



BRASNOVA ENERGY MATERIALS INC
(Formerly Sonoran Desert Copper Corporation)

Condensed Consolidated Interim Financial Statements
For the Nine Months Ended September 30, 2025 and 2024

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

**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 an auditor has not reviewed the financial statements.

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.

BRASNOVA ENERGY MATERIALS INC.
(Formerly Sonoran Desert Copper Corporation)
Condensed Consolidated Interim Statements of Financial Position
As at September 30, 2025 and December 31, 2024
Expressed in Canadian Dollars

	Notes	September 30, 2025	December 31, 2024
ASSETS			
Current Assets			
Cash		\$ 1,339	\$ 1,449
Prepaid expenses		-	17,497
Marketable securities	5	4,000	2,500
		5,339	21,446
Long-term Assets			
Exploration and evaluation assets	6	68,749	-
Total Assets		\$ 74,088	\$ 21,446
LIABILITIES AND SHAREHOLDERS' DEFICIT			
Current Liabilities			
Accounts payable & accrued liabilities	7,10	\$ 1,888,311	\$ 1,806,422
Domus loan	8	91,851	107,884
Loans payable	9	1,514,518	1,474,545
		3,494,680	3,388,851
Shareholders' deficit			
Share capital	11	14,397,114	13,397,887
Share subscriptions received	11	-	250,000
Contributed surplus	12	3,522,457	3,296,577
Accumulated other comprehensive loss		(388,735)	(384,798)
Deficit		(20,951,428)	(19,927,071)
		(3,420,592)	(3,367,405)
Total Liabilities and Shareholders' Deficit		\$ 74,088	\$ 21,446

Nature of operations and going concern (Note 1)
Subsequent events (Note 13)

Approved on behalf of the Board of Directors on November 26, 2025

"Brian Leenars"
Director

"Gregory Pearson"
Director

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

BRASNOVA ENERGY MATERIALS INC.

(Formerly Sonoran Desert Copper Corporation)

Condensed Consolidated Interim Statements of Comprehensive Income (Loss)

For the Nine Months Ended September 30, 2025 and 2024

Expressed in Canadian Dollars

	Note	Three Months Ended September 30,		Nine Months Ended September 30,	
		2025	2024	2025	2024
Expenses					
Consulting and management fees	10	\$ 64,601	\$ 70,500	\$ 187,101	\$ 211,500
Exploration and evaluation expenditures	6	168,788	71,226	259,252	257,720
Foreign exchange (gain) loss		26,237	(17,365)	(43,067)	27,372
Interest expense	8,9	29,119	29,302	88,509	84,477
Marketing and advertising		37,500	310,000	90,000	485,000
Professional fees	10	26,429	33,940	87,396	40,787
Rent and administrative services	10	42,711	31,321	105,434	96,197
Share-based compensation	12	174,564	101,378	225,457	101,378
Transfer agent and filing fees		12,779	9,392	25,775	47,701
Operating expenses		(582,728)	(639,694)	(1,025,857)	(1,352,132)
Other items					
Unrealized loss on marketable securities	5	1,500	-	1,500	500
Write-off of debts		-	14,877	-	149,183
Write-off exploration and evaluation assets		-	(10,000)	-	(10,000)
Total other income (expenses)		1,500	4,877	1,500	139,683
Net loss for the period		(581,228)	(634,817)	(1,024,357)	(1,212,449)
Foreign exchange transaction		(2,763)	(19,866)	(3,937)	(27,702)
Loss and comprehensive loss for the period		\$ (583,991)	\$ (654,683)	\$ (1,028,294)	\$ (1,240,151)
Basic and diluted loss per share		\$ (0.01)	\$ (0.02)	\$ (0.03)	\$ (0.05)
Weighted average number of common shares outstanding – basic and diluted		43,966,176	25,967,538	37,925,596	25,876,819

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

BRASNOVA ENERGY MATERIALS INC.
(Formerly Sonoran Desert Copper Corporation)
Condensed Consolidated Interim Statements of Cash Flows
For the Nine Months Ended September 30, 2025 and 2024
Expressed in Canadian Dollars

