

ALTAI RESOURCES INC.
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2025 AND 2024
(Unaudited – expressed in Canadian Dollars)

**NOTICE OF NO AUDITOR REVIEW OF
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

The accompanying unaudited condensed interim consolidated financial statements of Altai Resources Inc. for the three months ended March 31, 2025 and 2024 have been prepared by the management of the Company and approved by the Company's Audit Committee and the Board of Directors. 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 an auditor has not reviewed the financial statements.

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management. The Company's independent auditors have not performed a review of these financial statements.

ALTAI RESOURCES INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(UNAUDITED - EXPRESSED IN CANADIAN DOLLARS)

	March 31, 2025	December 31, 2024
ASSETS		
Current assets		
Cash and cash equivalents	1,950,713	1,499,432
Marketable securities <i>(Note 4)</i>	2,046,067	2,598,535
Accounts receivable	12,883	28,271
Prepaid expenses	11,731	7,784
Total current assets	4,021,394	4,134,022
Non-current assets		
Exploration and evaluation assets <i>(Note 5)</i>	1,033,614	1,033,614
Property and equipment <i>(Note 6)</i>	152,262	166,955
Total non-current assets	1,185,876	1,200,569
Total assets	5,207,270	5,334,591
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities <i>(Note 11)</i>	134,141	176,727
Total current liabilities	134,141	176,727
Non-current liabilities		
Decommissioning liabilities <i>(Note 7)</i>	160,633	158,863
Deferred tax liabilities	176,674	180,714
Total non-current liabilities	337,307	339,577
Total liabilities	471,448	516,304
SHAREHOLDERS' EQUITY		
Share capital <i>(Note 8)</i>	34,003,020	34,003,020
Contributed surplus	3,306,091	3,306,091
Accumulated deficit	(33,573,538)	(33,653,764)
Accumulated other comprehensive income	1,000,249	1,162,940
Total equity	4,735,822	4,818,287
Total liabilities and shareholders' equity	5,207,270	5,334,591

Nature of operations and going concern – *Note 1*

Commitments – *Note 12*

Subsequent events – *Note 16*

Approved on behalf of the Board of Directors on May 30, 2025

“Kursat Kacira”
Director

“Jeffrey Ackert”
Director

The accompanying notes are an integral part of the condensed interim consolidated financial statements.

ALTAI RESOURCES INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(UNAUDITED - EXPRESSED IN CANADIAN DOLLARS)

	2025	2024
For the three months ended March 31,	\$	\$
REVENUE		
Oil sales	27,282	41,344
Royalties	(1,264)	(1,809)
	26,018	39,535
Interest and dividend income	39,468	48,221
TOTAL REVENUES	65,486	87,756
EXPENSES		
Production	21,981	11,912
General and administrative <i>(Note 11)</i>	79,832	27,410
Expenses on Quebec oil and gas interests <i>(Note 5ii)</i>	4,989	37,575
Amortization <i>(Note 6)</i>	14,693	13,919
TOTAL EXPENSES	(121,495)	(90,816)
NET LOSS	(56,009)	(3,060)
OTHER COMPREHENSIVE INCOME (LOSS)		
Increase (decrease) in fair value of investment in marketable securities, net of taxes	(162,691)	438
COMPREHENSIVE LOSS	(218,700)	(2,622)
NET LOSS PER SHARE		
Basic and diluted loss per share <i>(Note 9)</i>	(0.00)	(0.00)
Weighted Average Number of Common Shares Outstanding – basic and diluted	56,033,552	56,033,552

The accompanying notes are an integral part of the condensed interim consolidated financial statements.

ALTAI RESOURCES INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(UNAUDITED - EXPRESSED IN CANADIAN DOLLARS)

	Share Capital					
	Number of Shares	Amount \$	Contributed Surplus \$	Accumulated other comprehensive income (loss) \$	Accumulated Deficit \$	Total Shareholders' Equity \$
Balance, December 31, 2023	56,033,552	34,003,020	3,276,391	973,741	(33,630,623)	4,622,529
Net loss for the period	—	—	—	—	(3,060)	(3,060)
Increase in the fair value of marketable securities	—	—	—	438	—	438
Balance, March 31, 2024	56,033,552	34,003,020	3,276,391	974,179	(33,633,683)	4,619,907
Balance, December 31, 2024	56,033,552	34,003,020	3,306,091	1,162,940	(33,653,764)	4,818,287
Net loss for the period	—	—	—	—	(56,009)	(56,009)
Decrease in the fair value of marketable securities	—	—	—	(162,691)	—	(162,691)
Gain from the sale of marketable securities	—	—	—	—	136,235	136,235
Balance, March 31, 2025	56,033,552	34,003,020	3,306,091	1,000,249	(33,573,538)	4,735,822

The accompanying notes are an integral part of the condensed interim consolidated financial statements.

ALTAI RESOURCES INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED - EXPRESSED IN CANADIAN DOLLARS)

	2025	2024
For the three months ended March 31,	\$	\$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Net loss for the period	(56,009)	(3,060)
<i>Adjusted for</i>		
Amortization	14,693	13,919
Accretion	1,770	2,697
Dividends income	(32,162)	—
Interest income	(7,252)	(14,701)
<i>Changes in non-cash working capital balances</i>		
Accounts receivable	15,388	20,810
Prepaid expenses	(3,947)	—
Accounts payable and accrued liabilities	(42,585)	28,405
Cash provided by (used in) operating activities	(110,104)	48,070
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends received	32,162	—
Interest received	7,252	14,701
Cash received from sale of marketable securities	521,971	—
Cash provided by investing activities	561,385	14,701
Net increase in cash and cash equivalents	451,281	62,771
Cash and cash equivalents, beginning of the period	1,499,432	1,316,405
Cash and cash equivalents, end of the period	1,950,713	1,379,176

The accompanying notes are an integral part of the condensed interim consolidated financial statements.

