

HERTZ ENERGY INC.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND NINE MONTHS ENDED APRIL 30, 2025 AND 2024

(Unaudited - expressed in Canadian Dollars)

**Notice of No Auditor Review of Condensed Interim Consolidated
Financial Statements**

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these financial statements in accordance with the standards established by the Canadian Institute of Professional Chartered Accountants for a review of interim financial statements by an entity's auditor.

June 30, 2025

HERTZ ENERGY INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Unaudited - expressed in Canadian Dollars)

	Note	April 30, 2025	July 31, 2024
		\$	\$
ASSETS			
Current assets			
Cash and cash equivalents	4	83,078	1,255,435
Prepaid expenses and deposits		55,198	42,771
Tax receivables		155,148	101,257
Due from related party	7	494	1,536
Total current assets		293,918	1,400,999
Non-current assets			
Exploration and evaluation properties	5	8,563,201	6,966,136
Total assets		8,857,119	8,367,135
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		158,461	509,355
Due to related parties	7	1,008,605	452,424
Flow-through premium liability	10	-	462,230
		1,167,066	1,424,009
Non-current liabilities			
Due to related party	7	-	108,900
Total liabilities		1,167,066	1,532,909
SHAREHOLDERS' EQUITY			
Share capital	6	11,938,558	10,679,072
Reserves	6	361,154	297,505
Accumulated other comprehensive income		93	285
Deficit		(4,609,752)	(4,142,636)
Total shareholders' equity		7,690,053	6,834,226
Total liabilities and shareholders' equity		8,857,119	8,367,135

Going concern (*Note 1*)

APPROVED BY THE BOARD OF DIRECTORS ON JUNE 30, 2025

ON BEHALF OF THE BOARD

/s/ Kulwant Malhi

Kulwant Malhi, Director

/s/ Jamie L. Hogue

Jamie L. Hogue, Director

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

HERTZ ENERGY INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Unaudited - expressed in Canadian Dollars)

		Nine months ended		Three months ended	
	Note	April 30,		April 30,	
		2025	2024	2025	2024
		\$	\$	\$	\$
Expenses:					
Advertisement and marketing		68,837	945,862	5,000	670,423
Consulting fees		27,000	99,645	4,500	7,889
Interest	7	42,301	-	7,891	-
Loss on deposits written off		-	98,477	-	-
Management fees	7	264,500	277,736	90,000	90,529
Office expenses		22,032	18,282	5,547	6,757
Professional fees	7	81,648	299,699	47,189	19,750
Property investigation		11,068	11,539	(1,496)	11,539
Stock-based compensation	6, 7	63,649	13,353	3,933	5,938
Technology license fee		-	49,974	-	20,998
Transfer agent and filing fees		45,333	64,667	18,468	17,620
Total expenses		(626,368)	(1,879,234)	(181,032)	(851,443)
Other income (expenses):					
Flow-through premium income	9	462,230	67,573	-	16,136
Interest income		16,326	17,512	-	17,512
Foreign exchange (loss) gain		(4,318)	(1,671)	(335)	803
Impairment of mineral property	5	(314,986)	-	-	-
Net loss		(467,116)	(1,795,820)	(181,367)	(816,992)
Other comprehensive income (loss):					
Exchange differences on translating foreign operations		(192)	18,325	5,203	24,645
Comprehensive loss for the period		(467,308)	(1,777,495)	(176,164)	(792,347)
Net loss per share, basic and diluted		(0.03)	(0.13)	(0.01)	(0.05)
Weighted average number of shares outstanding, basic and diluted		18,284,572	13,384,770	21,885,274	16,511,679

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

HERTZ ENERGY INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
For the Nine Months Ended April 30, 2025 and 2024
(Unaudited - expressed in Canadian Dollars)

	Share capital	Reserves	Share-based payment reserve \$	Warrants reserve \$	Accumulated other comprehensive loss \$	Deficit \$	Total \$
	Number of shares (Note 6)	Amount \$ (Note 6)					
Balance, July 31, 2023	7,657,295	2,114,142	217,681	64,174	(20,628)	(1,462,421)	912,948
Shares issued for warrants exercise	688,550	688,325	-	(300)	-	-	688,025
Shares issued for acquisition of Canuck	5,787,500	6,019,000	-	-	-	-	6,019,000
Shares issued for private placements	2,378,333	2,537,400	-	-	-	-	2,537,400
Shares issuance cost for private placement	-	(23,545)	-	-	-	-	(23,545)
Flow through premium liability	-	(656,250)	-	-	-	-	(656,250)
Fair value of stock options vested	-	-	13,353	-	-	-	13,353
Net and comprehensive loss	-	-	-	-	18,325	(1,795,820)	(1,777,495)
Balance, April 30, 2024	16,511,678	10,679,072	231,034	63,874	(2,303)	(3,258,241)	7,713,436
Balance, July 31, 2024	16,511,678	10,679,072	233,631	63,874	285	(4,142,636)	6,834,226
Share issued for exploration and evaluation properties	8,250,000	1,260,000	-	-	-	-	1,260,000
Shares issuance cost	-	(514)	-	-	-	-	(514)
Fair value of stock options vested	-	-	63,649	-	-	-	63,649
Net and comprehensive loss	-	-	-	-	(192)	(467,116)	(467,308)
Balance, April 30, 2025	24,761,678	11,938,558	297,280	63,874	93	(4,609,752)	7,690,053

