

Capitan Investment Ltd.

Condensed Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2025

(Unaudited – Prepared by Management)

Notice of No Auditor Review of Condensed Interim Financial Statements

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed these unaudited condensed interim financial statements as at and for the three and nine months ended September 30, 2025.

Capitan Investment Ltd.**Condensed Interim Consolidated Statements of Financial Position**

(unaudited)

(in Canadian dollars)

As at	Note	September 30 2025	December 31 2024
Assets			
Current assets:			
Cash		\$ 474,016	\$ 810,621
Restricted cash		20,632	20,632
Investments	3	7,169,315	7,194,500
Accounts receivable	4	90,651	44,104
Prepaid expenses and deposits	5	795,055	799,049
		8,549,669	8,868,906
Property and equipment	6	59,522	163,874
Total assets		\$ 8,609,191	\$ 9,032,780
Liabilities and Shareholders' Equity			
Current liabilities:			
Trade and other payables		\$ 429,777	\$ 506,028
Current portion of lease liabilities	7	64,706	151,568
Current portion of decommissioning obligations		218,873	214,183
		713,356	871,779
Lease liabilities	7	–	27,355
Decommissioning obligations		526,645	525,019
Total liabilities		1,240,001	1,424,153
Shareholders' equity			
Share capital		20,465,084	20,465,084
Contributed surplus		1,244,119	1,244,119
Accumulated other comprehensive income		683,384	929,793
Accumulated deficit		(15,023,397)	(15,030,369)
Total shareholders' equity		7,369,190	7,608,627
Total liabilities and shareholders' equity		\$ 8,609,191	\$ 9,032,780

See the accompanying notes to these condensed interim consolidated financial statements.

Capitan Investment Ltd.**Condensed Interim Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)**

(unaudited)

(in Canadian dollars)

	Note	For the three months ended September 30		For the nine months ended September 30	
		2025	2024	2025	2024
Revenue					
Return on investments	3	\$ 179,285	\$ 171,910	\$ 528,764	\$ 510,594
Expenses					
General and administrative	8	131,108	171,094	426,694	579,209
Depreciation	6	32,695	45,031	99,609	134,725
Imputed interest	7	2,381	6,354	10,226	22,353
Foreign exchange		(1,395)	1,200	2,487	(8,819)
		164,789	223,679	539,016	727,468
Income (loss) from operating activities		14,496	(51,769)	(10,252)	(216,874)
Interest income		5,478	8,669	17,160	26,473
Income (loss) from oil and gas operations	9	2,679	(1,909)	64	(15,718)
Net income (loss)		22,653	(45,009)	6,972	(206,119)
Other comprehensive income (loss)					
Exchange differences on translation of subsidiary		(387,342)	(99,693)	(246,409)	133,287
Total comprehensive income (loss)		\$ (364,689)	\$ (144,702)	\$ (239,437)	\$ (72,832)
Net income (loss) per share - basic		\$ 0.00	\$ (0.00)	\$ 0.00	\$ (0.00)
Weighted average number of shares outstanding		289,684,072	289,684,072	289,684,072	289,684,072

See the accompanying notes to these condensed interim consolidated financial statements.

Capitan Investment Ltd.**Condensed Interim Consolidated Statements of Changes in Equity**

(unaudited)

(in Canadian dollars)

For the nine months ended September 30	Note	2025	2024
Share capital			
289,684,072 common shares issued and outstanding			
Balance, January 1 and September 30		\$ 20,465,084	\$ 20,465,084
Contributed surplus			
Balance, January 1 and September 30		1,244,119	1,244,119
Accumulated other comprehensive income (loss)			
Balance, January 1		929,793	314,854
Exchange differences on translation of subsidiary		(246,409)	133,287
Balance, September 30		683,384	448,141
Accumulated deficit			
Balance, January 1		(15,030,369)	(14,649,864)
Net income (loss)		6,972	(206,119)
Balance, September 30		(15,023,397)	(14,855,983)
Total shareholders' equity		\$ 7,369,190	\$ 7,301,361

See the accompanying notes to these condensed interim consolidated financial statements.

Capitan Investment Ltd.
Condensed Interim Consolidated Statements of Cash Flows
(unaudited)
(in Canadian dollars)

For the nine months ended September 30	Note	2025	2024
Operating activities			
Net income (loss)		\$ 6,972	\$ (206,119)
Items not affecting cash:			
Depreciation	6	99,609	134,725
Imputed interest	7	10,226	22,353
Accretion of decommissioning obligation	9	16,303	20,127
Foreign exchange		(6,768)	(4,804)
Decommissioning expenditures	9	(9,987)	–
Change in non-cash working capital			
Accounts receivable		(46,547)	(92,976)
Prepaid expenses and deposits		3,994	44,582
Trade and other payables		(76,251)	(27,434)
Net cash used in operating activities		(2,449)	(109,546)
Financing activities			
Lease payments	7	(119,100)	(154,255)
Net cash used in financing activities		(119,100)	(154,255)
Investing activities			
Purchase of investment	3	(206,738)	–
Net cash used in investing activities		(206,738)	–
Change in cash		(328,287)	(263,801)
Foreign exchange effect on USD denominated cash		(8,318)	1,890
Cash, January 1		810,621	893,194
Cash, September 30		\$ 474,016	\$ 631,283

See the accompanying notes to these condensed interim consolidated financial statements.

