One World Lithium Inc.

Consolidated Financial Statements
Expressed in Canadian Dollars, unless otherwise noted

For the Three Months Ended March 31, 2026 and 2025

NOTICE TO READER

The accompanying unaudited condensed consolidated interim financial statements of ONE WORLD LITHIUM INC. (the "Company") have been prepared by and are the responsibility of the Company's management. The unaudited condensed consolidated interim financial statements have not been reviewed by the Company's auditors.

One World Lithium Inc.
Condensed Consolidated Interim Statements of Financial Position
As at March 31, 2026 and December 31, 2025
Expressed in Canadian Dollars

As at	Notes		March 31, 2026		December 31, 2025
ASSETS					
Current					
Cash		$	2,690	$	43
Receivables and advances			6,264		22,058
Total current assets		**$**	**8,954**	**$**	**22,101**
Intangible assets	4		15,000		15,000
Right-of-use asset	8		101,966		-
TOTAL ASSETS		**$**	**125,920**	**$**	**37,101**
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities	5	$	1,969,482	$	1,914,654
Due to related parties	11		894,168		842,936
Loans and borrowings	6		168,047		171,708
Interest payable	6		7,622		5,507
Other liability	7		143,216		143,216
Lease liability	8		34,164		-
Share subscriptions payable	9		75,000		-
Total current liabilities			**3,291,699**		**3,078,021**
Lease liability.	8		36,844		-
TOTAL LIABILITIES		**$**	**3,328,543**	**$**	**3,078,021**
SHAREHOLDERS' DEFICIT					
Share capital	9	$	24,095,716	$	24,095,716
Contributed surplus	10		815,440		452,262
Share-based payments and warrants reserve	10		1,042,090		1,419,268
Accumulated deficit			(29,155,869)		(29,008,166)
TOTAL SHAREHOLDERS' DEFICIT		**$**	**(3,202,623)**	**$**	**(3,040,920)**
TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIT		**$**	**125,920**	**$**	**37,101**

Segment reporting (Note 13)
Events after reporting period (Note 14)
Approved on behalf of the Board of Directors on June 1, 2026

"Douglas Fulcher"	*"Kevin Milledge"*
Director	Director

The accompanying notes are an integral part of these unaudited condensed consolidated interim financial statements

One World Lithium Inc.

Condensed Consolidated Interim Statements of Loss and Comprehensive Loss
For the three months ended March 31, 2026 and 2025
Expressed in Canadian Dollars except number of shares

			Three months ended		
	Notes		March 31, 2026		March 31, 2025
Operating expenses					
General and administration	11	$	33,078	$	51,920
Professional and consulting fees	11		115,616		218,340
Depreciation	8		3,516		-
Total operating expenses		**$**	**(152,210)**	**$**	**(270,260)**
Other income (expenses)					
Net financing cost	6,8		(9,496)		(8,033)
Foreign exchange gain (loss)			3		(62)
Net loss and comprehensive loss		**$**	**(161,703)**	**$**	**(278,355)**
Loss per share attributable to shareholders – basic and diluted		**$**	(0.00)	**$**	(0.00)
Weighted average number of common shares outstanding – basic and diluted			213,183,652		201,433,261

The accompanying notes are an integral part of these unaudited condensed consolidated interim financial statements

One World Lithium Inc.
Condensed Consolidated Interim Statements of Changes in Shareholders' Deficit
For the three months ended March 31, 2026 and 2025
Expressed in Canadian Dollars