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

HERTZ ENERGY INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Nine Months Ended April 30, 2025 and 2024
(Unaudited - expressed in Canadian Dollars)

	April 30, 2025	April 30, 2024
Cash Provided By (Used In)	\$	\$
Operating Activities		
Net and comprehensive loss	(467,116)	(1,795,820)
Adjustments for non-cash items:		
Share-based compensation	63,649	13,353
Impairment of Mineral Property	314,986	-
Flow-through premium income	(462,230)	(67,572)
Loss on deposits written off	-	98,477
Changes in working capital:		
Prepaid expenses	(12,427)	(134,098)
Tax receivable	(53,891)	(42,316)
Due from related party	1,042	(1,536)
Due to related parties	447,281	241,218
Accounts payable and accrued liabilities	(350,894)	63,021
Net cash used in operating activities	(519,600)	(1,625,273)
Investing Activity		
Exploration and evaluation expenditures	(652,051)	(585,583)
Net cash used in investing activity	(652,051)	(585,583)
Financing Activities		
Proceeds from shares issued for private placements	-	2,513,855
Proceeds from exercise of share warrants	-	688,025
Share issuance cost	(514)	-
Net cash (used in) provided by financing activities	(514)	3,201,880
Increase (decrease) in cash and cash equivalents	(1,172,165)	991,024
Effect of exchange rate changes on cash and cash equivalents	(192)	5,280
Cash and cash equivalents, beginning of the period	1,255,435	580,065
Cash and cash equivalents, end of the period	83,078	1,576,369

Supplemental cash flow information (Note 8)

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Hertz Energy Inc. (the “Company” or “Hertz”) was incorporated on February 15, 2019, in the province of British Columbia, Canada as Hybrid Ventures Inc., and on January 24, 2022, the Company changed its name to Hertz Lithium Inc and then to Hertz Energy Inc. on February 9, 2024. The Company’s head office and registered address is located at 1055 West Georgia Street, 1500 Royal Centre, Vancouver, British Columbia, V6E 4N7, Canada.

The Company is engaged in the exploration and development of mineral resources, currently focusing on projects in British Columbia, Quebec and New Brunswick, Canada. Currently, the Company does not own any operating mines and has no operating income from mineral production. Funding for operations is raised primarily through public and private share offerings. It is not known whether the Company’s mineral properties contain reserves that are economically recoverable. The recoverability of amounts recorded by the Company for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, the ability to raise funding for continued exploration and development, the completion of property option expenditures and acquisition requirements, or from proceeds from disposition.

These condensed interim consolidated financial statements for the nine months ended April 30, 2025 have been prepared with the assumption that the Company will realize its assets and discharge its liabilities in the normal course of business. The Company’s ability to meet its obligations and maintain its current operations through the ensuing twelve-month period and thereafter is contingent upon successful completion of additional financing arrangements and ultimately upon the discovery of proven reserves and generating profitable operations.

Management expects to be successful in arranging sufficient funding to meet operating commitments for the ensuing year. However, the Company’s future capital requirements will depend on many factors, including the costs of exploring and developing its resource properties, operating costs, the current capital market environment and global market conditions. As of April 30, 2025, the Company has not generated any operating income and has a cumulative deficit of \$4,609,752 (July 31, 2024 - \$4,142,636). Consequently, there is material uncertainty that may cast significant doubt on the Company’s ability to continue as a going concern. For significant expenditures and resource property development, the Company will depend almost exclusively on outside capital. Such outside capital will include the issuance of additional equity shares. There can be no assurance that capital will be available, as necessary, to meet the Company’s operating commitments and further exploration and development plans.

These condensed interim consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

2. BASIS OF PRESENTATION

Statement of compliance

These condensed interim consolidated financial statements of the Company have been prepared in accordance with IFRS Accounting Standards (“IFRS”), as applicable to interim financial reports including International Accounting Standards (“IAS”) 34 Interim Financial Reporting.

These condensed interim consolidated financial statements have been prepared based on accounting principles and methods consistent with those used in the preparation of the audited consolidated financial statements for the year ended July 31, 2024 and should be read in conjunction with the Company’s audited consolidated financial statements for the year ended July 31, 2024. The Company’s interim results are not necessarily indicative of its results for a full year.

