



**Omni-Lite Industries Canada Inc.
Unaudited Condensed Consolidated Financial Statements
For the interim three months ended March 31, 2025, and 2024
(in United States Dollars)**

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UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

In accordance with National Instrument 51-102 released by the Canada Securities Administrators, the Company discloses that its auditors have not reviewed the unaudited condensed consolidated financial statements for the three months ended March 31, 2025, and 2024.

NOTICE TO THE READER OF THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The unaudited condensed consolidated financial statements of Omni-Lite Industries Canada Inc. including the consolidated statements of financial position as at March 31, 2025 and 2024 and the consolidated statements of income (loss) and comprehensive income (loss), changes in shareholders' equity, and cash flows for the three months ended March 31, 2025 and 2024 are the responsibility of the Company's management.

These unaudited condensed consolidated financial statements have not been reviewed on behalf of the shareholders by the independent external auditors of the Company, MNP LLP.

The unaudited condensed consolidated financial statements have been prepared by management and include the selection of appropriate accounting principles, judgments and estimates necessary to prepare these unaudited condensed consolidated financial statements in accordance with IAS 34, Interim Financial Reporting as issued by the International Accounting Standards Board ("IASB").

"David Robbins" signed

David Robbins
Director and Chief Executive Officer
Cerritos, California, USA
May 20, 2025

"Roger Dent" signed

Roger Dent
Director
Cerritos, California, USA
May 20, 2025

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Consolidated Statements of Financial Position

	Note	March 31, 2025	December 31, 2024
Assets			
Current			
Cash		\$ 3,131,585	\$ 2,991,536
Accounts Receivable		2,286,322	2,474,166
Inventory	3	4,698,437	4,279,610
Prepaid Expenses		213,623	213,859
Total Current Assets		\$ 10,329,967	\$ 9,959,171
Long-Term			
Investment	4	3,244,363	3,978,749
Property, Plant and Equipment, net	5	8,634,069	8,880,306
Intangible assets and Goodwill	6	491,606	503,181
Deferred tax assets		-	27,267
Deposits		54,309	54,232
Total Assets		\$ 22,754,313	\$ 23,402,906
Liabilities			
Current			
Accounts Payable and Accrued Liabilities		\$ 1,030,902	\$ 999,231
Lease Liability	8	433,493	395,264
Income Tax Payable		251,937	221,425
Total Current Liabilities		\$ 1,666,332	1,615,920
Long-Term			
Lease Liability	8	5,003,369	5,659,009
Total Liabilities		\$ 6,669,700	\$ 6,746,880
Shareholders' Equity			
Share Capital	9	11,293,198	11,293,198
Contributed Surplus	10	2,291,896	2,291,896
Retained Earnings		2,837	(105,669)
Accumulated Other Comprehensive Income (Loss)		2,446,681	3,176,601
Total Shareholders' Equity		\$ 16,084,613	\$ 16,656,026
Total Liabilities and Shareholders' Equity		\$ 22,754,313	\$ 23,402,906

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

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Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)

For the Three Months Ended March 31	Note	2025	2024
Revenue		\$ 3,307,294	\$ 4,285,629
Cost of goods sold	3	2,531,129	3,059,772
Gross Profit		\$ 776,165	\$ 1,225,857
Overhead Expenses			
Selling, General and Administrative		348,035	321,593
Amortization of Intangible Assets	6	11,847	12,594
Sub-Total		359,882	334,187
Research and Product Design		95,184	89,815
Total			
Income (Loss) from Operations		\$ 321,099	\$ 801,855
Other Income (Expense)			
Interest Expense - Lease Liability	8	(116,581)	(137,386)
Interest Income		1,019	10,864
Other Income		-	-
Total			
Income before Income Taxes		\$ 205,537	\$ 675,333
Income Tax Expense (Recovery)			
Current		20,254	227,135
Deferred		76,777	32,933
Total		97,031	260,068
Net Income (Loss)		\$ 108,508	\$ 415,265
Other Comprehensive Income (Loss)			
Translation of Foreign Subsidiary		4,466	(82,365)
Gain (loss) on Investment	4	(734,386)	1,320,892
Comprehensive Income (Loss)		\$ (625,880)	\$ 1,736,157
Income (Loss) Per Share			
-basic	9	0.01	0.03
-diluted	9	0.01	0.02
Weighted Average Share Outstanding			
-basic	9	15,477,564	15,412,564
-diluted	9	16,617,564	17,827,564