	For the Nine Months Ended	
	September 30,	
	2025	2024
Cash provided by (used in):		
Operating activities		
Net (loss) income for the period	\$ (1,024,357)	\$ (1,212,449)
Items not affecting cash:		
Foreign exchange	(47,818)	20,955
Interest expenses	91,758	84,478
Stock-based compensation	225,457	101,378
Unrealized (gain) loss on marketable securities	(1,500)	(500)
Write-off of debt	-	(149,183)
Changes in non-cash working capital items:		
Accounts payable & accrued liabilities	81,889	151,842
Sales tax receivable	-	55,430
Prepaid expenses	17,497	158,712
Net cash used in operating activities	(657,074)	(789,337)
Investing activities		
Exploration and evaluation asset	(68,749)	(10,000)
Net cash used in financing activities	(68,749)	(10,000)
Financing activities		
Repayment of Domus loan	(20,000)	(80,000)
Proceeds of loan payable	-	98,674
Share issuance, net of issuance costs	749,650	706,950
Share subscription received	-	-
Net cash provided by financing activities	729,650	725,624
Effect of foreign exchange	(3,937)	8,572
Change in cash	(110)	(65,141)
Cash, beginning	1,449	65,732
Cash, ending	\$ 1,339	\$ 591

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BRASNOVA ENERGY MATERIALS INC. (Formerly Sonoran Desert Copper Corporation)

Condensed Consolidated Interim Statements of Changes in Deficit

For the Nine Months Ended September 30, 2025 and 2024

Expressed in Canadian Dollars

	Notes	Number of common shares outstanding	Share capital	Share subscription received	Contributed surplus	Accumulated Other Comprehensive Loss	Deficit	Total Shareholders' Deficiency
Balance, December 31, 2024		34,192,263	\$ 13,397,887	\$ 250,000	\$ 3,296,577	\$ (384,798)	\$ (19,927,071)	\$ (3,367,405)
Share issued for cash	11	10,000,000	1,000,000	(250,000)	-	-	-	750,000
Share issuance cost - cash	11	-	(350)	-	-	-	-	(350)
Share issuance cost – broker warrants	11,12	-	(423)	-	423	-	-	-
Share subscription received	11	-	-	-	-	-	-	-
Share-based compensation	12	-	-	-	225,457	-	-	225,457
Loss for and comprehensive loss for the period		-	-	-	-	(3,937)	(1,024,357)	(1,028,294)
Balance, September 30, 2025		44,192,263	\$ 14,397,114	\$ -	\$ 3,522,457	\$ (388,735)	\$ (20,951,428)	\$ (3,420,592)
Balance, December 31, 2023		25,784,766	\$ 12,563,770	\$ 133,800	\$ 3,214,843	\$ (358,973)	\$ (17,793,735)	\$ (2,240,295)
Share issued for cash		8,407,500	840,750	(133,800)	-	-	-	706,950
Share-based compensation		-	-	-	101,378	-	-	101,378
Loss and comprehensive gain for the period		-	-	-	-	(27,702)	(1,212,449)	(1,240,151)
Balance, September 30, 2024		34,192,263	\$ 13,404,520	\$ -	\$ 3,316,221	\$ (386,675)	\$ (19,006,184)	\$ (2,672,118)

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

BRASNOVA ENERGY MATERIALS INC. (Formerly Sonoran Desert Copper Corporation)
Notes to the Condensed Consolidated Interim Financial Statements
For the Nine Months Ended September 30, 2025 and 2024
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1. Nature of Operations and Going Concern

Brasnova Energy Material Inc (the “Company” or “BEM”) was federally incorporated on February 22, 2007 as Prime Meridian Resources Corp. On March 21, 2023, the Company changed its name to Sonoran Desert Copper Corporation, then on August 5, 2025, to Brasnova Energy Material Inc. During the year ended December 31, 2024, the Company incorporated a subsidiary in Brazil. The Company is a public company listed on the TSX Venture Exchange (“TSXV”) with the symbol BEM.V. The corporate head office of the Company is located at 2110 - 650 West Georgia Street, Vancouver, BC V6B 4H8.

