



## **RESOLVE ENERGY INC.**

### Interim Financial Statements

For the nine month period ended November 30, 2025

#### **Notice of No Auditor Review of Unaudited Interim Financial Statements**

The accompanying interim consolidated statements of ReSolve Energy Inc. (the "Corporation") for the nine months ended November 30, 2025 (the "Financial Statements") have been prepared by and are the responsibility of the Corporation's management and have not been reviewed by the Corporation's auditors.

The Financial Statements are stated in terms of Canadian dollars, unless otherwise indicated, and are prepared in accordance with International Accounting Standards 34 ("IAS 34") and International Financial Reporting Standards ("IFRS").



**RESOLVE ENERGY INC.**  
Statements of Financial Position

As at	Notes	November 30, 2025 \$	(Audited) February 28, 2025 \$
<b>Current assets</b>			
Cash and equivalents		560,352	-
Prepaid expenses	10	1,550,000	-
Sales taxes recoverable		26,957	-
<b>Total current assets</b>		<b>2,137,309</b>	<b>-</b>
Property, plant and equipment	5	176,188	207,278
Interest in ReSolve Hydrogen Inc.	4	-	451,804
Marketable securities	4	-	200,000
<b>Total assets</b>		<b>2,313,497</b>	<b>859,082</b>
<b>Current liabilities</b>			
Bank overdraft		-	8,123
Accounts payable and accrued liabilities	10	230,963	34,678
Sales taxes payable		-	373
Payroll and wage levies		12,712	7,394
<b>Total current liabilities</b>		<b>243,675</b>	<b>50,568</b>
<i>Going concern</i>	1		
<b>Shareholders' equity</b>			
Share capital	7	8,462,049	6,901,882
Warrants reserve	7	334,106	-
Share based compensation	7	214,736	-
Deficit		(6,941,069)	(6,093,368)
<b>Total shareholders' equity</b>		<b>2,069,822</b>	<b>808,514</b>
<b>Total liabilities and shareholders' equity</b>		<b>2,313,497</b>	<b>859,082</b>

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

Approved on behalf of the Board of Directors:

*(signed) Ian C. Peres*

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Ian C. Peres, President & CEO

*(signed) Michael Mansfield*

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Michael Mansfield, Director



**RESOLVE ENERGY INC.**  
Statements of Changes In Shareholders' Equity

	Notes	Share capital		Warrant reserve	Share based compensation	Deficit	Shareholders' equity
		Shares	\$				
<b>Balance as at February 28, 2025, previously reported</b>		<b>22,154,370</b>	<b>6,901,882</b>	-	-	<b>(6,093,368)</b>	<b>808,514</b>
Reorganization of shareholders' equity on reverse takeover	2	-	(939,833)	334,106	214,736	2,550,376	2,159,385
<b>Balance as at February 28, 2025, revised</b>		<b>26,549,992</b>	<b>5,962,049</b>	<b>334,106</b>	<b>214,736</b>	<b>(3,542,992)</b>	<b>2,967,899</b>
Share issuance on conversion of subscription receipts	7	10,000,000	2,500,000				2,500,000
Loss and comprehensive loss						(3,398,077)	(3,398,077)
<b>Balance as at November 30, 2025</b>		<b>36,549,992</b>	<b>8,462,049</b>	<b>334,106</b>	<b>214,736</b>	<b>(6,941,069)</b>	<b>2,069,822</b>
<b>Balance as at February 29, 2024</b>		26,549,992	6,814,382	-	-	(6,639,592)	174,790
Loss and comprehensive loss						(32,749)	(32,749)
<b>Balance as at November 30, 2024</b>		26,549,992	6,814,382	-	-	(6,672,341)	142,041

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



**RESOLVE ENERGY INC.**

Statements of Loss, Comprehensive Loss and Deficit

Periods ended November 30,	Notes	Three months		Nine months	
		2025	2024	2025	2024
		\$	\$	\$	\$
<b>Other Income</b>					
Government grants	7	-	-	-	9,375
Rental income		-	25,303	27,311	47,962
		-	25,303	27,311	57,337
<b>Expenses</b>					
Wages and benefits		22,848	10,483	88,168	36,955
Depreciation - property, plant and equipment	5	10,363	13,969	31,090	41,906
Rent and utilities		19,767	2,039	59,250	6,418
Management fees	9	22,917	-	22,917	-
General & administration		12,758	1,175	14,052	1,827
Legal & audit		34,579	-	92,808	2,980
		123,232	27,666	308,285	90,086
<b>Loss before income taxes</b>		<b>(123,232)</b>	<b>(2,363)</b>	<b>(280,974)</b>	<b>(32,749)</b>
<b>Other items</b>					
Listing expense	2, 7	2,465,299	-	2,465,299	-
Writedown on interest in ReSolve Hydrogen Inc.	4	451,804	-	451,804	-
Cancellation of marketable securities	4	180,000	-	180,000	-
Mark-to-market of marketable securities	4	-	-	20,000	-
<b>Loss before income taxes</b>		<b>(3,220,335)</b>	<b>(2,363)</b>	<b>(3,398,077)</b>	<b>(32,749)</b>
Deferred taxes	8	-	-	-	-
<b>Loss and comprehensive loss</b>		<b>(3,220,335)</b>	<b>(2,363)</b>	<b>(3,398,077)</b>	<b>(32,749)</b>
<b>Deficit, beginning of period</b>		<b>(3,720,734)</b>	<b>(6,669,978)</b>	<b>(3,542,992)</b>	<b>(6,639,592)</b>
<b>Deficit, end of period</b>		<b>(6,941,069)</b>	<b>(6,672,341)</b>	<b>(6,941,069)</b>	<b>(6,672,341)</b>
<b>Loss per share (basic and diluted)</b>		<b>(\$0.12)</b>	<b>(\$0.00)</b>	<b>(\$0.12)</b>	<b>(\$0.00)</b>
<b>Weighted average outstanding shares</b>		<b>27,673,280</b>	<b>26,549,992</b>	<b>27,673,280</b>	<b>26,549,992</b>