ALTAI RESOURCES INC.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2025 AND 2024
(UNAUDITED - EXPRESSED IN CANADIAN DOLLARS)

1. Nature of Operations and Going Concern

Altai Resources Inc. (“Altai” or the “Company”), incorporated under the laws of the province of Ontario with a head-office location at 895 Don Mills Road, Two Morneau Shepell Centre, Suite 900, Toronto, Ontario, M3C 1W3. The Company is a resource company with assets that, at March 31, 2025, included an oil-producing property and a gold property in the exploration stage. As at March 31, 2025, the Company has not yet determined whether its gold property contains reserves that are economically recoverable. Both properties are located in Canada. The Company has a wholly-owned subsidiary, Altai America Inc., which is dormant.

Altai’s common shares are listed on the TSX Venture Exchange under the symbol ATI.

These condensed interim consolidated financial statements have been prepared with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. Apart from the oil revenue producing property, the gold property is at an early stage of development. The Company has incurred losses in the past and currently has an accumulated deficit of \$33,573,538 (December 31, 2024 – \$33,653,764). The Company had a net loss of \$56,009 (March 31, 2024 – \$3,060) for the three months ended March 31, 2025.

The Company’s ability to continue as a going concern is dependent upon the existence of economically recoverable resource reserves, the ability of the Company to obtain necessary financing to complete the exploration and the development of its properties, and upon future profitable production or proceeds from the disposition thereof.

As at March 31, 2025, the Company had cash and cash equivalents of \$1,950,713 (December 31, 2024 – \$1,499,432) and believes this amount is sufficient to meet its planned exploration expenditures on its properties and to meet its corporate administrative expenses for the next 12 months. Long term, the Company may pursue opportunities to raise additional funds, and while the Company has been successful in raising funds in the past, there can be no assurance that adequate funding will be available in the future, all of which describe the material uncertainties that cast significant doubt upon the Company’s ability to continue as a going concern. These condensed interim consolidated financial statements do not include the adjustments that would be necessary should the Company be unable to continue as a going concern, which could be material.

2. Basis of Presentation

Statement of Compliance

These unaudited condensed interim consolidated financial statements are prepared in accordance with IFRS[®] Accounting Standards (“IFRS”) issued by the International Financial Reporting Interpretations Committee and the International Accounting Standards (“IAS”), as applicable to interim financial reports including IAS 34 Interim Financial Reporting. These condensed interim consolidated financial statements have been prepared using the historical cost basis except for the revaluation of certain financial instruments to fair value. In addition, these condensed interim consolidated financial statements have been prepared using accrual basis of accounting, except for cash flow information.

Basis of measurement

The unaudited condensed interim consolidated financial statements have been prepared on the historical cost basis except for financial instruments, which are measured at fair value. These unaudited condensed interim consolidated financial statements have been prepared using IFRS principles applicable to a going concern, which contemplate the realization of assets and settlement of liabilities in the normal course of business as they come due.

Basis of consolidation

The condensed interim consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries.

Control is achieved where the Company has:

- power over the investee;
- exposure, or rights, to variable returns from its involvement with the investee; and

- the ability to use its power over the investee to affect the amount of the Company's returns.

When the Company has less than a majority of the voting rights of an investee, power over the investee may be obtained through: (i) a contractual arrangement with other vote holders; (ii) rights arising from other contractual arrangements; (iii) the Company's voting rights and potential voting rights; or (iv) a combination of the above, based on all relevant facts and circumstances.

The Company reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control stated above.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary.

Income and expenses of subsidiaries are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income of subsidiaries are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Company's accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group are eliminated in full on consolidation.

The condensed interim consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, Altai America Inc. All intercompany accounts and transactions have been eliminated upon consolidation.

Functional and presentational currency

The condensed interim consolidated financial statements are presented in Canadian dollars, which is the Company's presentation and functional currency.

Accounting judgments and estimation uncertainty

The preparation of condensed interim consolidated financial statements requires management to make estimates and assumptions that affect the amounts reported in the condensed interim consolidated financial statements and accompanying notes. Estimates and underlying assumptions are reviewed annually and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In preparing these condensed interim consolidated financial statements, the Company makes judgments regarding the application of its accounting policies. The condensed interim consolidated financial statement areas that require significant estimates and assumptions are included in the following notes:

Asset impairments

For impairment testing of property, plant and equipment and exploration and evaluation assets, the assessment of facts and circumstances is a subjective process that often involves a number of estimates and is subject to interpretation. One of the more significant policies adopted by the Company has been deciding the level at which assets are to be aggregated for assessing impairment. These groupings are referred to as Cash Generating Units ("CGU"). CGU is defined as the lowest levels for which there are separately identifiable independent cash inflows. Based on numerous factors, including the independence of cash inflows and production infrastructure, management considers the Company to have two CGUs, namely Malartic gold property and Cessford oil property. The testing of assets or CGU's for impairment, as well as the assessment of potential impairment reversals, requires estimates of an asset's or CGU's recoverable amount. The estimate of a recoverable amount requires a number of assumptions and estimates, including quantities of reserves, expected production volumes, future commodity prices, discount rates as well as future development and operating costs. These assumptions and estimates are subject to change as new information becomes available and changes in any of the assumptions, such as a downward revision in reserves, a decrease in commodity prices or an increase in costs, could result in an impairment of an asset's or CGU's carrying value.

