WESCAN ENERGY CORP.

FINANCIAL STATEMENTS

FIRST QUARTER REPORT

For the three months ended

June 30, 2026

(Expressed in Canadian Dollars)

(Unaudited)

NOTICE TO READER

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim consolidated financial statements have been prepared by and are the responsibility of Management.

The Company's independent auditor has not performed a review of these financial statements in accordance with the standards established by the Chartered Professional Accountants Canada for a review of interim financial statements by an entity's auditor.

WesCan Energy Corp.
Statements of Financial Position
As at June 30, 2026 and March 31, 2026
(Expressed in Canadian Dollars)

	Notes	June 30, 2026	March 31, 2026
ASSETS			
CURRENT ASSETS			
Cash		**$ 457,895**	$ 88,452
Trade and other receivables	5	**648,760**	636,269
Prepaid expenses and deposits		**46,706**	66,826
Total current assets		**1,153,361**	791,547
NON-CURRENT ASSETS			
Equipment	7	**66,684**	72,935
Oil and gas properties	6	**5,510,036**	5,730,705
TOTAL ASSETS		**$ 6,730,081**	$ 6,595,187
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		**$ 552,586**	$ 739,968
Notes payable	9	**1,267,780**	1,230,670
Decommissioning obligations	10	**162,632**	162,632
Total current liabilities		**$ 1,982,998**	$ 2,133,270
NON-CURRENT LIABILITIES			
Notes payable	9	**1,456,726**	1,787,868
Decommissioning obligations	10	**1,793,699**	1,777,170
TOTAL LIABILITIES		**5,233,423**	5,698,308
SHAREHOLDERS' EQUITY			
Share capital	11	**14,633,632**	14,602,132
Equity reserves	11(c)	**1,933,796**	1,933,796
Deficit		**(15,070,770)**	(15,639,049)
TOTAL SHAREHOLDERS' EQUITY		**1,496,658**	896,879
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**$ 6,730,081**	$ 6,595,187

Going concern (note 1)
Contingencies (note 17)

Approved and authorized for issuance on behalf of the Board of Directors:

"Leo Berezan"
Leo Berezan, Director

"Sarshar Ahmed"
Sarshar Ahmed, Director

The accompanying notes are an integral part of these financial statements

WesCan Energy Corp.
Statements of Loss and Comprehensive Loss
For the three ended June 30, 2026 and 2025
(Expressed in Canadian Dollars)

	Notes	June 30, 2026	June 30, 2025
REVENUE			
Petroleum and natural gas sales		**$ 2,003,238**	$ 674,605
Less: royalties		**(323,330)**	(80,110)
REVENUE, NET OF ROYALTIES		**1,679,908**	594,495
EXPENSES			
Operating costs		**607,945**	403,014
Depletion, depreciation and accretion	6, 7, 10	**307,224**	198,722
General and administrative		**109,612**	86,681
TOTAL EXPENSES		**1,024,781**	688,417
OTHER INCOME (EXPENSE)			
Finance and interest expense	7, 9	**(86,848)**	(57,093)
TOTAL OTHER INCOME (EXPENSES)		**(86,848)**	(57,093)
NET INCOME (LOSS) AND COMPREHENSIVE LOSS		**$ 568,279**	$ (151,015)
LOSS PER SHARE			
Basic and diluted		**$ 0.01**	$ (0.00)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES			
Basic	11(d)	**45,147,958**	43,207,616
Diluted	11(d)	**45,147,958**	43,207,616

The accompanying notes are an integral part of these financial statements

WesCan Energy Corp.
Statements of Changes in Shareholders' Equity
For the three months ended June 30, 2026 and 2025
(Expressed in Canadian Dollars)

June 30, 2026

	Share Capital				
	Number of Shares	Amount $	Equity Reserves $	Deficit $	Total $
As at March 31, 2026	44,622,958	14,602,132	1,933,796	(15,639,049)	896,879
Share issued	525,000	31,500	-	-	31,500
Net income for the period	-	-	-	568,279	568,279
As at June 30, 2026	**45,147,958**	**14,633,632**	**1,933,796**	**(15,070,770)**	**1,496,658**

June 30, 2025

	Share Capital				
	Number of Shares	Amount $	Equity Reserves $	Deficit $	Total $
Balance at March 31, 2025	44,622,958	14,602,132	1,881,026	(15,186,400)	1,296,758
Net (loss) for the period	-	-	-	(151,015)	(151,015)
As at June 30, 2025	44,622,958	14,602,132	1,881,026	(15,337,415)	1,145,743

The accompanying notes are an integral part of these financial statement

WesCan Energy Corp.
Statements of Cash Flows
For the three months ended June 30, 2026 and 2025
(Expressed in Canadian Dollars)