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



**RESOLVE ENERGY INC.**

Statements of Cash Flows

Nine months ended November 30,		2025	2024
	Notes	\$	\$
<b>Operating activities</b>			
Loss and comprehensive loss		(3,398,077)	(32,749)
Add: non-cash items			
Depreciation - property, plant and equipment	5	31,090	41,906
Listing expense	2, 7	2,465,299	-
Reorganization of shareholders' equity on reverse takeover	2	(305,914)	-
Writedown on interest in ReSolve Hydrogen Inc.	4	451,804	-
Cancellation of marketable securities	4	180,000	-
Mark-to-market of marketable securities	4	20,000	-
Net change in non-cash working capital balances			
Prepaid expenses	10	(1,550,000)	-
Sales taxes recoverable		(27,330)	7,807
Payroll and wage levies payable		5,318	7,783
Accounts payable and accrued liabilities	10	196,285	(11,034)
Cash used in operating activities		(1,931,525)	13,713
<b>Financing activities</b>			
Share issuance on conversion of subscription receipts	7	2,500,000	-
Due to related party	9	-	(18,000)
Cash provided from financing activities		2,500,000	(18,000)
<b>Net increase (decrease) in cash and equivalents</b>		<b>568,475</b>	<b>(4,287)</b>
Cash and equivalents (deficiency), beginning of period		(8,123)	2,256
<b>Cash and equivalents (deficiency), end of period</b>		<b>560,352</b>	<b>(2,031)</b>

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



## RESOLVE ENERGY INC.

Notes to the Interim Consolidated Financial Statements  
For the nine months ended November 30, 2025

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### 1. Nature of operations and going concern

#### Nature of operations

ReSolve Energy Inc. (the "Corporation" or "ReSolve") was originally incorporated as *QNB Metals Inc.* under the Canada Business Corporations Act on October 19, 2020.

On October 20, 2025, *QNB Metals Inc.* completed a reverse takeover transaction (the "RTO") and changed its name to ReSolve Energy Inc. The Corporation holds a 100% stake in *ReSolve Energy Holdings Inc.* which holds a 100% stake in *ReSolve Hydrogen Inc.* See details below in Note 2 under **Reverse takeover**.

ReSolve is engaged in the development of renewable energy and bio-industrial technologies and has engineered a proprietary, patent pending acid hydrolysis platform capable of converting residual biomass, including bark, demolition wood, and paper sludge, into three complementary low carbon, renewable energy products: second-generation ethanol, industrial-grade lignin pellets, and electricity generated via integrated biomass cogeneration. The corporation's activities are focused on technology development, project evaluation, and the advancement of demonstration and commercial-scale renewable energy facilities.

Resolve, through *ReSolve Hydrogen Inc.*, also holds a prospective land package consisting of 119 mineral exploration claims covering 6,613 hectares (66 km<sup>2</sup>) in Quebec and additional claims in Ontario. The land package is eligible for Quebec super flow through exploration incentives. Fieldwork on these hydrogen claims, with technical support from the Corporation, is expected to commence in fiscal 2026. The Corporation also owns the Kingsville Salt Project, an exploration project located in the area of Kingsville, on Nova Scotia's Cape Breton Island.

The Corporation's head office is located at 4690 rue Roberge, Lac-Mégantic, Quebec, G6B 2V9, Canada and its common shares are listed for trading under the symbol "RESO" on the Canadian Securities Exchange.

#### Going concern

The Corporation is in the development stage and has not yet generated significant operating revenues. The ability of the Corporation to continue as a going concern is dependent upon the Corporation's ability to obtain additional financing and to achieve profitable operations in the future. The Corporation will have to raise additional funds through private placement and other equity financings and, while it has been successful in doing so in the past, there can be no assurance that it will be able to do so in the future.

These interim consolidated financial statements, including comparatives, have been prepared using International Financial Reporting Standards ("IFRS") applicable to a going concern, which assumes continuity of operations and realization of assets and settlement of liabilities in the normal course of business for the foreseeable future, which is at least, but not limited to, one year from November 30, 2025.

The Corporation is subject to risks and challenges similar to companies in the development of renewable energy and bio-industrial technologies and mineral exploration and development. As a result of these risks, there exist material uncertainties that cast significant doubt on the Corporation's ability to continue as a going concern. There is no assurance that the Corporation's funding initiatives will continue to be successful and these interim consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statements of financial position classifications that would be necessary if the going concern assumption was inappropriate. These adjustments could be material.

### 2. Basis of presentation

#### Statement of Compliance

These interim consolidated financial statements have been prepared in accordance with *International Financial Reporting Standards* ("IFRS") as issued by the *International Accounting Standards Board* ("IASB") and as adopted by the *Canadian Accounting Standards Board* ("AcSB"). The interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34 – *Interim Financial Reporting*.

The accounting policies and methods of computation applied in the preparation of these interim consolidated financial statements are consistent with those applied in the Corporation's most recent audited annual financial statements, except as described in these notes. The interim consolidated financial statements have been prepared in accordance with the

recognition and measurement requirements of IFRS in effect as at the reporting date.

The comparative financial information presented in these interim consolidated financial statements relates to periods prior to the completion of the reverse takeover transaction on October 20, 2025 and reflects the historical financial information of *ReSolve Energy Inc. (former private company)*, the accounting acquirer. As a result of the RTO and the related changes in the Corporation's capital structure, the comparative information may not be directly comparable to the financial information for the current period.

The interim consolidated financial statements were authorized for issue by the Board of Directors on January 29, 2026.