Basis of consolidation

These condensed interim consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, Hertz Lithium USA LLC. (“Hertz US”), incorporated in Utah, USA, Hertz Uranium Inc. (“Hertz Uranium”), incorporated in British Columbia, Canada, and Canuck Lithium Corp. (see Note 3). Subsidiaries are all entities over which the Company has control. The Company controls an entity where the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through

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its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. Subsidiaries are deconsolidated from the date that control ceases. All intercompany balances and transactions have been eliminated upon consolidation.

Judgments and estimates

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Significant estimates and judgments made by management in the preparation of these condensed interim consolidated financial statements are outlined below:

Going concern of operations

Management has applied judgements in the assessment of the Company's ability to continue as a going concern when preparing these condensed interim consolidated financial statements. Management prepares its financial statements on a going concern basis unless management either intends to liquidate the entity or to cease trading or has no realistic alternative but to do so.

Business combination and asset acquisition

Judgement is required to determine whether the Company's acquisitions represented a business combination or an asset purchase. More specifically, management concluded that the Canuck acquisition (Note 3) does not represent a business, as the assets acquired were not an integrated set of activities with inputs, processes and outputs. An allocation of the purchase price to the individual identifiable assets acquired, including tangible assets and liabilities assumed based on their relative fair values at the date of purchase was required based on management estimates.

Impairment of exploration and evaluation assets

Management considers both external and internal sources of information in assessing whether there are any indications that the Company's mining properties and exploration and evaluation assets are impaired. External sources of information management consider include changes in the market, economic and legal environments, in which the Company operates, that are not within its control and that affect the recoverable amount of its mining properties. Internal sources of information that management considers include the manner in which mining properties are being used, or are expected to be used, and indications of economic performance of the assets.

Where a potential impairment is indicated, assessments are performed for each area of interest. To the extent that deferred exploration expenditures are not expected to be recovered, an impairment is charged to profit or loss. Exploration areas where reserves have been discovered, but require major capital expenditure before production can begin, are continually evaluated to ensure that commercial quantities of reserves exist or to ensure that additional exploration work is underway as planned.

An impairment charge relating to an exploration and evaluation asset may be subsequently reversed when new exploration results or actual or potential proceeds on sale or farm-out of the property result in a revised estimate of the recoverable amount but only to the extent that this does not exceed the original carrying value of the property that would have resulted if no impairment had been recognized.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and evaluation activities, and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements, non-compliance with regulatory requirements or aboriginal land claims.

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During the year ended July 31, 2024, the Company assessed the existence of impairment indicators with respect to its exploration and evaluation assets and recorded an impairment charge of \$860,233.

3. ACQUISITION OF CANUCK LITHIUM CORP.

On September 15, 2023, the Company entered into a share exchange agreement (the “Share Exchange Agreement”) with Canuck Lithium Corp. (“Canuck”), a private corporation registered in the province of Quebec, and common shareholders of Canuck, pursuant to which the Company acquired 100% of the issued and outstanding common shares in the capital of Canuck in exchange of 5,787,500 common shares of the Company. The former sole director and officer of Canuck is a close relative of a director and officer of the Company (Note 7).

On October 23, 2023 (the “Completion Date”), the Company completed the acquisition pursuant to the terms and conditions of the Share Exchange Agreement and issued 5,787,500 common shares valued at a \$6,019,000 based on the Company’s stock trading price on the Completion Date.

Canuck is a junior mining company and has rights to explore certain lithium properties (named as “AC/DC and La Fleur Project”) located in the emerging hard rock lithium district in James Bay, Quebec. The Canuck acquisition was accounted for as an asset acquisition.

The purchase price is allocated to the assets received and the liabilities assumed at the Completion Date as follows:

	\$
Assets	
Cash	186,831
Due from a related party	30,000
Exploration and evaluation properties	6,127,791
	6,344,622
Liabilities	
Due to a related party	294,442
Accounts payable and accrued liabilities	31,180
	325,622
Consideration paid	6,019,000

4. CASH AND CASH EQUIVALENTS

As at April 30, 2025 and July 31, 2024, cash and cash equivalents in the Company consists of the following:

	April 30, 2025	July 31, 2024
	\$	\$
Cash held at bank	82,778	273,564
Cash held in trust account	300	-
GIC deposits	-	981,871
	83,078	1,255,435

The GIC deposits were cashable and bore interest at the rate of 5.20% per annum. The GIC deposits were redeemed during the nine months ended April 30, 2025.