For the Sorel-Trois Rivières natural gas property in Quebec for which all the Company's oil and gas licences had been revoked and expropriated by the Quebec Government on August 23, 2022 per the 2022 Act *ending exploration for petroleum and underground reservoirs and production of petroleum and brine*, CQLR c R-1.01 (the "Act"), in March 2022 the Company filed a claim in the Superior Court of Quebec against the Minister of Energy and Natural Resources of Quebec and the Quebec Government, as represented by the Attorney-General for Quebec (collectively the "Defendants") to defend the Company's rights and to seek compensation from the Defendants for the unlawful expropriation of its oil and gas licences by the Defendants by the enactment of the Petroleum Resources Act and its Regulations and the subsequent enactment of the Act. As at March 31, 2025, the claim was still ongoing. The Company had already written down the property to \$1 as required by accounting standards as of March 31, 2025 and 2024.

The Company has two CGUs, the Malartic Township gold property and the Cessford oil property. As of March 31, 2025, management assessed whether there were any indicators that the two CGUs may be impaired and determined that no such indicators were present; therefore, no impairment exists.

Decommissioning liabilities

Decommissioning liabilities consist of asset retirement obligations that are based, in part, on estimates of future costs to settle the obligation, in addition to estimates of the useful life of the underlying assets, the rate of inflation and the risk-free interest rate. At each reporting date, management reviews the provision for decommissioning liabilities and adjusts it to reflect the current best estimate.

Depletion, depreciation and amortization

The Company's property and equipment and exploration and evaluation assets are measured at cost less accumulated depletion, depreciation and amortization (DD&A) and accumulated impairment losses. The amount subject to DD&A is determined as the cost of the asset less its residual value and should be allocated on a systematic basis over the useful life of the assets. The estimate of useful life and residual value are determined by qualified independent oil properties specialists. If changed significantly, the changes will be accounted for in the consolidated statements of comprehensive loss prospectively as a change in an accounting estimate in accordance with International Accounting Standards ("IAS") 8 "Accounting Policies, Changes in Accounting Estimates and Errors".

Valuation allowance for deferred income taxes

Each period, the Company evaluates the likelihood of whether some portion of each deferred tax asset will not be realized. This evaluation is based on historic and future expected levels of taxable income, the timing of reversals of taxable temporary timing differences that give rise to deferred tax liabilities, tax planning initiative, and deferred tax rates.

Fair value measurements

The Company's accounting policies and disclosures require the determination of fair value for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The marketable securities have been designated as investments in equity instruments and carried at fair value with changes in fair value recognized in other comprehensive income. Where a decline in the fair value of an investment in equity instrument constitutes objective evidence of impairment other than temporary, the amount of the loss is removed from the other comprehensive income and recognized in the statement of comprehensive loss.

The fair value of cash and cash equivalents, accounts receivables, accounts payable and accrued liabilities approximate their carrying value due to their short term to maturity.

The fair value of share-based compensation is estimated using the Black-Scholes Option Pricing valuation model. The inputs are based on factors including the share price on measurement date and the exercise price of the instrument, and based on assumptions for the risk-free interest rate (based on government bonds), the forfeiture rate and expected life of the instruments (based on historical experience and general option holder behavior), expected dividends, and the volatility of the share price (based on historic movements in the Company's share price).

3. Summary of Material Accounting Policies

The material accounting policies used in the presentation of these condensed interim consolidated financial statements are described below:

Revenue recognition

Revenues from the sale of crude oil are recognized over time, which is when the performance obligation associated with the sale has been completed and the right to use is transferred to the customer. Revenue is presented net of production expenses and royalties.

Interest income is recorded on an accrual basis. Dividend income is recorded on the ex-dividend date and when the right to receive the dividend has been established.

Cash and cash equivalents

Cash and cash equivalents include short-term deposits with terms to maturity of ninety days or less when acquired.

Marketable securities

Marketable securities are classified and measured as financial assets at fair value through other comprehensive income. Unrealized gains and losses are recorded in other comprehensive income until the shares are sold or impaired at which time the realized gain or loss and impaired amounts would be reclassified directly from the fair value through other comprehensive income reserve to deficit.

Exploration and evaluation assets

The exploration and evaluation expenditures include the costs of acquiring licences and claims, exploratory drilling, geological and geophysical activities, acquisition of mineral and surface rights, directly attributable expenses and technical studies. Exploration and evaluation expenditures are capitalized as exploration and evaluation assets when the technical feasibility and commercial viability of extracting mineral and natural gas reserves have yet to be determined. Costs not directly attributable to exploration and evaluation activities, including general and administrative overhead costs, are expensed in the period in which they occur.

Exploration and evaluation assets are measured at cost and are not depleted or depreciated. Exploration and evaluation assets, net of any impairment loss, are transferred to property and equipment when proved and/or probable reserves are determined to exist.

When a project is deemed to no longer have commercial viable prospects to the Company, exploration and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation expenditure costs, in excess of estimated recoveries, are written off to profit or loss. The Company assesses exploration and evaluation assets for impairment when facts or circumstances suggest that the carrying amount of an asset may exceed its recoverable amount.

Property and equipment

Property and equipment include oil properties and computer equipment.

