Omni-Lite Industries Canada Inc.
Unaudited Condensed Consolidated Financial Statements
For the interim three and nine months ended September 30, 2025, and 2024
(in United States Dollars)

Contents

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 and nine months ended September 30, 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 September 30, 2025 and 2024 and the consolidated statements of income (loss) and comprehensive income (loss), changes in shareholders' equity, and cash flows for the three and nine months ended September 30, 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
November 7, 2025

*"**Roger Dent**" signed*

Roger Dent
Director
Cerritos, California, USA
November 7, 2025

Consolidated Statements of Financial Position

	Note	September 30, 2025	December 31, 2024
Assets			
Current			
Cash		$ **2,957,341**	$ 2,991,536
Accounts Receivable		**2,847,966**	2,474,166
Inventory	**3**	**4,576,710**	4,279,610
Prepaid Expenses		**204,968**	213,859
Total Current Assets		$ **10,586,985**	$ 9,959,171
Long-Term			
Investment	**4**	**1,880,580**	3,978,749
Property, Plant and Equipment, net	**5**	**8,220,025**	8,880,306
Intangible Assets	**6**	**715,104**	503,181
Deferred Tax Assets		**-**	27,267
Deposits		**55,015**	54,232
Total Assets		$ **21,437,709**	$ 23,402,906
Liabilities			
Current			
Accounts Payable and Accrued Liabilities		$ **1,115,915**	$ 999,231
Lease Liability	**8**	**437,562**	395,264
Income Tax Payable		**442,770**	-
Deferred Revenue		**24,144**	221,425
Total Current Liabilities		$ **2,000,391**	1,615,920
Long-Term			
Lease Liability	**8**	**4,832,341**	5,130,950
Total Liabilities		$ **6,842,732**	$ 6,746,880
Shareholders' Equity			
Share Capital	**9**	**11,293,198**	11,292,198
Contributed Surplus	**10**	**2,291,896**	2,291,896
Retained Earnings		**(166,106)**	(105,669)
Accumulated Other Comprehensive Income (Loss)		**1,175,989**	3,176,601
Total Shareholders' Equity		$ **14,594,977**	$ 16,656,026
Total Liabilities and Shareholders' Equity		$ **21,437,709**	$ 23,402,906

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

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

For the three and nine months ended Sept 30	**Note**	**For the nine month period ended Sept 30, 2025**	**For the nine month period ended Sept 30, 2024**	**For the three month period ended Sept 30, 2025**	**For the three month period ended Sept 30, 2024**
Revenue		$ 10,807,102	$ 12,385,125	$ 4,041,121	$ 3,778,058
Cost of goods sold	**3**	8,759,433	9,760,394	3,327,465	3,268,441
Gross margin		**$ 2,047,670**	**$ 2,624,731**	**$ 713,655**	**$ 509,617**
Overhead expenses					
Selling, general and administrative		1,176,473	974,145	387,803	326,410
Share-based compensation	**9**	-	40,000	-	40,000
Amortization of intangible assets	**6**	36,480	37,484	12,341	12,461
Total overhead expenses		1,212,953	1,051,629	400,144	378,871
Research and product design		293,826	232,968	85,033	64,282
Income from operations		**$ 540,890**	**$ 1,340,134**	**$ 228,479**	**$ 66,464**
Other income (expense)					
Interest income		18	41,356	-	14,196
Interest expense	**8**	(358,766)	(411,284)	(120,965)	(136,995)
Other income		25,201	99,464	179	49,464
Income/(loss) before income taxes		**$ 207,344**	**$ 1,069,671**	**$ 107,692**	**$ (6,871)**
Income tax expense (recovery)					
Current		63,758	429,030	59,084	78,537
Deferred		204,022	46,876	51,267	22,055
		267,780	475,906	110,351	100,592
Net (loss)/income		**$ (60,437)**	**$ 593,765**	**$ (2,659)**	**$ (107,463)**
Other comprehensive income/(loss)					
Translation of foreign subsidiary		97,558	(19,565)	252,678	102,059
(Loss) Gain on investment	**4**	(2,098,169)	7,001,324	(1,134,487)	5,892,350
Comprehensive (loss)/income		**$ (2,061,049)**	**$ 7,575,523**	**$ (884,468)**	**$ 5,886,946**
Loss per share					
- basic	**11**	(0.00)	0.04	(0.00)	(0.01)
- diluted	**11**	(0.00)	0.03	(0.00)	(0.01)
Weighted average shares outstanding					
- basic	**11**	15,477,564	15,412,564	15,477,564	15,412,564
- diluted	**11**	16,117,564	17,827,564	16,117,564	17,827,564