Capitan Investment Ltd.

Notes to Condensed Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2025

(unaudited)

(in Canadian dollars)

1. Nature of Operations

Capitan Investment Ltd. ("Capitan" or the "Company") was incorporated under the Business Corporations Act (Alberta) and changed its name from Sahara Energy Ltd. to Capitan on December 17, 2021. The Company's primary business is investment in real estate development projects. The Company is listed on the TSX Venture Exchange under the trading symbol CAI. The Company's registered address is 400, 444 – 7th Avenue SW, Calgary, Alberta.

Capitan incorporated a wholly owned subsidiary, GC Capital Holdings Inc. ("GC Capital"), a Delaware business corporation in the United States, on January 20, 2021.

As at September 30, 2025, JK Investment (Hong Kong) Co., Limited ("JK Investment") owned and controlled 69% of the Company's issued and outstanding shares.

2. Basis of Preparation

These consolidated financial statements have been prepared in accordance with IFRS® Accounting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") in effect at January 1, 2025.

These consolidated financial statements were authorized for issue by the Board of Directors on **November 28, 2025**.

3. Investments

- (a) In August 2021, the Company entered into two Investment Agreements with DMG Investments LLC. ("DMG"), a comprehensive real estate company specializing in finance, development, operations and property management in the United States: (1) a USD 2,000,000 investment in a joint venture real estate investment as a non-managing member in exchange for a preferred equity interest representing approximately 15.56% of the total equity interest in the Air Albany Project and (2) a USD 3,000,000 investment in a joint venture real estate investment as a non-managing member in exchange for a preferred equity interest representing approximately 21.85% of the total equity interest in the Auden Project. The Air Albany Project and the Auden Project are collectively referred to as "the DMG Investments".

The Company has unconditional option to require the cash payment of its 10% guaranteed return on the DMG Investments and the cash repurchase of all or part of its equity interest after an initial 12-month period or, in lieu of full repayment, upon the Company giving three months prior notice to DMG, the Company may continue to hold its position. The 10% return and repurchase option granted to the Company in connection with the DMG Investments is guaranteed by DMG.

The Company has extended its position in the DMG Investments, during which time the Company will continue to earn a 10% return.

- (b) During the third quarter of 2025, the Company provided \$206,738 (USD 150,000) of loans to HGL Company ("HGL"), an arm's length company, for a term of three months from the date of advance which may be extended for an additional three months by mutual agreement. Interest is charged at 1.5% per month, increased to 2.5% per month in the event of default. The loans are secured by a continuing security interest in and lien on all cash flow generated by HGL and the personal assets of the members of HGL.

The September 30, 2025 carrying value of investments is \$7,169,315 (USD 5,150,000) (December 31, 2024 – \$7,194,500 (USD 5,000,000)). The fair value of investments approximates the carrying value as the Company may redeem the DMG Investments at their full USD 5,000,000 face value at any time and term of the loans are for a maximum of six months.

Capitan Investment Ltd.**Notes to Condensed Interim Consolidated Financial Statements****For the three and nine months ended September 30, 2025**

(unaudited)

(in Canadian dollars)

4. Accounts Receivable

As at	September 30 2025	December 31 2024
Goods and Services Tax	\$ 345	\$ 891
Return on investments (Note 3)	70,012	31,903
Oil and gas marketers (Note 8)	10,914	11,310
Other	9,380	–
	\$ 90,651	\$ 44,104

The Company's accounts receivable are aged as follows:

As at	September 30 2025	December 31 2024
Less than 60 days old	\$ 81,271	\$ 44,104
Over 60 days old	9,380	–
	\$ 90,651	\$ 44,104

Receivables for Goods and Services Tax ("GST") are typically collected within 30 days of filing the related GST return and are included in the less than 60 days aging category. Receivables for the Company's return on investment are accrued on a quarterly basis and are typically collected within 60 days. The Company historically has not experienced any significant collection issues for accounts receivable (Note 10).

5. Prepaid expenses and deposits

As at	September 30 2025	December 31 2024
Deposit with Alberta Energy Regulator	\$ 728,059	\$ 710,899
Prepaid expenses	66,996	88,150
	\$ 795,055	\$ 799,049

The deposit with the Alberta Energy Regulator is required by the Alberta Energy Regulator as security against the fulfillment of the Company's decommissioning obligation.

