

FIRST NATIONAL ENERGY CORP.

44 Greystone Crescent
Georgetown, ON L7G 1G9
Canada

416 918 6987

www.firstnationalenergy.com
pete.wanner@firstnationalenergy.com

Quarterly Report

For the period ending **March 31 2026** (the "Reporting Period")

Outstanding Shares

The number of shares outstanding of our Common Stock was:

103,080,228 as of March 31 2026

103,080,228 as of December 31 2025

Shell Status

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933, Rule 12b-2 of the Exchange Act of 1934 and Rule 15c2-11 of the Exchange Act of 1934):

Yes: No:

Indicate by check mark whether the company's shell status has changed since the previous reporting period:

Yes: No:

Change in Control

Indicate by check mark whether a Change in Control⁵ of the company has occurred during this reporting period:

Yes: No:

⁵ "Change in Control" shall mean any events resulting in:

- (i) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becoming the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities;
- (ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company's assets;
- (iii) A change in the composition of the Board occurring within a two (2)-year period, as a result of which fewer than a majority of the directors are directors immediately prior to such change; or
- (iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

1) Name and address(es) of the issuer and its predecessors (if any)

In answering this item, provide the current name of the issuer and names used by predecessor entities, along with the dates of the name changes.

First National Energy Corporation ("Company") was incorporated as Capstone International Corporation on November 16, 2000, in the state of Delaware, and has a class of shares registered with the Securities and Exchange Commission on Form SB-2 (SEC File No. 333-62588, filed on June 8, 2001). The Company's name was changed to "First National Power Corporation" on January 28, 2004, and was changed again to "First National Energy Corporation" on February 12, 2009, at which time the Company effected a reverse stock split, adopted a holding company structure, and relocated its corporate charter from Delaware to Nevada as part of the reorganization described in the next succeeding paragraph.

On February 12, 2009, the Company effected a reorganization pursuant to that certain Agreement and Plan of Merger to Form Holding Company, dated as of December 10, 2009, which had the effect of (1) implementing a reverse stock split of its issued and outstanding common shares at the rate of 100 to 1 ; (2) merging the Company with and into First National Power Corporation, a Nevada corporation and a wholly-owned indirect (second tier) subsidiary of the Company, such that First National Energy Corporation, a Nevada corporation and a wholly-owned direct (first tier) subsidiary of the Company, succeeded the Company as a successor issuer of its registered securities, pursuant to Rule 12g-3 under the Securities Exchange Act of 1934, and continued the business of the Company for all purposes; (3) exchanging each issued and outstanding share of the Company on the record date (and after giving effect to the reverse stock split described above) into one new common share of the successor issuer; (4) shifting the Company's charter from the State of Delaware to the State of Nevada; (5) increasing the authorized capital of the Company from 100 million common shares to 300 million common shares; (6) changing the Company's name from "First National Power Corporation" to "First National Energy Corporation"; and (7) changing the Company's stock symbol from FNPR to FNEC.

Current State and Date of Incorporation or Registration: Nevada, December 10, 2009

Standing in this jurisdiction: (e.g. active, default, inactive): Active

Prior Incorporation Information for the issuer and any predecessors during the past five years:

None

Describe any trading suspension or halt orders issued by the SEC or FINRA concerning the issuer or its predecessors since inception:

None

List any company name change, stock split, dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months:

None

Address of the issuer's principal executive office:

The company has no manufacturing and therefore no plant facilities.
All administration happens from 44 Greystone Crescent, Georgetown, ON L7G 1G9 Canada, and all marketing happens from 2000 Webber Street, Sarasota, FL 34239 USA.

Address of the issuer's principal place of business:

X Check if principal executive office and principal place of business are the same address:

Has the issuer or any of its predecessors been in bankruptcy, receivership, or any similar proceeding in the past five years?