**Basis of measurement**

These interim consolidated financial statements have been prepared under the historical cost convention, except for certain financial instruments measured at fair value, as set out in the material accounting policies in note 3. The Corporation's presentation currency and functional currency is the Canadian Dollar.

The preparation of interim consolidated financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Corporation's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the interim consolidated financial statements, are disclosed in note 3.

**Basis of consolidation**

These interim consolidated financial statements include the accounts of ReSolve and its wholly owned subsidiaries. Subsidiaries are entities controlled by the Corporation and are fully consolidated from the date control is obtained. Intercompany balances and transactions are eliminated on consolidation. As at November 30, 2025, the consolidated group includes *ReSolve Energy Holdings Inc. (former private company)* and its wholly owned subsidiary, *ReSolve Hydrogen Inc.*

**Reverse takeover**

On October 20, 2025, the Corporation completed a reverse takeover transaction (the "RTO"), as follows:

- QNB Metals Inc. ("QNB") was identified as the legal acquirer / accounting acquiree and changed its name to *ReSolve Energy Inc.* and changed its fiscal year end to February 28 consistent with the fiscal year end of *ReSolve Energy Inc. (former private company)*.
- *ReSolve Energy Inc. (former private company)*, identified as the accounting acquirer as its former shareholders obtained control of the resulting issuer, changed its name to *ReSolve Energy Holdings Inc.* and became a wholly owned subsidiary of the Corporation.
- The former joint venture between QNB and *ReSolve Energy Inc. (former private company)* was dissolved, and *ReSolve Hydrogen Inc.* became a wholly owned subsidiary of *ReSolve Energy Holdings Inc.*

As QNB did not meet the definition of a business under IFRS 3: *Business Combinations*, the RTO was accounted for share-based payment in accordance with IFRS 2: *Share-based Payment*.

For accounting purposes, the accounting acquirer, as defined above, is deemed to have issued equity instruments in exchange for the net identifiable assets of QNB and its public listing status. Accordingly, these interim consolidated financial statements represent a continuation of the financial statements of the accounting acquirer, with its comparative financial information presented, reflecting the historical financial information. The current period financial information may not be directly comparable to the comparative period.

The RTO accounting resulted in the shareholders' equity being reorganized including the elimination of historical equity balances of the accounting acquirer and the recognition of reorganized share capital based on the post-transaction legal structure. The reorganization of shareholders' equity did not result in any cash inflows or outflows. Changes to the opening shareholders' equity are highlighted in the Statement of Changes in Shareholders' Equity. The net non-cash change of \$305,914 is reported on the Statement of Cash Flows.

The fair value of the equity instruments deemed to have been issued by ReSolve has been measured based on the fair value of QNB's equity instruments immediately prior to the transaction. The excess of the deemed consideration over the fair value of QNB's identifiable net assets, the continuing QNB equity instruments in the form of warrants and stock options that remain outstanding following the 1:5 share consolidation, and RTO expenses, was recognized as a listing expense of



## RESOLVE ENERGY INC.

Notes to the Interim Consolidated Financial Statements  
For the nine months ended November 30, 2025

\$2,465,299 in the Statements of Loss, Comprehensive loss and Deficit and Statement of Cash Flows for the period, as follows:

### *Listing expense*

\$1,462,049	Deemed consideration: Fair value of the QNB equity instruments deemed issued
\$ 306,451	Fair value of the identifiable net liabilities assumed of QNB
\$ 548,842	Continuing equity instruments, in the form of outstanding warrants and stock options
\$ 147,957	Legal, audit, transfer agent and other expenses

### **3. Material accounting policy information**

The principal accounting policies have been consistently applied to all periods and are set out below:

#### ***Foreign currency translation***

The Corporation's functional and presentation currency is the Canadian dollar. Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the exchange rates in effect at the reporting date. Non-monetary assets and liabilities are translated at historical exchange rates in effect on the date the assets were acquired or the liabilities incurred. Revenues and expenses are translated at exchange rates in effect at the dates of the transactions or at average rates where such rates approximate actual exchange rates. Foreign exchange gains and losses are recognized in the consolidated statements of loss and comprehensive loss, except for foreign exchange differences arising on financial assets designated at fair value through other comprehensive income, which are recognized in other comprehensive income.

#### ***Financial instruments***

##### **a) Classification**

<b>Financial Assets/Liabilities</b>	<b>Classification</b>
Cash and cash equivalents	Financial asset at amortized cost
Receivables	Financial asset at amortized cost
Accounts payable and accrued liabilities	Financial liabilities at amortized cost
Payable to a related party	Financial liabilities at amortized cost

The Corporation determines the classification of financial assets at initial recognition. The classification of its instruments is driven by the Corporation's business model for managing the financial assets and their contractual cash flow characteristics. Financial assets are recognized at fair value and are subsequently classified and measured at amortized cost, fair value through other comprehensive income ("FVOCI"), or fair value through profit or loss ("FVTPL"). Financial liabilities are recognized initially at fair value, and are subsequently classified and measured at amortized cost, or FVTPL.

##### **b) 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 for a financial asset.

###### ***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 loss and 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 net loss and comprehensive loss in the period in which they arise. Where the Corporation has opted to recognize a financial liability at FVTPL, any changes associated with the Corporation's own credit risk will be recognized in other comprehensive income (loss).

###### ***Impairment of financial assets at amortized cost***

The Corporation recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Corporation measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Corporation measures the loss allowance for the financial asset at an amount equal to twelve month expected credit losses. The Corporation



## RESOLVE ENERGY INC.

Notes to the Interim Consolidated Financial Statements  
For the nine months ended November 30, 2025

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recognizes an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

### **Cash and equivalents**

Cash and equivalents comprise cash in bank and short-term deposits that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

### **Prepaid expenses**

Prepaid expenses represent payments made in advance for goods or services to be received in future periods and are recognized as expenses in the statements of net loss and comprehensive loss as the related services are rendered or benefits consumed.

