

Consolidated Financial Statements of

# EARTHLABS



December 31, 2025 and 2024  
(Prepared in Canadian dollars)

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To the Shareholders of EarthLabs Inc.:

## Opinion

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

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

## Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Key Audit Matters

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

### ***Goodwill and Intangible Assets Impairment related to EarthLabs Media Inc. ("EMI")***

#### *Key Audit Matter Description*

As at December 31, 2025, the Company had \$2,708,333 of intangible assets and \$624,290 of goodwill related to EarthLabs Media Inc. ("EMI") which has been included in the statements of financial position. As described in Note 13 in the consolidated financial statements, the Company performed impairment tests of its goodwill and intangible assets. The Company has determined intangible assets and goodwill were not impaired as of December 31, 2025.

We identified the valuation of goodwill and intangible asset impairment as a key audit matter. Evaluating the Company's assessment of the fair value of goodwill and intangible assets related to EMI required complex auditor judgement. Specifically, the key assumptions in the assessment are future operating results, including forecasted revenue, gross profit margins, operating expenses, growth rates, and discount rates used to measure the cash generating unit ("CGU") fair value.

### *Audit Response*

We responded to this matter by performing procedures over the impairment of goodwill and intangible assets. Our audit work in relation to this included, but was not restricted to, the following:

- Evaluated the reasonableness of the future cash flow projections used to calculate the EMI CGU's recoverable amount by comparing the projected cash flows to historical results and by comparing certain assumptions used in future cashflow projections to publicly available industry data;
- Involved our internal valuation specialists to evaluate the appropriateness of the discount rate used and to develop a range of independent estimates and to compare those to the discount rate used by the Company;
- Performed a retrospective review to assess the Company's ability to accurately forecast by comparing:
  - Management's forecast as at December 31, 2024 to the actual results for the year ended December 31, 2025; and
  - Management's forecast for January 2026 and February 2026 to the actual results of the first two months of 2026.
- Performed a sensitivity analysis on the key assumptions used in management's cashflow projections to determine the impact of changes to such assumptions on the recoverable amount of the EMI CGU; and
- Assessed the appropriateness of the disclosures relating to the impairment assessment for the EMI CGU in the notes to the consolidated financial statements.

### ***Revenue Recognition – advertising and subscription***

#### *Key Audit Matter Description*

During the year ended December 31, 2025, the Company earned \$8,403,501 in advertising and \$1,286,557 in subscription revenue. The Company's revenue recognition policies are described in Note 3 to the consolidated financial statements.

Revenue is derived from multiple systems, databases and other tools. The initiation and processing of revenue are highly automated and are based on contractual terms with customers.

Given the Company's revenue transactions are highly automated, there are potential risks arising from the initiation and processing of revenue.

We considered revenue as a key audit matter because of the increased extent of effort, including the need for us to involve professionals with expertise in Information Technology ("IT") to identify, test, and evaluate the Company's internal systems, software applications, automated controls as well as the review of the complementary user entity controls for the various service organizations used by the Company.

### *Audit Response*

We responded to this matter by performing procedures in relation to occurrence, accuracy and cut-off of the revenue recognized. Our audit work in relation to this included, but was not restricted to, the following:

- Performed detailed transaction testing for all revenue samples selected by agreeing the number of impressions delivered to the customers and revenues generated to the amounts reported by the internal platforms, third party advertiser platforms, underlying insertion orders, invoices and proof of payment;
- Performed the operating effectiveness of the complementary user entity controls for the relevant service organizations used by the Company, where applicable;
- Performed procedures to test the design and implementation as well as operating effectiveness testing of the management oversight controls, where applicable;
- Evaluated the design and implementation of general IT controls as well as operating effectiveness where applicable, over the significant systems used to process revenue transactions;
- Performed Computer-Assisted Audit Techniques ("CAAT's") to reconcile the total revenue reported by the service organizations to the revenues recorded.

## Other Information

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

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

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

## Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Giacomo Angelini.

Toronto, Ontario  
April 27, 2026

*MNP* LLP

Chartered Professional Accountants  
Licensed Public Accountants

**EARTHLABS INC.****Consolidated Statements of Financial Position****As at December 31, 2025 and 2024****(Prepared in Canadian dollars)**

	<u>Notes</u>	<u>2025</u>	<u>2024</u>
<b>Assets</b>			
<b>Current</b>			
Cash and cash equivalents	9	\$ 3,516,515	\$ 4,122,474
Due from brokers		861,833	416,907
Accounts receivable, net of expected credit losses (ECL)	6, 26(a)	305,458	519,491
Investments, at fair value	7, 26(b)	73,792,108	32,912,428
Equity investment	8, 18(b)	2,029,696	1,782,628
Sales tax recoverable		54,326	47,787
Income tax receivable	17	-	268,362
Prepays	10	622,731	281,192
		<b>81,182,667</b>	40,351,269
<b>Property and equipment, net</b>	11	<b>136,056</b>	136,296
<b>Right-of-use assets, net</b>	12	<b>813,865</b>	992,417
<b>Intangible assets</b>	13	<b>2,708,333</b>	2,826,438
<b>Goodwill</b>	14	<b>624,290</b>	624,290
		<b>\$ 85,465,211</b>	<b>\$ 44,930,710</b>
<b>Liabilities and Equity</b>			
<b>Current</b>			
Accounts payable and accrued liabilities	18(g)	\$ 2,663,928	\$ 1,697,947
Sales tax payable		161,048	197,481
Deferred revenue	15	6,488,475	3,452,044
Lease liabilities	16	162,344	141,992
Promissory note		-	726,458
		<b>9,475,795</b>	6,215,922
<b>Deferred tax liabilities</b>	17	<b>3,207,821</b>	-
<b>Non-current lease liabilities</b>	16	<b>727,208</b>	889,653
		<b>13,410,824</b>	7,105,575
<b>Equity</b>			
Share capital	19	46,868,758	46,534,758
Contributed surplus	19(b)	5,949,334	6,040,385
Retained earnings (deficit)		19,236,295	(14,750,008)
		<b>72,054,387</b>	37,825,135
		<b>\$ 85,465,211</b>	<b>\$ 44,930,710</b>

Commitments and contingencies

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

On behalf of the Board:

"Denis Laviolette" Director"Gerry Feldman" Director

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**EARTHLABS INC.****Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)****Years Ended December 31, 2025 and 2024****(Prepared in Canadian dollars)**

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	<u>Notes</u>	<u>2025</u>	<u>2024</u>
<b>Revenue</b>			
Advertising and sponsorships		\$ 8,403,501	\$ 6,108,765
Subscriptions		1,286,557	1,237,035
Sales of exploration maps		203,857	177,763
Net investment gains	21	42,577,085	160,441
Other income	18(f), 22	1,114,082	755,956
		<u>53,585,082</u>	<u>8,439,960</u>
<b>Expenses</b>			
Operating, general and administrative	18(a), 23	14,342,875	11,339,500
Research and development		2,173,109	3,173,710
Finance expenses	16	120,019	144,239
		<u>16,636,003</u>	<u>14,657,449</u>
<b>Income (loss) from equity investment</b>	8	<u>247,068</u>	(355,724)
<b>Income (loss) before income taxes</b>		<u>37,196,147</u>	(6,573,213)
Income tax expense (recovery)	17	3,209,844	(385,929)
<b>Net income (loss) and comprehensive income (loss) for the year</b>		<u>\$ 33,986,303</u>	<u>\$ (6,187,284)</u>
<b>Earnings (loss) per common share for the year</b>			
Basic	19(c)	\$ 0.25	\$ (0.04)
Diluted		<u>\$ 0.24</u>	<u>\$ (0.04)</u>
<b>Weighted average number of common shares outstanding</b>			
Basic	19(c)	138,341,561	137,550,617
Diluted	19(c)	141,197,504	137,550,617

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

**EARTHLABS INC.****Consolidated Statements of Changes in Equity  
Years Ended December 31, 2025 and 2024  
(Prepared in Canadian dollars)**

	<b>Notes</b>	<b>Number of shares</b>	<b>Share capital</b>	<b>Contributed surplus</b>	<b>Retained earnings (deficit)</b>	<b>Total equity</b>
<b>Balance at December 31, 2023</b>		137,388,527	\$ 46,426,591	\$ 5,797,766	\$ (8,562,724)	\$ 43,661,633
Net loss and comprehensive loss for the year		-	-	-	(6,187,284)	(6,187,284)
Shares issued pursuant to exercise of options	19(b)	166,666	58,167	(24,834)	-	33,333
Shares issued pursuant to acquisition of social media accounts	19(a)	243,902	50,000	-	-	50,000
Stock-based compensation expense	19(b)	-	-	267,453	-	267,453
<b>Balance at December 31, 2024</b>		137,799,095	\$ 46,534,758	\$ 6,040,385	\$ (14,750,008)	\$ 37,825,135
Net income and comprehensive income for the year		-	-	-	<b>33,986,303</b>	<b>33,986,303</b>
Shares issued pursuant to exercise of options	19(b)	<b>1,000,000</b>	<b>334,000</b>	<b>(154,000)</b>	-	<b>180,000</b>
Stock-based compensation expense	19(b)	-	-	<b>62,949</b>	-	<b>62,949</b>
<b>Balance at December 31, 2025</b>		<b>138,799,095</b>	<b>\$ 46,868,758</b>	<b>\$ 5,949,334</b>	<b>\$ 19,236,295</b>	<b>\$ 72,054,387</b>

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

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**EARTHLABS INC.****Consolidated Statements of Cash Flows**  
**Years Ended December 31, 2025 and 2024**  
**(Prepared in Canadian dollars)**

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	<u>Notes</u>	<u>2025</u>	<u>2024</u>
<b>Cash flows used in operating activities</b>			
Net income (loss) for the year		<b>\$ 33,986,303</b>	\$ (6,187,284)
Items not affecting cash			
Net investment gains	21	<b>(42,577,085)</b>	(160,441)
Gain on sale of property and equipment		<b>(774)</b>	-
Income (loss) from equity investment	8	<b>(247,068)</b>	355,724
Non-cash interest expense		<b>24,092</b>	35,565
Stock-based compensation expense	19(b)	<b>62,949</b>	267,453
Amortization and depreciation		<b>342,986</b>	520,602
Provision for expected credit losses		<b>31,414</b>	131,347
Finance expense		<b>120,020</b>	144,239
Deferred tax expense (recovery)		<b>3,207,821</b>	(204,690)
Acquisition of social media accounts		<b>-</b>	50,000
		<b>(5,049,342)</b>	(5,047,485)
Changes in non-cash working capital balances			
Proceeds on disposition of investments		<b>31,820,740</b>	12,057,151
Purchases of investments		<b>(30,123,335)</b>	(9,717,987)
Decrease (increase) in due from brokers		<b>(444,926)</b>	69,042
Decrease (increase) in accounts receivable, net of expected credit losses (ECL)		<b>182,619</b>	(530,585)
Decrease (increase) in sales tax recoverable		<b>(6,539)</b>	9,454
Decrease in income tax receivable		<b>268,362</b>	585,661
Increase in prepaids		<b>(341,539)</b>	(8,400)
Increase in accounts payable and accrued liabilities		<b>965,981</b>	410,926
Increase (decrease) in sales tax payable		<b>(36,433)</b>	156,607
Increase in deferred revenue		<b>3,036,431</b>	1,530,942
		<b>272,019</b>	(484,674)
<b>Cash flows used in financing activities</b>			
Proceeds pursuant to exercise of options	19(b)	<b>180,000</b>	33,333
Repayment of promissory note	9	<b>(776,250)</b>	(326,114)
Principal payments of lease liabilities, including deposit	16	<b>(236,413)</b>	(231,712)
		<b>(832,663)</b>	(524,493)
<b>Cash flows used in investing activities</b>			
Purchases of property and equipment		<b>(47,926)</b>	(96,016)
Proceeds on sale of property and equipment		<b>2,611</b>	-
		<b>(45,315)</b>	(96,016)
<b>Net decrease in cash and cash equivalents during the year</b>		<b>(605,959)</b>	(1,105,183)
<b>Cash and cash equivalents, beginning of year</b>		<b>4,122,474</b>	5,227,657
<b>Cash and cash equivalents, end of year</b>		<b>\$ 3,516,515</b>	\$ 4,122,474

Supplemental cash flow information

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

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# **EARTHLABS INC.**

## **Notes to the Consolidated Financial Statements**

**December 31, 2025 and 2024**

**(Prepared in Canadian dollars)**

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### **1. Nature of business:**

EarthLabs Inc. ("EarthLabs" or the "Company") was incorporated under the *Canada Business Corporations Act* on May 1, 2017. On February 21, 2019, the Company commenced trading on the TSX Venture Exchange ("TSXV") under the symbol "SPOT". The Company also trades on the OTCQX Best Market under the symbol "SPOFF" and on the Frankfurt Stock Exchange under the symbol "8EK0". The Company's head office is at 69 Yonge Street, Suite 200, Toronto, Ontario, M5E 1K3.

