



**SUPERQ QUANTUM COMPUTING INC.**

**ANNUAL FINANCIAL STATEMENTS**

**For the years ended December 31, 2025 and 2024**

Expressed in Canadian Dollars

# Independent Auditor's Report

To the Shareholders of SuperQ Quantum Computing Inc.

## Opinion

We have audited the financial statements of SuperQ Quantum Computing Inc. (the "Company"), which comprise the statement of financial position as at December 31, 2025, and the statement of loss and comprehensive loss, changes in equity and cash flows for the year then ended, 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 December 31, 2025, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

## 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 Matter**

The financial statements of the Company for the year ended December 31, 2024, were audited by another auditor who expressed an unmodified opinion on those statements on May 14, 2025.

## **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 Barry Hartley.

The image shows a handwritten signature in black ink. The signature consists of a large, stylized letter 'D' followed by the letters 'MCL' in a bold, sans-serif font. To the right of 'MCL' are the letters 'LLP' in a smaller, lighter font.

**DMCL LLP**  
CHARTERED PROFESSIONAL ACCOUNTANTS  
Vancouver, BC  
April 30, 2026

**SUPERQ QUANTUM COMPUTING INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**As at December 31, 2025 and December 31, 2024**  
**Expressed in Canadian Dollars**

	<b>December 31, 2025</b>	<b>December 31, 2024</b>
	\$	\$
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash	2,341,637	1
Receivable (Note 6)	58,157	-
Prepaid expenses	146,902	-
<b>Total current assets</b>	<b>2,546,696</b>	<b>1</b>
Exploration and evaluation assets (Notes 4 and 5)	-	-
<b>TOTAL ASSETS</b>	<b>2,546,695</b>	<b>1</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current Liabilities</b>		
Accounts payable (Note 6)	236,405	-
Accrued liabilities	60,000	-
Deferred income	5,316	-
<b>TOTAL LIABILITIES</b>	<b>301,721</b>	<b>-</b>
<b>Equity</b>		
Share capital (Note 5)	7,219,783	-
Share reserve (Note 5)	1,648,744	160,292
Deficit	(6,623,552)	(160,291)
<b>TOTAL EQUITY</b>	<b>2,244,975</b>	<b>1</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,546,696</b>	<b>1</b>

Nature and continuance of operations and going concern (Note 1)  
Subsequent events (Note 10)

Approved and authorized for issue on behalf of the Board on April 30, 2026

“Muhammad Khan”  
MUHAMMAD KHAN

“Manoj Joseph”  
MANOJ JOSEPH

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

**SUPERQ QUANTUM COMPUTING INC.**  
**STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**  
**For the years ended December 31, 2025 and 2024**  
**Expressed in Canadian Dollars**

	<b>December 31, 2025</b>	<b>December 31, 2024</b>
	\$	\$
<b>EXPENSES</b>		
Accounting and audit	123,338	-
Advertising and marketing	317,475	10,001
Bank charges	2,128	-
Consulting fees (Note 6)	574,438	6,641
Filing fees	124,224	-
Foreign exchange	10,798	-
Hardware and software	23,106	53,069
Management and directors' fees (Note 6)	412,500	99,099
Office expenses	82,690	38,852
Professional fees	314,361	-
Share-based compensation (Notes 5 and 6)	1,176,547	-
Salaries and wages (Note 6)	158,442	-
<b>Total expenses</b>	<b>(3,320,047)</b>	<b>(207,662)</b>
Impairment on exploration and evaluation assets (Note 4)	(5,000)	-
Other income (Note 6)	47,216	47,371
Transaction costs (Notes 6 and 7)	(250,000)	-
Listing expense (Note 7)	(3,043,605)	-
Write-off of accounts payable	108,175	-
<b>Net and comprehensive loss for the year</b>	<b>(6,463,261)</b>	<b>(160,291)</b>
<b>Basic and diluted loss per share</b>	<b>(0.48)</b>	<b>-</b>
<b>Weighted average number of shares outstanding</b>	<b>13,471,886</b>	<b>-</b>