### **Joint Ventures**

The Corporation accounts for its interests in joint ventures using the equity method as prescribed by IFRS 11 *Joint Arrangements* and IAS 28 *Investments in Associates and Joint Ventures*.

Under the equity method, investments are initially recognized at cost and subsequently adjusted for the Corporation's share of the JV's profit or loss and other comprehensive income, in the Statements of Earnings (Loss) and Other Comprehensive Earnings (Loss) and Deficit, respectively. Distributions received from the joint venture reduce the carrying value of the investment.

### **Property, Plant and Equipment**

Property, plant and equipment are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. Cost includes the purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for its intended use. Borrowing costs directly attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of the asset.

Subsequent expenditures are capitalized only when it is probable that future economic benefits associated with the expenditure will flow to the Corporation and the cost can be reliably measured. All other expenditures, including repairs and maintenance, are charged to the Statements of Loss, Comprehensive Loss and Deficit as incurred.

Depreciation is provided on a declining balance basis over the estimated useful lives of the assets as follows:

Machinery and equipment	20% declining
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The residual values, useful lives, and depreciation methods are reviewed at least annually, and adjusted prospectively if appropriate. Gains or losses arising on disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in Statements of Loss, Comprehensive Loss and Deficit.

### **Leases**

The Corporation accounts for leases in accordance with IFRS 16: *Leases*, which requires lessees to recognize most leases on the balance sheet.

#### Lessees

At the commencement date of a lease, a right-of-use ("ROU") asset and a corresponding lease liability is recognized for all leases with a term of more than 12 months, unless the underlying asset is of low value.

The lease liability is initially measured at the present value of lease payments over the lease term, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Corporation's incremental borrowing rate.

The ROU asset is initially measured at cost considering the initial lease liability, lease payments made at or before the commencement date, initial direct costs, and restoration or dismantling obligations. Subsequently, the ROU asset is depreciated on a straight-line basis over the shorter of the asset's useful life and the lease term and adjusted for any remeasurements of the lease liability.

The lease liability is remeasured when there is a change in events such as changes in lease term, future lease payments resulting from a rate change, or assessment of an option to purchase the underlying asset.

#### Lessors

Leases where the Corporation acts as lessor are classified as operating leases or finance leases based on the substance of the arrangement. Lease income from operating leases is recognized on a straight-line basis over the lease term unless another basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished.

#### **Government Grants**

Government grants are recognized where there is reasonable assurance that the grant will be received and that the Corporation will comply with all relevant conditions, in accordance with IAS 20 – *Accounting for Government Grants and Disclosure of Government Assistance*.

Government grants related to income are recognized in profit or loss on a systematic basis over the periods in which the entity recognizes as expenses the related costs that the grants are intended to compensate. Such grants are presented as other income or as a reduction of the related expense, depending on the nature of the grant.

Government grants related to the purchase or construction of property, plant, and equipment are recognized as a reduction of the carrying value of the asset or as deferred income, which is then recognized in Statements of Income (Loss), Comprehensive Income (Loss) and Deficit on a systematic basis over the useful life of the related asset. Non-monetary grants are measured at fair value and recognized in the same manner as monetary grants.

#### **Scientific Research and Experimental Development (SR&ED) Tax Credits**

The Corporation participates in the Canadian government's Scientific Research and Experimental Development ("SR&ED") program, which provides refundable and non-refundable investment tax credits for eligible research and development expenditures.

Refundable SR&ED investment tax credits are recognized when there is reasonable assurance that the Corporation will comply with the relevant conditions and that the credits will be received in accordance with IAS 20 – *Accounting for Government Grants and Disclosure of Government Assistance*.

The Corporation recognizes refundable SR&ED tax credits as other income or as a reduction of related research and development expenses, depending on the nature of the underlying costs. The credits are recognized in the same period as the expenditures to which they relate, provided there is sufficient assurance of realization.

SR&ED claims are subject to review and approval by the Canada Revenue Agency ("CRA"), and any adjustments to the recognized amounts are recorded in the period in which they are identified.

#### **Intellectual property and patents**

Intellectual property ("IP") is recognized as an intangible asset in accordance with IAS 38 – *Intangible Assets* when it meets the recognition criteria: the asset is identifiable, the entity has control over it, and it is expected to provide future economic benefits.

#### *Internally Developed IP*

Expenditures on research activities are expensed as incurred. Development costs are capitalized as intangible assets only when the Corporation can demonstrate all of the following:

- Technical feasibility of completing the intangible asset;
- Intention and ability to complete and use or sell the asset;
- How the asset will generate probable future economic benefits;
- Availability of resources to complete the development;
- Ability to reliably measure the expenditure.

Internally generated intangible assets, including internally developed IP that meets the capitalization criteria, are measured at cost and amortized over their estimated useful lives once the asset is available for use.



## RESOLVE ENERGY INC.

Notes to the Interim Consolidated Financial Statements  
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### *Acquired IP*

Intellectual property acquired separately or through a business combination is measured initially at cost or, if acquired as part of a business combination, at fair value at the acquisition date. After initial recognition, IP is carried at cost less accumulated amortization and impairment losses, if any.

Amortization is calculated on a straight-line basis over the estimated useful life of the IP, ranging up to 21 years on patented IP, and is reviewed at least annually. Changes in useful life or residual value are accounted for prospectively.

### *Impairment*

Intellectual property is tested for impairment when there is an indication that the asset may be impaired. Impairment losses are recognized in profit or loss.

### **Revenue Recognition**

Revenue is recognized when the transfer of goods or services, in an amount that reflects the consideration the Corporation expects to be entitled to, in exchange for those goods or services. The Corporation recognizes revenue when control of the goods or services is transferred, typically at the point in time when delivery occurs or services are rendered, depending on the nature of the contract.