The costs of oil properties include all costs directly associated with the acquisition of crude oil wells and adherent land. These expenditures include its purchase price, legal fees related to the acquisition, and the initial estimate of decommissioning liabilities. The oil properties include four wells and three pieces of adherent land. Since all four wells located within a single geographic unit and have same useful lives and depreciation methods, the four well components have been grouped together as one component. The Company does not currently have a reserve study to allow for depletion based on unit-of-production and therefore depletes the oil property over an estimated useful life using the straight-line method.

Property, plant and equipment are stated at cost less accumulated amortization and accumulated impairment. Amortization has been provided in the accounts on the straight-line basis at the following rates: Computer equipment – over 3 years ; Oil properties – over 15 years

Impairment

The Company assesses assets or groups of assets for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. If any such indication of impairment exists, the Company makes an estimate of its recoverable amount. The recoverable amount is the higher of its fair value less costs to sell and its value in use. Where the carrying amount of an asset group exceeds its recoverable amount, the asset or asset group is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are adjusted for the risks specific to the asset or the asset group and are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money. An assessment is made at each reporting date as

to whether there is any indication that previously recognized impairment may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. Any previously recognized loss is reversed only if 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. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reverse is recognized in the consolidated statement of operations. After such reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

When an exploration and evaluation asset is determined to be technically feasible and commercially viable, the accumulated costs are transferred to property and equipment. Exploration and evaluation asset and property and equipment are accumulated on an area-by-area basis then grouped into CGU's on the basis of geographical area having regard to the operational infrastructure (such as facilities and sales points) of the area, and are the lowest level at which there are identifiable cash inflows that are largely independent of the cash flows of other groups of assets.

Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation estimated at the end of each reporting period, taking into account the risks and uncertainties surrounding the obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount receivable can be measured reliably.

Decommissioning liabilities

The Company provides for the costs of decommissioning associated with oil properties, including the abandonment of crude oil wells, related facilities, compressors, removal of equipment from leased acreage and returning such land in a condition as it is contractually obligated. The expected value of each asset's decommissioning liabilities is recorded in the period a well or related asset is drilled and evaluated, constructed or acquired. The decommissioning liabilities are measured in the consolidated statement of financial position at the expected value of the expenditures expected to be required to settle the obligation and discounted using a risk-free rate. A corresponding amount is capitalized in the relevant asset category. Any further adjustment arising from a reassessment of estimated cost of the decommissioning liabilities or a change in the discount rate also has a corresponding amount capitalized, whilst the charge arising from the accretion of the discount applied to the decommissioning liabilities is treated as a component of finance costs in the consolidated statement of comprehensive loss.

Fair value of stock options

The Company uses the Black-Scholes Option Pricing model for valuation of share-based payments. Option pricing models require the input of subjective assumptions including expected share price volatility, interest rate and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's profit and loss and contributed surplus.

Income taxes

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the end of the reporting period. Current tax assets and current tax liabilities are only offset if a legally enforceable right exists to set off the amounts, and the intention is to settle on a net basis, or to realize the asset and settle the liability simultaneously. Current income tax relating to items recognized directly in equity is recognized in equity and not through profit or loss.

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences, carry-forward of unused tax credits, and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary difference and the carry forward of unused tax credits and unused tax losses can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the consolidated statement of financial position date. Deferred tax relating to items recognized directly in equity is also recognized in equity and not in the consolidated statement of comprehensive loss.

The carrying amount of deferred tax assets is reviewed at each consolidated statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each consolidated statement of financial position date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered. The Company creates a valuation allowance to the extent that it considers deductible temporary differences, the carry-forward of unused tax credits, and unused tax losses cannot be utilized.

Stock-based compensation cost

The Company records compensation cost based on the fair value method of accounting for stock-based compensation. The fair value of stock options is determined using the Black-Scholes Option Pricing model. The fair value of the options is recognized over the vesting period as compensation expense and contributed surplus. When options are exercised, the proceeds received, together with any related amount in contributed surplus, will be credited to capital stock.

Income (loss) per common share

Basic income (loss) per common share is determined by dividing net income (loss) attributable to common shareholders by the weighted average number of common shares outstanding during the period. Diluted income (loss) per common share is calculated in accordance with the treasury stock method and based on the weighted average number of common shares and dilutive common share equivalents outstanding.

Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date. It requires consideration as to whether the fulfilment of the arrangement is dependent on the use of a specific tangible asset or the arrangement conveys a right to use the tangible asset.

Lessees are required to recognize assets and liabilities for all leases unless the lease term is twelve months or less or the underlying asset has a low value.

Financial instruments

Financial assets

Recognition and initial measurement

The Company recognizes financial assets when it becomes party to the contractual provisions of the instrument. Financial assets are measured initially at their fair value plus, in the case of financial assets not subsequently measured at fair value through profit or loss, transaction costs that are directly attributable to their acquisition. Transaction costs attributable to the acquisition of financial assets subsequently measured at fair value through profit or loss are expensed in profit or loss when incurred.

Classification and subsequent measurement

On initial recognition, financial assets are classified as subsequently measured at amortized cost ("AC"), fair value through comprehensive loss ("FVOCI") or fair value through profit or loss ("FVTPL"). The Company determines the classification of its financial assets, together with any embedded derivatives, based on the business model for managing the financial assets and their contractual cash flow characteristics.