EarthLabs is a mining investment, technology and media company that aims to provide strategic leverage to the metals and mining sector through investments, royalties and a full suite of data-driven media SaaS tools and services.

These consolidated financial statements were approved for issuance by the Company's board of directors on April 27, 2026.

### **2. Basis of preparation:**

#### (a) Statement of compliance:

These consolidated financial statements have been prepared in accordance with IFRS<sup>®</sup> Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). In accordance with recent guidance issued by the IFRS Foundation's Advisory Panel on Standards Governance ("APSG"), the term "IFRS Accounting Standards" is used throughout these consolidated financial statements to refer collectively to all standards issued by the IASB, including those originally issued as International Accounting Standards ("IAS") and those issued as International Financial Reporting Standards ("IFRS"). Significant accounting estimates, judgments and assumptions used or exercised by management in the preparation of these consolidated financial statements are presented below.

#### (b) Basis of presentation:

These consolidated financial statements have been prepared using the historical cost convention except for certain financial instruments which have been measured at fair value. All monetary references expressed in these notes are references to Canadian dollar amounts ("\$").

#### (c) Basis of consolidation:

These consolidated financial statements include the financial statements of EarthLabs and its wholly-owned Canadian subsidiaries, CEO.CA Technologies Ltd. ("CEO.CA"), EarthLabs Media Inc. ("EMI") (formerly Resource Quantamental Corp.), DigiGeoData Inc. ("DigiGeoData"), and Chairman Ventures Inc. (formerly 14101634 Canada Inc.). On February 1, 2025, EarthLabs completed a vertical short form amalgamation with its wholly-owned subsidiary, DigiGeoData. The amalgamation did not have any significant effect on the business and operations of EarthLabs. See Note 5.

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## **EARTHLABS INC.**

### **Notes to the Consolidated Financial Statements**

**December 31, 2025 and 2024**

**(Prepared in Canadian dollars)**

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#### **2. Basis of preparation (continued):**

The operating results, cashflows and net assets of these subsidiaries have been consolidated in the Company's consolidated financial statements from the date of acquisition.

The Company controls an investee if the Company has:

- (i) power over the investee;
- (ii) exposure, or rights, to variable returns from its involvement with the investee; and
- (iii) the ability to use its power over the investee to affect its returns.

When the Company has less than a majority of the voting or similar rights of an investee, the Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including but not limited to:

- (i) the contractual arrangement with the other vote holders of the investee;
- (ii) rights arising from other contractual arrangements; and
- (iii) the Company's potential voting rights.

The Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in comprehensive income from the date that the Company gains control until the date that the Company ceases to control the subsidiary. The financial statements of the subsidiaries are prepared for the same reporting period as the Company's reporting period using consistent accounting policies. All inter-company account balances and transactions have been eliminated upon consolidation.

(d) **Equity investments:**

The Company holds an equity investment in an associate. An associate is an entity over which the Company has significant influence and is neither a controlled subsidiary nor a jointly controlled entity. The Company has significant influence when it has the power to participate in the financial and operating policy decisions of the associate but does not have control or joint control over those policies.

The Company accounts for equity investments using the equity method. Under the equity method, the Company's investment in an associate is initially recognized at cost and is subsequently increased or decreased to recognize the Company's share of earnings or losses of the associate, and for impairment losses after the initial recognition date.

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# **EARTHLABS INC.**

## **Notes to the Consolidated Financial Statements**

**December 31, 2025 and 2024**

**(Prepared in Canadian dollars)**

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### **2. Basis of preparation (continued):**

The Company's share of an associate's losses that are in excess of its investment in the associate are recognized only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate. The Company's share of earnings or losses of associates are recognized through net income or loss during the year. Cash distributions received from an associate are accounted for as a reduction in the carrying amount of the Company's investment in the associate.

At the end of each reporting period, the Company assesses whether there is any objective evidence that an investment in an associate is impaired. Objective evidence includes observable data indicating that there is a measurable decrease in the estimated future cash flows of the associate's operations. When there is objective evidence that an investment in an associate is impaired, the carrying amount of such investment is compared to its recoverable amount, being the greater of its fair value less costs of disposal and value in use (i.e., present value of its future cash flows). If the recoverable amount of an investment in an associate is less than its carrying amount, then an impairment loss is recognized in that period. When an impairment loss reverses in a subsequent period, the carrying amount of the investment in an associate is increased to the revised estimate of the recoverable amount to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had an impairment loss not been previously recognized. A reversal of an impairment loss is recognized through net income or loss in the period in which the reversal occurs.

As at December 31, 2025 and 2024, the Company holds a 27.5% interest in Golden Planet Mining Corp ("GPM"), has representation on its board and has one shared management member. Thus, the Company has significant influence over GPM. GPM has a December 31 year end, which is the same year end as the Company. See Note 8.

(e) Critical accounting judgments, estimates and assumptions:

The preparation of consolidated financial statements in conformity with IFRS Accounting Standards requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the year.

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. Uncertainty about these judgments, estimates and assumptions could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in future periods.

The information about significant areas of estimation uncertainty considered by the Company preparing these consolidated financial statements are as follows:

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# **EARTHLABS INC.**

## **Notes to the Consolidated Financial Statements**

**December 31, 2025 and 2024**

**(Prepared in Canadian dollars)**

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### **2. Basis of preparation (continued):**

- (i) Provision for expected credit losses ("ECLs"):

The Company performs impairment testing annually for accounts receivable in accordance with IFRS 9. The ECL model requires considerable judgement, including consideration of how changes in economic factors affect ECLs, which are determined on a probability-weighted basis. IFRS 9 outlines a three-stage approach to recognizing ECLs which is intended to reflect the increase in credit risks of a financial instrument based on 1) 12-month expected credit losses or 2) lifetime expected credit losses. The Company measures provision for ECLs at an amount equal to lifetime ECLs.

The Company applies the simplified approach to determine ECLs on trade receivables by using a provision matrix based on historical credit loss experiences. The historical results are used to calculate the run rates of default which are then applied over the expected life of the trade receivables, adjusted for forward looking estimates.

- (ii) Stock-based compensation expense:

The Company uses the Black-Scholes option pricing model to determine the fair value of options in order to calculate stock-based compensation expense. The Black-Scholes model involves six key inputs to determine fair value of an option: risk-free interest rate, exercise price, market price at the date of issue, expected dividend yield, expected life, and expected volatility. Certain of the inputs are estimates that involve considerable judgment and are or could be affected by significant factors that are out of the Company's control.

The Company is also required to estimate the future forfeiture rate of options based on historical information in its calculation of stock-based compensation expense. Refer to Note 19(b) for further details.

- (iii) Fair value of investments in securities not quoted in an active market:

Where the fair values of financial assets and financial liabilities recorded on the statements of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques. The inputs to these models are derived from observable market data where possible, but where observable market data are not available, judgment is required to establish fair values. Changes in estimates and assumptions about these inputs could affect the reported fair value. Refer to Note 7 for further details.

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# **EARTHLABS INC.**

## **Notes to the Consolidated Financial Statements**

**December 31, 2025 and 2024**

**(Prepared in Canadian dollars)**

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### **2. Basis of preparation (continued):**

(iv) Fair value of financial instruments:

The Company measures financial instruments, such as warrants, at fair value at each statement of financial position date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. Investments in warrants that are not traded on a recognized securities exchange do not have a readily available market value. When there are sufficient and reliable observable market inputs, an option pricing model is used. Changes in estimates and assumptions about these inputs could affect the reported fair value. Refer to Note 7 for further details.

The information about significant areas of judgment considered by management in preparing these consolidated financial statements are as follows:

(i) Significant influence:

Management uses judgement to determine significant influence over an investee. Management determines its ability to exercise significant influence over an investment in shares of other companies by looking at its percentage interest and other qualitative factors including but not limited to its voting rights, representation on the board of directors, participation in policy-making processes, material transactions between the Company and the associate, managerial personnel in common, provision of essential technical information and operating involvement. In general, significant influence is presumed to exist when the Company has between 20% to 50% of voting power in an investee.

(ii) Business combinations:

Judgment is used in determining whether an acquisition is a business combination or an asset acquisition.

In a business combination, all identifiable assets, liabilities, and contingent liabilities acquired are recorded at their fair values. One of the most significant estimates relates to the determination of the fair value of these assets and liabilities. For any intangible asset identified, depending on the type of intangible asset and the complexity of determining its fair value, an independent valuation expert or management may determine the fair value, using appropriate valuation techniques, which are generally based on a forecast of the total expected future net cash flows. The evaluations are linked closely to the assumptions made by management regarding the future performance of the assets concerned and any changes in the discount rate applied.

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# **EARTHLABS INC.**

## **Notes to the Consolidated Financial Statements**

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**(Prepared in Canadian dollars)**

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### **2. Basis of preparation (continued):**

(iii) Deferred tax assets:

Deferred tax assets are recognized in respect of tax losses and other temporary differences to the extent it is probable that taxable income will be available against which the losses can be utilized. Judgment is required to determine the amount of deferred tax assets that can be recognized based upon the likely timing and level of future taxable income together with future tax planning strategies. Refer to Note 17 for further details.

(iv) Assessment of Cash Generating Units:

For impairment assessment and testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash generating units ("CGU"). The Company applies judgement in assessing the smallest group of assets that comprise a single CGU.

(v) Useful lives of property and equipment and intangible assets:

Management determines the useful lives of property and equipment and intangible assets annually and accounts for any changes in estimates prospectively. The Company applies judgement in determining the useful lives of the Company's technology, customer relationships, trade name, and non-compete agreements, with less than an indefinite life. In addition, the Company, applies judgement in determining the useful lives of the right-of-use assets for purposes of assessing the shorter of the useful life or lease term.

(vi) Assessment of indicators of impairment:

At the end of each reporting period, the Company assesses whether there are any indicators, from external and internal sources of information, that an asset or CGU may be impaired, thereby requiring adjustment to the carrying value. The determination of these factors are estimates which require management to exercise judgment in assessing the future use of an asset, its physical condition, technical innovations which may impact their use, changes in market conditions, or the economic and legal environments among other factors. These judgments will affect the reported amounts of depreciation expense, impairment expense, and the reported values of the assets.

(vii) Goodwill impairment:

Goodwill impairment testing requires management to estimate the recoverable amount of the CGU to which goodwill has been allocated. On an annual basis, the Company tests whether goodwill is impaired, based on an estimate of its recoverable amount.

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# **EARTHLABS INC.**

## **Notes to the Consolidated Financial Statements**

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### **2. Basis of preparation (continued):**

Following the assessment of the recoverable amount of goodwill allocated to the CGUs which management considers to be the most sensitive to the achievement of the 2026 budget. Budgets that are prepared by management, comprise forecasts of revenue, staff costs and overheads based on current and anticipated market conditions that have been considered. Whilst management is able to manage most of the costs, the revenue projections are inherently uncertain due to the short-term nature of the business and unstable market conditions.

Revenue of the CGUs remains most sensitive to changes in sector demand for advertising and subscriptions. Over the past 12 months, the advertising market has strengthened, supported by improved conditions in junior capital markets, particularly within the mining exploration sector. However, this improvement has been uneven and remains closely tied to capital market activity. If current trends weaken or financing conditions deteriorate, there is a risk of reduced demand for advertising and subscription services in 2026. The sensitivity analysis in respect of the recoverable amount of the CGUs is presented in Note 14.

#### **(viii) Legal matters:**

Due to the nature of the Company's operations, various legal matters can arise from time to time. The Company believes that none of the litigation in which it is currently involved, or has been involved in individually or in the aggregate, is material to the Company's consolidated financial condition or results of operations. In the event that management's estimate of the future resolution of these matters changes, the Company will recognize the effects of the changes in its consolidated financial statements for the period in which such changes occur.

### **3. Material Accounting Policy Information:**

The material accounting policies used in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to the periods presented.

#### **(a) Business combination:**

The Company accounts for business combinations using the acquisition method when it has obtained control. The Company measures goodwill as the fair value of the consideration transferred including the recognized amount of any non-controlling interest, less the net recognized amount (fair value) of the identifiable assets acquired and liabilities assumed, all measured as at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Company incurs in connection with a business combination are expensed as incurred.