No: X Yes: If Yes, provide additional details below:

2) Security Information

Transfer Agent

Name: Odyssey Trust
Phone: 416 350 5007
Email: emilia@capitaltransferagency.com
Address: 1100 - 67 Yonge Street, Toronto, ON, M5E 1J8

Publicly Quoted or Traded Securities:

Trading Symbol	OTC:FNEC	
Exact Title and class of securities Outstanding	Common	
Votes per share	1	
CUSIP	321129	
Par or Stated Value	\$0.001	
Total Shares Authorized	300,000,000	As of March 31 2026
Total Shares Outstanding	103,080,228	As of March 31 2026
Total number of shareholders of record	41	As of March 31 2026

Other classes of authorized or outstanding equity securities that do not have a trading symbol:

None

Security Description:

The goal of this section is to provide a clear understanding of the material rights and privileges of the securities issued by the company. Please provide the below information for each class of the company's equity securities, as applicable:

1. For common equity, describe any dividend, voting and preemption rights.

The common stock has voting rights entitling the holder to one vote per share, dividends are paid at the discretion of management

2. For preferred stock, describe the dividend, voting, conversion, and liquidation rights as well as redemption or sinking fund provisions.

No preferred stock

3. Describe any other material rights of common or preferred stockholders.

As described in 1) and 2) above

4. Describe any material modifications to rights of holders of the company's securities that have occurred over the reporting period covered by this report.

None

3) Issuance History

*The goal of this section is to provide disclosure with respect to each event that resulted in any changes to the total shares outstanding of any class of the issuer's securities **in the past two completed fiscal years and any subsequent interim period.***

Disclosure under this item shall include, in chronological order, all offerings and issuances of securities, including debt convertible into equity securities, whether private or public, and all shares, or any other securities or options to acquire such securities, issued for services. Using the tabular format below, please describe these events.

A. Changes to the Number of Outstanding Shares for the two most recently completed fiscal years and any subsequent period.

Indicate by check mark whether there were any changes to the number of outstanding shares within the past two completed fiscal years:

No: Yes: X (If yes, you must complete the table below)

Number of shares outstanding as of		Opening Balances
1-Jan-22	Common	100,420,228

Date of Transaction	Transaction Type	Number of Shares	Class of Securities	Value of shares issued \$/share	Discounted ?	Issued to	Control person if issued to corporate entity	Reason for Issuance	Restricted ?
24-Feb-22	new issuance	60,000	common	0.250	Yes	2 Somer Romm Court, Stouffville, ON	Ray Katoch	working capital	no
31-Dec-22	new issuance	50,000	common	2.000	Yes	c/o 44 Greystone Crescent, Georgetown, ON	Gregory Brughardt	working capital	no
1-Oct-22	new issuance	3,000,000	common	0.250	Yes	6 Jill Crescent, Toronto, Ontario, M9B 6B3	Alex Popovich	working capital	no
31-Dec-22	new issuance	2,500,000	common	0.250	Yes	65 Sewell Drive, Oakville, ON L6H 1C7	Wojciech Gaj-Jablonski	working capital	no
1-Apr-23	cancellation	- 3,000,000	common	0.250	Yes	6 Jill Crescent, Toronto, Ontario, M9B 6B3	Alex Popovich	working capital	no
8-Jul-24	new issuance	50,000	common	0.001	Yes	904 Osceola Drive, Fort Pearce, Florida 34982	Miriam Y Garcia	working capital	no

Net Change 2,660,000

Shares outstanding on	Closing
31-Mar-26	Common 103,080,228

B. Convertible Debt

The following is a complete list of the Company's Convertible Debt which includes all promissory notes, convertible notes, convertible debentures, or any other debt instruments convertible into a class of the issuer's equity securities. The table includes all issued or outstanding convertible debt at any time during the last complete fiscal year and any interim period between the last fiscal year end and the date of this Certification.

Check this box to confirm the Company had no Convertible Debt issued or outstanding at any point during this period.

4) Issuer's Business, Products and Services

The purpose of this section is to provide a clear description of the issuer's current operations. Ensure that these descriptions are updated on the Company's Profile on www.OTCMarkets.com.

- A. Summarize the issuer's business operations (If the issuer does not have current operations, state "no operations")

Alternative wind power generation for unique applications

- B. List any subsidiaries, parent company, or affiliated companies.

None

- C. Describe the issuers' principal products or services.

Wind power generation for unique hard to access locations – previous sites included Arctic locations

5) Issuer's Facilities

The goal of this section is to provide investors with a clear understanding of all assets, properties or facilities owned, used or leased by the issuer and the extent in which the facilities are utilized.

In responding to this item, please clearly describe the assets, properties or facilities of the issuer. Describe the location of office space, data centers, principal plants, and other property of the issuer and describe the condition of the properties. Specify if the assets, properties, or facilities are owned or leased and the terms of their leases. If the issuer does not have complete ownership or control of the property, describe the limitations on the ownership.

