FORM 5

QUARTERLY LISTING STATEMENT

Name of Listed Issuer: Defence Therapeutics Inc. (the "Issuer").

Trading Symbol: DTC

SCHEDULE A: FINANCIAL STATEMENTS

SCHEDULE B: SUPPLEMENTARY INFORMATION

SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Quarterly Listing Statement.

2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.

3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).

4. All of the information in this Form 5 Quarterly Listing Statement is true.

Dated May 31, 2026

Sébastien Plouffe
Name of Director or Senior Officer

/s/Sébastien Plouffe
Signature

President and CEO
Official Capacity

Issuer Details Name of Issuer Defence Therapeutics Inc.	For Quarter Ended March 31, 2026	Date of Report YY/MM/D 26/05/31
Issuer Address Suite 1615, 200 Burrard Street		
City/Province/Postal Code Vancouver, BC, V6C 3L6	Issuer Fax No. ( )	Issuer Telephone No. (514) 947-2272
Contact Name Sébastien Plouffe	Contact Position CEO	Contact Telephone No. (514) 947-2272
Contact Email Address sebas.plouffe@gmail.com	Web Site Address www.defencetherapeutics.com	

SCHEDULE A
FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2024

SCHEDULE B
SUPPLEMENTARY INFORMATION

1. Related party transactions

Provide disclosure of all transactions with a Related Person, including those previously disclosed on Form 10. Include in the disclosure the following information about the transactions with Related Persons:

(a) A description of the relationship between the transacting parties. Be as precise as possible in this description of the relationship. Terms such as affiliate, associate or related company without further clarifying details are not sufficient.

See below.

(b) A description of the transaction(s), including those for which no amount has been recorded.

No transactions of this nature exist.

(c) The recorded amount of the transactions classified by financial statement category.

See below.

(d) The amounts due to or from Related Persons and the terms and conditions relating thereto.
As at December 31, 2025, the Company had accounts payable of $12,886 (June 30, 2025 - $71,195) with companies controlled by current and former officers and directors. The balances owing are unsecured, non-interest-bearing and have no specific terms of repayment.

(e) Contractual obligations with Related Persons, separate from other contractual obligations.

The CEO and CFO are entitled to a monthly compensation of $20,000 and $11,000 per month.

(f) Contingencies involving Related Persons, separate from other contingencies.

(i) These amounts of key management compensation are included in the amounts shown on the condensed interim statements of comprehensive loss:

2. Summary of securities issued and options granted during the period.

Provide the following information for the period beginning on the date of the last Listing Statement (Form 2A):

(a) summary of securities issued during the period,

See item 11(b) of notes to attached financial statements.

(b) summary of options granted during the period,

Nil

3. Summary of securities as at the end of the reporting period.

Provide the following information in tabular format as at the end of the reporting period:

(a) description of authorized share capital including number of shares for each class, dividend rates on preferred shares and whether or not cumulative, redemption and conversion provisions,

See item 11(a) of notes to attached financial statements.

(b) number and recorded value for shares issued and outstanding,

See Condensed Interim Statements of Changes in Equity (Deficiency) in attached financial statements.

(c) description of options, warrants and convertible securities outstanding, including number or amount, exercise or conversion price and expiry date, and any recorded value, and

See items 8 and 11(c) and (d) of notes to attached financial statements.

(d) number of shares in each class of shares subject to escrow or pooling agreements or any other restriction on transfer.

None.

4. List the names of the directors and officers, with an indication of the position(s) held, as at the date this report is signed and filed.

Sébastien Plouffe – President, Chief Executive Officer and Director
Sarkis Meterissian – Director
Philippe Lefrançois – Director
Svetlana Selivanova – Director
Amie Phinney - Director
Arnab De – Chief Financial Officer

SCHEDULE C
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE QUARTER ENDED SEPTEMBER 30, 2024

Defence Therapeutics Inc.

Condensed Consolidated Interim Financial Statements

Nine Months Ended March 31, 2026

(Unaudited – Expressed in Canadian Dollars)

Defence Therapeutics Inc.

Nine Months Ended March 31, 2026 and 2025

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Condensed Consolidated Interim Financial Statements

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim 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 condensed interim financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of condensed interim financial statements by an entity's auditor.