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

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, 2024		**$ 11,293,198**	**$ 2,291,896**	**$ (105,669)**	**$ 3,176,301**	**$ 16,656,026**
Net loss		-	-	(60,437)	-	(60,437)
Loss on investment	4	-	-	-	(2,098,169)	(2,098,169)
Cumulative translation adjustment		-	-	-	97,557	97,557
Balance at September 30, 2025		**$ 11,293,198**	**$ 2,291,896**	**$ -166,106**	**$ 1,175,989**	**$ 14,594,977**

	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	-	40,000	-	-	40,000
Net loss		-	-	(593,765)	-	593,765
Gain on investment	4	-	-	-	7,001,324	7,001,324
Cumulative translation adjustment		-	-	-	(19,565)	(19,565)
Balance at September 30, 2024		**$ 11,252,443**	**$ 2,291,896**	**$ (126,430)**	**$ 7,704,391**	**$ 21,122,300**

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

Consolidated Statements of Cash Flows

For the three and nine months ended Sept 30	**Note**	**For the nine month period ended Sept 30, 2025**	**For the nine month period ended Sept 30, 2024**	**For the three month period ended Sept 30, 2025**	**For the three month period ended Sept 30, 2024**
Cash flows from operating activities					
Net loss for the period		$ (60,437)	$ 593,765	$ (2,659)	$ (107,463)
Adjustments for:					
Depreciation	**5**	832,966	851,886	278,393	283,583
Inventory reserve			19,796		-
Allowance for bad debt (reversal)					
Amortization of intangible assets	**6**	36,480	37,484	12,341	12,461
Deferred tax (recovery) expense		94,512	260,999	3,457	41,837
Share-based compensation	**9**	-	40,000	-	40,000
Lease interest expense	**8**	358,766	411,284	120,965	136,995
		$ 1,262,286	**$ 2,215,214**	**$ 412,497**	**$ 407,413**
Net change in non-cash working capital items					
Accounts receivable		(373,799)	(261,171)	(519,484)	258,568
Inventory		(297,100)	182,172	119,667	121,906
Prepaid expenses		8,890	(46,100)	(3,412)	(93,583)
Accounts payable and accrued liabilities		41,845	(324,366)	108,615	(37,659)
Deferred Revenue		24,143	(84,458)	24,143	(17,013)
Deposits		12,240	1,332	5,728	(379)
(Decrease)/Increase in cash from operating activities		**$ 678,505**	**$ 1,682,623**	**$ 147,754**	**$ 639,253**
Cash flows from financing activities					
Repayment of lease liability	**8**	(582,120)	(646,182)	(194,095)	(215,190)
Sales of investments			44,417		44,417
Related parties payments			458,335		338,335
Increase/(Decrease) in cash from financing activities		**$ (582,120)**	**$ (143,430)**	**$ (194,095)**	**$ 167,562**
Cash flow from investing activities					
Acquisition, net of cash acquired		(259,895)		(4,895)	
Purchase of property, plant and equipment	**5**	(51,925)	(86,362)	(32,089)	(3,617)
Decrease in cash from investing activities		**$ (311,820)**	**$ (86,362)**	**$ (36,984)**	**$ (3,617)**
Currency translation		**181,240**	**(1,630)**	110,459	30,720
Increase/(Decrease) in cash		**$ (34,195)**	**$ 1,451,200**	**$ 27,134**	**$ 833,918**
Cash, beginning of period		**$ 2,991,536**	**$ 1,108,029**	**$ 2,930,207**	**$ 1,725,311**
Cash, end of period		**$ 2,957,341**	**$ 2,559,229**	**$ 2,957,341**	**$ 2,559,229**

