

# **ELYSEE**

---

## **DEVELOPMENT CORP.**

**Condensed Consolidated Interim Financial Statements**

**Third quarter ended September 30, 2025**

(Unaudited)

(Expressed in Canadian dollars)

## NOTICE OF NO AUDITOR REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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

The accompanying unaudited condensed consolidated interim financial statements of Elysee Development Corp. (the “Company”) have been prepared by and are the responsibility of the Company’s management. The unaudited condensed consolidated interim financial statements are prepared in accordance with International Financial Reporting Standards and reflect management’s best estimates and judgements based on information currently available.

The Company’s independent auditor has not performed a review of these condensed consolidated interim financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity’s auditor.

**Elysee Development Corp.**  
**Consolidated Statements of Financial Position**

(Expressed in Canadian dollars)

	Notes	September 30, 2025	December 31, 2024 (audited)
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	4	\$ 5,027,582	\$ 1,532,977
Interest receivable		14,623	-
Prepaid expenses	5	6,641	3,903
Marketable securities	6	14,821,122	10,039,901
Other investments - current	6	247,421	223,929
		<b>20,117,389</b>	11,800,710
Other investments	6	1,972,738	2,021,141
<b>Total assets</b>		<b>\$ 22,090,127</b>	<b>\$ 13,821,851</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Current liabilities</b>			
Trade and other payables	7	\$ 1,008	\$ 68,192
<b>Total current liabilities</b>		<b>1,008</b>	68,192
<b>Non-current liabilities</b>			
Convertible debentures	8	1,840,182	1,804,282
<b>Total liabilities</b>		<b>1,841,190</b>	1,872,474
<b>Equity</b>			
Common shares	9	43,059,377	43,225,173
Contributed surplus	8 & 9	14,281,883	14,271,785
Deficit		(37,092,323)	(45,547,581)
<b>Total equity</b>		<b>20,248,937</b>	11,949,377
<b>Total liabilities and equity</b>		<b>\$ 22,090,127</b>	<b>\$ 13,821,851</b>

Basis of Preparation (Note 2) and Subsequent Events (Note 15)

**APPROVED ON BEHALF OF THE BOARD:**

*"Martin Burian"*

Director

Martin Burian

*"Guido Cloetens"*

Director

Guido Cloetens

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

# Elysee Development Corp.

## Consolidated Statements of Earnings and Comprehensive Earnings

(Expressed in Canadian dollars)

	Notes	For the three month period ended September 30, 2025	For the three month period ended September 30, 2024	For the nine month period ended September 30, 2025	For the nine month period ended September 30, 2024
<b>Net investment earnings</b>					
Realized gain (loss) on sale of marketable securities	6	\$978,903	\$(280,580)	\$1,840,956	\$(796,332)
Transaction costs	6	(12,150)	(1,860)	(24,030)	(9,709)
Unrealized gain on marketable securities	6	4,525,671	1,127,047	7,008,815	1,927,560
Unrealized (loss) on other investments	6	(5,000)	-	(138,321)	(169,698)
Recovery of other investments		-	203,728	-	203,728
Unrealized foreign exchange gain (loss)		6,887	(5,257)	(486)	(1,387)
Interest and dividend income		40,010	76,590	147,698	160,900
Other income		-	-	20,000	-
Interest write-off		-	-	-	(31,685)
<b>Total net investment earnings</b>		<b>5,534,321</b>	<b>1,119,668</b>	<b>8,854,632</b>	<b>1,283,377</b>
<b>General and administrative expenses</b>					
Advertising and promotion		2,170	352	3,194	1,827
Interest and accretion	8	52,766	44,985	155,572	53,213
Bank charges		1,859	1,367	3,198	3,801
Consulting fees		8,820	10,503	30,424	34,653
Director fees	13	4,804	4,725	14,411	14,175
Legal and accounting	13	23,731	13,470	95,603	70,362
Management fees	13	33,000	55,000	126,000	115,000
Office and miscellaneous	13	16,361	14,065	47,972	43,014
Share-based payments	9 & 13	8,328	5,234	23,631	10,679
Transfer agent, filing fees and shareholder communications		4,624	5,056	24,023	20,154
Travel and entertainment		7,467	930	13,745	15,881
<b>Total general and administrative expenses</b>		<b>(163,930)</b>	<b>(155,687)</b>	<b>(537,773)</b>	<b>(382,759)</b>
<b>Net earnings and comprehensive earnings for the period</b>					
		<b>\$5,370,391</b>	<b>\$963,981</b>	<b>\$8,316,859</b>	<b>\$900,618</b>
<b>Basic and diluted earnings per share</b>					
Earnings per share - basic	10	\$ 0.19	\$ 0.03	\$ 0.29	\$ 0.03
Earnings per share - diluted	10	\$ 0.16	\$ 0.03	\$ 0.25	\$ 0.03

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

# Elysee Development Corp.

## Consolidated Statements of Cash Flows

(Expressed in Canadian dollars)

	Notes	Nine months ended September 30, 2025	Nine months ended September 30, 2024
<b>OPERATING ACTIVITIES</b>			
Earnings for the period		\$ 8,316,859	\$ 900,618
Adjustments for:			
Accrued interest income		(14,623)	(15,426)
Loan receivable		-	40,000
Accretion		35,900	5,432
Write-off of interest income		-	31,685
Share-based payments	9 & 13	23,631	10,679
Realized (gain) loss on sale of marketable securities, net of transaction costs	6	(1,816,926)	806,041
Unrealized (gain) on marketable securities	6	(7,008,815)	(1,927,560)
Unrealized loss on other investments	6	138,321	169,698
Purchase of investments	6	(4,478,873)	(3,123,497)
Proceeds from sale of investments	6	8,413,513	2,341,265
Adjustments for non-cash working capital items:			
Decrease (increase) in receivables		(14,623)	(4,995)
Decrease (increase) in prepaid expenses		(2,737)	(1,118)
(Decrease) in trade and other payables		(56,092)	(55,888)
<b>Cash and cash equivalents (used in) provided by operating activities</b>		<b>3,535,535</b>	<b>(823,066)</b>
<b>FINANCING ACTIVITIES</b>			
Convertible debentures issued	8	-	2,000,000
Purchase of common shares returned to treasury	9	(40,930)	(64,903)
<b>Cash and cash equivalents provided by (used in) financing activities</b>		<b>(40,930)</b>	<b>1,935,097</b>
<b>Increase in cash and cash equivalents</b>		<b>3,494,605</b>	<b>1,112,031</b>
Cash and cash equivalents, beginning of year		1,532,977	849,798
<b>Cash and cash equivalents, end of period (Note 4)</b>		<b>\$ 5,027,582</b>	<b>\$ 1,961,829</b>