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

**SUPERQ QUANTUM COMPUTING INC.**  
**STATEMENTS OF CHANGES IN EQUITY**  
**Expressed in Canadian Dollars**

	Number of shares	Share capital	Share Reserve	Deficit	Total equity
		\$	\$	\$	\$
<b>Balances, December 31, 2023</b>	-	-	-	-	-
Change in net investment by Staque (Note 6)	-	-	160,292	-	160,292
Net loss for the year	-	-	-	(160,291)	(160,291)
<b>Balances, December 31, 2024</b>	-	-	<b>160,292</b>	<b>(160,291)</b>	<b>1</b>
Shares issued for cash (Note 5)	3,285,713	3,449,999	-	-	3,449,999
Share issuance cost (Note 5)	-	(512,268)	196,381	-	(315,887)
Shares issued pursuant to the Transaction (Notes 5, 6 and 7)	15,465,585	3,866,396	7,596	-	3,873,992
Shares of SuperQ issued (Notes 5 and 7)	10,000,000	-	-	-	-
Shares issued as transaction costs (Notes 6 and 7)	1,000,000	250,000	-	-	250,000
Shares issued for debt settlement (Notes 5 and 6)	137,812	165,375	-	-	165,375
Shares issued for mineral properties acquisition (Notes 4 and 5)	20,000	5,000	-	-	5,000
Adjustment for warrants for term extension (Note 5)	-	(4,719)	4,719	-	-
Share-based compensation (Notes 5 and 6)	-	-	1,176,547	-	1,176,547
Change in net investment by Staque (Note 6)	-	-	103,209	-	103,209
Net loss for the year	-	-	-	(6,463,261)	(6,463,261)
<b>Balances, December 31, 2025</b>	<b>29,909,110</b>	<b>7,219,783</b>	<b>1,648,744</b>	<b>(6,623,552)</b>	<b>2,244,975</b>

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

**SUPERQ QUANTUM COMPUTING INC.**  
**STATEMENTS OF CASH FLOWS**  
**For the years ended December 31, 2025 and 2024**  
**Expressed in Canadian Dollars**

	<b>December 31, 2025</b>	<b>December 31, 2024</b>
	\$	\$
<b>OPERATING ACTIVITIES</b>		
Net loss for the year	(6,463,261)	(160,291)
Non-cash items		
Impairment on exploration and evaluation assets	5,000	-
Share-based compensation	1,176,547	-
Transaction costs	250,000	-
Listing expense	3,043,605	-
Write-off of accounts payable	(108,175)	-
Changes in working capital items:		
Receivable	(46,518)	-
Prepaid expense	(127,262)	-
Accounts payable	201,287	-
Accrued liabilities	60,000	-
Deferred income	5,316	-
Cash used in operating activities	(2,003,461)	(160,291)
<b>INVESTING ACTIVITIES</b>		
Cash received from the Transaction	1,107,776	-
Cash used in investing activities	1,107,776	-
<b>FINANCING ACTIVITIES</b>		
Contribution by Staque Computing FZ-LLC	103,209	160,292
Shares issued for cash	3,449,999	-
Share issue costs	(315,887)	-
Cash from financing activities	3,237,321	160,292
<b>Change in cash</b>	<b>2,341,636</b>	<b>1</b>
Cash, beginning of the year	1	-
<b>Cash, end of the year</b>	<b>2,341,637</b>	<b>1</b>

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

**SUPERQ QUANTUM COMPUTING INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the years ended December 31, 2025 and 2024**  
**Expressed in Canadian Dollars**

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**1. NATURE AND CONTINUANCE OF OPERATIONS AND GOING CONCERN**

Staque Computing FZ-LLC (“Staque”) is incorporated pursuant to the laws, rule and regulations of Ras Al Khaimah Economic Zone Authority and having an office located at FDBC2559, Compass Building, Al Shohada Road, AL Hamra Industrial Zone-FZ, Ras Al Khaimah, United Arab Emirates. Staque’s quantum computing software platform, “SuperQ”, combines quantum annealing, gate-based quantum computing and high-performance computing to solve science and industry’s most challenging problems. By automating complex problem-solving and dynamically orchestrating computations across classical and quantum resources. SuperQ removes traditional computational bottlenecks and enables organizations to solve high-stakes optimization challenges with efficiency.