	Notes	**June 30, 2026**	June 30, 2025
OPERATING			
Net loss and comprehensive loss		**$ 568,279**	$ (151,015)
Adjustments for:			
Depletion, depreciation and accretion	6, 7,10	**307,224**	198,722
Interest expense	7,9	**86,848**	57,093
		962,351	104,800
CHANGE IN NON-CASH WORKING CAPITAL			
Trade and other receivables		**(12,492)**	62,834
Prepaid expenses and deposits		**20,120**	(49,190)
Trade and other payables		**(274,230)**	83,522
Cash provided by operating activities		**695,749**	201,966
INVESTING			
Expenditures on oil and gas properties	6	**(63,774)**	(14,749)
Cash used in investing activities		**(63,774)**	(14,749)
FINANCING			
Shares issued	11	**31,500**	-
Lease payments	7	**-**	(23,400)
Advances from notes payable	9	**37,110**	-
Repayments to note payable	9	**(331,142)**	(182,703)
Cash provided by (used in) financing activities		**(262,532)**	(206,103)
Change in cash		**369,443**	(18,886)
Cash, beginning of year		**88,452**	19,204
Cash, end of year		**$ 457,895**	$ 318

The accompanying notes are an integral part of these financial statements

1. REPORTING ENTITY AND GOING CONCERN

Reporting entity

WesCan Energy Corp. ("WesCan" or the "Company") changed its name from Great Pacific International Inc. effective October 4, 2012. WesCan was incorporated on November 4, 1993 under the Business Corporations Act (Alberta), Canada. WesCan is a junior public resource company in the business of oil and gas exploration, development and production with oil and gas operations and property interests in Alberta, Canada and Texas, U.S.A. The common shares of WesCan trade on the TSX Venture Exchange ("TSX-V") under the symbol WCE. The Company's registered office and mailing address is located at Suite 1972, 350-7 Avenue SW, Calgary, AB T2P 3N9.

Going concern

These financial statements have been prepared on a going concern basis which contemplates that the Company will be able to continue its operations for the foreseeable future and realize its assets and discharge its liabilities in the normal course of operations.

As at and for the three months ended June 30, 2026 the Company has a working capital deficiency of $829,637 net income of $568,279, and an accumulated deficit of $15,070,770. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Accordingly, external financing will be required in order for the Company to continue as a going concern. In order to continue as a going concern, meet property payment, participation and lease obligations, discharge all liabilities, and meet all commitments the Company will need to raise additional funds through debt or equity financing during the next fiscal year.

Furthermore, the Company will require additional financing to carry out the petroleum exploration and development required to offset production declines, increase oil and gas reserves and achieve a self-sustaining level of revenue. Management is actively pursuing new financings; however, there can be no assurance that it will be able to raise sufficient funds on acceptable terms.

These financial statements do not reflect any adjustments relating to the recoverability and classification of recorded assets or liabilities that may be necessary should the Company be unable to continue as a going concern. If the going concern assumption was not appropriate for these financial statements, then adjustments would be necessary in the carrying value of assets and liabilities, the reported revenues and expenses, and the statement of financial position classifications used. Those adjustments would be material.

2. BASIS OF PRESENTATION

a) Statement of compliance:

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee. These financial statements were authorized for issuance by the Board of Directors on August 25, 2026.

b) Basis of measurement:

The financial statements have been prepared on the historical cost basis except for stock-based compensation which is initially measured at fair value.

c) Functional and presentation currency:

The financial statements are presented in Canadian dollars, which is the Company's functional currency.

d) Significant accounting estimates and judgments:

The preparation of the financial statements in conformity 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. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

2. BASIS OF PRESENTATION (continued)

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Significant judgments

Determination of cash-generating units ("CGU")

Property and equipment are aggregated into CGUs based on their ability to generate largely independent cash flows and are used for impairment testing. The determination of the Company's CGUs is subject to management's judgment. The company has one CGU.

Deferred taxes

The provision for income taxes is based on judgments in applying income tax law and estimates on the timing, likelihood and reversal of temporary differences between accounting and tax bases of assets and liabilities.

Going concern

The assessment of the Company's ability to continue as a going concern involves judgment regarding future funding available for its projects and working capital requirements.

Fair value of note payable

The fair value of the notes payable, on initial recognition, is estimated using valuation techniques, which use inputs that are subject to significant measurement uncertainty. The discount rate used in this valuation considers factors such as, the Company's credit risk, rates charged to comparable companies, the terms of the notes and the economic environment. The valuation is subjective and can materially affect the fair value of the instrument.

Stock-based compensation

The stock-based compensation associated with the stock option agreement is measured at the grant date by using Black-Scholes option pricing model to determine fair value. The Black-Scholes model uses subjective estimates, in particular, the expected rate of volatility over the life of the option and forfeiture rates, which can materially affect the fair value estimate. The key assumptions used to derive the fair value of the stock-based compensation are detailed in Note 11 to the financial statements.

Impairment indicators

The carrying amounts of the Company's petroleum properties are reviewed at each reporting date for indicators of impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the amount of the impairment, if any.

Significant estimates and assumptions

Reserves and future development costs

Amounts recorded for depreciation, depletion and amortization and amounts used for impairment calculations are based on estimates of oil and natural gas reserves and future development costs. By their nature, the estimates of reserves, including the estimates of future prices, costs, discount rates and the related future cash flows are subject to measurement uncertainty. Estimates of future development costs are also subject to measurement uncertainty.