May 22, 2026

Defence Therapeutics Inc.
Condensed Consolidated Interim Statements of Financial Position
(Expressed in Canadian Dollars)

		March 31 2026		June 30 2025
		(unaudited)		
Assets				
Current				
Cash	$	2,952,981	$	1,232,427
Receivables (note 10)		315,182		198,052
Prepaids		10,365		33,377
		3,278,528		1,463,856
Non-current				
Restricted cash		6,000,000		-
Equipment (note 7)		167,773		180,997
Right-of-use asset (note 7)		-		6,662
		6,167,773		187,659
	$	9,446,301	$	1,651,515
Liabilities				
Current				
Accounts payable and accrued liabilities (note 10)	$	973,684	$	1,403,088
Convertible debentures (note 8)		-		1,489,194
Lease obligation – current portion		-		15,069
		973,684		2,907,351
Non-current				
Derivative liability		1,493,512		
Convertible debentures (note 8)		1,564,207		-
		4,031,403		2,907,351
Shareholders' Deficiency				
Share Capital (note 11)	$	32,868,091	$	24,191,231
Share-based Payments Reserve (note 11)		6,533,656		3,753,396
Equity Component of Convertible Debentures (note 8)		281,558		104,340
Accumulated other comprehensive income		(3,000)		1,303
Deficit		(34,265,406)		(29,306,106)
		5,414,899		(1,255,836)
	$	9,446,301	$	1,651,515

Going Concern (note 2)
Commitments (note 13)

Approved on behalf of the Board of Directors:

"Sébastien Plouffe" ..... Director
Sébastien Plouffe

" Philippe Lefrançois" ..... Director
Philippe Lefrançois

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

Defence Therapeutics Inc.
Condensed Consolidated Interim Statements of Comprehensive Loss
For the Nine Months Ended March 31,
(Unaudited – Expressed in Canadian Dollars)

	Three Months ended		Nine Months ended	
	March 31,	March 31,	March 31,	March 31,
	2026	**2025**	**2026**	**2025**
Expenses				
Share-based compensation (notes 10 and 11)	$ 15,795	$ 421,236	$ 213,231	$ 651,680
Research and lab fees (notes 10 and 12)	729,186	120,475	1,161,297	466,966
Investor relations and shareholder communication	251,347	254,187	1,015,521	325,485
Management fees (note 10)	135,000	100,000	275,000	311,000
Interest accretion (notes 8 and 9)	76,487	83,370	268,062	300,833
Consulting fees (note 10)	89,613	21,690	190,526	105,713
Accounting and legal	61,384	45,150	238,211	92,638
Office and general	115,520	40,940	251,781	88,535
Transfer agent and filing fees	8,240	6,753	51,532	69,165
Depreciation of equipment and right-of-use asset (note 7)	9,425	17,710	34,940	53,128
Foreign exchange loss (gain)	-13,964	-5,803	294	52,326
	1,478,033	1,105,708	3,700,395	2,517,469
Other Items				
Interest income	-	1	-631	63
Loss /(gain) in Derivative	1,493,512	-	1,493,512	-
Gain on extinguishment of debentures	-	153,820	-	153,820
Cumulative translation adjustment	-9,800	-	3,000	-
Net Loss and Comprehensive Loss for the Period	$ 2,961,745	$ 1,259,529	$ 5,196,276	$ 2,671,352
Basic and Diluted Loss Per Share	$ (0.04)	$ (0.03)	$ (0.09)	$ (0.06)
Weighted Average Number of Common Shares Outstanding – Basic and Diluted	59,032,644	49,213,052	57,677,473	44,342,166

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

Defence Therapeutics Inc.
Condensed Consolidated Interim Statements of Changes in Equity (Deficiency)
(Unaudited – Expressed in Canadian Dollars)