On March 21, 2025, Staque entered into an asset purchase agreement (the “Transaction”) with Atco Mining Inc. (“Atco”) whereby Atco acquired SuperQ from Staque. Under the terms of the definitive agreement, Atco agreed to acquire SuperQ in exchange for 10,000,000 common shares of Atco, and Atco will continue as a technology issuer with a focus on quantum computing. At the closing of the Transaction on July 9, 2025, Atco changed its name from Atco Mining Inc. to SuperQ Quantum Computing Inc. (the “Company”), make board and management changes, and subject to the approval of the Canadian Securities Exchange, commenced trading on the CSE under a new trading symbol (Note 7).

Upon the closing of the Transaction, Staque holds 10,000,000 common shares of the Resulting Issuer, representing approximately 39.3% of the outstanding Company shares, and the current shareholders of Atco will hold 15,465,585 Company shares, representing approximately 60.7% of the outstanding resulting issuer shares.

On July 9, 2025, the Company completed its fundamental change through asset acquisition from Staque and commenced trading on the CSE under a new trading symbol of “QBTQ”.

On July 9, 2025, the Company consolidated its issued and outstanding common shares on a ten 10 for 1 basis (Note 5).

On September 9, 2025, the Company completed its listing on the OTCQB Markets, under the symbol “QBTQF”.

**Carve-out principles**

Prior to the Transaction completed on July 9, 2025, SuperQ was not a single entity or a legal sub-group for financial statement reporting purposes in accordance with IAS 27 Consolidated and Separate Financial Statements (“IAS 27”). Instead, SuperQ is presented on a carve-out basis reflecting its business activities extracted from Staque. Accordingly, the comparable financial information reflects the assets, liabilities, operations, and cash flows of SuperQ.

**SUPERQ QUANTUM COMPUTING INC.**  
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**1. NATURE AND CONTINUANCE OF OPERATIONS AND GOING CONCERN**  
**(continued)**

Management has extracted the information used to prepare these financial statements from historical financial information provided by Staque. Management evaluated each of the accounts of Staque, and carved-out, on a reasonable basis, the balances and activity of SuperQ.

Therefore, the comparable information represents the statement of financial position as at December 31, 2024, loss and comprehensive loss, changes in equity and cash flows for the year ended December 31, 2024 of SuperQ, and have been prepared from historical results of operations, assets, and liabilities attributable to SuperQ.

The statements of loss and comprehensive loss for the year ended December 31, 2024, include general and administrative costs incurred by Staque on the carved-out assets, as well as a pro-rata allocation of Staque's indirect general and administration expenses incurred in the year.

The financial information as at December 31, 2024 and for the year ended December 31, 2024 is presented as if SuperQ had always existed as a single entity on a standalone basis.

**Going concern**

These financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. As at December 31, 2025, the Company has not generated revenue or cash flow from operations to fund its activities and therefore relies principally upon the issuance of securities for financing. Future capital requirements will depend on many factors including the Company's ability to execute its business plan. These factors form a material uncertainty which may cast significant doubt upon the Company's ability to continue as a going concern. The Company intends to continue relying upon the issuance of securities to finance its future activities but there can be no assurance that such financing will be available on a timely basis under terms acceptable to the Company.

Although these financial statements do not include any adjustments that may result from the inability to secure future financing, such a situation would have a material adverse effect on the Company's recoverability of assets, classification of assets and liabilities, and results of operations should the Company be unable to continue as a going concern. Such adjustments could be material.

**SUPERQ QUANTUM COMPUTING INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**2. MATERIAL ACCOUNTING POLICY INFORMATION**

**Statement of compliance**

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

These financial statements were approved by the Board of Directors of the Company on April 30, 2026.

**Basis of presentation**

These financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The financial statements are presented in Canadian Dollars, the Company’s functional currency.

**Significant accounting estimates and judgments**

Use of estimates and assumptions

The preparation of financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. The Company’s management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the fair value measurements for financial instruments, the recoverability and measurement of deferred tax assets, and contingent liabilities.

Significant judgments

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments applying to the Company’s financial statements include:

**SUPERQ QUANTUM COMPUTING INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

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. The Company has disclosed a material uncertainty regarding going concern in Note 1 which requires the use of management's judgment on the ability of the Company to continue its operations and to develop or acquire a self-sustaining business or assets.

While management believes judgements and the estimates are reasonable, actual results could differ from those judgements and estimates and could impact future results of operations and cash flows.

