



**ANORTECH INC.**

**FINANCIAL STATEMENTS**

**FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2025 AND 2024**

**(Unaudited)**

**(Expressed in Canadian Dollars)**

#### **NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS**

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

**The accompanying unaudited condensed interim financial statements of AnorTech Inc. for the six months ended September 30, 2025, have been prepared by the management of the Company and approved by the Company's Audit Committee and the Company's Board of Directors.**

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

**AnorTech Inc.**  
**Statements of Financial Position**  
(Unaudited)  
(Expressed in Canadian Dollars)

<i>As at</i>	September 30, 2025	March 31, 2025
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	\$ 2,095,776	\$ 2,525,692
Sales tax and other receivables	14,460	22,334
Prepaid expenses	39,285	23,271
	<b>2,149,521</b>	<b>2,571,297</b>
<b>Non-current assets</b>		
Equipment (note 3)	2,441	3,472
Resource properties (note 4)	7,376	7,376
	<b>9,817</b>	<b>10,848</b>
<b>TOTAL ASSETS</b>	<b>\$ 2,159,338</b>	<b>\$ 2,582,145</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (note 5)	\$ 57,945	\$ 107,189
<b>TOTAL LIABILITIES</b>	<b>57,945</b>	<b>107,189</b>
<b>EQUITY</b>		
Share capital (note 6(b))	\$ 78,370,502	\$ 78,370,502
Reserves	13,604,244	13,506,737
Deficit	(89,873,353)	(89,402,283)
<b>TOTAL EQUITY</b>	<b>2,101,393</b>	<b>2,474,956</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>\$ 2,159,338</b>	<b>\$ 2,582,145</b>

*Corporate information and continuance of operations (note 1)*

*Commitments (note 8)*

*Segmented information (note 9)*

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

*These condensed interim financial statements were approved by the Board of Directors on November 21, 2025 and signed on its behalf by:*

*/s/ Kevin Crawford, Director*

*/s/ Donna Phillips, Director*

**AnorTech Inc.**  
**Statements of Loss and Comprehensive Loss**  
**(Unaudited)**  
**(Expressed in Canadian Dollars)**

	For the three months ended		For the six months ended	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
<b>EXPENSES</b>				
Depreciation (note 4)	\$ 515	\$ 616	\$ 1,031	\$ 1,031
Exploration and evaluation costs	75,849	291,677	200,345	328,971
Foreign exchange	91	(3,112)	(979)	(2,547)
Interest	372	589	826	985
Office	6,455	8,702	15,273	17,096
Personnel costs (note 8)	44,898	61,366	92,198	145,452
Professional fees (note 8)	35,606	39,203	61,302	63,419
Rent	564	546	1,128	1,110
Share-based payments (note 7,8)	78,772	58,230	97,507	61,183
Shareholder and community engagement	1,895	1,030	3,345	2,232
Transfer agent and filing fees	9,556	8,782	16,539	11,651
Travel and accommodation	14,785	39,150	14,951	39,150
<b>TOTAL EXPENSES</b>	<b>(269,358)</b>	<b>(506,779)</b>	<b>(503,466)</b>	<b>(669,733)</b>
<b>OTHER ITEMS</b>				
Other income	-	19,704	-	52,759
Interest income	15,168	38,600	32,396	82,644
<b>INCOME (LOSS) AND COMPREHENSIVE</b>				
<b>INCOME (LOSS) FOR THE PERIOD</b>	<b>\$ (254,190)</b>	<b>\$ (448,475)</b>	<b>\$ (471,070)</b>	<b>\$ (534,330)</b>
<b>Basic earnings (loss) per share for the period</b>	<b>\$ (0.00)</b>	<b>\$ (0.00)</b>	<b>\$ (0.00)</b>	<b>\$ (0.00)</b>
<b>Fully diluted earnings (loss) per share for the period</b>	<b>\$ (0.00)</b>	<b>\$ (0.00)</b>	<b>\$ (0.00)</b>	<b>\$ (0.00)</b>
<b>Weighted average number of common shares outstanding - basic</b>	<b>181,642,538</b>	<b>181,642,538</b>	<b>181,642,538</b>	<b>181,642,538</b>
<b>Weighted average number of common shares outstanding - fully diluted</b>	<b>181,642,538</b>	<b>181,642,538</b>	<b>181,642,538</b>	<b>181,642,538</b>

