



Condensed Interim Consolidated Financial Statements  
(Unaudited)

For the Three and Nine months ended January 31, 2026 and 2025  
(In Canadian dollars)

**NOTICE OF NO AUDITOR REVIEW OF**

**UNAUDITED 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 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 January 31, 2026 and April 30, 2025

(Unaudited - Expressed in Canadian dollars)

	Notes	January 31, 2026	April 30, 2025
		\$	\$
<b>ASSETS</b>			
<b>Current</b>			
Cash		364,083	274,114
GST recoverable		5,453	7,186
Prepaid expenses and deposits	3	196,029	114,368
		565,565	395,668
Property and equipment	4	119,770	19,061
<b>TOTAL ASSETS</b>		<b>685,335</b>	<b>414,729</b>
<b>LIABILITIES</b>			
<b>Current</b>			
Accounts payable and accrued liabilities	5	2,891,776	2,509,209
Promissory notes	6,8	3,019,134	2,749,134
Lease liability	7	49,715	15,373
		5,960,625	5,273,716
<b>Non-current</b>			
Lease liability	7	67,928	-
<b>TOTAL LIABILITIES</b>		<b>6,028,553</b>	<b>5,273,716</b>
<b>SHAREHOLDERS' DEFICIT</b>			
Share capital	6,8	15,750,587	15,117,236
Share subscriptions	15	300,000	-
Reserves	8	2,191,612	2,163,154
Accumulated other comprehensive loss		1,789	(2,453)
Deficit		(23,587,206)	(22,136,924)
<b>TOTAL DEFICIT</b>		<b>(5,343,218)</b>	<b>(4,858,987)</b>
<b>TOTAL LIABILITIES AND DEFICIT</b>		<b>685,335</b>	<b>414,729</b>

Nature of operations and going concern (Note 1)

Subsequent events (Note 15)

Approved on behalf of the Board of Directors:

(Signed) "Bob Thast"

Director

(Signed) "Ralph Proceviat"

Director

# IZOTROPIC CORPORATION

## Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

Three and Nine months ended January 31, 2026 and 2025

(Unaudited - Expressed in Canadian dollars)

	Note	Three months ended January 31,		Nine months ended January 31,	
		2026	2025	2026	2025
		\$	\$	\$	\$
<b>Operating expenses</b>					
Consulting fees	9	29,916	177,056	114,675	184,692
Depreciation	4	7,633	13,385	22,330	38,670
Filing and regulatory fees		12,928	12,666	60,394	51,348
Office		24,845	14,844	70,007	40,627
Research and development	10	198,336	138,673	602,894	509,527
Professional fees		23,599	10,741	111,705	40,378
Share-based compensation	8	34,461	-	75,335	-
Travel and promotion		28,201	8,997	119,537	26,696
Loss before other items		(359,919)	(376,362)	(1,176,877)	(891,938)
<b>Other items</b>					
Bank charges and interest		(1,298)	(906)	(2,707)	(2,173)
Accretion	7	(2,897)	(1,356)	(3,299)	(4,840)
Loss on debt settlement	6,8	(16,800)	-	(16,800)	-
Write-off of payables	5	28,215	-	28,215	-
Interest	6	(60,000)	(60,155)	(180,000)	(180,295)
Loan extension fees	6	(50,000)	(50,000)	(150,000)	(1,011,203)
Foreign exchange gain		200,588	1,456	26,410	-
		97,808	(110,961)	(298,181)	(1,198,511)
<b>Net Loss</b>		<b>(262,110)</b>	<b>(487,323)</b>	<b>(1,475,058)</b>	<b>(2,090,449)</b>
<b>Other comprehensive income (loss)</b>					
Foreign currency translation		7,405	(88,667)	4,242	(88,667)
<b>Net loss and comprehensive loss</b>		<b>(254,705)</b>	<b>(575,990)</b>	<b>(1,470,816)</b>	<b>(2,179,116)</b>
Net loss per share - basic and diluted		(0.00)	(0.01)	(0.02)	(0.04)
Weighted average number of shares outstanding		65,917,244	59,042,500	65,917,244	57,260,114

# IZOTROPIC CORPORATION

## Condensed Interim Consolidated Statements of Changes in Shareholders' Deficit

Nine months ended January 31, 2026 and 2025

(Unaudited - Expressed in Canadian dollars)