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Consolidated Statements of Changes in Shareholders' Equity

	Note	Share Capital	Contributed Surplus	Retained Earnings	Accumulated Other Comprehensive Income/Loss	Shareholders' Equity
Balance at December 31, 2023		\$ 11,252,443	\$ 2,251,896	\$ (720,195)	\$ 722,632	\$ 13,506,776
Share-based compensation	9	-	-	-	-	-
Net loss		-	-	415,265	-	415,265
Gain on investment	4	-	-	-	1,320,892	1,320,892
Cumulative translation adjustment		-	-	-	(82,365)	(82,365)
Shares issuance	9	-	-	-	-	-
Balance at March 31, 2024		\$ 11,252,443	\$ 2,251,896	\$ (304,930)	\$ 1,961,158	\$ 15,160,567

	Note	Share Capital	Contributed Surplus	Retained Earnings	Accumulated Other Comprehensive Income/Loss	Shareholders' Equity
Balance at December 31, 2024		\$ 11,293,198	\$ 2,291,896	\$ (105,669)	\$ 3,176,601	\$ 16,656,026
Share-based compensation	9	-	-	-	-	-
Net loss		-	-	108,506	-	158,506
Gain on investment	4	-	-	-	(734,386)	(734,386)
Cumulative translation adjustment		-	-	-	4,466	4,466
Shares issuance	9	-	-	-	-	-
Balance at March 31, 2025		\$ 11,293,198	\$ 2,291,896	\$ 2,837	\$ 2,446,681	\$ 16,084,613

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

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Consolidated Statements of Cash Flows

For the three months ended March 31	Note	2025	2024
Cash flows from Operations			
Net Income (Loss) for the Period		\$ 108,506	\$ 415,265
Adjustments for:			
Depreciation	5	269,403	285,075
Inventory Reserve		-	19,796
Amortization of Intangible Assets	6	11,847	12,594
Deferred Tax Expense		10,962	239,115
Lease Interest Expense	8	116,580	137,386
		<u>\$ 517,298</u>	<u>\$ 1,109,231</u>
Net change in Non-Cash Working Capital Items			
Accounts Receivable		187,844	(577,411)
Inventory		(418,827)	(293,634)
Prepaid Expenses		236	40,924
Accounts Payable and Accrued Liabilities		68,329	(49,167)
Deposits		-	661
Deferred Revenue		-	30,159
Increase (Decrease) in Cash from Operations		<u>\$ 354,880</u>	<u>\$ 260,764</u>
Cash Flows from Financing Activities			
Related Parties Receivables	7	-	120,000
Lease Liability Repayment	8	(194,507)	(215,994)
Increase (Decrease) in Cash from Financing Activities		<u>\$ (194,507)</u>	<u>\$ (95,994)</u>
Cash Flows from Investing Activities			
Purchase of property, plant and equipment	5	(14,376)	(148,394)
Increase (Decrease) in Cash from Investing Activities		<u>\$ (14,376)</u>	<u>\$ (148,394)</u>
Currency translation		<u>(5,949)</u>	<u>(14,474)</u>
(Decrease)/increase in cash		<u>\$ 140,048</u>	<u>\$ (788)</u>
Cash, beginning of year		<u>\$ 2,991,536</u>	<u>\$ 1,108,029</u>
Cash, end of year		<u><u>\$ 3,131,585</u></u>	<u><u>\$ 1,106,127</u></u>