	Share Capital						
	Number of Common Shares	Share Capital	Share-based Payments Reserve	Equity Component of Convertible Debentures	Deficit	Accumulated Other Comprehensive Income	Total
Balance, June 30, 2024	**45,536,673**	**$ 19,242,375**	**$ 6,877,146**	**104,340**	**$ (29,808,089)**	**-**	**$ (3,584,228)**
Shares issued for private placements	8,625,000	864,029	4,150,971	-	-	-	5,015,000
Share issuance costs	-	(507,524)	238,708	-	-	-	(268,816)
Fair value transferred on expiry of warrants	-	-	(548,285)	-	548,285	-	-
Fair value transferred on expiry of stock options	-	-	(3,309,090)	-	3,309,090	-	-
Share-based compensation	-	-	651,680	-	-	-	651,680
Conversion of convertible debentures	440,697	266,267	-	-	-	-	266,267
Finders fees on issuance of convertible debentures	123,000	63,960	-	-	-	-	63,960
Net loss and comprehensive loss for the period	-	-	-	-	(2,363,586)	-	(2,363,586)
Balance, March 31, 2025	**54,725,370**	**19,929,107**	**8,061,130**	**104,340**	**(28,314,300)**	**-**	**(219,723)**
Balance, June 30, 2025	**54,725,370**	**$ 24,191,232**	**$ 3,753,396**	**104,340**	**$ (29,306,107)**	**$ 1,303**	**$ (1,255,836)**
Shares issued for private placements	18,218,183	7,480,645	2,431,649	-	-	-	9,912,294
Share issuance costs	-	(425,616)	107,707	-	-	-	(317,909)
Shares issued on exercise of warrants	37,000	27,750	(9,032)	-	9,032	-	27,750
Fair value transferred on expiry of warrants	-	-	(224,945)	-	224,945	-	-
Share-based compensation	-	-	213,231	-	-	-	213,231
Conversion of convertible debentures	2,607,600	1,594,080	-	-	-	-	1,594,080
Issuance of convertible debentures	-	-	261,650	177,218	-	-	438,869
Foreign Currency Translation	-	-	-	-	-	(4,303)	(4,303)
Net loss and comprehensive loss for the period	-	-	-	-	(5,193,276)	-	(5,193,276)
Balance, March 31, 2026	**75,588,153**	**32,868,091**	**6,533,656**	**281,558**	**(34,265,406)**	**(3,000)**	**5,414,901**

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

Defence Therapeutics Inc.
Condensed Consolidated Interim Statements of Cash Flows
For the Nine Months Ended March 31,
(Unaudited – Expressed in Canadian Dollars)

	Nine Months Ended March 31, 2026	March 31, 2025
Operating Activities		
Net loss for the period	$ (5,196,276)	$ (2,363,586)
Items not involving cash		
Loss on Derivative Instruments	1,493,512	-
Depreciation of equipment and right-of-use asset	6,662	53,128
Depreciation of intangible assets	28,278	
Interest accretion	268,062	294,913
Share-based compensation	213,231	651,680
Gain on extinguishment of debentures	-	(153,820)
Changes in non-cash working capital		
Receivables	(117,130)	8,734
Prepaids	23,012	56,815
Accounts payable and accrued liabilities	(531,690)	(1,124,752)
Cash Provided by (Used in) Operating Activities	(3,710,054)	(2,576,888)
Investing Activity		
Sale (Purchase) of equipment (Net)	(15,054)	18,595
Cash Used in Investing Activity	(15,054)	18,595
Financing Activities		
Proceeds from share issuance	3,595,000	5,015,000
Proceeds from exercise of warrants	27,750	-
Share issue costs	(615)	(268,816)
Proceeds from loan payable	-	15,000
Proceeds from issuance of convertible debentures	2,000,000	-
Repayments of convertible debentures	-	(94,000)
Transaction costs	(160,100)	-
Repayments of loan payable	-	(65,342)
Repayment of lease obligation	(15,069)	(20,437)
Cash Used in Financing Activities	5,446,966	4,581,405
Impact of currency translation on cash	(1,305)	-
Inflow (Outflow) of Cash	1,720,554	2,023,112
Cash, Beginning of Period	1,232,427	56,547
Cash, End of Period	$ 2,952,981	$ 2,079,660

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

1. NATURE OF OPERATIONS

Defence Therapeutics Inc. (the "Company") was incorporated as Accum Therapeutics Inc. on July 18, 2017, under the laws of the province of Québec. The Company changed its name to Defence Therapeutics Inc. on March 26, 2020 and was continued into British Columbia on July 10, 2020. Its principal business activity is the development of a biological drug enhancer platform that improves the efficacy and safety of a multitude of biological-/biosimilar-based pharmaceuticals used in the treatment of cancer and infectious diseases. Company's head office address and registered and records office is 7171 Rue Frederick-Banting, Montreal (Quebec), H4S1Z9 Canada.

On April 30, 2021, the Company became a reporting issuer, and on May 7, 2021, the Company's Common Shares were listed on the Canadian Securities Exchange and began trading under the symbol "DTC".

2. GOING CONCERN

These condensed interim financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

The Company's ability to continue its operations and to realize assets at their carrying value is dependent upon its ability to generate positive cash flows and/or obtain additional financing sufficient to fund its development and operating costs. The Company may be able to generate working capital to fund its operations by raising additional capital through equity markets. However, there is no assurance it will be able to raise funds in the future. Based on its current plans, budgeted expenditures and cash requirements, the Company does not have sufficient cash to finance its current plans for at least twelve months from the date the condensed interim financial statements are issued. These material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern. These condensed interim financial statements do not give effect to any adjustments required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying condensed interim financial statements.

