# THERMOPYLAE CAPITAL INC.

## Financial Statements

### For the year ended May 31, 2026 and the period from June 10, 2024 (the date of incorporation) to May 31, 2025

(Expressed in Canadian Dollars)

# Independent Auditor's Report

To the Shareholders of Thermopylae Capital Inc.:

## Opinion

We have audited the financial statements of Thermopylae Capital Inc. (the "Company"), which comprise the statements of financial position as at May 31, 2026 and May 31, 2025, and the statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the year ended May 31, 2026 and the period from June 10, 2024 (date of incorporation) to May 31, 2025, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at May 31, 2026 and May 31, 2025, and its financial performance and its cash flows for the year ended May 31, 2026 and the period from June 10, 2024 (date of incorporation) to May 31, 2025 in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board.

## Basis for Opinion

We conducted our audits 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 audits of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

## Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

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

In connection with our audits of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audits 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 on this other information, 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.

**MNP LLP**
1 Adelaide Street East, Suite 1900, Toronto ON, M5C 2V9 1.877.251.2922 T: 416.596.1711 F: 416.596.7894

## 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 audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

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.

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

MNP LLP

Toronto, Ontario
September 28, 2026

Chartered Professional Accountants
Licensed Public Accountants

# Thermopylae Capital Inc.
## Statements of Financial Position
*As at May 31, 2026 and 2025*
(Expressed in Canadian Dollars)

| | Note | **2026** **$** | 2025 $ |
|---|---|---|---|
| **ASSETS** | | | |
| CURRENT | | | |
| Cash | | **189,113** | 25,088 |
| Deferred financing costs | | **-** | 24,187 |
| **TOTAL ASSETS** | | **189,113** | 49,275 |
| **LIABILITIES** | | | |
| CURRENT | | | |
| Accounts payable and accrued liabilities | | **13,932** | 26,597 |
| **TOTAL LIABILITIES** | | **13,932** | 26,597 |
| **SHAREHOLDERS' EQUITY** | | | |
| Share capital | 5 | **326,008** | 100,000 |
| Reserves | 5 | **34,670** | 9,015 |
| Contributed surplus | 5 | **5,414** | - |
| Deficit | | **(190,911)** | (86,337) |
| **TOTAL SHAREHOLDERS' EQUITY** | | **175,181** | 22,678 |
| **TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY** | | **189,113** | 49,275 |

Nature of operations and continuing operations (Note 1)
Subsequent events (Note 10)

Approved on behalf of the Board of Directors:

*"Kenneth (Kyriakos) N. Matziorinis "*
Kenneth (Kyriakos) N. Matziorinis, CEO and Director

*"Bill Mavridis"*
Bill Mavridis, Director

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

# Thermopylae Capital Inc.
## Statements of Loss and Comprehensive Loss
*For the year ended May 31, 2026 and the period from June 10, 2024 (the date of incorporation) to May 31, 2025*
(Expressed in Canadian Dollars)

| | Note | **2026** | 2025 |
|---|---|---|---|
| | | **$** | $ |
| **EXPENSES** | | | |
| Professional fees | 6 | **73,434** | 61,533 |
| Share-based compensation | 5, 6 | **5,876** | 9,015 |
| Filing fees | | **22,202** | 15,640 |
| Office expenses | | **184** | - |
| Bank fees | | **2,878** | 149 |
| **NET LOSS AND COMPREHENSIVE LOSS** | | **(104,574)** | (86,337) |
| **Loss per share - basic and diluted** | | **(0.04)** | (0.05) |
| **Weighted average number of common shares outstanding - basic and diluted** | | **2,973,425** | 1,900,282 |

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

# Thermopylae Capital Inc.
## Statements of Changes in Shareholders' Equity
*For the year ended May 31, 2026 and the period from June 10, 2024 (the date of incorporation) to May 31, 2025*
(Expressed in Canadian Dollars)

| | Note | **Number of common shares** | **Share capital $** | **Reserves $** | **Contributed surplus $** | **Deficit $** | **Total shareholders' equity $** |
|---|---|---|---|---|---|---|---|
| **Balance, June 1, 2025** | | **2,000,000** | **100,000** | **9,015** | **-** | **(86,337)** | **22,678** |
| Shares issued | 5 | **4,130,000** | **373,000** | **-** | **-** | **-** | **373,000** |
| Cost of issuance | 5 | **-** | **(146,992)** | **25,193** | **-** | **-** | **(121,799)** |
| Share-based compensation | 5, 6 | **-** | **-** | **5,876** | **-** | **-** | **5,876** |
| Cancellation of options | 5, 6 | **-** | **-** | **(5,414)** | **5,414** | **-** | **-** |
| Net loss and comprehensive loss for the year | | **-** | **-** | **-** | **-** | **(104,574)** | **(104,574)** |
| **Balance, May 31, 2026** | | **6,130,000** | **326,008** | **34,670** | **5,414** | **(190,911)** | **175,181** |