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

Notes to Condensed Consolidated Financial Statements

1. Nature of Operations

Omni-Lite Industries Canada Inc. ("Omni-Lite" or the "Company") was incorporated under the Laws of the Business Corporations Act of Alberta in 1992. The consolidated financial statements of the Company for the three months ended March 31, 2025, include the accounts of the Company and its wholly owned subsidiaries. The consolidated financial statements were authorized for issue by the Board of Directors on May 15, 2025. Its head office, research and development, and production operations are located at 17210 Edwards Road, Cerritos, California, 90703, USA. A corporate, registered office is located at 110 Yonge Street, Suite 1601, Toronto, ON M5C 1T4. The Company's core mission is the adaptation of material science for mission critical applications. These products include components for the aerospace, military, specialty automotive and sports and recreational industries. Since the most significant portion of the Company's operations is located in the United States ("U.S.") and its functional currency is U.S. dollars, these consolidated financial statements are presented in U.S. dollars. The Company is listed for trading on the TSX Venture Exchange under the symbol OML and the OTCQX under the symbol OLNCF.

2. Significant Accounting Policies

These condensed consolidated financial statements have been prepared by management in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and the International Financial Reporting Interpretations Committee ("IFRIC") in effect at March 31, 2025.

These condensed consolidated financial statements are unaudited and have been prepared in accordance with IAS 34, Interim Financial Reporting.

The significant accounting policies of the Company are the same as those applied in the Company's annual audited consolidated financial statements for the years ended December 31, 2024, and 2023. These policies have been consistently applied to each of the periods presented.

a) Estimates and Judgements

The preparation of consolidated financial statements requires management to make estimates and judgments that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates. The consolidated financial statements have, in the management's opinion, been properly prepared using careful judgment within reasonable limits of materiality and within the framework of the significant accounting policies.

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3. Inventory

The major components of inventory are classified as follows:

The cost of inventories recognized as expense and included in cost of goods sold for the three months ended March 31, 2025, was \$2,531,129 (2024 - \$3,059,772).

	March 31, 2025	March 31, 2024
Raw Materials	961,251	1,097,463
Tooling	704,680	671,401
Work in Progress	1,645,685	1,388,239
Finished Goods	1,386,821	1,816,769
Total	\$ 4,698,437	\$ 4,973,902

4. Investment

At March 31, 2025, the long-term investment consists of an equity investment of 7,073,970 common shares of California Nanotechnologies Corp. ("CalNano"), a public company related through a common director. The Company's investment is recorded at the fair value as supported by the market price listed on the TSX Venture Exchange.

	Carrying Amount
Investment at December 31, 2023	\$ 1,341,109
Sale of Stock	(112,936)
Realized gain on sale of stock	88,236
Gain from market price valuation	2,662,341
Investment at December 31, 2024	3,978,749
Loss from market price valuation	(734,386)
Investment at March 31, 2025	\$ 3,244,363

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5. Property, Plant and Equipment

	Building	Production Equipment	Other Equipment	Non-Consumable Tooling	Right-of-Use Assets	Totals
At December 31, 2023	\$ 4,353	\$18,641,534	\$309,419	\$7,886,989	\$4,552,813	31,365,108
Additions	-	111,871	270	-	-	112,141
Currency translation	-	(201,987)	(8,395)	-	(192,693)	(403,075)
At December 31, 2024	\$ 4,353	\$18,551,418	\$301,294	\$7,886,989	\$4,330,120	\$31,074,174
Additions	-	14,376	-	-	-	14,376
Adjustment	(4,353)	-	-	-	-	(4,353)
Currency translation	-	11,057	286	-	6,388	17,731
At March 31, 2025	\$ -	\$18,576,851	\$301,580	\$7,886,989	\$4,336,508	\$31,101,928