The Company, in junior mining sector, is an exploration company focused on developing its portfolio of energy metals projects and properties. The recoverability of the amounts shown for resource properties is dependent upon the existence of economically recoverable reserves, successfully permitting, the ability of the Company to obtain necessary financing to complete exploration and development, and upon future profitable production or proceeds from disposition of each resource property.

These condensed consolidated interim financial statements have been prepared in accordance with the International Financial Reporting Standards (“IFRS”) applicable to a going concern which contemplates that the Company will be able to realize its assets and settle its liabilities in the normal course as they come due for the foreseeable future. As at September 30, 2025, the Company had no source of revenue and reported loss for the nine months period of \$1,024,357 (2024 – \$1,212,449), had current liabilities in excess of current assets of \$3,489,341 (December 31, 2024 - \$3,367,405), and has an accumulated deficit of \$20,951,428 (December 31, 2024 - \$19,927,071). These factors indicate a material uncertainty that may cast significant doubt over the Company’s ability to continue as a going concern. Management has determined that the Company will require additional financing to meet its obligations for the next two fiscal quarters. Continued operations are dependent on the Company’s ability to complete equity financings and secure project debt financing. It is not possible to predict whether financing efforts will be successful. These condensed consolidated interim financial statements do not include adjustments or disclosures that may result should the Company not be able to continue as a going concern.

2. Basis of Preparation

Statement of compliance

These unaudited condensed consolidated interim financial statements have been prepared in accordance with IAS 34 – Interim Financial Reporting as issued by the International Accounting Standards Board (“IASB”). Accordingly, certain disclosures included in annual financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the IASB have been condensed or omitted and these unaudited condensed consolidated interim financial statements should be read in conjunction with the Company’s audited consolidated financial statements for the year ended December 31, 2024.

The condensed consolidated interim financial statements were authorized for issue by the Board of Directors on November 26, 2025.

Functional and presentation currency

These condensed consolidated interim financial statements are presented in Canadian dollars, which is the functional currency of the Company. The functional currency of Prime Meridian Resources Inc., the Company’s US subsidiary, is the United States Dollar (“USD”). Sonoran Copper Sa de CV, the Company’s Mexican subsidiary is Mexican Peso (“MXN”). ZEM Estudos Geologicos Ltda, the Company’s Brazilian subsidiary is Brazilian Real (“BRL”).

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Notes to the Condensed Consolidated Interim Financial Statements
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2. Basis of Preparation (continued)

Critical accounting estimates and judgments

The preparation of condensed consolidated interim financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities and contingency liabilities as at the date of the financial statements, and the reported amount of revenues and expenses during the reporting period. Estimates and judgments are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Key critical judgment in applying accounting policies

Going concern

These condensed consolidated interim financial statements have been prepared on the basis of the accounting principles applicable to a going concern, which assumes the Company's ability to continue in operation for the foreseeable future and to realize its assets and discharge its liabilities in the normal course of operations. There are several adverse conditions that cast significant doubt upon the soundness of this assumption.

Key sources of estimation uncertainty

Income taxes and recoverability of potential deferred tax assets

In assessing the probability of realizing income tax assets recognized, management makes estimates related to expectations of future taxable income, applicable tax planning opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities.

Adoption and future changes in Accounting Standards

The Company has reviewed the other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates and determined that these are either not applicable or are not expected to have a significant impact on the Company's financial statements.

3. Capital Management

The Company's objectives when managing capital are to:

- Ensure there are adequate capital resources to manage the Company's ability to continue as a going concern;
- Maintain adequate levels of funding to sustain the required current investments and any new capital investments;
- Maintain investor, creditor and market confidence to sustain future development of the business; and
- Provide returns to shareholders and benefits for other stakeholders.

The Company classifies its share capital and contributed surplus as capital. The Board of Directors does not establish qualitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company will continue to assess new investments and seek to acquire an interest in investments if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is appropriate. There were no changes in the Company's approach to capital management during the year. The Company is not subject to any externally imposed capital requirements.

