

WESCAN ENERGY CORP.
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED
MARCH 31, 2025 AND 2024

To the Shareholders of WesCan Energy Corp.:

Opinion

We have audited the consolidated financial statements of WesCan Energy Corp. and its subsidiaries (the "Company"), which comprise the consolidated statements of financial position as at March 31, 2025 and March 31, 2024, and the consolidated statements of income (loss) and comprehensive income (loss), changes in shareholders' equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

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

Basis for Opinion

We conducted our audits 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 Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the consolidated 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 consolidated financial statements, which indicates that for the year ended March 31, 2025, the Company incurred a net loss, and as of March 31, 2025, the Company had a working capital deficiency and an accumulated deficit. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists 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 Matters

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

In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matter described below to be the key audit matter to be communicated in our report.

The impact of oil, natural gas, and natural gas liquid reserves on oil and gas properties

Key Audit Matter Description

The Company had \$5.4 million of oil and gas properties as at March 31, 2025. Depletion expense was \$0.8 million for the year then ended. The Company depletes its oil and gas properties on a unit-of-production basis over the life of their proved plus probable (2P) reserves. The Company's reserves are evaluated by an independent qualified reserve evaluator (management's expert).

Please refer to Note 3 - Material accounting policy information, and Note 6 - Oil and gas properties in the consolidated financial statements.

We identified the impact of oil, natural gas, and natural gas liquid reserves on oil and gas properties as a key audit matter due to:

- The significant estimates and judgments used by management, including the use of management's expert, to estimate the 2P reserves.
- The significant auditor judgment required.
- The effort in performing procedures related to the key assumptions used.

Audit Response

We responded to this matter by performing procedures in relation to the impact of oil, natural gas, and natural gas liquid reserves on oil and gas properties. Our audit work in relation to this included, but was not restricted to, the following:

- Evaluated the competence, capabilities and objectivity of the independent qualified reserve evaluators engaged by the Company, who estimated the 2P reserves. We evaluated the methodology used by the independent qualified reserves evaluators to estimate the 2P reserves for compliance with the applicable regulatory standards. Procedures included gaining an understanding of the work performed by management's expert, testing the data and assumptions used by management's expert, and evaluating their findings.
- Evaluated the key assumptions used by management in determining 2P reserves and the reasonableness thereof. Procedures included:
 - Testing of forward price estimates by comparing to third-party industry forecasts.
 - Using the past and current performance of the Company to evaluate expected future rates of production and the timing and amount of future development expenditures.
 - Assessing whether the estimates used were consistent with audit evidence gathered in other areas of our audit.
- Compared the current year actual CGU production volumes, royalty rates, operating and capital costs to those estimates used in the prior year estimate of proved reserves by CGU to assess the Company's ability to accurately forecast.
- Obtained an understanding of the Company's processes and controls over the 2P reserves and depletion expense.
- Re-calculated depletion expense.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

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

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, 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 Consolidated Financial Statements

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

In preparing the consolidated 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 Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

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 consolidated 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 Craig Bloom.

Calgary, Alberta

July 15, 2025

MNP LLP

Chartered Professional Accountants

WesCan Energy Corp.
Consolidated Statements of Financial Position
As at March 31, 2025 and 2024
(Expressed in Canadian Dollars)

	Notes	March 31, 2025	March 31, 2024
ASSETS			
CURRENT ASSETS			
Cash		\$ 19,204	\$ 19,809
Trade and other receivables	5	275,067	264,333
Prepaid expenses and deposits		54,839	18,747
Total current assets		349,110	302,889
NON-CURRENT ASSETS			
Right-of-use asset	7	97,941	122,946
Oil and gas properties	6	5,396,366	5,629,438
TOTAL ASSETS		\$ 5,843,417	\$ 6,055,273
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		\$ 533,903	\$ 463,654
Payable to related parties	8	-	610,149
Notes payable	9	596,636	1,651,931
Decommissioning obligations	11	162,632	118,265
Lease liabilities	7	37,579	81,214
Total current liabilities		1,330,750	2,925,213
NON-CURRENT LIABILITIES			
Notes payable	9	1,333,895	-
Decommissioning obligations	11	1,882,014	1,418,863
Lease liabilities	7	-	37,579
TOTAL LIABILITIES		4,546,659	4,381,655
SHAREHOLDERS' EQUITY			
Share capital	12	14,602,132	14,365,882
Equity reserves	12	1,881,026	1,694,167
Deficit		(15,186,400)	(14,386,431)
TOTAL SHAREHOLDERS' EQUITY		1,296,758	1,673,618
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		\$ 5,843,417	\$ 6,055,273

Going concern (note 1)
Contingencies (note 19)

Approved and authorized for issuance on behalf of the Board of Directors:

"Leo Berezan"
Leo Berezan, Director

"Sarshar Ahmed"
Sarshar Ahmed, Director

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

WesCan Energy Corp.
Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)
For the years ended March 31, 2025 and 2024
(Expressed in Canadian Dollars)

	Notes	March 31, 2025	March 31, 2024
REVENUE			
Petroleum and natural gas sales		\$ 4,034,886	\$ 2,784,458
Less: royalties		(483,621)	(233,917)
Revenues, net of royalties		3,551,265	2,550,541
EXPENSES			
Operating costs		2,626,094	1,408,993
Depletion, depreciation and accretion	6,7,11	916,284	557,592
General and administrative		399,971	479,175
TOTAL EXPENSES		3,942,349	2,445,760
OTHER INCOME (EXPENSE)			
Finance and interest expense	7,9	(248,206)	(99,446)
Stock-based compensation	12	(186,859)	-
Gain on settlements	18	26,180	208,993
Government loan forgiveness	10	-	20,000
Foreign exchange (loss) gain		-	(417)
TOTAL OTHER INCOME (EXPENSES)		(408,885)	129,130
NET INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)		\$ (799,969)	\$ 233,911
EARNINGS (LOSS) PER SHARE			
Basic and diluted		\$ (0.02)	\$ 0.01
WEIGHTED AVERAGE NUMBER OF COMMON SHARES			
Basic	12(e)	43,207,616	41,472,958
Diluted	12(e)	43,207,616	41,472,958

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

WesCan Energy Corp.
Consolidated Statements of Changes in Shareholders' Equity
For the years ended March 31, 2025 and 2024
(Expressed in Canadian Dollars)