| | Note | Number of common shares | Share capital $ | Reserves $ | Contributed surplus $ | Deficit $ | Total shareholders' equity $ |
|---|---|---|---|---|---|---|---|
| Balance, June 10, 2024 | | - | - | - | - | - | - |
| Shares issued | 5 | 2,000,000 | 100,000 | - | - | - | 100,000 |
| Share-based compensation | 5, 6 | - | - | 9,015 | - | - | 9,015 |
| Net loss and comprehensive loss for the period | | - | - | - | - | (86,337) | (86,337) |
| Balance, May 31, 2025 | | 2,000,000 | 100,000 | 9,015 | - | (86,337) | 22,678 |

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

# Thermopylae Capital Inc.
## Statements of Cash Flows
*For the year ended May 31, 2026 and the period from June 10, 2024 (the date of incorporation) to May 31, 2025*
(Expressed in Canadian Dollars)

| | Note | **2026** **$** | 2025 $ |
|---|---|---|---|
| **CASH FLOWS USED IN OPERATING ACTIVITIES** | | | |
| Net loss for the period/year | | **(104,574)** | (86,337) |
| Item not affecting cash: | | | |
| Share-based compensation | 5 | **5,876** | 9,015 |
| Changes in non-cash working capital | | | |
| Deferred financing costs | | **-** | (24,187) |
| Accounts payable and accrued liabilities | | **(12,665)** | 26,597 |
| Cash used in operating activities | | **(111,363)** | (74,912) |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | |
| Proceeds from issuance of common shares, net of costs | 5 | **275,388** | 100,000 |
| Cash flows from financing activities | | **275,388** | 100,000 |
| Net increase in cash for the period/year | | **164,025** | 25,088 |
| Cash, beginning of the period/year | | **25,088** | - |
| **Cash, end of the period/year** | | **189,113** | 25,088 |

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

## 1. NATURE OF OPERATIONS AND CONTINUING OPERATIONS

Thermopylae Capital Inc., ("Thermopylae" or "the Company"), was incorporated under the Business Corporations Act (British Columbia) on June 10, 2024. The Company's registered address and principal place of business is located at 1090 West Georgia Street, suite 600, Vancouver, British Columbia, V6E 3V7.

On March 23, 2026, the Company completed its initial public offering and the Company's common shares commenced trading on the TSX Venture Exchange ("TSXV" or the "Exchange") under the symbol "THY.P".

As at May 31, 2026, the Company had no business operations. As a capital pool company ("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. The Company has neither a history of earnings nor has it paid any dividends and it is unlikely to pay dividends or enjoy earnings in the immediate or foreseeable future. There is no assurance that the Company will identify and successfully acquire businesses or assets that will produce a profit. Moreover, if a potential business or asset is identified which warrants acquisition or participation, additional funds may be required to complete the acquisition or participation and the Company may not be able to obtain such financing on terms which are satisfactory to the Company.

## 2. BASIS OF PRESENTATION, STATEMENT OF COMPLIANCE

### 2.1 Statement of compliance

The financial statements have been prepared in accordance with IFRS® as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC").

These financial statements were approved and authorized by the Board of Directors of the Company on September 28, 2026.

### 2.2 Basis of measurement

The financial statements are prepared on the historical cost basis except for certain financial assets classified as fair value through profit or loss ("FVTPL"), which are stated at their fair values. The Company's reporting and functional currency is Canadian dollars, which is the currency of the primary economic environment in which the Company operates.

## 3. MATERIAL ACCOUNTING POLICY INFORMATION

The principal accounting policies applied in the preparation of these financial statements are set out below.

### 3.1 Financial Instruments

*Classification*
The Company determines the classification of financial instruments at initial recognition and classifies its financial instruments in the following measurement categories:

- Those to be measured subsequently at fair value (either through profit or loss ("FVPLT") or though other comprehensive income ("FVOCI");
- Those to be measured at amortized cost.

The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Assets that are held to collect contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Equity instruments that are held for trading (including all equity derivative instruments) are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVOCI. Financial liabilities are measured at amortized cost, unless they are required to measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL.

