

# **ALTAI RESOURCES INC.**

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024**  
*(Unaudited – expressed in Canadian Dollars)*

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

The accompanying condensed interim consolidated financial statements of Altai Resources Inc. for the three and nine months ended September 30, 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 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 condensed interim consolidated financial statements.

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

As at	September 30, 2025 \$	December 31, 2024 \$
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	4,091,186	1,499,432
Marketable securities <i>(Note 4)</i>	—	2,598,535
Accounts receivable	13,141	28,271
Prepaid expenses	4,023	7,784
Total current assets	4,108,350	4,134,022
<b>Non-current assets</b>		
Exploration and evaluation assets <i>(Note 5)</i>	—	1,033,614
Property and equipment <i>(Notes 6 and 8)</i>	—	166,955
Total non-current assets	—	1,200,569
<b>Total assets</b>	<b>4,108,350</b>	<b>5,334,591</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	4,689	176,727
Return of capital payable <i>(Note 9)</i>	3,362,013	—
Total current liabilities	3,366,702	176,727
<b>Non-current liabilities</b>		
Decommissioning liabilities <i>(Notes 7 and 8)</i>	—	158,863
Deferred tax liabilities <i>(Note 11)</i>	—	180,714
Total non-current liabilities	—	339,577
<b>Total liabilities</b>	<b>3,366,702</b>	<b>516,304</b>
<b>SHAREHOLDERS' EQUITY</b>		
Share capital <i>(Note 9)</i>	30,641,007	34,003,020
Contributed surplus	3,306,091	3,306,091
Accumulated deficit	(33,205,450)	(33,653,764)
Accumulated other comprehensive income <i>(Note 4)</i>	—	1,162,940
<b>Total equity</b>	<b>741,648</b>	<b>4,818,287</b>
<b>Total liabilities and shareholders' equity</b>	<b>4,108,350</b>	<b>5,334,591</b>

Nature of operations and going concern — *Note 1*

Commitments — *Note 13*

Subsequent events — *Notes 8, 9 and 15*

*Approved on behalf of the board of directors on November 24, 2025*

"Kursat Kacira"

Director

"Jeffrey S. Ackert"

Director

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

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

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
	\$	\$	\$	\$
<b>Revenue</b>				
Interest and dividend income	23,568	48,613	100,499	146,034
<b>Total Revenue</b>	<b>23,568</b>	<b>48,613</b>	<b>100,499</b>	<b>146,034</b>
<b>Expenses</b>				
General and administrative (Note 12)	36,208	24,238	148,877	72,212
Expenses on Quebec oil and gas interests (Note 5ii)	—	16,153	24,455	67,261
Amortization (Note 6)	—	217	115	650
Impairment of exploration and evaluation assets (Note 5)	—	—	909,903	—
<b>Total Expenses</b>	<b>(36,208)</b>	<b>(40,608)</b>	<b>(1,083,350)</b>	<b>(140,123)</b>
Gain from sale of exploration and evaluation assets (Note 5)	18,289	—	18,289	—
<b>Net income (loss) from continuing operations</b>	<b>5,649</b>	<b>8,005</b>	<b>(964,562)</b>	<b>5,911</b>
<b>Other comprehensive income (loss)</b>				
Increase (decrease) in fair value of investment in marketable securities, net of taxes	—	276,957	(1,162,940)	166,097
<b>Comprehensive income (loss) from continuing operations</b>	<b>5,649</b>	<b>284,962</b>	<b>(2,127,502)</b>	<b>172,008</b>
<b>Net income from discontinued operations (Note 8)</b>	<b>172,194</b>	<b>21,305</b>	<b>5,506</b>	<b>54,939</b>
<b>TOTAL COMPREHENSIVE INCOME (LOSS)</b>	<b>177,843</b>	<b>306,267</b>	<b>(2,121,996)</b>	<b>226,947</b>
<b>NET INCOME (LOSS) PER SHARE</b>				
Continuing operations - basic and diluted	0.00	0.00	(0.02)	0.00
Discontinued operation - basic and diluted	0.00	0.00	0.00	0.00
Total - basic and diluted	0.00	0.00	(0.02)	0.00
Weighted Average Number of Common Shares Outstanding				
— basic	56,033,552	56,033,552	56,033,552	56,033,552
— diluted	56,033,552	56,033,552	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)**