	March 31, 2025				
	Share Capital				
	Number of Shares	Amount	Equity Reserves	Deficit	Total Equity
	(#)	(\$)	(\$)	(\$)	(\$)
As at March 31, 2024	41,472,958	14,365,882	1,694,167	(14,386,431)	1,673,618
Private placement issued (note 12)	3,150,000	236,250	-	-	236,250
Stock-based compensation (note 12)	-	-	186,859	-	186,859
Net loss and comprehensive loss	-	-	-	(799,969)	(799,969)
As at March 31, 2025	44,622,958	14,602,132	1,881,026	(15,186,400)	1,296,758
	March 31, 2024				
	Share Capital				
	Number of Shares	Amount	Equity Reserves	Deficit	Total Equity
	(#)	(\$)	(\$)	(\$)	(\$)
As at March 31, 2023	41,472,958	14,365,882	1,694,167	(14,620,342)	1,439,707
Net income and comprehensive income	-	-	-	233,911	233,911
As at March 31, 2024	41,472,958	14,365,882	1,694,167	(14,386,431)	1,673,618

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

WesCan Energy Corp.
Notes to the Consolidated Financial Statements
For the years ended March 31, 2025 and 2024
(Expressed in Canadian Dollars)

	Notes	March 31, 2025	March 31, 2024
OPERATING			
Net income (loss) and comprehensive income (loss)		\$ (799,969)	\$ 233,911
Adjustments for:			
Depletion, depreciation and accretion	6,7,1	916,284	557,592
Gain on settlements	18	(26,180)	(208,993)
Stock-based compensation	12	186,859	-
Government loan forgiveness	10	-	(20,000)
Interest expense	7,9	248,206	90,787
		525,200	653,297
Changes in non-cash working capital:			
Trade and other receivables		(10,734)	62,675
Prepaid expenses and deposits		(36,091)	(10,710)
Trade and other payables		108,789	(975,805)
Cash (used in) provided by operating activities		587,164	(270,543)
INVESTING			
Expenditures on oil and gas properties	6	(150,689)	(150,959)
Changes in non-cash working capital:			
Trade and other payables		(12,361)	(388,570)
Cash used in investing activities		(163,050)	(539,529)
FINANCING			
Repayment of government loan	10	-	(40,000)
Lease payments	7	(93,600)	(7,800)
Shares subscription received	12	236,250	-
Proceeds from notes payable	9	648,458	-
Proceeds from (payments to) note payable	9	(605,678)	437,112
Changes in non-cash working capital:			
Payable to related parties	8	(610,149)	-
Cash (used in) provided by financing activities		(424,719)	389,312
Change in cash		(605)	(420,760)
Cash, beginning of year		19,809	440,569
Cash, end of year		\$ 19,204	\$ 19,809

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

WesCan Energy Corp.
Notes to the Consolidated Financial Statements
For the years ended March 31, 2025 and 2024
(Expressed in Canadian Dollars)

1. REPORTING ENTITY AND GOING CONCERN

Reporting entity

WesCan Energy Corp. ("WesCan" or the "Company") changed its name from Great Pacific International Inc. effective October 4, 2012. WesCan was incorporated on November 4, 1993 under the Business Corporations Act (Alberta), Canada. WesCan is a junior public resource company in the business of oil and gas exploration, development and production with oil and gas operations and property interests in Alberta, Canada and Texas, U.S.A. The common shares of WesCan trade on the TSX Venture Exchange ("TSX-V") under the symbol WCE. The Company's registered office and mailing address is located at 3 Bearspaw Meadows Court, Calgary, AB T3L 2N2.

Going concern

These consolidated financial statements have been prepared on a going concern basis which contemplates that the Company will be able to continue its operations for the foreseeable future and realize its assets and discharge its liabilities in the normal course of operations.

As at and for the year ended March 31, 2025 the Company has a working capital deficiency of \$981,640 (2024-\$2,622,324), net loss of \$799,969 (2024 - net income of \$233,911), and an accumulated deficit of \$15,186,400 since inception. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Accordingly, external financing will be required in order for the Company to continue as a going concern. In order to continue as a going concern, meet property payment, participation and lease obligations, discharge all liabilities, and meet all commitments the Company will need to raise additional funds through debt or equity financing during the next fiscal year.

Furthermore, the Company will require additional financing to carry out the petroleum exploration and development required to offset production declines, increase oil and gas reserves and achieve a self-sustaining level of revenue. Management is actively pursuing new financings; however, there can be no assurance that it will be able to raise sufficient funds on acceptable terms.

These consolidated financial statements do not reflect any adjustments relating to the recoverability and classification of recorded assets or liabilities that may be necessary should the Company be unable to continue as a going concern. If the going concern assumption was not appropriate for these consolidated financial statements, then adjustments would be necessary in the carrying value of assets and liabilities, the reported revenues and expenses, and the statement of financial position classifications used. Those adjustments would be material.

2. BASIS OF PRESENTATION

Basis of presentation

a) Statement of compliance:

These consolidated financial statements have been prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee. These consolidated financial statements were authorized for issuance by the Board of Directors on July 15, 2025.

b) Basis of measurement:

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair value, and stock-based compensation which is initially measured at fair value.

WesCan Energy Corp.
Notes to the Consolidated Financial Statements
For the years ended March 31, 2025 and 2024
(Expressed in Canadian Dollars)

2. BASIS OF PRESENTATION (continued)

c) Functional and presentation currency:

The consolidated financial statements are presented in Canadian dollars, which is the Company's functional currency.

d) Significant accounting estimates and judgments:

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. By their nature, these estimates are subject to measurement uncertainty and the effect on the consolidated financial statements of changes in such estimates in future periods could be significant.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Significant judgments

Determination of cash-generating units ("CGU")

Property and equipment are aggregated into CGUs based on their ability to generate largely independent cash flows and are used for impairment testing. The determination of the Company's CGUs is subject to management's judgment. The company has one CGU.

Deferred taxes

The provision for income taxes is based on judgments in applying income tax law and estimates on the timing, likelihood and reversal of temporary differences between accounting and tax bases of assets and liabilities.

Going concern

The assessment of the Company's ability to continue as a going concern involves judgment regarding future funding available for its projects and working capital requirements.

Fair Value of Note Payable

The fair value of the notes payable, on initial recognition, is estimated using valuation techniques, which use inputs that are subject to significant measurement uncertainty. The discount rate used in this valuation considers factors such as, the Company's credit risk, rates charged to comparable companies, the terms of the notes and the economic environment. The valuation is subjective and can materially affect the fair value of the instrument.

Stock-based compensation

The stock-based compensation associated with the stock option agreement is measured at the grant date by using Black-Scholes option pricing model to determine fair value. The Black-Scholes model uses subjective estimates, in particular, the expected rate of volatility over the life of the option and forfeiture rates, which can materially affect the fair value estimate. The key assumptions used to derive the fair value of the stock-based compensation are the detailed in Note 12 to the financial statements.