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5. EXPLORATION AND EVALUATION ASSETS

As at April 30, 2025 and July 31, 2024, the Company's exploration and evaluation properties are as follows:

	AC/DC and La Fleur Project, Quebec	Maskwa Property, Quebec	Harriman, Property Quebec	Lake George, NB	Agastya Project	Coulon, Mustang ¹ and St Marguerite Property, Quebec	Lucky Mica Project, Arizona	Patriota Lithium Project, Brazil	Pomie and Yon Project, Nunavut	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance July 31, 2023	-	-	-	-	-	-	542,901	-	-	542,901
Acquisition Cost:										
Shares issued	6,127,791	-	-	-	-	-	-	-	-	6,127,791
Cash payment	-	100,000	-	-	-	-	-	198,300	2,500	300,800
Foreign exchange	-	-	-	-	-	-	12,376	-	-	12,376
Impairment	-	-	-	-	-	-	(261,492)	(198,300)	(2,500)	(462,292)
	6,127,791	100,000	-	-	-	-	(249,116)	-	-	5,978,675
Exploration and evaluation expenditures:										
Staking and claim maintenance	-	-	-	-	-	-	28,984	-	-	28,984
Geological exploration	411,433	179,912	-	-	-	-	35,266	14,879	1,152	642,642
Prepayments	107,000	40,000	-	-	-	-	-	-	2,000	149,000
Foreign exchange	-	-	-	-	-	-	21,875	-	-	21,875
Impairment	-	-	-	-	-	-	(379,910)	(14,879)	(3,152)	(397,941)
	518,433	219,912	-	-	-	-	(293,785)	-	-	444,561
Balance July 31, 2024	6,646,224	319,912	-	-	-	-	Nil	Nil	Nil	6,966,136
Acquisition Cost:										
Shares issued	-	-	60,000	-	1,200,000	-	-	-	-	1,260,000
Cash payment	-	-	20,000	-	-	-	-	-	-	20,000
Impairment	-	(100,000)	-	-	-	-	-	-	-	(100,000)
	-	(100,000)	80,000	-	1,200,000	-	-	-	-	1,180,000
Exploration and evaluation expenditures:										
Staking and claim maintenance	-	-	-	4,438	-	-	-	-	-	4,438
Geological exploration	42,001	35,074	356,541	9,552	330,132	1,313	-	-	-	774,613
Prepayment	(107,000)	(40,000)	-	-	-	-	-	-	-	(147,000)
Impairment	-	(214,986)	-	-	-	-	-	-	-	(214,986)
	(64,999)	(219,912)	356,541	13,990	330,132	1,313	-	-	-	417,065
Balance April 30, 2025	6,581,225	Nil	436,541	13,990	1,530,132	1,313	Nil	Nil	Nil	8,563,201

CURRENT AND ACTIVE MINERAL PROJECTS:

AC/DC and La Fleur Project, Quebec:

AC/DC and La Fleur Project consist of certain Lithium properties located in Quebec and was acquired pursuant to the acquisition of Canuck (Note 3).

On January 31, 2023, Canuck entered into a property purchase agreement (the "Glenn Purchase Agreement") with Glenn Griesbach ("Glenn"), to acquire a 100% beneficial interest in certain Lithium mineral tenements located in Quebec, Canada. Pursuant to the Glenn Purchase Agreement, the payments required are as follows:

- a) Cash payment of \$15,000 (paid on January 31, 2023);
- b) Issue 37,500 common shares within 7 days of execution of the agreement (issued);
- c) Issue 62,500 common shares upon surface samples results returning samples in excess of 1% lithium; and
- d) Issue 62,500 common shares upon drill results returning minimum of 25 meters with assays of 1% lithium or greater.

The Company also agreed to pay Glenn a 2% NSR Royalty upon commencement of commercial production. The NSR Royalty may be reduced by 1% at any time by paying cash of \$500,000.

On March 31, 2023, Canuck entered into a property purchase agreement with Prospectus Capital Inc. ("Prospectus"), to acquire a 100% beneficial interest in certain mineral tenements located in Quebec, Canada, in exchange for following considerations:

- a) Cash payment of \$100,000 on or before 30 days after obtaining a public stock market listing on a recognized stock exchange (vendor agreed not to claim until July 31, 2025); and
- b) Issue 3,050,000 shares (issued on August 16, 2023).

The Company also agreed to pay Prospectus a 2% NSR Royalty upon commencement of commercial production.

On July 4, 2023, Canuck entered into a property purchase agreement with Anna-Rosa Giglio and 9219-8845 QC. Inc. (collectively referred as the "Quebec Optionors"), to acquire a 100% beneficial interest in certain mineral tenements located in Quebec, Canada in exchange of 750,000 common shares of Canuck (issued on August 16, 2023). The Company agreed to pay the Quebec Optionors a 2% NSR Royalty upon commencement of commercial production. The NSR Royalty may be reduced by 1% at any time by paying cash of \$500,000.