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

**AnorTech Inc.**  
**Statement of Changes in Deficiency**  
(Unaudited)  
(Expressed in Canadian Dollars)

	Note	Share capital		Reserves			Deficit	Total
		Number of shares	Amount	Additional paid-in capital	Stock options reserve	Warrants reserve		
<b>Balance at March 31, 2024</b>		<b>181,642,538</b>	<b>\$ 78,370,502</b>	<b>\$ 12,119,172</b>	<b>\$ 823,524</b>	<b>\$ 464,804</b>	<b>\$ (88,377,017)</b>	<b>\$ 3,400,985</b>
Expiry of warrants	6(c)	-	-	464,804	-	(464,804)	-	-
Cancellation and forfeiture of stock options	6(d)	-	-	14,336	(14,336)	-	-	-
Share-based payments	6(d)	-	-	-	61,183	-	-	61,183
Income and comprehensive income		-	-	-	-	-	(534,330)	(534,330)
<b>Balance at September 30, 2024</b>		<b>181,642,538</b>	<b>\$ 78,370,502</b>	<b>\$ 12,598,312</b>	<b>\$ 870,371</b>	<b>\$ -</b>	<b>\$ (88,911,347)</b>	<b>\$ 2,927,838</b>
<b>Balance at March 31, 2025</b>		<b>181,642,538</b>	<b>\$ 78,370,502</b>	<b>\$ 12,598,312</b>	<b>\$ 908,425</b>	<b>\$ -</b>	<b>\$ (89,402,283)</b>	<b>\$ 2,474,956</b>
Expiry of options	6(d)	-	-	165,617	(165,617)	-	-	-
Share-based payments	6(d)	-	-	-	97,507	-	-	97,507
Loss and comprehensive loss		-	-	-	-	-	(471,070)	(471,070)
<b>Balance at September 30, 2025</b>		<b>181,642,538</b>	<b>\$ 78,370,502</b>	<b>\$ 12,929,546</b>	<b>\$ 674,698</b>	<b>\$ -</b>	<b>\$ (89,873,353)</b>	<b>\$ 2,101,393</b>

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

**AnorTech Inc.**  
**Statements of Cash Flows**  
(Unaudited)  
(Expressed in Canadian Dollars)

	For the six months ended	
	September 30, 2025	September 30, 2024
<b>Cash flows from (used in):</b>		
<b>OPERATING ACTIVITIES</b>		
Net income (loss) for the Year	\$ (471,070)	\$ (534,330)
<b>Adjustments for items not affecting cash:</b>		
Depreciation	1,031	1,031
Share-based payments	97,507	61,183
	<b>(372,532)</b>	<b>(472,116)</b>
<b>Net changes in non-cash working capital items:</b>		
Sales tax and other receivables	7,874	20,577
Prepaid expenses	(16,014)	(3,391)
Accounts payable and accrued liabilities	(49,244)	(26,410)
<b>Net cash flows used in operating activities</b>	<b>(429,916)</b>	<b>(481,340)</b>
<b>Net increase (decrease) in cash</b>	<b>(429,916)</b>	<b>(481,340)</b>
<b>Cash, beginning of year</b>	<b>2,525,692</b>	<b>3,421,955</b>
<b>Cash, end of year</b>	<b>\$ 2,095,776</b>	<b>\$ 2,940,615</b>
<b>Cash received during the period for interest</b>	<b>\$ 32,396</b>	<b>\$ 82,643</b>
<b>Supplementary cash flow information</b>		
Reclassification of the fair value of options forfeited	\$ 165,617	\$ 14,336
Reclassification of the fair value of warrants expired	\$ -	\$ 464,804

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

**AnorTech Inc.**  
**Notes to the Financial Statements**  
**For the Six months ended September 30, 2025 and 2024**  
**(Unaudited)**  
**(Expressed in Canadian Dollars)**

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**1. CORPORATE INFORMATION AND CONTINUANCE OF OPERATIONS**

AnorTech Inc. (“AnorTech” or the “Company”) is a publicly listed company and its shares are listed on the TSX Venture Exchange under the symbol “ANOR” and on the OTCQB Venture Market (“OTCQB”) under the symbol “ANORF”. The Company was incorporated on March 7, 2000, under the Company Act of the Province of British Columbia and changed its name to AnorTech Inc. effective March 21, 2024. The Company’s head office and the registered records office are located at Suite 1500 - 701 West Georgia St, Vancouver, BC V7Y 1C6.