Impairment indicators

The carrying amounts of the Company's petroleum properties are reviewed at each reporting date for indicators of impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the amount of the impairment, if any.

Significant estimates and assumptions

Reserves and future development costs

Amounts recorded for depreciation, depletion and amortization and amounts used for impairment calculations are based on estimates of oil and natural gas reserves and future development costs. By their nature, the estimates of reserves, including the estimates of future prices, costs, discount rates and the related future cash flows are subject to measurement uncertainty. Estimates of future development costs are also subject to measurement uncertainty.

WesCan Energy Corp.
Notes to the Consolidated Financial Statements
For the years ended March 31, 2025 and 2024
(Expressed in Canadian Dollars)

2. BASIS OF PRESENTATION (continued)

Decommissioning obligations

The Company estimates the decommissioning obligations for oil and natural gas wells and their associated production facilities and pipelines. In most instances, removal of assets and remediation occurs many years into the future. Amounts recorded for the decommissioning obligations and related accretion expense require estimates regarding remediation date, future environmental legislation, the extent of reclamation activities required, the engineering methodology for estimating costs, future removal technologies in determining the removal costs, and liability specific discount rates to determine the present value of these cash flows.

Recoverability of assets

The recoverable amount of an asset is evaluated at the cash-generating unit level, which is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. The recoverable amount of a CGU is the greater of its fair value less costs to sell and its value in use.

The Company's impairment testing is based on discounted cash flow models prepared by management with assistance from third-party advisors when required. The inputs used are based on management's best estimates of what an independent market participant would consider appropriate and are reviewed by senior management. Changes in these inputs may alter the results of impairment testing, the amount of the impairment charges recorded in the consolidated statement of income (loss) and comprehensive income (loss) and the resulting carrying values of assets.

Provision for expected credit losses

The provision for expected credit losses is reviewed by management on a monthly basis. Trade receivables are considered for impairment on a case-by-case basis when they are past due or when objective evidence is received that a customer will default. Management makes these assessments after taking into consideration the customer's payment history, their credit worthiness and the current economic environment in which the customer operates to assess impairment. The Company's historical bad debt expenses have not been significant and are usually limited to specific customer circumstances. However, given the cyclical nature of the oil and natural gas industry along with the current economic operating environment, a customer's ability to fulfill its payment obligations can change suddenly and without notice.

Stock-based compensation

The Company has a stock option plan whereby employees (including officers), directors and consultants of the Company receive remuneration in the form of stock options granted under the plan for rendering services to the Company. Stock options granted during the year are accounted for in accordance with the fair value method of accounting for stock-based payments. The fair value for these options is estimated at the date of grant using the Black-Scholes Option Pricing Model. The Company is also required to estimate the expected future forfeiture rate of options in its calculation of stock-based payments. The cost of options is recognized, together with a corresponding increase in stock-based payment reserves, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant option holder becomes fully entitled to the award (the "vesting date"). The cumulative expense recognized for option grants at each reporting date until the vesting date reflects the portion of the vesting period that passed and the Company's best estimate of the number of options that will ultimately vest on the vesting date. The Company records stock-based compensation expense and stock-based payment reserves for all stock options granted which represents the movement in cumulative expense recognized as at the beginning and end of that period. Any consideration received on the exercise of stock options is credited to capital stock.

Where the terms of a stock option award are modified, the minimum expense recognized in stock-based payment reserve is the expense as if the terms had not been modified. An additional expense is recognized for any modification that increases the total fair value of the option or is otherwise beneficial to the option holder as measured at the date of modification.

Where an option is cancelled, it is treated as if it had vested on the date of cancellation and any expense not yet recognized for the award is recognized immediately.

WesCan Energy Corp.
Notes to the Consolidated Financial Statements
For the years ended March 31, 2025 and 2024
(Expressed in Canadian Dollars)

2. BASIS OF PRESENTATION (continued)

Basis of consolidation

These consolidated financial statements include the financial statements of the Company and all its subsidiaries. Subsidiaries are all entities controlled by WesCan. Control exists when WesCan has the power to, directly or indirectly govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that are presently exercisable or convertible, are taken into account in the assessment of whether control exists. Subsidiaries are fully consolidated from the date on which control is transferred to WesCan. They are deconsolidated from the date on which control ceases.

The consolidated financial statements include the assets, liabilities, revenues and expenses of WesCan and its wholly-owned subsidiaries: GPI Oil and Gas Inc., GPI Oil and Gas Overseas Inc. and GPI Petroleum Inc.

Details of controlled entities are as follows:

	Country of Incorporation	Percentage owned*	
		March 31, 2025	March 31, 2024
GPI Oil and Gas Inc.	Canada	100%	100%
GPI Oil and Gas Overseas Inc.	Canada	100%	100%
GPI Petroleum Inc. ¹	USA	100%	100%

*Percentage of voting power is in proportion to ownership.

¹Dormant

All inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated on consolidation.

3. MATERIAL ACCOUNTING POLICY INFORMATION

Cash

Cash consists primarily of cash in banks. When held, cash equivalents consist of term deposits, certificates of deposit or other highly liquid investments with a maturity of three months or less at the time of purchase.

Joint arrangements

Several of the Company's oil and natural gas activities involve joint arrangements. Although the Company does not have joint control in these arrangements, it does have rights to the related assets and obligations for the related liabilities. Therefore, the Company has accounted for its interests in these arrangement as joint operations. These consolidated financial statements include the Company's proportionate interest in these joint arrangements and its proportionate share of the relevant revenue and related costs.

Foreign currency translation

Items included in the financial statements of each of the Company's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The functional and presentation currency of the Company and its Canadian subsidiaries is the Canadian dollar. The functional currency of GPI Petroleum Inc. is the United States dollar. Monetary assets and liabilities are translated at the exchange rate in effect at the consolidated statement of financial position date. Non-monetary assets and liabilities are translated at historical rates. Exchange differences arising on translation of foreign operations are recognized in profit or loss.

WesCan Energy Corp.
Notes to the Consolidated Financial Statements
For the years ended March 31, 2025 and 2024
(Expressed in Canadian Dollars)

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Exploration and evaluation assets

All costs directly associated with the exploration and evaluation of oil and natural gas reserves are initially capitalized on an area-by-area basis for which the Company has the legal right to explore. Exploration and evaluation costs are those expenditures for an area where technical feasibility and commercial viability has not yet been determined. These costs include unproved property acquisition costs, geological and geophysical costs, decommissioning costs, exploration and evaluation drilling, sampling and appraisals. Costs incurred prior to acquiring the legal rights to explore an area are charged directly to profit or loss as exploration and evaluation expense.