	Notes		Share capital		Contributed surplus		Share-based payments and warrants reserve		Accumulated deficit		Total shareholders' deficit
Balance as at December 31, 2024		**$**	**24,081,365**	**$**	**445,362**	**$**	**1,393,578**	**$**	**(28,092,280)**	**$**	**(2,171,975)**
Stock options expired	10(a)		–		–		(218,400)		218,400		–
Net loss for the period			–		–		–		(278,355)		(278,355)
Balance as at March 31, 2025		**$**	**24,081,365**	**$**	**445,362**	**$**	**1,175,178**	**$**	**(28,152,235)**	**$**	**(2,450,330)**
Balance as at December 31, 2025		**$**	**24,095,716**	**$**	**452,262**	**$**	**1,419,268**	**$**	**(29,008,166)**	**$**	**(3,040,920)**
Transfer of warrants expired	9		–		363,178		(363,178)		–		–
Stock options expired	10(a)		–		–		(14,000)		14,000		–
Net loss for the period			–		–		–		(161,703)		(161,703)
Balance as at March 31, 2026		**$**	**24,095,716**	**$**	**815,440**	**$**	**1,042,090**	**$**	**(29,155,869)**	**$**	**(3,202,623)**

One World Lithium Inc.
Condensed Consolidated Interim Statements of Cash Flows
For the three months ended March 31, 2026 and 2025
Expressed in Canadian Dollars

For the three months ended:		March 31, 2026		March 31, 2025
Cash (used in) provided by:				
OPERATING ACTIVITIES				
Net loss	**$**	**(161,703)**	**$**	**(278,355)**
Non-cash items:				
Net financing cost		9,666		8,033
Depreciation		3,516		-
Changes in non-cash working capital items				
Receivables and advances		15,794		4,192
Prepaid expenses and deposits		-		(5,947)
Accounts payable and accrued liabilities		48,575		120,581
Due to related parties		16,200		90,694
Net cash used in operating activities	**$**	**(67,952)**	**$**	**(60,802)**
FINANCING ACTIVITIES				
Repayment of loans and borrowings	$	(4,401)	$	-
Proceeds from loans and borrowings		-		62,200
Advances for private placement		75,000		-
Net cash provided by financing activities	**$**	**70,599**	**$**	**62,200**
Net increase (decrease) in cash in the period	$	2,647	$	1,398
Cash – opening balance	**$**	**43**	**$**	**-**
Cash – ending balance	**$**	**2,690**	**$**	**1,398**

Supplemental cash flow information

For the three months ended:		March 31, 2026		March 31, 2025
Share purchase warrants expired	$	363,178	$	–
Stock options expired	$	14,000	$	218,400
Right-of-use asset on initial recognition	$	105,482	$	–
Lease liability on initial recognition	$	73,712	$	–
Interest earned and received	$	170	$	–

NOTE 1 – NATURE OF OPERATIONS AND GOING CONCERN

One World Lithium Inc., together with its subsidiary (collectively referred to as the "Company") was incorporated under the laws of the province of British Columbia on November 9, 1982. The Company is focused on the acquisition, exploration and development of lithium resource properties and a new lithium separation extraction technology. The Company is in an early stage of development of lithium separation technology. The Company's administrative office is Suite 1150-1100 Melville Street, Vancouver, BC, V6E 4A6 and its Registered and Records Office is the same. On January 19, 2018, the Company changed its name to One World Lithium Inc. to align with its primary exploration and evaluation asset and the trading symbol on the CSE was changed to OWLI. On March 7, 2019, the Company also began trading on the OTCQB Venture Market under the trading symbol OWRDF until September 30, 2025 whereby the Company delisted its shares from the OTCQB Venture Market to the Pink Limited equity market under the same symbol.

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") on a going concern basis, which contemplates the realization of assets and discharge of liabilities at their carrying values in the ordinary course of operations for the foreseeable future rather than through the process of forced liquidation.

During the three months ended March 31, 2026, the Company had a net loss of $161,703 and cash used in operating activities of $102,116. As at March 31, 2026, the Company has an accumulated deficit of $29,155,869 and a working capital deficit of $3,282,745. As a result, the Company may not have sufficient capital to fund its current planned operations for the foreseeable future.

These consolidated financial statements do not include any adjustments to the classification and amounts of assets and liabilities that may be required should the Company be unable to continue as a going concern. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. The Company's continuing operations as intended are dependent upon its ability to identify, evaluate and negotiate the acquisition of, participation in or interest in new properties, assets or business opportunities, as well as the successful results from exploration activities, development of its lithium separation technology and its ability to attain profitable operations and generate funds therefrom, and raise equity capital or obtain the necessary financing sufficient to meet current and future obligations. These conditions indicate the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern. Although the Company has been successful at raising funds in the past through the issuance of securities, it is uncertain whether it will be successful in doing so in the future.