Harriman Antimony Property, Quebec:

On August 29, 2024, the Company entered into an option agreement with prospector Glenn, to acquire a 100% interest in 49 mineral claims of Harriman Antimony Property, located in the Gaspé region of Québec. To exercise the option, the Company must:

- a) Cash payment of \$20,000 within 7 business days of execution (paid on November 5, 2024);
- b) Issue 1,000,000 common shares as follows:
 - 250,000 common shares upon execution of the agreement and upon receipt of the approval of the exchange (Issued on January 9, 2025, for a fair value of \$60,000).
 - 375,000 common shares on or before 12 months anniversary of the agreement date.
 - 375,000 common shares on or before 24 months anniversary of the agreement date.

Upon the Company's exercise of the option, it will also grant Glenn a 2.5% NSR royalty on the property. The NSR royalty may be reduced to 1% by paying cash of \$1,500,000.

Lake George, New Brunswick:

On September 9, 2024, Canuck staked 93 claims surrounding the past-producing Lake George antimony mine located in the southwestern part of New Brunswick, approximately 30 km southwest of the city of Fredericton. These claims are royalty-free and are not subject to any agreement.

Agastya Property:

On December 9, 2024, Canuck entered into a property purchase agreement with Prospectus, to acquire a 60% interest in 209 mineral claims of Agastya property, located in the province of Quebec, Canada. As consideration, the Company issued 8,000,000 common shares at a fair value of \$1,200,000 to Prospectus on March 5, 2025. Pursuant to the agreement, the Company shall also grant a 2% Gross Metal Royalty to Prospectus.

PAST AND INACTIVE PROJECTS:

Maskwa Property, Quebec:

On December 20, 2023, the Company entered into an option agreement with Sirios Resources Inc. to acquire a 100% interest in certain mineral claims of Maskwa property located in Eeyou Istchee James Bay in Quebec. Total payments made included cash payment of \$100,000 and exploration expenditures incurred of \$214,986.

During the nine months ended April 30, 2025, due to lack of significant results from its prospecting and sampling program, the Company decided not to pursue this project. As a result, the Company fully impaired the property and recorded an impairment loss of \$314,986.

Lucky Mica Project, Arizona:

On April 21, 2022, the Company entered into a property purchase agreement (the "Property Purchase Agreement #1") with Utah Mineral Resources LLC ("UMR") and Bullrun Capital Inc. ("Bullrun") to acquire an undivided 100% beneficial interest in certain mineral claims located in the State of Arizona, USA. UMR and Bullrun are collectively referred to as the Vendor #1. Bullrun is controlled by an officer who is also a director of the Company. Pursuant to the Property Purchase Agreement #1, total payments made included the issuance of 1,500,000 common shares on August 29, 2022.

On June 8, 2022, the Company entered into another property purchase agreement (the "Property Purchase Agreement #2") with Marco Montecinos, Steve Hodges, and Jimmy Hodges (the "Vendor #2") to acquire an undivided 100% beneficial interest in certain mineral claims located in the State of Arizona, USA in exchange for total cash payments of US\$60,000 (\$79,393) and 60,000 common shares of the Company.

The above combined mineral claims located in the State of Arizona, USA are known as Lucky Mica Project, Arizona.

During the year ended July 31, 2024, the management ascertained that a potential discovery within Lucky Mica is not considered prospective and the Company decided to discontinue this project and recognized a loss on impairment of \$641,402.

Patriota Lithium Project, Brazil:

On August 4, 2023, the Company entered into a property option assignment agreement (the "Assignment Agreement") with Brascan Resources Inc. ("Brascan", or the "Assignor"), BHBC Exploracao Mineral Ltda ("BHBC"), and RTB Geologia Mineracao Ltda ("RTB") (where BHBC and RTB together referred as the "Optionors") to acquire a 100% beneficial interest in and to certain lithium prospects located in the state of Minas Gerais, Brazil.

Pursuant to the Assignment Agreement, total payments made included cash payments of \$148,300 to the Assignor, cash payments of \$50,000 to BHBC, and an investment on mineral exploration of \$14,879 to fund the work and development of the project.

During the year ended July 31, 2024, the Company conducted a field exploration program and the results did not warrant further exploration, hence the Company elected to relinquish this project and recognized loss on impairment of mineral property of \$213,179.

Pomie and Yon Project, Nunavut:

On February 2, 2024, the Company entered into a property purchase agreement with Bullrun to acquire 100% interest in certain uranium mineral claims of uranium located in Nunavut, where Bullrun is the beneficial holder and Aurora Geosciences Ltd. ("Aurora") is the legal and registered holder of 100% undivided right, title, and interest in and to four mineral claims. Bullrun is controlled by an officer who is also a director of the Company.

On May 8, 2024, the Company entered into a property purchase agreement with Mike Magrum ("Magrum") to acquire 100% interest in and to certain uranium mineral claims, located in Nunavut, Canada. As consideration for the acquisition of the mineral claims, total payments made included cash payment of \$2,500.