When an area is determined to be technically feasible and commercially viable, the accumulated costs are transferred to oil and gas properties after testing for impairment (see "Impairment of exploration and evaluation assets and oil and gas properties" below).

Gains and losses on disposal of an item of exploration and evaluation assets are determined by comparing the proceeds from disposal with the carrying amount of exploration and evaluation assets and are recognized in profit or loss.

Impairment of exploration and evaluation assets and oil and gas properties

At each consolidated financial position reporting date the carrying amounts of the Company's long-lived assets are reviewed to determine whether there is any indication of impairment. Exploration and evaluation assets are tested for impairment when reclassified to oil and gas properties or if facts and circumstances indicate potential impairment. Oil and gas assets are tested separately for impairment. An impairment loss is recognized for the amount by which the exploration and evaluation asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the exploration and evaluation asset's fair value less costs to sell ("FVLCS") and its value in use ("VIU").

Oil and gas properties are tested for impairment if circumstances indicate potential impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the CGU to which the asset belongs. An impairment loss is recognized whenever the carrying amount of an asset or its CGU exceeds its recoverable amount.

The recoverable amount of an asset or its CGU is the greater of its FVLCS and VIU. In assessing VIU, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. FVLCS is the amount obtainable from the sale of an asset or CGU in an arm's length transaction between knowledgeable, willing parties, less the costs to sell or in the case of a lack of comparable transactions, based upon discounted after tax cash flows.

Impairment losses are recognized in profit or loss. An assessment is made at each financial position reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company makes an estimate of the recoverable amount. A previously recognized impairment loss is reversed only if there is an indication that there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount, however, the increased amount can not exceed the carrying amount that would have been determined had no impairment loss been recognized in prior years. A reversal of an impairment loss is recognized in profit or loss.

Oil and gas properties

All costs directly associated with the development of oil and natural gas reserves are capitalized on an area-by-area basis. Development costs include expenditures for areas where technical feasibility and commercial viability has been determined. Subsequent expenditures are capitalized only when they increase the future economic benefits embodied in the specific asset to which they relate. All other expenditures are recognized in profit or loss. These costs include proved property acquisitions, development drilling, completion, gathering and infrastructure, cost of decommissioning costs, and transfers of exploration and evaluation assets.

WesCan Energy Corp.
Notes to the Consolidated Financial Statements
For the years ended March 31, 2025 and 2024
(Expressed in Canadian Dollars)

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

For divestitures of properties, a gain or loss is recognized in profit or loss. Exchanges of properties are measured at fair value, unless the fair value cannot be reliably measured. Where the exchange is measured at fair value, a gain or loss is recognized in profit or loss. Sales from royalties on the Company's oil and gas properties are deducted against the related assets.

Depreciation and depreciation

The net carrying value of oil and natural gas properties is depleted on an area-by-area basis using a unit-of-production method by reference to the ratio of production in the year to the related proven and probable reserves. The unit-of-production rate for the amortization of field development costs takes into account expenditures incurred to date, together with estimated future development expenditures required to develop reserves. Proven and probable reserves are estimated using independent engineer reserve reports in accordance with National Instrument 51-101 and represent the estimated quantities of crude oil and natural gas which geological, geophysical and engineering data demonstrate with a specified degree of certainty to be recoverable in future years. Other property and equipment are depreciated over their estimated useful lives. Depreciation methods, useful lives and residual values are reviewed at least annually.

Leases

A contract is, or contains a lease, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. A recognized lease includes a right-of-use ("ROU") asset and a lease liability on the consolidated statement of financial position. The ROU asset is measured at the initial amount of the lease liability plus any initial direct costs incurred and an estimate of costs to dismantle and remove or restore the asset or the site on which the asset is located, less any lease payments made at or before the commencement date and any lease incentives received. ROU assets are subsequently measured at cost less accumulated amortization and impairment losses. The lease liability is measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate. Lease liabilities are subsequently measured at amortized cost using the effective interest rate method.

Decommissioning provision

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of long-term assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of management's best estimate of future remediation costs arising from the decommissioning is capitalized to the related exploration and evaluation assets and oil and gas properties along with a corresponding increase in the decommissioning provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The amount capitalized will be depreciated on the same basis as the related assets.

The Company's estimates of remediation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of future expenditures. These changes in estimates are recorded directly to exploration and evaluation assets and oil and gas properties with a corresponding entry to the decommissioning provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates.

Changes in the net present value due to the passage of time are charged to profit and loss for the period as a borrowing cost with a corresponding entry to the decommissioning provision. The net present value of remediation costs arising from subsequent site damage that is incurred on an ongoing basis during production are charged to profit or loss in the period incurred. The costs of remediation projects that were included in the provision are recorded against the provision as incurred. The costs to prevent and control environmental impacts at specific properties are capitalized in accordance with the Company's accounting policy for exploration and evaluation assets and oil and gas properties.

Revenue recognition

Revenue from the sale of oil and natural gas is recognized when the Company satisfies performance obligations under sales contracts, and the customer obtains control of the goods, which occurs at the point in time of delivery of oil, natural gas and natural gas liquids into a vessel, pipe or other delivery mechanism.

WesCan Energy Corp.
Notes to the Consolidated Financial Statements
For the years ended March 31, 2025 and 2024
(Expressed in Canadian Dollars)

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Revenue from sale of oil, natural gas and natural gas liquids is measured per consideration specified in contracts with customers. Revenue is measured net of discounts, customs duties, royalties and taxes. The Company does not have any contracts where the period between the transfer of goods or services to the customer and the receipt of payment from the customer exceed one year. As a result, the Company does not adjust transaction prices for time value of money or have financing components in connection with contracts with customers. Based on the criteria outlined in IFRS 15 Revenue from Contracts with Customers, management concluded that the Company does not have any variable consideration.

Revenue derived from the production and sale of oil and natural gas in which the Company has an interest with other producers is recognized based on the Company's working interest and the terms of the relevant production sharing contracts. The costs associated with the delivery, including operating and maintenance costs, transportation and production based royalty expenses are recognized in the same period in which the related revenue is earned and recorded.

Earnings (loss) per share

The Company presents basic and diluted earnings (loss) per share data for its common shares. Basic earnings (loss) per share is calculated by dividing the earnings (loss) attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted earnings (loss) per share is computed by dividing earnings (loss) attributable to common shareholders of the company by the weighted average shares outstanding, increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods.

Segment reporting

The Company operates in a single reporting segment, oil and gas exploration and production. The Company's oil and gas properties relate to one country, Canada.

