BELGRAVIA HARTFORD

2026

Interim Financial Statements

for the six months ended June 30, 2026 and 2025

(Unaudited - Expressed in CAD dollars)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

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

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

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

BELGRAVIA HARTFORD CAPITAL INC.
INTERIM STATEMENTS OF FINANCIAL POSITION
(Expressed in CAD Dollars)

	June 30, 2026	December 31, 2025
ASSETS		
Cash	$ 27,933	$ 22,604
Investments (note 3)	475,570	2,334
Prepaid expenses	101,357	68,131
Digital currencies (note 4)	583,312	8,254,760
Equipment (note 5)	2,063	2,367
	$ 1,190,235	$ 8,350,196
LIABILITIES AND SHAREHOLDERS' DEFICIT		
Accounts payable and accrued liabilities (notes 6)	$ 2,388,440	$ 2,115,100
Loan from related party (notes 6 and 10)	216,588	199,571
Interest payable on the related party loan	29,685	19,276
Convertible debenture (note 7)	-	5,135,591
Total liabilities	2,634,712	7,469,538
Shareholders' deficit		
Share capital (note 8)	115,469,835	115,469,835
Reserves (notes 8 and 9)	15,979,628	15,979,628
Accumulated other comprehensive income	18,681,269	18,681,269
Accumulated deficit	(151,575,209)	(149,250,074)
Total shareholders' deficit	(1,444,477)	880,658
	$ 1,190,235	$ 8,350,196

Nature of operations and going concern (note 1)
Contingencies (note 12)
Subsequent event (note 13)

On behalf of the Board:

"Mehdi Azodi" **Director** ***"Pierre Pettigrew"*** **Director.**

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

BELGRAVIA HARTFORD CAPITAL INC.
INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in CAD Dollars)

	Three Month Period Ended 30-Jun-26	Three Month Period Ended 30-Jun-25	**Six Month Period Ended 30-Jun-26**	**Six Month** Period Ended 30-Jun-25
Net investment gain (loss) (note 3)	**$ (459,619)**	$ 43,380	**$ (1,011,537)**	$ (81,235)
Management services revenue		-	-	-
	(459,619)	43,380	**(1,011,537)**	(81,235)
EXPENSES				
Administration (note 8)	**20,783**	18,045	**70,282**	39,919
Business and market development	**131,815**	20,000	**173,146**	20,000
Consulting fees	**22,324**	36,399	**156,681**	23,949
Depreciation (note 5)	**152**	255	**304**	588
Foreign exchange loss	**2,197**	(31,480)	**4,399**	(34,387)
Interest expense	**4,589**	-	**37,100**	-
Investor relations	**19,840**	25,307	**112,600**	26,617
Professional fees	**216,931**	(127,385)	**307,067**	(112,399)
Regulatory fees and taxes	**35,855**	30,299	**39,515**	36,826
Rent	**-**	-	**500**	500
Share-based compensation (note 7,8)	**-**	95,635	**-**	245,435
Travel	**20,367**	270	**24,758**	270
Wages and benefits (note 8)	**186,102**	159,428	**387,246**	340,620
Total expenses	**(660,955)**	(226,773)	**(1,313,598)**	(587,938)
Loss and comprehensive loss for the period	**$ (1,120,574)**	$ (183,393)	**$ (2,325,135)**	$ (669,173)
Basic and diluted loss per common share	**$ (0.01)**	$ (0.00)	**$ (0.02)**	$ (0.01)
Weighted average number of common shares outstanding, basic and diluted	**137,720,837**	90,045,264	**137,720,837**	88,481,335

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

BELGRAVIA HARTFORD CAPITAL INC.
INTERIM STATEMENTS OF CASH FLOWS
(Expressed in CAD Dollars)