Supplemental cash flow information (Note 14)

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

**Elysee Development Corp.**  
**Consolidated Statements of Changes in Equity**

(Expressed in Canadian dollars)

	Notes	Common shares		Contributed surplus	Deficit	Total
		Number	Amount			
Balances, December 31, 2023		28,585,113	\$ 43,627,327	\$ 14,060,400	\$ (46,529,809)	\$ 11,157,918
Common shares returned to treasury	9	(238,500)	(363,999)	-	299,096	(64,903)
Share-based payments	9	-	-	10,679	-	10,679
Issuance of convertible debt	8	-	-	197,016	-	197,016
Net (loss) for the period		-	-	-	900,618	900,618
Balances, September 30, 2024		28,346,613	43,263,328	14,268,095	(45,330,095)	12,201,328
Balances, December 31, 2024		28,321,613	43,225,173	14,271,785	(45,547,581)	11,949,377
Common shares returned to treasury	9	(117,500)	(179,329)	-	138,399	(40,930)
RSU settlement	9	46,667	13,533	(13,533)	-	-
Share-based payments	9	-	-	23,631	-	23,631
Net earnings for the period		-	-	-	8,316,859	8,316,859
<b>Balances, September 30, 2025</b>		<b>28,250,780</b>	<b>\$ 43,059,377</b>	<b>\$ 14,281,883</b>	<b>\$ (37,092,323)</b>	<b>\$ 20,248,937</b>

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

**1. CORPORATE INFORMATION**

Elysee Development Corp. (the “Company”) was incorporated under the laws of the province of Alberta on September 6, 1996. On July 15, 2015, the Company changed its name from Alberta Star Development Corp. to Elysee Development Corp.

The Company is an investment issuer with an actively managed investment portfolio of common shares and other securities. The investments cover a broad range of activities with a focus on natural resources and in particular the precious metals sector.

The head office, principal address and registered and records office is located on the 9<sup>th</sup> floor - 1021 West Hastings Street, Vancouver, British Columbia, V6E 0C3.

The Company’s condensed consolidated interim financial statements as at September 30, 2025 and for the nine months then ended have been prepared on a going concern basis, which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business. The Company has net comprehensive earnings of \$8,316,859 for the nine-month period ended September 30, 2025 and has working capital of \$20,116,381 as at September 30, 2025. Management believes that the Company’s cash position will support operations for the next twelve months.

**2. BASIS OF PREPARATION**

The condensed consolidated interim financial statements of the Company for the nine-month period ended September 30, 2025 were approved and authorized for issue by the Board of Directors on October 31, 2025.

**Basis of presentation**

The Company’s condensed consolidated interim financial statements have been prepared on a historical cost basis except for certain financial instruments which are measured at fair value, as explained in Note 12, and are presented in Canadian dollars except where otherwise indicated. In addition, the condensed consolidated interim financial statements are prepared using the accrual method of accounting, with the exception of cash flow information.

**Statement of compliance**

The condensed interim financial statements of the Company and its subsidiaries have been prepared in accordance with International Accounting Standards (“IAS”) 34, “*Interim Financial Reporting*” using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

**Adoption of new and revised standards and interpretations**

There were no new or amended accounting standards or interpretations that had a significant impact on the Company’s condensed consolidated interim financial statements during the nine-month period ended September 30, 2025.

### **3. MATERIAL ACCOUNTING POLICY INFORMATION**

#### **Consolidation**

These condensed consolidated interim financial statements include the accounts of the Company's wholly-owned US subsidiary, Elysee Development (US), Inc. Intercompany balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated upon consolidation.

#### **Significant accounting judgments, estimates and assumptions**

The preparation of the Company's condensed consolidated interim financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the condensed consolidated interim financial statements and reported amounts of earnings and expenses during the reporting period. Estimates and assumptions 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. However, actual outcomes can differ from these estimates.

Areas requiring a significant degree of estimation and judgment relate to the fair value measurements for financial instruments, convertible debentures, share-based payments, and the recoverability and measurement of deferred tax assets and liabilities. Actual results may differ from those estimates and judgments.

#### **Revenue recognition**

Security transactions are recorded on a trade basis. Realized gains and losses on the disposal of marketable securities and unrealized gains and losses in the value of marketable securities are reflected in the statement of earnings (loss) and comprehensive earnings (loss). Cost is calculated on an average cost basis. Upon disposal of a security, previously recognized unrealized gains or losses are reversed, so as to recognize the full realized gain or loss in the period of disposition. All transaction costs are expensed as incurred. Interest and dividend income are recognized on an accrual basis.

#### **Cash and cash equivalents**

Cash and cash equivalents include highly liquid investments with original maturities of three months or less, which are readily convertible to cash, and subject to an insignificant risk of change in value. Cash and cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

#### **Share-based payments**

Share-based payments to employees are measured at the fair value of the instruments issued and recognized over the vesting periods on a "graded" basis. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to contributed surplus. The fair value of the options is determined using the Black-Scholes Option Pricing Model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that will eventually vest.