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Notes to the Condensed Consolidated Interim Financial Statements
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4. Financial Instruments and Financial Risk Management

a) Fair value

The fair value of financial instruments is the amount of consideration that would be agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act. Fair values are determined by reference to quoted market prices, as appropriate, in the most advantageous market for that instrument to which the Company has immediate access. Where quoted market prices are not available, the Company uses the closing price of the most recent transaction for that instrument. In the absence of an active market, fair values are determined based on prevailing market rates for instruments with similar characteristics. The fair value of current financial instruments approximates their carrying values as long as they are short term in nature or bear interest at market rates.

b) Fair value hierarchy

Financial instruments that are held at fair value are categorized based on a valuation hierarchy which is determined by the valuation methodology utilized:

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

Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices); and

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

There were no transfers between levels 1 and 2 during the year.

The Company's financial instruments carried at amortized cost with the exception of cash and marketable securities. These instruments have been assessed on the fair value hierarchy described above and classified as Level 1.

c) Financial risks

(i) Interest rate risk

Interest rate risk consists of the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. As at September 30, 2025, the Company is not exposed to interest rate risk as its loans bear interest at fixed rates.

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is exposed to foreign currency risk to the extent expenditures incurred or funds received, and balances maintained by the Company are denominated in USD, MXN or BRL. The Company had net monetary liabilities totaling \$1,022,546 in US dollars at September 30, 2025. The Company's foreign currency risk is assessed as high.

(iii) Credit risk

Credit risk is the risk of loss if counterparties do not fulfill their contractual obligations and arises principally from its receivables. As of September 30, 2025, the Company is not exposed to credit risk.

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4. Financial Instruments and Financial Risk Management (continued)

(iv) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company manages liquidity risk by maintaining sufficient cash. Liquidity requirements are managed based on expected cash flow to ensure there is capital to meet short-term and long-term obligations. At September 30, 2025, the Company did not have sufficient cash on hand to pay its short-term creditors and does not generate cash from its operations. Accordingly, liquidity risk is considered high.

5. Marketable Securities

The Company holds 50,000 Bitterroot Resources Ltd (“Bitterroot”). The fair value of the Bitterroot at September 30, 2025 is \$4,000 (December 31, 2024 - \$2,500)

6. Exploration and Evaluation Assets

	Brazil Projects	Papua New Guinea	Cuatro Hermanos, Mexico	Total
	(\$)	(\$)	(\$)	(\$)
Balance, December 31, 2023	-	-	216,443	216,443
Acquisition costs	-	10,000	71,945	81,945
Foreign exchange	-	-	(27,047)	(27,047)
Write-off E&E assets	-	(10,000)	(261,341)	(271,341)
Balance, December 31, 2024	-	-	-	-
Acquisition costs	68,749	-	-	68,749
Balance, September 30, 2025	68,749	-	-	68,749

For nine months ended September 30, 2025, the Company recognized exploration and evaluation expenditures of \$259,252 (2024 - \$257,720)

Cuatro Hermanos Porphyry Copper Project, Sonora, Mexico

On January 16, 2023, the Company executed Exploration Right Assignment Agreement with Definitive Rights Assignment Option (the “Option Agreement”) with Minerales Y Yacimientos Mexicanos Sacramento, S.A. DE C.V. (the “Seller/vendor”), whereby the Company is to purchase 100% interest in the Cuatro Hermanos Porphyry Copper Project (“4H Project”) in Sonora, Mexico. The agreement was amended on July 29, 2024. To purchase the 100% interest in the 4H Project, in addition to the USD\$50,000 paid, the Company will make additional cash payments totalling USD\$5,662,500 (plus VAT) to the Seller, and incur the exploration work commitment as below:

Date	Cash Payment (USD\$)	Work Commitment (USD\$)
January 16, 2023	50,000 (paid)	\$100,000 (completed)
December 31, 2024	*150,000 (paid 50,000)	Minimum required (completed)
December 31, 2025	150,000	Minimum required
December 31, 2026	150,000	Minimum required
December 31, 2027	150,000	Minimum required
December 31, 2028	5,062,500	-
	5,712,500	

* Extended to May 31, 2025.

As at September 30, 2025, the 4H Project Transaction is in default due to the failure of the Company to make the required payments to Vendor under the Option Agreement.

