IZOTROPIC CORPORATION

Condensed Interim Consolidated Financial Statements
(Unaudited)

For the three and six months ended October 31, 2025 and 2024
(In Canadian dollars)

NOTICE OF NO AUDITOR REVIEW OF

UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATMENTS

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 standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

IZOTROPIC CORPORATION

Condensed Interim Consolidated Statements of Financial Position

As at October 31, 2025 and April 30, 2025

(Unaudited - Expressed in Canadian dollars)

	Notes	October 31, 2025	April 30, 2025
		$	$
ASSETS			
Current			
Cash		**229,863**	274,114
GST recoverable		**10,306**	7,186
Prepaid expenses and deposits	3	**202,527**	114,368
		442,696	395,668
Property and equipment	4	**4,361**	19,061
TOTAL ASSETS		**447,057**	414,729
LIABILITIES			
Current			
Accounts payable and accrued liabilities	5, 9(b)	**2,977,432**	2,509,209
Promissory notes	6, 15(c)	**2,969,134**	2,749,134
Lease liability	7	**-**	15,373
TOTAL LIABILITIES		**5,946,566**	5,273,716
SHAREHOLDERS' DEFICIT			
Share capital	8	**15,655,724**	15,117,236
Shares to be issued	15	**12,500**	-
Reserves	8	**2,162,978**	2,163,154
Accumulated other comprehensive loss		**(5,616)**	(2,453)
Deficit		**(23,325,095)**	(22,136,924)
TOTAL DEFICIT		**(5,499,509)**	(4,858,987)
TOTAL LIABILITIES AND DEFICIT		**447,057**	414,729

Nature of operations and going concern (Note 1)

Subsequent events (Note 15)

Approved on behalf of the Board of Directors:

(Signed) "*Bob Thast*"	(Signed) "*Ralph Proceviat*"
Director	Director

IZOTROPIC CORPORATION

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

Three and Six months ended October 31, 2025 and 2024
(Unaudited - Expressed in Canadian dollars)

		Three months ended October 31,		Six months ended October 31,	
	Note	**2025**	2024	**2025**	2024
		$	$	**$**	$
Operating expenses					
Consulting fees	9	**54,560**	2,636	**84,758**	7,636
Depreciation	4	**4,045**	13,543	**14,697**	26,093
Filing and regulatory fees		**42,846**	22,339	**47,466**	38,682
Office		**23,504**	15,067	**46,572**	25,782
Research and development	10	**258,560**	184,849	**404,558**	370,854
Professional fees		**77,002**	2,841	**88,106**	29,637
Share-based compensation (adjustment)	8	**(16,500)**	-	**40,874**	-
Travel and promotion		**63,971**	5,078	**91,336**	17,698
Loss before other items		**(507,988)**	(246,353)	**(818,367)**	(516,382)
Other items					
Bank charges and interest		**-**	-	**-**	(1,268)
Accretion	7	**(2)**	(1,558)	**(403)**	(3,484)
Interest	6	**(60,000)**	(60,140)	**(120,000)**	(120,140)
Loan extension fees	6	**(50,000)**	(50,000)	**(100,000)**	(961,203)
Foreign exchange gain (loss)		**(169,942)**	12,727	**(174,177)**	(1,455)
		(279,944)	(98,971)	**(394,580)**	(1,087,550)
Net Loss		**(787,932)**	(345,324)	**(1,212,947)**	(1,603,932)
Other comprehensive loss					
Foreign currency translation		**(3,239)**	3,230	**(3,163)**	-
Net loss and comprehensive loss		**(791,171)**	(342,094)	**(1,216,110)**	(1,603,932)
Net loss per share - basic and diluted		**(0.01)**	(0.01)	**(0.02)**	(0.03)
Weighted average number of shares outstanding		**65,040,592**	56,796,346	**65,660,462**	56,365,911