The Company is in the business of prospecting for, developing, and mining mineral resources located in Greenland. AnorTech previously completed the sale of its wholly owned Nukittoq niobium - tantalum (“Nb-Ta”) project and its Sarfartoq rare earth element (“REE”) project but retains a 5% future interest. The Company is currently focused on the exploration of its wholly owned Gronne Bjerg exploration license for anorthosite located in Greenland. The Company is continuing to carry out research and testwork of the uses of anorthosite with a focus on green alumina and CO<sub>2</sub> free cement. The Company may also acquire, explore and evaluate other resource properties, and either joint venture or develop these properties further or dispose of them when the evaluation is completed.

The Company has not generated revenue from operations and has experienced recurring operating losses. For the current six months ended September 30, 2025, the Company recorded a net loss of \$471,070 and has an accumulated deficit of \$89,873,353.

As at September 30, 2025, the Company had working capital of \$2,091,576. Working capital is defined as current assets less current liabilities and provides a measure of the Company’s ability to settle liabilities that are due within one year with assets that are also expected to be converted into cash within one year. The Company believes it has the necessary cash to fund its operations over the next 12 months. The Company will, however, periodically need to raise funds to continue operations and, although it has been successful in doing so in the past, there is no assurance it will be able to do so in the future.

These unaudited condensed interim financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. Realizable values may be substantially different from carrying values as shown.

**AnorTech Inc.**  
**Notes to the Financial Statements**  
**For the Six months ended September 30, 2025 and 2024**  
**(Unaudited)**  
**(Expressed in Canadian Dollars)**

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**2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION**

**Statement of compliance and basis of preparation**

These financial statements of the Company have been prepared in accordance with IFRS Accounting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

These condensed interim financial statements comply with International Accounting Standard 34, Interim Financial Reporting (“IAS 34”). These condensed interim financial statements, including comparatives, have been prepared on the basis of IFRS standards that are published at the time of preparation and that are effective on April 1, 2025.

**Basis of presentation**

These condensed interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting. They do not include all of the information and disclosures required in full annual financial statements and should be read in conjunction with the Company’s annual financial statements as at March 31, 2025 which have been prepared in accordance with IFRS. These condensed interim financial statements have been prepared on a historical cost basis except for financial instruments carried at fair value. In addition, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting except for cash flow information.

These condensed interim financial statements follow the same accounting policies and methods of application as the annual audited financial statements for the year ended March 31, 2025.

**Functional and presentation currency**

These condensed consolidated interim financial statements are presented in Canadian dollars (“CAD”) which is the functional currency of the Company.

**3. EQUIPMENT AND RIGHT OF USE ASSET**

	Computer equipment	Right of use asset	Total
<b>Cost</b>			
As at March 31, 2025	\$ 30,136	\$ 138,210	\$ 168,346
Additions	-	-	-
<b>Balance as at September 30, 2025</b>	<b>\$ 30,136</b>	<b>\$ 138,210</b>	<b>\$ 168,346</b>
<b>Depreciation</b>			
As at March 31, 2025	\$ (24,602)	\$ (138,210)	\$ (162,812)
Charged for the year	(1,031)	-	(1,031)
<b>Balance as at September 30, 2025</b>	<b>\$ (25,633)</b>	<b>\$ (138,210)</b>	<b>\$ (163,843)</b>
<b>Net book value</b>			
As at March 31, 2025	\$ 5,534	\$ -	\$ 5,534
<b>As at September 30, 2025</b>	<b>\$ 4,503</b>	<b>\$ -</b>	<b>\$ 4,503</b>