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# **EARTHLABS INC.**

## **Notes to the Consolidated Financial Statements**

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### **3. Material Accounting Policy Information (continued):**

When the initial accounting for a business combination has not been finalized by the end of the reporting period in which the transaction occurs, the Company reports provisional amounts. Provisional amounts are adjusted during the measurement period, which does not exceed one year from the acquisition date. These adjustments, or recognition of additional assets or liabilities, reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date.

(b) Foreign currency:

(i) Functional currency:

These consolidated financial statements are presented in Canadian dollars which is the functional currency. EarthLabs and its subsidiaries' functional currency is the Canadian dollar.

(ii) Transactions and balances:

Transactions in foreign currencies are initially recorded in the functional currency at the rate in effect at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange in effect at the reporting date.

All exchange differences are recorded in the consolidated statements of income (loss) and comprehensive income (loss) for the year.

(c) Financial instruments:

(i) Classification:

All financial assets not classified at amortized cost or FVOCI are measured at FVTPL. On initial recognition, the Company can irrevocably designate a financial asset at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated at FVTPL:

- It is held within a business model whose objective is to hold the financial asset to collect the contractual cash flows associated with the financial asset instead of selling the financial asset for a profit or loss;
- Its contractual terms give rise to cash flows that are solely payments of principal and interest.

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**EARTHLABS INC.****Notes to the Consolidated Financial Statements****December 31, 2025 and 2024****(Prepared in Canadian dollars)**

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**3. Material Accounting Policy Information (continued):**

All financial instruments are initially recognized at fair value on the statements of financial position. Subsequent measurement of financial instruments is based on their classification. Financial assets and liabilities classified at FVTPL are measured at fair value with changes in those fair values recognized in the statement of income (loss) and comprehensive income (loss) for the year. Financial assets classified at amortized cost and financial liabilities are measured at amortized cost using the effective interest method.

The following table summarizes the classification and measurement under IFRS 9 for each financial instrument:

<b>Classification/Measurement</b>	<b>IFRS 9</b>
Cash and cash equivalents	FVTPL
Due from brokers	Amortized cost
Accounts receivable, net of expected credit losses	Amortized cost
Investments, at fair value	FVTPL
Accounts payable and accrued liabilities	Amortized cost
Promissory note	Amortized cost

(ii) Recognition, de-recognition and measurement:

Purchases and sales of investments are recognized on the settlement date.

Investments at fair value through profit or loss are initially recognized at fair value where reliable basis for determination exists. Transaction costs are expensed as incurred in the statements of income (loss) and comprehensive income (loss).

Investments are derecognized when the rights to receive cash flows from the investments have expired or the Company has transferred the financial asset and the transfer qualifies for derecognition in accordance with IFRS 9, *Financial Instruments* ("IFRS 9") (2018).

Subsequent to initial recognition, all investments are measured at fair value. Gains and losses arising from changes in the fair value of the investments at fair value through profit or loss category are presented in the consolidated statements of income (loss) and comprehensive income (loss) within net change in unrealized gains or losses on investments in the period in which they arise.

All financial assets (liabilities) that are designated as fair value through profit or loss are recognized initially at fair value plus, in the case of financial assets (liabilities) classified as subsequently measured at amortized cost, directly attributable transaction costs.

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# **EARTHLABS INC.**

## **Notes to the Consolidated Financial Statements**

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### **3. Material Accounting Policy Information (continued):**

Financial assets (liabilities) at amortized cost are measured at initial cost plus interest calculated using the effective interest rate method less cumulative repayments and cumulative impairment losses. The effective interest method is a method of calculating the amortized cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period.

A financial asset is derecognized when the rights to receive cash flows from the asset have expired or the Company has transferred substantially all the risks and rewards of the asset. The Company assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. For amounts deemed to be impaired, the impairment provision is based upon the expected loss.

(iii) Reclassification:

The Company would only reclassify a financial asset when the Company changes its business model for managing the financial asset. Reclassifications are recorded at fair value at the date of reclassification, which becomes the new carrying value.

(iv) Determination of fair value:

The determination of fair value requires judgment and is based on market information, where available and appropriate. At the end of each financial reporting period, the Company's management estimates the fair value of investments based on the criteria below and reflects such valuations in the consolidated financial statements.

The Company is also required to disclose details of its investments (and other financial assets and liabilities reported at fair value) within three hierarchy levels (Level 1, 2, or 3) based on the transparency of inputs used in measuring the fair value, and to provide additional disclosure in connection therewith.

1. Publicly-traded investments:

- a. Securities, including shares, options, and warrants that are traded in an active market (such as on a recognized securities exchange) and for which no sales restrictions apply are presented at fair value based on quoted closing trade prices at the statements of financial position date or the closing trade price on the last day the security traded if there were no trades at the statements of financial position date. These investments are included in Level 1.

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# **EARTHLABS INC.**

## **Notes to the Consolidated Financial Statements**

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### **3. Material Accounting Policy Information (continued):**

- b. Securities that are traded on a recognized securities exchange, but which are escrowed or otherwise restricted as to sale or transfer are recorded at amounts discounted from market value to a maximum of 25%, using Finnerty's put option model. In determining the discount for such investments, the Company considers the nature and length of the restriction. These investments are included in Level 2.
- c. For options and warrants that are not traded on a recognized securities exchange, no market value is readily available. When there are sufficient and reliable observable market inputs, the Black-Scholes option pricing model is used to calculate fair value. For warrants with acceleration clauses, the Company uses the Barrier option pricing model to calculate fair value. These investments are included in Level 2.

#### **2. Private company investments:**

All privately-held investments (other than options and warrants) are initially recorded at the transaction price, being the fair value at the time of acquisition. Thereafter, at each reporting period, the fair value of an investment may, depending upon the circumstances, be adjusted using one or more of the valuation indicators. These investments would be included in Level 3 in Note 7.

The determinations of fair value of the Company's privately-held investments at other than initial cost are subject to certain limitations. Financial information for private companies in which the Company has investments may not be available and, even if available, that information may be limited and/or unreliable. Use of the valuation approach described below may involve uncertainties and determinations based on the Company's judgment and any value estimated from these techniques may not be realized or realizable.

Company-specific information is considered when determining whether the fair value of a privately-held investment should be adjusted upward or downward at the end of each reporting period. In addition to company-specific information, the Company will take into account trends in general market conditions and the share performance of comparable publicly-traded companies when valuing privately-held investments.

The absence of the occurrence of any of these events, any significant change in trends in general market conditions, or any significant change in share performance of comparable publicly-traded companies indicates generally that the fair value of the investment has not materially changed.

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# **EARTHLABS INC.**

## **Notes to the Consolidated Financial Statements**

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### **3. Material Accounting Policy Information (continued):**

The fair value of a privately-held investment may be adjusted if:

- a. there has been a significant subsequent equity financing provided by outside investors at a valuation different than the current value of the investee company, in which case the fair value of the investment is set to the value at which that financing took place;
- b. there have been significant corporate, political or operating events affecting the investee company that, in management's opinion, have a material impact on the investee company's prospects and therefore its fair value. In these circumstances, the adjustment to the fair value of the investment will be based on management's judgment and any value estimated may not be realized or realizable;
- c. the investee company is placed into receivership or bankruptcy;
- d. based on financial information received from the investee company, it is apparent to the Company that the investee company is unlikely to be able to continue as a going concern;
- e. receipt/denial by the investee company of environmental, mining, aboriginal or similar approvals, which allow the investee company to proceed/prohibit with its project(s);
- f. filing by the investee company of a National Instrument 43-101 technical report in respect of a previously non-compliant resource;
- g. release by the investee company of positive/negative exploration results; and
- h. important positive/negative management changes by the investee company that the Company's management believes will have a very positive/negative impact on the investee company's ability to achieve its objectives and build value for shareholders.

Adjustments to the fair value of a privately-held investment will be based upon management's judgment and any value estimated may not be realized or realizable. The resulting values for non-publicly traded investments may differ from values that would be realized if a ready market existed.

In addition, the amounts at which the Company's privately-held investments could be disposed of currently may differ from the carrying value assigned.

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# **EARTHLABS INC.**

## **Notes to the Consolidated Financial Statements**

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### **3. Material Accounting Policy Information (continued):**

(v) Offsetting of financial instruments:

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

(c) Non-monetary transactions:

Transactions in which shares or other non-cash consideration are exchanged for assets or services are valued at the fair value of the assets or services involved.

(d) Revenue recognition:

The Company's revenue is primarily comprised of (i) investing activities, (ii) sales of advertising, (iii) sales of subscriptions, and (iv) other sales.

Revenue is recognized at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer. The Company follows the five-step model in IFRS to recognize revenues:

- 1) Identify the contract with customers;
- 2) Identify the performance obligation(s) in the contract;
- 3) Determine the transaction price;
- 4) Allocate the transaction price to performance obligation(s) in the contract; and
- 5) Recognize revenue when the Company satisfies a performance obligation.

In contracts where the Company has more than one performance obligation to provide its customer with goods or services, each performance obligation is evaluated to determine whether it is distinct based on whether:

- 1) The customer can benefit from the good or service either on its own or together with other resources that are readily available, and
- 2) The good or service is separately identifiable from other promises in the contract.

The consideration under the contract is allocated between the distinct performance obligations based on their respective relative standalone selling prices. The estimated standalone selling price of each deliverable reflects the Company's best estimate of what the selling price would be if the deliverable was regularly sold on a standalone basis and is determined by reference to market rates for the good or service when sold by others or by using an adjusted market assessment approach if the selling price on a standalone basis is not available.

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# **EARTHLABS INC.**

## **Notes to the Consolidated Financial Statements**

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### **3. Material Accounting Policy Information (continued):**

The Company then recognizes revenues in the amount of the transaction price that is allocated to the respective performance obligation when or as each performance obligation is satisfied. Judgement is involved in determining the allocation of the transaction price between each distinct performance obligation.

(i) Investing activities:

Purchases and sales of investments are recognized on the settlement date. Realized gains and losses on disposal of investments and unrealized gains and losses in the value of investments are reflected in the statement of income (loss) and comprehensive income (loss). Upon disposal of an investment, 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 associated with the acquisition and disposition of investments are expensed to the consolidated statements of income (loss) and comprehensive income (loss) as incurred.

(ii) Sales of advertising and sponsorships:

Advertising and sponsorship revenues are primarily earned through CEO.CA and EMI from the sale of executive advertising packages. CEO.CA enters into executive advertising contracts with corporate customers to provide online advertising services. Under such contracts, customers will receive a stated number of impressions over a fixed period for a fixed price. The Company tracks the number of impressions provided during any given month using internally developed algorithms. The Company measures progress towards completion of its performance obligation based on the number of impressions delivered on the Company's online platform.

EMI advertising revenue includes both digital and non-digital advertisements. The Company contracts with customers to publish advertisements in print or online which generally include one performance obligation. The Company has concluded that revenue from advertising should be recognized at the point in time when the advertisement is published. Revenue from these contracts is recognized based on the price specified in the contracts and the payment is due immediately when the advertisement is published. In addition, EMI has online advertising for a fixed period and revenue is recognized over the fixed time.

For sponsorships, advertisements and naming rights are displayed or presented during the contractual period through the duration of the sponsorship campaign and revenue is recognized over time during the contractual period. Invoices are payable during each sponsorship campaign in accordance with contractual payment terms.

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# **EARTHLABS INC.**

## **Notes to the Consolidated Financial Statements**

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### **3. Material Accounting Policy Information (continued):**

(iii) Sales of subscriptions:

Subscription revenues are generated through CEO.CA, EMI and DigiGeoData. The Company earns subscription revenue through CEO.CA from its online financial information-sharing platform rateably over the contract term as the subscription service is delivered. Users of the online platform pay a one-time verification fee of \$15 if they do not purchase a subscription plan. The same user can subscribe for a monthly plan for real-time market data for public companies in the mining and other industries. The contract term begins when the service is made available to the customer.

EMI's subscription revenue includes both digital and non-digital subscriptions. EMI contracts with customers to provide ongoing monthly or annual services or products. The contracts are generally not more than a year. The Company has concluded that the performance obligation for subscription revenue is recognized over the time of the subscription based on the price specified in the contracts. Payment is due at the beginning of the subscription period based on the fixed contract price. Subscription revenue for which consideration has been received in advance and is attributable to future access is deferred until such products or services are delivered.