IZOTROPIC CORPORATION

Condensed Interim Consolidated Statements of Changes in Shareholders' Deficit

Six months ended October 31, 2025 and 2024
(Unaudited - Expressed in Canadian dollars)

		Share Capital			Reserves					
	Notes	Number	Amount	Shares to be issued	Options	Warrants	Total Reserves	Accumulated other Comprehensive loss	Deficit	Total
		#	$	$	$	$	$	$	$	$
Balance April 30, 2025		64,379,679	15,117,236	-	1,861,719	301,435	2,163,154	(2,453)	(22,136,924)	(4,858,987)
Share issued for cash	8(b)	1,500,000	375,000	-	-	-	-	-	-	375,000
Share Issuance Cost		-	(11,061)	-	-	5,275	5,275	-	-	(5,786)
Share subscription received	6(d)	-	-	12,500	-	-	-	-	-	12,500
Forfeited and expired options	8(d)	-	-	-	(24,776)	-	(24,776)	-	24,776	-
Warrants exercised	8(c)	1,530,000	174,549	-	-	(21,549)	(21,549)	-	-	153,000
Share-based compensation	8(d)	-	-	-	40,874	-	40,874	-	-	40,874
Net and comprehensive loss for the period		-	-	-	-	-	-	(3,163)	(1,212,947)	(1,216,110)
Balance October 31, 2025		**67,409,679**	**15,655,724**	**12,500**	**1,877,817**	**285,161**	**2,162,978**	**(5,616)**	**(23,325,095)**	**(5,499,509)**
Balance, April 30, 2024		54,996,346	14,090,857	-	1,069,407	93,935	1,163,342	(2,570)	(19,097,883)	(3,846,254)
Share issued for cash		1,800,000	180,000	-	-	-	-	-	-	180,000
Share subscription received		-	-	104,206	-	-	-	-	-	104,206
Loan extension fees		-	-	-	-	644,536	644,536	-	-	644,536
Net and comprehensive loss for the period		-	-	-	-	-	-	4,286	(1,603,932)	(1,599,646)
Balance, October 31, 2024		56,796,346	14,270,857	104,206	1,069,407	738,471	1,807,878	1,716	(20,701,815)	(4,517,158)

IZOTROPIC CORPORATION

Condensed Interim Consolidated Statements of Cash Flows

Six months ended October 31, 2025 and 2024

(Unaudited - Expressed in Canadian dollars)

	Six months ended October 31, 2025	Six months ended October 31, 2024
Operating activities		
Net loss	$ (1,216,110)	$ (1,603,932)
Items not affecting cash		
Depreciation	14,697	26,093
Share based compensation	40,874	-
Accrued interest and loan extension fees	220,000	60,000
Accretion	403	3,943
Warrants issued for loan extension	-	644,536
Changes in non-cash working capital items:		
GST recoverable	(3,120)	(5,040)
Prepaid expenses and deposits	(88,159)	15,139
Accounts payable and accrued liabilities	468,223	672,102
Net cash used in operating activities	**(563,192)**	(187,159)
Financing activities		
Shares issued for cash, net of share issue costs	369,214	180,000
Proceeds on exercise of warrants	153,000	-
Shares to be issued from exercise of warrants	12,500	104,206
Payment of lease liability	(16,011)	(22,990)
Net cash provided by financing activities	**518,703**	261,216
Increase (decrease) in cash	(44,489)	74,057
Effect of foreign currency translation on cash	238	4,007
Cash and cash equivalents, beginning of period	274,114	38,602
Cash and cash equivalents, end of period	**229,863**	116,666
Cash and cash equivalents consist of:		
Cash	**229,863**	116,666
Supplementary cash flow information:		
Reallcoate fair value of exercised warrants to share capital	21,549	-
Fair value of broker warrants issued	5,275	-
Reallcoate fair value of expired options to deficit	24,776	-

1. Nature of operations and going concern

(a) Nature of operations

Izotropic Corporation (the "Company" or "Izotropic") was incorporated in the Province of British Columbia on May 19, 2016, under the Business Corporations Act of British Columbia. The Company's head office is located at 800 – 15355 24 Avenue, Suite 424, Surrey, British Columbia, Canada.