If the going concern assumption were not appropriate for these condensed interim financial statements, then adjustments may be necessary in the carrying values of assets and liabilities, the reported expenses and the statement of financial position classifications used. Such adjustments could be material.

The Company's business may be affected by changes in political and market conditions, such as interest rates, availability of credit, inflation rates, changes in laws, and national and international circumstances. Recent geopolitical events and potential economic global challenges, such as the risk of higher inflation and the energy crises, may create further uncertainty and risk with respect to the prospects of the Company's business.

3. BASIS OF PREPARATION

a) Statement of compliance

The condensed interim financial statements of the Company have been prepared in accordance with International Accounting Standard ("IAS") 34 *Interim Financial Reporting*.

The condensed interim financial statements of the Company should be read in conjunction with the Company's June 30, 2025 audited financial statements, which have been prepared in accordance with IFRS Accounting Standards, as issued by the International Accounting Standards Board.

These condensed interim financial statements were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on May 19, 2026.

(Unaudited – Expressed in Canadian Dollars)

3. BASIS OF PREPARATION (Continued)

b) Basis of consolidation

These consolidated financial statements include the accounts of the Company and its subsidiary. A subsidiary is an entity in which the Company has control, directly or indirectly. Control is defined as the investor being exposed, or having rights, to variable returns from its involvement with the investee and having the ability to affect those returns through its power over the investee. All material intercompany transactions and balances have been eliminated on consolidation.

Details of the Company's subsidiary as at March 31, 2026 and 2025 are as follows:

Name	Place of Incorporation	Ownership % March 31, 2026	Ownership % June 30, 2025
Defence Therapeutics US LLC	USA	100%	100%

c) Basis of measurement

These condensed interim financial statements have been prepared under the historical cost basis, except for certain financial instruments that are measured at fair value, as explained in the material accounting policies (note 4). These condensed interim financial statements have been prepared under the accrual basis of accounting, except for cash flow information.

4. MATERIAL ACCOUNTING POLICIES

These condensed interim financial statements have been prepared, for all periods presented, following the same accounting policies and methods of computation as described in note 4 to the audited financial statements as at June 30, 2025 and for the year then ended, except for the following:

Classification of liabilities as current or non-current (amendments to IAS 1)

IAS 1 has been amended to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.

These amendments were adopted for the reporting period beginning January 1, 2024. There was no impact for the Company.

IFRS 18 Presentation and Disclosure in Financial Statements
In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements. This standard aims to improve the consistency and clarity of financial statement presentation and disclosures by providing updated guidance on the structure and content of financial statements. Key changes include enhanced requirements for the presentation of financial performance, financial position, and cash flows, as well as additional disclosures to improve transparency and comparability.
IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027. The Company is currently assessing

(Unaudited – Expressed in Canadian Dollars)

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income/loss in the year of the change if the change affects that year only, or in the year of the change and future years if the change affects both.

Critical judgments in applying accounting policies

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the condensed interim financial statements within the next fiscal year are discussed below.

Going concern risk assessment

The assessment of the Company's ability to continue as a going concern requires significant judgment. The condensed interim financial statements have been prepared on the basis of accounting principles applicable to a going concern, as disclosed in note 2.

Key sources of estimation uncertainty

Convertible debentures and lease obligation

The debt component of the convertible debenture and lease obligation are calculated using a discounted cash flow method, which requires management to make an estimate of an appropriate discount rate. Changes in the discount rate can materially affect the calculation of the debt component of the convertible debentures and the lease obligation.

6. FINANCIAL INSTRUMENTS

Financial instruments are agreements between two parties that result in promises to pay or receive cash or equity instruments. The carrying values of accounts payable and accrued liabilities, lease obligation, loan payable and convertible debentures approximate their fair values due to their short term to maturity.