	<b>Share Capital</b>			<b>Accumulated Other Comprehensive Income</b>	<b>Accumulated Deficit</b>	<b>Total Shareholder's Equity</b>
	<b>Number of Shares</b>	<b>Amount \$</b>	<b>Contributed Surplus \$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Balance, December 31, 2023</b>	<b>56,033,552</b>	<b>34,003,020</b>	<b>3,276,391</b>	<b>973,741</b>	<b>(33,630,623)</b>	<b>4,622,529</b>
Net income for the period	—	—	—	—	60,850	60,850
Increase in the fair value of marketable securities	—	—	—	166,097	—	166,097
<b>Balance, September 30, 2024</b>	<b>56,033,552</b>	<b>34,003,020</b>	<b>3,276,391</b>	<b>1,139,838</b>	<b>(33,569,773)</b>	<b>4,849,476</b>
<b>Balance, December 31, 2024</b>	<b>56,033,552</b>	<b>34,003,020</b>	<b>3,306,091</b>	<b>1,162,940</b>	<b>(33,653,764)</b>	<b>4,818,287</b>
Net loss for the period	—	—	—	—	(959,056)	(959,056)
Decrease in the fair value of marketable securities	—	—	—	(1,162,940)	—	(1,162,940)
Gain from the sale of marketable securities	—	—	—	—	1,407,370	1,407,370
Reduction of stated capital and cash distribution	—	(3,362,013)	—	—	—	(3,362,013)
<b>Balance, September 30, 2025</b>	<b>56,033,552</b>	<b>30,641,007</b>	<b>3,306,091</b>	<b>—</b>	<b>(33,205,450)</b>	<b>741,648</b>

*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)

	Nine months ended September 30,	
	2025	2024
	\$	\$
<b>CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>		
Net income (loss) for the period	(959,056)	60,850
<i>Adjusted for</i>		
Amortization	29,271	41,756
Accretion	5,271	8,092
Dividend income	(56,371)	—
Interest income	(44,127)	(44,172)
Gain from sale of exploration and evaluation assets	(18,289)	—
Gain from sale of property	(123,115)	—
Impairment of non-current assets	1,047,587	—
<i>Changes in non-cash working capital balances</i>		
Accounts receivable	15,130	28,930
Prepaid expenses	3,761	—
Accounts payable and accrued liabilities	(162,383)	1,736
<b>Cash provided by (used in) operating activities</b>	<b>(262,321)</b>	<b>97,192</b>
<b>CASH FLOWS GENERATED BY INVESTING ACTIVITIES</b>		
Dividends received	56,371	—
Interest received	44,127	44,172
Cash paid on sale of property	(50,674)	—
Cash received from sale of exploration and evaluation assets	142,000	—
Cash received from sale of marketable securities	2,662,251	—
<b>Cash generated by investing activities</b>	<b>2,854,075</b>	<b>44,172</b>
Net increase in cash and cash equivalents	<b>2,591,754</b>	141,364
Cash and cash equivalents, beginning of the period	1,499,432	1,316,405
<b>Cash and cash equivalents, end of the period</b>	<b>4,091,186</b>	<b>1,457,769</b>
<b>CASH FLOWS FROM DISCONTINUED OPERATIONS</b>		
Operating activities	54,502	104,138
<b>Total cash flows from discontinued operations</b>	<b>54,502</b>	<b>104,138</b>

*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 AND NINE MONTHS ENDED SEPTEMBER 30, 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 located at 895 Don Mills Road, Two Morneau Shepell Centre, Suite 900, Toronto, Ontario, M3C 1W3. The Company is a resource company that held assets, comprised of an oil-producing property with four oil wells and an exploration gold property with six mineral claims. During the nine months ended September 30, 2025, the Company sold its exploration gold property and oil-producing property, both 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. The Company has incurred losses in the past and currently has an accumulated deficit of \$33,205,450. For the nine-month period ended September 30, 2025, the Company had a net loss of \$964,562 from its continuing operations, net income of \$5,506 from its discontinued operations and a comprehensive loss of \$2,121,996 overall.