During the year ended July 31, 2024, the Company encountered issues with obtaining permits to conduct exploration at above Nunavut mineral claims and did not foresee an easy path to obtaining exploration permits to advance the project. Based on these permitting issues, the Company elected to relinquish the Pomie and Yon Project and the corresponding agreement with Bullrun and Magrum was terminated. The Company recorded a loss on impairment of \$5,652 during the year ended July 31, 2024.

6. SHARE CAPITAL AND RESERVES

The authorized share capital of the Company consists of an unlimited number of common shares without par value.

During the nine months ended April 30, 2025, the Company consolidated the issued share capital on the basis of 4 old common shares for one new common share ("the Consolidation"). Outstanding stock options and warrants were adjusted by the Consolidation ratio. All common shares and per common share amounts in these condensed interim consolidated financial statements have been retroactively restated to reflect the Consolidation.

As at April 30, 2025, the Company has 24,761,678 (July 31, 2024 – 16,511,678) common shares issued and outstanding.

Share issuances

During the nine months ended April 30, 2025:

On January 9, 2025, pursuant to an option agreement for the Harriman Antimony Property, the Company issued 250,000 common shares at a fair value of \$60,000.

On March 5, 2025, pursuant to a property purchase agreement for the Agastya Property, the Company issued 8,000,000 common shares at a fair value of \$1,200,000.

During the year ended July 31, 2024:

Pursuant to the exercise of warrants, the Company issued 688,550 common shares for gross proceeds of \$688,325.

On October 23, 2023, pursuant to the share exchange agreement with Canuck, the Company issued 5,787,500 common shares (Note 3).

On December 20, 2023, the Company closed a non-brokered private placement for gross proceeds of \$2,537,400 and paid \$23,545 as share issuance cost. The private placement consists of below:

- a) 1,440,833 non-flow through units (the "Non-FT Units") at a price of \$0.72 per Non-FT Unit for gross proceeds of \$1,037,400, with each Non-FT Unit consisting of one common share and one share purchase warrant.

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Each warrant entitles the holder thereof to purchase one additional common share (a "Warrant Share") on or before December 20, 2025 at an exercise price of \$1.60 per warrant share. A value of \$Nil has been allocated to the warrants using the residual method.

- b) 937,500 flow-through units (the "Charity FT Units") at a price of \$1.60 per Charity FT Unit, for gross proceeds of \$1,500,000, with each Charity FT Unit consisting of one common share and one share purchase warrant. Each warrant entitles the holder thereof to purchase a Warrant Share on or before December 20, 2025, at an exercise price of \$1.60 per Warrant Share. The Company has allocated \$656,250 to the flow-through premium (Note 9). A value of \$Nil has been allocated to the warrants using the residual method.

Stock Options

On August 29, 2022, the Company adopted and approved a stock option plan for directors, officers, employees, consultants or subsidiaries of the Company (the "Stock Option Plan"). The plan provides that the aggregate number of shares issuable under the plan is limited to 10% of the Company's issued and outstanding common shares at the time the options are granted.

On March 15, 2024, the Company granted 37,500 incentive stock options to a director, with an exercise price of \$0.80 per share for a period of five years. The stock options will vest over a period of two years. The stock options were valued at \$0.44 per option using Black Scholes Option Pricing model with the following assumptions: stock price - \$0.68 per share, risk-free rate - 3.62%; expected life - 5 years; expected volatility - 147.20%; forfeiture rate - Nil and expected dividends - \$Nil. Volatility was estimated by using the historical volatility of other companies in the same industry during a similar period.

On September 6, 2024, the Company granted an aggregate of 250,000 stock options to consultants, with an exercise price of \$0.34 per share for a period of two years. All stock options vested immediately. The stock options were valued at \$0.23 per option using Black Scholes Option Pricing model with the following assumptions: stock price - \$0.32 per share, risk-free rate - 3.05%; expected life - 2 years; expected volatility - 151.57%; forfeiture rate - Nil and expected dividends - \$Nil. Volatility was estimated by using the historical volatility of other companies in the same industry during a similar period.

For the nine-month ended April 30, 2025, the Company recorded \$63,649 (2024 - \$7,415) as stock-based compensation expense.