The following table sets forth the Company's financial asset measured at fair value by level within the fair value hierarchy:

March 31, 2026	Level 1	Level 2	Level 3	Total
Cash	$ 2,952,981	$ -	$ -	$ 2,952,981
Restricted cash	6,000,000			6,000,000

June 30, 2025	Level 1	Level 2	Level 3	Total
Cash	$ 1,232,427	$ -	$ -	$ 1,232,427

6. FINANCIAL INSTRUMENTS (Continued)

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk.

a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company manages credit risk, in respect of cash, by placing it at major Canadian financial institutions. The Company has minimal credit risk. Of the $315,182 (June 30, 2025 - $198,052) receivables balance, $315,182 (June 30, 2025 - $198,052) is owing from the Canada Revenue Agency and Revenue Québec.

b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquid funds to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The contractual financial liabilities of the Company as of March 31, 2026 equal $3,122,817 (June 30, 2025 - $2,907,351). The face value of the convertible debenture is $2,000,000 which matures on September 16, 2027. All of the liabilities presented as accounts payable are due within 30 days of the reporting date.

c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on capital.

i) *Currency risk* – The Company has minimal funds held in a foreign currency and holds a material amount of accounts payable and accrued liabilities in United States dollars. A fluctuation in the exchange rate between the Canadian and United States dollars of 10% would result in a $10,332 change in the Company's accounts payable and accrued liabilities. The Company does not use any techniques to mitigate currency risk.

ii) *Interest rate risk* – Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. Interest earned on cash is at nominal interest rates. The Company currently has no debt subject to variable interest rates. Accordingly, the Company does not consider interest rate risk to be significant.

iii) *Other price risk* – Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk. The Company is not exposed to significant other price risk.

d) Capital management

The Company considers its capital to be comprised of shareholders' equity (deficiency).

(Unaudited – Expressed in Canadian Dollars)

6. FINANCIAL INSTRUMENTS (Continued)

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares. Although the Company has been successful at raising funds in the past through the issuance of share capital, it is uncertain whether it will continue this method of financing due to the current difficult market conditions.

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.
Management reviews the capital structure on a regular basis to ensure that the above objectives are met. There have been no changes to the Company's approach to capital management during the six months ended December 31, 2025. The Company is not subject to externally imposed capital requirements.

7. EQUIPMENT AND RIGHT-OF-USE-ASSET

		Equipment		Right-of-use Asset
Cost				
Balance at June 30, 2024		269,042		53,282
Additions		15,000		-
Disposals		-18,598		-
Balance at June 30, 2025	$	265,444	$	53,282
Addition		15,054		
Balance at March 31, 2026	$	280,498	$	53,282
Accumulated Depreciation				
Balance at June 30, 2024		38,749		19,980
Depreciation		45,699		26,640
Balance at June 30, 2025	$	84,448	$	46,620
Depreciation		28,278		6,662
Balance at March 31, 2026	$	112,726	$	53,282
Net Book Value, June 30, 2025	$	**180,996**	**$**	**33,302**
Net Book Value, December 31, 2025	$	**167,772**	**$**	**0**

8. CONVERTIBLE DEBENTURES

During the year ended June 30, 2024, debentures with a principal amount of $549,499 were converted by the holder into 349,999 Common Shares, with the debt having a value of $441,349 at the date of conversion. The Company repaid interest of $36,140 in relation to the conversions.
On November 16, 2024,
a) Debentures amounting to $ 94,000 were repaid.
b) Interest on debentures amounting to $251,200 were converted by the holders to 440,697 Common Shares.
c) The Company completed a refinancing transaction involving the extinguishment of its previously issued

8. CONVERTIBLE DEBENTURES (Continued)

convertible debentures. At the time of the transaction, the carrying amount of the liability component of the original debentures was $1,476,000.

d) In exchange, the Company issued new convertible debentures with a principal amount of $1,476,000. The fair value of the liability component of the new debentures at initial recognition was determined to be $1,333,198, based on prevailing market interest rates and contractual cash flows. As the present value of

the revised cash flows differed by more than 10% from the present value of the remaining cash flows under the original terms, discounted at the original effective interest rate, the transaction was accounted for as an extinguishment of the original financial liability in accordance with IFRS 9 – Financial Instruments. As a result, the Company derecognized the carrying amount of the original debenture liability and recognized the new debenture liability at fair value. A gain on extinguishment of $142,802 was recognized in profit or loss.

e) In connection with the above, 123,000 Common Shares were issued to an arm's length finder as finders fees. This transaction costs of $63,960 were recognized in profit and loss netted with the gain on extinguishment.

f) The equity component of the original debentures $104,340 remains with no gain or loss recognized in profit or loss.

In November 2025, the Company converted al of the principal amount and the accrued interests thereof into an aggregate number of 2,607,600 common shares of the Company. In accordance with the terms of the Debentures, the principal amount of $1,476,000 was converted into 2,460,000 Shares at the conversion price of $0.60 per Share and an aggregate amount of $118,080 of accrued interests was converted into 147,600 Shares at $0.80 per Share totaling 2,607,600 Shares for an aggregate amount of $1,594,080.

