

Rigel Technologies Inc.

FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

(Expressed in Canadian dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Rigel Technologies Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Rigel Technologies Inc. (the "Company"), which comprise the statements of financial position as at December 31, 2025 and 2024, and the statements of income (loss) and comprehensive income (loss), changes in shareholders' deficiency, and cash flows for the years then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

Basis of Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to note 1 in the financial statements, which describes the events or conditions that indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. The matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matter of the Material Uncertainty Related to Going Concern described above, we have determined that there are no other key audit matters to communicate in our report.

Other Information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis for the year ended December 31, 2025, which we obtained prior to the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the IASB, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve

collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings that we identify during our audit, including any:

- Significant deficiencies in internal control;
- Identified fraud or suspected fraud; and
- Other matters related to fraud that are, in our judgment, relevant to the responsibilities of those charged with governance.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Candace Xiao.

April 27, 2026
Markham, Ontario

Horizon Assurance LLP
Chartered Professional Accountants
Licensed Public Accountants

Rigel Technologies Inc.
Statements of Financial Position
(Expressed in Canadian Dollars)

	As at December 31, 2025	As at December 31, 2024
	\$	\$
Assets		
Cash	1,712	2,144
Total Assets	1,712	2,144
Liabilities		
Accounts payable and accrued liabilities (Notes 4 and 7)	196,907	135,292
Loans and promissory notes payable (Note 5)	121,463	107,572
Total Liabilities	318,370	242,864
Shareholders' Deficiency		
Share capital	1,536,917	1,536,917
Contributed surplus	363,678	363,678
Accumulated deficit	(2,217,253)	(2,141,315)
Total Shareholders' Deficiency	(316,658)	(240,720)
Total Liabilities and Shareholders' Deficiency	1,712	2,144

Nature of operations and going concern (Note 1)
Subsequent Event (Note 11)

Signed on behalf of the Board of Directors:

"Jeremy Goldman"

Jeremy Goldman
Director

"Jeremy Rozen"

Jeremy Rozen
Director

Rigel Technologies Inc.

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

For the Years ended December 31, 2025 and 2024

(Expressed in Canadian Dollars)

	2025	2024
	\$	\$
Expenses		
Consulting fees	60,000	60,000
Professional fees (Note 7)	7,514	7,406
Filing fees	4,525	2,912
Interest and bank charges	2,642	2,644
Miscellaneous Expenses (Note 3)	1,257	138
Total Expenses	75,938	73,100
Net Loss and Comprehensive Loss	75,938	73,100
Loss per share – basic and diluted	0.004	0.004
Weighted Average Number of Shares Outstanding	18,896,632	18,896,632

Rigel Technologies Inc.

Statements of Cash Flows

For the Years ended December 31, 2025 and 2024

(Expressed in Canadian Dollars)

	2025	2024
	\$	\$
Operating Activities		
Net income (loss) for the year	(75,938)	(73,100)
Adjustments for:		
Interest accrued on loans payable (Note 5)	2,208	2,214
	(73,730)	(70,866)
Net change in non-cash working capital items:		
Accounts payable & accrued liabilities (Note 4)	61,615	59,119
Cash Flows used in Operating Activities	(12,115)	(11,767)
Financing Activities		
Advances received from related and other parties (Note 5)	11,683	11,455
Cash Flows provided by Financing Activities	11,683	11,455
Increase (Decrease) in cash	(432)	(312)
Cash, beginning of year	2,144	2,456
Cash, end of year	1,712	2,144

Rigel Technologies Inc.

Statements of Changes in Shareholders' Deficiency

For the Years ended December 31, 2025 and 2024

(Expressed in Canadian Dollars)

	Number of Shares	Share Capital	Contributed Surplus	Warrants Reserves	Accumulate d Deficit	Total
	#	\$	\$	\$	\$	\$
Balance at December 31, 2023	18,896,632	1,536,917	363,678	-	(2,068,215)	(167,620)
Net income (loss) and comprehensive income (loss)	-	-	-	-	(73,100)	(73,100)
Balance at December 31, 2024	18,896,632	1,536,917	363,678	-	(2,141,315)	(240,720)
Net income (loss) and comprehensive income (loss)	-	-	-	-	(75,938)	(75,938)
Balance at December 31, 2025	18,896,632	1,536,917	363,678	-	(2,217,253)	(316,658)

The accompanying notes are an integral part of these financial statements

Rigel Technologies Inc.