**AnorTech Inc.**  
**Notes to the Financial Statements**  
**For the Six months ended September 30, 2025 and 2024**  
**(Unaudited)**  
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**4. RESOURCE PROPERTIES**

The Company currently has one Exploration Licenses (“EL”) in Greenland. The Gronne Bjerg EL (2021/56) with license M-306 is located near Nuuk in West Greenland

	Sarfartoq Mineral Claim	Gronne Bjerg Mineral Claim	Total
<i>Acquisition costs / license fees</i>			
Balance as at March 31, 2024	\$ 8,131	\$ 6,380	\$ 14,511
Disposition	(8,131)	-	(8,131)
Balance as at March 31, 2025	\$ -	\$ 6,380	\$ 6,380
Addition		996	996
Balance as at September 30, 2025	\$ -	\$ 7,376	\$ 7,376

In April 2023, the Company completed the sale of its Sarfartoq Exploration License (“Agreement”) to Neo Performance Materials Inc. (“Neo”). The Company received proceeds totaling \$4,687,506 (US\$ 3,500,000) and recorded a gain on sale of mineral property of \$4,679,376.

Upon closing of the transaction, the Company transferred the License to a special purpose entity (“SPE”) pursuant to the Agreement. If within five years from the date of closing of the transaction (1) the SPE transfers the License, or there is a change in control of the SPE pursuant to an acquisition or merger, the Company will receive 5% of the total consideration received by the SPE in connection with such transfer, or (2) the SPE conducts an initial public offering on a stock exchange (“IPO”), then the Company will receive 5% of the fully diluted equity interests in the SPE immediately prior to the IPO.

**5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

The Company’s accounts payable and accrued liabilities are broken down as follows:

	September 30, 2025	March 31, 2025
Trade payables	\$ 54,795	\$ 80,335
Accrued liabilities	3,150	26,854
	\$ 57,945	\$ 107,189

**AnorTech Inc.**  
**Notes to the Financial Statements**  
**For the Six months ended September 30, 2025 and 2024**  
**(Unaudited)**  
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**6. SHARE CAPITAL**

**a) Authorized share capital**

Unlimited number of common shares without par value.

**b) Issued share capital**

**For the six months ended September 30, 2025**

- None.

**For the six months ended September 30, 2024**

- None.

**c) Share purchase warrants**

	<u>September 30, 2025</u>		<u>March 31, 2025</u>	
	<u>Number outstanding</u>	<u>Weighted average exercise price</u>	<u>Number outstanding</u>	<u>Weighted average exercise price</u>
Outstanding, beginning of year	-	\$ -	2,850,000	\$ 0.45
Expired	-	-	<u>(2,850,000)</u>	0.45
Outstanding, end of year	<u>-</u>	<u>\$ -</u>	<u>-</u>	<u>\$ 0.45</u>

A summary of changes in warrants during the six months ended September 30, 2025 and 2024 are as follow:

**For the six months ended September 30, 2025**

- None.

**For the six months ended September 30, 2024**

- 2,850,000 warrants with an exercise price of \$0.45 expired without exercise.

**AnorTech Inc.**  
**Notes to the Financial Statements**  
**For the Six months ended September 30, 2025 and 2024**  
(Unaudited)  
(Expressed in Canadian Dollars)

**6. SHARE CAPITAL (CONTINUED)**

**d) Stock options**

The Company has a stock option plan whereby the maximum number of shares reserved for issue shall not exceed 10% of the issued and outstanding common shares of the Company as at the date of the grant. The maximum number of common shares reserved for issue to any one optionee under the plan cannot exceed 5% of the total issued and outstanding number of common shares on a non-diluted basis. The maximum number of common shares reserved for issue to any insiders as a group shall not exceed 10% of the total number of issued and outstanding shares on a non-diluted basis. The maximum number of common shares reserved for issue to any one consultant shall not exceed 2% of the total number of issued and outstanding shares on a non-diluted basis. The maximum number of common shares reserved for issue to all eligible persons who undertake investor relation activities shall not exceed 2% in the aggregate of the total number of issued and outstanding shares on a non-diluted basis. The Company has granted directors, officers and consultants common share purchase options ("Options"). These Options are granted with an exercise price equal to no less than the closing market price of the Company's shares prevailing on the day that the Option is granted. Options may have a maximum term of ten years. Under the stock option plan, the Board of Directors can determine vesting periods for Options granted.