Financial Instruments

Measurement – initial recognition

All financial assets and financial liabilities are initially recorded on the Company's consolidated statement of financial position when the Company becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially recorded at fair value, net of attributable transaction costs, except for those classified as fair value through profit or loss ("FVTPL"). Subsequent measurement of financial assets and financial liabilities depends on the classifications of such assets and liabilities.

Classification – financial assets

Amortized cost

Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and that the contractual terms of the financial assets give rise on a specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequent to initial recognition at amortized cost. The Company measures its trade and other receivables at amortized cost.

Fair value through other comprehensive income ("FVTOCI")

Financial assets that are held within a business model whose objective is to hold financial assets in order to both collect contractual cash flows and selling financial assets, and that the contractual terms of the financial assets give rise on a specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding.

WesCan Energy Corp.
Notes to the Consolidated Financial Statements
For the years ended March 31, 2025 and 2024
(Expressed in Canadian Dollars)

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Upon initial recognition of equity securities, the Company may make an irrevocable election (on an instrument-by-instrument basis) to designate its equity securities that would otherwise be measured at FVTPL to present subsequent changes in fair value in other comprehensive income. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination. Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in OCI. The cumulative gain or loss is not reclassified to profit or loss on disposal of the instrument; instead, it is transferred to retained earnings upon derecognition.

The Company currently has no financial assets designated as FVTOCI.

Fair value through profit or loss ("FVTPL")

By default, all other financial assets are measured subsequently at FVTPL, which includes cash.

Derecognition of financial assets

A financial asset is derecognized when the rights to receive cash flows from the asset have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost.

At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to twelve month expected credit losses. The Company shall recognize in the statement of income (loss) and comprehensive income (loss), as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Classification – financial liabilities

Financial liabilities are subsequently measured at amortized cost using the effective interest rate method, except for financial liabilities at FVTPL, financial guarantee contracts, loan commitments at below-market interest rate, and liabilities related to contingent consideration of an acquirer in a business combination. Financial liabilities at amortized cost include trade and other payables, payable to related parties, notes payable and loan payable.

The Company has no hedging arrangements and does not apply hedge accounting.

Modification and extinguishment of financial liabilities

A financial liability is derecognized when the obligation is discharged, cancelled, or expired. When an existing financial liability is replaced by another from the same counterparty with substantially different terms, or the terms of an existing liability are substantially different, it is treated as a derecognition of the original liability and the recognition of a new liability. When the terms of an existing financial liability are altered, but the changes are not material, it is accounted for as a modification to the existing financial liability. Where a liability is substantially modified, it is considered to be extinguished and a gain or loss is recognized in the consolidated statements of income (loss) and comprehensive income (loss) based on the difference between the carrying amount of the liability derecognized and the fair value of the revised liability. Where a liability is modified in a non-substantial way, the amortized cost of the liability is remeasured based on the new cash flows and a gain or loss is recorded in the consolidated statements of income (loss) and comprehensive income (loss).

WesCan Energy Corp.
Notes to the Consolidated Financial Statements
For the years ended March 31, 2025 and 2024
(Expressed in Canadian Dollars)

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Income tax

Income tax expense consists of current and deferred tax expenses. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized directly in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period-end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is provided using the statement of financial position liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred taxes are not recognized for temporary differences related to the initial recognition of assets or liabilities that affect neither accounting nor taxable profit or investments in subsidiaries and equity investments to the extent it is probable that they will not be reversed in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the consolidated statement of financial position date. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Provisions

A provision is recognized if, as a result of a past event, Lewis has a present or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Where the Company expects some or all of a provision to be reimbursed the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of income (loss) and comprehensive income (loss) net of any reimbursement. Non-current provisions are determined by discounting the expected future cash flows using a pre-tax rate that reflects a market risk free interest rate and the risks specific to the liability. Provisions are not recognized for future operating losses.

The Company is involved in various claims and litigation arising in the normal course of business. Since the outcomes of these matters are uncertain, there can be no assurance that such matters will be resolved in the Company's favour. The outcome of adverse decisions in any pending or threatened proceedings related to these and other matters could have a material impact on the Company's consolidated financial position, results of operations or cash flows.

Provisions and liabilities for legal and other contingent matters are recognized in the period when it becomes probable a future cash outflow resulting from past operations or events will occur and the amount of the cash outflow can be reasonably estimated. The timing of recognition and measurement of the provision requires the application of judgment to existing facts and circumstances, which can be subject to change, and the carrying amounts of provisions and liabilities are reviewed regularly and adjusted accordingly. The Company is required to both determine whether a loss is probable based on judgment and interpretation of laws and regulations and determine that the loss can be reasonably estimated. When a loss is recognized, it is charged to the consolidated statements of income (loss) and comprehensive income (loss). The Company continually monitors known and potential contingent matters and makes appropriate provisions when warranted by the circumstances present.

4. NEW AND PROPOSED ACCOUNTING PRONOUNCEMENTS

The Company adopted the amendments to IAS 1 Presentation of Financial Statements, to clarify its requirements for the presentation of liabilities as current or non-current in the statements of financial position. The effective date of adoption was April 1, 2024. The adoption has not had a material impact on disclosures or amounts reported in these consolidated financial statements.

WesCan Energy Corp.
Notes to the Consolidated Financial Statements
For the years ended March 31, 2025 and 2024
(Expressed in Canadian Dollars)

5. TRADE AND OTHER RECEIVABLES

Amounts presented as trade and other receivables consist of the following balances:

	March 31, 2025	March 31, 2024
Trade receivables from oil and gas property operators	\$ 273,306	\$ 262,538
Input taxes recoverable	1,761	1,795
Total	\$ 275,067	\$ 264,333

6. OIL AND GAS PROPERTIES

Cost

Balance, March 31, 2023	\$ 10,123,302
Additions to oil and gas properties	150,959
Change in estimates of decommissioning obligations (note 11)	(285,827)
Balance, March 31, 2024	9,988,434
Additions to oil and gas properties	150,689
Change in estimates of decommissioning obligations (note 11)	447,146
Balance, March 31, 2025	\$ 10,586,269
Accumulated depletion, depreciation and impairment	
Balance, March 31, 2023	\$ (3,858,296)
Depletion and depreciation	(500,700)
Balance, March 31, 2024	(4,358,996)
Depletion and depreciation	(830,907)
Balance, March 31, 2025	\$ (5,189,903)
Net book value	
As at March 31, 2024	\$ 5,629,438
As at March 31, 2025	\$ 5,396,366

At March 31, 2025, future development costs of \$1,500,000 (2024 - \$30,000) were included in the depletion calculation.

At March 31, 2025 and March 31, 2024, the Company did not identify indicators of impairment or reversal of previous impairments.