Financial assets are classified as follows:

- a) Amortized cost - Assets that are held for collection of contractual cash flows where those cash flows are solely payments of principal and interest are measured at amortized cost. Interest revenue is calculated using the effective interest method and gains or losses arising from impairment, foreign exchange and derecognition are recognized in profit or loss. Financial assets measured at amortized cost are comprised of accounts receivables and receivables from related parties.
- b) Assets that are not held for trading and are classified as financial assets measured at fair value through other comprehensive

income (FVOCI) in accordance with IFRS 9 - Changes in the fair value of these equity instruments are recognized in other comprehensive income and are not subsequently reclassified to profit or loss. Upon derecognition of such investments, the cumulative gain or loss previously recognized in other comprehensive income is transferred directly to retained earnings. Dividends received from these investments are recognized in profit or loss when the right to receive payment is established, provided that they represent a return on investment rather than a recovery of cost.

c) Fair value through comprehensive loss - Assets that are held for collection of contractual cash flows and for selling the financial assets, and for which the contractual cash flows are solely payments of principal and interest, are measured at fair value through comprehensive loss. Interest income is calculated using the effective interest method and gains or losses arising from impairment and foreign exchange are recognized in profit or loss. All other changes in the carrying amount of the financial assets are recognized in comprehensive loss. Upon derecognition, the cumulative gain or loss previously recognized in comprehensive loss is reclassified to profit or loss.

d) Mandatorily at fair value through profit or loss - Assets that do not meet the criteria to be measured at amortized cost, or fair value through comprehensive loss, are measured at fair value through profit or loss. All interest income and changes in the financial assets' carrying amount are recognized in profit or loss. Financial assets mandatorily measured at fair value through profit or loss are comprised of cash and cash equivalents.

e) Designated at fair value through profit or loss – On initial recognition, the Company may irrevocably designate a financial asset to be measured at fair value through profit or loss in order to eliminate or significantly reduce an accounting mismatch that would otherwise arise from measuring assets or liabilities, or recognizing the gains and losses on them, on different bases. All interest income and changes in the financial assets' carrying amount are recognized in profit or loss.

Contractual cash flow assessment

The cash flows of financial assets are assessed as to whether they are solely payments of principal and interest based on their contractual terms. For this purpose, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money, the credit risk associated with the principal amount outstanding, and other basic lending risks and costs. In performing this assessment, the Company considers factors that would alter the timing and amount of cash flows such as prepayment and extension features, terms that might limit the Company's claim to cash flows, and any features that modify consideration for the time value of money.

Impairment

The Company recognizes a loss allowance for the expected credit losses associated with its financial assets, other than financial assets measured at fair value through profit or loss. Expected credit losses are measured to reflect a probability-weighted amount, the time value of money, and reasonable and supportable information regarding past events, current conditions and forecasts of future economic conditions. For financial assets measured at amortized cost, loss allowances for expected credit losses are presented in the statement of financial position as a deduction from the gross carrying amount of the financial asset. Financial assets are written off when the Company has no reasonable expectations of recovering all or any portion thereof.

Derecognition of financial assets

The Company derecognizes a financial asset when its contractual rights to the cash flows from the financial asset expire.

Financial liabilities

Recognition and initial measurement

The Company recognizes a financial liability when it becomes party to the contractual provisions of the instrument. At initial recognition, the Company measures financial liabilities at their fair value plus transaction costs that are directly attributable to their issuance, with the exception of financial liabilities subsequently measured at fair value through profit or loss for which transaction costs are immediately recorded in profit or loss.

Where an instrument contains both a liability and equity component, these components are recognized separately based on the substance of the instrument, with the liability component measured initially at fair value and the equity component assigned the residual amount.

Classification and subsequent measurement

Subsequent to initial recognition, all financial liabilities are measured at amortized cost using the effective interest rate method. Interest, gains and losses relating to a financial liability are recognized in profit or loss. Financial liabilities measured at amortized cost are comprised of trade and other payables and lease liabilities.

Derecognition of financial liabilities

The Company derecognizes a financial liability only when its contractual obligations are discharged, cancelled, or expire.

Fair value measurement

When measuring fair value except value in use of exploration and evaluation assets, property, plant and equipment and right-of-use assets for the purpose of impairment assessment, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. Specifically, the Group categorized the fair value measurements into three levels, based on the characteristics of inputs, as follow:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

At the end of the reporting period, the Group determines whether transfer occur between levels of the fair value hierarchy for assets and liabilities which are measured at fair value on recurring basis by reviewing their respective fair value measurement.

Changes in accounting Policies

New Standards and Interpretations Not Yet Adopted

Amendments to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments

In May 2024, the IASB issued these amendments to clarify the timing of recognition and derecognition for a financial asset or financial liability, including clarifying that a financial asset or financial liability, including clarifying that a financial liability is derecognized on the settlement date. In addition to these clarifications, the amendments introduce an accounting policy choice to derecognize financial liabilities settled using an electronic payment system before the settlement date if specific conditions are met. The amendments are effective for annual reporting periods beginning on or after January 1, 2026. Earlier application is permitted. Adoption of these amendments is not expected to have significant impact on the Company's consolidated financial statements.

IFRS 18 – Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, which will replace IAS 1 Presentation of Financial Statements. The new standard will require classification of income and expense into specified categories, defined subtotals and management-defined performance measures. The new standard also provides guidance on aggregation and disaggregation of disclosures. The amendments are effective for annual reporting periods beginning on or after January 1, 2027. Earlier application is permitted. Adoption of these amendments is not expected to have significant impact on the Company's consolidated financial statements

Other issued but not yet effective IFRS and amendments which are relevant to the Company have also been assessed by the Company. They are not expected to have a significant impact on the Company's consolidated financial statements.