Notes to the Financial statements

For the Years ended December 31, 2025 and 2024

(Expressed in Canadian Dollars)

1. Nature of Operations and Going Concern

Rigel Technologies Inc. ("**Rigel**" or the "**Company**") was incorporated on October 23, 1997 by Articles of Incorporation under the laws of the Province of Ontario, Canada and continued on January 18, 2002, by Articles of Amalgamation with Name Brand Sales Inc. Effective March 13, 2018, the Company filed Articles of Amendment, and changed its name to Rigel Technologies Inc. The address of the Company's registered office is 130 Adelaide Street West, Toronto, Ontario, M5H 3P5, Canada.

The Company is a start-up stage company that is focused on identifying and evaluating corporations, businesses or assets for acquisition aiming to negotiate an acquisition or participation with the plan to consummate a transaction, while complying with the requirement of operating as a public company. There is no assurance or guarantee that any acquisition and/or listing on any recognized stock exchange will occur or be completed, and future financings by Rigel will be required to complete these transactions. The Company on its key principals, including the board and management to identify potential acquisitions. The Company has not selected a business sector or industry in which to pursue an acquisition as of the date hereof. The Company will consider acquisitions of businesses operated or located both inside and outside of Canada. The Company is in the startup stage of operations and does not yet have any revenue-generating activity.

As at December 31, 2025, the Company had a working capital deficiency of \$316,658 (December 31, 2024 – working capital deficiency of \$240,720) and had an accumulated deficit of \$2,217,253 (December 31, 2024 – \$2,141,315) and during the year ended December 31, 2025, it recorded a net loss of \$75,938 (2024 – \$73,100) and expects to incur further losses in the foreseeable future.

These financial statements have been prepared on the basis that the Company will continue as a going concern, which assumes the realization of assets and the settlement of liabilities in the normal course of business. The appropriateness of using the going concern basis is dependent upon, among other things, future profitable operations, the ability of the Company to obtain necessary financing, and to identify and evaluate an acquisition of businesses. It is not possible to predict whether future financing efforts will be successful or if the Company will attain profitable levels of operations. These uncertainties may cast significant doubt upon the Company's ability to continue as a going concern.

These financial statements do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying financial statements. Such adjustments could be material.

2. Basis of Presentation

2.1 Statement of Compliance

The Company's financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**") and the IFRS Interpretations Committee. The accounting policies set out below were consistently applied to all periods presented unless otherwise noted.

These financial statements were reviewed, approved and authorized for issuance by the Board of Directors (the "**Board**") of the Company on April 27, 2025.

2.2 Basis of Measurement and Functional Currency

These financial statements have been prepared on the historical cost basis, and are presented in Canadian dollars, which is the functional currency of the Company, unless otherwise noted. The functional currency is the currency of the primary economic environment in which the Company operates.

Rigel Technologies Inc.

Notes to the Financial statements

For the Years ended December 31, 2025 and 2024

(Expressed in Canadian Dollars)

2. Basis of Presentation (continued)

2.3 Significant Accounting Judgments and Estimates

The preparation of these financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, revenue and expenses. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities, revenue and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions. These estimates are reviewed periodically, and adjustments are made as appropriate in the period they become known. Items for which actual results may differ materially from these estimates are described as follows:

Going concern

At each reporting period, management exercises judgment in assessing the Company's ability to continue as a going concern by reviewing the Company's performance, resources and future obligations.

Fair value of financial assets and financial liabilities

Fair value of financial assets and financial liabilities on the statements of financial position that cannot be derived from active markets, are determined using a variety of techniques including the use of valuation models. The inputs to these models are derived from observable market data where possible, but where observable market data are not available, judgment is required to establish fair values. The judgments include, but are not limited to, consideration of model inputs such as volatility, estimated life and discount rates.