NOTE 2 - BASIS OF PREPARATION AND PRESENTATION, STATEMENT OF COMPLIANCE

These condensed consolidated interim financial statements for the three months ended March 31, 2026 have been prepared in accordance with IAS 34 *Interim Financial Reporting*, and should be read in conjunction with the Company's last annual consolidated financial statements as at and for the year ended December 31, 2025 ('last annual financial statements'). They do not include all of the information required for a complete set of financial statements prepared in accordance with IFRS. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's consolidated financial position and performance since the last annual financial statements.

These condensed consolidated interim financial statements include the accounts of the Company and Lithium Investments Ltd., its wholly-owned subsidiary, a Canadian company.

These condensed consolidated interim financial statements were authorized for issue by the Company's board of directors on June 1, 2026.

Critical accounting judgments and estimates

Critical accounting estimates and judgments applied to these Financial Statements are the same as those applied to the Company's audited consolidated financial statements for the year ended December 31, 2025 except for:

Accounting for co-tenancy

The Company has assessed that the cost-sharing arrangement with Centenario Gold Corp. ("CTG") (Note 8 and 11) gives rise to an economic obligation in respect of 50% of the Lease cash flows. Accordingly, the Company has recognized a right-of-use asset and a lease liability measured at 50% of the contractual amounts under the Lease. The remaining 50% represents CTG's economic obligation.

Lease – Discount Rate

In instances where the Company cannot readily determine the interest rate implicit in a lease, it uses its incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as interest rate spreads for credit and other risks).
The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

Management notes no critical judgments exercised in the application of accounting policies and estimates having the most significant effects on the amounts recognized in these condensed consolidated interim financial statements.

NOTE 3 – MATERIAL ACCOUNTING POLICIES

The accounting policies applied in these condensed consolidated interim financial statements are the same as those applied in the Company's audited consolidated financial statements as at and for the year ended December 31, 2025 except for:

a) Right-of-use assets and lease liabilities

The Company assesses whether a contract is a lease based on whether the contract conveys the right to control the use ("ROU") of an underlying asset for a period of time in exchange for consideration. Leases are recognized as a lease liability and a corresponding ROU asset at the date on which the leased asset is available for use by the Company. Liabilities and assets arising from a lease are initially measured on a present value basis. Lease liabilities are measured at the present value of the remaining lease payments, discounted using the Company's estimated incremental borrowing rate when the rate implicit in the lease is not readily available. The corresponding right-of-use assets are measured at the amount equal to the lease liability.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in the future lease payments arising from a change in an index or rate, if there is a change in the amount expected to be payable under a residual value guarantee or if there is a change in the assessment of whether the Company will exercise a purchase, extension or termination option that is within the control of the Company. The ROU asset, initially measured at an amount equal to the corresponding lease liability, is depreciated on a straight-line basis, over the shorter of the estimated useful life of the asset or the lease term. The ROU asset may be adjusted for certain remeasurements of the lease liability and impairment losses

Co-lessee arrangements

Where the Company is a co-lessee under a lease contract on a joint-and-several basis with another party, the Company recognizes its economic share of the right-of-use asset and lease liability based on the cost-sharing arrangement with the co-lessee. The Company's residual exposure to the co-lessee's share is disclosed as a contingent liability in accordance with IAS 37.