The Company also earns subscription revenues through DigiGeoData, from its online digital map database, DigiGeoAtlas, which is recognized rateably over the contract term as the subscription service is delivered. The contract term begins when the subscription service is made available to the customer.

(iv) Other sales:

Other sales include events, products, digital products and services.

EMI, through The Northern Miner Group holds various events throughout the year. There is one performance obligation which is satisfied when the event is held. Payment is due when customers enter into the contract to attend the event. Revenue from these contracts is recognized based on the price specified in the contract when the event is held. Event revenue for which consideration has been received in advance is deferred until the event has taken place.

The Company contracts with customers to provide products, digital products and services, which include one performance obligation. The performance obligation is satisfied when the product is delivered or when the service is performed. Revenue from these contracts is thus recognized at a point in time based on the price specified in the contracts. Payments for these contracts are due immediately when performance obligations are satisfied.

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# **EARTHLABS INC.**

## **Notes to the Consolidated Financial Statements**

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### **3. Material Accounting Policy Information (continued):**

(e) Income taxes:

(i) Current income tax:

Current income tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the end of the reporting period.

Current tax assets and current tax liabilities are only offset if a legally enforceable right exists to set off the amounts and the intention is to settle on a net basis, or to realize the asset and settle the liability simultaneously. Current income tax relating to items recognized directly in equity is recognized in equity and not through profit or loss.

(ii) Deferred tax:

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that profit will be available against which the deductible temporary difference and the carry forward of unused tax credits and unused tax losses can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the statement of financial position date. Deferred tax relating to items recognized directly in equity is also recognized in equity and not in the consolidated statements of income (loss) and comprehensive income (loss).

The carrying amount of deferred tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient profit will be available to allow all or part of the deferred tax asset to be utilized.

Unrecognized deferred tax assets are reassessed at each statement of financial position date and are recognized to the extent that it has become probable that future profit will allow the deferred tax asset to be recovered. The Company does not record deferred tax assets to the extent that it considers deductible temporary differences, the carry-forward of unused tax credits and unused tax losses cannot be utilized.

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**EARTHLABS INC.****Notes to the Consolidated Financial Statements****December 31, 2025 and 2024****(Prepared in Canadian dollars)**

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**3. Material Accounting Policy Information (continued):**

## (f) Earnings (loss) per common share:

Basic earnings (loss) per common share is determined by dividing net income (loss) attributable to common shareholders by the weighted average number of common shares outstanding during the year.

Diluted earnings (loss) per common share is calculated in accordance with the treasury stock method and based on the weighted average number of common shares and dilutive common share equivalents outstanding. Instruments which would be anti-dilutive are not included in the calculation of the diluted earnings (loss) per common share.

## (g) Segment reporting:

Operating segments are reported in a manner consistent with the internal reporting used by management. The management of the Company is responsible for the Company's sales and considers the business to have one operating segment: Financial Technology Division which includes the Company's financial and media technology (CEO.CA and EarthLabs Media) and investment portfolio.

## (h) Cash and cash equivalents:

Cash and cash equivalents consist of cash on hand and short-term investments with maturities of three months or less at the date of acquisition. Cash and cash equivalents include accrued interest on short-term investments.

## (i) Property and equipment:

Property and equipment are recorded at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is provided at rates designed to depreciate the cost of the assets over their estimated useful lives as follows:

	<b>Rate</b>	<b>Basis</b>
Furniture and fixtures	20%	Declining balance
Computer equipment	30%-55%	Declining balance
Leasehold improvements	7 years	Straight-line over term of lease
Right-of-use assets	3-7 years	Straight-line over term of lease

Upon sale or abandonment of any equipment, the cost and related accumulated depreciation and impairment losses are written off and any gains or losses thereon are recognized in consolidated statements of income (loss) and comprehensive income (loss) for the year. When the parts of an item of equipment have different useful lives, they are accounted for as separate items (major components) of equipment.

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# **EARTHLABS INC.**

## **Notes to the Consolidated Financial Statements**

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### **3. Material Accounting Policy Information (continued):**

The cost of replacing or overhauling a component of an item of equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced component is derecognized. Maintenance and repairs of a routine nature are charged to statement of income (loss) or comprehensive income (loss) as incurred.

(j) Royalty interests:

Royalty interests consist of acquired net smelter royalty interests ("NSR") in producing, development and exploration and evaluation stage properties. Currently, the Company's only NSRs are with exploration and evaluation stage companies which have properties that are not yet in the development, permitting or feasibility stage; or that are speculative in nature and are expected to require several years to generate revenue, if ever; or that are currently not active.

(k) Impairment of financial assets:

The Company recognizes a loss allowance for the expected credit losses associated with its financial assets, other than financial assets measured at fair value through profit or loss. Expected credit losses are measured to reflect a probability-weighted amount, the time value of money, and reasonable and supportable information regarding past events, current conditions and forecasts of future economic conditions. The Company applies the simplified approach for trade receivables. Using the simplified approach, the Company records a loss allowance equal to the expected credit losses resulting from all possible default events over the assets' contractual lifetime.

The Company assesses whether a financial asset is credit-impaired at the reporting date. Regular indicators that a financial instrument is credit-impaired include significant financial difficulties as evidenced through borrowing patterns or observed balances in other accounts and breaches of borrowing contracts such as default events or breaches of borrowing covenants. For financial assets assessed as credit-impaired at the reporting date, the Company continues to recognize a loss allowance equal to lifetime expected credit losses.

For financial assets measured at amortized cost, loss allowances for expected credit losses are presented in the statements of financial position as a deduction from the gross carrying amount of the financial asset.

Financial assets are written off when the Company has no reasonable expectations of recovering all or any portion thereof.

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# **EARTHLABS INC.**

## **Notes to the Consolidated Financial Statements**

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### **3. Material Accounting Policy Information (continued):**

(l) Impairment of long-lived assets:

The carrying values of long-lived assets are assessed for impairment when indicators of such impairment exist, or when annual impairment testing for an asset is required. Long-lived assets are comprised of intangible assets, right-of-use assets and property and equipment.

If any indication of impairment exists, an estimate of the asset's recoverable amount is calculated. The recoverable amount is determined as the higher of the fair value less costs of disposal for the asset and the asset's value in use.

If the carrying amount of the asset exceeds its recoverable amount, the asset is deemed impaired and an impairment loss is charged to the consolidated statements of income (loss) and comprehensive income (loss). A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceeds the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. No such reversal was recognized in the consolidated statements of income (loss) and comprehensive income (loss).

(m) Intangible assets:

Intangible assets are stated at cost less accumulated amortization and impairment losses. Cost includes the purchase price, any costs directly attributable to bringing the intangible asset to the condition necessary for it to be capable of operating in the manner intended by management and, where applicable, borrowing costs.

The Company incurs costs associated with the design and development of its artificial intelligence investment decision platform. Expenditures on research activities are recognized in the consolidated statements of income (loss) and comprehensive income (loss) as incurred. Expenditures during the development phase are capitalized if the Company can demonstrate each of the following criteria: (i) the technical feasibility of completing the intangible asset so that it will be available for use or sale; (ii) its intention to complete the intangible asset and use or sell it; (iii) its ability to use or sell the intangible asset; (iv) how the intangible asset will generate probable future economic benefits; (v) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and (vi) its ability to measure reliably the expenditure attributable to the intangible asset during its development. Otherwise, they are recognized in the consolidated statements of income (loss) and comprehensive income (loss) as incurred. See Note 13.

Upon sale of any intangible asset, the cost and related accumulated depreciation and impairment losses are written off and any gains or losses thereon are recognized in the consolidated statement of income (loss) or comprehensive income (loss) for the year.

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**EARTHLABS INC.****Notes to the Consolidated Financial Statements****December 31, 2025 and 2024****(Prepared in Canadian dollars)**

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**3. Material Accounting Policy Information (continued):**

Intangible assets acquired separately are measured on initial recognition at fair value, when they have the following attributes: are identifiable, controlled by the Company, and from which future benefits are expected. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Subsequent expenditures are capitalized only when they increase the future economic benefits embodied in the specific asset to which they relate. All other expenditures are recognized in consolidated statements of income (loss) and comprehensive income (loss) as incurred. Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there are indications that the intangible asset may be impaired. The Company has indefinite life intangible assets.

Intangible assets which are not yet available for use or are of an indefinite life are tested annually for impairment regardless of whether impairment indicators exist.

The amortization method and amortization period of an intangible asset with a finite life is reviewed at least annually. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. Amortization is recognized in the statement of income (loss) and comprehensive income (loss) on a straight-line basis over the estimated useful lives of intangible assets from the date the asset is available for use.

A summary of useful lives is as follows:

	<b>Rate</b>	<b>Basis</b>
Customer relationships	1.25 - 15 years	Straight-line
Trade name/Brand	Indefinite	Straight-line
Technology	5 years	Straight-line

(n) Leases:

The lease liability is initially recognized as the present value of future lease payments discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's applicable incremental borrowing rate. The incremental borrowing rate is the rate which the Company would have to pay to borrow, over a similar term and with a similar security, the funds necessary to obtain an asset of similar value to the right-of-use asset. The Company has included the estimated extension of their leases in the lease term in assessing the present value of future lease payments where the exercise of the extension options is reasonably certain. The lease liability is subsequently measured by reducing the carrying amount to reflect lease payments made and to reflect any reassessments or modifications.

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# **EARTHLABS INC.**

## **Notes to the Consolidated Financial Statements**

**December 31, 2025 and 2024**

**(Prepared in Canadian dollars)**

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### **3. Material Accounting Policy Information (continued):**

The right-of-use asset is initially measured at cost, which comprises the amount of the initial measurement of the lease liability and any lease payments made at or before the commencement date. The right-of-use asset is subsequently measured at cost less accumulated depreciation and any accumulated impairment losses and adjusted for any remeasurement of the lease liability. Right-of use assets are depreciated in accordance with the Company's accounting policy for plant and equipment.

(o) Non-current assets held for sale and discontinued operations:

The Company classifies non-current assets and disposal group as assets held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal group classified as assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Property and plant are not depreciated or amortized once classified as held for sale. Assets and liabilities classified as held for sale are presented separately as current items in the consolidated statements of financial position.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations;
- Is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or
- Is a subsidiary acquired exclusively with a view to resale.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as net loss from discontinued operations for the year in the consolidated statements of income (loss) and comprehensive income (loss). All other notes to the consolidated financial statements include amounts for continuing operations, unless indicated otherwise.

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## **EARTHLABS INC.**

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#### **4. Current and future changes in accounting policies:**

The following amendments to standards and interpretations became effective for the annual periods beginning on or after January 1, 2025. The application of these amendments and interpretations had no significant impact on the Company's consolidated financial position or results of operations. The Company adopted or intends to adopt these standards, if applicable, when the standards become effective:

- (a) Effective January 1, 2025, the Company adopted the amendments to IAS 21, *The Effects of Changes in Foreign Exchange Rates*. The amendment specifies when a currency is exchangeable into another currency and when it is not, how a company determines the exchange rate to apply when a currency is not exchangeable, and the required disclosure of additional information when a currency is not exchangeable. The adoption of this amendment did not have any impact on the Company's consolidated financial statements.
- (b) In April 2024, the IASB announced IFRS 18, *Presentation and Disclosure in Financial Statements* which supersedes IAS 1, *Presentation of Financial Statements*. It is mandatorily effective for annual reporting periods beginning on or after January 1, 2027 with early application permitted. IFRS 18 sets out presentation and disclosure requirements for financial statements. The changes, which mostly affect the statement of income or loss, include the requirement to classify income and expenses into three new categories – operating, investing and financing – and present subtotals for operating profit or loss and profit or loss before financing and income taxes. Further, operating expenses are presented directly on the face of the income statement – classified either by nature, by function, or using a mixed presentation. Expenses presented by function require more detailed disclosures about their nature.

IFRS 18 also provides enhanced guidance for aggregation and disaggregation of information in the financial statements, introduces new disclosure requirements for management-defined performance measures and eliminates classification options for interest and dividends in the statement of cash flows. The Company is assessing the impact of IFRS 18 on the consolidated financial statements.

- (c) In May 2024, the IASB issued amendments to IFRS 9, *Financial Instruments* and IFRS 7, *Financial Instruments: Disclosures*. The amendments are effective for annual periods beginning on or after January 1, 2026. The Company is assessing the impact of IFRS 9 on the consolidated financial statements but does not expect there to be any material impact of these amendments on the consolidated financial statements.