Decommissioning obligations

The Company estimates the decommissioning obligations for oil and natural gas wells and their associated production facilities and pipelines. In most instances, removal of assets and remediation occurs many years into the future. Amounts recorded for the decommissioning obligations and related accretion expense require estimates regarding remediation date, future environmental legislation, the extent of reclamation activities required, the engineering methodology for estimating costs, future removal technologies in determining the removal costs, and liability specific discount rates to determine the present value of these cash flows.

2. BASIS OF PRESENTATION (continued)

Recoverability of assets

The recoverable amount of an asset is evaluated at the cash-generating unit level, which is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. The recoverable amount of a CGU is the greater of its fair value less costs to sell and its value in use.

The Company's impairment testing is based on discounted cash flow models prepared by management with assistance from third-party advisors when required. The inputs used are based on management's best estimates of what an independent market participant would consider appropriate and are reviewed by senior management. Changes in these inputs may alter the results of impairment testing, the amount of the impairment charges recorded in the statement of loss and comprehensive loss and the resulting carrying values of assets.

Provision for expected credit losses

The provision for expected credit losses is reviewed by management on a monthly basis. Trade receivables are considered for impairment on a case-by-case basis when they are past due or when objective evidence is received that a customer will default. Management makes these assessments after taking into consideration the customer's payment history, their credit worthiness and the current economic environment in which the customer operates to assess impairment. The Company's historical bad debt expenses have not been significant and are usually limited to specific customer circumstances. However, given the cyclical nature of the oil and natural gas industry along with the current economic operating environment, a customer's ability to fulfill its payment obligations can change suddenly and without notice.

Stock-based compensation

The Company has a stock option plan whereby employees (including officers), directors and consultants of the Company receive remuneration in the form of stock options granted under the plan for rendering services to the Company. Stock options granted during the year are accounted for in accordance with the fair value method of accounting for stock-based payments. The fair value for these options is estimated at the date of grant using the Black-Scholes Option Pricing Model. The Company is also required to estimate the expected future forfeiture rate of options in its calculation of stock-based payments. The cost of options is recognized, together with a corresponding increase in stock-based payment reserves, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant option holder becomes fully entitled to the award (the "vesting date"). The cumulative expense recognized for option grants at each reporting date until the vesting date reflects the portion of the vesting period that passed and the Company's best estimate of the number of options that will ultimately vest on the vesting date. The Company records stock-based compensation expense and stock-based payment reserves for all stock options granted which represents the movement in cumulative expense recognized as at the beginning and end of that period. Any consideration received on the exercise of stock options is credited to capital stock.

Where the terms of a stock option award are modified, the minimum expense recognized in stock-based payment reserve is the expense as if the terms had not been modified. An additional expense is recognized for any modification that increases the total fair value of the option or is otherwise beneficial to the option holder as measured at the date of modification.

Where an option is cancelled, it is treated as if it had vested on the date of cancellation and any expense not yet recognized for the award is recognized immediately.

3. MATERIAL ACCOUNTING POLICY INFORMATION

Cash

Cash consists primarily of cash in banks. When held, cash equivalents consist of term deposits, certificates of deposit or other highly liquid investments with a maturity of three months or less at the time of purchase.

Joint arrangements

Several of the Company's oil and natural gas activities involve joint arrangements. Although the Company does not have joint control in these arrangements, it does have rights to the related assets and obligations for the related liabilities. Therefore, the Company has accounted for its interests in these arrangements as joint operations. These financial statements include the Company's proportionate interest in these joint arrangements and its proportionate share of the relevant revenue and related costs.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Foreign currency translation

Items included in the financial statements of each of the Company's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The functional and presentation currency of the Company is the Canadian dollar.

Impairment of oil and gas properties

At each financial position reporting date the carrying amounts of the Company's long-lived assets are reviewed to determine whether there is any indication of impairment.. Oil and gas properties are tested for impairment if circumstances indicate potential impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the CGU to which the asset belongs. An impairment loss is recognized whenever the carrying amount of an asset or its CGU exceeds its recoverable amount.

The recoverable amount of an asset or its CGU is the greater of its FVLCS and VIU. In assessing VIU, 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. FVLCS is the amount obtainable from the sale of an asset or CGU in an arm's length transaction between knowledgeable, willing parties, less the costs to sell or in the case of a lack of comparable transactions, based upon discounted after tax cash flows.

Impairment losses are recognized in profit or loss. An assessment is made at each financial position reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company makes an estimate of the recoverable amount. A previously recognized impairment loss is reversed only if there is an indication that there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount, however, the increased amount can not exceed the carrying amount that would have been determined had no impairment loss been recognized in prior years. A reversal of an impairment loss is recognized in profit or loss.

Oil and gas properties

All costs directly associated with the development of oil and natural gas reserves are capitalized on an area-by-area basis. Development costs include expenditures for areas where technical feasibility and commercial viability has been determined. Subsequent expenditures are capitalized only when they increase the future economic benefits embodied in the specific asset to which they relate. All other expenditures are recognized in profit or loss. These costs include proved property acquisitions, development drilling, completion, gathering and infrastructure, cost of decommissioning costs, and transfers of exploration and evaluation assets.

