	Note	Number of Shares	Share capital	Reserve	Deficit	Total
Incorporation on June 2, 2023		-	$ -	$ -	$ -	$ -
Net loss for the period		-	-	-	(75,158)	(75,158)
Issuance of common shares	4	4,000,000	200,000	-	-	200,000
Share issuance costs	4	-	(4,283)	-	-	(4,283)
Balance at March 31, 2024		4,000,000	$ 195,717	$ -	$ (75,158)	$ 120,559

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

AMV II CAPITAL CORPORATION
(A Capital Pool Company)
Statements of Cash Flows
For the year ended March 31, 2025 and the period from incorporation on June 2, 2023 to March 31, 2024
(In Canadian Dollars)

	Year ended March 31, 2025	For the period from incorporation on June 2, 2023 to March 31, 2024
Cash flows used in operating activities		
Loss for the year / period	$ (246,544)	$ (75,158)
Items not affecting cash:		
Share-based compensation	62,133	-
	(184,411)	(75,158)
Changes in non-cash items:		
Decrease (increase) in prepaids	10,000	(10,000)
Increase in accounts payable and accrued liabilities	46,641	67,085
	(127,770)	(18,073)
Cash flows from financing activities		
Proceeds from issuance of share capital	250,000	200,000
Share issuance costs	(20,000)	(4,283)
	230,000	195,717
Increase in cash	102,230	177,644
Cash - beginning of year / period	177,644	-
Cash - end of year / period	$ 279,874	$ 177,644

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

1 Nature of operations

AMV II Capital Corporation (the "Corporation") was incorporated pursuant to the provisions of the Business Corporations Act (British Columbia) on June 2, 2023. The Corporation was formed for the primary purpose of completing an Initial Public Offering ("IPO") and listing on the TSX Venture Exchange ("TSX Venture") as a Capital Pool Corporation ("CPC") as defined in Policy 2.4 of the TSX Venture. The Corporation proposes to identify and evaluate corporations, businesses or assets for acquisition and once identified and evaluated, to negotiate an acquisition or participation subject to receipt of shareholder and regulatory approval. The head office, principal address and records office of the Corporation are located at Suite #2300 – 550 Burrard Street, Vancouver, British Columbia, V6C 2B5.

As at March 31, 2025, the Corporation had no business operations and no revenue and its only significant assets were cash. During the year ended March 31, 2025, the Corporation did not enter into any agreements to acquire an interest in a business or assets. As a CPC, the Corporation's principal business will be the identification and evaluation of assets, properties or businesses with a view to acquisition or participation therein, subject, in certain cases, to shareholder approval and acceptance by the TSX Venture. Where an acquisition or participation in a proposed transaction is warranted (the "Qualifying Transaction"), additional funding may be required. The ability of the Corporation to fund its potential future operations and commitments is dependent upon the ability of the Corporation to obtain additional financing. There is no assurance that the Corporation will complete a Qualifying Transaction and the TSX Venture may suspend or de-list the Corporation's shares from trading. These factors indicate the existence of material uncertainty that may cast significant doubt as to the Corporation's ability to continue as a going concern. Management intends to finance operating costs over the next twelve months with cash on hand, loans from directors and / or private placements. There is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Corporation.

These financial statements do not give effect to adjustments that would be necessary to the carrying amounts and classification of assets and liabilities should the Corporation be unable to continue as a going concern. These adjustments could be material.

On February 12, 2025, the Corporation completed its IPO and received status as a CPC as defined in the Policy 2.4 of the TSX Venture. The Corporation was listed on the TSX Venture under the symbol AMV.P.

These financial statements were approved for issue by the Board of Directors on July 29, 2025.

2 Basis of presentation

Basis of Preparation and Statement of Compliance

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

Functional and Presentation Currency

The financial statements are presented in Canadian Dollars, which is the Corporation's functional currency and presentation currency.

3 Material accounting policy information

Cash and Cash Equivalents

Cash and cash equivalents consist of proceeds from the issuance of share capital and is held with a high credit quality financial institution. As at March 31, 2025, no amounts were included as cash equivalents.

The proceeds raised from the issuance of share capital and from the IPO may only be used to identify and evaluate assets or businesses for future investment, to cover prescribed costs of issuing the common shares, or for administrative and general expenses of the Corporation (not exceeding $3,000 per month). These restrictions apply until the completion of a Qualifying Transaction by the Corporation as defined under the policies of the TSX Venture.