	Notes	Share Capital		Reserves					Accumulated other comprehensive loss	Deficit	Total
		Number	Amount	Share subscriptions	Options	Warrants	RSU	Total Reserves			
		#	\$	\$	\$	\$	\$	\$	\$	\$	\$
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	8(b)	-	(11,325)	-	-	5,275	-	5,275	-	-	(6,050)
Forfeited and expired options	8(d)	-	-	-	(24,776)	-	-	(24,776)	-	24,776	-
Warrants exercised	8(c)	1,655,000	190,026	-	-	(24,526)	-	(24,526)	-	-	165,500
Share-based compensation	8(d)	-	-	-	72,485	-	2,850	75,335	-	-	75,335
RSUs vested	8(e)	10,000	2,850	-	-	-	(2,850)	(2,850)	-	-	-
Share subscription received	15	-	-	300,000	-	-	-	-	-	-	300,000
Share Issued for debt	8(b)	240,000	76,800	-	-	-	-	-	-	-	76,800
Net and comprehensive loss for the period		-	-	-	-	-	-	-	4,242	(1,475,058)	(1,470,816)
<b>Balance January 31, 2026</b>		<b>67,784,679</b>	<b>15,750,587</b>	<b>300,000</b>	<b>1,909,428</b>	<b>282,184</b>	<b>-</b>	<b>2,191,612</b>	<b>1,789</b>	<b>(23,587,206)</b>	<b>(5,343,218)</b>
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		5,550,000	424,900	-	-	-	-	-	-	-	424,900
Share subscription received		-	-	171,000	-	-	-	-	-	-	171,000
Loan extension fees		-	-	-	-	644,536	-	644,536	-	-	644,536
Warrants exercised		-	-	-	-	(24,129)	-	(24,129)	-	24,129	-
Net and comprehensive loss for the period		-	-	-	-	-	-	-	2,570	(2,179,116)	(2,176,546)
<b>Balance January 31, 2025</b>		<b>60,546,346</b>	<b>14,515,757</b>	<b>171,000</b>	<b>1,069,407</b>	<b>714,342</b>	<b>-</b>	<b>1,783,749</b>	<b>-</b>	<b>(21,252,870)</b>	<b>(4,782,364)</b>

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

# IZOTROPIC CORPORATION

## Condensed Interim Consolidated Statements of Cash Flows

Nine months ended January 31, 2026 and 2025

(Unaudited - Expressed in Canadian dollars)

	Nine months ended January 31, 2026	Nine months ended January 31, 2025
<b>Operating activities</b>		
Net loss	\$ (1,470,816)	\$ (2,179,116)
Items not affecting cash		
Depreciation	22,330	38,670
Share based compensation	75,335	-
Accrued interest and loan extension fees	330,000	60,000
Loss on debt settlement	16,800	-
Write-off of payables	(28,215)	-
Accretion	3,299	(11,357)
Warrants issued for loan extension	-	644,536
Changes in non-cash working capital items:		
GST recoverable	1,733	(4,922)
Prepaid expenses and deposits	(81,661)	2,210
Accounts payable and accrued liabilities	410,782	1,054,519
<b>Net cash used in operating activities</b>	<b>(720,413)</b>	<b>(395,460)</b>
<b>Investing activities</b>		
Purchase of property & equipment	-	(1,140)
<b>Net cash used in investing activities</b>	<b>-</b>	<b>(1,140)</b>
<b>Financing activities</b>		
Shares issued for cash, net of share issue costs	368,950	424,900
Share subscription received	300,000	171,000
Proceeds on exercise of warrants	165,500	-
Payment of lease liability	(23,575)	(17,335)
<b>Net cash provided by financing activities</b>	<b>810,875</b>	<b>578,565</b>
Increase in cash	90,462	181,965
Effect of foreign currency translation on cash	(492)	215
Cash, beginning of period	274,114	38,602
<b>Cash, end of period</b>	<b>364,083</b>	<b>220,782</b>
Cash and cash equivalents consist of:		
Cash	<b>364,083</b>	220,782
GIC	-	-
Supplementary cash flow information:		
Reallocate fair value of exercised warrants to share capital	24,526	-
Fair value of broker warrants issued	5,275	-
Reallocate fair value of expired options to deficit	24,776	-
Right of use asset and liability	122,888	-
Fair value transfer of RSU issued	2,850	-

# IZOTROPIC CORPORATION

## Notes to Condensed Interim Consolidated Financial Statements

Three and Nine months ended January 31, 2026 and 2025

(Unaudited - Expressed in Canadian dollars)

---

### 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 January 31, 2026, the Company had current liabilities in excess of current assets of \$5,395,060 (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 “Condensed interim 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”).