There are no other standards or amendments issued but not yet effective that are expected to have a significant impact on the Company's consolidated financial statements upon adoption. There are currently no other pronouncements that are expected to have a significant impact on the Company's audited consolidated financial statements upon adoption.

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### 5. Amalgamation with DigiGeoData Inc:

On February 1, 2025, EarthLabs completed a vertical short-form amalgamation with its wholly-owned subsidiary, DigiGeoData Inc., under the provisions of the *Canada Business Corporations Act*. As a result of the amalgamation, the subsidiary was legally dissolved, and its assets, liabilities, and operations were assumed by EarthLabs. The amalgamation of the EarthLabs and DigiGeoData was undertaken in order to simplify the corporate structure of the Company and to reduce administrative costs.

The transaction is considered to be under common control and does not meet the definition of a business combination under IFRS 3, *Business Combinations*. In accordance with the Company's accounting policy for transactions under common control, the assets and liabilities of the amalgamated subsidiary were carried forward at their existing book values. As DigiGeoData was wholly-owned and fully consolidated prior to the amalgamation, the transaction had no impact on the Company's consolidated financial position or results. Accordingly, no gain or loss was recognized in the interim consolidated financial statements as a result of the amalgamation. The amalgamation was an internal corporate restructuring with no impact on the Company's operations or cash flows.

### 6. Accounts receivable, net of expected credit losses:

As at December 31, 2025 and 2024, accounts receivable primarily consists of receivables relating to advertising services, subscriptions and sales of digital maps. See Note 26(a).

Accounts receivable, net of expected credit losses consist of the following as at December 31:

	2025	2024
Accounts receivable	\$ 447,352	\$ 803,734
Expected credit loss provision	(141,894)	(284,243)
	\$ 305,458	\$ 519,491

### 7. Investments, at fair value and financial instruments hierarchy:

(a) The fair value and cost of investments, at fair value are as follows as at December 31:

	Fair Value	Cost
2025	\$ 73,792,108	\$ 38,486,130
2024	\$ 32,912,428	\$ 30,528,207

(b) As at December 31, 2025, included in investments, at fair value were securities of private companies with a fair value totaling \$12,784,841 and cost of \$9,453,805 (2024 – fair value of \$7,787,963 and cost of \$6,132,684) measured in accordance with the Company's accounting policy for private company investments.

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**EARTHLABS INC.****Notes to the Consolidated Financial Statements****December 31, 2025 and 2024****(Prepared in Canadian dollars)**

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**7. Investments at fair value and financial instruments hierarchy (continued):**

## (c) Financial instruments hierarchy:

The fair value measurements use a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The level in the hierarchy within which the fair value measurement is categorized is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. The fair value hierarchy has the following levels:

- (i) Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- (ii) 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 2).
- (iii) Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

For financial instruments that are recognized at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. Investments which are in Level 3 and become public issuers during the year are transferred to Level 1 or 2.

The following table presents the Company's investments, measured at fair value and categorized into levels of the fair value hierarchy on the consolidated statements of financial position as at December 31:

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	
	<b>Quoted market</b>	<b>Valuation</b>	<b>Valuation technique</b>	
<b>Investments, at fair value</b>	<b>price</b>	<b>technique –</b>	<b>– non-observable</b>	<b>Total</b>
		<b>observable market</b>	<b>market inputs</b>	
<b>2025</b>	<b>\$ 40,899,600</b>	<b>\$ 20,107,667</b>	<b>\$ 12,784,841</b>	<b>\$ 73,792,108</b>
2024	\$ 20,507,431	\$ 4,617,034	\$ 7,787,963	\$ 32,912,428

Level 2 includes warrants of public issuers and common stock of public issuers, whose resale is currently restricted. These securities typically have a 120-day hold period and are valued by applying a discount against the price of the unrestricted public stock price. Once the restriction has elapsed, these securities will become Level 1 securities.

# EARTHLABS INC.

## Notes to the Consolidated Financial Statements

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### 7. Investments at fair value and financial instruments hierarchy (continued):

The following table presents the changes in fair value measurements of financial instruments classified as Level 3 for the years ended December 31, 2025 and 2024. These financial instruments are measured at fair value utilizing non-observable market inputs based on specific company information and general market conditions. The net change in unrealized losses are recognized in the consolidated statements of income (loss) and comprehensive income (loss).

	Opening balance at January 1,	Purchases	Proceeds from Dispositions	Transfer to Level 1 or 2	Net investment gains	Ending balance
2025	\$ 7,787,963	\$5,294,093	\$ (1,778,112)	\$ (2,650,048)	\$ 4,130,945	\$ 12,784,841
2024	\$ 9,028,586	\$ 1,370,590	\$ (56,298)	\$ (3,970,912)	\$ 1,415,997	\$ 7,787,963

Investments which are in Level 3 and become public issuers during the year are transferred to Level 1 or 2. These represents the only type of transfer between Levels during the year.

Significant unobservable inputs used in the fair value measurement of Level 3 investments were:

	Fair value at December 31, 2025	Valuation technique	Unobservable input	% of Investments	Sensitivity to changes in significant unobservable inputs (%)
Unlisted private equities	\$ 3,903,061	New investment	Recent acquisition price	5.3	Recent transaction price
Unlisted private equities	8,657,768	Recent transaction and capital market calibration	Recent transaction and market trends calibration	11.7	Recent transaction price – market trends
Unlisted warrants	224,012	Black Scholes valuation model	Market prices, volatility, discount rate	0.3	114.4% - 127.8% volatility
	\$ 12,784,841			17.3	

	Fair value at December 31, 2024	Valuation technique	Unobservable input	% of Investments	Sensitivity to changes in significant unobservable inputs (%)
Unlisted private equities	\$ 749,800	New investment	Recent acquisition price	2.3	Recent transaction price
Unlisted private equities	7,038,163	Recent transaction calibration	Recent transaction calibration	21.4	Recent transaction price – market trends
	\$ 7,787,963			23.7	

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# **EARTHLABS INC.**

## **Notes to the Consolidated Financial Statements**

**December 31, 2025 and 2024**

**(Prepared in Canadian dollars)**

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### **7. Investments at fair value and financial instruments hierarchy (continued):**

For investments valued based on trends in comparable publicly traded companies, general market conditions and specific company information, the inputs used can be highly judgmental. A +/- 25% change on the fair value of the investments will result in a corresponding +/- \$3,196,210 (2024 - \$1,946,991) change in the total fair value of the investments.

While this illustrates the overall effect of changing the values of the unobservable inputs by a set percentage, the significance of the impact and the range of reasonably possible alternative assumptions may differ significantly between investments, given their different terms and circumstances. The sensitivity analysis is intended to reflect the uncertainty inherent in the valuation of these investments under current market conditions, and its results cannot be extrapolated due to non-linear effects that changes in valuation assumptions may have on the fair value of this investment. Furthermore, the analysis does not indicate a probability of such changes occurring and it does not necessarily represent the Company's view of expected future changes in the fair value of this investment. Any management actions that may be taken to mitigate the inherent risks are not reflected in this analysis.

### **8. Equity investment:**

On December 31, 2025 and 2024, the Company owned 18,047,186 common shares (27.5% on a non-diluted basis) of Golden Planet Mining Corp. ("GPM"), has representation on its board and has one shared management member. Thus, the Company has significant influence over GPM and equity accounts its investment in GPM. Golden Planet Mining Corp has a December 31 year-end, which is the same year-end as the Company. See Note 18(b).

As at December 31, 2025 and 2024, the Company determined that there were no indicators of impairment on the equity investment in GPM.

The following is a summary of the financial information of GPM (100%) for the year ended and as at December 31:

	<b>2025</b>	<b>2024</b>
Cash and cash equivalents	\$ <b>2,274,861</b>	\$ 6,360,163
Investments, at fair value	<b>4,847,425</b>	-
Other current assets	<b>162,775</b>	7,874
Non-current assets	<b>146,775</b>	146,775
Current liabilities	<b>(25,176)</b>	(5,919)
Net assets	\$ <b>7,406,660</b>	\$ 6,508,893

# EARTHLABS INC.

## Notes to the Consolidated Financial Statements

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### 8. Equity investment (continued):

	2025	2024
Salaries and consulting	\$ (328,375)	\$ (259,375)
Impairment of exploration and evaluation assets	-	(1,150,082)
Other expenses	(49,013)	(74,786)
Total net loss	(377,388)	(1,484,243)
Other comprehensive income	1,275,155	191,655
Total net income (loss) and comprehensive income (loss)	\$ 897,767	\$ (1,292,588)

The following table reconciles the summarized financial information to the carrying amount of EarthLabs' interest in GPM:

	2025	2024
Opening net assets - GPM	\$ 6,508,893	\$ 7,801,481
Total net loss and comprehensive loss - GPM	897,767	(1,292,588)
Closing net assets - GPM	\$ 7,406,660	\$ 6,508,893
EarthLabs's ownership	27.52%	27.52%
EarthLabs's share of closing net assets	\$ 2,038,315	\$ 1,791,247
Goodwill relating to investment in GPM	(8,619)	(8,619)
Carrying amount in the consolidated statements of financial position	\$ 2,029,696	\$ 1,782,628

The following is a summary of the Company's investment in GPM:

	GPM
Equity investment as at December 31, 2023	\$ 2,138,352
EarthLabs's share of loss for the year	(355,724)
Equity investment as at December 31, 2024	\$ 1,782,628
EarthLabs's share of income for the year	247,068
Equity investment at December 31, 2025	\$ 2,029,696

### 9. Financial assets and (liabilities) other than investments at fair value:

Financial assets and liabilities other than investments at fair value are as follows as at December 31:

	2025	2024
Cash and cash equivalents	\$ 3,516,515	\$ 4,122,474
Due from brokers	861,833	416,907
Accounts receivable, net of expected credit losses	305,458	519,491
Accounts payable and accrued liabilities	(2,663,928)	(1,697,947)
Promissory note	-	(726,458)
	\$ 2,019,878	\$ 2,634,467

# EARTHLABS INC.

## Notes to the Consolidated Financial Statements

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(Prepared in Canadian dollars)

### 9. Financial assets and (liabilities) other than investments at fair value (continued):

The carrying values of cash and cash equivalents, due from brokers, accounts receivable, net of expected credit losses, accounts payable and accrued liabilities approximate their fair values due to the short term to maturity for these instruments. Promissory note is recorded at amortized cost. As at December 31, 2024, as part of the acquisition of the Northern Miner Group, the Company had a promissory note payable to Glacier Rig Ltd., bearing interest at a rate of 3.5% per annum, with a carrying value of \$726,458 which was fully paid on December 1, 2025.

Cash and cash equivalents consist of the following as at December 31:

	2025		2024	
Cash	\$	1,239,711	\$	696,575
Cash equivalents		2,276,804		3,425,899
	\$	3,516,515	\$	4,122,474

As at December 31, 2025 and 2024, cash equivalents were comprised of Guarantee Investment Certificates and money market funds which are cashable at any time.