*Measurement*
*Financial instruments at amortized cost*
Financial instruments at amortized cost are initially recognized at fair value plus transactions costs that are directly attributable to the acquisition or issuance of the financial asset or financial liability, and subsequently carried at amortized cost less any impairment.

Currently the Company classifies accounts payable and accrued liabilities as financial liabilities at amortized cost using the effective interest rate method.

*Financial instruments at FVTPL*
Financial instruments are initially recorded at fair value and transaction costs are expensed in the statement of loss and comprehensive loss. Financial instruments at FVTPL are subsequently measured at fair value, with gains and losses on disposition and unrealized gains and losses from changes in fair value recognized in the statement of loss and comprehensive loss. The effective potion of gains and losses on financial instruments designed as hedges is included in the statement of comprehensive loss in the period in which it arises. When management has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive income (loss).

Currently the Company classifies cash as FVTPL.

*Financial instruments at FVOCI*
Currently the Company does not have any instruments classified as FVOCI.

### 3.2 Share capital

Share capital includes cash consideration received for share issuances. Shares issued for other than cash consideration are valued at either: (i) the fair value of the asset acquired or the fair value of the liability extinguished at the measurement date under current market conditions, or (ii) the market price of the shares of the Company at the date the agreement to issue the shares is reached.

**3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

**3.3 Basic and diluted loss per share**

The basic loss per share is computed by dividing the net loss for the period by the weighted average number of common shares outstanding during the period. The diluted loss per share reflects the potential dilution of common share equivalents, such as outstanding stock options or warrants and contingent share consideration, in the weighted average number of common shares outstanding during the period, if dilutive. The "treasury stock method" is used for the assumed proceeds upon the exercise of the options that are used to purchase common shares at the average market price during the year. Shares to be issued have been considered outstanding from the date of their issuance for the purposes of basic loss per share calculations.

**3.4 Share-based payments**

The Company grants share options to acquire common shares of the Company to directors, officers, employees and consultants. 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, the estimated volatility, estimated risk free rate and estimated forfeitures and credited to options reserve. The fair value of the award is charged to the Statements of Loss and Comprehensive Loss and credited to option reserve rateably over the vesting period.

If a grant of the share-based payments is cancelled or settled during the vesting period (other than a grant cancelled by forfeiture when the vesting conditions are not satisfied), the Company accounts for the cancellation or settlement as an acceleration of vesting, and recognize immediately the amount that otherwise would have been recognized for services over the remainder of the vesting period.

The amount recognized for goods or services received during the vesting period are based on the best available estimate of the number of equity instruments anticipated to vest. The Company revises that estimate, if necessary, if subsequent information indicates that the number of share options anticipated to vest differs from previous estimates. On the vesting date, the Company revises the estimate to equal the number of equity instruments that ultimately vested. After the vesting date, the Company makes no subsequent adjustment to total equity for goods or services received if the share options are later forfeited or they expire at the end of the share option's life.

If a grant of the share based payment is modified during the vesting period (other than a grant cancelled by forfeiture when the vesting conditions are not satisfied) and the fair value of the new instruments is higher than the fair value of the original instrument, the incremental fair value granted is included in the measurement of the amount recognized for services received over the period from the modification date until the date when the modified equity instruments vest, in addition to the amount based on the grant date fair value of the original equity instrument, which is recognized over the remainder of the original vesting period of the original instrument.

Upon expiry of options, the amount applicable to expired options is moved to contributed surplus.

**3.5 Related party transactions**

Parties are considered 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. Parties are also considered related if they are subject to common control. Related parties may be individuals or corporate entities. A transaction is considered a related party transaction when there is a transfer of resources or obligations between related parties.

**3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

**3.6 Income Tax**

The Company uses the liability method of accounting for income taxes. Under this method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Deferred income tax assets also result from unused loss carry-forwards, resource related pools and other deductions. A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current tax expense is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at period-end, adjusted for amendments to tax payable with regards to previous years.

**3.7 Use of management estimates, judgments and measurement uncertainty**

The preparation of these financial statements requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of these financial statements and reported amounts of revenues and expenses during the reporting period. Such estimates primarily relate to unsettled transactions and events as at the date of these financial statements. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities, revenues, and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions. Significant judgments made by management in the preparation of these financial statements are outlined below:

*Going concern*

The assessment of whether the going concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but not limited to twelve months from the end of the reporting period.