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 and nine months ended September 30, 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 November 07, 2025, its head office, research and development, and production operations are located at 17210 Edwards Road, Cerritos, California, U.S.A, 90703. A corporate, registered office is located at 18 Kings Street East, Suite 902, Toronto, ON M5C2C4. 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 September 30, 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.

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 September 30, 2025, was $3,327,465 (2024 - $3,268,441). The cost of inventories recognized as expense and included in cost of goods sold for the nine months ended September 30, 2024, was $9,760,394 (2023 - $7,452,950).

	September 30, 2025	September 30, 2024
Raw Materials	1,077,901	816,400
Tooling	768,656	730,315
Work in Progress	1,341,263	1,387,466
Finished Goods	1,388,890	1,563,915
Total	**$ 4,576,710**	$ 4,498,096

4. Investment

At September 30, 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 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	853,404
Investment at December 31, 2024	$ 3,978,749
(Loss) from market price valuation	(2,098,169)
Investment at September 30, 2025	**$ 1,880,580**

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**	**$4,522,813**	**31,395,108**
Additions	-	111,871	270	-	-	112,141
Currency translation	-	(201,987)	(8,395)	-	(192,693)	(403,075)
At December 31, 2024	**$ 4,353**	**$18,551,418**	**$301,294**	**$7,886,989**	**$4,330,120**	**$31,074,174**
Additions	-	51,925	-	-	-	51,925
Adjustment	(4,353)	-	-	-	-	(4,353)
Currency translation	-	70,609	16,168	-	75,318	162,095
At September 30, 2025	**$ -**	**$18,673,952**	**$317,462**	**$7,886,989**	**$4,405,438**	**$31,283,841**
Accumulated depreciation						
At December 31, 2023	$4,353	$11,919,420	$227,697	7,886,989	$1,144,405	$21,182,864
Depreciation	-	623,892	6,500	-	501,468	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**	**$22,193,868**
Depreciation	-	465,339	3,679	-	363,948	832,966
Adjustment	(4,353)	-	-	-	-	(4,353)
Currency translation		26,675	3,399	-	31,261	61,335
At September 30, 2025	**$ -**	**$12,982,680**	**$239,446**	**7,886,989**	**$1,974,701**	**$23,083,815**
At December 31, 2024	$ -	$6,060,752	$68,926	$ -	$2,750,628	$8,880,306
At September 30, 2025	**$ -**	**$5,691,272**	**$78,016**	**$ -**	**$2,430,736**	**$8,200,025**

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	8,200	-	-	-	-	8,200
Adjustment	(240,000)	-	(100,000)	(20,000)	-	(360,000)
EComp Acquisition	130,000	129,895	-	-	-	259,895
September 30, 2025	**$374,290**	**$537,065**	**$ -**	**$ -**	**$6,285**	**$917,640**
Accumulated amortization						
December 31, 2024	$386,364	$ -	$100,000	$20,000	$ -	$506,364
Amortization	46,776	-	-	-	-	46,776
Adjustment	(240,000)	-	(100,000)	(20,000)	-	(360,000)
Foreign currency translation	9,396	-	-	-	-	9,396
September 30, 2025	**$202,536**	**$ -**	**$ -**	**$ -**	**$ -**	**$202,536**
Net book value						
December 31, 2024	$89,726	$407,170	$ -	$ -	$6,285	$503,181
September 30, 2025	**$171,754**	**$537,065**	**$ -**	**$ -**	**$6,285**	**$715,104**