The Company has no operations and therefore no manufacturing facilities. All administration happens from 44 Greystone Crescent, Georgetown, ON L7G 1G9 Canada, and all marketing happens from 2000 Webber Street, Sarasota, FL 34239 USA.

6) All Officers, Directors, and 5% Beneficial Owners of the Company

Using the table below, please provide information, as of the period end date of this report, regarding all officers and directors of the company, or any person that performs a similar function, regardless of the number of shares they own.

In addition, list all individuals or entities controlling 5% or more of any class of the issuer's securities. If any insiders listed are corporate shareholders or entities, provide the name and address of the person(s) beneficially owning or controlling such corporate shareholders, or the name and contact information (City, State) of an individual representing the corporation or entity. Include Company Insiders who own any outstanding units or shares of any class of any equity security of the issuer.

The goal of this section is to provide investors with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant or beneficial owners.

Name of Officer/Director and Control Person	Affiliation with Company (e.g. Officer/Director/Owner of more than 5%)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding	Note
<u>Peter Wanner</u> 44 Greystone Crescent, Georgetown, ON L7G1G9	<u>CFO</u>	<u>Georgetown, ON</u>	<u>14,395</u>	<u>Common</u>	<u>.01%</u>	_____
<u>Frank Cavicchia</u>	_____	<u>Toronto, ON</u>	<u>87,644,760</u>	<u>Common</u>	<u>85.1%</u>	<u>majority shareholder</u>

Confirm that the information in this table matches your public company profile on www.OTCMarkets.com. If any updates are needed to your public company profile, log in to www.OTCIQ.com to update your company profile.

7) Legal/Disciplinary History

A. Identify and provide a brief explanation as to whether any of the persons or entities listed above in Section 6 have, in the past 10 years:

1. Been the subject of an indictment or conviction in a criminal proceeding or plea agreement or named as a defendant in a pending criminal proceeding (excluding minor traffic violations);

None

2. Been the subject of the entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, financial- or investment-related, insurance or banking activities;

None

3. Been the subject of a finding, disciplinary order or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, a state securities regulator of a violation of federal or state securities or commodities law, or a foreign regulatory body or court, which finding or judgment has not been reversed, suspended, or vacated;

None

4. Named as a defendant or a respondent in a regulatory complaint or proceeding that could result in a "yes" answer to part 3 above; or

None

5. Been the subject of an order by a self-regulatory organization that permanently or temporarily barred, suspended, or otherwise limited such person's involvement in any type of business or securities activities.

None

6. Been the subject of a U.S Postal Service false representation order, or a temporary restraining order, or preliminary injunction with respect to conduct alleged to have violated the false representation statute that applies to U.S mail.

None

B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party to or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities.

None

8) Third Party Service Providers

Provide the name, address, telephone number and email address of each of the following outside providers. You may add additional space as needed.

Confirm that the information in this table matches your public company profile on www.OTCMarkets.com. If any updates are needed to your public company profile, update your company profile.

Securities Counsel

Name: Anthony F. Newton
Address 1: 16730 Creek Bend Drive
Address 2: Sugar Land, Texas 77478
Phone: (832) 452-0269
Email: tony.newton@yahoo.com

Accountant or Auditor

Name: N/A
Firm: _____
Address 1: _____
Address 2: _____
Phone: _____
Email: _____

Investor Relations

Name: N/A
Firm: _____
Address 1: _____
Address 2: _____
Phone: _____
Email: _____

All other means of Investor Communication:

X (Twitter): N/A
Discord: _____
LinkedIn: _____
Facebook: _____
[Other]: _____

Other Service Providers

Provide the name of any other service provider(s) that **that assisted, advised, prepared, or provided information with respect to this disclosure statement**. This includes counsel, broker-dealer(s), advisor(s), consultant(s) or any entity/individual that provided assistance or services to the issuer during the reporting period.