Income Taxes

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

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted, or substantively enacted, at the end of the reporting period, and any adjustment to tax payable in respect of previous years. Current tax assets and current tax liabilities are only offset if a legally enforceable right exists to set off the amounts, and the Corporation intends to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax is recognized in respect of all qualifying temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the 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 balance sheet date 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 current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Share Capital

Common shares are classified as equity. Incremental costs directly attributable to the issuance of shares are recognized as a deduction from share capital.

Financial Instruments

Classification

The Corporation classifies its financial instruments in the following categories: at fair value through profit and loss (“FVTPL”), at fair value through other comprehensive income (loss) (“FVTOCI”), or at amortized cost. The Corporation determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Corporation's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Corporation can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Corporation has opted to measure them at FVTPL.

The following table shows the classification of the Corporation's financial instruments:

Financial assets / liabilities	Classification
Cash	FVTPL
Accounts payable	Amortized cost

Measurement

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in profit or loss.

Derecognition

Financial Assets

The Corporation derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the statements of comprehensive loss.

Financial Liabilities

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expired.

Share-Based Consideration

Share-based consideration to employees are measured at the fair value of the instruments and amortized over the vesting periods. Share-based consideration 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 that 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 corresponding amount is recorded to the share-based payment reserve. The fair value of the options is determined using the Black-Scholes Option Pricing Model. Option pricing models require the input of subjective assumptions including expected price volatility, interest rate and forfeiture rate. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

When share-based considerations are expensed, a corresponding increase in equity, the reserve for equity settled share-based transactions, is recorded. When share-based considerations are exercised, share capital is credited by the sum of the consideration paid and the related portion previously recorded in the reserve is reversed. At the time of grant, the expense is determined based on estimated forfeiture rate. The expense will be adjusted to recognize the effect of actual forfeitures as they occur.

If the share-based considerations are forfeited or canceled before vesting, any previously recognized expense is reversed through profit or loss. If the share-based considerations expire unexercised after the vesting period, no reversal of expense is made. The related amounts previously recognized in equity remain in the reserve and may be transferred to retained earnings at the discretion of management.

Critical Accounting Judgements and Estimates

The Corporation makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual experience may differ from these estimates and assumptions.

Judgements

The assessment of the Corporation’s ability to continue as a going concern involves critical judgment based on historical experience and expectations of the Corporation’s ability to generate adequate financing. Significant judgment is used in the Corporation’s assessment of its ability to continue as a going concern.

Judgments made by management in the application of IFRS Accounting Standards that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in these financial statements may affect the ability for the Corporation to continue as a going concern and the recognition of deferred income tax assets and liabilities.

The Corporation applies judgment in determining the appropriate classification of financial instruments. Financial assets are classified into the following categories: amortized cost, FVTOCI, or FVTPL. The classification is based on both the Corporation’s business model for managing the financial assets and the contractual cash flow characteristics of the instruments. Judgment is also applied in the classification of financial liabilities, particularly in determining whether a liability should be designated at fair value through profit or loss.

Judgment is required in determining whether deferred tax assets are recognized on the statement of financial position. Deferred tax assets, including those arising from unutilized tax losses, require management to assess the likelihood that the

Corporation will generate taxable earnings in future periods in order to utilize recognized deferred tax assets. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in the jurisdiction that the Corporation operates. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Corporation to realize the net deferred tax assets could be impacted. Additionally, future changes in tax laws in the jurisdictions in which the Corporation operates could limit the ability of the Corporation to obtain tax deductions in future periods.

Estimates

The effect of a change in accounting estimate is recognized prospectively by including it in comprehensive income in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

The Corporation uses the Black-Scholes Option Pricing Model for valuation of share-based consideration which require the input of subjective assumptions including expected price volatility, interest rate, and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Corporation's earnings and reserves.

Earnings (Loss) per Share

Basic earnings (loss) per share is computed by dividing the net earnings (loss) available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted earnings (loss) per share is computed similar to basic earnings (loss) per share except that the weighted average share outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods.

Standards issued or amended

In October 2023, the IASB issued amendments to IAS 1, Presentation of Financial Statements – Classification of Liabilities as Current or Non-Current and Noncurrent Liabilities with Covenants. These amendments increase the disclosure required to enable users of financial statements to understand the risk that non-current liabilities with covenants could become repayable within 12 months. The amendments are effective January 1, 2024, with early adoption permitted. Retrospective application is required on adoption. The Corporation determined that these amendments didn't have a material effect on its financial statements.