7. Related Party Transactions and Balances

During the three and nine months ended September 30, 2025, the Company had no related party transactions and balances not disclosed elsewhere in these condensed consolidated financial statements:

During the three and nine months ended September 30, 2024, the Company had the following related party transactions and balances not disclosed elsewhere in these condensed consolidated financial statements:

The Company has a loan receivable from CalNano including accrued interest in the amount of $393,164. Of this amount, $383,697 accrues interest at 7.5% per annum and is paid on a monthly basis. In the three months ended September 30, 2024, CalNano paid in advance $338,335 of principal payments. In the nine months ended September 30, 2024, CalNano paid in advance $458,335 of principal payments. The loan is secured by all the assets of California Nanotechnologies Inc., a subsidiary of CalNano, which was due on May 30, 2025. On March 31, 2020, the bank called CalNano's line of credit of $250,000, which was guaranteed by the Company. Omni-Lite repaid this amount on their behalf and has a loan receivable with interest at prime +1% from California Nanotechnologies Corp. During the nine months ended September 30, 2024, CalNano paid in advance $50,000 of principal towards this outstanding balance. Both loans have been paid in full as of December 31, 2024.

Roger Dent is a member of the Company's Board of Directors and is also a member of the board of directors for CalNano.

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.

On April 23, 2025, the Company acquired 100% of the Company formally known as Electronic Components Inc (eComp) in an all-cash transaction for $350,000.

The primary reason for the acquisition of eComp was due to its symmetry between the business and Monzite Corporation, which will allow for additional growth. The company recorded Goodwill of $129,895 and Customer Relationships of $130,000.

Significant Subsidiaries – continued

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 Corporation (New Hampshire, USA)	100%	Wholly 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
Electronic Components (Massachusetts)	100%	Wholly owned subsidiary of Monzite Corporation, which was acquired on April 23, 2025. It designs and manufactures electronic components.	United States
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

	September 30, 2025	December 31, 2024
Opening Balance January 1	**$ 5,526,224**	$ 5,983,343
Payments	**(582,120)**	(867,093)
Interest	**358,766**	509,815
Currency translation	**(22,967)**	(99,841)
Lease liability end of period	**$ 5,279,903**	$ 5,526,224
Less current portion	**(437,562)**	(395,264)
Long term portion	**$ 4,842,341**	$ 5,130,960

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	$ 3,883,855
Cerritos, California	Warehouse	67,885
Brampton, Ontario	Manufacturing and office	1,282,952
Brampton, Ontario	Equipment purchase	9,800
Nashua, New Hampshire	Manufacturing and office	35,411
		$ 5,279,903

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	169,236
2026	785,787
2027-2031	3,493,750
Total	**$4,448,773**

9. Share Capital

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

b) Issued:

	Number of Shares	Amount
Issued and outstanding September 30, 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 September 30, 2024	1,015,000	CAD $0.60 to $1.37	CAD $0.89
Options outstanding at September 30, 2025	**440,000**	**CAD $0.76 to $0.92**	**CAD $0.87**

The Company did not grant options during the three months ending September 30, 2025.

The options that are outstanding at September 30, 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	1.17 years
300,000	CAD $0.92	CAD $0.92	1.47years
440,000	CAD $0.76-$0.92	CAD $0.87	1.22 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 $0.87	1.21

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 September 30, 2025, was nil (2024- $40,000). The fair value of the options granted was estimated using the Black-Scholes option pricing model with the following weighted average assumptions:

Risk-free interest rate	1.45%
Expected life (years)	5
Volatility rate (%)	60.61%
Dividend yield (%)	0.00%
Forfeiture rate (%)	0.00%

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 September 30, 2024	1,400,000	CAD $0.95 to $2.26	CAD $1.59
Total warrants outstanding September 30, 2025	**1,400,000**	**CAD $0.95 to $2.26**	**CAD$1.59**
Warrants exercisable at September 30, 2025	**700,000**	**CAD $0.95 to $2.26**	**CAD$1.53**