On September 16, 2025, The Company completed a non brokered private placement of up to 2,000 debenture units of the Company (the "Debenture Units") at a price of $1,000 per Debenture Unit. Each Debenture Unit will consist of (i) one $1,000 principal amount of unsecured convertible debentures (the "Debenture") and (ii) 1,666 transferable common share purchase warrant (the "Warrants").

Each Warrant will entitle the holder to purchase one common share of the Company at an exercise price of $0.75 per Warrant Share for a period of 24 months from the date of issuance

The Debentures will bear interest from the date of issue at a rate of 8.0% per annum, calculated and paid on the Conversion Date or the Maturity Date and which may at the election of the Company be payable in cash or alternately in common shares at a price of $0.60 per common share.

The Debentures will mature twenty-four (24) months from the date of issuance.

The Debentures are convertible into common shares of the issuer (each a "Common Share") at the option of the holder thereof at a conversion price of $0.60 per Common Share.

In connection with the issuance of the above Debentures, the Company paid a finder's fees of $160,000 and issued 266,667 warrants.

The finders' warrants had a fair value of $101,002 estimated using the Black-Scholes option pricing model with a volatility of 98.46%, risk-free interest rate of 2.49%, dividend rate of 0% and expected life of 2 years.

The debentures are compound instruments, and the proceeds are required to be bifurcated to record the fair value of the separate debt and equity components. The fair value of the debt was determined using a discounted cash flow model using an estimated market interest rate for equivalent debt of 18%. The initial fair value of

(Unaudited – Expressed in Canadian Dollars)

8. CONVERTIBLE DEBENTURES (Continued)

the debt was calculated to be $1,611,402 with the residual portion of $388,598 allocated to both the equity component ($203,828) and the warrants ($184,770). Transaction costs totaled $261,102, of which $210,370 were allocated to the liability component and offset the carrying value and are amortized using the effective interest method as finance costs over the expected life of the debentures. Transactions costs of $26,610 were charged to the equity component and $24,122 were charged to the warrant component.

Convertible debenture transactions are summarized as follows:

		Nine months Ended March 31, 2026		Year Ended June 30, 2025
Opening balance	$	1,489,194	$	1,660,270
Interest accretion		-		160,930
Interest converted to shares		(118,080)		(251,200)
Repayments				(94,000)
Conversion to shares		(1,476,000)		-
Re-issue of new debentures		-		(1,476,000)
Add issue of new debentures		2,000,000		1,476,000
Less Transferred to Equity		(177,218)		-
Less: Transferred to Share based Payment Reserve		(261,650)		-
Less proportionate transaction costs		(160,100)		-
Gain on extinguishment of debentures		-		(142,802)
Interest accretion		268062		155,996
	$	1,564,207	$	1,489,194
Current portion	$	0	$	1,489,194
Non-current portion	$	1,564,207	$	-

(Unaudited – Expressed in Canadian Dollars)

9. RELATED PARTY TRANSACTIONS

These amounts of key management compensation are included in the amounts shown on the condensed interim statements of comprehensive loss:

	Nine Months Ended December 31, 2025	Nine Months Ended December 31, 2024
Consulting fees	$ 97,357	$ 58,500
Accounting and Legal	102,500	40,000
Management fees	255,000	311,000
Research and lab fees	-	125,000
Wages and Salaries	190,000	53,333
Share-based compensation	213,231	519,964
	$ 858,088	$ 1,107,797

As at March 31, 2026, the Company had accounts payable of $13,797 (June 30, 2025 - $71,195) with companies controlled by current and former officers and directors. The balances owing are unsecured, non-interest-bearing and have no specific terms of repayment.

At March 31, 2026, the Company had accounts receivable of $nil (June 30, 2025 - $Nil) from a company with a common officer for expense reimbursement.

10. SHARE CAPITAL

a) Authorized

Unlimited Class A Common Shares, voting, participating, without par value ("Common Shares")

b) Issued and outstanding

During the year ended June 30, 2025

In November 2024, the Company closed a private placement of 1,600,000 units at a price of $0.50 per unit for aggregate gross proceeds of $800,000. Each unit consists of one common share and one-half of one common share purchase warrant. Each warrant is exercisable to acquire one additional share at an exercise price of $1.00 per share for a period of 24 months from the date of the closing. The Company paid cash finder's fees of $14,000 and issued 28,000 finder's warrants with a fair value of $4,946 with the same terms as the warrants issued in the units.