NOTE 4 – INTANGIBLE ASSETS

On September 28, 2023, the Company signed an Assignment and License Agreement ((the "Definitive Agreement") with MatterGreen LLC ("MG"), an arm's length Oregon limited liability company, pursuant to which MG shall file and assign to the Company (the "Assignment") two separate patent applications for Lithium Carbonation that is a lithium extraction technology (together, the "OWL Patent Applications"). Following the Assignment, the Company will be the sole and exclusive owner of the OWL Patent Applications. The OWL Patent Applications are for natural brine and for slurries made from pegmatite, clay, volcanic rock and sediment. Additional patents may be filed in the future as a result of the ongoing research & development ("R&D"). The assignment of the OWL Patent Applications was completed in November 2024 for the consideration of 1,000,000 common shares of the Company valued at $15,000; refer to Note 9 for additional information.

Expressed in Canadian Dollars except otherwise noted

NOTE 5 – ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

		March 31, 2026		December 31, 2025
Trade payables and accrued liabilities	$	1,611,896	$	1,563,321
Part XII.6 tax payable		357,586		351,333
Total accounts payable and accrued liabilities	**$**	**1,969,482**	**$**	**1,914,654**

NOTE 6 – LOANS AND BORROWINGS, AND INTEREST PAYABLE

The loans and borrowings, including interest payable on March 31, 2026 and December 31, 2025 and the changes for the respective periods then ended, respectively, are as follows:

		March 31, 2026		December 31, 2025
Opening balance	**$**	**177,215**	**$**	**63,037**
Proceeds (i)(ii)		-		107,200
Interest		2,855		6,978
Repayments		(4,401)		-
Ending balance	**$**	**175,669**	**$**	**177,215**

		March 31, 2026		December 31, 2025
Unsecured federal government term loan with principal due on December 31, 2026 with monthly interest payments beginning in January 2024 and ending in December 2026 at a fixed rate of 5%. The portion of the loan may be forgiven with early repayment by January 2024 (i).		60,847		64,508
Unsecured term loan with up to $107,200 principal maturing within the year from the closing date, with accrued interest at a fixed rate of 8% (ii). (a)		107,200		107,200
Total loans and borrowings	$	168,047	$	171,708
Less: current portion of loans and borrowings	$	168,047	$	171,708
Non-current loans and borrowings	**$**	**-**	**$**	**-**

(i) The Company did not repay the loan by January 2024, therefore the Company recognized an additional liability of $20,000 as the terms of loan forgiveness were not met. The corresponding expense was recognized as other expense in the consolidated statement of loss and comprehensive loss. The loan is due on December 31, 2026 and accrued a fixed interest rate of 5%.

(ii) On July 15, 2025, the Company entered into Loan Agreements (the “Loans”) with lenders borrowing a total of $107,200. The Loans are unsecured and will bear interest of 8% per annum. The term of the Loans will be twelve (12) months or five (5) business days following a written notice of the Company that the Company has raised a minimum of one million dollars through an equity or debt financing.

As an inducement for the Loans, the Company has issued an aggregate of 3,573,332 share purchase warrants to the lenders. Each share purchase warrant will entitle the holder to purchase one common share of the Company at an exercise price of C$0.05 for a period of twenty-four (24) months expiring on July 15, 2027. The balance as of March 31, 2026, represents $107,200 of principal and accrued interest of $6,085.

(a) The accrued interest of $7,622 on these loans is outstanding as of March 31, 2026.

Expressed in Canadian Dollars except otherwise noted

Repayments due on loans and borrowings, including interest, for the next five years and thereafter are as follows:

Year		
2026	$	175,669
2027		-
2028		-
2029		-
2030		-
Thereafter		-
	$	**175,669**

NOTE 7 – OTHER LIABILITY

On July 16, 2025, the Company announced that it had entered into an Umbrella Technology Agreement with a major mining company to assist in the funding of the lithium recovery testing. During the testing period, the mining company will have the right to continue to work with the Company to advance the technology by contributing to the financing of a phase two program to continue the research and development work on the technology. As at December 31, 2025, the Company had received an advance of $143,216.