Income taxes and recoverability of potential deferred tax assets

In assessing the probability of realizing income tax assets recognized, management makes estimates related to expectations of future taxable income, applicable tax planning opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities.

Share-based payments

The Company has an equity-settled share-based program for directors, officers, employees and consultants. Management determines values for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based non-vested share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, risk-free interest rate and for stock-based compensation, future employee stock option exercise behaviors and corporate performance. Such judgments and assumptions are inherently uncertain, and any changes in these assumptions affect the fair value estimates.

**SUPERQ QUANTUM COMPUTING INC.**  
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**Expressed in Canadian Dollars**

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

**Impairment of assets**

The carrying amount of the Company's assets is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in profit or loss.

The recoverable amount of assets is the greater of an asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years. Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

**Share-based compensation**

The Company grants share purchase options and restricted share units to acquire common shares of the Company to directors, officers, employees, and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes or provides services like those performed by an employee. Share-based payments to employees and others providing similar services are measured at the estimated fair value of the instruments issued on the grant date and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued if it is determined 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 fair value of the stock options is determined using the Black-Scholes Option Pricing Model. The fair value of stock options is recognized to expense over the vesting period.

Consideration paid for the shares on the exercise of share purchase options is credited to share capital.

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

**Share issue costs**

Costs directly identifiable with the raising of capital will be charged against the related share capital. Costs related to shares not yet issued are recorded as deferred financing costs. These costs will be deferred until the issuance of the shares to which the costs relate, at which time the costs will be charged against the related share capital or charged to operations if the shares are not issued.

The value of compensatory warrants granted to agents in a private placement is determined using the Black-Scholes Option Pricing Model. The fair value of these compensatory warrants is recognized as share issuance costs, with the offsetting credit to reserves.

**Basic and diluted loss per share**

Basic earnings (loss) per share is computed by dividing net earnings (loss) available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted earnings per share is computed similar to basic earnings (loss) per share except that the weighted average shares 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. This calculation proved to be anti-dilutive for the periods presented.

**Financial instruments**

(i) Classification

The Company 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 Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company’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 Company 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 if the Company has opted to measure them at FVTPL.

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

The following table shows the classification of financial assets and liabilities:

Financial assets/liabilities	Classification
Cash	FVTPL
Receivable	Amortized cost
Accounts payable	Amortized cost

(ii) 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 the statements of comprehensive loss in the period in which they arise.

(iii) Derecognition

Financial assets

The Company 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.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition are recognized in profit or loss.

**SUPERQ QUANTUM COMPUTING INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**Expressed in Canadian Dollars**

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

**Income taxes**

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the country where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided for based on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

**Valuation of equity units issued in private placements**

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the most reliably measured component based on fair value and then the residual value, if any, to the less reliably measurable component.

**SUPERQ QUANTUM COMPUTING INC.**  
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**2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

**Accounting standards and interpretations issued but not yet effective**

The Company has reviewed the accounting standards or amendments to existing accounting standards that have been issued but have future effective dates and determined that these are either not applicable or are not expected to have a significant impact on the Company's financial statements.

In April 2024, the IASB issues IFRS 18 Presentation and Disclosure in Financial Statements ("IFRS 18"), which will replace IAS 1 and includes requirements for all entities applying IFRS Accounting Standards for the presentation and disclosure of information in the financial statements. IFRS 18 will introduce new totals, subtotals, and categories for income and expenses in the statement of income, as well as requiring disclosure about management-defined performance measures and additional requirements regarding the aggregation and disaggregation of certain information. It will be effective on January 1, 2027, with earlier adoption permitted, and it must be adopted on a retrospective basis. The Company is currently evaluating the impact on its financial statements.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

**3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

The Company's financial instruments consist of cash, receivable and accounts payable.

**Fair values**

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

The fair value hierarchy has the following levels:

Level 1 - quoted prices (unadjusted) in active markets for identical assets and liabilities;

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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**3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)**

The fair value of cash is determined using level 1 of the fair value hierarchy. The carrying values of receivable and accounts payable approximate their fair values due to the expected maturity of these financial instruments.

**Financial instrument risk exposure and risk management**

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company considers the fluctuations of financial markets and seeks to minimize potential adverse effects on financial performance.

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management process.