*Share-based payments*

The fair value of share-based compensation expenses are estimated using the Black-Scholes option pricing model and rely on a number of estimates, such as expected life of the option, the volatility of the underlying share price, the risk-free rate of return, and the estimated rate of forfeiture of options or warrants granted.

## 4. NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

*IFRS 9 – Financial Instruments ("IFRS 9") and IFRS 7 – Financial Instruments: Disclosures ("IFRS 7")*

In May 2024, the IASB issued targeted amendments to IFRS 9 and IFRS 7 in response to practical implementation issues and to introduce new requirements applicable to both financial institutions and corporate entities. These amendments aim to enhance the clarity and consistency of financial reporting for various types of financial instruments and their related disclosures by (i) clarifying the date of recognition and derecognition for certain financial assets and liabilities, including a new exception for financial liabilities settled through an electronic cash transfer system (ii) providing hep to determine whether a financial asset meets the Solely Payments of Principal and Interest criterion (iii) introducing new disclosures for instruments with contractual terms that may alter cash flows, such as financial instruments linked to the achievement of environmental, social, and governance targets, and (iv) updating the disclosure requirements for equity instruments designated at FVTOCI. The new standard will be effective for annual periods beginning on or after January 1, 2026. The Company does not expect the adoption of these amendments to have a material impact on the Company's financial statements.

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

In April 2024, the IASB issued IFRS 18 that will replace IAS 1, Presentation of Financial Statements. The new standard aims to improve the quality of financial reporting by: (i) requiring defined subtotals in the statement of profit or loss; (ii) requiring disclosure about management defined performance measures; and (iii) adding new principles for aggregation and disaggregation of information. The new standard will be effective for annual periods beginning on or after January 1, 2027. Early adoption is permitted. The Company is in the process of assessing the impact of the standard on the financial statements.

All other IFRSs and amendments issued but not yet effective have been assessed by the Company and are not expected to have a material impact on the Company's financial statements.

## 5. SHARE CAPITAL

The following details the share capital of the Company.

### *a) Authorized*

The Company is authorized to issue an unlimited number of common shares without par value.

### *b) Issued*

All issued shares were fully paid and held in escrow.

| ***Movement in the Company's share capital are as follows:*** | | **Number of shares** | **Amount $** |
|---|---|---|---|
| **Balance, June 10, 2024** | | - | - |
| Shares issued for cash – to founders | (i), (ii), (iii) | 2,000,000 | 100,000 |
| **Balance, May 31, 2025** | | **2,000,000** | **100,000** |
| Shares issued for cash – to founders | (iv), (v) | 800,000 | 40,000 |
| Shares issued for cash – private placement | (vi) | 3,330,000 | 333,000 |
| Cost of issuance | | - | (146,992) |
| **Balance, May 31, 2026** | | **6,130,000** | **326,008** |

**5. SHARE CAPITAL (continued)**

(i) On June 10, 2024, the Company issued 2,000,000 common shares to founders of the Company at $0.05 per share, for gross proceeds of $100,000.

(ii) On July 30, 2024, the Company cancelled 200,000 common shares at $0.05 per share and refunded a total of $10,000.

(iii) On January 23, 2025, the Company issued 200,000 common shares to founders of the Company at $0.05 per share, for gross proceeds of $10,000.

(iv) On July 17, 2025, the Company issued 100,000 common shares to founders of the Company at $0.05 per share, for gross proceeds of $5,000.

(v) On January 23, 2026, the Company issued 700,000 common shares to founders of the Company at $0.05 per share, for gross proceeds of $35,000.

(vi) On March 23, 2026, the Company issued 3,330,000 common shares at $0.10 per share, for gross proceeds of $330,000. The costs of issuance included a commission of $33,300 and a corporate finance fee of $18,375 paid to the Agent, expenses related to the offering of $70,124 including applicable taxes and disbursements and the issuance of 333,000 broker warrants at a fair value of $25,193.

*c)* ***Escrowed shares***

In connection with the Company's completion of its initial public offering (Note 1), 2,800,000 common shares issued at $0.05 per share are held in escrow pursuant to the requirements of the Exchange. Twenty five percent of the escrowed common shares will be released from escrow on the issuance of the Final Exchange Bulletin (as defined in the policies of the Exchange) (the "Initial Release") and an additional twenty five percent will be released on each of the dates which are six, twelve and eighteen months following the Initial Release.

All common shares acquired on exercise of stock options granted to directors and officers of the Company prior to completion of the QT, must also be deposited in escrow until the Final Exchange Bulletin is issued.