Accumulated depreciation

At December 31, 2023	\$4,353	\$11,919,420	\$227,697	7,885,566	\$1,144,405	\$21,182,864
Depreciation	-	623,892	6,500	-	501,465	1,131,860
Currency translation	-	(52,646)	(1,829)	-	(66,381)	(120,856)
At December 31, 2024	\$4,353	\$12,490,666	\$232,368	\$7,886,989	\$1,579,492	\$22,193,868
Depreciation	-	151,048	1,111	-	117,244	269,403
Adjustment	(4,353)	-	-	-	-	(4,353)
Currency translation	-	4,214	2,210	-	2,517	8,941
At March 31, 2025	\$ -	\$12,645,928	\$235,689	7,886,989	\$1,699,253	\$22,467,859
At December 31, 2024	\$ -	\$6,060,752	\$68,926	\$ -	\$2,750,628	\$8,880,306
At March 31, 2025	\$ -	\$5,930,923	\$65,891	\$ -	\$2,637,255	\$8,634,069

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6. Intangible Assets

	Customer Relationships	Goodwill	Trademark	Non-Compete Agreements	Patents	Totals
Cost						
December 31, 2024	\$476,090	\$407,170	\$100,000	\$20,000	\$6,285	\$1,009,545
Foreign currency translation	695	-	-	-	-	695
Adjustment	(240,000)		(100,000)	(20,000)		(360,000)
March 31, 2025	\$236,785	\$407,170	\$ -	\$ -	\$6,285	\$650,240
Accumulated amortization						
December 31, 2024	\$386,364	\$ -	\$100,000	\$20,000	\$ -	\$506,364
Amortization	11,847	-	-	-	-	11,847
Adjustment	(240,000)	-	(100,000)	(20,000)	-	(360,000)
Foreign currency translation	424	-	-	-	-	424
March 31, 2025	\$158,635	\$ -	\$ -	\$ -	\$ -	\$158,635
Net book value						
December 31, 2024	\$89,726	\$407,170	\$ -	\$ -	\$6,285	\$503,181
March 31, 2025	\$78,150	\$407,170	\$ -	\$ -	\$6,285	\$491,605

7. Related Party Transactions and Balances

During the three months ended March 31, 2025, the Company had no related party transactions and balances not disclosed elsewhere in these condensed consolidated financial statements:

During the three months ended March 31, 2024, the Company has a loan receivable from CalNano including accrued interest in the amount of \$720,031 which is due on May 30, 2025. Of this amount, \$710,563 accrues interest at 7.5% per annum and is paid on a monthly basis. In the three months ended March 31, 2024, CalNano paid in advance \$120,000 of principal payments. The loan is secured by all the assets of California Nanotechnologies Inc., a subsidiary of CalNano. As of December 31, 2024, all of the balances have been paid in full.

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Significant Subsidiaries:

The table below provides information relative to the Company's significant subsidiaries, including each such entity's name, its jurisdiction of incorporation/formation, the percentage of securities directly or indirectly owned by the Company, a brief description of the entity, and the market areas served, if applicable. The functional currency of each entity is U.S. Dollars.

Company (Jurisdiction of Incorporation/ Formation)	Percentage of ownership by Omni-Lite Industries Canada, Inc.	Overview	Market Area
Omni-Lite Industries California, Inc. (California, USA)	100%	Wholly owned subsidiary of Omni-Lite Industries Canada, Inc., which was formed and incorporated on October 4, 1985. It is the head office which conducts research and development, and production operations.	United States
Monzite Holding Co. (Delaware, USA)	100%	Wholly owned subsidiary of Omni-Lite Industries Canada, Inc., which was acquired on September 21, 2018. It is a holding company for Monzite Corporation.	United States
Monzite Corporation (New Hampshire, USA)	100%	Indirectly owned subsidiary of Omni-Lite Industries Canada, Inc., which was acquired on September 21, 2018. It is a holding company for Impellimax, Inc.	United States
Impellimax, Inc. (New Hampshire, USA)	100%	Wholly owned subsidiary of Monzite Corporation, which was acquired on September 21, 2018. It designs, manufactures, and contract manufactures electronic subcomponents.	United States
Designed Precision Castings Inc. (Ontario, Canada)	100%	Indirectly owned subsidiary of Omni-Lite Industries Canada Inc, which was acquired on December 20, 2021. It designs and manufactures investment castings.	United States, Canada
Marvel Acquisition Co. Ltd. (Ontario, Canada)	100%	Wholly owned subsidiary of Omni-Lite Industries Canada Inc., which is a holding company, and sole shareholder of Designed Precision Castings Inc.	Canada