For divestitures of properties, a gain or loss is recognized in profit or loss. Exchanges of properties are measured at fair value, unless the fair value cannot be reliably measured. Where the exchange is measured at fair value, a gain or loss is recognized in profit or loss. Sales from royalties on the Company's oil and gas properties are deducted against the related assets.

Depletion and depreciation

The net carrying value of oil and natural gas properties is depleted on an area-by-area basis using a unit-of-production method by reference to the ratio of production in the year to the related proven and probable reserves. The unit-of-production rate for the amortization of field development costs takes into account expenditures incurred to date, together with estimated future development expenditures required to develop reserves. Proven and probable reserves are estimated using independent engineer reserve reports in accordance with National Instrument 51-101 and represent the estimated quantities of crude oil and natural gas which geological, geophysical and engineering data demonstrate with a specified degree of certainty to be recoverable in future years. Other property and equipment are depreciated over their estimated useful lives. Depreciation methods, useful lives and residual values are reviewed at least annually.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Leases

A contract is, or contains a lease, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. A recognized lease includes a right-of-use ("ROU") asset and a lease liability on the statement of financial position. The ROU asset is measured at the initial amount of the lease liability plus any initial direct costs incurred and an estimate of costs to dismantle and remove or restore the asset or the site on which the asset is located, less any lease payments made at or before the commencement date and any lease incentives received. ROU assets are subsequently measured at cost less accumulated amortization and impairment losses. The lease liability is measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate. Lease liabilities are subsequently measured at amortized cost using the effective interest rate method.

Decommissioning obligations

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of long-term assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of management's best estimate of future remediation costs arising from the decommissioning is capitalized to the related exploration and evaluation assets and oil and gas properties along with a corresponding increase in the decommissioning obligation in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The amount capitalized will be depreciated on the same basis as the related assets.

The Company's estimates of remediation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of future expenditures. These changes in estimates are recorded directly to exploration and evaluation assets and oil and gas properties with a corresponding entry to the decommissioning provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates.

Changes in the net present value due to the passage of time are charged to profit and loss for the period as a borrowing cost with a corresponding entry to the decommissioning provision. The net present value of remediation costs arising from subsequent site damage that is incurred on an ongoing basis during production are charged to profit or loss in the period incurred. The costs of remediation projects that were included in the provision are recorded against the provision as incurred. The costs to prevent and control environmental impacts at specific properties are capitalized in accordance with the Company's accounting policy for exploration and evaluation assets and oil and gas properties.

Provisions

A provision is recognized if, as a result of a past event, Wescan has a present or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Where the Company expects some or all of a provision to be reimbursed the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of loss and comprehensive loss net of any reimbursement. Non-current provisions are determined by discounting the expected future cash flows using a pre-tax rate that reflects a market risk free interest rate and the risks specific to the liability. Provisions are not recognized for future operating losses.

The Company is involved in various claims and litigation arising in the normal course of business. Since the outcomes of these matters are uncertain, there can be no assurance that such matters will be resolved in the Company's favor. The outcome of adverse decisions in any pending or threatened proceedings related to these matters could have a material impact on the Company's financial position, results of operations or cash flows.

Provisions and liabilities for legal and other contingent matters are recognized in the period when it becomes probable a future cash outflow resulting from past operations or events will occur and the amount of the cash outflow can be reasonably estimated. The timing of recognition and measurement of the provision requires the application of judgment to existing facts and circumstances, which can be subject to change, and the carrying amounts of provisions and liabilities are reviewed regularly and adjusted accordingly. The Company is required to both determine whether a loss is probable based on judgment and interpretation of laws and regulations and determine that the loss can be reasonably estimated. When a loss is recognized, it is charged to the

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

statements of loss and comprehensive loss. The Company continually monitors known and potential contingent matters and makes appropriate provisions when warranted by the circumstances present.

Financial Instruments

Measurement – initial recognition

All financial assets and financial liabilities are initially recorded on the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially recorded at fair value, net of attributable transaction costs, except for those classified as fair value through profit or loss ("FVTPL"). Subsequent measurement of financial assets and financial liabilities depends on the classifications of such assets and liabilities.

Classification – financial assets

Amortized cost

Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and that the contractual terms of the financial assets give rise on a specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequent to initial recognition at amortized cost. The Company measures its trade and other receivables at amortized cost.

Fair value through other comprehensive income ("FVTOCI")

Financial assets that are held within a business model whose objective is to hold financial assets in order to both collect contractual cash flows and selling financial assets, and that the contractual terms of the financial assets give rise on a specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Upon initial recognition of equity securities, the Company may make an irrevocable election (on an instrument-by-instrument basis) to designate its equity securities that would otherwise be measured at FVTPL to present subsequent changes in fair value in other comprehensive income. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination. Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in OCI. The cumulative gain or loss is not reclassified to profit or loss on disposal of the instrument; instead, it is transferred to retained earnings upon derecognition.

The Company currently has no financial assets designated as FVTOCI.

Fair value through profit or loss ("FVTPL")

By default, all other financial assets are measured subsequently at FVTPL, which includes cash.