Warrants

Warrants are initially recognized at fair value, based on the application of the Black-Scholes pricing model ("**Black-Scholes**"). This pricing model requires management to make various assumptions and estimates which are susceptible to uncertainty, including the expected volatility of the share price, expected forfeitures, expected dividend yield, expected term of the warrants or options, and expected risk-free interest rate.

Income taxes

Income taxes and tax exposures recognized in the financial statements reflect management's best estimate of the outcome based on facts known at the reporting date. When the Company anticipates a future income tax payment based on its estimates, it recognizes a liability. The difference between the expected amount and the final tax outcome has an impact on current and deferred taxes when the Company becomes aware of this difference.

In addition, when the Company incurs losses that cannot be associated with current or past profits, it assesses the probability of taxable profits being available in the future based on its budgeted forecasts. These forecasts are adjusted to take account of certain non-taxable income and expenses and specific rules on the use of unused credits and tax losses. When the forecasts indicate the sufficient future taxable income will be available to deduct the temporary differences, a deferred tax asset is recognized for all deductible temporary differences.

3. Summary of Significant Accounting Policies

3.1 Financial Instruments

Financial assets and financial liabilities are recognized on the statements of financial position when the Company becomes a party to the financial instrument or derivative contract.

Classification

The Company classifies its financial assets and financial liabilities in the following measurement categories: (a) those to be measured subsequently at fair value through profit or loss ("**FVTPL**"); (b) those to be measured subsequently at fair value through other comprehensive income ("**FVTOCI**"); and (c) those to be measured at amortized cost. The classification of financial assets depends on the business model for managing the financial assets and the contractual terms of the cash flows.

Rigel Technologies Inc.

Notes to the Financial statements

For the Years ended December 31, 2025 and 2024

(Expressed in Canadian Dollars)

3. Summary of Significant Accounting Policies (continued)

3.1 Financial Instruments (continued)

Classification (continued)

Financial liabilities are classified as those to be measured at amortized cost unless they are designated as those to be measured subsequently at FVTPL (irrevocable election at the time of recognition). For assets and liabilities measured at fair value, gains and losses are recorded in profit or loss.

The Company reclassifies financial assets when its business model for managing those assets changes. Financial liabilities are not reclassified.

Fair value through profit or loss

This category includes derivative instruments as well as quoted equity instruments which the Company has not irrevocably elected, at initial recognition or transition, to classify at FVTOCI. This category would also include debt instruments whose cash flow characteristics fail the SPPI (as defined below) criterion or are not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell. Financial assets in this category are recorded at fair value with changes recognized in profit or loss. As at December 31, 2025 and 2024, there were no financial instruments measured at FVTPL.

Financial assets at fair value through other comprehensive income

Equity instruments that are not held-for-trading can be irrevocably designated to have their change in FVTOCI instead of through profit or loss. This election can be made on individual instruments and is not required to be made for the entire class of instruments. Attributable transaction costs are included in the carrying value of the instruments. Financial assets at FVTOCI are initially measured at fair value and changes therein are recognized in other comprehensive income (loss) ("OCI"). As at December 31, 2025 and 2024, there were no financial instruments measured at FVTOCI.

Amortized cost

This category includes financial assets that are held within a business model with the objective of holding the financial assets in order to collect contractual cash flows that meet the solely principal and interest ("SPPI") criterion. Financial asset classified in this category are measured at amortized cost using the effective interest method.

The Company's classification of financial assets and liabilities are summarized below:

	Classification
Cash	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Loans payable	Amortized cost

Measurement

All financial instruments are required to be measured at fair value on initial recognition, plus, in the case of a financial asset or financial liability not at FVTPL, transaction costs that are directly attributable to the acquisition or issuance of the financial asset or financial liability. Transaction costs of financial assets and financial liabilities carried at FVTPL are expensed in profit or loss. Financial assets and financial liabilities with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are on the principal outstanding are generally measured at amortized cost at the end of the subsequent accounting periods. All other financial assets including equity investments are measured at their fair values at the end of subsequent accounting periods, with any changes taken through profit and loss or OCI (irrevocable election at the time of recognition). For financial liabilities measured subsequently at FVTPL, changes in fair value due to credit risk are recorded in OCI.