### 10. Prepaids:

Prepaids consist of the following as at December 31:

	2025		2024	
Software subscriptions and licenses	\$	218,785	\$	192,913
Conferences and marketing		353,997		29,953
Insurance		10,545		18,312
Stock exchange listing fees		37,500		35,632
Other		1,904		4,382
	\$	622,731	\$	281,192

### 11. Property and equipment, net:

Property, equipment and right-of-use assets are as follows as at December 31, 2025 and 2024:

Cost	Furniture and fixtures	Computer equipment	Leasehold improvements	Total
Balance – December 31, 2023	\$ 7,678	\$ 50,213	\$ 33,067	\$ 90,958
Additions	47,461	48,555	-	96,016
Balance – December 31, 2024	\$ 55,139	\$ 98,768	\$ 33,067	\$ 186,974
<b>Additions</b>	<b>7,120</b>	<b>40,806</b>	<b>-</b>	<b>47,926</b>
<b>Dispositions</b>	<b>-</b>	<b>(1,837)</b>	<b>-</b>	<b>(1,837)</b>
<b>Balance – December 31, 2025</b>	<b>\$ 62,259</b>	<b>\$ 137,737</b>	<b>\$ 33,067</b>	<b>\$ 233,063</b>

**EARTHLABS INC.****Notes to the Consolidated Financial Statements****December 31, 2025 and 2024****(Prepared in Canadian dollars)****11. Property and equipment, net (continued):**

<b>Accumulated Depreciation</b>	<b>Furniture and fixtures</b>	<b>Computer equipment</b>	<b>Leasehold improvements</b>	<b>Total</b>
Balance – December 31, 2023	\$ 410	\$ 8,388	\$ 394	\$ 9,192
Depreciation	10,304	26,458	4,724	41,486
Balance – December 31, 2024	\$ 10,714	\$ 34,846	\$ 5,118	\$ 50,678
<b>Depreciation</b>	<b>9,514</b>	<b>32,091</b>	<b>4,724</b>	<b>46,329</b>
<b>Balance – December 31, 2025</b>	<b>\$ 20,228</b>	<b>\$ 66,937</b>	<b>\$ 9,842</b>	<b>\$ 97,007</b>

<b>Carrying Value</b>	<b>Furniture and fixtures</b>	<b>Computer equipment</b>	<b>Leasehold improvements</b>	<b>Total</b>
Balance – December 31, 2024	\$ 44,425	\$ 63,922	\$ 27,949	\$ 136,296
<b>Balance – December 31, 2025</b>	<b>\$ 42,031</b>	<b>\$ 70,800</b>	<b>\$ 23,225</b>	<b>\$ 136,056</b>

**12. Right-of-use assets, net:**

	<b>2025</b>	<b>2024</b>
Balance, beginning of year	\$ 992,417	\$ 1,170,971
Amortization	(178,552)	(178,554)
Balance, end of year	\$ 813,865	\$ 992,417

**13. Intangible assets:**

A continuity of intangible assets are as follows for the years ended December 31, 2025 and 2024:

<b>Cost</b>	<b>Technology</b>	<b>Trade name/Brand</b>	<b>Customer relationships</b>	<b>Total</b>
Balance – December 31, 2023	\$ 60,000	\$ 1,330,000	\$ 1,760,000	\$ 3,150,000
Balance – December 31, 2024	\$ 60,000	\$ 1,330,000	\$ 1,760,000	\$ 3,150,000
<b>Balance – December 31, 2025</b>	<b>\$ 60,000</b>	<b>\$1,330,000</b>	<b>\$1,760,000</b>	<b>\$ 3,150,000</b>

<b>Accumulated amortization</b>	<b>Technology</b>	<b>Trade name/Brand</b>	<b>Customer relationships</b>	<b>Total</b>
Balance – December 31, 2023	\$ 1,000	\$ -	\$ 22,000	\$ 23,000
Amortization	12,000	-	288,562	300,562
Balance – December 31, 2024	\$ 13,000	\$ -	\$ 310,562	\$ 323,562
Amortization	<b>12,000</b>	<b>-</b>	<b>106,105</b>	<b>118,105</b>
<b>Balance – December 31, 2025</b>	<b>\$ 25,000</b>	<b>\$ -</b>	<b>\$ 416,667</b>	<b>\$ 441,667</b>

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**EARTHLABS INC.****Notes to the Consolidated Financial Statements****December 31, 2025 and 2024****(Prepared in Canadian dollars)**

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**13. Intangible assets (continued):**

<b>Carrying Value</b>	<b>Technology</b>	<b>Trade name/Brand</b>	<b>Customer relationships</b>	<b>Total</b>
Balance – December 31, 2024	\$ 47,000	\$ 1,330,000	\$ 1,449,438	\$ 2,826,438
<b>Balance – December 31, 2025</b>	<b>\$ 35,000</b>	<b>\$1,330,000</b>	<b>\$1,343,333</b>	<b>\$ 2,708,333</b>

For the year ended December 31, 2025, amortization expense related to intangible assets (continuing operations) amounted to \$118,105 (2024 - \$300,562), which are included in operating, general and administrative expenses in the consolidated statement of income (loss) and comprehensive income (loss).

For the years ended December 31, 2025 and 2024, impairment loss related to intangible assets amounted to \$Nil.

**14. Goodwill:**

As at December 31, 2025 and 2024, the Company had goodwill of \$624,290 relating to its acquisition of The Northern Miner Group (in December 2023).

As at December 31, 2025, the Company assessed the goodwill recorded in connection with the acquisition of TNM Group for impairment. The Company performs goodwill impairment analysis annually by comparing recoverable amount of the CGUs calculated based on the discounted future estimated cash flows, to the carrying value of the CGUs. The Company applied the fair less cost of disposal method, using a five-year discounted future cash flow. The key assumptions used in the discounted cash flow model included various significant unobservable inputs.

The following significant unobservable inputs, all of which are classified as level 3 on the fair value hierarchy are subject to volatility and several uncontrollable factors which would significantly affect the present value of the discounted cash flow, were used by management as part of this model:

- (a) Revenue growth rate – represents the ability of the Company to generate revenue
- (b) Operating expense percentage – calculated as a percentage of revenue
- (c) Weighted average cost of capital – calculated as weighted average cost of the Company's cost of equity and cost of debt.

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**EARTHLABS INC.****Notes to the Consolidated Financial Statements****December 31, 2025 and 2024****(Prepared in Canadian dollars)**

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**14. Goodwill (continued):**

The sensitivity analysis prepared by the Company for the goodwill impairment test of the TNM Group CGU is as follows:

<b>Unobservable Input</b>	<b>TNM Group CGU</b>		
	<b>December 31, 2025</b>	<b>Sensitivity</b>	<b>Potential Impairment</b>
Revenue growth rate	5%	Decrease by 5%	\$ 41,606
Operating expense percentage	99%	Increase by 5%	-
Weighted average cost of capital	21%	Increase by 5%	-

<b>Unobservable Input</b>	<b>TNM Group CGU</b>		
	<b>December 31, 2024</b>	<b>Sensitivity</b>	<b>Potential Impairment</b>
Revenue growth rate	-13% to 22%	Decrease by 5%	\$ -
Operating expense percentage	96%	Increase by 5%	751,929
Weighted average cost of capital	25%	Increase by 5%	377,275

As at December 31, 2025 and 2024, the Company noted that the recoverable amount was greater than the carrying value of the TNM Group CGU and that no impairment was required.

**15. Deferred revenue:**

Deferred revenues are recognized in connection with advertising, sponsorships, and subscription revenues and sale of exploration maps.

Executive advertising revenues earned through CEO.CA are recognized based on the number of digital advertising impressions provided as a percentage of the total number of impressions promised within the contract. Executive advertising contracts are 6-18 months in length. There may be differences between the timing of collections and the number of digital advertising impressions provided at year end.

Customers obtain the benefits of sponsorship and advertising services as sponsorship and advertising material are displayed on and in the Company's digital and print media and as promotional events occur. Advertisements and naming rights are displayed or presented during the contractual period through the duration of the sponsorship campaign and revenue is recognized over time during the contractual period. Invoices are payable during each sponsorship campaign in accordance with contractual payment terms.

The Company also recognizes revenues earned in connection with the sale of digital advertising packages, subscriptions, post-contract customer support services and ad hoc service and training rateably over the service term specified in the revenue contracts. These service terms range anywhere between one month to one year. There may be differences between the timing of collections and the completion of the respective performance obligations at year end.

Where amounts collected from customers exceed revenue recognized, the difference is recorded as deferred revenue.

## **EARTHLABS INC.**

### **Notes to the Consolidated Financial Statements**

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#### **15. Deferred revenue (continued):**

The following table summarizes the changes in the Company's deferred revenue during the years ended December 31:

	<b>2025</b>	2024
Deferred revenue, at beginning of the year	\$ <b>3,452,044</b>	\$ 1,921,102
Amounts billed	<b>12,079,936</b>	6,263,399
Revenue recognized	<b>(9,043,505)</b>	(4,732,457)
Deferred revenue, at end of the year	\$ <b>6,488,475</b>	\$ 3,452,044

As at December 31, 2025, deferred revenue was \$6,488,475 (December 31, 2024 - \$3,452,044) and the Company expects that a majority of the deferred revenue will be recognized in fiscal 2026.

#### **16. Lease liabilities:**

In November 2020, the Company signed a lease for premises in Toronto, Ontario which started on December 1, 2020 for annual payments of \$42,900 plus operating costs and applicable taxes until April 30, 2024. In December 2023, the Company signed a lease for new premises in Toronto, Ontario, which replaced the Company's current Toronto lease and commenced on December 1, 2023 for annual payments of approximately \$203,994 (increasing by 2% each year) plus applicable taxes until November 30, 2030. In August 2022, the Company signed a lease for premises in Montreal, Quebec, which started August 1, 2022 for annual payments of approximately \$21,239 (increased by the CPI rate each year) plus applicable taxes until July 31, 2027.

The following table summarizes the changes in the Company's lease liabilities during the years ended December 31, 2025 and 2024:

	<b>Lease liabilities</b>	
Balance – December 31, 2023	\$	1,155,154
Repayments		(231,712)
Finance expense		108,203
Balance – December 31, 2024	\$	<b>1,031,645</b>
Repayments		<b>(236,413)</b>
Finance expense		<b>94,320</b>
<b>Balance - December 31, 2025</b>	<b>\$</b>	<b>889,552</b>

	<b>2025</b>	2024
Current lease liabilities	\$ <b>162,344</b>	\$ 141,992
Non-current lease liabilities	<b>727,208</b>	889,653
Total lease liabilities	\$ <b>889,552</b>	\$ 1,031,645

# EARTHLABS INC.

## Notes to the Consolidated Financial Statements

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(Prepared in Canadian dollars)

### 16. Lease liabilities (continued):

As at December 31, 2025, future minimum annual lease payments for premises and vehicles are approximately as follows:

2026	\$	241,114
2027		233,663
2028		221,178
2029		225,601
2030		210,586
Prepaid rent deposits		(21,500)
Total lease obligations		1,110,642
Discount at effective interest rate of 9%-15%		(221,090)
Net lease liabilities, as at December 31, 2025		889,552
Non-current lease liabilities as at December 31, 2025		(727,208)
Current lease liabilities as at December 31, 2025	\$	162,344

### 17. Income tax expense and deferred tax assets (liabilities):

- (a) Income tax expense attributable to loss before income taxes differs from the amounts computed by applying the combined federal and provincial tax rate of 26.5% (2024 – 26.5%) of pre-tax income as a result of the following for the years ended December 31:

	2025	2024
Income (loss) before income taxes	\$ 37,196,147	\$ (6,573,213)
Computed "expected" income tax expense (recovery)	9,856,979	(1,741,901)
Non-taxable net investment gains	(5,665,706)	(26,254)
Non-taxable loss (gain) from equity investment	(32,737)	47,133
Non-deductible expenses and other adjustments	87,451	155,244
Prior period adjustment	2,023	27,353
Impact from rate differential	(109,254)	-
Net deferred tax assets not recognized (recognition of tax benefit not previously recognized)	(928,912)	1,152,496
Income tax expense (recovery)	\$ 3,209,844	\$ (385,929)

- (b) Significant components of the income tax expense for the years ended December 31 are as follows:

	2025	2024
Current income tax expense (recovery)	\$ 2,023	\$ (181,239)
Deferred taxes		
Income taxes - origination and reversal of temporary differences	3,207,821	(204,690)
Income tax expense (recovery)	\$ 3,209,844	\$ (385,929)

# EARTHLABS INC.

## Notes to the Consolidated Financial Statements

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### 17. Income tax expense and deferred tax assets (liabilities) (continued):

- (c) Deferred tax assets and liabilities have been offset where they relate to income taxes levied by the same taxation authority and the Company has the legal right and intent to offset. The following table summarizes the movement in the net deferred tax liabilities for the years ended December 31:

	2025	2024
Balance at the beginning of the year	\$ -	\$ (204,690)
Recognized in the consolidated statements of income (loss) and comprehensive income (loss)	(3,207,821)	204,690
Balance at the end of the year	\$ (3,207,821)	\$ -

- (d) The following table summarizes the components of deferred tax assets (liabilities) for the years ended December 31:

	2025	2024
Non-capital losses	\$ 1,416,195	\$ 443,899
Share issuance costs and net other assets	81,485	-
Investments	(4,674,682)	(419,428)
Deferred tax liability on investment in a subsidiary	(39,338)	(9,766)
Right-of-use assets	20,057	-
Property and equipment	(11,538)	(14,705)
Net deferred tax liabilities	\$ (3,207,821)	\$ -

### 18. Related party transactions:

All transactions with related parties have occurred in the normal course of operations.

- (a) During the years ended December 31, 2025 and 2024, key management personnel are defined as those individuals having authority and responsibility for planning, directing, and controlling the activities of the Company. EarthLabs considers Denis Laviolette, its Executive Chairman and Chief Executive Officer ("EC&CEO"), Vincent Dube-Bourgeois, its President and Director ("President"), Binh Quach, its Chief Financial Officer and Corporate Secretary ("CFO"), Cejay Kim, its Chief Business Officer ("CBO"), and Mat Wilson, its Chief Investment Officer ("CIO") to be its key management personnel, in addition to its board of directors.