Derecognition of financial assets

A financial asset is derecognized when the rights to receive cash flows from the asset have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost.

At each reporting date, the Company 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 Company measures the loss allowance for the financial asset at an amount equal to twelve month expected credit losses. The Company shall recognize in the statement of loss and comprehensive loss, as 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.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Classification – financial liabilities

Financial liabilities are subsequently measured at amortized cost using the effective interest rate method, except for financial liabilities at FVTPL, financial guarantee contracts, loan commitments as below-market interest rate, and liabilities related to contingent consideration of an acquirer in a business combination. Financial liabilities at amortized cost include trade and other payables, payable to related parties, notes payable and loan payable.

The Company has no hedging arrangements and does not apply hedge accounting.

Modification and extinguishment of financial liabilities

A financial liability is derecognized when the obligation is discharged, cancelled, or expired. When an existing financial liability is replaced by another from the same counterparty with substantially different terms, or the terms of an existing liability are substantially different, it is treated as a derecognition of the original liability and the recognition of a new liability. When the terms of an existing financial liability are altered, but the changes are not material, it is accounted for as a modification to the existing financial liability. Where a liability is substantially modified, it is considered to be extinguished and a gain or loss is recognized in the statements of loss and comprehensive loss based on the difference between the carrying amount of the liability derecognized and the fair value of the revised liability. Where a liability is modified in a non-substantial way, the amortized cost of the liability is remeasured based on the new cash flows and a gain or loss is recorded in the statements of loss and comprehensive loss.

Revenue recognition

Revenue from the sale of oil, natural gas and natural gas liquids is recognized when the Company satisfies performance obligations under sales contracts, and the customer obtains control of the goods, which occurs at the point in time of delivery of oil, natural gas and natural gas liquids into a vessel, pipe or other delivery mechanism. Revenue from sale of oil, natural gas and natural gas liquids is measured based on consideration specified in contracts with customers. Revenue is measured net of discounts, customs duties, royalties and taxes. The Company does not have any contracts where the period between the transfer of goods or services to the customer and the receipt of payment from the customer exceed one year. As a result, the Company does not adjust transaction prices for time value of money or have financing components in connection with contracts with customers.

Revenue derived from the production and sale of oil and natural gas in which the Company has an interest with other producers is recognized based on the Company's working interest and the terms of the relevant production sharing contracts. The costs associated with the delivery, including operating and maintenance costs, transportation and production based royalty expenses are recognized in the same period in which the related revenue is earned and recorded.

Segment reporting

The Company operates in a single reporting segment, oil and gas exploration and production. The Company's oil and gas properties relate to one country, Canada.

Loss per share

The Company presents basic and diluted loss per share data for its common shares. Basic loss per share is calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the year. Diluted loss per share is computed by dividing loss attributable to common shareholders of the Company by the weighted average shares outstanding, 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.

4. NEW AND PROPOSED ACCOUNTING PRONOUNCEMENTS

The Company adopted the amendments to IAS 1 Presentation of Financial Statements, to clarify its requirements for the presentation of liabilities as current or non-current in the statements of financial position. The effective date of adoption was April 1, 2024. The adoption has not had a material impact on disclosures or amounts reported in these financial statements.

In April 2024, the IASB issued *IFRS 18 Presentation and Disclosure in Financial Statements*, a new standard that establishes a defined structure for the statement of profit and loss and introduces specific disclosure requirements for the statement of profit and loss. The standard is effective for annual reporting periods beginning on or after January 1, 2027, and it also applies to comparative information.

On May 30, 2024, the IASB issued amendments to *IFRS 9 and IFRS 7 Classification and Measurement of Financial Instruments*. These amendments clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system; add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance ("ESG") targets); and update the disclosures for equity instruments designated at fair value through other comprehensive income ("FVOCI"). These amendments apply to annual reporting periods beginning on or after January 1, 2026. Earlier application is permitted. When the amendments are adopted, the Company anticipates no material impact on its financial statements.

5. TRADE AND OTHER RECEIVABLES

Amounts presented as trade and other receivables consist of the following balances:

	June 30, 2026	March 31, 2026
Trade receivables from oil and gas property operators	**$ 645,134**	$ 634,277
Input taxes recoverable	**3,626**	1,992
Total	**$ 648,760**	$ 636,269

6. OIL AND GAS PROPERTIES

Cost	
As at March 31, 2025	$ 10,586,269
Addition to oil and gas properties	1,696,563
Change in estimates of decommissioning obligations (note 9)	(172,272)
As at March 31, 2026	$ 12,110,560
Addition to oil and gas properties	63,774
As at June 30, 2025	**$ 12,174,334**

Depletion, depreciation and impairment	
As at March 31, 2025	$ (5,189,903)
Depletion and depreciation	(1,189,952)
As at March 31, 2026	(6,379,855)
Depletion and depreciation	(284,443)
As at June 30, 2025	**$ (6,664,298)**

Net book value	
As at March 31, 2025	$ 5,730,705
As at June 30, 2025	**$ 5,510,036**

6. OIL AND GAS PROPERTIES (continued)

At June 30, 2026, future development costs associated with the development of the company's proved and probable reserves of $1,570,000 (2025 - $3,000,000) were included in the depletion calculation.