(a) Credit risk

Credit risk is the risk of a financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligation. The Company's exposure to credit risk is limited to cash. The Company manages credit risk, in respect of cash, by placing its cash with a major Canadian financial institution in accordance with the Company's investment policy.

Concentration of credit risk exists with respect to the Company's cash as all amounts are held at a single major Canadian financial institution. The Company's concentration of credit risk and maximum exposure thereto is considered low.

The maximum exposure to credit risk is equal to the fair value or carrying value of cash.

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in obtaining funds to meet commitments. The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments. The Company's liquidity risk is considered high.

(c) Market risk

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

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**3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)**

i. Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Certain of the Company's accounts payable are subject to interest on unpaid balances. Additionally, the Company holds cash balances in an interest-bearing bank account. The interest rate risk is considered minimal.

ii. Commodity price risk

Commodity price risk is the risk that the fair or future cash flows of a financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company actively monitors commodity price changes and stock market prices to determine the appropriate course of action to be taken by the Company. Commodity price risk is minimal.

iii. Foreign Currency Risk

Currency risk is the risk that the fair values or future cash flows of a financial instrument will fluctuate as they are denominated in currencies that differ from the respective functional currency. The Company's expenses are denominated in Canadian dollars. The Company's corporate office is based in Canada and current exposure to exchange rate fluctuations is minimal. The functional currency of the Company is the Canadian dollar. As of December 31, 2025, the Company had no financial assets and liabilities that are subject to currency risk. Foreign currency risk is assessed to be minimal.

**4. EXPLORATION AND EVALUATION ("E&E") ASSETS**

Prior to the Transaction, Atco formerly entered into a mineral property acquisition agreement. Under the agreement, Atco was required to issue 20,000 consideration shares. During the year ended December 31, 2025, the shares were issued at fair value of \$5,000 (Note 5).

As the Company went through a fundamental change of business, the Company no longer is interested in the mineral property and recorded an impairment of \$5,000 during the year ended December 31, 2025.

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**5. SHARE CAPITAL**

**Share Capital**

(a) Authorized:

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

(b) As at December 31, 2025, the Company has 29,909,110 (December 31, 2024: nil) common shares issued and outstanding.

During the year ended December 31, 2025:

- i. On October 21, 2025, the Company issued 3,285,713 common shares units at a price of \$1.05 per share for aggregate gross proceeds of \$3,449,999 through a Listed Issuer Financing Exemption (“LIFE”) financing. In connection with this financing, the Company paid shares issuance cost of \$241,500 and warrants with a fair value of \$196,381, and legal fees of \$74,387.
- ii. On September 5, 2025, the Company settled its debt by issuance of 137,812 common shares at a fair value of \$165,375 (Note 6).
- iii. On July 9, 2025, the Company completed consolidated its issued and outstanding common shares on a 10 for 1 basis (one new share for 10 old shares). All share and per-share disclosures in these financial statements are presented on a post-consolidation basis.
- iv. Pursuant to the Transaction, the Company issued 15,465,585 common shares at a fair value of \$3,866,396 (Note 7).
- v. On July 9, 2025, the Company issued 10,000,000 common shares to Staque with a fair value of \$Nil as the shares are deemed to be the issued shares of SuperQ and 1,000,000 common shares to finders with a fair value of \$250,000 upon completion of the Transaction (Notes 6 and 7).
- vi. On April 4, 2025, the Company issued 20,000 common shares at a fair value of \$5,000 for E&E assets (Note 4).

**Warrants**

During the year ended December 31, 2025:

Pursuant to the Transaction, the Company issued 4,367,517 warrants. The incremental fair value for the issuance was \$7,596 (Note 7).

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**5. SHARE CAPITAL (continued)**

In connection with the LIFE financing held on October 21, 2025, the Company issued 3,285,713 share purchase warrants entitling the holder thereof to purchase one additional share at a price of \$1.40 until October 21, 2028. Under the residual method, the 3,285,713 warrants issued attached to the private placement units was valued at \$nil.

The Company also issued 230,000 finder's warrants. The fair value of 230,000 finder's warrants of \$196,381 was calculated using Black-Scholes Option Pricing Model with the following assumptions: stock price – \$1.30; exercise price – \$1.05; expected life – three years; volatility – 97.50%; dividend yield – \$nil; and risk-free rate – 2.40%.