*d)* ***Warrants***

In connection with the March 23, 2026 share issuance, the Company issued 333,000 broker warrants exercisable at $0.10 until March 20, 2031. These warrants were recorded in the reserves at the value attributed to them at the time of their issuance being $25,193. The fair value was estimated using the Black-Scholes pricing model, based on the following assumptions: underlying share price of $0.10 per share, expected annualized volatility of 100%; risk free interest rate of 3.12%; expected dividend yield of 0%; and expected life of 5 years.

The continuity of outstanding share warrants is as follows:

| | Number of warrants | Weighted average exercise price per share $ |
|---|---|---|
| **Balance – May 31, 2025** | - | - |
| Issued | 333,000 | 0.10 |
| **Balance – May 31, 2026** | **333,000** | **0.10** |

**5. SHARE CAPITAL (continued)**

The following table provides additional information about outstanding warrants as at May 31, 2026:

| Number of warrants outstanding | Exercise price $ | Expiry Date | Weighted average remaining life (years) | Recognized estimated grant date fair value $ |
|---|---|---|---|---|
| **333,000** | **0.10** | **March 20, 2031** | **4.81** | **$25,193** |

*e) **Share purchase Options***

The Company has a stock option plan (the "Plan") under which the Company may grant options to directors, officers, employees and consultants. The continuity of outstanding stock options is as follows:

| | | Number of stock options | Weighted average exercise price per share $ |
|---|---|---|---|
| **Balance – June 10, 2024** | | - | - |
| **Granted** | (i) | 200,000 | 0.05 |
| **Balance – May 31, 2025** | | 200,000 | 0.05 |
| **Cancelled** | (ii), (iii) | (120,000) | 0.05 |
| **Granted** | (ii), (iii) | 130,000 | 0.05 |
| **Balance – May 31, 2026** | | **210,000** | **0.05** |

(i) On March 20, 2025, the Company granted 200,000 options with a fair value of $9,015, recorded as reserves in the statements of shareholders' equity, to the directors and officers. Each option vested at grant date and allows the holder to purchase one common share of the Company at an exercise price of $0.05 per common share until March 20, 2035. The fair value of these options of $0.045 per option was estimated at the grant date based on the Black-Scholes valuation model using the following assumptions: share price of $0.05; expected life of 10 years; expected volatility of 100%; expected dividend yield of 0%, forfeiture rate 0%, and a risk-free interest rate of 2.85%.

(ii) On July 17, 2025, 80,000 options granted to a former director were cancelled and 90,000 options were granted to a new director with a fair value of $4,069. Each option vested at grant date and allows the holder to purchase one common share of the Company at an exercise price of $0.05 per common share until July 17, 2035. The fair value of these issued options of $0.045 per option was estimated at the grant date based on the Black-Scholes valuation model using the following assumptions: share price of $0.05; expected life of 10 years; expected volatility of 100%; expected dividend yield of 0%, forfeiture rate 0%, and a risk-free interest rate of 3.38%.

(iii) On August 5, 2025, 40,000 options granted to a director were cancelled and 40,000 options were granted to a new officer with a fair value of $1,807. Each option vested at grant date and allows the holder to purchase one common share of the Company at an exercise price of $0.05 per common share until August 5, 2035. The fair value of these issued options of $0.045 per option was estimated at the grant date based on the Black-Scholes valuation model using the following assumptions: share price of $0.05; expected life of 10 years; expected volatility of 100%; expected dividend yield of 0%, forfeiture rate 0%, and a risk-free interest rate of 3.19%.

## 5. SHARE CAPITAL (continued)

The following table provides additional information about outstanding stock options as at May 31, 2026:

| Number of options outstanding | Number of options exercisable | Exercise price | Expiry Date | Weighted average remaining life (years) |
|---|---|---|---|---|
| **120,000** | **120,000** | **$0.05** | **March 20, 2035** | **8.81** |
| **50,000** | **50,000** | **$0.05** | **July 17, 2035** | **9.13** |
| **40,000** | **40,000** | **$0.05** | **August 5, 2035** | **9.19** |
| **210,000** | **210,000** | **$0.05** | | **8.96** |

Following the cancellation of a total of 120,000 options, an amount of $5,414 was reclassified from reserves to contributed surplus.

## 6. RELATED PARTY TRANSACTIONS

Key management includes the Company's directors, officers and any employees with authority and responsibility for planning, directing and controlling the activities of an entity, directly or indirectly. Certain key management personnel provide services through companies that they control. The following transactions are in the normal course of operations and are measured at their exchange amount, which is the amount agreed upon by the transacting parties.