The Company is a research and development company specializing in cancer research and early detection for breast cancer. The common shares of Izotropic are listed on the Canadian Securities Exchange in Canada under the symbol "IZO", on the OTC markets in the USA under the symbol "IZOZF" and the Frankfurt Stock Exchange in Germany under the symbol "1R3".

On April 25, 2017, the Company entered into an agreement with the Regents of the University of California for an Exclusive License Agreement related to breast cancer detection and treatment (Note 11).

(b) Going concern

These condensed interim consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The Company's financial success is dependent on management's ability to raise adequate financing on reasonable terms and to commence profitable operations in the future. The proposed business of the Company involves a high degree of risk and there is no assurance that the Company will identify proper technologies or inventions that will be successful, and even if so identified and warranted, it may not be able to finance such technologies within the requisite time period. At October 31, 2025, the Company had current liabilities in excess of current assets of $5,503,870 (April 30, 2025 - $4,878,048) and has no sources of cash from operations. These factors indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. Should the Company be unable to realize its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded in these condensed interim consolidated financial statements. These condensed interim consolidated financial statements do not include adjustments that would be necessary should the Company be unable to continue as a going concern.

2. Significant accounting policies

(a) Basis of presentation

These condensed interim consolidated financial statements (the "Financial Statements") have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting ("IAS 34") using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

(Unaudited - Expressed in Canadian dollars)

2. Significant accounting policies (continued)

(a) Basis of presentation (continued)

The Condensed Interim Financial Statements should be read in conjunction with the Company's annual financial statements as at and for the year ended April 30, 2025 (the "Annual Financial Statements"). The accounting policies and critical estimates applied by the Company in the Condensed Interim Financial Statements are the same as those applied in the Annual Financial Statements. The Condensed Interim Financial Statements do not include all the information required for full annual financial statements, however, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the most recent Annual Financial Statements.

The Financial Statements were approved and authorized for issue by the Board of Directors of the Company on December 30, 2025.

(b) Basis of consolidation

The Condensed Interim Financial Statements include the accounts of the Company and its controlled entities, Izotropic Imaging Corp., a wholly-owned subsidiary based in Nevada, USA and Izotropic Development Corp., a wholly-owned subsidiary based in California, USA. The controlled entities are fully consolidated from the date of acquisition, being the date on which the Company obtained control and continue to be consolidated until the date such control ceases. All intercompany balances and transactions have been eliminated upon consolidation.

3. Prepaid Expenses and Deposits

	October 31, 2025	April 30, 2025
	$	$
Filing and regulatory fees	**10,582**	14,595
Insurance	**16,446**	6,384
Lease	**3,698**	3,389
Promotional services	**171,801**	90,000
Total	**202,527**	114,368

(Unaudited - Expressed in Canadian dollars)

4. Property and Equipment

	Furniture and equipment	Right-of-use lease asset (a)	Leasehold improvement	Computer hardware	Total
Cost	**$**	**$**	**$**	**$**	**$**
Balance, April 30, 2025	62,574	102,522	15,792	1,140	182,028
Foreign currency translation		1,528	239	-	1,767
Balance, October 31, 2025	**62,574**	**104,050**	**16,031**	**1,140**	**183,795**
Accumulated depreciation					
Balance, April 30, 2025	57,480	90,095	14,822	570	162,967
Depreciation	1,019	12,428	966	284	14,697
Foreign currency translation	-	1,527	243	-	1,770
Balance, October 31, 2025	**58,499**	**104,050**	**16,031**	**854**	**179,434**

	Furniture and equipment	Right-of-use lease asset (a)	Leasehold improvement	Computer hardware	Total
	$	**$**	**$**	**$**	**$**
Net book value					
Balance, October 31, 2025	**4,075**	**-**	**-**	**286**	**4,361**
Balance, April 30, 2025	5,094	12,427	970	570	19,061

The Company entered into a property lease on June 9, 2022 for a research and development facility in Sacramento, California. The lease was effective December 1, 2022 and expired on August 31, 2025 (Note 7).