4. Marketable Securities

Marketable securities, classified and measured at fair value through other comprehensive income, consist of dividend/interest paying Canadian large-cap corporation shares. They are reported at their fair market values at the end of the reporting periods. The unrealized gain (the total fair market values less the total costs) is included in other comprehensive income.

When marketable securities are sold, the realized gains or losses are transferred directly from the fair value through other comprehensive income reserve to deficit.

During the three months ended March 31, 2025, the Company sold its marketable securities with a total cost of \$364,927 (March 31, 2024 - \$Nil) for total cash proceeds of \$521,971 (March 31, 2024 - \$Nil). The Company recognized \$136,235 (March 31, 2024 - \$Nil) in realized gain, net of \$20,809 taxes (March 31, 2024 - \$Nil). This amount was recognized in deficit.

Revaluation of marketable securities at March 31, 2025, to their fair market values resulted in an unrealized loss of \$162,691, net of taxes of \$24,849 (March 31, 2024 – \$438 gain).

Total fair market values and costs of the marketable securities at March 31, 2025, and as at December 31, 2024, were as follows:

	As at March 31, 2025 \$	As at December 31, 2024 \$
Total fair market value	2,046,067	2,598,535
Total costs	869,725	1,234,653

As at March 31, 2025, the Company had unrealized gain of \$1,176,342 (December 31, 2024 – \$1,363,882), net of taxes of \$24,849 (December 31, 2024 – \$180,714).

5. Exploration and Evaluation Assets

Exploration and evaluation assets consist of the interest in mining properties and natural gas interests.

	Interests in mining properties ⁽ⁱ⁾ \$	Natural gas interests ⁽ⁱⁱ⁾ \$	Total \$
Balance, December 31, 2023, 2024 and March 31, 2025	1,033,614	1	1,033,614

(i) Mining properties

The Company owns 50% working interest in the Malartic Township gold property of six map designated claims (CDC). The other 50% working interest is owned by the property operator, Globex Mining Enterprises Inc., which names the project "Blackcliff gold property".

(ii) Natural gas interests

Sorel-Trois Rivières natural gas interests, Quebec

Altai's five oil and gas and reservoir exploration licences in the Sorel-Trois Rivières area, St. Lawrence Lowlands covering 68,483 hectares (169,225 acres), among all other issued Quebec oil and gas and reservoir licences, had been revoked and expropriated by the Quebec Government on August 23, 2022 with the enactment of the 2022 *Act ending exploration for petroleum and underground reservoirs and production of petroleum and brine*, CQLR c R-1.01 (the "Act").

The adjacent licence of 12,334 hectares (30,477 acres) that Talisman Energy Canada (now Repsol Canada Energy

Partnership “Repsol”) earned from Altai and assigned to Questerre Energy Corporation on February 1, 2020, in which Altai has a 15% gross production royalty, had been expropriated also by the Quebec Government per the Act.

In view of the prolonged delay in the formation of a new energy policy since 2011 resulting in the uncertainty in the future Quebec shale gas development, the Company had already written down the project to \$1 as required by accounting standards at December 31, 2014.

Thereafter all exploration and other expenditures on the interests are reported in the profit and loss. Total cumulative capital, exploration and other expenditures (including expenditures reported in the profit and loss) incurred on the natural gas interests as of March 31, 2025, amounted to \$25,392,316 (December 31, 2024 - \$25,387,327), with total cumulative write downs (including expenditures reported in the profit and loss) of \$25,392,315 (December 31, 2024 - \$25,387,326).

In March 2022, the Company filed a claim (the “Claim”) in the Superior Court of Quebec against the Minister of Energy and Natural Resources of Quebec and the Quebec Government, as represented by the Attorney-General for Quebec (collectively the “Defendants”) to defend the Company’s rights and to seek compensation from the Defendants for the unlawful expropriation of its Quebec oil and gas licences by the Defendants by the enactment of the Petroleum Resources Act and its Regulations and the subsequent enactment of the Act. As at March 31, 2025, the Claim was ongoing.

6. Property and Equipment

	Computer Equipment	Oil Properties⁽²⁾	Total
As at March 31, 2025	\$	\$	\$
Cost			
Balance, December 31, 2023	27,177	877,638	904,815
Non-cash expenditures ⁽¹⁾	–	10,506	10,506
Balance, December 31, 2024 and March 31, 2025	27,177	888,144	915,321
Accumulated depletion, depreciation and impairment			
Balance, December 31, 2023	26,196	662,993	689,189
Depletion and depreciation charge for the year	866	58,311	59,177
Balance, December 31, 2024	27,062	721,304	748,366
Depletion and depreciation charge for the period	115	14,578	14,693
Balance, March 31, 2025	27,177	735,882	748,481
Carrying values, December 31, 2024	–	166,840	166,840
Carrying values, March 31, 2025	–	152,262	152,262

(1) Non-cash expenditures include changes in decommissioning obligations.