The Company’s ability to continue as a going concern is dependent upon its liquid reserves in cash and cash equivalents, and the Company’s ability to obtain necessary financing to fund its working capital and projects.

As at September 30, 2025, the Company has cash and cash equivalents of \$4,091,186 (December 31, 2024 – \$1,499,432), with a working capital surplus of \$741,648 (December 31, 2024 – \$3,957,295). The Company believes it will be able to continue to cover its corporate administrative expenses for the next 12 months. In the short-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 condensed interim consolidated financial statements are prepared in accordance with IFRS<sup>®</sup> 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 condensed interim consolidated financial statements have been prepared on the historical cost basis except for financial instruments, which are measured at fair value. These 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**

These condensed interim consolidated financial statements consolidate the accounts of the Company and its wholly owned subsidiary, Altai America Inc. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefit from its activities. All inter-company balances and transactions are eliminated on consolidation.

**Functional and presentation currency**

The functional and presentation currency of the Company and its subsidiary is the Canadian dollar.

**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. Significant areas of judgment, estimates, and assumptions are discussed below.

***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 level 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 the Malartic Gold Property and the 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 Company's Sorel-Trois Rivières natural gas property in Quebec, for which all of the Company's oil and gas licences had been revoked and expropriated by the Government of Quebec on August 23, 2022 through 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 (the "Claim") in the Superior Court of Quebec (the "Court") against the Minister of Energy and Natural Resources of Quebec and the Government of Quebec, as represented by the Attorney General of Quebec (collectively, the "Defendants") seeking compensatory damages from the Defendants for the expropriation of the Company's licences by the Defendants through the enactment of the Act. During the nine months ended September 30, 2025, the Company's legal counsel voluntarily ceased to represent the Company in regard to the Claim and the Company declined to appoint a new legal counsel. Further to that, the Court notified the Company that it granted, at the request of the Attorney General of Quebec, the dismissal of the Claim on the grounds that the Company no longer had legal representation.

The Company had two CGUs, the Malartic Township gold property (the "Malartic Gold Property") and the Cessford oil property (the "Cessford Oil Property"). During the nine months ended September 30, 2025, the Company sold the Malartic Gold Property for \$142,000, recognizing a gain of \$18,289 (Note 5). During the same period, the Company sold the Cessford Oil Property and settled its asset retirement obligations ("ARO") and other associated liabilities for a net cash payment by the Company of \$50,674, recognizing a gain of \$123,115 (Notes 6 and 7).

***Decommissioning liabilities***

Decommissioning liabilities, also known as asset retirement obligations ("ARO"), 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 lives of the assets. The estimates of useful life and residual value are determined by qualified independent oil properties specialists. If changed significantly, the changes are 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 initiatives, 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 methods described below. 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 instruments 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 receivable, accounts payable and accrued liabilities approximates 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 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 applied in the preparation of these condensed interim consolidated financial statements are consistent with the accounting policies disclosed in Note 3 of the audited consolidated financial statements for the year ended December 31, 2024. These condensed interim consolidated financial statements should be read in conjunction with the Company’s audited consolidated financial statements for the year ended December 31, 2024.

#### **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 Company 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 Company 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 Company 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 Company determines whether transfers occur between levels of the fair value hierarchy for assets and liabilities which are measured at fair value on a recurring basis by reviewing their respective fair value measurement.

#### **Discontinued operations**

A discontinued operation is a component of the entity that has been disposed of or is classified as subsidiary subject to impending loss of control and that represents a separate major line of business or geographical area of operations, is part of a single coordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit or loss.

#### **Changes in accounting policies**

Accounting pronouncements with future effective dates are either not applicable or are not expected to have a material impact on the Company's financial statements.

#### **4. Marketable Securities**

Marketable securities, classified and measured at fair value through other comprehensive income, consist of dividend/interest paying Canadian financial and utilities shares and shares of junior resource companies that the Company received pursuant to option agreements. They are reported at their fair market values as at the end of the reporting period. The unrealized gains

(losses) are calculated as the total fair market value less the total costs, and are included in other comprehensive income (loss) for the period.