# IZOTROPIC CORPORATION

## Notes to Condensed Interim Consolidated Financial Statements

Three and Nine months ended January 31, 2026 and 2025

(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 March 27, 2026.

#### (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

	January 31, 2026	April 30, 2025
	\$	\$
Filing and regulatory fees	20,053	14,595
Insurance	11,377	6,384
Lease	3,578	3,389
Research and development	6,000	-
Professional Fee	5,500	-
Promotional services	149,521	90,000
<b>Total</b>	<b>196,029</b>	<b>114,368</b>

# IZOTROPIC CORPORATION

## Notes to Condensed Interim Consolidated Financial Statements

Three and Nine months ended January 31, 2026 and 2025

(Unaudited - Expressed in Canadian dollars)

### 4. Property and equipment

	Furniture and equipment	Right-of-use asset	Leasehold improvement	Computer hardware	Total
<b>Cost</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance, April 30, 2025	62,574	102,522	15,792	1,140	182,028
Additions	-	122,888	-	-	122,888
Foreign currency translation	-	(1,857)	(285)	-	(2,142)
<b>Balance, January 31, 2026</b>	<b>62,574</b>	<b>223,553</b>	<b>15,507</b>	<b>1,140</b>	<b>302,774</b>
<b>Accumulated depreciation</b>					
Balance, April 30, 2025	57,480	90,095	14,822	570	162,967
Depreciation	1,529	19,408	966	427	22,330
Foreign currency translation	-	(2,012)	(281)	-	(2,293)
<b>Balance, January 31, 2026</b>	<b>59,009</b>	<b>107,491</b>	<b>15,507</b>	<b>997</b>	<b>183,004</b>
<b>Net book value</b>					
<b>Balance, January 31, 2026</b>	<b>3,565</b>	<b>116,062</b>	<b>-</b>	<b>143</b>	<b>119,770</b>
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.

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).

In accordance with IFRS-16, the Company recorded a right-to-use assets and lease liability with a fair value of \$122,888. The fair value was determined by discounting lease payments at an incremental borrowing rate of 15% (Note 7).

# IZOTROPIC CORPORATION

## Notes to Condensed Interim Consolidated Financial Statements

Three and Nine months ended January 31, 2026 and 2025

(Unaudited - Expressed in Canadian dollars)

### 5. Accounts payable and accrued liabilities

	January 31, 2026	April 30, 2025
	\$	\$
Accounts payable	2,821,373	2,446,709
Other accrued liabilities	70,403	62,500
	<b>2,891,776</b>	<b>2,509,209</b>

During the period ended January 31, 2026, the Company reviewed certain historical accounts payable balances and determined that some amounts related to prior periods were no longer payable. Accordingly, \$28,215 were written off following management's assessment and reconciliation with the respective vendors.

As the related expenses had been appropriately recognized in prior reporting periods and were supported by the underlying invoices and documentation, the write-off did not impact current-period operating expenses. The adjustment was recorded as a write-off of payables in the condensed interim consolidated statement of loss and comprehensive loss.

### 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.

# IZOTROPIC CORPORATION

## Notes to Condensed Interim Consolidated Financial Statements

Three and Nine months ended January 31, 2026 and 2025

(Unaudited - Expressed in Canadian dollars)

### 6. Promissory note (continued)

#### 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.

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.

On January 28, 2026, the Company entered into a debt settlement agreement to settle outstanding interest of \$60,000, representing three (3) months of interest for the period from October to December 2025, pursuant to the promissory note. Pursuant to the agreement, the Company settled the interest through the issuance of 240,000 units with a fair value of \$76,800, in full settlement of the interest. Each unit consisted of one common share of the Company and one common share purchase warrant with each warrant entitling the holder to acquire one additional common share at a price of \$0.25 per share for a period of three (3) years from the date of issuance (Note 8 (b), (c)).

As a result of the debt settlement agreement, the Company recognized a loss on settlement of \$16,800, representing the difference between the carrying amount of interest payable and the fair value of the equity instruments issued (Note 8 (b), (c)).

As at January 31, 2026, the promissory note balance amounts to \$3,019,134. This promissory note is secured by the assets of the Company.