Following the initial term of the lease, the lease continued on a month-to-month basis from September 1, 2025 through November 30, 2025. The Company executed an extension of the lease effective December 1, 2025 (Note 15).

(Unaudited - Expressed in Canadian dollars)

5. Accounts Payable and Accrued Liabilities

	October 31, 2025	April 30, 2025
	$	$
Accounts payable	**2,910,699**	2,446,709
Other accrued liabilities	**66,733**	62,500
	2,977,432	2,509,209

6. Promissory Notes

On April 1, 2022, the Company completed an offering (the "Offering") of unsecured promissory notes ("Notes") in the aggregate principal amount of $2,050,000. The Notes bear interest at 12% per annum and matured on March 31, 2023. Pursuant to the Offering, the Company issued 826,613 warrants exercisable at a price of $0.62 per share expiring March 31, 2025.

Effective June 30, 2024 and March 31, 2025, the Company entered into two amended loan agreements (the "Initial Principal Sum") and promissory notes ("Notes"):

(a) The initial Loan Agreement and Initial Principal Sum was $2,000,000 and the amount due to the Lender totaled $2,415,000 (the "New Principal Sum") to June 30, 2024;

(b) The New Principal Sum was calculated based on the initial loan amount of $2,000,000, plus unpaid interest of 12% per annum from the outset, plus Extension Fees, minus interest paid;

(c) The interest was set at 12% per annum and due quarterly:

(d) The interest due for the nine month period between July 1, 2024 and March 31, 2025 was $180,000;

(e) After interest payments to the Lender totaling $180,000, the outstanding loan and interest owing at March 31, 2025 was $2,595,000.

Loan Terms and Extension Fees

(a) New loan terms will be established for 6 month periods until paid;

(b) Extension Fees will be added on to the Initial Principal Sum for every 6 month extension;

(c) A 5% Extension Fee of $100,000 (based on the Initial Principal Sum of $2,000,000) was added to the New Principal Sum covering the period between June 30, 2024 and December 31, 2024 resulting in a balance at March 31, 2025 in the amount of $2,695,000.

(Unaudited - Expressed in Canadian dollars)

6. Promissory Note (continued)

In addition, on July 19, 2024, the Company issued 9,660,000 warrants exercisable at $0.10 per share expiring July 19, 2029 with a fair value of $89,132. The fair value of the warrants was determined using the residual value whereby the value is first allocated to the debt based on the fair value of the loan with the difference allocated to warrants.

On April 1, 2025, the Company issued 3,000,000 bonus warrants exercisable at a price of $0.31 per share and expiring April 1, 2030 with a fair value of $197,267. The fair value of the warrants was determined using the residual value whereby the value is first allocated to the debt based on the fair value of the loan with the difference allocated to warrants.

The total fair value of the warrants included in the loan extension fees for the year ended April 30, 2025 amounts to $286,399. As at October 31, 2025, the amended promissory note balance amounts to $2,969,134 (Note 15).

This promissory note is secured by the assets of the Company.

	$
Balance April 30, 2025	2,749,134
Accrued interest	120,000
Accrued loan extension fees	100,000
Balance October 31, 2025	**2,969,134**

7. Lease Liability

The changes in the carrying value of lease liabilities are as follows:

	$
Balance April 30, 2025	15,373
Lease payments	(16,011)
Accretion	403
Foreign currency translation	235
Balance October 31, 2025	**-**

The Company entered into a property lease on June 9, 2022 for a research and development facility in Sacramento, California. The lease was effective December 1, 2022 and expired on August 31, 2025.