NOTE 8 – RIGHT-OF-USE ASSET AND LEASE LIABILITY

On February 18, 2026 the Company, together with Centenario Gold Corp., entered into a lease agreement (the "Lease") in respect of an office premise located at 1100 Melville Street, Vancouver, British Columbia. The Company and CTG are co-tenants under the Lease and are jointly and severally liable to the landlord for all obligations thereunder. The economic rights and obligations under the Lease are shared equally between the Company and CTG. The Company and CTG have separately agreed to share all rights, costs, and obligations arising under the Lease equally on a 50/50 basis. The Lease is the only lease to which the Company is party at the reporting date. Related party aspects of the cost-sharing arrangement with CTG are disclosed in note 11.

The lease commences March 1, 2026 and ends on August 30, 2028 with no option to renew or extend. The lease was measured as the present value of lease payments and using a 9.50% interest rate, being the Company's estimated incremental borrowing rate.

A continuity of right-of-use asset balances as at March 31, 2026 is as follows:

Right-of-use asset		Office Property
Cost		
Balance, December 31, 2024 and 2025	**$**	**-**
Additions		105,482
Balance, March 31, 2026	**$**	**105,482**
Accumulated Depreciation		
Balance, December 31, 2024 and 2025	**$**	**-**
Depreciation in the period		3,516
Balance, March 31, 2026	**$**	**3,516**
Carrying value		
Balance, December 31, 2025	$	-
Balance, March 31, 2026	**$**	**101,966**

Expressed in Canadian Dollars except otherwise noted

At March 31, 2026, the Company is committed to minimum lease payments as follows:

		March 31, 2026		December 31, 2025
Maturity analysis – contractual undiscounted cash flows				
Less than one year	$	39,138	$	-
One to five years		42,400		-
More than five years		-		-
Total undiscounted lease liabilities	**$**	**81,538**	**$**	**-**
Lease liabilities	**$**	**71,008**	**$**	**-**
Current	$	34,164	$	-
Non-current	$	36,844	$	-

During the three months ended March 31, 2026, the Company recognized total interest expense of $558 (March 31, 2025 - $nil) in connection with its lease liabilities.

NOTE 9 – SHARE CAPITAL

a) Common shares

Authorized: unlimited common shares without par value

	Number of Shares		Amount
Balance, December 31, 2024	**213,183,652**	**$**	**24,081,365**
Common shares issued to settle debt (i)	574,042		14,351
Balance, December 31, 2025 and March 31, 2026	**213,757,694**	**$**	**24,095,716**

(i) On September 5, 2025, the Company issued 574,042 common shares to settle $17,221 of debt owing to a vendor of the Company. The fair-value of common shares issued was $14,351, based on the market price of $0.025 per common share observed on the date of settlement. This resulted in a gain on settlement of $2,870 recognized for the year ended December 31, 2025.

b) Warrants

The Company's warrants outstanding as at March 31, 2026 are as follows:

	Number of Warrants		Weighted Average Exercise Price
Balance, December 31, 2024	**108,567,615**	**$**	**0.10**
Issued (Note 8(a)(i)(ii),(b)(i)	3,573,332		0.05
Expired	(300,000)		0.05
Balance, December 31, 2025	**111,840,947**	**$**	**0.10**
Expired (iii)	(45,322,210)		0.10
Balance, March 31, 2026	**66,518,737**	**$**	**0.09**

(i) On July 15, 2025, the Company issued 3,573,332 share purchase warrants ("Loan Warrants") to various lenders of the Company (Note 6(iii)). Each Warrant will entitle the holder to purchase one common share of the Company at an exercise price of $0.05 for a period of twenty-four (24) months expiring on July 15, 2027. The total fair-value of the warrants issued was $75,040 estimated using the Black-Scholes option-pricing model with the following weighted average assumptions:

	December 31, 2025
Grant Date Share Price	$0.025
Exercise Price	$0.05

Expressed in Canadian Dollars except otherwise noted

		December 31, 2025
Expected Life		2.00
Volatility		216.58%
Dividend Yield		0.00%
Risk Free Rate		2.83%
Forfeiture rate		0.00%
Fair-value per warrant	$	0.02

The total fair-value cost of the Loan Warrants has been presented as part of net financing cost for the year ended December 31, 2025.