The Company completed a refinancing of its convertible debentures, including the repayment of $94,000, conversion of $251,200 in interest into 440,697 shares, and issuance of new debentures totalling $1,476,000. As part of the deal, 123,000 common shares were issued to a finder with a fair value $63,960. (see note 8)

10. SHARE CAPITAL (Continued)

In January 2025, the Company closed a private placement of 7,025,000 units at a price of $0.60 per unit for aggregate gross proceeds of $4,215,000. Each unit consists of one common share and one common share purchase warrant. Each warrant is exercisable to acquire one additional share at an exercise price of $0.75 per share for a period of 24 months from the date of the closing. The Company paid cash finder's fees of $247,200 and issued 412,000 finder's warrants with a fair value of $100,632 with the same terms as the warrants issued in the units.

On March 6, 2026, the Company completed a non-brokered private placement of 17,445,455 units (the "Units") at a price of $0.55 per Unit for aggregate gross proceeds of approximately $9,595,000. Each Unit consisted of one common share and one common share purchase warrant. Each warrant entitles the holder to acquire one additional common share of the Company at an exercise price of $0.65 per share for a period of 24 months from the date of issuance.

The financing consisted of (i) 6,536,364 Units issued for cash proceeds of approximately $3,595,000, and (ii) 10,909,091 Units issued pursuant to a sharing agreement with two arm's length institutional investors for aggregate proceeds of approximately $6,000,000. In addition, the Company issued 654,547 Units as a corporate finance fee and 118,182 Units as a non-refundable deposit in connection with the sharing agreement.

The sharing agreement was documented under an ISDA framework and provides for a staged settlement and share release mechanism over an 18-month period commencing following the applicable trigger date as defined in the agreement. Management evaluated the arrangement under IFRS 9 – Financial Instruments and determined that certain provisions of the arrangement constitute derivative financial instrument features requiring separate recognition and measurement at fair value through profit or loss.

In connection with the sharing agreement entered into with the institutional investors, the Company determined that certain contractual settlement and pricing adjustment provisions met the definition of a derivative financial instrument under IFRS 9 – Financial Instruments. Accordingly, a portion of the proceeds received under the arrangement was allocated to a derivative financial liability on inception of the financing.

The derivative financial liability was initially measured at approximately $908,586 using a valuation model that considered the contractual settlement provisions of the sharing agreement, expected future share price movements, expected volatility and other market-based assumptions.

As the derivative financial liability is measured at fair value through profit or loss, the liability is remeasured at each reporting date. As at the reporting date, the fair value of the derivative financial liability was approximately $1,443,035, resulting in an unrealized fair value loss of approximately $534,449 recognized in the statement of loss and comprehensive loss for the period.

(Unaudited – Expressed in Canadian Dollars)

10. SHARE CAPITAL (Continued)

Accordingly, on inception of the arrangement, the Company recognized a derivative financial liability associated with the sharing agreement. The fair value of the derivative liability was determined using a valuation model incorporating market-based assumptions, including the Company's share price, expected volatility, settlement mechanics, pricing adjustments and contractual settlement provisions. Subsequent changes in the fair value of the derivative liability are recognized in profit or loss in the period incurred.

The fair value of the warrants issued as part of the Units was estimated using an option pricing model. Based on the valuation analysis performed, the fair value attributed to the warrants issued in connection with the financing was approximately $2,539,356, representing a value of approximately $0.1394 per warrant. Accordingly, a portion of the gross proceeds was allocated to warrant reserve based on the relative fair value method.

Transaction costs associated with the financing, including the fair value of Units issued as corporate finance fees and non-refundable deposits, were recognized as share issuance costs and recorded as a reduction of equity.

c) Warrants

Warrant transactions and the number of warrants outstanding are summarized as follows:

	Nine Months Ended March 31, 2026		**Year Ended June 30, 2025**	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Outstanding, beginning of period	10,807,140	$0.87	2,974,260	$2.02
Issued	21,816,850	$0.67	8,265,000	$0.78
Exercised	-37,000	$0.75	-	-
Expired	-1,575,140	$0.81	-432,120	7.14
Outstanding, end of period	31,011,850	$0.70	10,807,140	$0.87

(Unaudited – Expressed in Canadian Dollars)

10. SHARE CAPITAL (Continued)

c) Warrants (continued)

The following warrants were outstanding and exercisable at March 31, 2026:

Expiry Date	Weighted Average Remaining Contractual Life in Years	Exercise Price	Outstanding
30-Oct-26	0.58	$1.00	28,000
30-Jan-27	0.84	$1.00	567,000
31-Jan-27	0.84	$0.75	7,400,000
22-Mar-27	0.98	$1.00	400,000
15-Sep-27	1.46	$0.75	3,598,667
30-Oct-27	1.58	$0.75	775,000
29-Nov-27	1.67	$0.75	25,000
8-Mar-28	1.94	$0.65	18,218,183