WesCan Energy Corp.
Notes to the Consolidated Financial Statements
For the years ended March 31, 2025 and 2024
(Expressed in Canadian Dollars)

7. RIGHT-OF-USE ASSET AND LEASE LIABILITIES

During the year ended March 31, 2024, the Company entered into a lease agreement for a compressor. The lease has a term of 18 months and was discounted at 15.0%. Subsequent to the lease the Company retains ownership of the asset, therefore the asset is amortized over an expected five-year useful life.

The following table summarizes the Company's right-of-use asset and lease liabilities:

Right-of-use asset	\$
Balance, March 31, 2023	-
Additions	125,030
Amortization	(2,084)
Balance, March 31, 2024	122,946
Amortization	(25,005)
Balance, March 31, 2025	97,941
Lease liabilities	\$
Balance, March 31, 2023	-
Additions	125,030
Interest	1,563
Repayments	(7,800)
Balance, March 31, 2024	118,793
Interest	12,386
Repayments	(93,600)
Balance, March 31, 2025	37,579
Current portion of lease liabilities	37,579
Non-current portion of lease liabilities	-

8. RELATED PARTY TRANSACTIONS AND BALANCES

The Company has entered into transactions with related parties in the normal course of business that are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties, and which in management's opinion is comparable to amounts that would have been paid to non-related parties. The exchange amount approximates fair value.

Related party transactions and balances entered into during the years ended March 31, 2025 and 2024 not disclosed elsewhere in these consolidated financial statements are as follows:

Key management compensation

The Company has identified its directors and certain senior officers as its key management personnel. The compensation costs for key management personnel and companies related to them were recorded as follows:

	March 31, 2025	March 31, 2024
Management salaries	\$ -	\$ 243,750
Stock-based compensation	169,872	-
Consulting fees	80,925	-
Total	\$ 250,797	\$ 243,750

During the year ended March 31, 2025 the Company issued 3,000,000 stock options (2024 – \$nil) to directors and senior officers. Accordingly, the Company recorded an amount of \$169,872 (2024 - \$nil) as stock-based compensation for the year ended March 31, 2025.

WesCan Energy Corp.
Notes to the Consolidated Financial Statements
For the years ended March 31, 2025 and 2024
(Expressed in Canadian Dollars)

8. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

Payable to related parties

Balances due to related parties consists of amounts owing to officers, directors (or to persons related to them or companies controlled by them) for services, travel expenses, and advances. These amounts are non-interest bearing, unsecured and due on demand.

	March 31, 2025	March 31, 2024
Related party payable	\$ -	\$ 610,149

9. NOTES PAYABLE

The following table summarizes the Company's notes payable:

	March 31, 2025	March 31, 2024
Balance, beginning of year	\$ 1,651,931	\$ 1,562,707
Advances	648,458	-
Repayments	(605,678)	-
Interest expense	235,820	89,224
Balance, end of year	\$ 1,930,531	\$ 1,651,931
Current portion	596,636	1,651,931
Non-current portion	1,333,895	-

Related party notes payable

As at March 31, 2024, the Company had short-term notes payable to related parties. The notes were due on demand, bear non-compounding interest between 7.0% and 9.0% per annum and were unsecured.

On May 15, 2024, the Company amended the terms of its related party notes payable and related party payable. The amended related party notes payable bear interest of 12.0%, are secured, and are repayable over three years. As a result of the amendment, the Company concluded that the prior related party notes payable and related party payable were substantially modified, resulting in an extinguishment of the previous financial liabilities and recognition of a new financial liability. The resulting gain (loss) on extinguishment was \$nil (2024 - \$nil).

During the year ended March 31, 2025, interest expense relating to the related party notes payable totaled \$234,820 (2024 - \$89,224).

Non-related party notes payable

Non-related party notes are due on demand, bear non-compounding interest of 10.0% per annum and are unsecured.

During the year ended March 31, 2025, interest expense relating to the non-related party notes payable totaled \$1,000 (2024 - \$1,000).

10. LOAN PAYABLE

During the year ended March 31, 2021, the Company received a loan from the Canadian government's Canada Emergency Business Account ("CEBA") Program in the total amount of \$60,000. The loan was available to help businesses with operating costs during COVID-19. \$20,000 of the total loan amount was eligible for forgiveness if \$40,000 is repaid on or before December 31, 2024. The Company repaid the loan prior to December 31, 2024 and recognized \$20,000 in income as government loan forgiveness.

WesCan Energy Corp.
Notes to the Consolidated Financial Statements
For the years ended March 31, 2025 and 2024
(Expressed in Canadian Dollars)

11. DECOMMISSIONING OBLIGATIONS

The following table presents the reconciliation of the opening and closing aggregate carrying amounts of the decommissioning obligations associated with the Company's oil and gas properties:

	March 31, 2025	March 31, 2024
Balance, beginning of the year	\$ 1,537,128	\$ 1,768,147
Accretion	60,372	54,808
Changes in estimates (Note 6)	447,146	(285,827)
Balance, end of year	2,044,646	1,537,128
Less: current portion	162,632	118,265
Long-term portion	\$ 1,882,014	\$ 1,418,863

The following assumptions were used to estimate the decommissioning obligations:

	March 31, 2025	March 31, 2024
Undiscounted cash flows	\$4,041,066	\$3,196,308
Risk-free rate	2.46% to 3.23%	3.48% to 4.27%
Inflation rate	2.00%	2.00%
Expected timing of cash flows	1 to 20 years	1 to 20 years

12. SHARE CAPITAL

Shares authorized, issued and outstanding at March 31, 2025 and 2024 are as follows:

a) Authorized

An unlimited number of common shares without par value.
An unlimited number of preferred shares without par value.

b) Issued

On September 11, 2024 the Company completed a non-brokered private placement of common shares issuing 3,150,000 at a price of \$0.075 per common share for gross proceeds of \$236,250.

c) Equity reserves

Equity reserve items are recognized as stock-based payment expense until such time that the stock options are exercised, at which time the corresponding amount will be transferred to share capital.

d) Stock options

The Company has established a stock option plan under which it may grant stock options totaling in aggregate up to 10% of the Company's total number of shares issued and outstanding on a non-diluted basis. The stock option plan provides for the granting of stock options to officers, directors, regular employees and persons providing investor-relations or consulting services up to a limit of 5% and 2% respectively of the Company's total number of issued and outstanding shares per year. The option price must be greater or equal to the discounted market price on the grant date and the option expiry date cannot exceed 10 years from the grant date. The stock options vest immediately on the date of the grant or over a period of time as determined by the Board of Directors.