	Six Month Period Ended 30-Jun-26	Six Month Period Ended 30-Jun-25
OPERATING ACTIVITIES		
Loss for the period	$ (2,325,135)	$ (669,173)
Items not affecting cash:		
Depreciation	304	588
Equity compensation	-	207,400
Share-based compensation	-	245,435
Share issued for finder fees	-	112,261
Net investment losses	1,012,576	80,950
Write-off equipment	-	286
Adjustments for:		
Investments made	(1,113,597)	(1,976,340)
Proceeds from sale of investments	258,640	1,017,567
Changes in non-cash working capital items:		
Increase in prepaid expenses	(33,226)	(6,107)
Accrue for interest on related party loan	5,820	3,883
(Decrease) increase in accounts payable and accrued liabilities	134,946	(281,332)
(Decrease) increase in Interest accrual	26,691	-
Net cash (used in) provided by operating activities	(2,032,980)	(1,264,582)
INVESTING ACTIVITIES		
Promissory note (note 5)	-	686,143
Equipment expenditures	-	(1,811)
Proceeds of sale of digital currencies	2,021,486	
Net cash used in investing activities	2,021,486	684,332
FINANCING ACTIVITIES		
Advances from related parties	16,823	-
Loan payment to related parties	-	(28,754)
Proceeds from exercise of options	-	81,901
Proceeds from exercise of warrants	-	623,785
Share issuance cost	-	(112,261)
Net cash provided by financing activities	16,823	564,671
Change in cash for the period	5,329	(15,579)
Cash beginning of year	22,604	356,641
Cash, end of period	$ 27,933	$ 341,062

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

BELGRAVIA HARTFORD CAPITAL INC.
INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIT)
(Expressed in CAD Dollars)

	Share Capital					
	Number of Shares	Amount	Reserves	Accumulated Other Comprehensive Income	Accumulated Deficit	Equity (Deficit)
		$	$	$	$	$
Balance as at December 31, 2024	85,207,140	108,779,380	14,478,427	18,681,269	(142,278,137)	(339,062)
Shares issued for finder fee	827,733	112,261				112,261
Exercise of options	5,515,000	435,747	(146,447)			289,300
Exercise of warrants	12,310,714	623,786				623,786
Share issue costs		(112,261)				(112,261)
Stock-based compensation			245,435			245,435
Loss and comprehensive loss					(669,173)	(669,173)
Balance as at June 30, 2025	103,860,587	109,838,913	14,577,415	18,681,269	(142,947,310)	150,286
Balance as at December 31, 2025	137,720,837	115,469,835	15,979,628	18,681,269	(149,250,074)	880,658
Loss and comprehensive loss					(2,325,135)	(2,325,135)
Balance as at June 30, 2026	137,720,837	115,469,835	15,979,628	18,681,269	(151,575,209)	(1,444,477)

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Belgravia Hartford Capital Inc. ("Belgravia" or the "Company") is a publicly traded investment holding company listed on the Canadian Securities Exchange. Belgravia is focused on growing its assets and holdings and increasing its net asset value ("NAV"). Belgravia invests in a portfolio of private and public companies located in jurisdictions governed by the rule of law. It takes a multi-sector investment approach with emphasis in the resources and commodities sector. The Company is now expanding into Tech related sectors with appointments at the Board of Directors level and Advisory Committee to investigate the opportunities for investments and acquisitions. Areas of focus are Cryptocurrency, Artificial Intelligence, media and digital streaming. The Company was continued into British Columbia on December 20, 2019, under the Business Corporation Act (British Columbia). The Company's registered office is located at #3-3185 Via Centrale, Kelowna, BC V1V 2A7.

The company's continuation as a going concern is dependent upon its ability to generate cash flows from its investments, royalties, and operations, and to obtain additional financing. As at June 30th, 2026, the company had an accumulated deficit of $151,575,209 and a working capital deficit of $1,444,477 (2025 – deficit of $150,286). There can be no assurance that the Company will be able to readily exit certain investment positions or obtain additional equity capital or borrowings. If the Company is unable to obtain adequate additional equity capital or borrowings, the Company may need to further curtail its activities until additional funds can be raised.

The company has incurred recurring losses and generated limited operating revenues. These conditions indicate a material uncertainty that may cast significant doubt upon the company's ability to continue as a going concern. Management has prepared these condensed interim financial statements on a going concern basis, as it believes the company will be able to obtain sufficient financing and liquidity to fund its operations and meet its obligations for at least the next 12 months. However, there can be no assurance that such financing will be available on acceptable terms. These condensed interim financial statements do not include any adjustments. to the carrying amounts or classifications of assets and liabilities that may be necessary should the company be unable to continue as a going concern.

Pursuant to a 2017 sale of its formerly owned Ochoa asset in the state of New Mexico, the Company is seeking up to USD$12.2 million in royalty payments. The royalty includes an initial 75% of potential water revenue sales and a mining royalty based on 1% of polyhalite production sales for any shortfall in payment of the total USD$12.2 million. No amount has been accrued, and the Company is in litigation to recover and monetize the royalty amount.