Rigel Technologies Inc.

Notes to the Financial statements

For the Years ended December 31, 2025 and 2024

(Expressed in Canadian Dollars)

3. Summary of Significant Accounting Policies (continued)

3.1 Financial Instruments (continued)

Expected credit loss impairment model

IFRS 9 – Financial Instruments introduced a single expected credit loss impairment model, which is based on changes in credit quality since initial application.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due. The Company considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Company in full or when the financial asset is more than 90 days past due. The carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate enough cash flows to repay the amounts.

Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the statements of income (loss) and comprehensive income (loss).

Financial liabilities

The Company derecognizes financial liabilities only when its obligation under the financial liabilities is discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid or payable, including any non-cash assets transferred or liabilities assumed, is recognized in the statements of income (loss) and comprehensive income (loss).

Fair value hierarchy

The Company classifies fair value measurements using 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).

As at December 31, 2025 and 2024, the Company did not have any financial instruments measured at fair value after initial recognition.

3.2 Share Capital

In situations where the Company issues units, the value of units is bifurcated and the value of warrants is included as a separate reserve of the Company's equity. The Company records its proceeds from share issuances net of related issue costs and any tax effects. The fair value of common shares issued as consideration for units is based on the trading price of those shares on the stock exchange where the Company's common shares are listed on the date of agreement. Share purchase warrants, stock options and other equity instruments issued as purchase consideration in nonmonetary transactions other than as consideration for the units are recorded at fair value determined by management using Black-Scholes. Proceeds from unit placements are allocated to each component according to their relative fair value using the residual method.

Rigel Technologies Inc.

Notes to the Financial statements

For the Years ended December 31, 2025 and 2024

(Expressed in Canadian Dollars)

3. Summary of Significant Accounting Policies (continued)

3.3 Income per Share

Basic income (loss) per share is computed by dividing the net income (loss) available to common shareholders by the weighted average number of common shares outstanding during the year. The computation of diluted income (loss) per share assumes conversion, exercise or contingent issuance of options, warrants and securities only when such conversion, exercise or issuance would have a dilutive effect on income (loss) per share. For the years ended December 31, 2025 and 2024, no potential shares are included in the computation as they are anti-dilutive.

3.4 Provisions

Provisions are recorded when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

As at December 31, 2025 and 2024, the Company had no material provisions.

3.5 Income Taxes

Income tax expense comprises current and deferred income tax expense. Current and deferred taxes are recognized in net loss, except to the extent that it relates to items recognized directly in equity or in OCI.

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the date of the statements of financial position.

Deferred income tax

Deferred taxation is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. However, the deferred taxation is not recognized if it arises from initial recognition of an asset or liability in a transaction other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred taxation is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred taxation asset is realized, or the deferred taxation liability is settled.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3.6 Uncertain Input Tax Credits (GST/HST)

Following an unsuccessful objection process and an audit by the Canada Revenue Agency, the Company has filed a Notice of Appeal on August 8, 2025 with the Tax Court of Canada in respect of the denial of certain input tax credits ("ITCs") under the Excise Tax Act relating to the period from July 1, 2023 to September 30, 2023.

Given the uncertainty associated with the ultimate outcome of the appeal and the recoverability of the related amounts, the Company's accounting policy has been to expense all GST/HST paid as incurred, including amounts that may otherwise qualify as ITCs, which are recorded within miscellaneous expenses category.

The Company continues to actively advance its case through the Tax Court of Canada. At this time, no asset has been recognized in respect of the disputed ITCs, as recovery is not considered assured. Any recovery of such amounts will be recognized in the period in which it becomes probable and can be reliably measured.

Rigel Technologies Inc.

Notes to the Financial statements

For the Years ended December 31, 2025 and 2024

(Expressed in Canadian Dollars)

3. Summary of Significant Accounting Policies (continued)

3.7 Changes in Accounting Policies

The Company has evaluated the new and amended standards issued by the IASB that are effective for annual reporting periods beginning on or after January 1, 2025, and has determined that they are either not applicable to the Company's operations or do not have a material impact on its financial statements.