On April 17, 2024, the Company granted 3,300,000 stock options to the directors, officers and consultants of the Company. The stock options vested, one third immediately, one third October 17, 2024 and one third April 17, 2025 at an exercise price of \$0.06 per common share. The options are exercisable until April 17, 2029. For the year end March 31, 2025, the Company recorded \$186,859 as stock-based compensation expense.

WesCan Energy Corp.
Notes to the Consolidated Financial Statements
For the years ended March 31, 2025 and 2024
(Expressed in Canadian Dollars)

12. SHARE CAPITAL (continued)

The Company uses the Black-Scholes option pricing model to estimate the fair value for all stock-based compensation. The assumptions used in this pricing model, and the resulting fair values per option, for the stock options granted during the year ended March 31, 2025, are as follows:

Risk-free interest rate	3.82%
Expected life	5 years
Expected volatility	178%
Expected dividend yield	0%
Expected forfeiture rate	0%
Fair value per option	\$0.06

A summary of stock options cancelled, granted and exercised during the years ended March 31, 2025 and March 31, 2024 is as follows:

	March 31, 2025		March 31, 2024	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Balance, beginning of year	25,000	\$ 0.06	2,750,000	\$ 0.06
Granted (cancellation)	3,300,000	0.06	(2,725,000)	-
Balance, end of year	3,325,000	\$ 0.06	25,000	\$ 0.06

A summary of stock options outstanding and exercisable at March 31, 2025 is as follows:

Weighted Average Exercise Price	Date of grant	Expiry Date	Outstanding	Exercisable	Weighted average remaining life
\$0.06	September 29, 2021	September 29, 2026	25,000	25,000	0.0 years
\$0.06	April 17, 2024	April 17, 2029	3,300,000	2,200,000	4.0 years

e) Earnings (loss) per share

The diluted earnings per share calculation includes the impact of all warrants and stock options outstanding during the year. During the years ended March 31, 2025 all warrants and stock options have been excluded from the calculation of diluted shares outstanding as they would be anti-dilutive.

During the year ended March 31, 2025, 3,300,000 stock options have been excluded in the calculation of diluted shares outstanding as they were out of the money and considered anti-dilutive.

Weighted average common shares	March 31, 2025	March 31, 2024
Basic	43,207,616	41,472,958
Diluted	43,207,616	41,472,958

WesCan Energy Corp.
Notes to the Consolidated Financial Statements
For the years ended March 31, 2025 and 2024
(Expressed in Canadian Dollars)

13. TAXES

Income tax expense (recovery) differs from the amount that would be computed by applying Canadian statutory income tax rate of 23% (2024 - 23%) to income before taxes. The reasons for the differences are as follows:

	March 31, 2025	March 31, 2024
Net income (loss) for the year	\$ (799,969)	\$ 233,911
Statutory tax rate	23%	23%
Expected income tax expense (recovery) at statutory rates	(183,993)	53,800
Permanent differences	43,333	2,328
Deferred tax assets not recognized	140,660	(56,128)
Income tax expense (recovery)	-	-

The Company has recognized deferred tax assets (liabilities) as follows:

	March 31, 2025	March 31, 2024
	\$	\$
Deferred tax assets (liabilities):		
Equipment and vehicles	(30,576)	(7,367)
Decommissioning obligation assets	(320,609)	(217,765)
Oil and gas properties	(147,524)	-
Decommissioning obligation liabilities	320,609	217,765
Lease liabilities	(13,883)	(4,153)
Non-capital losses available for future periods	191,983	11,520
Deferred tax assets (liability)	-	-

The Company has not recognized a deferred tax asset (liabilities) in respect of the following deductible temporary differences.

	March 31, 2025	March 31, 2024
	\$	\$
Deferred tax assets (liabilities):		
Oil and gas properties	-	623,888
Decommissioning obligations	650,695	590,323
Non-capital losses available for future periods	7,090,808	6,554,999
Unrecognized deferred tax assets (liability)	7,741,503	7,769,210

WesCan Energy Corp.
Notes to the Consolidated Financial Statements
For the years ended March 31, 2025 and 2024
(Expressed in Canadian Dollars)

13. TAXES (continued)

As at March 31, 2025, the Company has non-capital losses carried forward of \$7,925,515 (2024 – \$6,560,283) which are available to offset future years' taxable income. These losses expire as follows:

	\$
2026	369,274
2027	648,811
2028	324,501
2029	523,077
2030	398,990
2031	324,899
2032	313,318
2033	531,298
2034	561,143
2035	502,514
2036	430,898
2037	29,623
2038	38,980
2039	73,013
2040	336,095
2041	637,062
2042	688,054
2043	655,023
2044	140,631
2045	398,311
	7,925,515

14. CONTINGENT PAYMENT OBLIGATION

During the year ended March 31, 2016, the Company paid \$1,240,000 for the acquisition of a 100% interest in oil and gas properties in Provost region of Alberta. Subsequent to the completion of the transaction, the Company sold its overriding royalty rights ("GOR") to Newcrest Resources Ltd. ("Newcrest") for total cash consideration of \$150,000. The GOR entitles Newcrest to a four percent (4%) royalty of the gross monthly production of petroleum substances from the Company's Provost property.

During the year ended March 31, 2025, the Company paid \$273,324 (2024 - \$166,163) to Newcrest under the GOR.

15. FINANCIAL INSTRUMENTS

The Company's financial instruments are exposed to certain financial risks, including credit risk, capital market risk and liquidity risk, interest rate risk, commodity price risk and foreign exchange risk.

Financial instruments, consisting of trade and other receivables, trade and other payables, payable to related parties, notes payable and loan payable are recorded at amortized cost. Cash is recorded at fair value using Level 1 measurement.

	Financial Instrument Classification	March 31, 2025		March 31, 2024	
		Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value
Financial assets					
Cash	FVTPL	19,204	19,204	\$ 19,809	\$ 19,809
Trade and other receivables	Amortized cost	275,067	275,067	264,333	264,333
Financial liabilities					
Trade and other payables	Amortized cost	533,903	533,903	463,654	463,654
Payable to related parties	Amortized cost	-	-	610,149	610,149
Notes payable	Amortized cost	1,930,531	1,930,531	1,651,93	1,651,931

WesCan Energy Corp.
Notes to the Consolidated Financial Statements
For the years ended March 31, 2025 and 2024
(Expressed in Canadian Dollars)

15. FINANCIAL INSTRUMENTS (continued)

The significance of inputs used in making fair value measurements are examined and classified according to a fair value hierarchy as following:

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 – Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date for similar assets and liabilities.