Name: Peter Wanner
Firm: Peter Wanner, CGA
Nature of Services: CFO and Director
Address 1: 44 Greystone Crescent
Address 2: Georgetown, ON L7G 1G9
Phone: 416 918 6987
Email: petewanner@gmail.com

9) Disclosure & Financial Information

A. This Disclosure Statement was prepared by (name of individual):

Name: Peter Wanner
Title: CFO
Relationship to Issuer: CFO and Director

B. The following financial statements were prepared in accordance with:

IFRS
 U.S. GAAP

C. The following financial statements were prepared by (name of individual):

Name: Peter Wanner
Title: CFO
Relationship to Issuer: CFO and Director

Describe the qualifications of the person or persons who prepared the financial statements:⁷ **CGA**

Provide the following qualifying financial statements:

- Audit letter, if audited;
- Balance Sheet;
- Statement of Income;
- Statement of Cash Flows;
- Statement of Retained Earnings (Statement of Changes in Stockholders' Equity);
- Financial Notes

Financial Statement Requirements:

- Financial statements must be published together with this disclosure statement as one document.
- Financial statements must be "machine readable." Do not publish images/scans of financial statements.
- Financial statements must be presented with comparative financials against the prior FYE or period, as applicable.
- Financial statements must be prepared in accordance with U.S. GAAP or International Financial Reporting Standards (IFRS) but are not required to be audited.

⁷ The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS and by persons with sufficient financial skills.

First National Energy Corporation
Financial Statements
March 31, 2026
(Amounts expressed in US Dollars)
(unaudited)

TO THE STOCKHOLDERS OF FIRST NATIONAL ENERGY CORP.

The balance sheet of First National Energy Corp. at March 31, 2026 and December 31, 2025 and the Statement of Operations and Comprehensive Loss, Changes in Stockholders' Deficiency and Cash Flows for the periods then ended have not been audited by the Company's auditors. These financial statements are the responsibility of management and have been reviewed and approved by the Company's Audit Committee and Board of Directors

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FIRST NATIONAL ENERGY CORPORATION
Balance Sheet
As of March 31 2026 and December 31, 2025
(Amounts expressed in US Dollars)

	March 31	December 31
	2026	2025
	(unaudited)	(unaudited)
	(unconsolidated)	(unconsolidated)
	\$	\$
ASSETS		
CURRENT ASSETS		
Cash	-	-
Accounts Receivable	-	-
Total Current Assets	-	-
Licenses for Technology (Note 4)	100	100
Investment in WOG patents (Note 11)	5,000,000	5,000,000
Vertical Wind Powered Generators	70,000	70,000
Total Assets	5,070,100	5,070,100
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	14,001	14,001
	14,001	14,001
LONG TERM LIABILITIES		
Loan payable to director (Note 6)	230,573	227,873
Loan payable to related party	70,000	70,000
TOTAL LIABILITIES	314,574	311,874
Going Concern (Note 2)		
Related Party Transactions (Note 6)		
STOCKHOLDERS' DEFICIENCY		
Capital Stock (\$0.001 par value, 300,000,000 common shares authorized, 103,080,228 issued and outstanding as of March 31, 2026 and December 31, 2025 (Note 5)	103,080	103,080
Additional paid-in capital	6,031,285	6,031,285
Deficit Accumulated during the development stage	(1,378,883)	(1,376,183)
Accumulated other comprehensive loss	(10)	(10)
Total Stockholders' Deficiency Attributable to the Company's Stockholders	4,755,472	4,758,172
Non-controlling interest	53	53
Total FNEC Stockholders' Deficit	4,755,525	4,758,225
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIENCY	5,070,100	5,070,100

Accepted on behalf of the Board
Signed "Peter Wanner"
/s/ Peter Wanner
CFO

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

FIRST NATIONAL ENERGY CORPORATION
Statement of Operations and Comprehensive Income (Loss)
For the periods ended
(Amounts expressed in US Dollars)

	3 Months Ended Mar 31	
	2026	2025
	(unaudited)	(unaudited)
	(unconsolidated)	(unconsolidated)
	\$	\$
REVENUE	-	-
EXPENSES		
Public company expenses	1,450	1,468
Interest and bank charges (income)	-	81
General and administrative expenses	1,250	1,551
TOTAL OPERATING EXPENSES	2,700	3,101
GROSS OPERATING LOSS	(2,700)	(3,101)
Foreign exchange loss	-	-
LOSS BEFORE INCOME TAX	(2,700)	(3,101)
Income taxes	-	-
NET LOSS	(2,700)	(3,101)
Net income (loss) attributable to non-controlling interest	-	-
Net loss attributable to FNEC Stockholders	(2,700)	(3,101)
Loss per share, basic and diluted	(0)	(0)
Weighted average common shares outstanding	103,080,228	103,080,228
COMPREHENSIVE LOSS		
NET LOSS INCLUDING NONCONTROLLING INTEREST	(2,700)	(3,101)
Foreign exchange translation adjustment for the period	-	-
Other Comprehensive Loss	(2,700)	(3,101)
Comprehensive Loss attributable to non-controlling interest	-	-
Comprehensive Loss attributable to FNEC Stockholders	(2,700)	(3,101)