During the year ended December 31, 2025, the Company extended the life of 1,199,400 warrants from August 15, 2025 to February 16, 2026. As a result of the extension, the Company recorded \$4,719 for the incremental change in fair value.

	Number of warrants	Weighted Average Exercise Price
		\$
Balance, December 31, 2024	-	-
Warrants issued a result of the Transaction	4,367,517	1.64
Issued	3,515,713	1.38
Balance, December 31, 2025	7,883,230	1.52

Details of warrants outstanding are:

Expiry date	Exercise price	Number outstanding	Outstanding life (years)
	\$		
March 7, 2026 <sup>iii)</sup>	2.40	671,250	0.18
March 18, 2026 <sup>iii)</sup>	1.50	1,705,400	0.21
April 11, 2026 <sup>iii)</sup>	1.50	363,546	0.28
May 17, 2026 <sup>i, ii, iii)</sup>	1.50	1,199,400	0.13
May 17, 2026 <sup>iii)</sup>	1.50	427,921	0.38
October 21, 2028	1.40	3,285,713	2.81
October 21, 2028	1.05	230,000	2.81
		7,883,230	1.37

- i) During the year ended December 31, 2025, the Company approved the extension of these warrants from the expiry date of August 15, 2025 to February 16, 2026 and then subsequently to May 17, 2026.
- ii) Finder's warrants totaling 26,400 expired on February 16, 2026.

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**5. SHARE CAPITAL (continued)**

- iii) On January 29, 2026, the Company subsequently extended the expiry dates of an aggregate of 3,903,796 outstanding common share purchase warrants to May 17, 2026. The warrants were issued in connection with non-brokered private placements of units by the Company on August 16, 2023, March 7, 2023, March 18, 2024, and April 11, 2024, with each unit consisting of one common share and one warrant.

**Share Purchase Options**

The Company has adopted a Stock Option Plan under which the aggregate number of shares that may be issued pursuant to the exercise of the stock options awarded under the Stock Option Plan and all other security-based compensation arrangements of the Company shall not exceed 10% of the issued and outstanding shares at any given time.

During the year ended December 31, 2025:

On October 1, 2025, the Company granted 430,000 share purchase options to a certain consultant, entitling the holder thereof to purchase one additional share at a price of \$1.26 until October 1, 2029. The fair value of \$371,911 was calculated using Black-Scholes Option Pricing Model with the following assumptions: stock price – \$1.26; exercise price – \$1.26; expected life – four years; volatility – 97.50%; dividend yield – \$nil; and risk-free rate – 2.47%. The options vests over 43 months. During the year ended December 31, 2025, the Company recognized share-based compensation of \$92,383.

On August 19, 2025, the Company granted 200,000 share purchase options to a consultant, entitling the holder thereof to purchase one additional share at a price of \$1.20 until August 19, 2028. The fair value of \$130,440 was calculated using Black-Scholes Option Pricing Model with the following assumptions: stock price – \$1.09; exercise price – \$1.20; expected life – three years; volatility – 97.50%; dividend yield – \$nil; and risk-free rate – 2.69%. The options vest at 50% as of the grant date and 25,000 each month after. During the year ended December 31, 2025, the Company recorded share-based compensation of \$130,440.

On August 5, 2025, the Company granted 1,060,000 share purchase options to certain directors, officers and consultants, entitling the holder thereof to purchase one additional share at a price of \$1.08 until August 5, 2028. The fair value of \$953,724 was calculated using Black-Scholes Option Pricing Model with the following assumptions: stock price – \$1.36; exercise price – \$1.08; expected life – three years; volatility – 97.50%; dividend yield – \$nil; and risk-free rate – 2.69%. All of the options vest immediately.

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**5. SHARE CAPITAL (continued)**

A summary of share options activity is:

	Number of share purchase options	Weighted Average Exercise Price
		\$
Balance, December 31, 2024	-	-
Granted	1,690,000	1.14
Balance, December 31, 2025	1,690,000	1.14

Details of share options outstanding are:

Expiry date	Exercise price	Number Outstanding	Number Exercisable	Outstanding life (years)
	\$			
August 5, 2028	1.08	1,060,000	1,060,000	2.60
August 19, 2028	1.20	200,000	200,000	2.64
October 1, 2029	1.26	430,000	30,000	3.75
	1.14	1,690,000	1,290,000	2.90

**Restricted Share Units**

The Company has a Restricted Share Unit (“RSU”) Plan that allows for the granting of RSU’s to eligible officers, employees, directors and consultants. The maximum RSU term is 10 years.