BRASNOVA ENERGY MATERIALS INC. (Formerly Sonoran Desert Copper Corporation)
Notes to the Condensed Consolidated Interim Financial Statements
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6. Exploration and Evaluation Assets (continued)

Bahia Manganese Project and Rio Claro Titanium Project, Brazil (Collectively, the “Brazil Projects”)

On May 2, 2025, the Company signed an option agreement (the “Purchase Option Agreement”) to acquire a 100% interest in the Bahia Manganese Project and Rio Claro Titanium Project, with Beko Invest Ltd (the “Beko”). The Bahia Manganese Project is 896.61 hectares in Goias, Brazil, and Rio Claro Titanium Project is 1,005.12 hectares in Bahia, Brazil. The terms and time limit as follows, subject to TSX Venture Exchange Approval (“Exchange Approval”):

	Cash Payment (USD\$)	Issuance of common
Upon execution Purchase Option Agreement	20,000 (paid)	
10 days of receipt of TSX Venture Exchange (the “TSXV”) Approval	30,000 (paid)	4,000,000
6-month anniversary date of TSXV approval	75,000	2,000,000
12-month anniversary date of TSXV approval	75,000	2,000,000
	200,000	8,000,000

The Company agrees to grant Beko a 2% Net Smelter Royalty against Brazil Projects upon the successful exercise of the Option as detailed above.

7. Accounts Payable and Accrued liabilities

	September 30, 2025		December 31, 2024	
Trade payables	\$	1,351,661	\$	1,474,272
Accrued liabilities		536,650		332,150
Total	\$	1,888,311	\$	1,806,422

At September 30, 2025, out of the total account payables and accrued liabilities of \$1,858,311, \$1,291,516 is indebted to related parties (Note 10).

8. Domus Loan

In prior years, the Company has entered and amended multiple debt repayment arrangements with Domus Management Ltd. (“Domus”). After a series of events and pursuant to the most recent repayment arrangement, the Company is required to pay \$20,000 per month to Domus until the loan is fully repaid. The loan bears interest rate based on the prescribed rates under the Alberta’s Judgment Interest Act. As at December 31, 2023, the Company has been in default and consequently the loan was reclassified and included in the accounts payable previously on the consolidated statements of financial position.

During the nine months ended September 30, 2025, the Company recorded interest expenses \$3,967 (2024 - \$5,179). As at September 30, 2025, the Domus loan of \$91,851 (December 31, 2024 - \$107,884) included an interest accrual of \$22,537 (December 31, 2024 - \$18,571) and the balance is presented as current liabilities.

Balance, at December 31, 2023	\$	200,524
Finance cost		7,359
Loan principal paid		(100,000)
Balance, at December 31, 2024	\$	107,884
Loan principal paid		(20,000)
Finance cost		3,968
Balance, at September 30, 2025	\$	91,851

BRASNOVA ENERGY MATERIALS INC. (Formerly Sonoran Desert Copper Corporation)
Notes to the Condensed Consolidated Interim Financial Statements
For the Nine Months Ended September 30, 2025 and 2024
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9. Loans Payable

- a) On January 24, 2024, the Company borrowed \$100,000 from an investor. The loan bears interest rate of 12% per annum and is due in one year from the date of borrowing. As at September 30, 2025, the balance is \$120,211 included the principal amount of \$100,000 and interest accrual of \$20,211 (December 31, 2024 - \$11,211).
- b) During the previous years, the Company has borrowed several loans payable from various unrelated parties. The loans bear interest rate between 10% to 12% per annum with repayment dates within 24 months of borrowing. The maturity dates for the loans payable portfolio have expired in a previous year and consequently the loans payable are presented as current liabilities. For the period ended September 30, 2025, the Company recorded total interest expense of \$52,527 related to this portfolio of loans payable.