Following the initial term of the lease, the lease continued on a month-to-month basis from September 1, 2025 through November 30, 2025. The Company executed an extension of the lease effective December 1, 2025 (Note 15).

(Unaudited - Expressed in Canadian dollars)

8. Share capital

(a) Authorized
The authorized share capital of the Company is an unlimited number of common shares without par value.

(b) Issued and outstanding
As at October 31, 2025, the Company's outstanding share capital consisted of 67,409,679 (April 30, 2025 – 64,379,679) issued and fully paid common shares.

On September 19, 2025, the Company completed a non-brokered private placement financing offering and issued 1,500,000 units at a price of $0.25 per unit for gross proceeds of $375,000. Each unit consists of one common share and one transferable warrant and each warrant entitles the holder to purchase one additional share at a price of $0.50 per shared for a period of three years from closing of the private placement. The Company uses residual value method for unit offerings, accordingly, the entire proceeds were allocated to share capital

The Company paid $3,500 of finder fees and issued and aggregate of 14,000 broker warrants in connection with the closing of the private placement. Each broker warrant will entitle the holder to purchase one additional share at a price of $0.25 per share for a period of three years from closing of the private placement.

During the period ended October 31, 2025, 1,530,000 warrants were exercised at for gross proceeds of $153,000.

(c) Share purchase warrants

Each whole warrant entitles the holder to purchase one common share of the Company.

	Warrants	Weighted average exercise price
	#	$
Balance April 30, 2025	21,684,658	0.22
Issued	1,514,000	0.50
Exercised [1]	(1,530,000)	0.10
Balance October 31, 2025	**21,668,658**	**0.25**

[1] The weighted average price of the shares on the dates of exercise of the warrants was $0.10.

(Unaudited - Expressed in Canadian dollars)

8. Share capital (continued)

(c) Share purchase warrants (continued)

As at October 31, 2025, the weighted average contractual life of the warrants was 2.35 years (April 30, 2025 – 2.96 years).

The following table summarizes the warrants outstanding as at October 31, 2025:

Exercise Price	Expiry date	Warrants
$		#
0.50	September 20, 2026	2,841,325
0.25	June 14, 2027	1,800,000
0.10	July 19, 2029	6,920,000
0.10	November 19, 2026	2,560,000
0.30	February 14, 2027	3,033,333
0.25	September 19, 2028	14,000
0.50	September 19, 2028	1,500,000
0.31	April 1, 2030	3,000,000
		21,668,658

On September 20, 2023, the Company issued 2,841,325 units to subscribers of a non-brokered private placement, with each unit consisting of one common share in the capital of the Company and one common share purchase warrant. The Company has amended the expiry date of the warrants from September 20, 2025 to September 20, 2026.

(d) Stock Options

The Company has a Stock Option Plan which provides that the Board of Directors of the Company may from time to time, at its discretion, and in accordance with the Exchange requirements, grant to directors, officers, employees and consultants stock options ("Options") to purchase common shares of the Company. The aggregate maximum number of common shares that may be issued under the Option Plan upon the exercise of Options shall not exceed 10% of the Company's issued and outstanding common shares from time to time.

(Unaudited - Expressed in Canadian dollars)

8. Share capital (continued)

(d) Stock Options (continued)

A summary of the status of the options outstanding is as follows:

	Stock options	Weighted average exercise price
	#	$
Balance April 30, 2025	5,660,000	0.43
Granted	200,000	0.28
Expired [(1)]	(400,000)	0.28
Balance October 31, 2025	**5,460,000**	**0.43**

(1) The fair value of expired options of $24,776 were reclassified from reserves to deficit.

The following table summarizes the stock options outstanding and exercisable as at October 31, 2025:

Exercise Price	Expiry date	Options outstanding	Options exercisable
$		#	#
0.65	March 10, 2027	100,000	100,000
0.61	October 31, 2027	2,160,000	2,160,000
0.31	April 1, 2030	3,000,000	3,000,000
0.28	June 13, 2026	200,000	200,000
		5,460,000	**5,460,000**

As at October 31, 2025, the weighted average contractual life of the stock options was 2.10 years (April 30, 2025 – 3.61 years).