### **Restricted share units**

The restricted share units (“RSUs”) entitle employees, consultants, directors, or officers to either the issuance of common shares or cash payments payable upon vesting based on vesting terms determined by the Company’s Board of Directors at the time of grant. On the grant date of RSUs, the Company determines whether it has a present obligation to settle in cash. If the Company has a present obligation to settle in cash, the RSUs are accounted for as liabilities, with the fair value remeasured at the end of each reporting period and at the date of settlement, with any changes in fair value recognized in profit or loss for the period. RSUs settled in common shares are measured at the fair value of awards on the grant date using the grant date closing price, are amortized over the vesting period and are included in share-based payments with a corresponding increase in equity reserves. Amounts recorded for forfeited unvested RSUs are reversed in the period the forfeiture occurs.

### **Taxation**

Income tax expense is comprised of current and deferred income taxes. Current income tax and deferred income tax are recognized in profit or loss, except to the extent that they relate to items recognized directly in equity or equity investments.

Current income tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred income tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred income tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred income tax assets and liabilities are offset if there is a legally enforceable right to offset current income tax liabilities and assets, and they relate to income taxes levied by the same tax authority for the same taxable entity. A deferred income tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable income will be available against which they can be utilized. Deferred income tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related income tax benefit will be realized.

### **Foreign currency translation**

The Company’s reporting currency and the functional currency of all of its operations, including its wholly-owned US subsidiary, is the Canadian dollar as this is the principal currency of the economic environment in which it operates.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss in the period in which they arise, except where deferred in equity as a qualifying cash flow or net investment hedge.

### **Earnings (loss) per share**

Basic earnings (loss) per share amounts are calculated by dividing the earnings or loss attributable to shareholders of the Company by the weighted average number of shares outstanding during the period. Diluted per share amounts are determined by adjusting the earnings or loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all dilutive potential common shares, which consist of share purchase warrants, stock options and convertible debentures. The dilutive effect of outstanding stock options and their equivalents is reflected in the calculation of diluted earnings by application of the treasury stock method. The dilutive effect of convertible debentures is reflected in the calculation of diluted earnings by application of the "if converted" method. When a company is in a loss position, all outstanding dilutive shares are excluded from the calculation of diluted earnings because their inclusion would be anti-dilutive; and the basic and fully diluted common shares outstanding are stated to be the same.

### **Financial instruments**

Financial assets are recognized at fair value and are subsequently classified and measured at amortized cost, fair value through other comprehensive income ("FVOCI"), or fair value through profit or loss ("FVTPL"). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial asset is measured at fair value net of transaction costs that are directly attributable to its acquisition except for financial assets at FVTPL where transaction costs are expensed. All financial assets not classified and measured at amortized cost or FVOCI are measured at FVTPL.

The classification determines the method by which the financial assets are carried on the statement of financial position subsequent to initial recognition and how changes in value are recorded. The following accounting policies apply to the subsequent measurement of financial assets:

- a) Financial assets at FVTPL - These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss. The Company's cash and cash equivalents, marketable securities and other investments are recorded at FVTPL.
- b) Financial assets at amortized cost - These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss. The Company's interest receivable and loan receivable are recorded at amortized cost.
- c) Financial assets at FVOCI - These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Gains or losses recognized on the sale of the equity investment are recognized in other comprehensive income and are never reclassified to profit or loss. The Company does not have any financial assets recorded at FVOCI.

Financial liabilities are designated as either fair value through profit or loss, or at amortized cost. All financial liabilities are classified and subsequently measured at amortized cost except for financial liabilities at FVTPL. The classification determines the method by which the financial liabilities are carried on the statement of financial position subsequent to inception and how changes in value are recorded. Other financial liabilities are carried on the statement of financial position at amortized cost. The Company's trade and other payables, and convertible debentures are recorded at amortized cost.

#### *Compound Instruments - Convertible Debentures*

The components of compound instruments (convertible debentures) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual agreements. At the date of issue, the fair value of the liability component is estimated using the market interest rate then in effect for a similar instrument without a conversion feature. The calculated liability component is deducted from the total fair value of the compound instrument, with the residual value assigned to the equity component. Subsequent to initial recognition, the liability component of the convertible debentures are measured at amortized cost using the effective interest method until its expiry at the time of conversion or maturity of the instrument. The equity components are not re-measured. The carrying amounts of the liability and equity components of the convertible debentures are reclassified to share capital on conversion to common shares.

Transaction costs that relate to the issuance of the convertible debentures are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognized directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortized over the lives of the convertible debentures using the effective interest method.

#### *Impairment of financial assets*

An 'expected credit loss' (ECL) model applies to financial assets measured at amortized cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. At each reporting date, the loss allowance for the financial asset is measured 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 loss allowance is measured for the financial asset at an amount equal to twelve month expected credit losses. Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognized.

#### **Derecognition of financial assets and liabilities**

Financial assets are derecognized when the rights to receive cash flows from the assets expire or, the financial assets are transferred and the Company has transferred substantially all the risks and rewards of ownership of the financial assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized directly in equity is recognized in profit or loss.

For financial liabilities, they are derecognized when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

#### **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. Parties are also considered to be related if they are subject to common control. 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.

**Elysee Development Corp.**  
**Notes to the Condensed Consolidated Interim Financial Statements**  
For the Nine Months ended September 30, 2025  
(Expressed in Canadian dollars)

---

**4. CASH AND CASH EQUIVALENTS**

The Company's cash and cash equivalents are denominated in the following currencies:

	<b>September 30, 2025</b>	December 31, 2024
Denominated in Canadian dollars	<b>\$ 3,895,758</b>	\$ 1,291,387
Denominated in U.S. dollars	<b>1,131,824</b>	241,590
<b>Total cash and cash equivalents</b>	<b>\$5,027,582</b>	\$ 1,532,977

Cash and cash equivalents consist of:

	<b>September 30, 2025</b>	December 31, 2024
Cash	<b>\$ 5,027,582</b>	\$ 1,532,977
Money market funds	-	-
<b>Total cash and cash equivalents</b>	<b>\$ 5,027,582</b>	\$ 1,532,977

**5. PREPAID EXPENSES**

The Company's prepaid expenses are as follows:

	<b>September 30, 2025</b>	December 31, 2024
Insurance	<b>\$ 6,314</b>	\$ 3,576
Rent	<b>327</b>	327
<b>Total prepaid expenses</b>	<b>\$ 6,641</b>	\$ 3,903