There are external factors that can adversely affect general workforces, economies and financial markets globally. Examples include, but are not limited to, outcome of Ochoa matter, political conflict in other regions, lower market activity and higher interest rates. It is not possible for the Company to predict the duration or magnitude of adverse results of such external factors and their effect on the Company's business or ability to raise funds.

2. MATERIAL ACCOUNTING POLICY INFORMATION

a) Statement of compliance:

These interim financial statements ("Financial Statements") have been prepared in accordance with IAS "Interim Financial Reporting" ("IAS 34") using accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

The Financial Statements were authorized by the board of directors of the Company on August 27, 2025.

2. MATERIAL ACCOUNTING POLICY INFORMATION (cont'd…)

b) Basis of presentation:

The Financial Statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair value. In addition, these Financial Statements have been prepared using the accrual basis of accounting, except for cash flow information.

c) Foreign currency translation

The Financial Statements are presented in CAD dollars. The functional currency of the Company is the CAD dollar.

Transactions in foreign currencies are translated into the entities' functional currency at the exchange rates at the date of the transactions. Monetary assets and liabilities of the Company's operations denominated in a currency other than the functional currency are translated using the exchange rates prevailing at the date of the statement of financial position. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates in effect at the date of the underlying transaction, except for depreciation related to non-monetary assets, which is translated at historical exchange rates. Exchange differences are recognized in profit or loss in the year in which they occur.

d) Unconsolidated Controlled Subsidiaries

The financial statements have been prepared in accordance with IFRS 10, Consolidated Financial Statements ("IFRS 10"), as issued by the IASB and include the accounts of the Company and its subsidiaries.

In accordance with IFRS 10, interest in subsidiaries other than those that provide investment-related services are accounted for at fair value through profit and loss ("FVTPL") rather than consolidating them. As discussed under critical accounting estimates and judgments, management exercised judgment when determining whether subsidiaries are investment entities.

The following entities, which are significant in nature, are controlled by Belgravia either directly or indirectly and are used as acquisition entities of the Company.

- Belgravia Hartford Estate Corp.
- Belgravia Hartford Gold Assets Corp.
- NodeVest IO Inc.
- Belgravia Hartford Holdings, LLC
- Gravitio AI Inc.

e) Cash:

Cash is comprised of cash deposited at Canadian banks and secure, short-term, highly liquid demand deposits.

f) Income recognition:

Management services revenue is recognized when services are rendered, and the amount can be reasonably estimated and collected. Any amount received for future services is recorded as deferred revenue and recognized as revenue when the related services are performed. The management service revenue has been discontinued this year.

Realized gains or losses on dispositions of investments and change in unrealized gains/losses in the value of investments are included in net investment losses in the statement of loss and comprehensive loss.

2. MATERIAL ACCOUNTING POLICY INFORMATION (cont'd…)

g) **Significant accounting estimates and judgments:**

The preparation of these Financial Statements requires management to make judgments, estimates and assumptions about future events that affect the reported amounts of assets and liabilities and disclosure of contingent assets at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Although these estimates are based on management's best knowledge of the amount, events or actions, actual results may differ from these estimates.

3. INVESTMENTS

In accordance with IFRS 10, the fair value of the Company's investments includes the fair value of the net assets of its subsidiaries that are controlled by the Company. Accordingly, Belgravia's direct investments comprise these subsidiaries, which invest directly in various investee companies and other investee companies where Belgravia made an investment directly.

The table below outlines investments held directly by Belgravia Hartford Capital Inc:

Investments at June 30, 2026	Number of Shares		Cost		Fair Value
Public Companies:					
DelphX Capital Markets Inc.	11,173,500	$	486,906	$	223,470
2X Bitcoin Strategy ETF	11,188	$	300,862	$	164,011
Private Companies:					
Izaray Group Inc.	58,362	$	25,000	$	100
Investments in Warrants					
DelphX Capital Markets Inc.	7,610,000	$	49,850	$	52,989
Investments in Convertible Debentures					
DelphX Capital Markets Inc.	2,500,000	$	35,000	$	35,000
Total		$	897,618	$	475,570