Balance, at December 31, 2023	\$	1,160,009
Addition (a)		100,000
Interest accrued		113,445
Foreign exchange		101,091
Balance, at December 31, 2024	\$	1,474,545
Interest accrued		87,791
Foreign exchange		(47,818)
Balance, at June 30, 2025	\$	1,514,518
Loan principal		971,420
Accrued interest payable		543,098
	\$	1,514,518

10. Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Management fees were incurred from a director and a company owned by a director of the Company. Key management includes directors and key officers of the Company, including the President, Chief Executive Officer and Chief Financial Officer.

The below table is the amounts payable to related parties summarized as above were included in accounts payable and accrued liabilities. Balances owing are unsecured, non-interest bearing and have no specified terms of repayment.

Name	Relationship	Nature of Transaction	Balance payable at September 30, 2025 (\$)	Balance payable at December 31, 2024 (\$)
Brian Leeners	Chief Executive Officer and Director	Consulting and Management fees	292,250	202,250
Nexvu Services Inc.	Owned by Brian Leeners	Rent and administrative services	360,750	459,325
Global Link Capital	Owned by Greg Pearson, Director	Consulting and Management fees	164,750	104,750
Gordon J. Fretwell, Law Corporation	Owned by Gordon Fretwell is a shareholder of Nexvu Capital Corporation	Professional fees	196,616	190,115
Blue Summit Venture	Owned by Tyler Thorburn, Director	Consulting and Management fees	113,000	113,000
AE Financial Management Ltd.	Owned by Edward Low, former Chief Financial Officer	Professional fees	141,650	141,650
NZ Consulting Services Inc	Owned by Nancy Zhao, CFO	Professional fees	22,500	16,225
			1,291,516	1,227,315

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Notes to the Condensed Consolidated Interim Financial Statements
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10. Related Party Transactions (continued)

The Company entered into transactions, including compensation of key management, with the following related parties:

Name	Relationship	Nature of Transaction	Share-based compensation for period ended Sept. 30, 2025	Share-based compensation for period ended Sept. 30, 2024	Fees incurred period ended Sept. 30, 2025	Fees incurred period ended Sept. 30, 2024
			\$	\$	\$	\$
Brian Leeners	Chief Executive Officer and Director	Consulting and Management fees	37,667	57,230	90,000	90,000
Nexvu Services Inc.	Owned by Brian Leeners	Rent and administrative services	-	-	90,000	90,000
Greg Pearson	Director	Consulting and Management fees	10,762	16,351	-	-
Global Link Capital	Owned by Gregory Pearson	Consulting and Management fees	-	-	70,000	90,000
Gordon J. Fretwell, Law Corporation	Owned by Gordon Fretwell is a shareholder of Nexvu Capital Corporation	Professional fees	-	-	17,000	18,000
0856073 BC AE Financial Management Ltd.	Owned by Stephen Burega, President	Management fees	49,328	-	15,000	-
NZ Consulting Services Inc	Owned by Edward Low, former Chief Financial Officer	Professional fees	-	-	-	31,500
Maria Conejo	Owned by Nancy Zhao, CFO	Professional fees	28,208	-	40,500	-
	Director	Consulting and Management fees	5,919	8,993	-	-
			131,884	82,574	322,500	319,500

Balances outstanding are included in accounts payable and accrued liabilities, unsecured, non-interest bearing and have no specified terms of repayment (Note 7).

11. Share Capital

Authorized: Unlimited common voting shares, without par value.

Share issuance – private placement

On May 29, 2025, the Company closed the first tranche of a private placement for total gross proceeds of \$480,000 by issuing 4,800,000 units at a price of \$0.10 per unit. Each unit consists of one common share of the Company and one common share purchase warrant, with each warrant entitling the holder to acquire one additional common share of the Company at a price of \$0.15 per share for 24 months. The warrants are subject to the right of the Company to accelerate the exercise period to 30 days if, after the expiry of the four-month holding period, common shares of the Company close at or above \$0.50 for 10 consecutive trading days. As the fair value of the common shares was greater than the unit price of the \$0.10, there were no residual values assigned to the warrants.