**Elysee Development Corp.**  
**Notes to the Condensed consolidated interim Financial Statements**  
For the Nine Months ended September 30, 2025  
(Expressed in Canadian dollars)

**6. MARKETABLE SECURITIES AND OTHER INVESTMENTS**

The Company's marketable securities and other investments are as follows:

	Marketable Securities	Warrants	Convertible Debentures (1)	Total Marketable Securities	Convertible Debentures (2)	Private Company Investments	Total Other Investments	Total	Total Gain (Loss)
<b>COST</b>									
December 31, 2023	\$ 11,391,223	\$ -	\$ 1,541,765	\$ 12,932,988	\$ 679,679	\$ 2,870,911	\$ 3,550,590	\$ 16,483,578	
Additions	4,129,927	-	450,081	4,580,008	75,841	-	75,841	4,655,849	
Conversions	-	-	67,665	67,665	(67,665)	-	(67,665)	-	
Proceeds on redemption	-	-	-	-	(181,725)	-	(181,725)	(181,725)	
Proceeds on sale	(3,259,453)	-	(155,241)	(3,414,694)	(25,100)	-	(25,100)	(3,439,794)	
Transaction costs	(13,363)	-	-	(13,363)	-	-	-	(13,363)	
Realized loss	(838,189)	-	(5,415)	(843,604)	(70,489)	-	(70,489)	(914,093)	
December 31, 2024	11,410,145	-	1,898,855	13,309,000	410,541	2,870,911	3,281,452	16,590,452	(927,456)
Additions	4,042,399	-	336,474	4,378,873	100,000	-	100,000	4,478,873	
Proceeds on sale	(8,139,375)	-	(274,138)	(8,413,513)	-	-	-	(8,413,513)	
Transaction costs	(24,030)	-	-	(24,030)	-	-	-	(24,030)	
Realized gain	1,835,804	-	5,152	1,840,956	-	-	-	1,840,956	
<b>September 30, 2025</b>	<b>\$9,124,943</b>	<b>\$ -</b>	<b>\$1,966,343</b>	<b>\$ 11,091,286</b>	<b>\$ 510,541</b>	<b>\$ 2,870,911</b>	<b>\$ 3,381,452</b>	<b>\$ 14,472,738</b>	<b>\$ 1,816,926</b>
<b>FAIR VALUE</b>									
December 31, 2023	\$ 7,354,660	\$ 138,660	\$ 488,859	\$ 7,982,179	\$ 337,562	\$ 1,962,288	\$ 2,299,850	\$ 10,282,029	
Additions	4,144,880	-	435,128	4,580,008	75,841	-	75,841	4,655,849	
Conversions	-	-	67,565	67,565	(67,565)	-	(67,565)	-	
Cost of disposals	(4,111,005)	-	(160,656)	(4,271,661)	(277,314)	-	(277,314)	(4,548,975)	
Unrealized foreign exchange loss	-	-	-	-	(78,223)	-	(78,223)	(78,223)	-
Unrealized gain (loss)	1,722,533	185,662	(226,385)	1,681,810	443,710	(151,229)	292,481	1,974,291	
December 31, 2024	9,111,068	324,322	604,511	10,039,901	434,011	1,811,059	2,245,070	12,284,971	1,974,291
Additions	4,042,399	-	336,474	4,378,873	100,000	-	100,000	4,478,873	
Conversions	-	-	-	-	(20,500)	-	(20,500)	(20,500)	
Cost of disposals	(6,303,571)	-	(268,986)	(6,572,557)	-	-	-	(6,572,557)	
Unrealized gain (loss)	6,454,699	426,817	93,389	6,974,905	38,910	(143,321)	(104,411)	6,870,494	
<b>September 30, 2025</b>	<b>\$ 13,304,595</b>	<b>\$ 751,139</b>	<b>\$ 765,388</b>	<b>\$ 14,821,122</b>	<b>\$ 552,421</b>	<b>\$ 1,667,738</b>	<b>\$ 2,220,159</b>	<b>\$ 17,041,281</b>	<b>\$ 6,870,494</b>
<b>TOTAL EARNINGS 2025</b>									<b>\$ 8,687,420</b>

(1) Comprised of investments in convertible debentures that are traded in an active market.

(2) Comprised of investments in convertible debentures issued by both public and private companies that are not traded in an active market.

(3) A convertible debenture originally classified as a marketable security was identified as not trading in an active market. The convertible debenture was reclassified into other investments.

**Elysee Development Corp.**  
**Notes to the Condensed Consolidated Interim Financial Statements**  
For the Nine Months ended September 30, 2025  
(Expressed in Canadian dollars)

---

The realized gain or loss from financial instruments at FVTPL represents the difference between the carrying amount of the financial instrument at the beginning of the reporting period, or the transaction price if it was purchased in the current reporting period, and the consideration received on disposal less transaction costs.

The unrealized gain or loss represents the difference between the carrying amount of a financial instrument at the beginning of the period, or the transaction price if it was purchased in the current reporting period, and its carrying amount at the end of the reporting period.

**Marketable securities**

The Company's marketable securities are comprised of common shares, warrants and convertible debentures that are traded in an active market. Valuation of common shares held as part of marketable securities has been determined in whole by reference to the quoted closing trade price of the shares on the CSE, TSX, TSX Venture Exchange and OTCQB at each period end date. Warrants received as attachments to various share purchase units do not trade in an active market. At the time of purchase, the per unit cost is allocated in full to each common share. The value of the warrants is subsequently determined at the measurement date using the Black-Scholes Option Pricing Model. The fair value of the warrants of \$751,139 was valued with the Black-Scholes Option Pricing Model using the following assumptions: the risk-free rate of 2.45–2.62%; expected life of the warrants of 0.12–3.87; volatility of 59–180%; forfeiture rate and dividend yield of nil; and the exercise prices of the warrants of \$0.08–\$17.26. Valuation of convertible debentures that are traded in an active market are based on quoted closing trade prices at the statement of financial position dates. Derivatives embedded in convertible debentures are not bifurcated, and instead the convertible debenture is disclosed as a single financial instrument.