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 nine months ended September 30, 2025, the Company sold all of its marketable securities, generating total cash receipts of \$2,662,251 (December 31, 2024 – \$Nil) net of \$4,924 in selling costs. The Company realized a gain of \$1,407,370 on the sale of its marketable securities (September 30, 2024 – \$Nil), which was transferred from the fair value through other comprehensive income reserve to deficit. As a result of the sale of its marketable securities, the Company recorded a reversal of previously recognized changes in fair value of available-for-sale marketable securities of \$1,162,940, net of taxes of \$180,714 (December 31, 2024 – \$191,467), which was also recorded as a result of the derecognition of shares that were sold. During the comparative nine months ended September 30, 2024 the Company recognized \$166,097 increase in fair value of available-for-sale marketable securities, net of \$25,369 in taxes.

Total fair market values and costs of the marketable securities at September 30, 2025 and December 31, 2024, were as follows:

As at	September 30, 2025	December 31, 2024
	\$	\$
Total fair market value	–	2,598,535
Total costs	–	1,234,653

## 5. Exploration and Evaluation Assets

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

	Interest in mining properties <sup>(i)</sup>	Natural gas interests <sup>(ii)</sup>	Total
	\$	\$	\$
December 31, 2023	1,033,167	1	1,033,168
Expenditures	446	–	446
December 31, 2024	1,033,613	1	1,033,614
Impairment	(909,902)	(1)	(909,903)
Sale	(123,711)	–	(123,711)
September 30, 2025	–	–	–

### (i) Interest in mining properties

The Company held a 50% working interest in the Malartic Township, Quebec gold property comprised of six map-designated claims (the “Malartic Gold Property”). The other 50% working interest was owned by the property’s operator, Globex Mining Enterprises Inc., which refers to the project as the “Blackcliff gold property”. During the period ended September 30, 2025, management of the Company determined that the fair value of the Malartic Gold Property was \$123,711 and so the Company recognized an impairment charge of \$909,902 on its exploration and evaluation assets.

On August 26, 2025, the Company sold the Malartic Gold Property for \$142,000, recognizing a gain of \$18,289.

### (ii) Natural gas interests

#### Sorel-Trois Rivières natural gas interests, Quebec

The Company’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), along with all other oil and gas and reservoir licences issued in Quebec, had been revoked and expropriated by the Government of Quebec on August 23, 2022 through 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 covering 12,334 hectares (30,477 acres) that Talisman Energy Canada (now Repsol Canada Energy Partnership) had earned from the Company and had assigned to Questerre Energy Corporation on February 1, 2020, in which the Company had a 15% gross production royalty, had also been revoked and expropriated by the Government of Quebec through the Act.

In view of the prolonged delay in the formation of a new energy policy in Quebec dating back to 2011, resulting in the uncertainty as to the future of shale gas development in Quebec, as at December 31, 2014, the Company had written down the project to \$1, as was required by accounting standards. During the nine months ended September 30, 2025, the Company fully impaired the project.

Following the impairment taken on December 31, 2014, the exploration and other expenditures on the interests were being 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 September 30, 2025, amounted to \$25,411,782 (December 31, 2024 - \$25,387,327), with total cumulative write downs (including expenditures reported in the profit and loss) of \$25,411,782 (December 31, 2024 - \$25,387,326).

In March 2022, the Company filed a claim (the “Claim”) in the Superior Court of Quebec (the “Court”) against the Minister of Energy and Natural Resources of Quebec and the Government of Quebec, as represented by the Attorney General of Quebec (collectively, the “Defendants”) seeking compensatory damages from the Defendants for the expropriation of the Company’s licences by the Defendants through the enactment of the Act. During the nine months ended September 30, 2025, the Company’s legal counsel voluntarily ceased to represent the Company in regard to the Claim, and the Company declined to appoint a new legal counsel. Further to that, the Court notified the Company that it granted, at the request of the Attorney General of Quebec, the dismissal of the Claim on the grounds that the Company no longer had legal representation.