The warrants that are outstanding as of September 30, 2025, are summarized as follows:

Warrants Outstanding	Warrant Exercise Price	Weighted Average Remaining Life
200,000	CAD $0.95	1.22 years
200,000	CAD $1.27	0.98 years
125,000	CAD $1.27	0.98 years
175,000	CAD $1.41	0.98 years
200,000	CAD $1.55	0.98 years
250,000	CAD $1.98	0.98 years
250,000	CAD $2.26	0.98 years
1,400,000	CAD $1.59	1.01 years

10. Contributed Surplus

The following is a continuity schedule of contributed surplus:

	September 30, 2025	September 30, 2024
Balance, beginning of year	**$ 2,291,896**	$ 2,251,896
Share-based compensation (Note 10(c), (d))	**-**	40,000
Balance, end of period	**$2,291,896**	$2,291,896

11. 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. 16,117,564 (2024 - 17,127,564), is calculated from 15,477,564 (2024 - 15,412,564) and adding in 440,000 options and 200,000 warrants (2024 – 1,015,000) were included in calculating the weighted-average number of diluted common shares outstanding for the nine months ended September 30, 2025, and 2024, 1,200,000 warrants were excluded in calculating the weighted-average number of diluted common shares outstanding, because the warrants are issued at a higher price than current stock price therefore any exercise would be anti-dilutive.

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 nine months ended September 30, 2025			
Revenue	**$ 7,830,638**	**$ 2,976,467**	**$ 10,807,102**
Net income/(loss)	**340,351**	**(400,788)**	**(60,437)**
Long term assets	**4,907,639**	**5,943,085**	**10,850,724**
For the nine months ended September 30, 2024			
Revenue	$ 9,192,156	$ 3,192,969	$ 12,385,125
Net income/(loss)	977,649	(383,884)	593,765
Long term assets	6,492,867	11,760,615	18,253,482

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.

	September 30, 2025		December 31, 2024	
	Carrying Value	**Fair Value**	Carrying Value	Fair Value
At FVTPL				
Cash	**$ 2,957,341**	**$ 2,957,341**	$ 2,991,536	$ 2,991,536
At FVOCI				
Investment	**1,880,580**	**1,880,580**	3,978,749	3,978,749
At Amortized cost				
Accounts receivable	**2,847,966**	**2,847,966**	2,474,166	2,474,166
Accounts payable and accrued liabilities	**1,115,915**	**1,115,915**	999,231	999,231

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

	Total	**Level 1**	**Level 2**	**Level 3**
Assets				
Cash	$ 2,957,341	$ 2,957,341	$ -	$ -
Investment	1,880,580	1,880,580	-	-

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.

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

13. Financial Instruments – continued

statement of financial position date with changes from the prior period's fair value reported in OCI. As at September 30, 2025, a 1% change in the price of the investment would have an impact of $32,444 annually (December 31, 2024 - $39,787).

Liquidity Risk
The Company had $2,957,341 in cash on hand at September 30,2025, and had no borrowing at September 30, 2025, or December 31,2024. If the Company should need additional liquidity, it would pursue asset-based lending secured by its assets.

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
September 30, 2025					
Accounts payable and accrued liabilities	**$ 1,115,915**	***$*** **-**	**$ -**	**$ -**	**$ 1,115,915**
Total	**$ 1,115,915**	**$ -**	**$ -**	**$ -**	**$ 1,115,915**
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 nine months ended September 30, 2025, the Company had one customer who each accounted for in excess of 10% of revenue for $2,713,387 or 25% of sales (September 30, 2024 – one customer totaling $2,143,991 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**
September 30, 2025	**$ 2,847,966**	**$ 2,496,169**	**$ 223,580**	**$ 90,932**	**$ 37,285**
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.