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

FIRST NATIONAL ENERGY CORPORATION
Statement of Changes in Stockholders' Equity
For the periods ended December 31, 2020 to March 31 2026
(Amounts expressed in US Dollars)

	Common stock - number of shares	Common stock - dollar amount at par value	Additional paid-in capital	Accumulated Deficit	Accumulated other comprehensive loss	Non- controlling interests	Total stockholders' deficit
	\$	\$	\$	\$	\$	\$	\$
Balance as of December 31 2020 (unaudited)	101,065,228	100,965	328,567	(1,480,835)	(10)	53	(1,051,260)
Net Loss for the Period		-	-	(4,860)	-	-	(4,860)
Balance as of December 31 2021 (unaudited)	101,065,228	100,965	328,567	(1,485,695)	(10)	53	(1,056,120)
Sale of shares in a private placement	60,000	60	14,940				15,000
Sale of shares in a private placement	50,000	50	12,450				12,500
Shares issued for services	5,000	5	4,995				5,000
Sale of shares in a private placement	50,000	50	99,950				100,000
Shares issued to purchase Diesel Systems Group	3,000,000	3,000	1,647,000				1,650,000
Shares issued to purchase WOG patents	2,500,000	2,500	4,997,500				5,000,000
Foreign Exchange				(126,135)			(126,135)
Net Profit (Loss) for the Period		-	-	28,332	-	-	28,332
Balance as of Dec 31 2022 (unaudited)	106,030,228	106,030	7,105,402	(1,583,498)	(10)	53	5,628,077
Foreign Exchange							-
Shares retracted from Diesel Systems Group transaction cancellation	(3,000,000)	(3,000)	(1,647,000)	220,204			(1,429,796)
Net Profit (Loss) for the Period		-	-	108,639	-	-	108,639
Balance as of December 31 2023 (unaudited)	103,030,228	103,030	5,458,402	(1,254,654)	(10)	53	4,306,821
Return of subsidiary shares			(100)	(8,316)			(8,416)
Demerger of controlling interest	-	-	523,033	-			523,033
Sale of shares in a private placement	50,000	50	49,950	-			50,000
Net Profit (Loss) for the Period		-	-	(90,458)	-	-	(90,458)
Balance as of December 31 2024 (unaudited)	103,080,228	103,080	6,031,285	(1,353,428)	(10)	53	4,780,980
Net Profit (Loss) for the Period		-	-	(22,755)	-	-	(22,755)
Balance as of December 31 2025 (unaudited)	103,080,228	103,080	6,031,285	(1,376,183)	(10)	53	4,758,225
Net Profit (Loss) for the Period		-	-	(2,700)	-	-	(2,700)
Balance as of March 31 2026 (unaudited)	103,080,228	103,080	6,031,285	(1,378,883)	(10)	53	4,755,525

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

FIRST NATIONAL ENERGY CORPORATION
Statement of Cash Flows
For the 3 months ended
(Amounts expressed in US Dollars)

	3 Months Ended	
	<u>Mar 31</u> 2026 (unaudited) (unconsolidated)	<u>Mar 31</u> 2025 (unaudited) (unconsolidated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	(2,700)	(3,101)
Adjustments for items not affecting cash		
Decrease in accounts receivable	-	-
Increase (decrease) in accounts payable	(0)	27,934
Net cash used in operating activities	<u>(2,700)</u>	<u>24,833</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Bank indebtedness	-	42
Loan from Director	2,700	(25,727)
Net cash used in (provided by) financing activities	<u>2,700</u>	<u>(25,684)</u>
NET (DECREASE) INCREASE IN CASH	(0)	(851)
Cash, beginning of period	-	851
CASH, END OF PERIOD	<u>(0)</u>	<u>(0)</u>
SUPPLEMENTARY DISCLOSURE		
INCOME TAXES PAID	<u>-</u>	<u>-</u>
INTEREST PAID	<u>-</u>	<u>-</u>
NON-CASH ACTIVITY		
Write-off of loan payable to related party	-	-

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

1. NATURE OF OPERATIONS AND PURCHASE OF TECHNOLOGY

a) Nature of operations

First National Energy Corporation (the “Company”) was incorporated in the State of Delaware on November 16, 2000.