	\$
Balance April 30, 2025	2,749,134
Accrued interest	180,000
Repayment (Note 8)	(60,000)
Accrued loan extension fees	150,000
<b>Balance January 31, 2026</b>	<b>3,019,134</b>

# IZOTROPIC CORPORATION

## Notes to Condensed Interim Consolidated Financial Statements

Three and Nine months ended January 31, 2026 and 2025

(Unaudited - Expressed in Canadian dollars)

### 7. Lease liability

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

	\$
Balance April 30, 2025	15,373
Lease payments	(23,575)
Accretion	3,299
Addition	122,888
Foreign currency translation	(342)
<b>Balance January 31, 2026</b>	<b>117,643</b>
Current portion	49,715
Long-term portion	67,928

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 and will be expire on November 1, 2028. In accordance with IFRS-16, the Company recorded a right-to-use assets and lease liability with a fair value of \$122,888. The fair value was determined by discounting lease payments at an incremental borrowing rate of 15% (Note 4).

### 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 January 31, 2026, the Company's outstanding share capital consisted of 67,784,679 (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 share 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.

# IZOTROPIC CORPORATION

## Notes to Condensed Interim Consolidated Financial Statements

Three and Nine months ended January 31, 2026 and 2025

(Unaudited - Expressed in Canadian dollars)

### 8. Share capital (continued)

#### (b) Issued and outstanding (continued)

On December 12, 2025, the Company issued 240,000 shares at fair value of \$76,800 that was applied against the total outstanding Promissory Note of \$60,000 (Note 6). Gain on debt settlement of \$16,800 was recorded under other income on condensed interim consolidated statements of loss and comprehensive loss for the period ending January 31, 2026.

During the period ended January 31, 2026, 1,655,000 warrants were exercised for gross proceeds of \$165,500.

During the period ended January 31, 2026, 10,000 RSUs were converted to common share with the fair value of \$2,850.

#### (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	1,754,000	0.48
Exercised <sup>(1)</sup>	(1,655,000)	0.10
<b>Balance January 31, 2026</b>	<b>21,783,658</b>	<b>0.25</b>

<sup>(1)</sup> The weighted average price of the shares on the dates of exercise of the warrants was \$0.10.

As at January 31, 2026, the weighted average contractual life of the warrants was 2.40 years (April 30, 2025 – 2.96 years).

The following table summarizes the warrants outstanding as at January 31, 2026:

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	6,795,000
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
0.35	December 12, 2030	240,000
		<b>21,783,658</b>

# IZOTROPIC CORPORATION

## Notes to Condensed Interim Consolidated Financial Statements

Three and Nine months ended January 31, 2026 and 2025

(Unaudited - Expressed in Canadian dollars)

### 8. Share capital (continued)

#### (c) Share purchase warrants (continued)

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.

On December 12, 2025, the Company granted 240,000 share purchase warrants, with each warrant entitling the holder to acquire one additional share at a price of \$0.25 per Warrant Share for a period of three (3) years from the date of issuance. (Note 6). The warrants were issued as part of 240,000 units with each unit comprised of one share and one warrant, leaving \$Nil fair value assigned to warrants in accordance with the Company's residual policy for share price allocation.

#### (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.

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	400,000	0.30
Expired <sup>(1)</sup>	(400,000)	0.28
<b>Balance January 31, 2026</b>	<b>5,660,000</b>	<b>0.43</b>

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

# IZOTROPIC CORPORATION

## Notes to Condensed Interim Consolidated Financial Statements

Three and Nine months ended January 31, 2026 and 2025

(Unaudited - Expressed in Canadian dollars)

### 8. Share capital (continued)

#### (d) Stock options (continued)

The following table summarizes the stock options outstanding and exercisable as at January 31, 2026:

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
0.31	December 08, 2027	200,000	100,000
		<b>5,660,000</b>	<b>5,560,000</b>

As at January 31, 2026, the weighted average contractual life of the stock options was 1.85 years (April 30, 2025 – 3.61 years).

During the period ended January 31, 2026, the Company granted 400,000 stock options. The fair value of stock options granted during the nine months ended January 31, 2026 was \$72,485.

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

	2026	2025
Risk-free annual interest rate	2.72%	-
Expected annual dividend yield	0%	-
Expected stock price volatility	226.2%	-
Expected life	5.0	-

# IZOTROPIC CORPORATION

## Notes to Condensed Interim Consolidated Financial Statements

Three and Nine months ended January 31, 2026 and 2025

(Unaudited - Expressed in Canadian dollars)

### 8. Share capital (continued)

#### (e) 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 January 31, 2026 and April 30, 2025.

During the period ended January 31, 2026 the Company recorded share-based compensation of \$2,850 (January 31, 2025 - \$Nil) for the 10,000 RSUs vested during the period.