At June 30, 2026 and March 31, 2025, the Company did not identify indicators of impairment or reversal of pervious impairments.

7. EQUIPMENT AND LEASE LIABILITIES

During the year ended March 31, 2024, the Company entered into a lease agreement for a compressor. The lease has a term of 18 months and was discounted at 15.0%. Subsequent to entering the lease, the Company exercised a purchase option within the agreement and obtained ownership of the equipment. Therefore, the equipment is amortized over an expected five-year useful life.

The following table summarizes the Company's equipment and lease liabilities:

Equipment	$
Balance, March 31, 2025	97,941
Amortization	(25,006)
Balance, March 30, 2026	72,935
Balance, March 31, 2026	72,935
Amortization	(6,251)
Balance, June 30, 2026	66,684

8. RELATED PARTY TRANSACTIONS AND BALANCES

The Company has entered into transactions with related parties in the normal course of business that are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. Financial assets and liabilities, including amounts owing to and from related parties, are recognized and measured in accordance with IFRS 9.

The Company also has financing arrangements with related parties, the terms of which are disclosed in Note 9.

Related party transactions and balances entered into during the period ended June 30, 2026 and March 31, 2026 not disclosed elsewhere in these financial statements are as follows:

Key management compensation

The Company has identified its directors and certain senior officers as it key management personnel. The compensation costs for key management personnel and companies related to them were recorded as follows:

8. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

	June 30, 2026	March 31, 2026
Stock-based compensation	**$ -**	$ 52,770
Consulting fees	**37,800**	145,075
Total	**$ 37,800**	$ 197,845

9. NOTES PAYABLE

The following table summarizes the Company's notes payable:

	June 30, 2026	March 31, 2026
Balance, beginning of the period	**$ 3,018,538**	$ 1,930,531
Advances	**-**	2,000,000
Repayments	**(380,990)**	(1,259,242)
Interest expense	**86,958**	347,249
Balance, end of period	**$ 2,724,506**	$ 3,018,538
Current portion	**1,267,780**	1,230,670
Non-current portion	**1,456,726**	1,787,868

Related party notes payable

On May 15, 2024, the Company amended the terms of its related party notes payable and related party payable. The amended related party notes payable bear interest of 12.0%, are secured, and are repayable over four years. As a result of the amendment, the Company concluded that the prior related party notes payable and related party payable were substantially modified, resulting in an extinguishment of the previous financial liabilities and recognition of a new financial liability. There was no gain or loss on extinguishment.

On July 21, 2025, the Company entered into an additional related party loan agreement for gross proceeds of $2,000,000. The loan bears interest at 12.0% per annum, is secured by a general security agreement over all present and after-acquired personal property of the Company, together with a floating charge over such assets, and is repayable over three years.

During the period ended June 30, 2026, interest expense relating to the related party notes payable totaled $86,958 (2026 - $55,960).

Non-related party notes payable

Non-related party notes are due on demand, bear non-compounding interest of 10.0% per annum and are unsecured. During the year ended March 31, 2026, interest expense relating to the non-related party notes payable totaled $nil (2025 - $nil).

10. DECOMISSIONING OBLIGATIONS

The following table presents the reconciliation of the opening and closing aggregate carrying amounts of the decommissioning obligations associated with the Company's oil and gas properties:

	June 30, 2026	March 31, 2026
Balance, beginning of the year	**$ 1,939,802**	$ 2,044,646
Accretion	**16,529**	67,428
Change in estimates (note 6)	**-**	(172,272)
Balance, end of period	**$ 1,956,331**	$ 1,939,802
Less: current portion	**162,632**	162,632
Long-term portion	**$ 1,793,699**	$ 1,777,170

The following assumptions were used to estimate the decommissioning obligations:

	March 31, 2026	March 31, 2025
Undiscounted cash flows	**$4,185,852**	**$4,041,066**
Risk-free rate	**3.23% to 3.88%**	**2.46% to 3.23%**
Inflation rate	**2.00%**	**2.00%**
Expected timing of cash flows	**1 to 20 years**	**1 to 20 years**

11. SHARE CAPITAL

Shares authorized, issued and outstanding at March 31, 2026 and 2025 are as follows:

a) Authorized

An unlimited number of common shares without par value.
An unlimited number of preferred shares without par value.

b) Issued

On September 11, 2024 the Company completed a non-brokered private placement of common shares issuing 3,150,000 at a price of $0.075 per common share for gross proceeds of $236,250.

c) Stock options

The Company has established a stock option plan under which it may grant stock options totaling in aggregate up to 10% of the Company's total number of shares issued and outstanding on a non-diluted basis. The stock option plan provides for the granting of stock options to officers, directors, regular employees and persons providing investor-relations or consulting services up to a limit of 5% and 2% respectively of the Company's total number of issued and outstanding shares per year. The option price must be greater or equal to the discounted market price on the grant date and the option expiry date cannot exceed 10 years from the grant date. The stock options vest immediately on the date of the grant or over a period of time as determined by the Board of Directors.