	Number outstanding	Weighted average exercise price
Balance, March 31, 2025	12,200,000	\$ 0.10
Expired	(3,350,000)	0.15
<b>Balance, September 30, 2025</b>	<b>8,850,000</b>	<b>\$ 0.10</b>

The changes in stock options during the six months ended September 30, 2025 and 2024 are as follow:

**For the Six months ended September 30, 2025**

- 3,350,000 options with an exercise price of \$0.15 expired without exercise.

**For the Six months ended September 30, 2024**

- None.

The following summarizes information about Options outstanding and exercisable as at September 30, 2025:

Expiry date	Options outstanding	Options exercisable	Exercise price	Estimated grant date fair value	Weighted average remaining contractual life (in years)
November 10, 2025	900,000	900,000	\$ 0.40	\$ 161,171	0.11
October 17, 2027	3,000,000	3,000,000	\$ 0.05	\$ 71,171	2.05
September 4, 2029	4,950,000	3,300,003	\$ 0.05	\$ 150,291	3.93
	<b>8,850,000</b>	<b>7,200,003</b>	<b>\$ 0.09</b>	<b>\$ 382,633</b>	<b>2.90</b>

**AnorTech Inc.**  
**Notes to the Financial Statements**  
**For the Six months ended September 30, 2025 and 2024**  
**(Unaudited)**  
**(Expressed in Canadian Dollars)**

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**6. SHARE CAPITAL (CONTINUED)**

**d) Reserves**

Additional paid-in capital

Additional paid-in capital records the fair value of the expired options and warrants initially recorded in stock options reserve or warrants reserve.

Stock options reserve

The stock options reserve records items recognized as share-based payments expense until such time that the stock options are exercised, at which time the corresponding amount will be transferred to share capital. If the options expire unexercised, the amount recorded is transferred to additional paid-in capital.

Warrants reserve

The warrants reserve records the fair value of the warrants issued until such time that the warrants are exercised, at which time the corresponding amount will be transferred to share capital. If the warrants expire unexercised, the amount recorded is transferred to additional paid-in capital.

**7. RELATED PARTY TRANSACTIONS AND BALANCES**

**a) Related party balances**

The total balance due to related parties included in accounts payable and accrued liabilities was \$Nil as at September 30, 2025 (March 31, 2025 – \$Nil).

**b) Key management personnel compensation**

Key management personnel are persons responsible for planning, directing and controlling the activities of an entity, and include executive and non-executive directors. Key management personnel compensation is comprised of:

	<b>For the six months ended</b>	
	<b>September 30, 2025</b>	<b>September 30, 2024</b>
Short-term benefits - personnel costs	\$ 75,000	\$ 141,062
Short-term benefits - professional fees	37,500	37,500
Share-based payments	97,507	60,625
	<b>\$ 210,008</b>	<b>\$ 239,187</b>

The Company entered into a consulting agreement with the SPE from the completion of the sale of Sarfartoq to provide technical and consulting services by its President through the Company with the agreement dating back to September 2022. Personnel costs for the six months ended September 30, 2024 include compensation for the additional time spent by the Company's President on this arrangement.

**AnorTech Inc.**  
**Notes to the Financial Statements**  
**For the Six months ended September 30, 2025 and 2024**  
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**8. COMMITMENTS**

The Gronne Bjerg license has certain minimum work commitment expenditures amounting to approximately DKK 450,000 (approximately \$90,000) per calendar year for 2024, 2025, and 2026 under its exploration license.