The following is a list of the market value of the Company's 5 most valuable tradeable securities as at September 30, 2025:

	September 30, 2025
Arizona Sonoran Copper Company Inc.	\$ 1,404,540
Equinox Gold Corp.	\$ 662,575
Wesdome Gold Mines Ltd.	\$ 476,960
Agnico Eagle Mines Limited	\$ 468,800
Probe Gold Inc.	\$ 406,350

**Other investments - current**

The Company's other investments-current are comprised of other investments that have maturity terms of less than one year.

**Other investments**

The Company's other investments are comprised of equity investments in private companies and investments in convertible debentures issued by both public and private companies that are not traded in an active market. Valuation of equity investments in private companies are based on a market approach using valuation inputs from the latest financing rounds. The valuation of investments in convertible debentures issued by both public and private companies that are not traded in an active market are based on the present value of the future cash flows discounted by the weighted average cost of capital. Derivatives embedded in convertible debentures are not bifurcated, and instead the convertible debenture is disclosed as a single financial instrument.

**Elysee Development Corp.**  
**Notes to the Condensed Consolidated Interim Financial Statements**  
For the Nine Months ended September 30, 2025  
(Expressed in Canadian dollars)

---

*US Vanadium*

One of the Company's significant other investments is US Vanadium LLC ("US Vanadium"), a US Limited Liability Corporation ("US LLC") which owns and operates a facility in Hot Springs, Arkansas that produces high-purity vanadium oxides and downstream vanadium chemicals for customers in the catalyst, chemical, petrochemical, titanium and energy storage industries. As an US LLC, US Vanadium has a fixed number of capital units that always remains the same. When new investments are made, the units are re-allocated among the investors with changes to the effective amount paid per capital unit. The Company determined that the best estimate of the fair value is the effective value of the investment calculated through its ownership interest.

During the year ended December 31, 2023, the Company's ownership interest held in US Vanadium decreased from 4.75% to 1.24% as a result of US Vanadium completing investment financings that the Company did not participate in. As a result, the Company reduced the fair value of its investment from \$3,174,685 to \$1,836,272 to reflect the change to its ownership interest, and recognized an unrealized loss on other investments of \$1,338,413.

During the year ended December 31, 2024, the Company's ownership interest held in US Vanadium decreased from 1.24% to 0.71% as a result of US Vanadium completing investment financings that the Company did not participate in. As a result, the Company reduced the fair value of its investment from \$1,836,272 to \$1,685,043 to reflect the change to its ownership interest, and recognized an unrealized loss on other investments of \$151,229.

During the nine-month period ended September 30, 2025, the Company's ownership interest held in US Vanadium decreased from 0.71% to 0.61% as a result of US Vanadium completing investment financings that the Company did not participate in. As a result, the Company reduced the fair value of its investment from \$1,685,043 to \$1,541,722 to reflect the change to its ownership interest, and recognized an unrealized loss on other investments of \$143,321.

*Baker Street Scientific*

On September 24, 2018, the Company purchased a convertible promissory note (the "Note") for US\$300,000 with an initial 36-month term paying an interest rate of 10% per annum from Baker Street Scientific Inc. ("Baker Street"), a Delaware corporation registered as a foreign profit corporation in the State of Georgia. On September 24, 2021, the Note and the accrued interest was extended to September 24, 2022. On September 24, 2022, Baker Street paid the Company the full interest accrued to that date (US\$139,230) and entered into a second amendment effective October 24, 2022, to extend the maturity date to September 24, 2023.

On November 2, 2023, the Company sent a written notice of default to demand payment in full but was unsuccessful in collecting payment. During the year ended December 31, 2023, the Company recorded an unrealized loss on other investments of \$471,982 (US\$348,585) to reduce the fair value of the investment to \$Nil due to the uncertainty of collectability. On February 23, 2024, the Company filed a verified complaint for breach of promissory note in the Superior Court of Cobb County of the State of Georgia against Baker Street seeking all principal and interest due and owing.

Between August 2024 and November 2024, the Company received total payment of US\$232,000 from Baker Street relating to the partial recovery of US\$150,000 of principal and US\$48,585 of interest, along with new interest under the Note of US\$21,415 and reimbursement for legal expenses of US\$12,000. On November 21, 2024, the Company agreed to a settlement of the original Note in exchange for a new convertible promissory note ("New Note") with a principal balance of US\$150,000 with a maturity date of September 30, 2025, paying an interest rate of 15% per annum in equal quarterly installment of US\$5,625. No gain or loss was recognized on the settlement of the original Note. Under the terms of the New Note, Baker Street will have the option to extend the maturity date by 6 months to March 31, 2026, for an extension fee of US\$3,000.

**Elysee Development Corp.**  
**Notes to the Condensed Consolidated Interim Financial Statements**  
For the Nine Months ended September 30, 2025  
(Expressed in Canadian dollars)

---

During the year ended December 31, 2024, the Company recognized an unrealized gain of \$475,783 (US\$348,585) relating to the recovery of principal and interest under the original Note due to payments received and the settlement resulting in the issuance of the New Note.

**7. TRADE AND OTHER PAYABLES**

The Company's trade and other payables are broken down as follows:

	<b>September 30, 2025</b>	December 31, 2024
Trade payables	<b>\$ 1,008</b>	\$ 8,192
Accrued liabilities	-	60,000
<b>Total trade and other payables</b>	<b>\$ 1,008</b>	\$ 68,192

**8. CONVERTIBLE DEBENTURES**

On June 14, 2024, the Company closed a non-brokered private placement of convertible debentures for gross proceeds of \$2,000,000. The convertible debentures will mature on June 14, 2028 (the "Maturity Date") and bear interest at 8% per annum, payable quarterly with the first payment being for the period from June 14, 2024 to September 30, 2024. At the option of the holder, the principal amount of the convertible debentures are convertible into common shares of the Company at any time until the Maturity Date at a price equal to \$0.38 per common share. The Company may elect to redeem the convertible debentures at 102% of the nominal value at any time after June 14, 2027 and prior to the Maturity Date.

