WEST COAST GEODUCK RESEARCH CORP.

FINANCIAL STATEMENTS

DECEMBER 31, 2025

(Unaudited)

Allen+Krauel
Chartered Professional Accountants

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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Directors of
West Coast Geoduck Research Corp.

We have reviewed the accompanying financial statements of West Coast Geoduck Research Corp. that comprise the balance sheet as at December 31, 2025 and the statements of income and retained earnings, and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for private enterprises, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of West Coast Geoduck Research Corp. as at December 31, 2025, and the results of its operations, and cash flow for the year then ended, in accordance with Canadian accounting standards for private enterprises.

Victoria, BC

March 27, 2026

Allen & Krauel Inc.

Chartered Professional Accountants

WEST COAST GEODUCK RESEARCH CORP.

BALANCE SHEET
DECEMBER 31, 2025
(Unaudited)

	2025	2024
ASSETS		
Current		
Cash and bank deposits	$ 368,934	$ 265,082
Guaranteed investment certificates (note 2)	1,092,537	1,095,009
Accounts receivable	55,567	45,826
Prepaid expenses - insurance	1,419	1,424
Prepaid expenses - other	18,305	16,501
	1,536,762	1,423,842
Tangible capital assets (note 3)	109,458	65,694
	$ 1,646,220	$ 1,489,536
LIABILITIES		
Current		
Accounts payable	$ 25,607	$ 33,487
Accrued liabilities	25,000	35,682
Goods and services taxes payable	-	1,705
Workers' compensation board payable	398	266
	51,005	71,140
SHAREHOLDERS' EQUITY		
Share capital (note 4)	4	4
Retained earnings	1,595,211	1,418,392
	1,595,215	1,418,396
	$ 1,646,220	$ 1,489,536

Approved by the directors

_____ Director

_____ Director

WEST COAST GEODUCK RESEARCH CORP.

STATEMENT OF INCOME AND RETAINED EARNINGS
YEAR ENDED DECEMBER 31, 2025
(Unaudited)

	2025	2024
Revenue		
Dues and fees	$ 1,020,199	$ 1,045,259
Interest income	34,007	33,441
	1,054,206	1,078,700
Stock assessment research		
Contract fees	205,005	203,072
Survey costs	358,045	368,060
	563,050	571,132
Enhancement and aquaculture research		
Contract fees	127,308	123,600
Enhancement research	9,346	15,573
Geoduck seed purchases	19,800	19,800
Geoduck seed nursery research	25,047	20,194
Tenure research	250,104	294,885
	431,605	474,052
Research management		
Accounting and legal	16,970	33,687
Amortization	21,772	14,336
Consulting	35,885	46,719
Executive director fees	83,253	80,340
Liability insurance	6,322	6,258
Office and general	16,440	16,374
Workers' compensation board	2,114	2,326
	182,756	200,040
	1,177,411	1,245,224
Net loss before other items	(123,205)	(166,524)
Loss on disposal of tangible capital assets	-	(294)
SR&ED investment tax credit (note 8)	300,024	309,752
Net income for the year	176,819	142,934
Retained earnings, beginning of year	1,418,392	1,275,458
Retained earnings, end of year	$ 1,595,211	$ 1,418,392

WEST COAST GEODUCK RESEARCH CORP.

STATEMENT OF CASH FLOW
YEAR ENDED DECEMBER 31, 2025
(Unaudited)

	2025	2024
Operating activities		
Net income	$ 176,819	$ 142,934
Add items not requiring a current cash payment:		
Amortization	21,772	14,336
Loss on disposal of tangible capital assets	-	294
	198,591	157,564
Net change in non-cash working capital balances related to operations		
Accounts receivable	(9,741)	(19,221)
Prepaid expenses - insurance	5	(81)
Prepaid expenses - other	(1,804)	26,370
Accounts payable	(7,880)	19,871
Accrued liabilities	(10,682)	9,316
Goods and services taxes payable	(1,705)	1,207
Workers' compensation board payable	132	14
Cash provided by operating activities	166,916	195,040
Investing activities		
Purchases of tangible capital assets	(65,536)	(34,596)
Purchase of guaranteed investment certificates	(1,079,250)	(1,377,264)
Redemption of guaranteed investment certificates	1,081,722	1,281,120
Cash used in investing activities	(63,064)	(130,740)
Net increase in cash during the year	103,852	64,300
Cash position, beginning of year	265,082	200,782
Cash position, end of year	$ 368,934	$ 265,082

1. Significant accounting policies

The financial statements of the company have been prepared in accordance with Canadian accounting standards for private enterprises.