The fair values of the common shares of the publicly traded companies have been directly referenced to published price quotations in an active market. The investments in unlisted warrants of companies that are publicly traded are valued using the Black-Scholes option pricing model, with the following weighted average assumptions:

	Quarter ended June 30, 2026	Year ended December 31, 2025
Risk-free interest rate	2.72%	2.55%
Expected life of warrants	1.73 year	0.23 year
Annualized volatility	132.74%	184.39%
Dividend rate	0.00%	0.00%
Weighted average fair value of warrants	$0.01	$0.00

4. DIGITAL CURRENCIES

Digital currency consists of Bitcoin cryptocurrency. Below is the continuity schedule for the digital currencies as at June 30, 2026:

	Bitcoin
Balance at Marh 31, 2026	1,210,409
Additions	
Coinsquare	-
Kraken	108,893
Dispositions	
Coinsquare	(570,897)
Kraken	(309)
Change in fair value	164,784
Balance at June 30, 2026	583,312
Units	
Balance at March 31, 2026	13
Additions	
Coinsquare	-
Kraken	1
Dispositions	
Coinsquare	(7)
Kraken	(0)
Balance at June 30, 2026	**7**

The change in fair value is included as part of the net investment losses and changes in fair value in the consolidated statement of loss and comprehensive loss. The digital currency received from the issuance of the convertible debenture was repaid in full to lender in February 2026.

Below is the continuity schedule for the digital currencies for the year 2025:

	Bitcoin	USDC	SUI	SOL	XRP
Balance at December 31, 2024	-	-	-	-	-
Additions	13,346,152	2,239,104	192,892	292	34
Dispositions	(2,426,412)	(2,239,104)	(192,892)	(292)	(34)
Change in fair value	(2,664,980)	-			
Balance at December 31, 2025	8,254,760	-	-	-	-
Units					
Balance at December 31, 2024	-	-	-	-	-
Additions	84	1,633,796	30,522	1	9
Dispositions	(15)	(1,633,796)	(30,522)	(1)	(9)
Balance at December 31, 2025	69	-	-	-	-

The change in fair value is included as part of the net investment losses and changes in fair value in the consolidated statement of loss and comprehensive loss. Included in the additions is $6,904,288 of Bitcoin received upon issuance of the convertible debenture (Note 7) and $2,044,794 of USDC upon issuance of a promissory note (which was repaid in 14.2 Bitcoin on December 31, 2025). The additions also include $151,168 of Bitcoin received upon the issuance of the units in the private placement closed on July 16, 2025.

5. EQUIPMENT

Equipment consists of the following:

Additions		-
As at June 30, 2026		**4,163**
Depreciation		
As at December 31, 2024	$	4,436
Additions	$	1,102
Disposal		(3,742)
As at December 31, 2025		1,796
Additions		304
Disposal		-
As at June 30, 2026	**$**	**2,100**
Net book value:		
As at December 31, 2025	$	2,367
As at June 30, 2026	$	2,063

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

		June 30, 2026		December 31, 2025
Trade payables	$	705,923	$	507,240
Accrued liabilities		1,488,168		1,556,686
Accrued interest on promissory note		194,350		51,174
Total	$	2,388,440	$	2,115,100

7. CONVERTIBLE DEBENTURE

In July 2025, the Company closed a convertible debenture financing in the principal amount of $6,904,288. The Company received approximately 42.377 Bitcoins as proceeds. The debenture allows for repayment in Bitcoin or early prepayment in cash or Bitcoin. It bears interest at a rate of 4% per annum, accrued monthly and payable at maturity, with a term of two years from the closing date.

On February 6, 2026, the Company exercised its early prepayment option and returned 42.31111 Bitcoins to the lender to call back and fully settle the convertible debentures. Remain balance of interest $194,350 (2025-$116,484) will be paid as agreed with convertible debenture holder.

Transaction related to the convertible debenture are included in the consolidated statement of loss and comprehensive loss

		March 31, 2026		December 31, 2025
Convertible Debenture				
Fair Value at the beginning of the year	$	5,135,591	$	-
Issuance of convertible debenture during the year		-		6,904,288
Accrued Interest		194,350		116,484
Prepayment		(5,135,591)		
Change in fair value				(1,885,181)
Balance	$	194,350	$	5,135,591

The balance as at March 31, 2026, represents accrued interest on the convertible debenture.