Rental income from the sublease of space under a month-to-month arrangement is classified as an operating lease, as it does not transfer substantially all the risks and rewards associated with the right-of-use asset. Rental income is recognized in the Statements of Income (Loss), Comprehensive Income (Loss) on a straight-line basis as it is earned, typically monthly, consistent with the terms of the agreement.

### **Equity**

#### *Share capital*

Share capital represents the amount received on the issue of shares, less issuance costs, net of any underlying income tax benefit from these issuance costs. In addition, if shares were issued as consideration for the acquisition of a mineral property or some other form of non-monetary assets, they are measured at their fair value according to the price of the most recent share issue of the Corporation adjusted by a discount for lack of marketability for any restriction or, after the Corporation being listed, their fair value according to the quoted price on the date of the conclusion of the agreement.

#### *Unit placements*

The Corporation has adopted a residual method with respect to the measurement of common shares and warrants issued as private placement units, if applicable. Warrants attached to units are valued based on the fair value of shares using the Black-Scholes valuation model and the share price at the time of financing, and the difference between the proceeds raised and the value assigned to the warrants is the residual fair value of the shares.

#### *Other elements of equity*

#### *Warrants*

Warrants that have been issued in combination with common shares are accounted for under IAS 32, *Financial instruments: Presentation*. Equity classification applies to instruments where a fixed amount of cash (or liability) denominated in the issuer's functional currency is exchanged for a fixed amount of shares.

In calculating the fair value of warrants, the Corporation used the Black-Scholes option model which incorporates assumptions such as the Corporation's share price, term of the warrant, expected share price volatility, dividend yield and the risk-free interest rate. Warrants include fair value allocated to the warrants issued. When warrants are exercised, the related cost and fair value are transferred to share capital. Upon expiry, the fair value initially recorded under warrant reserve is transferred to deficit.

#### *Debt for Equity Settlements*

When financial liabilities are extinguished by issuing common shares, such common shares are measured at their fair value, or if not reliably measurable, the fair value of the liability extinguished is used. The difference between the carrying amount of the liability and the fair value of the common shares issued is recognized in contributed surplus if settlement is with a shareholder or profit or loss if settlement is with a creditor.



## RESOLVE ENERGY INC.

Notes to the Interim Consolidated Financial Statements  
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### *Share-based payments*

#### *Stock options plan*

The Corporation operates an equity-settled share-based payment plan for its eligible directors, officers, and employees. The Corporation's plan does not feature any options for a cash settlement.

All goods and services received in exchange for the grant of any share-based payments are measured at their fair values, unless that fair value cannot be estimated reliably. If the Corporation cannot estimate reliably the fair value of the goods or services received, the Corporation measures their value indirectly by reference to the fair value of the equity instruments granted. For the transactions with employees and others providing similar services, the Corporation measures the fair value of the services received by reference to the fair value of the equity instruments granted.

All equity-settled share-based payments (except equity-settled share-based payments to brokers) are ultimately recognized as an expense in loss or capitalized as an exploration and evaluation asset, depending on the nature of the payment with a corresponding credit to contributed surplus or warrant reserve, in equity. Equity-settled share-based payments to brokers, in respect of an equity financing are recognized as issuance costs of the equity instruments with a corresponding credit to contributed surplus or warrant reserve, in equity.

If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of stock options expected to vest. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised if there is any indication that the number of stock options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognized in the current period. No adjustment is made to any expense recognized in prior period if stock options ultimately exercised are different to that estimated on vesting.

Upon expiry of the warrants or stock options, the corresponding amounts in the warrants reserve and contributed surplus respectively are transferred to share capital.

Upon exercise of stock options, the proceeds received net of any directly attributable transaction costs are recorded as share capital. The accumulated charges related to the stock options recorded in contributed surplus are then transferred to share capital.

#### **Income taxes**

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in the statement of net loss and comprehensive loss except to the extent that it relates to items recognized directly in equity or in other comprehensive income ("OCI").

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous periods.

The Corporation recognizes deferred taxes in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

***Basic and diluted loss per share***

Basic loss per share is calculated by dividing net loss attributable to common equity holders of the Corporation by the weighted average number of common shares outstanding during the reporting period. Diluted earnings per share is calculated by adjusting the weighted average number of shares outstanding to assume conversion of all potentially dilutive share equivalents, such as stock options and warrants. When a loss is incurred during a period, basic and diluted loss per share are the same because the exercise of share equivalents is then considered to be anti-dilutive.

***Use of estimates and judgments***

The preparation of these interim consolidated financial statements in accordance with IFRS requires management to make judgments, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

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 and in any future periods affected.

The evaluation of the Corporation's ability to continue as a going concern, to raise additional financing in order to cover its operating expenses and its obligations for the upcoming period requires significant judgment based on past experience and other assumptions including the probability that future events are considered reasonable according to the circumstances. Please refer to note 1 for further information.

***Impairment***

In assessing impairment, the Corporation must make estimates and assumptions regarding future circumstances, in particular, whether an economically viable extraction operation can be established, the probability that the expenses will be recovered from either exploitation or sale when the activities have not reached a stage that permits a reasonable assessment of the existence of reserves, the Corporation's capacity to obtain financial resources necessary to complete the evaluation and development and to renew permits. Estimates and assumptions may change if new information become available.

***Going concern***

The evaluation of the Corporation's ability to continue as a going concern, to raise additional financing in order to cover its operating expenses and its obligations for the upcoming period requires significant judgment based on past experience and other assumptions including the probability that future events are considered reasonable according to the circumstances. Please refer to note 1 for further information.

***Settlement of debts with shareholders and contractors***

The Corporation may settle certain outstanding debts with parties who hold roles as shareholders and creditors. These transactions required significant judgment to determine the appropriate classification and accounting treatment, particularly in assessing the capacity in which the parties acted when settling the debts.