A summary of the movements of the stock options is presented below:

	Number of warrants	Exercise price	Weighted average remaining life
		\$	
Balance, July 31, 2023	437,500	0.60	3.40
Granted	37,500	0.80	0.37
Balance, July 31, 2024	475,000	0.64	2.58
Granted	250,000	0.36	1.35
Expired	(137,500)	0.76	-
Balance, April 30, 2025	587,500	0.52	2.06

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

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Number of options outstanding	Number of options exercisable	Exercise price	Remaining contractual life (years)	Expiry date
300,000	300,000	\$ 0.50	2.42	September 30, 2027
37,500	18,750	0.80	3.88	March 15, 2029
250,000	250,000	0.36	1.35	September 6, 2026
587,500	568,750			

RSU

On October 24, 2022, the Company adopted and approved a rolling restricted share unit plan (the ‘RSU Plan’) authorizing the granting of restricted share units to the directors, officers, employees and consultants of the Company or subsidiaries of the Company. The maximum number of common shares available for issuance pursuant to the RSU Plan, together with any shares reserved for issuance pursuant to any other share compensation arrangement, including but not limited to the Stock Option Plan, shall be determined from time to time by the directors of the Company, but in any case, shall not exceed 20% of the issued and outstanding shares (on a non-diluted basis) immediately prior to the issuance of RSUs. There are no RSUs issued and outstanding as at April 30, 2025 and July 31, 2024.

Warrants

A summary of the movements of the number of warrants is presented below:

	Number of warrants	Exercise price	Weighted average remaining life
		\$	
Balance, July 31, 2023	4,373,615	0.96	1.55
Granted	2,378,333	1.60	0.40
Exercised	(688,550)	1.00	0.25
Balance, July 31, 2024	6,063,398	1.24	0.59
Expired	(6,063,398)	1.22	-
Balance, April 30, 2025	-	-	-

7. RELATED PARTY TRANSACTIONS

Related party transactions have been measured at the exchange amount of consideration agreed between the related parties. The related party transactions not disclosed elsewhere in these financial statements are presented below (also see Notes 3, 6 and 10).

As at April 30, 2025 and July 31, 2024, the balances of due to related parties are as below:

	April 30, 2025	July 31, 2024
	\$	\$
Current		
Company controlled by the CEO, who is also a director of the Company (i)	334,096	12,000
Loan payable to a company controlled by the CEO (ii)	285,329	277,401
Loan payable to a company controlled by the relative of CEO (iii)	163,028	151,848
Loan payable to a company controlled by the CEO (iv)	92,946	-
Loans payable to the CEO (v), (vi), (vii)	114,006	-
Company controlled by the former CFO (i)	-	3,500
Company controlled by the Corporate Development Officer ("CDO"), who is also a director of the Company (i)	3,675	3,675
Due to directors (i)	15,525	4,000
Non-current		
Company controlled by the CEO (i)	-	108,900
	1,008,605	561,324

- (i) Amounts due to related parties, except loans payable, are non-interest bearing and unsecured. The balance in the amount of \$108,922 (July 31, 2024 - \$108,900) is owed to a company controlled by the CEO, who has agreed not to demand repayment before July 31, 2025; therefore, the amount has been reclassified from non-current to current as at April 30, 2025.
- (ii) On June 1, 2023 (as amended on December 31, 2023 and 2024), Canuck entered into a loan agreement with Coloured Ties Inc. ("CTI") for \$265,000. This loan bears interest at the rate of 4% annually and is due on December 31, 2025. A director and officer of CTI is also the director and officer the Company. The total interest accrued on the loan as of April 30, 2025, was \$20,329 (July 31, 2024 - \$12,401)
- (iii) On June 17, 2024, the Company entered into a loan agreement with Flowing Lithium Exploration Inc. ("FLE") for \$150,000. This loan bears interest at the rate of 10% annually and is due on June 17, 2025. The total interest accrued on the loan as of April 30, 2025, was \$13,028 (July 31, 2024 - \$1,848).
- (iv) On September 3, 2024, the Company entered into a loan agreement with Bullrun for \$90,000. This loan bears interest at the rate of 5% annually and is due on September 3, 2025. The total interest accrued on the loan as of April 30, 2025, was \$2,946 (July 31, 2024 - \$Nil).
- (v) On November 4, 2024, the Company entered into a loan agreement with Kulwant Malhi, the CEO, for \$40,000. This loan bears interest at the rate of 7% annually and is due on November 4, 2025. The total interest accrued on the loan as of April 30, 2025, was \$1,358 (July 31, 2024 - \$Nil).
- (vi) On December 5, 2024, the Company entered into a loan agreement with Kulwant Malhi, the CEO, for \$60,000. This loan bears interest at the rate of 8% annually and is due on December 5, 2025. The total interest accrued on the loan as of April 30, 2025, was \$1,920 (July 31, 2024 - \$Nil).

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(vii) On February 6, 2025, the Company entered into a loan agreement with Kulwant Malhi, the CEO, for \$40,000. This loan bears interest at the rate of 8% annually and is due on February 6, 2026. The total interest accrued on the loan as of April 30, 2025, was \$728 (July 31, 2024 - \$Nil).

(viii) As at April 30, 2025, there is an amount receivable of \$30,000 from the CEO.