(ii) On December 5, 2025, the Company amended 14,581,220 warrants, which were previously granted on December 20, 2022, by extending the expiry date of the warrants for an additional two years with an amended expiry date of December 20, 2027. The grant date fair value of all the amended warrants during the year ended December 31, 2025 was estimated using the Black-Scholes option-pricing model with the following weighted average assumptions:

		Amended Warrants		Original Warrants
Grant Date Share Price		$0.020		$0.020
Exercise Price		$0.080		$0.080
Expected Life (years)		0.04		2.04
Volatility		150%		222%
Dividend Yield		0%		0%
Risk Free Rate		2.64%		2.64%
Forfeiture rate		0.00%		100.00%
Fair-value per warrant	$	-	$	0.02

The total cost of warrant amendments during the year ended December 31, 2025 is $233,300 which has been recorded as financing expense in statement of loss and comprehensive loss.

(iii) During the three months ended March 31, 2026, 45,022,210 and 300,000 warrants with exercise prices of $0.10 and $0.05 respectively, and expiry dates of March 1, 2026 and January 31, 2026 respectively, expired unexercised resulting in the transfer of $363,178 from warrant reserve to contributed surplus.

Warrants outstanding as of March 31, 2026 are as follows:

Expiry Date	Exercise Price	Outstanding Warrants
September 14, 2026	$0.08	2,496,000
November 3, 2026	$0.12	12,770,341
December 7, 2026	$0.12	17,350,843
May 31, 2027	$0.05	180,000
August 14, 2027	$0.06	9,231,835
November 7, 2027	$0.06	6,335,166
July 15, 2027	$0.05	3,573,332
December 20, 2027	$0.08	14,581,220
	$0.09	**66,518,737**

The weighted average remaining contractual life of warrants outstanding as of March 31, 2026 is 0.73 years (December 31, 2024 – 1.58 years).

Expressed in Canadian Dollars except otherwise noted

NOTE 10 – SHARE-BASED PAYMENTS

On February 4, 2013, the Company adopted a "rolling" stock option plan for its employees, directors, officers and self-employed consultants, which plan received regulatory approval in 2013. The terms of the plan provide for options to be granted to a maximum of 10% of the issued and outstanding common shares of the Company at the time of grant of the stock options. The exercise price of each option shall not be less than the minimum price permitted by the policies of the Exchange. The options may be granted for a maximum term of ten years from the date of grant, and at the Board's election, may include vesting provisions. The total amount of share-based payments expense, if any, which is expected to be recognized over the vesting period of options, is recognized during the period in which it occurs.

On October 31, 2018, at the Company's Annual General Meeting the shareholders approved a new stock option plan to incorporate the polices of the Canadian Stock Exchange ("CSE"). Under the new stock option plan the maximum number of shares of the Company reserved for issuance will be limited to 10% of the issued shares of the Company at the time of any granting of options (on a non-diluted basis). In addition, the number of shares which may be reserved for issuance to any one individual may not exceed 5% of the issued shares on a yearly basis or 2% if the optionee is engaged in investor relations activities or is a consultant. The Board may from time to time authorize the issue of options to directors, officers, employees and consultants of the Company and its subsidiaries or employees of companies providing management or consulting services to the Company or its subsidiaries. The exercise price of each option shall be determined by the Board provided that such exercise price shall be not lower than the greater closing price of the Company's shares on the CSE on the trading day prior to the date of grant. The options may be granted for a maximum term of ten years from the date of grant, and at the Board's election, may include vesting provisions. The total amount of share-based payments expense, if any, which is expected to be recognized over the vesting period of options, is recognized during the period in which it occurs.

a) Stock options

The Company recorded no share-based compensation expense for the three months ended March 31, 2026 and 2025.