Management evaluates the substance of each transaction to determine whether the settlement is made in the capacity of a shareholder (i.e., as a capital contribution or equity transaction) or as a creditor (i.e., as a financial liability extinguishment). This assessment considers the contractual terms, the nature of the relationship, the intent of the parties, and any supporting documentation or board resolutions.

Where the settlement is deemed to be in the capacity of a shareholder, the transaction is accounted for as an equity contribution and recognized directly in equity. Conversely, where the settlement is determined to be in the capacity of a creditor, the transaction is assessed under IFRS 9 – *Financial Instruments*, and any gain or loss on extinguishment was recognized in profit or loss. This judgment is critical as it affects the presentation of the interim consolidated financial statements and the related disclosures under IAS 1 and IAS 24.

***Share-based payments and warrant valuation***

The estimation of share-based payment costs and measurement of warrant value of issuance requires the selection of an appropriate valuation model and consideration as to the inputs necessary for the valuation model chosen. The model used by the Corporation is the Black Scholes valuation model. For the significant inputs in the Black Scholes option pricing model, management made the following assumptions:

*Underlying stock price*

Set the stock price based on the equity offering from non-brokered private placements at or near the grant date of the options adjusted for discount for lack of marketability ("DLOM").

*Underlying stock price volatility*

Based on historical data of comparable publicly traded companies in the mining industry.

*Expected life*

Given the limited history of the stock option plan and the Corporation, assumptions are required to be made for expected life and forfeitures.

***Related party transactions***

Related parties are those entities and individuals defined under IAS 24 Related Party Disclosures, including entities that control, are controlled by, or are under common control with the Corporation, as well as key management personnel and entities controlled or significantly influenced by such individuals.

Related party transactions are measured at the exchange amount. Transactions and balances between related parties are eliminated on consolidation, however, related party transactions are disclosed to provide an understanding of the Corporation's financial position and results of operations.

The Corporation discloses related party transactions that are material or that are not conducted under normal market terms. Routine intercompany transactions conducted in the normal course of business are not separately disclosed.

***New accounting policies not yet adopted***

The Corporation has not yet adopted certain new standards, amendments and interpretations to existing standards effective for accounting periods beginning on or after March 1, 2025 or later periods. The new and amended standards are not expected to have a material impact on the Corporation except for the below standards.

Amendments to IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments: Disclosures*, effective for annual reporting periods beginning on or after January 1, 2026, introduce clarifications related to the classification and measurement of financial instruments and enhanced disclosure requirements. The Corporation is currently evaluating the impact of these amendments on its financial statements and does not expect the adoption of these amendments to have a material impact.

IFRS 18: *Presentation and Disclosure in Financial Statements* aims to improve the consistency and clarity of financial statement presentation and disclosures by providing updated guidance on the structure and content of financial statements. Key changes include enhanced requirements for the presentation of financial performance, financial position, and cash flows, as well as additional disclosures to improve transparency and comparability. IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027. The Corporation is currently assessing the impact on its financial statements.

***Canadian Sustainability Disclosure Standards***

The Corporation is evaluating the requirements of sustainability-related financial disclosures in accordance with the *Canadian Sustainability Disclosure Standards* ("CSDS") issued by the Canadian Sustainability Standards Board ("CSSB") in order to comply with related disclosures for CSDS 1: *General Requirements for Disclosure of Sustainability-related Financial Information*, and CSDS 2: *Climate-related Disclosures*.

Given the Corporation's scientific, research and experimental development technologies are at the demonstration stage, not commercialization, the Corporation is evaluating both the qualitative and quantitative information required in developing these disclosures, and where appropriate, the development of reasonable estimates and assumptions based on currently available information that could reasonably be expected, in future, to affect the Corporation's cash flows, access to finance, or cost of capital over the short, medium, or long term.

The Corporation is currently evaluating the impact of the above policies and standards which are not expected to have a material impact on the financial statements.

At the date of authorization of these interim consolidated financial statements, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective and have not been adopted early by the Corporation. Management anticipates that all of the pronouncements will be adopted in the Corporation's accounting



## RESOLVE ENERGY INC.

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For the nine months ended November 30, 2025

policy for the first period beginning after the effective date of each pronouncement. Information on new standards, amendments and interpretations have been issued but are not expected to have a material impact on the financial statements.

#### 4. Interest in ReSolve Hydrogen Inc.

The former joint venture agreement between *ReSolve Energy Inc. (former private company)* and QNB was dissolved upon closing of the RTO in October 2025 and the 4,000,000 common shares originally issued by QNB were cancelled. *ReSolve Hydrogen Inc. ("RHI")* became a wholly owned subsidiary of *ReSolve Energy Holdings Inc.*, the renamed former *ReSolve Energy Inc. (former private company)*.

The QNB common shares, initially reported by *ReSolve Energy Inc. (former private company)* as Marketable Securities at a fair value of \$400,000 on the Statement of Financial Position, incurred mark-to-market losses of \$200,000 reported on the Statements of Loss, Comprehensive Loss and Deficit. The balance of \$200,000 has been reported as cancellation of marketable securities on the Statement of Loss, Comprehensive Loss and Deficit. The carrying value of the Interest in *ReSolve Hydrogen Inc.* of \$451,804 was written down and reported on the Statement of Loss, Comprehensive Loss and Deficit.

RHI, as a wholly owned subsidiary of *ReSolve Energy Holdings Inc.*, is consolidated in these interim financial statements. There were no operations in RHI during the period.

#### 5. Property, plant and equipment

Property, plant and equipment details are as follows:

Year	Cost			Accumulated Depreciation			Net Book Value
	Opening	Additions / Dispositions	Closing	Opening	Additions / Dispositions	Closing	
November 30, 2025	\$504,818	-	\$504,818	\$297,540	\$31,090	\$328,630	\$176,188
February 28, 2025	\$504,818	-	\$504,818	\$245,720	\$51,820	\$297,540	\$207,278

There were no disposals and no indications of impairment of the property, plant and equipment for the nine months ended November 30, 2025 (November 30, 2024: \$Nil).