New standards issued and not yet effective

The following new standards, amendments to standards and interpretations have been issued but are not effective during the year ended March 31, 2025.

On April 9, 2024, the IASB issued a new standard – IFRS 18, "Presentation and Disclosure in Financial Statements" with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:

- the structure of the statement of profit or loss;
- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

IFRS 18 will replace IAS 1; many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will apply for reporting periods beginning on or after January 1, 2027 and also applies to comparative information. Adoption of IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its 'operating profit or loss'. The Corporation is currently assessing the impact the new standard will have on its financial statements.

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4 Share capital

a) **Authorized**

The Corporation's authorized share capital consists of unlimited common shares without par value. At March 31, 2025, the Corporation had 6,500,000 (2024 – 4,000,000) shares issued and outstanding.

b) **Issued**

On June 30, 2023, the Corporation issued a total of 2,000,000 common shares at a price of $0.05 per share for proceeds of $100,000.

On September 19, 2023, the Corporation issued a total of 2,000,000 common shares at a price of $0.05 per share for proceeds of $100,000. The Corporation incurred share issuance costs of $4,283.

c) **Initial Public Offering**

On August 14, 2024, the Corporation entered into an agency agreement with Research Capital Corp. (the "Agent") to raise gross proceeds of $250,000 in connection with the Corporation's IPO of 2,500,000 common shares (the "Offering") at a price of $0.10 per common share.

On February 12, 2025, the Corporation completed its IPO and issued 2,500,000 common shares at a price of $0.10 per common share for gross proceeds of $250,000. After completion of the Offering, the Corporation had 6,500,000 common shares issued and outstanding.

As part of the IPO, the Corporation paid a cash commission of $20,000 being 8% of the aggregate gross proceeds to the Agent and granted the Agent an option to acquire 8% of the common shares issued, being 200,000 common shares, exercisable for a period ending five years from the closing date at an exercise price of $0.10 ("Agent's Options") The fair value of the agent options was $16,979. (Note 5). The Agent's Options will be qualified for distribution under the prospectus. Not more than 50% of the aggregate number of common shares, which can be acquired on the exercise of the entire Agent's Options may be sold by the Agent prior to the completion of a Qualifying Transaction. The remaining 50% may be sold after the completion of the Qualifying Transaction.

In addition, the Corporation paid the Agent a deposit of $10,000 prior to March 31, 2024, which was included in Prepaids on the Statement of Financial Position prior to the IPO and then reclassified to professional fees upon the IPO completion. On February 12, 2025, the Corporation also paid the Agent's legal fees and other costs and expenses totaling $22,554 pursuant to the Offering and recognized in Professional Fees.

d) **Escrowed shares**

Pursuant to an escrow agreement dated as of August 9, 2024 among the Corporation, Odyssey Trust Company ("Odyssey") and certain shareholders of the Corporation, 4,000,000 of the issued and outstanding common shares have been deposited in escrow as at the date of the auditors' report. Upon the Corporation completing a Qualifying Transaction, as defined in Policy 2.4 of the TSX Venture, common shares held pursuant to the escrow agreement shall be released as to 25% immediately following the issuance of the bulletin of the TSX Venture announcing final acceptance of the Qualifying Transaction (the "Initial Release") and an additional 25% every six months over an 18 month period commencing six months following the Initial Release.

5 Share-based compensation

Share options issued to directors, officers, and third parties are measured at fair value at the grant date and are recognized as an expense over the relevant vesting periods with a corresponding credit to options reserve. The fair value of the options is calculated using the Black-Scholes Option Pricing Model. When determining the fair value of share options, management is required to make certain assumptions and estimates related to the risk-free interest rate, dividend yield, share price volatility, life of options, and forfeiture rate. Upon the exercise of share options, the related options reserve is transferred to common shares.

(In Canadian Dollars)

Share option transactions are summarized as follows:

	Number of share options	Weighted average exercise price $
Outstanding – June 2, 2023	-	-
Outstanding – March 31, 2024	-	-
Granted (a), (b)	**850,000**	**0.10**
Outstanding –March 31, 2025	**850,000**	**0.10**

(a) Concurrent with the closing of the Offering, the Agent received options to purchase 200,000 common shares at a price of $0.10 per Common Share and exercisable until February 12, 2030. The Agent's options vest immediately upon the grant date and expire five years from the grant date. Not more than 50% of the aggregate number of common shares, which can be acquired on the exercise of the entire Agent's options may be sold by the Agent prior to the completion of a Qualifying Transaction. The remaining 50% may be sold after the completion of the Qualifying Transaction.