Movements in the number of stock options outstanding and their related weighted average exercise prices are as follows:

	Number of options		Weighted average exercise price
Balance, December 31, 2024	**13,600,000**	**$**	**0.05**
Granted (i)	250,000		0.05
Expired (ii)	(8,400,000)		0.06
Balance, December 31, 2025	**5,450,000**	**$**	**0.05**
Expired (iii)	(1,000,000)		0.05
Balance, March 31, 2026	**4,450,000**	**$**	**0.05**

(i) During the year ended December 31, 2025, the Company granted a 250,000 incentive stock options to consultants of the Company for accounting services rendered. The Company fair-valued the options granted using the Black-Scholes option pricing model and the following weighted average inputs:

	December 31, 2025
Grant Date Share Price	$0.020
Exercise Price	$0.050
Expected Life	3.00
Volatility	189.50%
Dividend Yield	0.00%
Risk Free Rate	2.64%
Fair-value per option	$0.02

(ii) During the year ended December 31, 2025, a total of 8,400,000 stock options expired without exercise resulting in a transfer of $280,000 from share-based payment reserve to accumulated deficit.

(iii) During the three months ended March 31, 2026, a total of 1,000,000 stock options expired without exercise resulting in a transfer of $14,000 from share-based payment reserve to accumulated deficit.

Expressed in Canadian Dollars except otherwise noted

Stock options outstanding and exercisable as at March 31, 2026 are as follows:

Number of Options Outstanding	Number of Options Exercisable		Exercise Price	Expiry Date
600,000	600,000	$	0.05	November 16, 2026
3,600,000	3,600,000	$	0.05	November 13, 2027
250,000	250,000	$	0.05	August 29, 2028
4,450,000	**4,450,000**	**$**	**0.05**	

The weighted average remaining contractual life of stock options outstanding and exercisable at March 31, 2026 is 1.53 years (December 31, 2025 – 1.18 years).

NOTE 11 – RELATED PARTY TRANSACTIONS AND BALANCES

Key management personnel compensation

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company defines key management personnel as being the directors and key officers.

The compensation awarded to key management personnel is as follows:

	For the three months ended:			
		March 31, 2026		March 31, 2025
Professional and consulting fees	$	45,000	$	84,000
Director fees		4,500		13,500
Total compensation	**$**	**49,500**	**$**	**97,500**

Other related party transactions

Effective May 1, 2016, the Company entered into an office rental agreement in which an officer and director is a shareholder. The Company was charged rent, office and parking expenses:

	For the three months ended:			
		March 31, 2026		March 31, 2025
Rent, office and parking	$	14,956	$	24,048

Due to related parties

Balances owed to key management personnel and related parties, which are included in accounts payable and accrued liabilities are as follows:

		March 31, 2026		December 31, 2025
Due to Chief Financial Officer	$	572,766	$	571,095
Due to Chief Executive Officer and President		183,032		177,590
Due to directors		58,275		53,550
Rent, office and parking payable		80,095		40,701
Total balance due to related parties	**$**	**894,168**	**$**	**842,936**

The Company jointly entered into a Lease with CTG (Note 8), a related party entity due to sharing of common management. The contractual term commences March 1, 2026, and expires August 30, 2028. Under the Lease, the Company and CTG are jointly and severally liable for all obligations under the Lease and have separately agreed to share all rights, costs, and obligations equally on a 50/50 basis. Refer to note 8 for the Company's lessee accounting in respect of its 50% share. As at March 31, 2026, the Company owes CTG $51,894 in relation to the Lease, comprising of:

- $33,358 in prepaid rent deposit paid by CTG on behalf of the Company;
- $6,672 representing 50% of rent on the Lease paid by CTG on behalf of the Company; and
- $11,864 of office moving expenses paid by CTG on behalf of the Company.

All balances owed from the Company to CTG are unsecured, due on demand and non-interest bearing.

NOTE 12 – FINANCIAL INSTRUMENTS

Fair values

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs in the valuation techniques as follows:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

The carrying values of cash, receivables, accounts payable and accrued liabilities, and share subscriptions payable approximate their fair values due to the immediate or short-term nature of these instruments. The fair values of loans and borrowings approximate their carrying values due to the market rate of interest being applied. There has been no significant change in credit and market interest rates since the date of its receipt.