#### 6. Exploration and evaluation expenditures

The Corporation holds the Kingsville Salt Project, an exploration project located in the area of Kingsville, on Nova Scotia's Cape Breton Island, north of the Port Hawkesbury / Point Tupper industrial area in the Strait of Canso. The project is being reviewed for the presence of a natural reservoir and salt occurrences to capture and store carbon gas for industrial operations. Certain non-essential claims along the southern edge of the property package were allowed to expire in April 2025. Exploration and evaluation expenditures are reported in the Statements of Loss, Comprehensive Loss and Deficit. There were no exploration and evaluation expenditures incurred during the period.

#### 7. Share Capital

##### **Authorized share capital**

The Corporation is authorized to issue an unlimited number of Common shares without par value.

##### **Outstanding shares**

The number of common shares outstanding presented in these interim consolidated financial statements reflect the legal share capital of QNB following the reverse takeover, while comparative financial information has been presented as if ReSolve had always been the reporting entity, except for share capital, which is presented retrospectively to reflect the legal capital structure of QNB.



**RESOLVE ENERGY INC.**

Notes to the Interim Consolidated Financial Statements  
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A total of 26,549,992 outstanding common shares were reported retrospectively on the Statement of Changes in Equity prior to the issuance of 10,000,000 common shares on the closing of the subscription receipts private placement financing of \$2,500,000 outlined below.

**Capital stock transactions**

In October 2025, as a condition of closing of the RTO, the Corporation completed a subscription receipts private placement financing of \$2,500,000 (the “Financing”) in gross proceeds. The subscription receipts were automatically converted on closing of the RTO transaction into 10,000,000 common shares of the Corporation at a price of \$0.25 per share. Insiders subscribed for \$50,000 or 200,000 shares in the Financing. There were no warrants attached to the Financing. There were no finders’ or other fees paid in conjunction with the Financing. Incidental legal, transfer agent and other expenses related to the Financing were reported under Listing Expenses on the Statements of Loss, Comprehensive Loss and Deficit.

**Grants and Scientific Research and Experimental Development (“SR&ED”) tax credits**

During the nine months ended November 30, 2025, the Corporation did not receive any refundable and non-refundable SR&ED investment tax credits related to eligible research and development activities.

**Warrants**

Former QNB warrants remain outstanding in the Corporation, on substantially the same terms and conditions as prior to the RTO, following the 1:5 share consolidation, as follows:

	Exercise Price	Expiry Date	Nine months ended	Year ended
			November 30, 2025	February 28, 2025
			#	#
Outstanding, beginning of period				
Purchase warrants <sup>1</sup>	\$0.375	May 2026	2,040,000	-
Broker warrants <sup>1</sup>	\$0.375	May 2026	62,000	-
Broker warrants <sup>1</sup>	\$0.700	May 2026	10,000	-
			2,112,000	-
Outstanding, end of period				
Purchase warrants	\$0.375	May 2026	2,040,000	-
Broker warrants	\$0.375	May 2026	62,000	-
Broker warrants	\$0.700	May 2026	10,000	-
			2,112,000	-

<sup>(1)</sup> In November 2024, QNB issued 2,040,000 purchase warrants exercisable at \$0.375, 62,000 broker compensation warrants exercisable at \$0.375, and 10,000 broker compensation warrants exercisable at \$0.70.

**Share-based payments**

The Corporation offers a stock option plan for its officers, directors, employees and consultants. The fair value of stock options for each vesting period is determined using the Black Scholes option pricing model and is recorded over the vesting period as an increase to stock-based compensation and contributed surplus. A forfeiture rate is estimated on the grant date and is adjusted to reflect the actual number of options that vest. Upon the exercise of stock options, the proceeds received by the Corporation and the related contributed surplus are recorded as an increase to share capital. In the event that vested stock options expire, previously recognized share-based compensation is not reversed. In the event that stock options are forfeited, previously recognized share-based compensation associated with the unvested portion of the stock options forfeited is reversed.

The fair value of share-based payment transactions to non-employees and other share-based payments including shares issued to acquire exploration and evaluation assets are based on the fair value of the goods and services received. If the fair value cannot be estimated reliably, the share-based payment transaction is measured at the fair value of the equity instruments granted at the date the Corporation receives the goods or services.



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Former QNB stock options remain outstanding in the Corporation, on substantially the same terms and conditions as prior to the RTO, following the 1:5 share consolidation, as follows:

	Nine months ended November 30, 2025		Year ended February 28, 2025	
	Weighted Average Exercise Price	# Options	Weighted Average Exercise Price	# Options
	Outstanding, beginning of period	\$0.39	510,000	\$0.00
Outstanding, end of period	\$0.39	510,000	\$0.00	-
Weighted average remaining contractual life (years)	3.82		-	-
Exercisable, end of period	\$0.39	510,000	\$0.00	-

**8. Income taxes**

The Corporation's effective tax rate, which differs from the combined federal and provincial statutory income tax rates for the nine months ended November 30, 2025 (26.5%) and February 28, 2025 (26.5%), has been reconciled as follows:

	Nine months ended November 30, 2025 \$	Year ended February 28, 2025 \$
Loss before income taxes	(3,398,077)	(144,749)
Expected income tax recovery	(900,490)	(38,359)
Increase (decrease) in income tax resulting from:		
Listing expense	653,304	-
Writedown on interest in ReSolve Hydrogen Inc.	119,728	(238,978)
Cancellation of marketable securities	47,700	-
Mark-to-market of marketable securities	5,300	53,000
Shared based compensation	-	23,187
Other	8,239	11,050
Tax benefits not recognised	(834,271)	151,741
	-	-
Composition of deferred taxes on Statement of Loss		
Origination and reversal of tax benefits	834,271	(151,741)
Temporary difference not recognized	(834,271)	151,741
	-	-