(2) In 2012, the Company acquired a 50% (net 45%) working interest in Alberta Crown leases in the Cessford area of southern Alberta and production of light oil in four long-life oil producing wells. The cost of oil properties includes all costs directly associated with the acquisition of crude oil and adherent land. These expenditures include its purchase price, legal fee related to acquisition, and the decommissioning liabilities. 692012 Alberta Ltd. and another Calgary party (together the “Parties”) which provided technical support to Altai during the acquisition process, were paid a fee in kind by Altai, that is, each of the Parties held a 2.5% working interest in the property on the transaction closing. ConocoPhillips Canada Energy Partnership (“Conoco”) of ConocoPhillips Canada Resources Corp., a fully owned subsidiary of ConocoPhillips, US, was the partner and operator of the property. In November 2015, Conoco assigned its interest in the property to Canadian Natural Resources Limited which becomes the partner and operator of the property.

The four wells are subject to various royalty payments, some of which are 1.25-3% of gross revenue on certain wells and another which is based on barrels of oil produced. Reserve life of the four wells is estimated at 15 years. There have been no reserve studies performed to accurately estimate the reserves of these properties.

In April 2022 the civil claim filed by the Parties in 2020 for a payment of \$10,481 for their share of the property revenue to a certain date and the counterclaim by the Company were resolved with Altai and the Parties signing a Settlement Agreement and Mutual Release and the Company purchasing the Parties' combined 5% net working interest in the property, Thereafter the Company owns 50% net working interest in the property.

7. Decommissioning Liabilities

The decommissioning liability was estimated based on the Company's net ownership interest in all wells and facilities, the estimated cost to abandon and reclaim the wells and facilities and the estimated timing of the costs to be incurred in future periods. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statement could be significant. The total undiscounted amount of the estimated cash flows required to settle the asset retirement obligation is approximately \$149,123 (March 31, 2024 – \$149,123) which will be incurred in 3 years. A nominal risk-free rate of 4.86% (March 31, 2024 – 5.34%) and an inflation rate of 2.40% (March 31, 2024 – 2.40%) were used to calculate the fair value of the decommissioning liabilities. Changes to the liability were as follows:

	March 31, 2025 \$	March 31, 2024 \$
Decommissioning liability, December 31, 2024	158,863	140,644
Accretion	1,770	2,698
Decommissioning liability, March 31, 2025	160,633	143,342

8. Share Capital

Authorized: Unlimited number of common shares with no par value;

Issued and outstanding common shares as of March 31, 2025: 56,033,552 (December 31, 2024 – 56,033,552).

Share purchase warrants

No share purchase warrants were outstanding as of March 31, 2025 (December 31, 2024—Nil).

Stock options

The 2010 Stock Option Plan permits the grant of up to 4,950,000 option shares to directors, officers and employees of the Company or of its subsidiaries. Options granted are generally exercisable for up to five years from the date of grant. The prices of all stock options granted are greater than or equal to the closing fair market value of each common share on the days prior to the options being granted.

As at March 31, 2025, there were 1,200,000 options (December 31, 2024 – 1,600,000) available with the following details:

Stock options	Three months ended March 31, 2025		Year ended December 31, 2024	
	Number of Warrants	Weighted average exercise price	Number of Warrants	Weighted average exercise price
Outstanding, beginning	1,600,000	\$0.10	1,200,000	\$0.10
Cancelled/expired	400,000	\$0.10	200,000	\$0.10
Granted	—	—	600,000	\$0.10
Outstanding, ending	1,200,000	\$0.10	1,600,000	\$0.10

Number of options exercisable	Exercise Price	Expiry date	Weighted average contractual life (years)
200,000	\$0.10	23-Nov-28	3.65
400,000	\$0.10	17-Oct-25 ⁽¹⁾	0.55
600,000	\$0.10	19-Oct-29	4.56
1,200,000	\$0.10		3.07

(1) Per terms of the Option Agreements, the 400,000 share options granted to Dr. Niyazi Kacira, Chairman and President

of the Company until his death on October 18, 2024, could be exercised by his legal personal representative(s) at any time within one year of his date of death.

9. Loss Per Share

The following table sets forth the computation of basic and diluted loss per share for the three months ended March 31, 2025 and 2024:

	2025	2024
As at March 31,	\$	\$
Net loss for the period	(56,009)	(3,060)
Weighted average number of shares – basic	56,033,552	56,033,552
– diluted ⁽¹⁾	56,033,552	56,033,552
Basic and diluted net loss per share	(0.00)	(0.00)

(1) Due to the loss in the periods ended March 31, 2025 and 2024, the diluted weighted average number of shares used to calculate the diluted net loss per share is the same as the basic weighted average number of shares as the inclusion of dilutive shares would be anti-dilutive.

10. Future Tax Liabilities

The future income tax liabilities as at March 31, 2025 and 2024 were:

	2025	2024
As at March 31,	\$	\$
Marketable securities – unrealized gains and losses	24,849	151,884
	24,849	151,884

11. Related Party Transactions

Consulting services were provided by management personnel who are officers of the Company and companies owned by officers of the Company. The directors of the Company did not receive any cash compensation in their capacity as directors during the three months ended March 31, 2025 and 2024. The remuneration of directors and officers of the Company for the three months ended March 31, 2025 and 2024 were as follows:

	2025	2024
As at March 31,	\$	\$
Cash compensation paid to former CFO, Secretary-Treasurer	50,000	13,500
	50,000	13,500

During the three months ended March 31, 2025, the Company recorded \$50,000 in administrative expenses associated with its commitment to pay a termination fee to Maria Au on her resignation. Ms. Au resigned from her position as Secretary-Treasurer, CFO and director of the Company and its subsidiary effective January 10, 2025. During the three months ended March 31, 2024, the Company incurred \$13,500 to Ms. Au for her services; these fees have been allocated to administrative expenses.