## 6. Property and Equipment

	Computer Equipment \$	Oil Property <sup>(2)</sup> \$	Total \$
<b>Cost</b>			
<b>Balance, December 31, 2023</b>	27,177	877,638	904,815
Non-cash expenditures <sup>(1)</sup>	–	10,506	10,506
<b>Balance, December 31, 2024 and September 30, 2025</b>	<b>27,177</b>	<b>888,144</b>	<b>915,321</b>
<b>Accumulated depletion, depreciation and impairment</b>			
<b>Balance, December 31, 2023</b>	26,196	662,993	689,189
Amortization for the period	866	58,311	59,177
<b>Balance, December 31, 2024</b>	27,062	721,304	748,366
Amortization for the period	115	29,156	29,271
Impairment	–	137,684	137,684
<b>Balance, September 30, 2025</b>	<b>27,177</b>	<b>888,144</b>	<b>915,321</b>
Carrying values, December 31, 2024	115	166,840	166,955
<b>Carrying values, September 30, 2025</b>	<b>–</b>	<b>–</b>	<b>–</b>

(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 “Cessford Oil Property”). The cost of oil properties includes all costs directly associated with the acquisition of crude oil and adjacent land. These expenditures include the purchase price, legal fees related to the acquisition, and 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 at the close of the transaction. ConocoPhillips Canada Energy Partnership (“Conoco”) of ConocoPhillips Canada Resources Corp., a wholly 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 became the partner and operator of the Cessford Oil Property.

The four wells were subject to various royalty payments, ranging from 1.25% to 3% of gross revenue on certain wells and barrels of oil produced on other wells. Reserve life of the four wells was estimated at 15 years; however, no reserve studies were performed to accurately estimate these reserves.

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 held 50% net working interest in the property.

During the nine months ended September 30, 2025, the management determined that the book value of the Cessford Oil Property exceeded its fair value of \$Nil and so the Company recognized an impairment charge of \$137,684 on the Cessford Oil Property.

On September 29, 2025, the Company sold the Cessford Oil Property and settled its ARO and other associated liabilities for a net cash payment by the Company of \$50,674, recognizing a gain of \$123,115 (Notes 7 and 8).

## 7. Decommissioning Liabilities

The Company estimated its decommissioning liabilities, also known as asset retirement obligations ("ARO"), based on the Company's net ownership interest in all wells and facilities comprising the Cessford Oil Property, 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 were subject to measurement uncertainty and the effect on the financial statement could have been significant.

On September 29, 2025, the Company sold the Cessford Oil Property and settled its ARO and other associated liabilities for a net cash payment by the Company of \$50,674, of which \$50,000 applied to the cash settlement of the Company's ARO (Note 6). The Company recorded a gain of \$114,134 in relation to the settlement of its ARO. At the time of the sale, the total undiscounted amount of the estimated cash flows required to settle the ARO was estimated to be approximately \$149,123, which was expected to be incurred over a two-year period (December 31, 2024 - \$149,123). The Company used a nominal risk-free rate of 4.86% (December 31, 2024 - 5.34%) and an inflation rate of 2.40% (December 31, 2024 - 2.40%) to calculate the fair value of the ARO. For the period ended September 30, 2025, the Company recognized an accretion of \$5,271 (September 30, 2024 - \$8,092).

Changes to the decommissioning liabilities for the nine months ended September 30, 2025 and for the year ended December 31, 2024 were as follows:

	September 30, 2025	December 31, 2024
	\$	\$
<b>Decommissioning liabilities, beginning</b>	158,863	140,644
Change in discount rate	—	10,506
Accretion	5,271	7,713
Cash settlement of ARO	(50,000)	—
Gain on settlement of ARO	(114,134)	—
<b>Decommissioning liabilities, end</b>	<b>—</b>	<b>158,863</b>

## 8. Discontinued Operations

On September 29, 2025, the Company sold its Cessford Oil Property and settled its ARO and other associated liabilities for a net cash payment by the Company of \$50,674 (Notes 6 and 7). As the Cessford Oil Property represented the Company's major line of business with distinct cash flows, the Company presents its oil production operations as discontinued operations.