The Corporation has the following unrecognized deductible temporary differences:

	Nine months ended November 30, 2025 \$	Year ended February 28, 2025 \$
Capital assets	21,665	25,025
Non-capital losses	3,109,000	1,740,000
Unrecognized deductible temporary differences	3,130,665	1,765,025



## RESOLVE ENERGY INC.

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The Corporation has non-capital losses of \$3,109,000 (February 28, 2025: \$2,859,000) available for deduction against future taxable income, the balances of which will expire as follows:

Year of expiry	Nine months ended November 30, 2025 \$	Year ended February 28, 2025 \$
2039	116,000	116,000
2040	126,000	126,000
2041	721,000	721,000
2042	467,000	467,000
2044	310,000	310,000
2045	1,119,000	1,119,000
2046	250,000	n/a
	<b>3,109,000</b>	<b>2,859,000</b>

The potential tax benefit of the above losses has not been recognized in these interim consolidated financial statements.

### 9. Related party transactions

The Corporation paid fees of \$12,500, for the period ended November 30, 2025 (February 28, 2025: \$Nil) to a current officer for President and Chief Executive Officer services provided to the Corporation under an ongoing consulting agreement beginning November 1, 2025. The Corporation paid fees of \$10,416 for the period ended November 30, 2025 (February 28, 2025: \$Nil) to a current officer for Chief Financial Officer services provided to the Corporation under an ongoing consulting agreement beginning November 1, 2025. The Corporation paid fees of \$78,959 for the nine months ended November 30, 2025 (February 28, 2025: \$68,080) to a current officer for Vice President, Research and Development provided to the Corporation under an ongoing employment agreement. An amount of \$Nil for the period ended November 30, 2025 (February 28, 2025: \$18,000) was owing to the former President for advances made to *ReSolve Energy Inc. (former private company)*.

These transactions, entered in the normal course of operations, are measured at the exchange amount which is the amount of consideration established and agreed to by the related parties. Unless otherwise stated, none of the transactions incorporated special terms and conditions and no guarantees were given or received. Outstanding balances are generally settled in cash.

### 10. Financial instruments and risk management

The Corporation's financial risk management goals are to ensure that the outcome of activities involving elements of risk are consistent with the Corporation's objectives and risk tolerance, while maintaining an appropriate risk/reward balance and protecting the Corporation's financial position from events that have the potential to materially impair its financial strength. Balancing risk and reward is achieved through identifying risk appropriately, aligning risk with overall scientific research and experimental development strategy, diversifying risk, mitigation through preventive controls, and transferring risk to third parties.

#### Fair value

The carrying values for primary financial instruments, including cash and equivalents, receivables, and accounts payable and accrued liabilities approximate fair values due to their short-term maturities. The Corporation's exposure to potential loss from financial instruments relates primarily to its cash and equivalents held with Canadian financial institutions.

There have been no major or significant changes that have had an impact on the overall risk assessment of the Corporation during the period. The objectives and strategy for the scientific research and experimental development portfolio remain unchanged.



## RESOLVE ENERGY INC.

### Notes to the Interim Consolidated Financial Statements For the nine months ended November 30, 2025

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The Corporation's mineral exploration and development activities expose it to the following financial risks:

#### **Credit risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The Corporation's exposure to credit risk is concentrated in four specific areas: the credit risk on operating balances including interest receivable on short term deposits, and cash and equivalents held with Canadian financial institutions. The maximum exposure to credit risk is equal to the carrying values of these financial assets. No provision against these credit risk areas has been recognized in these interim consolidated financial statements.

The aggregate gross credit risk exposure at November 30, 2025 was \$560,352 (February 28, 2025: \$Nil) and was comprised of \$560,352 (February 28, 2025: \$8,123 overdraft) in cash held with Canadian financial institutions with a "AA-" credit rating.

#### **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, such as foreign currency exchange rates, commodity prices, interest rates and liquidity. A discussion of the Corporation's primary market risk exposures, and how those exposures are currently managed, follows:

##### *Currency risk*

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Corporation's financial assets and liabilities and operating costs are principally denominated in Canadian dollars. The Corporation has historically had insignificant operations in United States ("US") dollars. The Corporation has no US dollar hedging program due to its minimal exposure to financial gain or loss as a result of foreign exchange movements against the Canadian dollar.

##### *Commodity price risk*

Commodity prices, and in particular hydrogen, ethanol, heating pellets, and electricity prices, fluctuate and are affected by factors outside of the Corporation's control. This risk is not applicable as the Corporation is not currently in commercial production. The current and expected future spot prices have a significant impact on the market sentiment for investment and may impact the Corporation's ability to raise equity financing for its ongoing working capital requirements.

##### *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 Corporation's interest rate risk is minimal as there are no outstanding loans or interest-bearing debts. The Corporation has not entered into any interest rate swaps or other active interest rate management programs at this time.

##### *Liquidity risk*

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The purpose of liquidity management is to ensure that there will be sufficient cash to meet all financial commitments and working capital obligations as they become due. To manage cash flow requirements, the Corporation maintains principally all its assets in cash and equivalents.

The Corporation's liabilities were \$243,675 at November 30, 2025 (February 28, 2025: \$42,445) and includes accounts payable due in the normal course of \$164,821 (February 28, 2025: \$34,678), accrued liabilities of \$66,142 (February 28, 2025: \$Nil), and payroll and wage levies of \$12,712 (February 28, 2025: \$7,394).

The above amounts reflect the contractual undiscounted cash flows, which may differ from the carrying values of the liabilities at the reporting date. Where the counterparty has a choice of when an amount is paid, the liability has been included on the earliest date on which payment can be required.