	RSU	Weighted average issue price
	#	\$
Balance, April 30, 2025	-	-
Granted	10,000	0.285
Converted	10,000	0.285
<b>Balance, January 31, 2026</b>	<b>-</b>	<b>-</b>

#### (f) 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.

### 9. Related party transactions and balances

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 Nine months ended January 31, 2026 and 2025 consisted of:

#### (a) Compensation of key management personnel

	Three months ended January 31,		Nine months ended January 31,	
	2026	2025	2026	2025
	\$	\$	\$	\$
COO <sup>(1)</sup>	140,240	236,947	420,448	400,278
CFO <sup>(2)</sup>	3,500	23,000	36,000	23,000
	<b>143,740</b>	<b>259,947</b>	<b>456,448</b>	<b>423,278</b>

<sup>(1)</sup> Included in contractor fees under research and development

<sup>(2)</sup> Accrued for accounting and CFO services and included in professional fees.

# IZOTROPIC CORPORATION

## Notes to Condensed Interim Consolidated Financial Statements

Three and Nine months ended January 31, 2026 and 2025

(Unaudited - Expressed in Canadian dollars)

### 9. Related party transactions and balances (continued)

#### (b) Related party balances

As at January 31, 2026, included in accounts payable and accrued liabilities were amounts due to directors and officers of \$1,768,499 (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 nine months ended January 31, 2026, and 2025, the Company's research and development costs consisted of the following:

	Three months ended January 31,		Nine months ended January 31,	
	2026	2025	2026	2025
	\$		\$	\$
Clinical Study	-	12,885	-	12,885
Consulting	30,087	14,247	51,924	41,764
Contractor fees	140,240	92,601	420,448	400,728
Materials	-	6,506	-	31,214
Patent maintenance	28,009	-	117,159	2,436
Software	-	12,434	13,364	20,500
	198,336	125,788	602,894	509,527

### 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.

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.

# IZOTROPIC CORPORATION

## Notes to Condensed Interim Consolidated Financial Statements

Three and Nine months ended January 31, 2026 and 2025

(Unaudited - Expressed in Canadian dollars)

---

### 11. License agreement (continued)

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.

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 (paid)

# IZOTROPIC CORPORATION

## Notes to Condensed Interim Consolidated Financial Statements

Three and Nine months ended January 31, 2026 and 2025

(Unaudited - Expressed in Canadian dollars)

### 12. Fair value of financial instruments

As at January 31, 2026, 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 January 31, 2026, the Company's contractual obligations consist of:

	Total	<1 year	1 - 3 years	3 – 5 years
	\$	\$	\$	\$
Accounts payable and accrued liabilities	2,891,776	2,891,776	-	-
Promissory notes	3,019,134	3,019,134	-	-
Lease liability	144,701	49,715	94,986	-
	<b>6,055,611</b>	<b>5,960,625</b>	<b>94,986</b>	-

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 January 31, 2026, the Company had current liabilities in excess of current assets of \$5,395,060 (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)

#### (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.

# IZOTROPIC CORPORATION

## Notes to Condensed Interim Consolidated Financial Statements

Three and Nine months ended January 31, 2026 and 2025

(Unaudited - Expressed in Canadian dollars)

---

### 13. Financial instruments risk (continued)

#### (b) Currency risk (continued)

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 January 31, 2026, including cash, accounts payable and accrued liabilities and lease liability denominated in USD, would result in an increase or decrease of approximately \$238,082 (April 30, 2025 - \$214,799) to the net loss and comprehensive loss for the nine months ended January 31, 2026.

At January 31, 2026, 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

- On February 4, 2026, the Company closed a non-brokered private placement for gross proceeds of \$300,000 consisted, in total, of the issuance of 1,200,000 units at a price of \$0.25 per unit. Each unit was comprised of one common share in the capital of the Company and one common share purchase warrant with each purchase warrant entitling its holder to purchase one common share in the capital of the Company for a price of \$0.25 for a period of three (3) years from the date of issuance.
- On February 18, 2026, the company entered into a Letter Agreement (the "Agreement") with a business group ("BG") to establish an entity named Izotropic Africa (the "Entity") based in Casablanca, Morocco. The Entity is intended to license, market, distribute, and evaluate manufacturing and/or assembly of IzoView Breast CT and certain follow-on products in all of Africa and the Gulf Cooperation Council ("GCC"): Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates (the "Business Purpose").