8. Lease Liability

	March 31, 2025	December 31, 2024
Opening Balance January 1	\$ 5,526,224	\$ 5,983,343
Payments	(194,507)	(867,093)
Interest	116,581	509,815
Currency translation	(12,032)	(99,841)
Lease liability end of period	\$ 5,436,266	\$ 5,526,224
Less current portion	(433,493)	(395,264)
Long term portion	\$ 5,002,773	\$ 5,130,960

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8. Lease Liability – continued

The Company has entered into leases for its manufacturing and office space as follows:

Location	Type	Liability
Cerritos, California	Manufacturing and office	\$ 3,924,517
Cerritos, California	Warehouse	109,995
Brampton, Ontario	Manufacturing and office	1,302,701
Brampton, Ontario	Equipment purchase	18,410
Nashua, New Hampshire	Manufacturing and office	80,643
		\$ 5,436,266

The incremental borrowing rate used to calculate the lease liabilities was 9%. Additionally, recorded in the cost of sales, the Company is responsible for all building operating costs including real estate taxes and insurance. The total estimated quarterly amount of real estate taxes and insurance included in the financial statements is \$64,220 document (2024 - \$67,638).

Future minimum lease payments are as follows:

2025	676,943
2026	785,787
2027-2031	<u>3,493,750</u>
Total	\$4,956,480

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9. Share Capital

a) Authorized: Unlimited number of common shares with no par value

b) Issued:

	Number of Shares	Amount
Issued and outstanding March 31, 2025	15,477,564	\$11,293,198

c) Share Options:

The Company established a share option plan for employees, directors, and consultants on September 15, 1997. Under this plan, the Company is authorized to issue options up to 10% of the outstanding number of issued and outstanding shares. From grant date, options vest at one-third of the total grant annually with an expiration term of 5 years.

The Company has granted share options to directors, consultants, and employees of the Company as follows:

	Number	Option Price per Share Range	Weighted Average Exercise Price
Options outstanding at March 31, 2024	1,015,000	CAD \$0.60 to \$1.37	CAD \$0.89
Options outstanding at March 31, 2025	440,000	CAD \$0.60 to \$1.37	CAD \$0.89

The Company did not grant options during the three months ended March 31, 2025.

The options that are outstanding at March 31, 2025, are summarized as follows:

Options Outstanding	Option Price	Weighted Average Exercise Price of Options Outstanding	Weighted Average Remaining Contractual Life
140,000	CAD \$0.76	CAD \$0.76	1.67 years
300,000	CAD \$0.90-\$0.92	CAD \$0.91	1.72 years
440,000	CAD \$0.76-\$0.92	CAD \$0.89	1.70 years
Options Vested	Option Price	Weighted Average Exercise Price of Options Currently Exercisable	Weighted Average Remaining Contractual Life
440,000	CAD \$0.76-\$0.92	CAD \$0.89	1.70

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9. Share Capital – continued

In estimating expected stock price volatility at the time of a particular share option grant, the Company relies on observations of historical volatility trends. Share-based compensation expense in relation to the options for the three months ended March 31, 2025, was nil (2023-nil).

Warrants:

The Company initiated a long-term stock warrant plan in the third quarter of 2018 for key management and employees. The stock warrant plan is monitored by the Board of Directors who determine the strike price and vesting terms of warrants issued.