The results of discontinued operations presented in the condensed interim consolidated statements of comprehensive income and loss for the three and nine months ended September 30, 2025 and 2024 are as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
<b>Revenues</b>	\$	\$	\$	\$
Oil sales	41,007	57,699	127,939	154,347
Royalties	(1,883)	(2,653)	(5,878)	(6,996)
<b>Total revenues</b>	39,124	55,046	122,061	147,351
Operating expenses	9,955	(33,741)	(239,670)	(92,412)
Gain from sale of property	123,115	–	123,115	–
<b>Net income from discontinued operations</b>	<b>172,194</b>	<b>21,305</b>	<b>5,506</b>	<b>54,939</b>

The net change in condensed interim consolidated cash flows related to discontinued operations for the nine months ended September 30, 2025 and 2024, are as follows:

	Nine months ended September 30,	
	2025	2024
	\$	\$
Net income from discontinued operations	5,506	54,939
<i>Adjusted for:</i>		
Amortization	29,156	41,107
Accretion	5,271	8,092
Gain from sale of property	(123,115)	–
Impairment of non-current assets	137,684	–
<b>Cash provided by discontinued operations</b>	<b>54,502</b>	<b>104,138</b>

## 9. Share Capital

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

Issued and outstanding common shares as of September 30, 2025: 56,033,552 (December 31, 2024 – 56,033,552).

On September 3, 2025, the shareholders of the Company (the “Shareholders”) approved a special resolution authorizing and approving a reduction of the stated capital account of the common shares of the Company (the “Common Shares”) by an aggregate amount to be determined by the board of directors of the Company (the “Board”) from time to time up to a maximum cumulative total amount of \$4,000,000 for the purposes of distributing such amount to holders of Common Shares by way of a return of capital in one or more special cash distribution(s). On September 4, 2025, the Board approved a special cash distribution of \$0.06 per Common Share (the “Special Cash Distribution”) to holders of Common Shares by way of a return of capital. The aggregate amount of the Special Cash Distribution was \$3,362,013, based on the total issued and outstanding common shares of 56,033,552 on September 4, 2025, and was paid on October 9, 2025, to holders of Common Shares of record at the close of business on October 2, 2025.

As of September 30, 2025, the Company has recorded a return of capital payable of \$3,362,013 (December 31, 2024 - \$Nil).

### Share purchase warrants

There were no share purchase warrants outstanding at September 30, 2025 and December 31, 2024.

### 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 its subsidiary. Options granted are generally exercisable for up to five years from the date of grant. The prices of all option shares granted are greater than or equal to the closing fair market value of each common share on the day preceding the grant day.

A summary of the Company's stock options is as follows :

	Nine months ended September 30, 2025		Year ended December 31, 2024	
	Number of Options	Weighted average exercise price	Number of Options	Weighted average exercise price
Outstanding, beginning	1,600,000	\$0.10	1,200,000	\$0.10
Cancelled	(400,000)	\$0.10	(200,000)	\$0.10
Granted	—	—	600,000	\$0.10
<b>Outstanding, ending</b>	<b>1,200,000</b>	<b>\$0.10</b>	<b>1,600,000</b>	<b>\$0.10</b>

As at September 30, 2025, the following share purchase options were outstanding:

Number of Options exercisable	Exercise price	Expiry date	Weighted average contractual life (years)
200,000	\$0.10	23-Nov-28	3.15
400,000 <sup>(1)</sup>	\$0.10	17-Oct-25	0.05
600,000	\$0.10	19-Oct-29	4.05
<b>1,200,000</b>	<b>\$0.10</b>		<b>2.57</b>

(1) Per the terms of the Option Agreements, the 400,000 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. Subsequent to September 30, 2025, these options expired unexercised.

#### 10. Income (Loss) Per Share

The following table sets forth the computation of basic and diluted income (loss) per share for the three and nine months ended September 30, 2025 and 2024.

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
	\$	\$	\$	\$
Net income (loss) from continuing operations	5,649	8,005	(964,562)	5,911
Net income (loss) from discontinued operations	172,194	21,305	5,506	54,939
<b>Total net income (loss)</b>	<b>177,843</b>	<b>29,310</b>	<b>(959,056)</b>	<b>60,850</b>
Continuing operations - basic and diluted net income (loss) per share	0.00	0.00	(0.02)	0.00
Discontinued operations - basic and diluted net income (loss) per share	0.00	0.00	0.00	0.00
<b>Total - basic and diluted net income (loss) per share</b>	<b>0.00</b>	<b>0.00</b>	<b>(0.02)</b>	<b>0.00</b>
Weighted average number of shares— basic	56,033,552	56,033,552	56,033,552	56,033,552
— diluted	56,033,552	56,033,552	56,033,552	56,033,552