The Company’s business purpose is the provision of wind-driven solutions for power generation. Current projects for the Company are the completion of power generation projects from supplemental wind generation technologies.

The Company is close to commencing the marketing of its product and has been trying to establish the use of its technology in various applications.

b) Purchase of Technology License

On May 25, 2009 (the “Closing”), a Technology License and Stock Purchase Agreement (the “Agreement”) was signed between the Company and Boreas, at which time the Company issued to the stockholders of Boreas 98,800,000 new restricted and unregistered common shares of the Company and agreed to pay certain future royalties to Boreas from net revenues realized by the Company from the technology license. The consideration issued in the transaction was determined as a result of arm’s-length negotiations between the parties.

The Company obtained written consent to the Agreement and the transaction from the holders of 55.82% of its issued and outstanding shares of common stock in lieu of a meeting of stockholders.

Accordingly, the Boreas Stockholders now own 95.95% of the Company’s 103,080,228 outstanding common shares. No finder’s fees were paid or consulting agreements entered into by the Company in connection with the transaction.

Prior to the transaction, there were no material relationships between the Company and Boreas, between Boreas and the Company’s affiliates, directors or officers, or between any associates of Boreas and the Company’s officers or directors. All of the Company’s transaction liabilities were settled on or immediately following the Closing.

1. NATURE OF OPERATIONS AND PURCHASE OF TECHNOLOGY (cont'd)

b) Purchase of Technology License (cont'd)

Upon the Closing on May 25, 2009, the Company was no longer deemed to be a “shell company” as defined in Rule 12b-2 under the Securities Exchange Act of 1934 (the “Exchange Act”). Accordingly, the Company filed an amended current report on Form 8-K/A with the SEC on May 26, 2009, setting forth the information that would be required if the Company were filing a general form for the registration of securities on Form 10 under the Exchange Act.

On April 18, 2011, First National Energy Corporation (the “Company”) entered into a Novation Agreement (the “Novation”) with all of the stockholders of Boreas revising the structure of the May 25, 2009 transaction by which the Company acquired a territorial license to certain rights in alternative energy technology of Boreas, in exchange for a quantity of newly issued common shares of the Company. The Novation amended the Technology License and Stock Purchase Agreement (the “Original Agreement”) to substitute the stockholders of Boreas as the licensor under the Original Agreement.

The Company has imported two units into Canada. One of the units has been erected on a potential client’s site in an urbanized setting. The unit was monitored for over 9 months and was found to be functioning exactly as described. The second unit has been installed at an industrial complex and the power being generated is used both as an auxiliary power unit (APU), and as a feed into the grid, reducing the condominium’s electric bill.

Discussions on funding the operations, as well as for any debt arrangements for floor plan sales to clients, are ongoing.

2. GOING CONCERN

The Company’s financial statements are prepared using accounting principles generally accepted in the United States of America and applicable to a going concern, which contemplates the realization of assets and liquidation of liabilities in the normal course of business. However, the Company has not generated any revenues from its planned principal operations through March 31, 2026 and has recorded losses since inception, has negative working capital, has yet to achieve profitable operations and expects further losses in the development of its business. There can be no assurance that the Company will have adequate capital resources to fund planned operations or that any additional funds will be available to the Company when needed, or if available, will be available on favorable terms in the amounts required by the Company. These conditions raise substantial doubt about the Company’s ability to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Management plans to raise cash through debt offerings once the sales of the technologies begin. The facilities and equipment required for successfully completing the business model have been identified but until the resources are available, have not been acquired or engaged. In the period prior to the onset of operations, the Company will undertake to raise further cash through capital offerings. There is no assurance that the Company will be successful in raising additional capital.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of presentation and Consolidation

The accompanying unaudited financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States of America for financial information and with the instructions to Form 10-Q and Article 8-03 of Regulation S-X related to smaller reporting companies.