During the period ended October 31, 2025, the Company granted 200,000 stock options. The fair value of stock options granted during the six months ended October 31, 2025 was $40,874.

The Company uses the Black-Scholes Option Pricing Model based on the following assumptions at the time of grant:

	2025	2024
Risk-free annual interest rate	2.72%	-
Expected annual dividend yield	0%	-
Expected stock price volatility	226.2%	-
Expected life	5.0	-

The fair value of stock options granted during the period ended October 31, 2025, was $0.28 (October 31, 2024- $Nil) per option.

(Unaudited - Expressed in Canadian dollars)

8. Share capital (continued)

(e) Long-term Incentive Plan

The Company has a long-term incentive plan (the "LTIP") which provides that the Board of Directors of the Company may from time to time, at its discretion, and in accordance with the Exchange requirements, grant to directors, key employees and consultants of the Company, LTIP in the form of restricted share units, performance share units and deferred share units. The LTIP provides that the aggregate maximum number of common shares that may be issued upon the settlement of awards granted under the LTIP shall not exceed 10% of the Company's issued and outstanding common shares from time to time.

Restricted stock units ("RSU's")

Each RSU gives the participant the right to receive one common share of the Company. There were no RSUs outstanding as at October 31, 2025 and April 30, 2025.

During the period ended October 31, 2025 and 2024, the Company recorded share-based compensation of $Nil for RSUs vested during the period. The fair value of the RSUs awarded during the period ended October 31, 2025 and 2024, were $Nil per share.

9. Related party transactions

Key management includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including the Company's executive officers and members of its Board of Directors. Key management compensation for the three and six months ended October 31, 2025 and 2024 consisted of:

(a) Compensation of key management personnel

	Three months ended October		**Six months ended October 31,**	
	2025	2024	**2025**	2024
	$	$	**$**	$
COO [(1)]	218,978	23,259	280,208	163,331
CFO [(2)]	24,625	-	32,500	-
	243,603	**23,259**	**312,708**	**163,331**

(1) Included in contractor fees under research and development
(2) Accrued for accounting and CFO services and included in professional fees.

(Unaudited - Expressed in Canadian dollars)

9. Related party transactions (continued)

(b) Related party balances

As at October 31, 2025, included in accounts payable and accrued liabilities were amounts due to directors and officers of $1,817,066 (April 30, 2025 - $1,421,085). The amounts are unsecured, non-interest-bearing and without fixed terms of repayment.

10. Research and development

For the three and six months ended October 31, 2025, and 2024, the Company's research and development costs consisted of the following:

	Three months ended October 31,		Six months ended October 31,	
	2025	2024	**2025**	2024
	$		**$**	**$**
Consulting	**12,527**	(32,682)	**21,836**	27,517
Contractor fees	**188,430**	212,316	**280,208**	308,127
Materials	**-**	-	**-**	24,708
Patent maintenance	**54,788**	1,060	**89,150**	2,436
Software	**2,815**	4,155	**13,364**	8,066
	258,560	184,849	**404,558**	370,854

11. License Agreement

On April 25, 2017, the Company entered into a license agreement (the "License Agreement") with the Regents for the University of California (the "Licensor") which granted the Company an exclusive worldwide license for the Biopsy Systems for breast computed tomography patent and other related patents ("Licensed Patent Rights").

In consideration for the license, the Company paid an aggregate of US$210,000 (CAD $275,639) and reimbursed US$79,872 of patent costs to the Licensor. In addition, the Company agreed to pay the Licensor:

- 2% of total consideration received by the Company within 30 days of the completion of a Change of Control;
- 3% of net sales from the sales of all products produced by the Licensee in connection with the License Agreement and sold by the Company in the U.S.;
- 3% of net sales from the sale of the first 15 commercial sales of all products produced by the Licensee in connection with the License Agreement in any other country excluding the U.S.; and
- 1% royalty of net sales of all methods and services sold by the Licensee in connection with the License Agreement.