Each RSU represents the right to receive, upon vesting, one common share of the Company.

During the years ended December 31, 2025 and 2024, there were no restricted share units were granted.

**Share reserve**

The share reserve includes stock-based compensation expense related to fair value of stock options granted and also the fair value of warrants issued for services, until such time that the stock options or warrants are exercised, at which time the corresponding amount will be transferred to share capital. The reserve also includes the relative fair value of attachable warrants issued as a part of units in conjunction with private placements of common shares.

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**5. SHARE CAPITAL (continued)**

**Escrow shares**

As at December 31, 2025 and there were 9,000,000 shares held in escrow (December 31, 2024 – Nil). The remaining shares held in escrow will be released in increments of 17% every six months according to the established schedule.

**6. KEY MANAGEMENT COMPENSATION AND 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.

Key management includes directors and key officers of the Company, including the Chief Executive Officer (“CEO”), Chief Financial Officer (“CFO”), Chief Operating Officer (“COO”), Chief Business Officer (“CBO”) and other officer, and companies controlled by directors and key officers of the Company.

	<b>Year ended December 31, 2025</b>	<b>Year ended December 31, 2024</b>
	\$	\$
Consulting fees <sup>1)</sup>	183,478	-
Management and directors’ fees <sup>2)</sup>	412,500	69,012
Salaries and wages	158,442	-
Share-based compensation (Note 5)	584,831	-
<b>Total key management compensation</b>	<b>1,339,251</b>	<b>69,012</b>

1) Consulting fees were paid to companies controlled by a certain officer, a director, and an employee of the Company

2) Management and directors’ fees included former directors’ fees of \$9,000 during the year ended December 31, 2025 (2024 - \$13,500)

As at December 31, 2025, \$125,805 (December 31, 2024: \$nil) was payable to companies controlled by directors and officers and is included in accounts payable. The amounts due bear no interest and are payable on demand and are unsecured.

During the year ended December 31, 2025, the Company settled its debt of \$165,375 with a company having a common CFO and controlled by other officer through the issuance of 137,812 common shares with a fair value of \$165,375 (Note 5).

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**6. KEY MANAGEMENT COMPENSATION AND RELATED PARTY BALANCES AND TRANSACTIONS (continued)**

During the year ended December 31, 2025, 10,000,000 common shares of the Company were issued to a company controlled by a director and an officer (Notes 5 and 7) upon completion of the Transaction.

During the year ended December 31, 2025, the Company entered into an agreement with a company controlled by a director and an officer to share revenue from development services, starting July 10, 2025. The Company earned \$12,600, which was recorded in other income.

The underlying revenue was from another company controlled by the same director and officer and was receivable as of December 31, 2025. As at December 31, 2025, the balance is outstanding and recorded as a receivable.

During the year ended December 31, 2025, Staque contributed \$103,209 (December 31, 2024: \$160,292) to pay for operating expenditures incurred.

**7. TRANSACTION**

On July 9, 2025, the asset acquisition of SuperQ from Staque was completed (Note 1).

The Transaction constituted a reverse takeover, where SuperQ will be deemed to be a continuation of the Company and control of the assets and operations of the Company. Atco will be deemed to have been acquired in consideration for the issuance of the Company's shares to the former shareholders of Atco.

At the time of the transaction, the Company did not constitute a business as defined under IFRS 3 Business Combination; therefore, the transaction will be accounted for under IFRS 2 Share-Based Payment, where the difference between the consideration given to acquire the Company and the net assets of the Company acquired is recorded as listing expense.