#### 11. Deferred Tax Liabilities

The deferred income tax liabilities as at September 30, 2025 and December 31, 2024 were:

	September 30, 2025	December 31, 2024
	\$	\$
Marketable securities – unrealized gains	—	180,714
	—	180,714

## 12. 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 nine months ended September 30, 2025 and 2024. The remuneration of directors and officers of the Company for the nine months ended September 30, 2025 and 2024 were as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2025 \$	2024 \$	2025 \$	2024 \$
General and administrative	3,000	13,500	73,000	40,500
	<b>3,000</b>	<b>13,500</b>	<b>73,000</b>	<b>40,500</b>

During the three months ended September 30, 2025, the Company incurred \$Nil in consulting fees with Maria Au, the Company's former Secretary-Treasurer, CFO and director (September 30, 2024 - \$13,500). During the same period, the Company incurred \$3,000 in consulting fees with Ms. Silina, the Company's new CFO (September 30, 2024 - \$Nil).

During the nine months ended September 30, 2025, the Company incurred a \$50,000 termination fee on the resignation of Ms. Au from her positions as the Company's Secretary-Treasurer, CFO and director effective January 10, 2025. During the nine months ended September 30, 2025, the Company incurred an additional \$18,000 to Ms. Au for her services (September 30, 2024 - \$40,500).

During the nine months ended September 30, 2025, the Company incurred \$5,000 in consulting fees to Ms. Silina (September 30, 2024 - \$Nil).

Apart from the compensation reported above, the Company did not pay any other benefits to the directors and officers during the periods ended September 30, 2025 and 2024.

At September 30, 2025, the balance payable to related parties was \$Nil (December 31, 2024 - \$12,036) and was included in accounts payable and accrued liabilities.

## 13. Commitments

The Company was committed to certain royalty payments on the Cessford Oil Property. Upon the sale of the Cessford Oil Property on September 29, 2025, the Company has no obligations related to any assets (Notes 6 and 7).

## 14. Financial Instruments Hierarchy

The following table presents the Company's financial instruments, measured at fair value on the condensed interim consolidated statements of financial position as at September 30, 2025 and December 31, 2024, categorized into levels of the fair value hierarchy:

Description	Financial Instrument Categories	September 30,	December 31,
		2025 \$	2024 \$
Cash and cash equivalents	FVTPL	4,091,186	1,499,432
Marketable securities	FVOCI	—	2,598,535
Accounts payable and accrued liabilities	Amortised cost	4,689	176,727
Return of capital payable	Amortised cost	3,362,013	—

## 15. Management of Capital

The Company included the following in its capital as at September 30, 2025 and December 31, 2024:

	September 30, 2025	December 31, 2024
Shareholders' equity comprised of	\$	\$
Share capital	30,641,007	34,003,020
Contributed surplus	3,306,091	3,306,091
Accumulated deficit	(33,205,450)	(33,653,764)
Accumulated other comprehensive income	—	1,162,940
<b>Total shareholders' equity</b>	<b>741,648</b>	<b>4,818,287</b>

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.

On September 4, 2025, the board of directors of the Company declared the Special Cash Distribution, further to the approval of the Company's shareholders on September 3, 2025. The Special Cash Distribution of \$0.06 per common share, for a total amount of \$3,362,013, was paid on October 9, 2025 to holders of the Company's common shares of record at the close of business on October 2, 2025 (Note 9).

The Company's management is responsible for the management of its capital. The Company's management expects that its current capital resources will be sufficient to discharge its liabilities for the next 12 months.

## 16. 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 is classified as loans and receivable, which is measured at amortized cost. Accounts payable and accrued liabilities are classified as financial liabilities measured at amortized cost.

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.

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 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.

These instruments are readily convertible to known amounts of cash and are subject to an insignificant risk of change in value. As of September 30, 2025, the Company held a total of \$4,091,186 in cash and cash equivalents, of which \$3,362,013 was reserved for the Special Cash Distribution.

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 at September 30, 2025, and to date, are expected to be sufficient to fund the Company's ongoing operational needs for the next 12 months. As of September 30, 2025, the accounts payable 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.

d) 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.

e) Currency risk

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

f) 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.