Level 3 – Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

Assets measured at fair value on a recurring basis were presented on the Company's consolidated statement of financial position as of March 31, 2025 and 2024 are as follows:

		Quoted Prices in Active Markets For Identical Instruments (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Balance at March 31, 2025					
Cash	\$	19,204	19,204	-	\$ 19,204
Balance at March 31, 2024					
Cash	\$	19,809	19,809	-	\$ 19,809

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is attributable to cash and trade and other receivables. Cash are held in demand accounts at a Canadian chartered bank. The Company does not believe it is subject to any significant counterparty risk with respect to cash.

Trade receivables typically arise from normal joint operating arrangements governing the Company's producing oil and gas properties, and from cost-recovery billings. Credit valuations are performed on a regular basis and the consolidated financial statements take into account any requirement for an allowance for bad debts.

The carrying amount of trade and other receivables and cash represents the maximum credit exposure. The Company has an allowance for expected credit losses of \$nil as at March 31, 2025 (2024 – \$10,160).

Capital market risk and liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company aims to ensure that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash. The Company faces material liquidity risk in that it has approximately \$321,835 in trade and other payables and notes payable which are overdue at March 31, 2025, a working capital deficiency of \$936,273 and insufficient cash on hand to satisfy its debts should they be demanded (see Note 1).

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

WesCan Energy Corp.
Notes to the Consolidated Financial Statements
For the years ended March 31, 2025 and 2024
(Expressed in Canadian Dollars)

15. FINANCIAL INSTRUMENTS (continued)

The following table details the contractual maturities of the Company's financial liabilities as at March 31, 2025:

	Due in 1-3 months	Due in 4- 12 months	Due in 1-2 years	Due in >2 year	Total
Trade and other payables	\$ 533,903	-	-	-	\$ 533,903
Notes payable	149,318	447,318	598,980	734,915	1,930,531
	\$ 683,221	447,318	598,980	734,915	\$ 2,464,434

Interest rate risk

The Company's loans payable bear interest at a fixed rate. The Company does not believe its overall exposure to interest rate risk is significant and a 1% change in the interest rate would have an insignificant effect on net income (loss) and comprehensive income (loss).

Commodity price risk

The Company is exposed to material oil and gas commodity price risk. A relative decrease in the price of oil and gas would reduce the Company's cash flows, reduce the realizable market value of the Company's oil and gas assets, reduce the Company's economic reserves, and make it more difficult for the Company to raise the equity capital required to meet its commitments and carry out its development-stage business plans. Management has assessed that the Company's degree of exposure to commodity price risk is material, but consistent with oil and gas business operations.

The Company's operational results and financial position are materially impacted by global financial and commodity market volatility over which it has no control.

As the Company did not have any derivatives contracts in place as at March 31, 2025, a 5% change in commodity prices for oil and gas would result in an increase or decrease in oil and gas sales of approximately \$202,000 based on historical production volumes.

Commodity price risk affects the Company beyond its impact on realized revenue. In particular, the Company's future ability to raise capital for development stage activities is affected by, among many other factors, the price of oil and gas. Furthermore, changes in commodity prices will also affect the price of oil and gas leases, as well as exploration and drilling services and operating costs. Changes in oil and gas prices will also determine the Company's ultimate recoverable reserves.

Foreign exchange risk

Oil and gas tend to be priced in US dollars therefore a decrease in the value of the US dollar would have an immaterial impact on the results of operations. The Company is not exposed to significant foreign currency risk on its US dollar denominated assets and financial liabilities.

Concentration risk

During the year ended March 31, 2025, the Company generated approximately 99% (2024 – 99%) of its petroleum and natural gas sales from one customer.

WesCan Energy Corp.
Notes to the Consolidated Financial Statements
For the years ended March 31, 2025 and 2024
(Expressed in Canadian Dollars)

16. CAPITAL MANAGEMENT

The primary capital management objective of the Company is to ensure adequate working capital is available to fund both the board-approved business development plans (i.e. oil and gas exploration and development), and the working capital requirements of each annual operating cycle, while also seeking to minimize the risk-adjusted cost of capital.

Capital is raised and retained for the purposes and to the extent necessary to fund exploration, development and corporate overhead costs, subject to the availability of financing on acceptable terms. Given its objectives, the Company determines the amount of capital to be raised and retained based on the scope of its planned exploration activities and management's assessment of the expected availability of acceptably priced capital in future periods.

The Company defines capital as shareholders' equity. As the Company's major asset class – oil and gas properties without significant production – is highly illiquid, requiring significant additional expenditures to be fully monetized, and as the Company is not yet earning net income from oil and gas operations, management of externally financed working capital is, by necessity, a major function of the Company's capital management program. The chief source of working capital is equity financing obtained through the sale of common shares and share purchase warrants, and the exercise of warrants and options. The Company from time to time receives loans from related and unrelated parties and trade credit, but such financial instruments are typically only supplementary to equity financings. In any case, the Company does not consider debt to be a sustainable source of capital, as in the absence of positive cash flows from operations; any debt obtained must be retired with funds raised through equity financing.

The Company's capital management plan seeks to ensure adequate resources are available to fund its activities through the balance of the current fiscal year. A significant measure used in assessing capital adequacy is thus the expected number of days of operations that can be funded from current working capital. Capital levels are deemed sufficient if they can fund the balance of the annual exploration season and development goals and fund corporate overhead expenses in the near term. The Company lacks sufficient capital to carry out development or fund its corporate overhead expenses through the year ended March 31, 2025. Management must seek one or more equity financings to finance activities in the future periods. Additional capital raised will be invested primarily in oil and gas exploration and development activities.

Financing, and thus capital spending on exploration, will generally be limited to the extent that capital is available on acceptable terms. The acceptability of financing terms is generally determined by reference to the prevailing market price of the Company's shares. The terms on which the Company obtains financings are furthermore subject to the guidelines of the TSX-V.

The Company is not subject to material externally imposed capital constraints.

17. EMPLOYEE BENEFITS

Employee benefits included in general and administrative expenses are as follows:

	March 31, 2025	March 31, 2024
Salaries	-	\$ 162,500
Other employee benefits	-	5,430
Total	-	\$ 167,930

18. GAIN ON DEBT SETTLEMENT

During the year ended March 31, 2025, the Company realized a gain of \$26,180 (2024 - \$208,993) due to negotiated settlement amounts with certain arm's length vendors.

WesCan Energy Corp.
Notes to the Consolidated Financial Statements
For the years ended March 31, 2025 and 2024
(Expressed in Canadian Dollars)

19. CONTINGENCIES

The Company is involved in claims arising in the normal course of operations. Management is of the opinion that there are no potential claims that would have a material adverse impact on the Company's consolidated financial position or results of its consolidated operations. The Company is currently engaged in the following claim disputes, which are not yet resolved, however management estimates the impact to the Company to be immaterial.