On April 17, 2024, the Company granted 3,300,000 stock options to the directors, officers and consultants of the Company. The stock options vested, one third immediately, one third October 17, 2024 and one third April 17, 2025 at an exercise price of $0.06 per common share. The options are exercisable until April 17, 2029.

On July 21, 2025, the Company granted an additional 1,000,000 stock options to directors, officers and consultants. These options vest one third on each of the first, second and third anniversaries of the grant date, have an exercise price of $0.08 per common share, and expire on July 21, 2030.

The Company uses the Black-Scholes option pricing model to estimate the fair value for all stock-based compensation. The assumptions used in this pricing model, and the resulting fair values per option, for the stock options granted during the years ended March 31, 2026 and March 31, 2025, were as follows:

	July 21, 2025 Grant	April 17, 2024 Grant
Risk-free interest rate	**3.06%**	3.82%
Expected life	**5 years**	5 years
Expected volatility	**160%**	178%
Expected dividend yield	**0%**	0%
Expected forfeiture rate	**0%**	0%
Fair value per option	**$0.06**	$0.06

For the year end March 31, 2026, the Company recorded $52,770 as stock-based compensation expense (2025 - $186,859).

A summary of stock options cancelled, granted and exercised during the period ended June 30, 2026 and March 31, 2026 is as follows:

11. SHARE CAPITAL (continued)

	Number of Options	**Weighted Average Exercise Price**	Number of Options	Weighted Average Exercise Price
Balance, beginning of period	**4,325,000**	**$ 0.06**	3,325,000	$ 0.06
Granted (Exercised)	**(525,000)**	**(0.06)**	1,000,000	0.08
Expired or Forfeited	**(1,550,000)**	**(0.06)**	-	-
Balance, end of period	**2,250,000**	**$ 0.06**	**4,325,000**	$ 0.06

A summary of stock options outstanding and exercisable at June 30, 2026 is as follows:

Weighted average exercise Price	Date of Grant	Expiry Date	Outstanding	Exercisable	Weighted average remaining life
$ 0.06	September 29, 2021	September 29, 2026	-	-	0.0 years
$ 0.06	April 17, 2024	April 17, 2029	1,250,000	1,250,000	2.8 years
$ 0.08	July 21, 2025	July 21, 2030	1,000,000	666,667	4.1 years

d) Loss per share

During the year ended March 31, 2026 stock options have been excluded from the calculation of diluted shares outstanding as they would be anti-dilutive.

During the year ended March 31, 2026, 4,325,000 stock options have been excluded in the calculation of diluted shares outstanding as they are considered anti-dilutive.

Weighted average common shares	**June 30, 2026**	March 31, 2026
Basic	**45,147,958**	44,622,958
Diluted	**45,147,958**	44,622,958

12. CONTINGENT PAYMENT OBLIGATION

During the year ended March 31, 2016, the Company paid $1,240,000 for the acquisition of a 100% interest in oil and gas properties in Provost region of Alberta. Subsequent to the completion of the transaction, the Company sold its overriding royalty rights (“GOR”) to Brentwood Energy Corp. (“Brentwood”) for total cash consideration of $150,000. The GOR entitles Brentwood to a four percent (4%) royalty of the gross monthly production of petroleum substances from the Company’s Provost property.

During the year ended March 31, 2026, the Company paid $68,545 (2025 - $42,295) to Newcrest under the GOR.

13. FINANCIAL INSTRUMENTS

The Company’s financial instruments are exposed to certain financial risks, including credit risk, capital market risk and liquidity risk, interest rate risk, commodity price risk and foreign exchange risk.

Financial instruments, consisting of trade and other receivables, trade and other payables, notes payable and loan payable are recorded at amortized cost. Cash is recorded at fair value using Level 1 measurement.

13. FINANCIAL INSTRUMENTS (continued)

		June 30, 2026		March 31, 2026	
	Financial instrument classification	Carrying Value	Estimated Fair value	Carrying Value	Estimated Fair value
Financial assets					
Cash	FVTPL	**457,895**	**457,895**	88,452	88,452
Trade and other receivables	Amortized cost	**648,760**	**648,760**	636,269	636,269
Financial liabilities					
Trade and other payables	Amortized cost	**552,586**	**552,586**	739,968	739,968
Notes payable	Amortized cost	**2,724,506**	**2,724,506**	3,018,538	3,018,538

The significance of inputs used in making fair value measurements are examined and classified according to a fair value hierarchy as following:

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 – Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date for similar assets and liabilities.

Level 3 – Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is attributable to cash and trade and other receivables. Cash are held in demand accounts at a Canadian chartered bank. The Company does not believe it is subject to any significant counterparty risk with respect to cash.

Trade receivables typically arise from normal joint operating arrangements governing the Company's producing oil and gas properties, and from cost-recovery billings. Credit valuations are performed on a regular basis and the financial statements take into account any requirement for an allowance for bad debts.

The carrying amount of cash and trade and other receivables and cash represents the maximum credit exposure. The Company has an allowance for expected credit losses of $nil as at June 30, 2026 (2025 – $nil).