As at April 30, 2025 and July 31, 2024, the balances of due from related parties are as below:

	April 30, 2025	July 31, 2024
	\$	\$
Due from a company controlled by the relative of CEO	494	1,536
	494	1,536

The Company's key management includes the CEO, CFO and CDO. Key management personnel were not paid post-employment benefit, termination fees or other long-term benefits for the nine months ended April 30, 2025 and 2024. Key management compensation for the three and nine months ended April 30, 2025, and 2024 is as follows:

	Three months ended		Nine months ended	
	2025	April 30, 2024	2025	April 30, 2024
	\$	\$	\$	\$
Management fees	90,000	90,529	264,500	277,736
Accounting fees	17,976	12,726	37,976	20,726
Share based payments	3,933	5,423	6,196	11,468
	111,909	108,678	308,672	309,930

The Company entered into a CEO consulting agreement dated September 13, 2022, pursuant to which, the Company agreed to pay CEO a consulting fee of \$20,000 per month, plus a bonus of \$150,000 upon the Company achieving a market capitalization of \$20 million on the CSE or another recognized stock exchange, and a bonus of \$250,000 upon the Company achieving a market capitalization of \$40 million on the CSE or another recognized stock exchange. No bonus has been paid or accrued as of April 30, 2025 and July 31, 2024.

8. SUPPLEMENTAL CASH FLOW INFORMATION

	Nine months ended April 30,	
	2025	2024
	\$	\$
Non-cash financing activities		
Fair value of agent warrants exercised	-	300
Non-cash investing activities:		
Fair value of shares issued for E&E assets	1,260,000	-
Fair value of shares issued for acquisition of Canuck	-	6,019,000

9. FLOW-THROUGH PREMIUM LIABILITY

On December 20, 2023, the Company issued 937,500 flow-through units for gross proceeds of \$1,500,000 and recognized a flow-through premium of \$656,250 (or \$0.70 per flow through share), being the difference between the per share amounts received from the subscribers for flow-through shares and the Company's stock trading price per share when the flow-through units agreement was agreed. The flow-through premium is initially recorded as a liability and is recognized as income in the proportion of eligible exploration expenditures incurred and renounced on the property.

As of April 30, 2025, the flow-through premium liability outstanding relating to these flow-through shares was \$Nil (July 31, 2024 – \$462,230). The Company renounced \$1,174,096 in eligible exploration expenditures during the nine months ended April 30, 2025 and recognized flow-through income of \$462,230 (2024 – \$67,573).

10. TECHNOLOGY LICENSE FEES

On May 20, 2022, Bullrun entered into an option agreement (the “Option Agreement”) with the PSRF, a non-profit organization situated at University Park, Pennsylvania, USA, where the PSRF owns and controls certain innovative technology filed as University Invention Disclosure No. 2019-4998 titled “A Novel Process for Extraction of Lithium from Spodumene” (the “Technology”). As per this Option Agreement, PSRF granted Bullrun an exclusive option to obtain an exclusive, remuneration bearing, license under the Patent Rights within the option field in the territory to make, have made, use, import, export, commercialize, offer for sale and license product. On August 30, 2022, the Company entered into an assignment and novation agreement with Bullrun and the PSRF, pursuant to which Bullrun assigned the Option Agreement to the Company in exchange for an assignment fee of USD\$7,500.

In August 2024, based on the due diligence and findings received, the Company decided not to pursue this technology any further and has relinquished its right to license the Technology back to Penn State.

During the nine-month ended April 30, 2025, the research costs are not capitalized as management was unable to demonstrate the future economic benefits to be generated from the utilization of the associated expenditures.

11. SEGMENTED INFORMATION

The Company’s business segments are based on Geographical locations as below: being the acquisition, exploration, and development of mineral properties.

April 30, 2025	Canada (\$)	USA (\$)	Total (\$)
Total assets	8,855,047	2,072	8,857,119
Loss for the period	466,548	568	467,116

July 31, 2024	Canada (\$)	USA (\$)	Total (\$)
Total assets	8,365,064	2,071	8,367,135
Loss for the year	2,053,822	626,393	2,680,215

12. COMMITMENTS

The Company has certain commitments for cash payment and exploration expenditures pursuant to the various property purchase agreements (see Note 5).

The Company is bound by a management agreement dated September 13, 2022, with the CEO according to which, if the CEO terminates this agreement as a consequence of a change in control, the Company will pay to the CEO an amount equal to 24 times of monthly base fee in effect at the date of termination. In the event of termination of the agreement by the Company other than for just cause or if the agreement is terminated by the consultant for good reason, then the Company will be liable for 6 times of monthly base fee in effect at the date of termination for each complete year of services provided by the CEO hereunder.

The Company is bound by a management agreement dated September 1, 2022 with the CDO according to which, in the event of termination of the agreement by the Company other than for just cause or if the agreement is terminated by the consultant for good reason, then the Company will be liable for 3 times of monthly base fee in effect at the date of termination for each complete year of services provided by the CDO hereunder.