8. SHARE CAPITAL AND RESERVES

Common shares

Authorized: The Company is authorized to issue an unlimited number of common shares without par value.

Refer to the Statements of Changes in Shareholders' Equity (Deficit) for a summary of changes in share capital and reserves for the quarter ended June 30, 2026; Reserves relate to stock options and warrants that have been issued by the Company (note 10).

During the quarter ended June 30, 2026, the Company issued nil common shares.

During the six-month period ended June 30, 2025, pursuant to the exercise of stock options, the Company issued 5,515,000 shares at an average of $0.05/share.

During the six-month period ended June 30, 2025, pursuant to the exercise of warrants, the Company issued 12,310,714 shares at an average of $0.05/share.

During the six-month period ended June 30, 2025, the Company issued 827,733 shares for finder fees at average of $0.14/share.

9. STOCK OPTIONS AND WARRANTS

Stock options

The Company has an incentive stock option plan (the "Plan") whereby the Company may grant stock options to eligible employees, officers, directors and consultants at an exercise price to be determined by the board of directors, provided the exercise price is not lower than the market value at time of issue less any discount allowed by the stock exchange upon which the common shares are listed. The Plan provides for the issuance of up to 10% of the Company's issued common shares as at the date of grant with each stock option having a maximum term of ten years. The board of directors has the exclusive power over the granting of options and their vesting and cancellation provisions.

As at June 30, 2026, the Company has 10,929,555 stock options outstanding.

Stock option transactions are summarized as follows:

Number of Options	Exercise Price	Average Contractual Life Remaining	Expiry Date
2,400,000	$0.32	0.02 year	7-Jul-26
1,329,555	$0.33	0.08 year	28-Jul-26
1,000,000	$0.37	0.08 year	28-Jul-26
50,000	$0.50	0.08 year	31-Jul-26
650,000	$0.23	0.12 year	12-Aug-26
2,500,000	$0.11	1.21 year	16-Sep-27
2,400,000	$0.08	0.25 year	1-Oct-26
600,000	$0.05	0.33 year	31-Oct-26
10,929,555	$0.20	0.27 year	

During the quarter ended June 30, 2026 the Company's 1,170,000 (2025-nil) stock options to consultants, officers, employees and directors of the Company were expired. All remain options vested at the grant date.

Share-based compensation recognized during the six-month period was $ nil (2025 - $245,435).

9. STOCK OPTIONS AND WARRANTS (cont'd…)

Warrants

As at June 30, 2026, the Company had warrants outstanding, enabling the holders to acquire the following number of common shares:

Number of Warrants	Exercise Price	Average Contractual Life Remaining	Expiry Date
7,771,911	$ 0.05	0.04 year	July 16, 2026
7,771,911			

No warrants transactions occurred during the quarter ended June 30, 2026

10. RELATED PARTY TRANSACTIONS AND BALANCES

The Company defines Key Management Personnel to include the Chief Executive Officer ("CEO"), Chief Financial Officer ("CFO") and directors.

The accounts payable and accrued liabilities of the Company include the following amounts due to related parties:

	June 30, 2026	December 31, 2025
Key management personnel	$ 1,422,472	$ 1,379,222
	$ 1,422,472	$ 1,379,222

Key management personnel compensation (consisting of senior officers and directors of the Company):

	Six-month period ended	
	30-Jun-26	30-Jun-25
Short-term benefits *	$ 88,880	$ 80,000
Director Fees **	-	9,000
Equity benefits *	-	207,400
Share-based compensation	-	212,061
Total remuneration	$ 88,880	$ 508,461

* Amounts are included within wages and benefits on the statement of loss and comprehensive loss.
** Amounts are included within administration on the statement of loss and comprehensive loss

11. SEGMENTED INFORMATION

The Company has one operating segment focused on investment holdings as well as providing management services (note 1). All of the Company's equipment are located in Canada. All revenue is earned in Canada.

12. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to invest to earn a risk-appropriate return for shareholders. The Company does not have any externally imposed capital requirements to which it is subject. The capital of the Company consists of items in shareholders' equity (deficit). The Company had no bank indebtedness at June 30, 2026. The Board of Directors do not establish quantitative return on capital criteria for management but rather rely on the expertise of the Company's management to sustain future development of the business.

The Company manages the capital structure and makes adjustments to it in light of changes in available funds, economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may issue new shares, borrow money, or dispose of assets to adjust the amount of cash.