The convertible debentures are compound financial instruments and were recorded using the residual method, where the convertible debentures have been bifurcated into a liability component and equity component comprised of the convertible feature embedded within the liability. The value of the liability component, at the time of issuance of the debentures, was determined to be \$1,802,984 using a present value calculation assuming a discount rate of 10%, which is the estimated interest rate the Company would pay on a similar debt instrument without a conversion option. The residual value of \$197,016 was allocated to the equity component. The Company also incurred issuance costs of \$26,025, which were allocated in proportion to the allocation of the gross proceeds as \$23,461 to be included as a discount and \$2,564 to be recognized directly in equity. The resulting combined discount of \$220,477 will be recognized over the term of the convertible debentures using the effective interest method.

During the nine-month period ended September 30, 2025, the Company recorded accreted interest of \$35,900 and made interest payments of \$119,672. As at September 30, 2025, the carrying value of the convertible debentures was \$1,840,182.



## **9. SHARE CAPITAL**

### **Authorized share capital**

The Company has authorized an unlimited number of voting common shares with no par value. Authorized share capital also consists of an unlimited number of preferred shares with no par value, to be issued in series, with the directors being authorized to determine the designation, rights, privileges, restrictions and conditions attached to all of the preferred shares. At September 30, 2025, the Company had 28,250,780 common shares outstanding (December 31, 2024 – 28,321,613) and no preferred shares outstanding (December 31, 2024 – Nil).

### **Share issuances and repurchases**

During the nine-month period ended September 30, 2025, the Company did not issue any common shares pursuant to the exercise of stock options (September 30, 2024 – none).

During the nine-month period ended September 30, 2025, the Company issued 46,667 common shares to settle 46,667 RSU's (September 30, 2024 – none).

During the nine-month period ended September 30, 2025, 117,500 shares (September 30, 2024 – 238,500) were repurchased at a total cost of \$40,930 (September 30, 2024 – \$64,903) and were returned to the Company's treasury for cancellation pursuant to the Normal Course Issuer Bid.

### **Normal Course Issuer Bid**

On May 7, 2025, the Company received approval from the TSX Venture Exchange (the "Exchange") to renew its Normal Course Issuer Bid (the "Bid"). The original Bid started on May 3, 2013. Pursuant to the Bid, the Company may purchase for cancellation, from time to time, as it considers advisable, up to 1,411,751 of its issued and outstanding common shares. The price which the Company will pay for any shares purchased will be the prevailing market price of such common shares on the Exchange at the time of such purchase. The Bid will commence on May 13, 2025 and will terminate on May 12, 2026, or such earlier time as the Bid is completed or at the option of the Company. Research Capital Corporation of Vancouver, British Columbia will conduct the Bid on behalf of the Company. During the nine-month period ended September 30, 2025, the Company purchased 117,500 shares (September 30, 2024 – 238,500) at a total cost of \$40,930 (September 30, 2024 – \$64,903). The difference between the share repurchase price and the original share issuance of \$138,399 (September 30, 2024 – \$299,096) has been included in deficit.

### **Cash dividend**

The Company did not pay dividends during the nine-month period ended September 30, 2025 or the year ended December 31, 2024.

### **Share purchase warrants**

There were no share purchase warrants outstanding for the periods ended September 30, 2025 and December 31 2024.

### **Security based compensation plan ("SBC Plan")**

The Company has implemented a fixed SBC Plan whereby 20% of the issued shares are issuable under the SBC Plan through the granting of share options or RSUs. Pursuant to the SBC Plan, the Company grants share options in accordance with the policies of the Exchange. Under the general guidelines of the Exchange, the Company may reserve up to 20% of its issued and outstanding shares for its employees, directors or consultants to purchase shares of the Company. The exercise price for options granted under the plan will

**Elysee Development Corp.**  
**Notes to the Condensed Consolidated Interim Financial Statements**  
For the Nine Months ended September 30, 2025  
(Expressed in Canadian dollars)

not be less than the market price of the common shares less applicable discounts permitted by the Exchange and options will be exercisable for a term of up to five years, subject to earlier termination in the event of death or the cessation of services.

The following is a summary of the changes to the Company's outstanding stock options for the periods ended September 30, 2025 and December 31, 2024:

	September 30, 2025		December 31, 2024	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding, beginning of year	1,850,000	\$ 0.59	1,850,000	\$ 0.59
Exercised	-	-	-	-
Expired	(500,000)	0.42	-	-
Granted	-	-	-	-
<b>Outstanding, end of period</b>	<b>1,350,000</b>	<b>\$ 0.66</b>	<b>1,850,000</b>	<b>\$ 0.59</b>
<b>Exercisable, end of period</b>	<b>1,350,000</b>	<b>\$ 0.66</b>	<b>1,850,000</b>	<b>\$ 0.59</b>

On April 3, 2023, the Company granted 300,000 options to directors, officers and consultants, exercisable at \$0.50 per share with 50% vesting immediately and 50% vesting on April 3, 2024. The fair value of the options granted was \$44,829 of which \$39,384 was attributed to the year ended December 31, 2023 and \$5,445 was attributed to the year ended December 31, 2024. The valuation was based on the Black-Scholes Option Pricing Model, with the following assumptions: risk free rate 2.83%; volatility of 52.67%; dividend rate 4.90%; forfeiture rate 0%; and expected life of 5.01 years.

The following table summarizes information regarding stock options outstanding and exercisable as at September 30, 2025:

Grant date	Expiry date	Number of options outstanding*	Number of options exercisable	Exercise price	Remaining contractual life (years)
May 17, 2022	May 17, 2027	1,050,000	1,050,000	\$ 0.70	1.63
April 3, 2023	April 3, 2028	300,000	300,000	\$ 0.50	2.51
<b>Total options</b>		<b>1,350,000</b>	<b>1,350,000</b>		

\* The weighted average remaining life of options outstanding is 1.83.