The unaudited financial statements should be read in conjunction with the financial statements and Notes thereto together with management's discussion and analysis of financial condition and results of operations contained in the Company's annual report on Form 10-K for the year ended December 31, 2025. In the opinion of management, the accompanying unaudited financial statements reflect all adjustments of a normal recurring nature considered necessary to fairly state the financial position of the Company at December 31, 2025, the results of its operations for the twelve months and quarters ended December 31, 2025 and 2024, and its cash flows for the twelve months and quarters ended December 31, 2025 and 2024. In addition, some of the Company's statements in its annual report on Form 10-K may be considered forward-looking and involve risks and uncertainties that could significantly impact expected results.

b) Use of Estimates

The preparation of financial statements for any period involves the use of estimates as the precise determination of assets and liabilities, and revenues and expenses, depends on future events. Actual amounts may differ from these estimates. Significant estimates include the valuation of allowances for deferred tax assets.

c) Financial Instruments

The Company's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities, and loans payable to director. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values due to the relatively short period to maturity for these instruments.

The Company follows ASC 820-10, "Fair Value Measurements and Disclosures" (ASC 820-10), which among other things, defines fair value, establishes a consistent framework for measuring fair value and expands disclosure for each major asset and liability category measured at fair value on either a recurring or a nonrecurring basis. Fair value is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that should be determined based on the assumptions that market participants would use in pricing an asset or a liability. As a basis for considering such assumptions, a three-tier fair value hierarchy has been established, which prioritizes the inputs used in measuring fair value as follows:

- Level 1—Inputs are unadjusted, quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2—Inputs (other than quoted prices included in Level 1) are either directly or indirectly observable for the asset or liability through correlation with market data at the measurement date and for the duration of the instrument's anticipated life.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

c) Financial Instruments (cont'd)

- Level 3—Unobservable inputs reflect management’s best estimate of what market participants would use in pricing the asset or liability at the measurement date. Consideration is given to the risk inherent in the valuation technique and the risk inherent in the inputs to the model.

Assets and liabilities measured at fair value as of March 31, 2026 and December 31, 2025 are classified below based on the three fair value hierarchy tiers described above:

	2026		2025	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Cash	-	-	-	-
Accounts Payable	14,001	14,001	14,001	14,001
Loan Payable to Director	230,573	230,573	227,873	227,873

Cash has been measured using Level 1 of the fair value hierarchy. Accounts payable and accrued liabilities, loans payable to related party and director have been measured using Level 3 of the fair value hierarchy.

d) Income Taxes

On December 22, 2017 the Tax Cuts and Jobs Act (“TCJA”) was signed into law. Pursuant to Staff Accounting Bulletin No 118, a reasonable estimate of the specific income tax effects for the TCJA can be determined and the Company is reporting these provisional amounts. Accordingly, the Company may revise these estimates in the upcoming year. The TCJA reduces the corporate income tax rate from 34% to 21% effective January 1, 2018.

The TCJA reduces the amount of losses carried forward to 80% of taxable income in the taxable year. As the Company has not generated taxable income in the quarter ended March 31 2026, its losses carried forward are \$nil.

e) Comprehensive loss

Comprehensive loss includes all changes in equity during a period from non-owner sources.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

f) Intangible Assets

Intangible assets include the technology licenses which are amortized over the estimated useful life of 10 years on a straight-line basis. However, since these licenses were previously written down to a nominal value, no amortization was recognized during the quarter for accounting purposes.

g) Loss per share

Basic loss per share is computed by dividing net loss by the weighted average number of common shares outstanding for the year. Diluted loss per share is computed by dividing net loss by the weighted average number of common shares outstanding plus common stock equivalents (if dilutive). As of March 31 2026, there were no common stock equivalents.

h) Stock-Based Compensation

The Company accounts for equity instruments issued in exchange for the receipt of goods or services from parties other than employees using the estimated fair market value of the consideration received or estimated fair value of the equity instruments issued, whichever is more reliably measurable. The value of equity instruments issued for consideration other than employee services is determined on the earlier of a performance commitment or completion of performance by the provider of goods or services. The unrecognized expense related to stock-based compensation, and stock-based compensation expense relating to all employees and non-employees were \$nil and \$nil for the quarters ended March 31 2026 and 2025, respectively.