	Number	Warrant Price Per Share Range	Weighted Average Exercise Price
Total warrants outstanding March 31, 2024	1,400,000	CAD \$0.95 to \$2.26	CAD \$1.59
Warrants exercisable at March 31, 2025	700,000	CAD \$0.95 to \$1.55	CAD\$1.59

The warrants that are outstanding as of March 31, 2024, are summarized as follows:

Warrants Outstanding	Warrant Exercise Price	Weighted Average Remaining Life
200,000	CAD \$0.95	1.72 years
200,000	CAD \$1.27	1.48 years
125,000	CAD \$1.27	1.48 years
175,000	CAD \$1.41	1.48 years
200,000	CAD \$1.55	1.48 years
250,000	CAD \$1.98	1.48 years
250,000	CAD \$2.26	1.48 years
1,400,000	CAD \$1.59	1.51 years

10. Contributed Surplus

The following is a continuity schedule of contributed surplus:

	March 31, 2025	March 31, 2024
Balance, beginning of year	\$ 2,291,896	\$ 2,251,896
Share-based compensation (Note 10(c), (d))	-	-
Balance, end of period	\$2,291,896	\$ 2,251,896

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11. Income/(Loss) per Common Share

The basic (loss)income per common share is calculated using net (loss)income divided by the weighted-average number of common shares outstanding. The diluted (loss)income per common share is calculated using net (loss)income divided by the weighted-average number of diluted common shares outstanding, as adjusted with the treasury stock method. 16,617,564 (2024 - 17,827,564), is calculated from 15,477,564 (2024 - 15,412,564) and adding in 440,000 options (2024 - 1,015,000) and 700,000 warrants (2024 - 1,400,000) were included in calculating the weighted-average number of diluted common shares outstanding for the three months ended March 31, 2025, and 2024 because the Company was in a net income position.

12. Segment Information

The Company has its operations and subsidiaries in the United States and Canada. All sales are conducted in the United States.

	United States	Canada	Total
For the three months ended March 31, 2025			
Revenue	\$ 2,399,092	\$ 908,202	\$ 3,307,294
Net income	147,573	(39,067)	108,506
Long term assets	6,468,831	5,955,515	12,424,346
For the three months ended March 31, 2024			
Revenue	\$ 3,138,709	\$ 1,146,920	\$ 4,285,628
Net loss	523,365	(108,100)	415,265
Long term assets	6,486,229	6,736,174	13,222,403

13. Financial Instruments

The financial instruments of the Company consist of cash, accounts receivable, due from related parties, investment, accounts payable and accrued liabilities, and bank indebtedness.

	March 31, 2025		December 31, 2024	
	Carrying Value	Fair Value	Carrying Value	Fair Value
At FVTPL				
Cash	\$ 3,131,585	\$ 3,131,585	\$ 2,991,536	\$ 2,991,536
At FVOCI				
Investment	3,244,363	3,244,363	3,978,749	3,978,749
At Amortized cost				
Accounts receivable	2,286,322	2,286,322	2,474,166	2,474,166
Accounts payable and accrued liabilities	1,030,902	1,030,902	999,231	999,231

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13. Financial Instruments – continued

The table below sets out fair value measurements using the fair value hierarchy.

	Total	Level 1	Level 2	Level 3
Assets				
Cash	\$ 3,131,585	\$ 3,131,585	\$ -	\$ -
Investment	3,244,363	3,244,363	-	-

There have been no transfers during the period between Levels 1 and 2.

The carrying values of accounts receivable, accounts payable and accrued liabilities, and finance guarantee liability approximate their fair value due to their short-term nature.

The carrying value of the Company's due from related parties approximate their fair values due to the amounts being due on demand, and the carrying value of bank indebtedness approximates fair value due to a market rate of interest being charged.