4. Accounts Payable and Accrued Liabilities

Accounts payable of the Company are principally comprised of amounts outstanding for trade purchases relating to regular business activities and amounts payable for financing activities.

	December 31, 2025	December 31, 2024
	\$	\$
Trade payables	49,148	48,153
Accrued liabilities	147,759	87,139
	196,907	135,292

Included in the trade payables and accrued liabilities are the following amounts owing to certain related parties (see Note 7 for additional detail):

	December 31, 2025	December 31, 2024
	\$	\$
FMI Capital Advisory Inc.	156,467	96,467
Jeremy Goldman	1,467	1,467
Jeremy Rozen	1,033	1,033
Northern Star Capital Inc.	3,118	3,118
Philip Small	1,000	1,000
Total:	163,085	103,085

5. Loans and Promissory Notes Payable

	December 31, 2025	December 31, 2024
	\$	\$
Due to related parties (a)(b)(c)	76,226	64,135
Due to other parties (d)(e)	45,237	43,437
	121,463	107,572

- During the year ended December 31, 2025, FMI Capital Advisory Inc. ("FMICA") advanced an amount of \$11,583 (2024 - \$11,346) to the Company for general capital purposes. The amount is non-interest bearing, unsecured and has no fixed terms of repayment. As at December 31, 2025, aggregate outstanding loan balance owing to FMICA is \$71,538 (2024 - \$59,954). FMICA owns 10,911,325 Shares, representing approximately 57.74% of issued and outstanding Shares, which represents a control position.
- During the year ended December 31, 2023, \$3,400 was advanced by Adam Szweras, Chairman of FMICA. The loan bears an interest rate of 12% per annum and is due on demand. As at December 31, 2025, aggregate outstanding loan balance due to Adam Szweras, including the interest thereto is \$4,588 (2024 - \$4,180).
- During the year ended December 31, 2025, NSCI covered certain filing fees on behalf of the Company totaling \$100 (2024 - \$Nil). The outstanding amount is unsecured, non-interest bearing and due on demand.

Rigel Technologies Inc.

Notes to the Financial statements

For the Years ended December 31, 2025 and 2024

(Expressed in Canadian Dollars)

5. Loans and Promissory Notes Payable (continued)

- d) During the year ended December 31, 2023, \$15,000 was advanced by an arm's length party. The loan bears an interest rate of 12% per annum and is due on demand. As at December 31, 2025, aggregate outstanding loan balance due to this party, including the interest thereto is \$20,237 (2024 - \$18,437).
- e) During the year ended December 31, 2023, an arm's length party advanced an amount of \$25,000 to the Company for general capital purposes. The amount is non-interest bearing, unsecured and is due on demand. As at December 31, 2025, aggregate outstanding loan balance owing to this arm's length party is \$25,000 (2024 - \$25,000).

6. Share Capital

The Company is authorized to issue:

- (i) An unlimited number of Class "A" non-voting, preference shares entitled to a cumulative dividend at the rate of 8% per annum.
- (ii) An unlimited number of common shares without par value.

As at December 31, 2025, 18,896,632 common shares in the capital of the Company ("Shares") were issued and outstanding (December 31, 2024 – 18,896,632).

Share capital transactions for the year ended December 31, 2025 and 2024

There were no share capital transactions during the years ended December 31, 2025 and 2024.

7. Related Party Transactions

Consulting and Professional Fees

In accordance with IAS 24 – Related Party Disclosures, key management personnel, including companies controlled by them, are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

The following is a summary of the key management compensation and fees paid to certain related parties for the years ended December 31, 2025 and 2024:

	Year ended December 31,	
	2025	2024
FMI Capital Advisory Inc. (i)	60,000	60,000
	60,000	60,000

- (i) During the year ended December 31, 2024, FMICA, where Alex Storcheus, the Company's Chief Financial Officer ("CFO") is a director, officer and 30% indirect equity owner, charged fees of \$60,000 (2024 – \$60,000) for financial advisory services provided to the Company.

8. Income Taxes

A reconciliation of income taxes at the statutory rate with the reported taxes is as follows:

	2025	2024
		\$
Income (loss) before taxes	(75,938)	73,100
Statutory rate	26.5%	26.5%
Expected income tax expenses (recovery)	20,123	19,372
Effect on income taxes of:		
Change in tax assets not recognized	(20,123)	(19,372)
Income tax expenses (recovery)	-	-

Rigel Technologies Inc.