As of March 31, 2025, \$55,294 owed to Ms. Au was recorded as part of accounts payable and accrued liabilities (December 31, 2024 - \$12,036). The Company settled the balance owed to Ms. Au subsequent to March 31, 2025.

The Company did not pay any other benefits, apart from the compensation reported above, to the directors and officers during the periods ended March 31, 2025 and 2024.

12. Commitments

The Company is committed to certain royalty payments on its oil production assets, the cost of which cannot be reasonably estimated.

13. Financial Instruments Hierarchy

Fair value

The fair values of the Company's cash and cash equivalents, short-term investment, interest receivable, amounts due to related parties, and accounts payable and accrued liabilities approximate their carrying values due to their short-term nature.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – inputs that are not based on observable market data.

The Company has classified its cash and cash equivalents and short-term investment as measured at fair value in the statement of financial position, using Level 1 inputs. The following table presents the Company's financial instruments, measured at fair value on the consolidated statements of financial position as at March 31, 2025, categorized into levels of the fair value hierarchy:

Description	Financial Instrument Categories	March 31, 2025 \$	December 31, 2024 \$
Cash and cash equivalents	FVTPL	1,950,713	1,499,432
Marketable securities	FVOCI	2,046,067	2,598,535
Accounts payable and accrued liabilities	Amortised cost	134,141	176,727

14. Management of Capital

The Company included the following in its capital as at March 31, 2025 and December 31, 2024 :

	March 31, 2025 \$	December 31, 2024 \$
Shareholders' equity comprised of		
Share capital	34,003,020	34,003,020
Contributed surplus	3,306,091	3,306,091
Accumulated Deficit	(33,573,538)	(33,653,764)
Accumulated other comprehensive income	1,000,249	1,162,940
	4,735,822	4,818,287

The Company's objectives when managing capital are:

- (a) to ensure that the Company maintains the level of capital necessary to meet the requirements of its exploration programs and current operating expenditures;
- (b) to allow the Company to respond to changes in economic and/or marketplace conditions;
- (c) to give shareholders sustained growth in shareholder value by increasing shareholders' equity; and
- (d) to maintain a flexible capital structure which optimizes the cost of capital at acceptable levels of risk.

The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of its underlying assets. The Company maintains or adjusts its capital level to enable it to meet its objectives by:

- (a) realizing proceeds from the disposition of its investments; and
- (b) raising capital through equity financings.

The Company is not subject to any capital requirements imposed by a regulator.

The payment of cash dividends does not form part of Altai's current capital management program and, to date, the

Company has not declared any cash dividends on its shares. The Company's management is responsible for the management of capital. The Company expects that its current capital resources will be sufficient to discharge its liabilities for the next 12 months.

15. Financial Instruments

The Company has designated its cash and cash equivalents as fair value through profit or loss and marketable securities as investments in equity instruments measured at fair value through other comprehensive income. Accounts receivable are classified as loans and receivable, which are measured at amortized cost. Accounts payable and accrued liabilities are classified as financial liabilities measured at amortized cost.

The types of risk exposure and the way in which such exposures are managed as follows:

a) Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its payment obligations. The Company's exposure to credit risk includes cash and cash equivalents. The risk exposure is limited to their carrying amounts at the date of the financial position statement. Cash and cash equivalents are maintained with financial institutions. The risk is mitigated because the financial institutions are major institutions with high credit ratings. Cash and cash equivalents include highly liquid money market instruments with original maturities of three months or less.

The Company is exposed in varying degrees to a number of risks arising from financial instruments. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. Management's close involvement in the operations allows for the identification of risks and variances from expectations. The Board approves and monitors the risk management process.

These instruments are readily convertible to known amounts of cash and are subject to an insignificant risk of change in value. As of March 31, 2025, the Company held a total of \$1,950,713 in cash and cash equivalents including High-interest Savings accounts ("HISA") series at competitive interest rates.

b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by actively forecasting, planning, reviewing, and monitoring expenditures and commitments and anticipated financial requirements. Cash and cash equivalents on hand on March 31, 2025, and to date are expected to be sufficient to fund the Company's ongoing operational needs for the next 12 months. As of March 31, 2025, the accounts payables were due between 30 and 60 days.

c) Market risk

Market risk is the risk that changes in market prices, such as oil, natural gas and mineral prices, foreign exchange rates and interest rates will affect the Company's income. The object of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

1) Commodity risk

The ability of the Company to develop its properties and the future profitability of the Company is directly related to the market price of certain minerals and oil and gas prices. The Company does not use derivative financial instruments to reduce its exposure to commodity price risk.

2) Currency risk

The Company is not exposed to the financial risk related to the fluctuation of foreign exchange rates. The Company operates mainly in Canada and all of its expenses are incurred in Canadian dollars.

3) Interest rate risk

The Company is not exposed to significant interest rate risks since all of its financial instruments can be quickly turned into cash, thus avoiding additional risks.

16. Subsequent Events

On May 1, 2025, the Company announced that it had initiated a strategic review process to identify, evaluate, and pursue a range of potential strategic alternatives with the goal of maximizing shareholder value and liquidity (the "Strategic Review"). As part of the Strategic Review, the potential strategic alternatives could include, amongst other things, either individually or in combination, the sale of part, or all, of the assets of the Company, the sale of the Company, a merger or other business combination with another party, a special cash distribution, a wind-up, or any other strategic

transaction.

Subsequent to March 31, 2025, the Company sold all of its remaining marketable securities for cash proceeds of approximately \$2.1 million, which were reinvested into cash and cash equivalents.