The following is a summary of the changes to the Company's outstanding RSU's for the periods ended September 30, 2025 and December 31, 2024:

	September 30, 2025		December 31, 2024	
	Number of options	Weighted average value at date of grant	Number of options	Weighted average value at date of grant
Outstanding, beginning of year	140,000	\$ 0.29	140,000*	\$ 0.29
Granted **	100,000	0.32	-	-
Settled	(46,667)	0.29	-	-
<b>Balance, end of period</b>	<b>193,333</b>	<b>\$ 0.31</b>	<b>140,000</b>	<b>\$ 0.29</b>

**Elysee Development Corp.**  
**Notes to the Condensed Consolidated Interim Financial Statements**  
For the Nine Months ended September 30, 2025  
(Expressed in Canadian dollars)

\*On July 15, 2024, the Company granted 140,000 RSUs to directors and officers pursuant to the SBC Plan. The RSUs vest annually in three equal tranches over a period of three years with the first vesting on July 15, 2025. The fair value of the RSUs granted was \$40,600 of which \$15,702 was attributed to the nine-month period ended September 30, 2025 and \$11,487 was attributed to the year ended December 31, 2024. The valuation was based on the market price of the shares on the grant date. During the period ended September 30, 2025, 46,667 RSU's were settle by the issuance of 46,667 common shares.

\*\*On May 6, 2025, the Company granted 100,000 RSUs to directors and officers pursuant to the SBC Plan. The RSUs vest annually in three equal tranches over a period of three years with the first vesting on May 6, 2026. The fair value of the RSUs granted was \$32,000 of which \$7,929 was attributed to the nine-month period ended September 30, 2025. The valuation was based on the market price of the shares on the grant date.

**10. EARNINGS PER SHARE**

The calculation of basic and diluted earnings per share is based on the following data:

	<b>For the three-month period ended September 30, 2025</b>	For the three-month period ended September 30, 2024	<b>For the nine- month period ended September 30, 2025</b>	For the nine- month period ended September 30, 2024
Net earnings for the period	<b>\$ 5,370,391</b>	\$963,981	<b>\$ 8,316,859</b>	\$900,618
Weighted average number of shares – basic	<b>28,264,807</b>	28,370,070	<b>28,286,470</b>	28,475,901
Dilutive effect of convertible debentures outstanding	<b>5,263,158</b>	-	<b>5,263,158</b>	-
Dilutive effect of stock options outstanding	-	-	-	-
Weighted average number of shares – diluted	<b>33,527,965</b>	28,370,070	<b>33,549,628</b>	28,475,901
Basic earnings per share	<b>\$ 0.19</b>	\$ 0.03	<b>\$ 0.29</b>	\$ 0.03
Diluted earnings per share	<b>\$ 0.16</b>	\$ 0.03	<b>\$ 0.25</b>	\$ 0.03

The basic earnings per share is computed by dividing the net earnings by the weighted average number of common shares outstanding during the period. The diluted earnings per share reflects the potential dilution of common share equivalents, such as outstanding stock options and convertible debentures, in the weighted average number of common shares outstanding during the period, if dilutive. The potential dilutive impact of the stock options outstanding has been excluded as it would be anti-dilutive.

**11. CAPITAL RISK MANAGEMENT**

The capital structure of the Company consists of equity attributable to common shareholders, comprising of issued capital, contributed surplus and deficit. The Company's objectives when managing capital are to: (i) preserve capital, (ii) obtain the best available net return, and (iii) maintain liquidity.

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

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the nine-month period ended September 30, 2025. The Company is not subject to externally imposed capital requirements.

**12. FINANCIAL INSTRUMENTS**

**Categories of financial instruments**

	<b>September 30, 2025</b>	<b>December 31, 2024</b>
<b>FINANCIAL ASSETS</b>		
<b>FVTPL</b>		
Cash and cash equivalents	<b>\$ 5,027,582</b>	\$ 1,532,977
Marketable securities	<b>14,821,122</b>	10,039,901
Other investments	<b>2,220,159</b>	2,245,070
<b>Amortized cost</b>		
Interest receivable	<b>14,623</b>	-
<b>Total financial assets</b>	<b>\$ 22,083,486</b>	\$ 13,817,948
<b>FINANCIAL LIABILITIES</b>		
<b>Amortized cost</b>		
Trade and other payables	<b>\$ 1,008</b>	\$ 68,192
Convertible debentures	<b>1,840,182</b>	1,804,282
<b>Total financial liabilities</b>	<b>\$ 1,841,190</b>	\$ 1,872,474

**Fair value**

The fair value of financial assets and financial liabilities at amortized cost is determined in accordance with generally accepted pricing models based on discounted cash flow analysis or using prices from observable current market transactions. The Company considers that the carrying amount of all its financial assets and financial liabilities recognized at amortized cost in the condensed consolidated interim financial statements approximates their fair value due to the demand nature or short-term maturity of these instruments.

**Elysee Development Corp.**  
**Notes to the Condensed Consolidated Interim Financial Statements**  
For the Nine Months ended September 30, 2025  
(Expressed in Canadian dollars)

The following table provides an analysis of the Company's financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to 3 based on the degree to which the inputs used to determine the fair value are observable.

- Level 1 fair value measurements are those derived from quoted prices in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1, that are observable either directly or indirectly.
- Level 3 fair value measurements are those derived from valuation techniques that include inputs that are not based on observable market data.