# **EARTHLABS INC.**

## **Notes to the Consolidated Financial Statements**

**December 31, 2025 and 2024**

**(Prepared in Canadian dollars)**

### **18. Related party transactions (continued):**

Compensation of key management is included in the consolidated statements of income (loss) and comprehensive income (loss) as follows:

	<b>2025</b>	2024
Salaries and consulting fees	\$ <b>1,125,000</b>	\$ 1,125,000
Management bonuses and performance fees	<b>1,030,000</b>	-
Directors fees	<b>80,000</b>	80,000
Stock-based compensation expense	-	47,941
Employee benefits	<b>22,515</b>	20,728
	<b>\$ 2,257,515</b>	\$ 1,273,669

- (b) As at December 31, 2025, the Company has an equity investment in Golden Planet Mining Corp. of \$2,029,696 (December 31, 2024 - \$1,782,628). The Company's CBO is also a director and CEO of GPM. See Note 8.
- (c) As at December 31, 2025, the Company has an investment in Sterling Metals Corp. ("Sterling"), a mineral exploration company trading on the TSX Venture Exchange under the symbol "SAG", of \$6,106,237 (December 31, 2024 - \$150,000). The Company's CIO is also a director and the CEO of Sterling. As at December 31, 2025 and 2024, the Company owns less than 10% of SAG's outstanding shares.
- (d) As at December 31, 2025, the Company has an investment in Kirkland Lake Discoveries Corp. ("KLDC"), a mineral exploration company trading on the TSX Venture Exchange under the symbol "KLDC", with a carrying fair value of \$3,534,775 (December 31, 2024 - \$400,614). The Company's CEO and President who are directors of the Company are also directors of KLDC. The address of KLDC's corporate office and principal place of business is 25 Adelaide Street East, Suite 1400, Toronto, Ontario, Canada, M5C 3A1. As at December 31, 2025 and 2024, the Company owns less than 10% of KLDC's outstanding shares.
- (e) As at December 31, 2025, the Company has an investment in Pirate Gold Corp. ("Pirate"), a mineral exploration company trading on the TSX Venture Exchange under the symbol "YARR", with a carrying fair value of \$2,974,090 (December 31, 2024 - \$Nil). The Company's CEO is also the CEO and director of Pirate. As at December 31, 2025 and 2024, the Company owns less than 10% of Pirate's outstanding shares.
- (f) During the year ended December 31, 2025, the Company recorded other revenue of \$7,800 (December 31, 2024 - \$5,525) from Harfang Exploration Inc. ("Harfang"), a mineral exploration company trading on the TSX Venture Exchange under the symbol "HAR". As at December 31, 2025 and 2024, the Company didn't have an investment in HAR. The Company's President is also a director of Harfang.
- (g) As at December 31, 2025, included in accounts payable and accrued liabilities is \$7,198 (December 31, 2024 - \$6,882) due to the officers of the Company, relating to reimbursement of expenses.

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**EARTHLABS INC.****Notes to the Consolidated Financial Statements****December 31, 2025 and 2024****(Prepared in Canadian dollars)**

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**19. Equity:**

- (a) Authorized: unlimited number of common shares (no par value).

On September 25, 2024, EarthLabs acquired certain social media accounts by issuing an aggregate of 243,902 common shares at a fair value of \$50,000.

- (b) Stock options:

The Company grants stock options to eligible directors, officers, key employees and consultants under its 2018 stock option plan to enable them to purchase common shares of the Company. Under the terms of the plan, the number of common shares that may be issued pursuant to the exercise of options granted under the plan may not exceed 20% of the number of common shares outstanding at the time of grant. The exercise price of an option granted under the plan cannot be less than the closing price of the common shares on the last day on which the common shares trade prior to the grant date of the option. An individual can receive grants of no more than 5% of the outstanding shares of the Company on a yearly basis and options are exercisable over a period not exceeding five years.

Options granted are accounted for by the fair value method of accounting for stock-based compensation. The Company records compensation expense and credits contributed surplus for all options granted.

During the year ended December 31, 2025 and 2024, the Company did not grant any stock options.

For the year ended December 31, 2025, included in the consolidated statements of income (loss) and comprehensive income (loss) is stock-based compensation expense of \$62,949 (2024 - \$267,453) relating to the stock options granted to directors, officers, employees and consultants of the Company.

A summary of the status of the Company's stock options as at December 31, 2025 and 2024 and changes during the years then ended is presented below:

	<b>December 31, 2025</b>		December 31, 2024	
		<b>Weighted average</b>		Weighted average
<b>Stock options</b>	<b># of options</b>	<b>exercise price</b>	<b># of options</b>	<b>exercise price</b>
Outstanding, at beginning of year	<b>19,544,799</b>	\$ <b>0.24</b>	20,172,799	\$ 0.24
Exercised	<b>(1,000,000)</b>	<b>0.18</b>	(166,666)	0.20
Cancelled/forfeited	<b>(3,033,200)</b>	<b>0.24</b>	(461,334)	0.26
Outstanding, at end of year	<b>15,511,599</b>	\$ <b>0.24</b>	19,544,799	\$ 0.24
Exercisable, at end of year	<b>14,910,393</b>	\$ <b>0.25</b>	17,923,050	\$ 0.24

As at December 31, 2025, the weighted average remaining life of the stock options was 2.5 years (2024 – 2.9 years).

# EARTHLABS INC.

## Notes to the Consolidated Financial Statements

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### 19. Equity (continued):

The following table summarizes information about stock options outstanding and exercisable as at December 31, 2024:

Number of options outstanding	Number of options exercisable	Exercise price	Expiry date
275,000	275,000	\$ 0.68	April 27, 2026
1,975,000	1,975,000	0.485	May 31, 2027
12,450,000	12,116,666	0.20	September 8, 2028
811,599	543,727	0.20	December 15, 2028
<b>15,511,599</b>	<b>14,910,393</b>		

- (c) Basic and diluted earnings (loss) per common share based on net income (loss) for the years ended December 31:

Numerator:	2025	2024
Net income (loss) for the year	\$ 33,986,303	\$ (6,187,284)

Denominator:	2025	2024
Weighted average number of common shares outstanding – basic	138,341,561	137,550,617
Weighted average effect of diluted stock options and warrants (i)	2,855,943	-
Weighted average number of common shares outstanding – diluted	141,197,504	137,550,617

Earnings (loss) per common share for the year:	2025	2024
Basic	\$ 0.25	\$ (0.04)
Diluted	\$ 0.24	\$ (0.04)

- (i) The determination of the weighted average number of common shares outstanding – diluted excludes 12,655,655 shares related to convertible securities that were anti-dilutive for the year ended December 31, 2025 (2024 – 19,544,799).

- (d) Maximum share dilution:

The following table presents the maximum number of shares that would be outstanding if all outstanding convertible securities were exercised as at December 31:

	2025	2024
Common shares outstanding	138,799,095	137,799,095
Stock options to purchase common shares	15,511,599	19,544,799
Fully diluted common shares outstanding	154,310,694	157,343,894

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# **EARTHLABS INC.**

## **Notes to the Consolidated Financial Statements**

**December 31, 2025 and 2024**

**(Prepared in Canadian dollars)**

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### **20. Segmented information:**

Management has determined that the Company operates as a single operating and reportable segment, the Financial Technology Division. This segment comprises the Company's financial and media technology platforms (CEO.CA and EMI) as well as its investment portfolio.

The Company evaluates segment performance based on revenue and segment operating income, which are the primary measures used by management to assess performance.

The Company operates in one geographic segment, Canada, and all assets and equipment are located in Canada. The Company is not dependent on any single external customer.

Internal reporting provided to management regarding assets, liabilities, and performance is prepared in accordance with IFRS measurement and recognition principles. Intercompany balances and transactions, including sales and advances, are eliminated on consolidation. The Company does not allocate or report total assets or total liabilities by segment, as it has only one reportable segment.

### **21. Net investment gains:**

Net investment gains comprises of the following for the year ended December 31:

	<b>2025</b>		<b>2024</b>
Net realized gains (losses) on disposal of investments	<b>\$ 9,655,328</b>	\$	(2,812)
Net change in unrealized gains on investments	<b>32,921,757</b>		163,253
	<b>\$ 42,577,085</b>	\$	160,441

### **22. Other income:**

Other income comprises of the following for the year ended December 31:

	<b>2025</b>		<b>2024</b>
Other sales	<b>\$ 675,438</b>	\$	446,310
Sentiment data reports	<b>164,250</b>		38,500
Interest income	<b>85,133</b>		187,909
Grants and subsidies	<b>69,756</b>		64,326
Consulting income and other	<b>1,646</b>		18,891
Dividend income	<b>117,859</b>		20
	<b>\$ 1,114,082</b>	\$	755,956

# EARTHLABS INC.

## Notes to the Consolidated Financial Statements

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### 23. Expenses by nature:

Included in operating, general, and administrative expenses for the years ended December 31, are the following expenses:

	Notes	Twelve months ended	
		December 31,	
		2025	2024
Salaries and consulting fees	18(a)	\$ 9,012,040	\$ 6,134,815
Software licensing fees		1,858,448	1,538,163
Other office and general		721,136	730,702
Other employee benefits		584,402	479,560
Professional fees		503,864	625,746
Travel and promotion		605,326	577,377
Amortization and depreciation	11, 12, 13	342,986	520,602
Shareholder relations and filing fees		336,559	174,212
Brokerage fees and transaction costs		208,412	87,985
Directors' fees	18(a)	80,000	80,000
Stock-based compensation expense	18(a), 19(b)	62,949	267,453
Provision for ECLs	6, 26(a)	31,414	131,347
Operating lease payments		3,356	3,750
Foreign exchange gain		(8,017)	(12,212)
		\$ 14,342,875	\$ 11,339,500

### 24. Supplemental disclosure of cash flow information:

The following table shows the supplemental cash flow information for the year ended December 31:

	2025	2024
Income taxes paid	\$ -	\$ -
Interest paid	30,922	43,374

### 25. Management of capital:

The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may borrow from its shareholders or raise additional funds. The Company considers its capital to include total equity attributable to shareholders of the Company which amounts to \$72,054,387 on December 31, 2025 (2024 – \$37,825,135). The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, so that it can provide returns for shareholders.

The Company's objectives when managing capital are:

- (a) to ensure that the Company maintains the level of capital necessary to meet its working capital;

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## **EARTHLABS INC.**

### **Notes to the Consolidated Financial Statements**

**December 31, 2025 and 2024**

**(Prepared in Canadian dollars)**

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#### **25. Management of capital (continued):**

- (b) to give shareholders sustained growth in shareholder value by increasing shareholders' equity; and
- (c) to maintain a flexible capital structure that optimizes the cost of capital at acceptable levels of risk.

The Company maintains or adjusts its capital level to enable it to meet its objectives by:

- (a) maintaining a pipeline of customer orders;
- (b) realizing proceeds from the disposition of its investments; and
- (c) raising capital through share or debt financings.

There were no changes in the Company's approach to capital management during the year ended December 31, 2025. Since inception, the Company has not declared any cash dividends to its shareholders as part of its capital management program. The Company's current capital resources are sufficient to discharge its current liabilities as at December 31, 2025.

#### **26. Financial instruments and financial risk management:**

##### *Financial instruments*

The carrying amounts of accounts receivable, net of ECL, accounts payable and accrued liabilities, and current lease liabilities approximate their fair value due to their short periods to maturity. Promissory note is recorded at amortized cost.

##### *Financial risk management*

The Company has exposure to credit risk, market risk, liquidity risk, and currency risk associated with its financial assets and liabilities.

There were no significant or material changes to the Company's risk management during the year ended December 31, 2025. A discussion of the Company's use of financial instruments and other associated risks is as follows.

- (a) Credit risk:

Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company.

Financial instruments which potentially subject the Company to concentrations of credit risk consist of cash and cash equivalents, due from brokers and accounts receivable. All funds in cash are held in financial institutions that have a credit rating above AA and the Company believes the risk of loss to be remote.

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**EARTHLABS INC.****Notes to the Consolidated Financial Statements****December 31, 2025 and 2024****(Prepared in Canadian dollars)**

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**26. Financial instruments and financial risk management (continued):**

The Company has accounts receivable from mining and exploration companies. The Company's credit risk arises from the possibility that a counterparty which owes the Company money is unable or unwilling to meet its obligations in accordance with the terms and conditions in the contracts with the Company, which would result in a financial loss to the Company.