Capitan Investment Ltd.**Notes to Condensed Interim Consolidated Financial Statements****For the three and nine months ended September 30, 2025**

(unaudited)

(in Canadian dollars)

6. Property and Equipment

		Right-of- use assets		Furniture and equipment		D&P assets		Total
Cost								
Balance, December 31, 2024	\$	415,897	\$	74,396	\$	4,956,148	\$	5,446,441
Foreign exchange		(13,527)		(112)		—		(13,639)
Balance, September 30, 2025	\$	402,370	\$	74,284	\$	4,956,148	\$	5,432,802
Accumulated depletion, depreciation and impairment								
Balance, December 31, 2024	\$	258,530	\$	67,889	\$	4,956,148	\$	5,282,567
Depreciation		98,350		1,259		—		99,609
Foreign exchange		(8,884)		(12)		—		(8,896)
Balance, September 30, 2025	\$	347,996	\$	69,136	\$	4,956,148	\$	5,373,280
Net carrying amount								
As at December 31, 2024	\$	157,367	\$	6,507	\$	—	\$	163,874
As at September 30, 2025	\$	54,374	\$	5,148	\$	—	\$	59,522

7. Lease Liability

The Company incurs lease payments related to office premises.

Balance, December 31, 2024	\$	178,923
Imputed interest		10,226
Lease payments		(119,100)
Foreign exchange		(5,343)
Balance, September 30, 2025	\$	64,706

As at September 30, 2025, the remaining expected payments under the Company's office lease agreement are as follows:

	Annual USD	Annual CAD
2025 (remainder)	\$ 28,475	\$ 39,639
2026	19,268	26,822

8. General and Administrative Expenses

		For the three months ended September 30 2025	2024		For the nine months ended September 30 2025	2024
Salaries and benefits	\$	92,886	\$	99,800	\$	290,319
Consulting and professional fees		28,345		51,709		86,396
Office and general		10,423		17,197		37,505
Shareholder and regulatory		(546)		2,388		12,474
	\$	131,108	\$	171,094	\$	426,694
					\$	579,209

Capitan Investment Ltd.**Notes to Condensed Interim Consolidated Financial Statements****For the three and nine months ended September 30, 2025**

(unaudited)

(in Canadian dollars)

9. Oil and Gas Operations

	For the three months ended September 30		For the nine months ended September 30	
	2025	2024	2025	2024
Heavy oil sales	\$ 20,491	\$ 40,542	\$ 82,409	\$ 116,839
Royalties	(755)	(1,374)	(3,312)	(5,028)
	19,736	39,168	79,097	111,811
Production and operating expenses	(11,586)	(13,458)	(49,898)	(86,556)
Accretion	(5,471)	(6,773)	(16,303)	(20,127)
Decommissioning obligation revisions	—	(20,846)	(12,832)	(20,846)
Income (loss) from oil and gas operations	\$ 2,679	\$ (1,909)	\$ 64	\$ (15,718)

The Company sells its production pursuant to fixed and variable price contracts with varying length terms up to 1 year. Under the contracts, the Company is required to deliver a fixed or variable volume of oil to the contract counterparty. The transaction price is based on the commodity price, adjusted for quality, location or other factors.

All heavy oil sales revenues are from company-operated wells. As at September 30, 2025, accounts receivable (Note 4) included \$12,084 from an oil and gas marketer (December 31, 2024 – \$11,310).

Decommissioning obligations

Balance, December 31, 2024	\$ 739,202
Accretion	16,303
Decommissioning expenditures	(9,987)
Balance, September 30, 2025	745,518
Current portion	(218,873)
Long-term portion	\$ 526,645

During the three and nine months ended September 30, 2025, the Company incurred \$nil and \$9,987, respectively, of expenditures related to decommissioning obligations. During the three and nine months ended September 30, 2025, the Company also incurred \$nil and \$12,832, respectively, of expenses related to wells abandoned in a prior year which have been expensed as decommissioning obligation revisions.

10. Credit Risk

Management believes the risk is mitigated by entering into transactions with long-standing, reputable counterparties and partners.

Cash is held with highly rated banks in Canada and China. Restricted cash in in respect of a letter of credit for a corporate credit card. The Company does not believe these financial instruments are subject to material credit risk.

The Company has assessed credit risk with respect to the Investments and has determined that there is no material credit risk based on the Company's review of financial and non-financial information for DMG and the Projects. The 10% return on the Investments and the redemption of the Investments is guaranteed by DMG (Note 3).

Accounts receivable credit risk is discussed in Note 4.

Capitan Investment Ltd.**Notes to Condensed Interim Consolidated Financial Statements****For the three and nine months ended September 30, 2025**

(unaudited)

(in Canadian dollars)

The maximum exposure to credit risk is as follows:

As at	September 30 2025	December 31 2024
Cash	\$ 474,016	\$ 810,621
Restricted cash	20,632	20,632
Investments (Note 3)	7,169,315	7,194,500
Accounts receivable (Note 4)	90,651	44,104
	\$ 7,754,614	\$ 8,069,857

During the three and nine months ended September 30, 2025 and 2024, the Company recognized \$nil of bad debt expense.