Fair value estimates are made at a specific point in time, based on relevant market information and information about the financial instruments. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and, therefore, cannot be determined with precision. Change in assumptions could significantly affect the estimates.

The following table summarizes the classification of the Company's financial instruments under IFRS 9 – *Financial Instruments*:

Financial assets	
Cash	Amortized cost
Receivables and advances	Amortized cost
Financial liabilities	
Accounts payable and accrued liabilities	Amortized cost
Due to related parties	Amortized cost
Loans and borrowings	Amortized cost
Interest payable	Amortized cost
Other liability	Amortized cost
Share subscriptions payable	Amortized cost

Capital and risk management

The Company's objective and polices for managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Company manages its capital structure and makes changes based on economic conditions, risks that impact the operations and future significant capital investment opportunities. In order to maintain or adjust its capital structure, the Company may issue new equity instruments or raise additional debt financing.

The Company is exposed to a variety of financial risks by virtue of its activities: market risk, interest rate risk, liquidity risk and foreign currency risk. The Board of Directors has overall responsibility for the determination of the Company's capital and risk management objectives and policies while retaining ultimate responsibility for them. The Company's overall capital and risk management program has not changed throughout the period. It focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on financial performance. Risk management is carried out by the finance department under policies approved by the Board of Directors. The finance department identifies and evaluates financial risks in close cooperation with management.

Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's interest-bearing debt instrument has a fixed interest rate and is not subject to interest rate cash flow risk.

The interest-bearing financial instruments, as reported in the consolidated financial statements, have the following interest rate profile:

As at:		March 31, 2026		December 31, 2025
Fixed rate instruments	$	212,513	$	177,215

Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company generally relies on external financing or key management to provide sufficient liquidity to meet budgeted operating requirements. The following table sets forth details of the payment profile of financial liabilities based on their undiscounted cash flows:

		Total carrying amount		Contractual cash flows		Less than 1 year		1 to 5 years		More than 5 years
Accounts payable and accrued liabilities	$	1,969,482	$	1,969,482	$	1,969,482	$	-	$	-
Due to related parties		894,168		894,168		894,168		-		-
Loans and borrowings		168,047		168,047		168,047		-		-
Interest payable		7,622		7,622		7,622		-		-
Other liability		143,216		143,216		143,216		-		-
Share subscriptions payable		75,000		75,000		75,000		-		-
Totals	**$**	**3,257,535**	**$**	**3,257,535**	**$**	**3,257,535**	**$**	**-**	**$**	**-**

Taking into consideration the Company's current cash position, volatile equity markets, global uncertainty in the capital markets and increasing cost pressures, the Company is continuing to review its needs to seek financing opportunities in accordance to its capital risk management strategy.

Foreign currency risk
Foreign currency risk is defined as the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company maintains financial instruments and enters into transactions denominated in foreign currencies, principally in U.S. dollar, which exposes the Company to fluctuating balances and cash flows due to various in foreign exchange rates.

NOTE 13 – SEGMENT REPORTING

As at March 31, 2026, the Company's operations are based in Canada.

NOTE 14 – EVENTS AFTER REPORTING PERIOD

On April 30, 2026, the Company announced a non-brokered private placement up to 20,000,000 units (each, a "Unit") of the Company at a price of $0.04 per Unit, for gross proceeds of up to $800,000 with (the "Offering"). All amounts are stated in Canadian dollars. Each Unit will consist of one common share (each, a "Common Share") of the Company and one non-transferable Common Share purchase warrant (each, a "Warrant"). Each Warrant will entitle the holder thereof to purchase one additional Common Share (each, a "Warrant Share") at a price of $0.08 per Warrant Share for a period of 36 months from the closing of the Offering.

On May 5, 2026, the Company announced it had reprised its non-brokered private placement (the "Offering"), originally announced on April 30, 2026. Under the revised terms, the Offering will consist of up to 20,000,000 units (each, a "Unit") at a price of $0.045 per Unit, for gross proceeds of up to $900,000. All other terms and conditions of this Offering remain unchanged.