(b) Concurrent with the closing of the Offering, the Corporation also granted options to acquire an aggregate of 650,000 common shares at an exercise price of $0.10 per common share to the directors and officers of the Corporation, with options expiring ten years from the date of grant. These options vest immediately upon the grant date.

During the year ended March 31, 2025, the Corporation recorded the full vesting of the Agent's Options for $16,979 (2024 – $nil). This expense is included in share issue costs on the statement of equity.

During the year ended March 31, 2025, the Corporation recorded share-based compensation expense of $62,133 (2024 – $nil) on directors' and officers' options. This expense is included in share-based compensation on the statements of loss and comprehensive loss.

The weighted average fair value at date of grant for the options granted during the year ended March 31, 2025 was $0.09 (2024 – $nil). The following weighted average assumptions were used for the Black-Scholes Option Pricing Model to value the share options granted:

	2025	2024
Risk-free interest rate	**3.11%**	-
Expected life of options	**5 years for Agent Options, 10 years for director's and officer's options**	-
Expected volatility	**123%**	-
Expected dividend	**0.00%**	-

(In Canadian Dollars)

At March 31, 2025, the following share options were outstanding and exercisable:

Number of share options	Exercise price per share option $	Remaining life (years)	Expiry date
200,000	0.10	4.87	February 12, 2030
650,000	0.10	9.88	February 12, 2035
850,000	0.10	8.70	

6 Financial instruments

Fair Values

At March 31, 2025, the Corporation's financial instruments consisted of cash and accounts payable. The fair values of these financial instruments approximate their carrying values due to the relatively short-term maturity of these instruments. The Corporation classifies its cash as FVTPL assets and accounts payable as amortized cost.

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 value. The three levels of the fair value hierarch 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.

Cash is measured at fair value using Level 1 input.

Credit Risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Corporation to concentrations of credit risks consist principally of cash. To minimize the credit risk the Corporation places these instruments with a high credit quality financial institution. The Corporation's credit risk is assessed as low.

Interest Rate Risk

The Corporation is not exposed to any significant interest rate risk.

Foreign Exchange Risk

The Corporation is not exposed to foreign exchange risk.

Liquidity Risk

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they fall due. The Corporation currently settles its financial obligations out of cash. The ability to do this relies on the Corporation raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs. The Corporation's liquidity risk is assessed as high.

(In Canadian Dollars)

7 Management of capital

The Corporation's capital currently consists of common shares. Its principal source of cash is from the issuance of common shares. The Corporation's capital management objectives are to safeguard its 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 Corporation does not have any externally imposed capital requirements to which it is subject. The Corporation manages the 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 Corporation may attempt to issue new shares.

8 Income taxes

Income taxes attributable to the loss for the period in these financial statements differ from accounts computed by applying the Canadian federal and provincial statutory rate of 27% - 2024 as follows:

	Year ended March 31, 2025	Period ended March 31, 2024
Loss before income taxes	$ (246,544)	$ (75,158)
Expected tax recovery	(66,567)	(20,293)
Permanent difference and other	11,607	(1,156)
Loss carry forward not recognized	54,960	21,449
Income tax recovery	$ -	$ -

	March 31, 2025	March 31, 2024
Deferred income tax assets		
Non-capital losses carried forward	$ 71,395	$ 20,524
Share issuance costs	5,014	925
Unrecognized deferred tax assets	(76,409)	(21,449)
Net deferred income tax assets	$ -	$ -

As at March 31, 2025, the Corporation had the following non-capital losses that may be applied against future income for Canadian income tax purposes:

Expiring	Amount
2044	$ 75,158
2045	189,268
	$ 264,426

9 Related party balances and transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

(In Canadian Dollars)

The Corporation had incurred the following key management personnel cost from related parties:

	Year ended March 31, 2025	For the period from incorporation on June 2, 2023 to March 31, 2024
Consulting fee	$ 13,367	$ 10,075
Stock-based compensation	$ 62,133	$ -

Key management includes directors and key officers of the Corporation, including the Chief Executive Officer and Chief Financial Officer. Included in accounts payable and accrued liabilities at March 31, 2025 was $1,140 payable to the Chief Financial Officer (2024 – $6,085).