	Level 1	Level 2	Level 3	Total
<b>As at September 30, 2025</b>				
Cash and cash equivalents	\$ 5,027,582	\$ -	\$ -	\$ 5,027,582
Marketable securities - shares	13,304,595	-	-	13,304,595
Marketable securities - convertible debt	765,388	-	-	765,388
Marketable securities - warrants	-	751,139	-	751,139
Other investments - equity	-	-	1,667,738	1,667,738
Other investments - convertible debt	-	-	552,421	552,421
<b>Total financial assets at fair value</b>	<b>\$ 19,097,565</b>	<b>\$ 751,139</b>	<b>\$ 2,220,159</b>	<b>\$ 22,068,863</b>

	Level 1	Level 2	Level 3	Total
<b>As at December 31, 2024</b>				
Cash and cash equivalents	\$ 1,532,977	\$ -	\$ -	\$ 1,532,977
Marketable securities - shares	9,111,068	-	-	9,111,068
Marketable securities - convertible debt	604,511	-	-	604,511
Marketable securities - warrants	-	324,322	-	324,322
Other investments - equity	-	-	1,811,059	1,811,059
Other investments - convertible debt	-	-	434,011	434,011
<b>Total financial assets at fair value</b>	<b>\$ 11,248,556</b>	<b>\$ 324,322</b>	<b>\$ 2,245,070</b>	<b>\$ 13,817,948</b>

**Management of financial risks**

The financial risks arising from the Company's operations include credit risk, liquidity risk, interest rate risk, currency risk and market risk. These risks arise from the normal course of operations and all transactions undertaken are to support the Company's ability to continue as a going concern. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

**Credit risk**

Credit risk is the risk of an unexpected loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises primarily from the Company's cash and cash equivalents and receivables. The Company manages its credit risk relating to cash by dealing only with highly-rated Canadian financial institutions. As at September 30, 2025, there is interest receivable of \$14,623 (December 31, 2024 - \$Nil). As a result, credit risk is considered insignificant.

### **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 manages liquidity risk by continuously monitoring actual and projected cash flows and matching the maturity profile of financial assets and liabilities. The Company has cash and cash equivalents of \$5,027,582 (December 31, 2024 - \$1,532,977) to settle current liabilities of \$1,008 (December 31, 2024- \$68,192); therefore, liquidity risk is considered insignificant.

### **Interest rate risk**

The Company's interest rate risk is primarily related to the Company's cash for which amounts were invested at interest rates in effect at the time of investment. Changes in market interest rates affect the fair market value of the cash. However, as these investments come to maturity within a short period of time, the impact would likely not be significant. The Company also has investments in convertible debentures which have a fixed interest rate and are not subject to interest rate fluctuations.

### **Currency risk**

The majority of the Company's cash flows and financial assets and liabilities are denominated in Canadian dollars, which is the Company's functional and reporting currency. Foreign currency risk is limited to the portion of the Company's business transactions denominated in currencies other than the Canadian dollar.

The Company's objective in managing its foreign currency risk is to minimize its net exposures to foreign currency cash flows by holding most of its cash and cash equivalents in Canadian dollars (Note 4). The Company monitors and forecasts the values of net foreign currency cash flow and financial position exposures and from time to time could authorize the use of derivative financial instruments such as forward foreign exchange contracts to economically hedge a portion of foreign currency fluctuations. The Company has not, to the date of these condensed consolidated interim financial statements, entered into derivative instruments to offset the impact of foreign currency fluctuations.

### **Market risk**

Market risk is the risk that the fair value of or future cash flows from the Company's financial instruments will significantly fluctuate because of changes in market prices. The Company is exposed to market risk in trading its marketable securities and unfavourable market conditions could result in dispositions of investments at less than favourable prices.

The Company manages market risk by having a portfolio that is not singularly exposed to any one issuer or class of issuers. The Company's investment activities are currently concentrated primarily in junior exploration and mining companies active in the gold and silver sector as well as several technology companies.

**13. RELATED PARTY TRANSACTIONS**

**Key management personnel and director compensation**

The remuneration of directors and other members of key management were as follows:

	<b>For the three-month period ended September 30, 2025</b>	For the three-month period ended September 30, 2024	<b>For the nine-month period ended September 30, 2025</b>	For the nine-month period ended September 30, 2024
Management fees	<b>\$ 33,000</b>	\$ 30,000	<b>\$ 96,000</b>	\$ 90,000
Management bonus	-	25,000	<b>30,000</b>	25,000
Accounting fees	<b>20,948</b>	17,325	<b>61,086</b>	51,975
Accounting bonus	-	-	<b>20,000</b>	-
Director fees	<b>4,804</b>	4,725	<b>14,411</b>	14,175
Share-based payments	<b>8,328</b>	5,234	<b>23,631</b>	10,089
<b>Total key management personnel compensation</b>	<b>\$ 67,080</b>	\$ 82,284	<b>\$ 245,128</b>	\$ 191,239

During the nine-month period ended September 30, 2025, the Company recognized share-based payments of \$23,631 relating to 140,000 RSUs granted on July 15, 2024 and 100,000 RSU's granted on May 6, 2025 to directors and officers (Note 9).

During the nine-month period ended September 30, 2025, the Company paid \$33,000 (September 30, 2024 - \$27,000) for office rent and expenses, and administrative and general expenses including shareholder relations costs to a company controlled by the Chief Executive Officer.

During the year ended December 31, 2024, \$335,000 of the convertible debentures issued on June 14, 2024 (Note 8) was subscribed by directors and officers. During the nine-month period ended September 30, 2025, the Company made interest payments totaling \$20,100 on the convertible debentures to related parties.

**14. SUPPLEMENTAL CASH FLOW INFORMATION**

During the nine-month period ended September 30, 2025, the amount credited to deficit on the repurchase of the Company's shares was \$138,399 (September 30, 2024 - \$299,096) (Note 9).

During the nine-month period ended September 30, 2025, the Company reversed \$13,533 (September 30, 2024 - \$Nil) from contributed surplus to common shares in connection with the settlement of RSU's (Note 9).

**Cash payments for interest and taxes**

The Company made cash payments for interest of \$119,672 (September 30, 2024 - \$47,781) and income taxes of \$Nil (September 30, 2024 - \$Nil) during the nine-month period ended September 30, 2025.

**15. SUBSEQUENT EVENTS**

Subsequent to September 30, 2025, the Company repurchased 16,500 common shares of the Company pursuant to the Normal Course Issuer Bid which will be returned to treasury.

On October 2, 2025, \$50,000 in convertible debentures was converted to 131,579 common shares of the Company.

On October 23, 2025, the Board of Directors of the Company approved a dividend of \$0.01 per common share based on the 3<sup>rd</sup> quarter September 30, 2025 financial results.