11. License Agreement (continued)

Under the License Agreement, the Company may grant a sublicense to affiliates of the Company, or to third parties. The Company has agreed to pay the Licensor 25% of any cash consideration, or the cash equivalent of any other form of consideration, due to the Licensee for the grant of rights under a sublicense.

Under the License Agreement, the Company is obligated to further development, manufacture, marketing and sale of products, methods, and services offered by the Company in connection with the License Agreement in quantities sufficient to meet the market demand ("Milestones") as follows:

- submit an application covering a product or service to the U.S. Food and Drug Administration ("FDA") or equivalent foreign agency by June 30, 2018. The timeline to accomplish this condition was later revised and extended and the Company initially engaged with the FDA in the third quarter of 2020;

- obtain FDA or equivalent foreign agency approval by December 31, 2021. This condition has also been revised and timeline extended for up to 7 years. The Company will make annual payments of up to $15,000 until this milestone is accomplished; and

- achieve commercial sale and fill the market demand by June 30, 2022. This milestone timeline has also been revised for up to 7 years based on a number of factors.

If the Company is unable to meet any of the above License Agreement Milestones, the Company has the right to extend the target date of any of the above Milestones by 1 year upon payment of US$10,000 to the Licensor. The Company has a further right to extend the target date of any Milestones for an additional 1 year for US$15,000. Under the License Agreement, the total period of time to complete any Milestone must not exceed seven years from the date of the License Agreement, unless the parties mutually agree in writing otherwise. If the Company does not complete a Milestone and does not opt to extend the period to complete the Milestone, or opts to extend the period to complete the Milestone and does not complete the Milestone within the extended time period, then the Licensor has the right to terminate the License Agreement, or reduce the Company's exclusive License to a non-exclusive license.

On June 4, 2025, the Company entered into an amendment to the license agreement to further extend the milestone dates and modify some of its obligations.

Under the amendment the Company has agreed to the following milestones:

- submit an application covering a Licensed Product or Licensed Service to the FDA or equivalent foreign agency by March 31, 2026;
- obtain FDA or equivalent foreign agency approval covering a Licensed Product or Licensed Service by March 31, 2032;
- begin marketing a Licensed Product or Licensed Service within twelve (12) months of obtaining FDA or equivalent foreign agency approval but no later than March 31, 2033; and
- achieve first commercial Sale and fill the market demand of a Licensed Product or Licensed Service in the United States by December 31, 2033.

(Unaudited - Expressed in Canadian dollars)

11. License Agreement (continued)

The Company has also agreed to pay a diligence obligation extension fee totaling US$85,000 as follows:

- US$25,000 due within thirty (30) days of the Second Amendment Effective Date (paid);
- US$20,000 due on July 1, 2025 (paid);
- US$20,000 due on September 1, 2025 (paid); and
- US$20,000 due on November 1, 2025 (subsequently paid)

12. Fair value of financial instruments

As at October 31, 2025, the Company's financial instruments consist of cash, accounts payable and accrued liabilities, promissory notes and lease liability which were measured at amortized cost. The carrying amounts of cash and accounts payable and accrued liabilities approximate fair value due to their immediate or short-term maturity. The carrying values of promissory notes and lease liability were measured at the effective interest rate which approximate fair value.

13. Financial instruments risk

The Company is exposed to a variety of financial instrument related risks. The Board mitigates these risks by assessing, monitoring and approving the Company's risk management processes.