On July 2, 2025, the Company closed the second tranche of a private placement for total gross proceeds of \$520,000 by issuing 5,200,000 units at a price of \$0.10 per unit. Each unit consists of one common share of the Company and one common share purchase warrant, with each warrant entitling the holder to acquire one additional common share of the Company at a price of \$0.15 per share for 24 months. The warrants are subject to the right of the Company to accelerate the exercise period to 30 days if, after the expiry of the four-month holding period, common shares of the Company close at or above \$0.50 for 10 consecutive trading days. As the fair value of the common shares was greater than the unit price of the \$0.10, there were no residual values assigned to the warrants. The Company paid \$350 cash finder's fee and issued 3,500 broker warrants exercising at \$0.15 for 24 months commencing the date of issuance.

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11. Share Capital (continued)

On July 12, 2024, the Company closed a non-broker private placement for total gross proceeds of \$840,750 by issuing 8,407,500 units at a price of \$0.10 per unit. Each unit consists of one common share of the Company and one common share purchase warrant, with each warrant entitling the holder to acquire one additional common share of the Company at a price \$0.25 per share for 24 months. The warrants are subject to the right of the Company to accelerate the exercise period to 30 days if, after the expiry of the four-month hold, common shares of the Company close at or above \$0.50 for 10 consecutive trading days. As the fair value of the common shares was greater than the unit price of \$0.10, there were no residual values assigned to the warrants. In connection with this private placement, the Company incurred other fees of \$6,633.

Share subscription received

During the first two quarters in 2025, the Company received \$248,000 related to final tranche of a private placement originally announced on November 20, 2024 and updated in February 2025 during . The financing offers up to 10,000,000 units priced at \$0.10 per unit. Each unit consists of one common share and one common share purchase warrant, exercisable at \$0.15 to common share. The warrants expire 24 months from the date of issuance. The Company closed the final tranche on July 2, 2025, and the funds received were allocated to this tranche.

12. Options and Warrants

a) Stock options

Pursuant to policies of TSX-V, the Board of the Company has established an incentive Stock Option Plan (the "Plan") for directors, officers, employees, and consultants of the Company and its subsidiary, or any affiliate of the Company. In March 2025, the Company amended the plan to increase the reserves for issuance up to 6,838,452 of common shares, including any common shares issuable on any outstanding stock options previously granted individually. The number of common shares issued maybe increased or changed subject to shareholder and regulatory approval. The number of common shares reserved for issuance to insiders shall not exceed 10% of the outstanding issue at any point in the time unless disinterested shareholder approval is obtained. No more than 5% of the outstanding issue may be granted to any one individual in any 12-month period. Options granted under the Plan exercisable over a period not exceeding 5 years. Termination of options shall not exceed 90 days after the termination date of optionees' employment status with the Company. Any options granted shall vest in the optionee and be exercisable as follows: 25% vest on the date of granting; 25% vest 6 months from the date of granting; 25% vest 12 months from the date of granting; and 25% vest 18 months from the date of granting.

The options can be granted for a maximum term of 5 years and vest immediately. No individual may hold options to purchase common shares of the Company exceeding 5% of the total number of common shares outstanding from time to time. Pursuant to the policies of the TSX-V, shares issued upon the exercise of options are restricted from trading during the 4-month period subsequent to the exercise of the options. For stock options granted to employees, officers, directors and consultants, the Company recognizes stock-based compensation expense based on the estimated fair value of the stock options granted as calculated using the Black-Scholes Option-Pricing Model on the date of the grant.

On July 2, 2025, the Company granted 2,350,000 stock options to its directors, officers and consultants with expiry of 5-year term. The stock options exercise price is \$0.25. Of the total 2,350,000 stock options, 1,000,000 were granted to the directors and officers of the Company. The estimated fair value of \$345,320 was calculated using the Black-Sholes Option Pricing Model with the assumptions of risk-free interest rate 2.94%, volatility of 162%, annual rate of dividend of 0% and an expected life of the option of 5 years. For the period ended September 30, 2025, the Company recorded a share-based compensation of \$158,733 for vested options.

On September 20, 2024, the Company granted 1,550,000 stock options to its directors, officers and consultants with expiry of 5-year term. The stock options exercise price is \$0.25. Of the total 1,550,000 stock options, 1,262,500 were granted to the directors and officers of the Company. The estimated fair value of \$161,069 was calculated using the Black-Sholes Option Pricing Model with the assumptions of risk-free interest rate 2.69%, volatility of 184%, annual rate of dividend of 0% and an expected life of the option of 5 years. For the period ended September 30, 2025, the Company recorded a share-based compensation of \$66,724 for the vested options.