Notes to the Financial statements

For the Years ended December 31, 2025 and 2024

(Expressed in Canadian Dollars)

8. Income Taxes (continued)

The Company has non-capital losses available for deduction against taxable income. These loss carry-forwards, if not utilized, will begin to expire in 2026 as follows:

Expiry	\$
2026	10,656
2027	79,777
2028	43,755
2030	3,324
2031	1,919
2032	1,477
2034	7,835
2035	7,836
2036	119,196
2037	102,503
2038	13,123
2039	37,621
2040	45,028
2041	121,483
2044	73,100
2025	75,938
	744,571

9. Capital Management

The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund ongoing operations and finance the identification and evaluation of potential investments. To secure the additional capital necessary to pursue these investments, the Company may attempt to raise additional funds through the issuance of equity and warrants or by securing strategic partners.

The Company considers share capital, contributed surplus, warrants reserve and accumulated deficit in the shareholders' deficiency amount of \$316,658 as at December 31, 2025 (2024 – 240,720) to represent capital.

The Company's capital management objectives, policies and processes have remained unchanged since the last financial reporting period, and it is not subject to any capital requirements imposed by a lending institution or regulatory body.

10. Financial Instruments

The Company's financial instruments consist primarily of cash, accounts payable and loans payable. The Company is exposed to various risks as it relates to these financial instruments. Management, in conjunction with the Board, mitigates these risks by assessing, monitoring and approving the Company's risk management process. There have not been any changes in the nature of these risks or the process of managing these risks from the previous reporting periods.

Fair value

The carrying amounts for cash, accounts payable and loans payable on the statements of financial position approximate their fair value due to the relative short maturity of these financial instruments.

Credit risk

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash balances and other receivables. The carrying amount of cash represents the maximum credit exposure.

Rigel Technologies Inc.

Notes to the Financial statements

For the Years ended December 31, 2025 and 2024

(Expressed in Canadian Dollars)

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company is exposed to liquidity risk primarily as a result of its trade accounts payable and its loans payable. As at December 31, 2025, the Company had a cash balance of \$1,712 (December 31, 2024 – \$2,144) to settle current liabilities of \$318,370 (December 31, 2024 – \$242,964).

The Company manages liquidity risk by maintaining adequate cash reserves and by continuously monitoring forecast and actual cash flows for a rolling period of 12 months to identify financial requirements. Where insufficient liquidity may exist, the Company may pursue various debt and equity instruments for short or long-term financing of its operations.

While the Company had written off certain loans payable balance during the year ended December 31, 2023 in order to improve its solvency and liquidity position, management understands that the Company will need to raise additional funds by way of financing for the 12-month period ending December 31, 2026, in order to continue funding its operations.

Interest rate risk

Interest rate risk reflects the sensitivity of the Company's financial condition to movements in interest rates. The Company has exposure to interest rate price risk since it is party to several interest-bearing promissory notes that bear interest at fixed rates.

11. Subsequent Event

On December 15, 2025, the Company announced that it had entered into a non-binding letter of intent (the “**LOI**”) with Quantum Vault Tech Corp. (“**QVTC**”) to acquire all of the issued and outstanding shares of QVTC by way of a share exchange, resulting in a proposed reverse takeover transaction (the “**Transaction**”).

Under the terms of the proposed Transaction, upon closing, existing shareholders of the Company are expected to hold approximately 10% of the resulting issuer, while shareholders of QVTC are expected to hold approximately 70%, and subscribers to a concurrent financing are expected to hold approximately 20%, on a non-diluted basis.

The Transaction is expected to be completed following the execution of a definitive agreement and is subject to customary conditions, including completion of a share consolidation, settlement or conversion of existing liabilities, completion of a private placement financing of up to \$2,000,000, and receipt of applicable regulatory approvals, including conditional approval for listing on the Canadian Securities Exchange.

As at the date of these financial statements, the Transaction has not been completed and remains subject to the satisfaction of the foregoing conditions.