(a) Liquidity risk

As at October 31, 2025, the Company's contractual obligations consist of:

	Total	<1 year	1 - 3 years	3 – 5 years
	$	$	$	$
Accounts payable and accrued liabilities	2,977,432	2,977,432	-	-
Promissory notes	2,969,134	2,969,134	-	-
	5,946,566	**5,946,566**	**-**	**-**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations associated with its financial liabilities as they come due. The Company's approach to managing liquidity risk is to ensure that it has sufficient liquidity to settle obligations and liabilities when they are due. As at October 31, 2025, the Company had current liabilities in excess of current assets of $5,503,870 (April 30, 2025 - $4,878,048). The Company is pursuing additional sources of financing to ensure that it can meet its ongoing operating requirements and development of its product. There is no assurance that additional financing will be available on terms acceptable to the Company, if at all. Note 1(b)

13. Financial instruments risk (continued)

(b) Currency risk

Currency risk is the risk that foreign exchange rates will fluctuate significantly from expectations. The Company's exposure to currency risk arises from its operations in the US where payments to vendors and consultants are in local currency. Further, the Company holds a portion of its cash in currencies other than Canadian. To manage this risk, the Company holds as small of an amount as practical in foreign currencies.

The operating results and financial position of the Company are reported in Canadian dollars. As the Company operates in an international environment, some of the Company's financial instruments and transactions are denominated in currencies other than the Canadian dollar. The results of the Company's operations are subject to currency transaction and translation risks.

The Company holds cash in Canadian and US dollars. The Company's main risk is associated with fluctuations in the US dollars and assets and liabilities are translated based on the foreign currency translation policy described in Note 2(c) to the Annual Financial Statements.

The Company has determined that an effect of a 10% increase or decrease in the USD against the Canadian dollar on financial assets and liabilities, as at October 31, 2025, including cash, accounts payable and accrued liabilities and lease liability denominated in USD, would result in an increase or decrease of approximately $247,360 (April 30, 2025 - $214,799) to the net loss and comprehensive loss for the six months ended October 31, 2025.

At October 31, 2025, the Company had no hedging agreements in place with respect to foreign exchange rates. The Company has not entered into any agreements or purchased any instruments to hedge possible currency risks at this time.

14. Capital management

The Company manages its capital, consisting of share and working capital, in a manner consistent with the risk characteristic of the assets it holds. All sources of financing are analyzed by management and approved by the board of directors. The Company's objectives when managing capital is to safeguard the Company's ability to continue as a going concern. The Company is meeting its objective of managing capital through preparing short- term and long-term cash flow analysis to ensure an adequate amount of liquidity. The Company is not subject to any externally imposed capital restrictions. There were no changes in the Company's approach to capital management during the period. The Company is not subject to any external restrictions on its capital.

15. Subsequent Events

(a) On November 3, 2025, the Company issued 125,000 common shares from exercise of warrants for gross proceeds of $12,500.

(b) Following the initial term of the lease, the lease continued on a month-to-month basis from September 1, 2025 through November 30, 2025. The Company executed an extension of the lease effective December 1, 2025 (Note 7).

(c) The Company previously entered into a promissory note dated April 1, 2022, with the Lender in the principal amount of $2,000,000. As of the date hereof, the Company owed the Lender $60,000 in accrued interest, representing three (3) months of interest for the period from July to September 2025.

Pursuant to the Agreement, the Company will settle the interest through the issuance of 240,000 units (each, a "Unit") at a deemed price of $0.25 per unit, in full settlement of the interest. Each unit will consist of one common share in the capital of the Company and one share purchase warrant, with each warrant entitling the holder to acquire one additional common share at a price of $0.35 per warrant share for a period of five years from the date of issuance.

(d) On December 12, 2025, the Company granted 10,000 RSUs to a consultant. The RSUs vested and were converted to common share on the same date.

(e) On December 8, 2025, the Company granted 200,000 stock option to a consultant of the Company with an exercise price of $0.31 and expires on December 8, 2027.

(f) Under the amended license agreement with the Regents for the University of California, the Company paid $20,000 due November 1, 2025 (Note 11).