Use of estimates
The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates. Items subject to estimates and assumptions include amortization expense.

Tangible capital assets
Tangible capital assets are stated at cost and are amortized on a declining balance basis, based on the estimated useful life of the assets to the corporation. The annual rates are set out in note 3.

Income taxes
The corporation has adopted the asset and liability method of accounting for income taxes. The future income tax assets and liabilities, which arise from the differences between the accounting and tax bases of the assets and liabilities, have not been recorded as the differences are not considered to be significant.

Revenue recognition
Revenue is recognized in the fiscal year to which it relates. All amounts recorded as unearned revenue as at the date of the financial statements are for the 2026 fiscal year, covering January 1 to December 31, 2026.

Financial Instruments

Measurement of financial instruments
The company initially measures its financial assets and liabilities at fair value. The entity subsequently measures all its financial assets and liabilities at amortized cost.

Financial assets measured at amortized cost include cash, term deposits, and accounts receivable. Financial liabilities measured at amortized cost include accounts payable, and accrued liabilities.

Impairment
Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down or subsequent reversal, if any, is recognized in net income.

1. Significant accounting policies (continued)

Transaction costs
The company recognizes its transaction costs in net income in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

2. Guaranteed investment certificates

During the year, the corporation invests funds, that are not required immediately, in Canadian Imperial Bank of Commerce cashable guaranteed investment certificates. The guaranteed investment certificates bear interest at variable rates equal to the Canadian Imperial Bank of Commerce prime rate less a spread ranging from 2.45% to 2.70%, and mature on June 12, 2026 and August 10, 2026. The interest rates in effect at year end ranged between 1.75% and 2.00%. The certificates are recorded at amortized cost. As at the year end, the carrying value of the guaranteed investment certificates, including accrued interest was $1,092,537 (2024 - $1,095,009).

3. Tangible capital assets

	Cost	Accumulated Amortization	Net Book Value 2025	Net Book Value 2024	Amortization Rate
Computer equipment	$ 16,152	$ 12,855	$ 3,297	$ 5,330	55%
Equipment	197,596	91,435	106,161	60,364	20%
	$ 213,748	$ 104,290	$ 109,458	$ 65,694	

4. Share capital

Authorized

10,000	common shares without par value and without special rights or restrictions attached

Issued and fully paid

		2025	2024
4	common shares	$ 4	$ 4

5. Affiliate

West Coast Geoduck Research Corp. is an affiliate of the U.H.A. Research Society, and is considered to be controlled by the society, due to the society's continuing ability to determine the operating policies of the corporation and the appointment of the corporation's board of directors.

6. Geoduck licence holder remuneration

Remuneration and expense reimbursements paid to licence holders and directors amounted to $27,508 (2024 - $26,475). The amounts paid were $1,408 (2024 - $Nil) for expense reimbursements, $5,600 (2024 - $7,275) for boat charter fees, surveys and enhancements, and $20,500 (2024 - $19,200) for premises rent.

7. Contracts

In the normal conduct of the corporation's affairs, there are numerous contracts entered into which are subject to renewal or adjustment on an annual basis.

8. Scientific research and experimental development investment tax credit

During the year, the corporation received a scientific research and experimental development (SR&ED) investment tax credit refund in the amount of $300,024 plus interest of $1,153 (2024 - $309,752 plus interest of $5,481).

9. Financial instruments and risk management

The company's financial instruments consist of cash, term deposits, accounts receivable, accounts payable, and accrued liabilities. Transactions in financial instruments may result in financial risks being assumed by the company. The risks identified by management are as follows:

Credit risk is the risk that one party to a financial instrument will cause a financial loss to the other party by failing to discharge an obligation.

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Liquidity risk is the risk that the company will encounter difficulty in meeting obligations associated with financial liabilities.

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The extent of the company's exposure to these risks did not change in the period.

10. Incorporation

The corporation was incorporated under the Business Corporations Act in the Province of British Columbia, incorporation number BC0835575, on September 23, 2008. The corporation commenced active operations on January 1, 2009.