**9. SEGMENTED INFORMATION**

The Company has one operating segment: the exploration and evaluation, and development of resource properties in Greenland. The Company's assets are located in the following geographic areas:

	Canada	Greenland	Total
<b><i>As at March 31, 2025</i></b>			
Equipment and right of use asset	\$ 3,472	\$ -	\$ 3,472
Resource properties	-	7,376	7,376
	<b>\$ 3,472</b>	<b>\$ 7,376</b>	<b>\$ 10,848</b>
<b><i>As at September 30, 2025</i></b>			
Equipment	\$ 4,503	\$ -	\$ 4,503
Resource properties	-	7,376	7,376
	<b>\$ 4,503</b>	<b>\$ 7,376</b>	<b>\$ 11,879</b>

**10. CAPITAL MANAGEMENT**

The Company manages and adjusts its capital structure based on the funds available to the Company in order to support future development activities. The Board of Directors does not establish quantitative returns on capital criteria for management, but rather relies on the expertise of the Company's management to sustain the future development of the business.

In order to further exploration and development activities, the Company will spend its existing working capital and raise additional funds, if required. 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 six months ended September 30, 2025.

The Company has no externally imposed capital requirements.

**AnorTech Inc.**  
**Notes to the Financial Statements**  
**For the Six months ended September 30, 2025 and 2024**  
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**11. FINANCIAL INSTRUMENTS**

**a) Fair value**

Financial assets and liabilities that are recognized on the statement of financial position at fair value follow in a hierarchy that is based on the significance of the inputs used in making the measurements. The levels in the hierarchy are:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices)
- Level 3 - Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

	September 30, 2025		March 31, 2025	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets:</b>				
<i>Amortized cost</i>				
Cash	\$ 2,095,776	\$ 2,095,776	\$ 2,525,692	\$ 2,525,692
Sales tax and other receivables	14,460	14,460	22,334	22,334
	<b>\$ 2,110,236</b>	<b>\$ 2,110,236</b>	<b>\$ 2,548,026</b>	<b>\$ 2,548,026</b>
<b>Financial liabilities:</b>				
<i>Amortized cost</i>				
Accounts payable and accrued liabilities	\$ 57,945	\$ 57,945	\$ 107,189	\$ 107,189
	<b>\$ 57,945</b>	<b>\$ 57,945</b>	<b>\$ 107,189</b>	<b>\$ 107,189</b>

The carrying values of the Company's financial assets and liabilities are considered to be a reasonable approximation of fair value due to the short-term nature of these instruments. There are no financial instruments recorded at fair value through profit or loss (FVTPL) on the statements of financial position.

**b) Financial risk management**

**Credit risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's cash and sales tax and other receivables are exposed to credit risk. The Company reduces its credit risk on cash by placing these instruments with institutions of high credit worthiness. As at September 30, 2025, the Company's maximum exposure to credit risk is the carrying value of its financial assets.

**AnorTech Inc.**  
**Notes to the Financial Statements**  
**For the Six months ended September 30, 2025 and 2024**  
**(Unaudited)**  
**(Expressed in Canadian Dollars)**

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**11. FINANCIAL INSTRUMENTS (CONTINUED)**

**b) Financial risk management (continued)**

**Liquidity risk**

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. The Company manages liquidity by maintaining adequate cash balances to meet liabilities as they become due.

As at September 30, 2025, the Company had cash of \$2,095,776 in order to meet short-term business requirements and accounts payable and accrued liabilities of \$57,945. All accounts payable and accrued liabilities are current liabilities.

The Company believes it has sufficient cash to fund its operations over the next 12 months.

**Market Risk**

The significant market risks to which the Company is exposed are interest rate risk and currency risk.

**Interest Rate Risk**

Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's cash are held mainly in high yield saving accounts and term deposits and therefore there is currently minimal interest rate risk. Because of the short-term nature of these financial instruments, fluctuations in market rates do not have a significant impact on estimated fair values as at September 30, 2025.

**Other price risk**

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices other than those arising from interest rate risk, financial market risk, or currency risk. The Company is not exposed to significant other price risk.

**Currency risk**

The Company is exposed to currency risk to the extent that monetary assets and liabilities held by the Company are not denominated in Canadian dollars. The Company has not entered into any foreign currency contracts to mitigate this risk.

The Company's cash, sales tax and other receivables, accounts payable and accrued liabilities, and notes payable are all denominated in CAD.

**12. SUBSEQUENT EVENT**

On November 10, 2025, 900,000 options with an exercise price of \$0.40 expired without exercise.