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12. Options and Warrants (continued)

a) Stock options (continued)

For the nine months ended September 30, 2025, the Company recorded stock-based compensation of \$225,457 (September 30, 2024 - \$101,378) for vested stock options.

As at September 30, 2025, the following stock options are summarized as below:

	Number of Options Outstanding	Weighted average exercise price (\$)	Weighted average life remaining (years)
Balance, December 31, 2023	3,387,500	0.25	2.12
Granted	1,550,000	0.40	4.65
Cancelled/forfeited	(437,500)	0.41	-
Balance, December 31, 2024	4,500,000	0.41	3.04
Granted	2,350,000	0.25	4.76
Cancelled/forfeited	(62,500)	0.44	-
Balance, September 30, 2025	6,787,500	0.36	3.16

As at September 30, 2025, the following stock options were outstanding and exercisable:

Expiry Date	Exercise Price (\$)	Number of options outstanding	Remaining Years	Number of Exercisable Options
January 29, 2026	0.40	850,000	0.33	850,000
July 21, 2027	0.60	1,475,000	1.81	1,475,000
November 9, 2027	0.40	562,500	2.11	562,500
September 20, 2029	0.25	1,550,000	3.98	1,162,500
July 2, 2030	0.25	2,350,000	4.76	587,500
		6,787,500	3.16	4,637,500

b) Warrants

For nine months ended September 30, 2025, 10,000,000 warrants (2024 – 8,407,500) were issued as part of private placement (Note 11).

As at September 30, 2025, warrant transactions are summarized as follows:

	Number of warrants	Weighted average exercise price (\$)	Weighted average life remaining (years)
Balance, December 31, 2023	7,721,500	0.40	0.97
Issued	8,407,500	0.25	1.52
Balance, December 31, 2024	16,129,000	0.32	1.45
Issued	10,000,000	0.15	1.72
Expired	(1,700,000)	0.40	-
Balance, September 30, 2025	24,429,000	0.25	1.17

As at September 30, 2025, the following warrants were outstanding:

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12. Options and Warrants (continued)

b) Warrants (continued)

Expiry Date	Exercise Price (\$)	Number of Warrants	Remaining Years
March 22, 2026	0.40	1,929,000	0.47
July 12, 2026	0.25	8,407,500	0.78
September 14, 2026	0.40	4,092,500	0.96
May 29, 2027	0.15	4,800,000	1.68
July 2, 2027	0.15	5,200,000	1.75
		24,429,000	1.17

c) Broker warrants

For nine months ended September 30, 2025, 3,500 broker warrants were issued as part of the private placement (Note 11).

For nine months ended September 31, 2025, the Company recorded the fair value of broker warrants of \$423 using the Black-Scholes Option Pricing Model with assumptions of risk-free interest rate 2.66%, volatility of 180.12%, annual rate of dividend of 0% and expected life of the warrant of 2 years.

As at September 30, 2025, broker warrant transactions are summarized as follows:

	Number of Broker Warrants	Weighted Average Exercise Price (\$)	Weighted Average Life Remaining (years)
Balance, December 31, 2023	154,200	0.40	1.90
Balance, December 31, 2024	154,200	0.40	0.90
Issued	3,500	0.15	1.75
Expired	(108,000)	-	-
Balance, September 30, 2025	49,700	0.38	0.73

As at September 30, 2025, the following broker warrants were outstanding:

Expiry Date	Exercise Price (\$)	Number of Broker Warrants	Remaining Years
March 22, 2026	0.40	29,000	0.47
September 14, 2026	0.40	17,200	0.96
July 2, 2027	0.15	3,500	1.75
		49,700	0.73

d) Contributed Surplus

The contributed surplus records items are recognized as stock-based compensation expenses until such time that the stock options are exercised, at which time the corresponding amount will be transferred to share capital.

13. Subsequent events

No subsequent events.