The allocation of net assets of Atco acquired pursuant to the acquisition is as follows:

Total purchase consideration:

	\$
Fair value of 15,465,585 common shares issued (Note 5)	3,866,396
Fair value of 4,367,517 warrants issued (Note 5)	7,596
	<hr/> 3,873,992

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**7. TRANSACTION (continued)**

Allocation of Purchase Consideration:

Net assets acquired:	
Cash	1,107,776
Receivable	11,639
Prepaid expenses	19,640
Accounts payable and accrued liabilities	(308,668)
	<hr/>
	830,387
Listing expense	3,043,605
	<hr/>
	3,873,992

In connection with the Transaction, Staque was issued 10,000,000 common shares with a deemed value of \$Nil as the shares are deemed to be the issued shares of SuperQ. Additionally, in connection with the completion of the Transaction, the Company issued an aggregate of 1,000,000 common shares at a price of \$0.25 per common share to those who assisted with the Transaction (Note 5).

**8. CAPITAL MANAGEMENT**

The Company manages its capital structure and makes adjustments to it based on the funds available and the operational needs of the business. The Company's primary objective in managing capital is to ensure it has sufficient financial flexibility to support the continued development and commercialization of its proprietary technology platforms and to maintain the ability to pursue strategic opportunities that enhance shareholder value.

The Board of Directors does not establish specific quantitative return-on-capital criteria for management but relies on the expertise of management to balance the Company's development objectives with prudent financial risk management.

Since the Company is in the development and early commercialization stage, it is dependent on external financing to fund its operations, research and development activities, and general administrative expenditures. The Company's capital management strategy is to preserve a strong working capital position while seeking to raise additional funds through equity issuance, debt financing, or strategic partnerships as necessary.

Management continuously reviews its capital structure and funding requirements in light of economic conditions, business prospects, and market opportunities, and believes that its current approach is appropriate given the Company's stage of development and scale of operations. The Company is not subject to any externally imposed capital requirements and there are no changes to the approach.

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**9. INCOME TAXES**

A reconciliation of the provision for income taxes is as follows:

	<b>2025</b>	<b>2024</b>
	\$	\$
Loss before income taxes	6,463,261	-
Combined federal and provincial statutory income tax rate	27%	27%
Recovery of income taxes based on combined tax rate	1,745,080	-
Non-deductible items	(1,290)	-
Share issuance costs	85,289	-
Other	(274,388)	-
Change in valuation allowance	(1,554,691)	-
Income tax recovery	-	-

The Company's deferred income tax assets and liabilities arise from the following items:

	<b>2025</b>	<b>2024</b>
	\$	\$
Deferred tax assets arising from:		
Deductible share issue costs	66,943	-
Losses deductible against future taxable income	1,487,748	-
Net deferred tax assets	1,554,691	-
Valuation allowance	(1,554,691)	-
Deferred tax assets recognized	-	-

The Company has not recognized a deferred tax asset in respect of non-capital loss carry forwards of approximately \$5,510,182 which may be carried forward to apply against future income tax for Canadian income tax purposes, subject to the final determination of taxation authorities expiring in the following years:

Expiry	\$
2044	160,291
2045	5,349,891
<b>Total</b>	<b>5,510,182</b>

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**10. SUBSEQUENT EVENTS**

On January 5, 2026, the Company entered into debt settlement agreements with consultants whereby the Company agreed to settle indebtedness owing in an amount of \$294,000 through the issuance of 210,000 shares at a fair value of \$1.40 per share.

On January 15, 2026, the Company granted 150,000 options to a consultant of the Company. Each option is exercisable at \$1.20 per option over a two year term.

On January 20, 2026, the Company granted 25,000 options to a consultant of the Company. Each option is exercisable at \$1.30 per option over a two year term.

On January 29, 2026, the Company subsequently extended the expiry dates of an aggregate of 3,903,796 outstanding common share purchase warrants to May 17, 2026. The warrants were issued in connection with non-brokered private placements of units by the Company on August 16, 2023, March 7, 2023, March 18, 2024, and April 11, 2024, with each unit consisting of one common share and one warrant (Note 5).

Subsequent to the year ended December 31, 2025, the Company issued 250,000 common shares pursuant to 250,000 options exercised at a price of \$1.08/option for gross proceeds of \$270,000.

Subsequent to the year ended December 31, 2025, the Company issued 100,000 common shares pursuant to 100,000 warrants exercised at a price of \$1.50/warrant for gross proceeds of \$150,000.

Subsequent to the year ended December 31, 2025, the Company granted 765,598 RSUs to consultants with various vesting terms. Of the 765,598 granted, 253,598 RSUs have vested and therefore the shares have been issued.