During the three months ended June 30, 2026, the Company generated approximately 99% (2025 – 99%) of its petroleum and natural gas sales from one customer.

Capital market risk and liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company aims to ensure that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash. The Company faces material liquidity risk in that it has approximately $3,277,092 in trade and other payables and notes payable which are outstanding at June 30, 2026, a working capital deficiency of $829,637 and insufficient cash to satisfy its current liabilities (see Note 1).

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements, and borrowings from its notes payable. The Company's access to financing is always uncertain. There can be no assurance of continued access to additional funding.

13. FINANCIAL INSTRUMENTS (continued)

The following table details the contractual maturities of the Company's financial liabilities as at June 30, 2026:

	Due in 1-3 months	Due in 4-12 months	Due in 1-2 years	Due in >2 years	Total
Trade and other payables	552,586	-	-	-	552,586
Notes payable	302,941	965,019	1,368,201	88,345	2,724,506
	855,527	**965,019**	**1,368,201**	**88,345**	**3,277,092**

Interest rate risk

The Company's loans payable bear interest at a fixed rate. The Company does not believe its overall exposure to interest rate risk is significant and a 1% change in the interest rate would have an insignificant effect on net loss and comprehensive loss.

Commodity price risk

The Company is exposed to material oil and gas commodity price risk. A relative decrease in the price of oil and gas would reduce the Company's cash flows, reduce the realizable market value of the Company's oil and gas assets, reduce the Company's economic reserves, and make it more difficult for the Company to raise the equity capital required to meet its commitments and carry out its development-stage business plans. Management has assessed that the Company's degree of exposure to commodity price risk is material, but consistent with oil and gas business operations.

The Company's operational results and financial position are materially impacted by global financial and commodity market volatility over which it has no control.

As the Company did not have any derivatives contracts in place as at June 30, 2026, a 5% change in commodity prices for oil and gas would result in an increase or decrease in oil and gas sales of approximately $100,000 based on historical production volumes.

Commodity price risk affects the Company beyond its impact on realized revenue. In particular, the Company's future ability to raise capital for development stage activities is affected by, among many other factors, the price of oil and gas. Furthermore, changes in commodity prices will also affect the price of oil and gas leases, as well as exploration and drilling services and operating costs. Changes in oil and gas prices will also determine the Company's ultimate recoverable reserves.

Foreign exchange risk

Oil and gas tend to be priced in US dollars therefore a decrease in the value of the US dollar would have an immaterial impact on the results of operations. The Company is not exposed to significant foreign currency risk on its US dollar denominated assets and financial liabilities.

14. CAPITAL MANAGEMENT

The primary capital management objective of the Company is to ensure adequate working capital is available to fund both the board-approved business development plans (i.e. oil and gas exploration and development), and the working capital requirements of each annual operating cycle, while also seeking to minimize the risk-adjusted cost of capital.

Capital is raised and retained for the purposes and to the extent necessary to fund exploration, development and corporate overhead costs, subject to the availability of financing on acceptable terms. Given its objectives, the Company determines the amount of capital to be raised and retained based on the scope of its planned exploration activities and management's assessment of the expected availability of acceptably priced capital in future periods.

14. CAPITAL MANAGEMENT (continued)

The Company defines capital as shareholders' equity. As the Company's major asset class – oil and gas properties without significant production – is highly illiquid, requiring significant additional expenditures to be fully monetized, and as the Company is not yet earning net income from oil and gas operations, management of externally financed working capital is, by necessity, a major function of the Company's capital management program. The chief source of working capital is equity financing obtained through the sale of common shares and share purchase warrants, and the exercise of warrants and options. The Company from time to time receives loans from related and unrelated parties and trade credit, but such financial instruments are typically only supplementary to equity financings. In any case, the Company does not consider debt to be a sustainable source of capital, as in the absence of positive cash flows from operations; any debt obtained must be retired with funds raised through equity financing.

The Company's capital management plan seeks to ensure adequate resources are available to fund its activities through the balance of the current fiscal year. A significant measure used in assessing capital adequacy is thus the expected number of days of operations that can be funded from current working capital. Capital levels are deemed sufficient if they can fund the balance of the annual exploration season and development goals and fund corporate overhead expenses in the near term. The Company may lack sufficient capital to carry out development or fund its corporate overhead expenses beyond the three months ended June 30, 2026. Management must seek one or more equity financings to finance activities in the future periods. Additional capital raised will be invested primarily in oil and gas exploration and development activities.

Financing, and thus capital spending on exploration, will generally be limited to the extent that capital is available on acceptable terms. The acceptability of financing terms is generally determined by reference to the prevailing market price of the Company's shares. The terms on which the Company obtains financings are furthermore subject to the guidelines of the TSX-V.

The Company is not subject to material externally imposed capital constraints.

15. CONTINGENCIES

The Company is involved in claims arising in the normal course of operations. Management is of the opinion that there are no potential claims that would have a material adverse impact on the Company's financial position or results of its operations. The Company is currently engaged in the following claim disputes, which are not yet resolved, however management estimates the impact to the Company to be immaterial.