The Company holds various forms of financial instruments. The nature of these instruments and the Company's operations exposes the Company to various risks. The Company manages its exposure to these risks by operating in a manner that minimizes its exposure to the extent practical. The Company does not use off statement of financial position contracts to manage these risks.

Foreign Currency Risk

The Company has foreign currency exposure through its DP Cast subsidiary which has a functional currency of Canadian dollars. The Company manages its foreign currency risk through natural hedges of its current assets and current liability positions where possible.

Risk Related to Tariffs

The Company imports raw materials both into and from U.S/Canada as well as sells parts from Canada into the U.S. with the changes to the current economic conditions we could be faced with increased tariffs on both import and/or exports of goods.

Other Price Risk

The Company has financial instruments that may fluctuate in value as a result of changes in market price. The Company has an investment in shares of California Nano. This investment is recorded on the consolidated statements of financial position at fair value as of the statement of financial position date with changes from the prior period's fair value reported in OCI. As at March 31, 2025, a 1% change in the price of the investment would have an impact of \$32,444 annually (December 31, 2024 - \$39,787).

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13. Financial Instruments – continued

Liquidity Risk

The Company had \$1,106,127 in cash on hand at March 31, 2024, and had no borrowing at March 31, 2023, or December 31, 2023. If the Company should need additional liquidity, it would pursue asset-based lending secured by its asset.

The following table provides an analysis of the financial liabilities based on the remaining terms of the liabilities as at:

	≤ 1 year	> 1 year ≤ 3 years	> 3 years ≤ 4 years	> 5 years	Total
March 31, 2025					
Accounts payable and accrued liabilities	\$ 1,030,902	\$ -	\$ -	\$ -	\$ 1,030,902
Total	\$ 1,030,902	\$ -	\$ -	\$ -	\$ 1,030,902
December 31, 2024					
Accounts payable and accrued liabilities	\$ 999,231	\$ -	\$ -	\$ -	\$ 999,231
Total	\$ 999,231	\$ -	\$ -	\$ -	\$ 999,231

Credit Risk

The Company manages credit risk over cash by maintaining its bank accounts with large financial institutions. The Company manages credit risk over accounts receivable by dealing with financially sound customers, based on an evaluation of the customer's financial condition. For the three months ended March 31, 2025, the Company had one customer who each accounted for in excess of 10% of revenue for \$1,016,748 or 31% of sales (March 31, 2024 – one customer totaling \$732,606 million or 17% of sales). The maximum exposure to credit risk is the carrying value of cash, accounts receivable and due from related parties. The table below provides an analysis of the age of accounts receivable from invoice date, which are not considered impaired.

	Total	≤ 30 days	> 30 days ≤ 60 days	> 60 days ≤ 90 days	> 90 days
March 31, 2025	\$ 2,286,322	\$ 1,665,335	\$ 342,319	\$ 110,113	\$ 168,555
December 31, 2024	\$ 2,474,166	\$ 1,746,374	\$ 431,784	\$ 118,156	\$ 177,852

14. Capital Disclosures

The objective for managing the Company's capital structure is to ensure that the Company has the financial capacity, liquidity and flexibility to fund expansion projects and product development efforts. The capital structure of the Company consists of cash and equity comprised of issued capital, contributed surplus and retained earnings. The Company generally relies on operating cash flows and its revolving line of credit to fund the expansion and product development. The Company's financing needs depend on the timing of expected net cash flows from new products and sales of current products. This requires the Company to maintain financial flexibility and liquidity. The Company's capital management policies are aimed at: Maintaining an appropriate balance between short-term borrowings, long-term debt and shareholders' equity; maintaining sufficient undrawn committed credit capacity to provide liquidity; ensuring ample covenant room to draw credit lines as required; and ensuring the Company maintains a credit rating that is appropriate for their circumstances. The Company monitors the leverage in its capital structure by reviewing the ratio of net debt to cash flow from operating activities and interest coverage ratios.

15. Subsequent Events

None.