The Company's investment policy is to invest its cash in demand investment instruments in high credit quality financial institutions to provide liquidity over the expected time of expenditures from continuing operations. The Company also invests some of its excess cash in common shares and other securities of private and public companies.

There were no material changes in the Company's approach to capital management during the period ended June 30, 2026.

13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company uses a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company's financial instruments include cash, receivables, investments, and accounts payable and accrued liabilities, loan from related party and interest payable on the related party loan.

The carrying values of receivables and accounts payable and accrued liabilities, loan from related party and interest payable on the related party loan approximate fair value because of the short-term nature of these instruments.

13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd…)

As at June 30, 2026, the Company's classification of financial instruments measured at fair value within the fair value hierarchy are summarized below:

	Level 1	Level 2	Level 3	Total
Assets				
Cash	$ 27,933	$ -	$ -	$ 27,933
Digital currences	$ -	$ 583,312	$ -	$ 583,312
Investments	$ 387,481	$ 52,989	$ 35,100	$ 475,570

As at December 31, 2025, the Company's classification of asset and liabilities measured at fair value within the fair value hierarchy are summarized below:

	Level 1	Level 2	Level 3	Total
Assets				
Cash	$ 22,604	$ -	$ -	$ 22,604
Digital currencies	$ -	$ 8,254,760	$ -	$ 8,254,760
Investments	$ -	$ 2,234	$ 100	$ 2,334
Liabilities				
Convertible debenture (note 7)	$ -		$ 5,135,591	$ 5,135,591

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

The Company's credit risk is primarily attributable to cash and receivables. The Company has no material concentration of credit risk arising from operations. Cash is held at reputable financial institutions, from which management believes the risk of loss to be remote. The Company has no material credit risks from its receivables.

Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its financial obligations as they fall due. The Company takes steps to ensure that it has sufficient working capital and available sources of financing to meet future cash requirements and ongoing operations.

The Company intends to obtain equity capital or borrowings to ensure the Company has sufficient access to cash to meet current and foreseeable financial requirements. The Company actively monitors its liquidity to ensure that its cash flows and working capital are adequate to support its financial obligations and the Company's capital programs.

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13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd...)

Interest rate risk

The Company has cash balances subject to fluctuations in the prime rate. The Company's current policy is to invest some of excess cash in investment-grade highly liquid demand deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. Management believes that interest rate risk is remote as cash deposits are payable on demand and the Company currently does not carry interest bearing debt at floating rates. Fluctuations in interest rates may impact the value of the Company's investments in publicly traded common shares

Foreign currency risk

The Company's functional currency is the Canadian dollar; however, there are few transactions and investments in U.S. dollars and the Company keeps some of its cash in U.S. currency. The Company is exposed to financial risk arising from fluctuations in foreign exchange rates and the degree of volatility in these rates. The Company does not use derivative instruments to reduce its exposure to foreign currency risk. A 10% change in the foreign exchange rate would have had an approximate $74,500 impact on foreign exchange gain or loss.

Market risk

Market risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will fluctuate due to changes in market prices. The value of financial instruments can be affected by changes in interest rates, foreign exchange rates, and equity and commodity prices. The Company is exposed to market risk in trading its investments and unfavourable market conditions could result in dispositions of investments at less than favourable prices. The Company's investments were primarily concentrated in the natural resources, and currently technology industries, which results in exposure to higher volatility than broader market investments and indexes. The Company's investments are accounted for at fair value and are sensitive to changes in market bid prices, such that changes in market prices result in a proportionate change in the carrying value of the Company's investments. The Company holds investments (directly and indirectly) in private and public traded equity securities. Market prices for equity securities are subject to fluctuation and consequently the amount realized in the subsequent sale of an investment may materially differ from the reported market value. Some investments may not be very liquid, and dispositions may take time or may be sold at less than market prices. A 10% change in the fair values of the Company's investments at June 30, 2026, would have $105,888 an impact on results from operations.

Two investments comprise 55% and 45% of the total investments balance at June 30, 2026 (December 31, 2025 - 57% and 32%).

14. CONTINGENCIES

The Company is involved in certain claims and legal actions in the ordinary course of business as well as described in note 1 of the Financial Statements. In the opinion of management, the ultimate disposition of these matters is not determinable. No amounts have been accrued in the financial statements as of June 30, 2026.