***Related party transactions for the period include the following:***

| | **2026** **$** | 2025 $ |
|---|---|---|
| Legals fees paid or accrued to a related party | **28,182** | 39,619 |
| Share based compensation | | |
| Directors | **4,069** | 7,212 |
| Officers | **1,807** | 1,803 |
| | **34,058** | 48,634 |

## 7. INCOME TAXES

Income tax recovery differs from the amount that would be computed by applying the Canadian statutory income tax rate of 27% to income before taxes. A reconciliation of income taxes for the period at statutory rates is as follows:

| | **2026** **$** | 2025 $ |
|---|---|---|
| Net loss for the period | **(104,574)** | (86,337) |
| Statutory tax rate | **27%** | 27% |
| Expected income tax recovery | **(27,712)** | (22,879) |
| Share-based compensation | **1,557** | 2,339 |
| Share issue costs and other | **(32,277)** | - |
| Deferred tax assets not recognized | **58,432** | 20,540 |
| **Current income tax expense** | **-** | - |

**7. INCOME TAXES (continued)**

Deferred taxes are provided as a result of temporary differences that arise due to differences between the income tax values and the carrying amount of assets and liabilities. As at May 31, 2026, the Company has non-capital losses for income tax purposes of approximately $200,380 which can be carried forward to be applied against future taxable income and $97,439 of share issue costs deductible over the next 4 years. These losses expire to the extent unutilized against future taxable income in 2045-2046.

Deferred tax assets have not been recognized because it is not probable that future taxable profit will be available against which the Company can utilize the benefits therefrom.

**8. CAPITAL MANAGEMENT**

The Company manages its common shares and accumulated deficit as capital. The Company's objective for managing capital is to maintain sufficient capital to identify, evaluate and complete an acquisition or other transaction as disclosed in Note 1. The Company sets the amount of capital in relation to risk and manages the capital structure and makes adjustments to it in light of changes to economic conditions and the risk characteristics of the underlying assets.

In order to facilitate the management of its capital requirements, the Company may prepare expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

The Company expects its current capital resources will be sufficient to carry its operations. 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 to cover prescribed costs of issuing common shares or administrative and general expenses of the Company. These restrictions may apply until completion of a Qualifying Transaction by the Company as defined under the policies of the Exchange.

**9. FINANCIAL RISK MANAGEMENT**

The Company has classified its financial instruments at May 31, 2026 as follows:

| | **2026** | 2025 |
|---|---|---|
| | **$** | $ |
| **FVTPL, measured at fair value:** | | |
| Cash | **189,113** | 25,088 |
| **Financial liabilities, measured at amortized cost:** | | |
| Accounts payable and accrued liabilities | **13,932** | 26,597 |

**Fair value Hierarchy**

Financial instruments recorded at fair value are classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. Cash is classified as Level 1. The hierarchy is summarized as follows:

Level 1 Quoted prices (unadjusted) in active markets for identical assets and liabilities.

**9. FINANCIAL RISK MANAGEMENT (continued)**

Level 2 Inputs that are observable for the asset or liability, either directly (prices) or indirectly (derived from prices) from observable market date.

Level 3 Inputs for assets and liabilities not based upon observable market data.

The Company's financial instruments are exposed to certain financial risk which include the following:

***Market risk***

Market risk is the risk that fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market price comprises three types of risk: currency risk, interest rate risk and price risk. These are discussed further below.

*Interest rate risk*

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk.

*Currency risk*

Currency risk is the risk that fluctuations in the rates of exchange on foreign currencies would impact the Company's future cash flows. The Company is currently not exposed to significant foreign exchange risk.

*Price risk*

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company is not exposed to any significant price risk with respect to its financial instruments.

***Credit risk***

Credit risk is the risk of loss due to the counterparty's inability to meet its obligations. The Company has exposure to credit risk through its cash. The Company does not believe it is exposed to any significant concentration of credit risk.

***Liquidity risk***

Liquidity risk is the risk that the Company will not be able to meet its obligations as they fall due.

The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. Senior management is also actively involved in the review and approval of planned expenditures.

As at May 31, 2026 the Company had current liabilities of $13,932 due within 12 months and current assets of $189,113. As at May 31, 2026 the Company has a working capital of $175,181.

**10. SUBSEQUENT EVENTS**

On August 2, 2026, 40,000 options were cancelled following the resignation of an officer.