These specific mining and exploration companies may be affected by economic factors and government factors which may impact accounts receivable. Management does not believe that a single industry or geographic region represents significant credit risk. This risk is mitigated through established credit management techniques, including monitoring counterparty creditworthiness, setting exposure limits and monitoring exposure against these customer credit limits.

The maximum exposure to credit risk is the carrying amount of the Company's cash and cash equivalents, due from brokers and accounts receivable, net of ECLs which total \$4,683,806 as at December 31, 2025 (2024 - \$5,058,872).

An aging of accounts receivable, net of expected credit losses are as follows as at December 31:

	<b>2025</b>		2024
Accounts receivable aging			
0-30 days	\$ 161,895	\$	299,055
31-60 days	110,581		103,543
61-90 days	32,982		116,893
Greater than 90 days	141,894		284,243
	\$ 447,352	\$	803,734
Expected credit loss provision	<b>(141,894)</b>		<b>(284,243)</b>
Accounts receivable, net of expected credit losses	\$ <b>305,458</b>	\$	519,491

The movement in the expected credit loss provision can be reconciled as follows as at December 31:

	<b>2025</b>		2024
Expected credit loss provision:			
Expected credit loss provision, beginning balance	\$ (284,243)	\$	(155,572)
Provision used during the year	173,763		2,676
Provision recorded during the year	<b>(31,414)</b>		<b>(131,347)</b>
Expected credit loss provision, ending balance	\$ <b>(141,894)</b>	\$	<b>(284,243)</b>

# EARTHLABS INC.

## Notes to the Consolidated Financial Statements

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### 26. Financial instruments and financial risk management (continued):

The following default rates are used to calculate the expected credit loss provision on accounts receivable as at December 31, 2025:

	Total	0-30 days	31-60 days	61-90 days	Greater than 90 days
Default rates		0%	0%	0%	100%
Accounts receivable	\$ 447,352	\$ 161,895	\$ 110,581	\$ 32,982	\$ 141,894
Expected credit loss provisions	\$ 141,894	\$ -	\$ -	\$ -	\$ 141,894

The following default rates are used to calculate the expected credit loss provision on accounts receivable as at December 31, 2024:

	Total	0-30 days	31-60 days	61-90 days	Greater than 90 days
Default rates		0%	0%	0%	100%
Accounts receivable	\$ 803,734	\$ 299,055	\$ 103,543	\$ 116,893	\$ 284,243
Expected credit loss provisions	\$ 284,243	\$ -	\$ -	\$ -	\$ 284,243

The Company does not have collateral to any of its receivable balances.

#### (b) Market risk:

Market risk is the risk that the fair value of future cash flows from the Company's financial instruments will significantly fluctuate because of changes in market prices. The value of the financial instruments can be affected by changes in interest rates, foreign exchange rates, and equity and commodity prices. The Company is exposed to market risk in trading its investments and unfavourable market conditions could result in dispositions of investments at less than favourable prices.

Additionally, the Company adjusts its investments to fair value at the end of each reporting period. This process could result in significant write-downs of the Company's investments over one or more reporting periods, particularly during periods of overall market instability, which would have a significant unfavourable effect on the Company's financial position.

As at December 31, 2025 and 2024, the Company held foreign denominated investments as follows, therefore, market risk also includes currency risk.

Fair value of investments in Canadian dollars denominated in:	December 31, 2025	December 31, 2024
Australian dollars	\$ 903,116	\$ 2,415,635
Great British pounds	611,150	153,750
U.S dollars	6,537,366	2,583,130
	\$ 8,051,632	\$ 5,152,515

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**EARTHLABS INC.****Notes to the Consolidated Financial Statements****December 31, 2025 and 2024****(Prepared in Canadian dollars)**

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**26. Financial instruments and financial risk management (continued):**

There were no changes in the way the Company manages market risk during the years ended December 31, 2025 and 2024.

The following table shows the estimated sensitivity of the Company's after-tax net income for the year ended December 31, 2025 from a change in the fair value price of the Company's investments with all other variables held constant as at December 31, 2025:

<b>Percentage of change in closing trade price</b>	<b>Increase in after-tax net income from % increase in closing trade price</b>	<b>Decrease in after-tax net income from % decrease in closing trade price</b>
<b>2%</b>	<b>\$ 1,280,293</b>	<b>\$ (1,280,293)</b>
<b>4%</b>	<b>2,560,586</b>	<b>(2,560,586)</b>
<b>6%</b>	<b>3,840,879</b>	<b>(3,840,879)</b>
<b>8%</b>	<b>5,121,172</b>	<b>(5,121,172)</b>
<b>10%</b>	<b>6,401,465</b>	<b>(6,401,465)</b>

The following table shows the estimated sensitivity of the Company's after-tax net loss for the year ended December 31, 2024 from a change in the fair value price of the Company's investments with all other variables held constant as at December 31, 2024:

<b>Percentage of change in closing trade price</b>	<b>Decrease in after-tax net loss from % increase in closing trade price</b>	<b>Increase in after-tax net loss from % decrease in closing trade price</b>
<b>2%</b>	<b>\$ 571,031</b>	<b>\$ (571,031)</b>
<b>4%</b>	<b>1,142,061</b>	<b>(1,142,061)</b>
<b>6%</b>	<b>1,713,092</b>	<b>(1,713,092)</b>
<b>8%</b>	<b>2,284,123</b>	<b>(2,284,123)</b>
<b>10%</b>	<b>2,855,153</b>	<b>(2,855,153)</b>

(c) **Liquidity risk:**

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they become due. The Company's management is responsible for reviewing liquidity resources to ensure funds are available to meet financial obligations as they become due, as well as ensuring funds exist to support business strategies and operating growth.

There were no changes to the way that the Company manages liquidity risk during the year ended December 31, 2025. The Company's accounts payable and accrued liabilities are due within less than 1 year as at December 31, 2025 and 2024. The Company's cash and cash equivalents balance is sufficient to meet the Company's current liabilities.

# EARTHLABS INC.

## Notes to the Consolidated Financial Statements

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### 26. Financial instruments and financial risk management (continued):

The following table shows the Company's liabilities and potential due dates related to liquidity risk as at December 31, 2025:

Liabilities and obligations	Payments due by period				Non-cash payable
	Total	Less than 1 year	1 – 3 years	4 – 5 years	
Accounts payable and accrued liabilities	\$ 2,663,928	\$ 2,663,928	\$ -	\$ -	\$ -
Sales tax payable	161,048	161,048	-	-	-
Deferred revenue	6,488,475	-	-	-	6,488,475
Deferred tax liabilities	3,207,821	-	-	-	3,207,821
Office and other lease payments	1,110,642	241,114	680,442	189,086	-
	<b>\$ 13,631,914</b>	<b>\$ 3,066,090</b>	<b>\$ 680,442</b>	<b>\$ 189,086</b>	<b>\$ 9,696,296</b>

The following table shows the Company's liabilities and potential due dates related to liquidity risk as at December 31, 2024:

Liabilities and obligations	Payments due by period				Non-cash payable
	Total	Less than 1 year	1 – 3 years	4 – 5 years	
Accounts payable and accrued liabilities	\$ 1,697,947	\$ 1,697,947	\$ -	\$ -	\$ -
Sales tax payable	197,481	197,481	-	-	-
Deferred revenue	3,452,044	-	-	-	3,452,044
Promissory note	726,458	726,458	-	-	-
Office and other lease payments	1,347,563	236,483	696,393	414,687	-
	<b>\$ 7,421,493</b>	<b>\$ 2,858,369</b>	<b>\$ 696,393</b>	<b>\$ 414,687</b>	<b>\$ 3,452,044</b>

The following table shows the Company's source of liquidity by assets as at December 31, 2025:

Assets	Liquidity by period				Non-liquid assets
	Total	Less than 1 year	1 – 3 years	4 – 5 years	
Cash and cash equivalents	\$ 3,516,515	\$ 3,516,515	\$ -	\$ -	\$ -
Due from brokers	861,833	861,833	-	-	-
Accounts receivable, net of ECLs	305,458	305,458	-	-	-
Investments, at fair value	73,792,108	73,792,108	-	-	-
Equity investment	2,029,696	2,029,696	-	-	-
Sales tax recoverable	54,326	54,326	-	-	-
Prepays	622,731	-	-	-	622,731
Property and equipment, net	136,056	-	-	-	136,056
Right-of-use assets, net	813,865	-	-	-	813,865
Intangible assets	2,708,333	-	-	-	2,708,333
Goodwill	624,290	-	-	-	624,290
	<b>\$ 85,465,211</b>	<b>\$ 80,559,936</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,905,275</b>

# EARTHLABS INC.

## Notes to the Consolidated Financial Statements

December 31, 2025 and 2024

(Prepared in Canadian dollars)

### 26. Financial instruments and financial risk management (continued):

The following table shows the Company's source of liquidity by assets as at December 31, 2024:

Assets	Liquidity by period				
	Total	Less than 1 year	1 – 3 years	4 – 5 years	Non-liquid assets
Cash and cash equivalents	\$ 4,122,474	\$ 4,122,474	\$ -	\$ -	\$ -
Due from brokers	416,907	416,907	-	-	-
Accounts receivable, net of ECLs	519,491	519,491	-	-	-
Investments, at fair value	32,912,428	32,912,428	-	-	-
Equity investment	1,782,628	1,782,628	-	-	-
Sales tax recoverable	47,787	47,787	-	-	-
Income tax receivable	268,362	268,362	-	-	-
Prepays	281,192	-	-	-	281,192
Property and equipment, net	136,296	-	-	-	136,296
Right-of-use assets, net	992,417	-	-	-	992,417
Intangible assets	2,826,438	-	-	-	2,826,438
Goodwill	624,290	-	-	-	624,290
	\$ 44,930,710	\$ 40,070,077	\$ -	\$ -	\$ 4,860,633

(d) Currency risk:

Currency risk is the risk of loss from the Canadian dollar depreciating when it fluctuates against other foreign currencies. The Company presently holds funds in Canadian dollars but some of its receivables are denominated in U.S. dollars. The Company does not engage in any hedging activities to mitigate its foreign exchange risk. A change in the foreign exchange rate of the Canadian dollar versus another currency may increase or decrease the value of the Company's financial instruments.

As at December 31, 2025, the Company had net \$812,138 (US\$592,542) in cash and cash equivalents, due from brokers, accounts receivable, and accounts payable (2024 - \$8,748 (US\$6,080)) and had the Canadian dollar strengthened or declined by 5% in relation to the U.S. dollar, with all other variables held constant, net income (loss) and comprehensive income (loss) for the year would have decreased or increased, respectively, by approximately \$40,607 (2024 - \$437). In practice, the actual results may differ from this sensitivity analysis and the difference could be material.

### 27. Commitments and contingencies:

In addition to the Company's liabilities and obligations (see Note 26(c)), the Company is party to legal proceedings and other claims in the ordinary course of its operations. Litigation and other claims are subject to many uncertainties and the outcome of individual matters is not predictable. Where management can estimate that there is a loss probable, a provision has been recorded in its consolidated financial statements, where proceedings are at a premature stage or the ultimate outcome is not determinable, then no provision is recorded.

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**EARTHLABS INC.****Notes to the Consolidated Financial Statements****December 31, 2025 and 2024****(Prepared in Canadian dollars)**

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**27. Commitments and contingencies (continued):**

It is possible that the final resolution of these matters may require the Company to make expenditures over an extended period of time and in a range of amounts that cannot be reasonably estimated and may differ significantly from any amounts recorded in these consolidated financial statements. Should the Company be unsuccessful in its defense or settlement of one or more of these legal actions, there could be a materially adverse effect on the Company's consolidated financial position, future expectations, and cash flows.

**28. Subsequent events:**

- (a) Subsequent to December 31, 2025, 7,999 options exercisable at \$0.20 per share expired.
- (b) Subsequent to December 31, 2025, 2,283,333 options were exercised at \$0.20 per share for total proceeds of \$456,667.

**29. Comparative consolidated financial statements:**

The comparative consolidated financial statements have been reclassified from statements previously presented to conform to the presentation of the December 31, 2025 consolidated financial statements. The Company has reclassified Rights-of-use assets, net from Property and equipment, net in the consolidated statements of financial position. The Company has also reclassified the Decrease in promissory note under cash flows used in operating activities to Repayment of promissory note under cash flows used in financing activities in the consolidated statements of cash flows.