i) Foreign Currency

The parent Company maintains its books and records in U.S. dollars which is its functional and reporting currency. One of the Company's operating subsidiaries is a foreign private company and maintains its books in Canadian dollars (the functional currency). The subsidiary's financial statements are converted to US dollars for consolidation purposes. The translation method used is the current rate method, where the functional currency of the subsidiary is the foreign currency. Under the current rate method all assets and liabilities are translated at the current rate, stockholders' equity is translated at historical rates and revenues and expenses are translated at average rates for the year. Due to the dormant status of the wholly owned subsidiary, there have been no adjustments for the past years.

j) Recent Accounting Pronouncements

The Company has reviewed all recently issued, but not yet effective, accounting pronouncements and does not expect the future adoption of any such pronouncements to have a significant impact on its results of operations, financial condition or cash flow.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

k) Non-controlling Interest

Non-controlling interests in the Company's subsidiaries are recorded in accordance with the provisions of ASC 810 and are reported as a component of equity, separate from the Company's equity.

4. LICENSES FOR TECHNOLOGY

Licenses are recorded at the carrying amount. No amortization was recorded during the quarter.

	<u>2026</u> <u>Cost</u>	<u>2026</u> <u>Net Book Value</u>	<u>2025</u> <u>Net Book Value</u>
	\$	\$	\$
North American			
Technology License	100	100	100
License	<u>100</u>	<u>100</u>	<u>100</u>

5. CAPITAL STOCK

a) Authorized

300,000,000 Common shares, \$0.001 par value

b) Issued

103,080,228 Common shares (2025: 103,080,228 Common shares) valued at \$103,080 (2025: \$103,080).

6. LOAN PAYABLE TO DIRECTOR

Transactions with related parties are conducted in the normal course of business and are measured at the exchange amount which is the amount of consideration established by and agreed to by the related parties.

A director of the Company has advanced monies to the Company to pay certain expenses. The advances have no interest rate and are due on demand. The amount owing to the director was \$230,573 (2025: \$227,873).

7. SEGMENT DISCLOSURE

The Company, after reviewing its reporting systems, has determined that it has one reportable segment and geographic segment. The Company's operations are all related to the provision of wind-driven solutions for power generation. All assets of the business are located in the United States of America.

8. CAPITAL MANAGEMENT

The Company's capital management objective is to secure the ability to continue as a going concern and to optimize the cost of capital in order to enhance value to shareholders. As part of this objective, the Company seeks to maintain access to loan and capital markets at all times. The Board of Directors reviews the capital structure of the Group on a regular basis.

Capital structure and debt capacity are taken into account when deciding new investments and the Company may consider share buybacks and share issuances as other strategies. No share buybacks have occurred or are currently contemplated. Debt capital is managed considering the requirement to secure liquidity and the capability to refinance maturing debt. As of March 31 2026, the Company had no interest-bearing loans.

9. FINANCIAL INSTRUMENTS

The Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them.

Foreign exchange risk:

The Company's subsidiary conducts its activities in Canadian dollars. The Company is therefore subject to gains or losses due to fluctuations in Canadian currency relative to the US dollar. The Company has no exposure to this given its limited activity and assets through the year.

Liquidity risk:

The Company monitors its liquidity position regularly to assess whether it has the funds necessary to fulfill planned commitments on its alternative energy technology or viable options available to fund such commitments from new equity issuance or alternative sources, such as debt financing. However, without significant internally generated cash flow, there are inherent liquidity risks, including the possibility that additional financing may not be available to the Company, or that actual development expenditures may exceed those planned. The current uncertainty in global markets could have an impact on the Company's future ability to access capital on terms that are acceptable

to the Company. The Company has so far been able to raise the required financing to meet its obligations on time. The Company continues to pursue potential investees.

10. THE 2018 OMNIBUS EQUITY COMPENSATION PLAN

In February 2018, the Company adopted the 2018 Omnibus Equity Compensation Plan. A total of 5,000,000 shares of common stock were reserved pursuant to the Omnibus Equity Compensation Plan. As at March 31 2026, the Company has issued 70,000 shares of common stock under this plan.

11. INVESTMENTS IN SUBSIDIARIES

On December 31, 2022, the Company issued 2,500,000 shares of common stock to complete the purchase of certain licenses and patents for a total of \$5,000,000.

10) Issuer Certification

Principal Executive Officer and Principal Financial Officer:

I, Peter Wanner, certify that:

1. I have reviewed this Disclosure Statement for FIRST NATIONAL ENERGY CORP.;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

April 16, 2026

/s/ Peter Wanner