During the nine months ended March 31, 2026, the following warrants were repriced:

Number of warrants	Original Expiry date	New Expiry Date	Original exercise price	New Exercise price
567,000	January 30, 2026	January 30, 2027	$2.00	$1.00
400,000	March 22, 2026	March 22, 2027	$2.00	$1.00
775,000	October 30, 2026	October 30, 2027	$1.00	$0.75
25,000	November 29, 2026	November 29, 2027	$1.00	$0.75

The fair value of each finder's warrant issued was calculated using the following weighted average assumptions:

	Nine Months Ended March 31, 2026	Year Ended June 30, 2025
Expected life (years)	2.00	2.00
Risk-free interest rate	2.63%	2.71%
Annualized volatility	90%	86%
Dividend yield	0%	0%
Stock price at grant date	$0.62	$ 0.59
Exercise price	$0.65	$ 0.78
Weighted average grant date fair value	0.139	$ 0.53

Option pricing models require the input of highly subjective assumptions regarding volatility. The Company has estimated the volatility of the share price based on comparable start-up companies' volatilities.

During the nine months ended March 31, 2026, the Company transferred $224,945 (2025 - $ 548,285) from the share-based payments reserve to deficit, as 1,575,140 (2025 – 339,775) warrants expired unexercised.

(Unaudited – Expressed in Canadian Dollars)

10. SHARE CAPITAL (Continued)

d) Stock options

The Company has a stock option plan to grant incentive stock options to directors, officers, employees and consultants. Under the plan, the aggregate number of Common Shares that may be subject to option at any one time may not exceed 10% of the issued Common Shares of the Company as of that date, including options granted prior to the adoption of the plan. Options granted may not exceed a term of 10 years. All options vest when granted unless they are otherwise specified by the Board of Directors.

Stock option transactions and the number of stock options outstanding are summarized as follows:

	Nine Months Ended March 31, 2026		**Year Ended June 30, 2025**	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding, beginning of period	2,525,000	$1.55	2,500,000	$2.48
Issued	200,000	$0.75	1,425,000	$0.83
Expired			-1,400,000	$2.47
Outstanding, end of period	2,725,000	$1.52	2,525,000	$1.55

The following stock options were outstanding and exercisable at December 31, 2025:

Expiry Date	**Weighted Average Remaining Contractual Life in Years**	**Exercise Price**	**Outstanding**	**Exercisable**
08-Jul-26	0.27	1.00	25,000	25,000
10-Oct-26	0.53	0.60	200,000	200,000
27-Sep-27	1.49	0.60	200,000	200,000
13-Nov-27	1.62	0.60	100,000	100,000
15-Nov-27	1.63	0.60	100,000	100,000
19-Dec-27	1.72	0.60	100,000	100,000
31-Jan-28	1.84	1.02	100,000	100,000
16-Sep-28	2.47	0.75	100,000	100,000
02-Oct-28	2.51	0.80	100,000	100,000
06-Oct-33	7.52	2.50	1,100,000	1,100,000
31-Jan-35	8.84	1.02	250,000	250,000
	3.62	1.50	2,725,000	2,537,500

(Unaudited – Expressed in Canadian Dollars)

10. SHARE CAPITAL (Continued)

e) Stock options

The Company applies the fair value method using the Black-Scholes option pricing model in accounting for its stock options granted. Accordingly, share-based payments of $794,727 (2024 - $5,836,658) were recognized during the year ended June 30, 2025.

The fair value of each stock option granted was calculated using the following weighted average assumptions:

	Nine Months Ended March 31, 2026	Year Ended June 30, 2025
Expected life (years)	3	5.79
Risk-free interest rate	2.48%	3.07%
Annualized volatility	98%	124%
Dividend yield	0%	0%
Stock price at grant date	$0.73	$ 0.81
Exercise price	$0.78	$ 0.83
Weighted average grant date fair value	$0.44	$ 0.65

Option pricing models require the input of highly subjective assumptions regarding volatility. The Company has estimated the volatility of the share price based on comparable start-up companies' volatilities.

During the year ended June 30, 2025, the Company transferred $Nil (2024 - $96,412) from the share-based payments reserve to share capital, as Nil (2024 - 339,000) stock options were exercised. The weighted-average share price for stock options exercised during the year ended June 30, 2025 was $Nil (2024 - $2.42).

During the year ended June 30, 2025, the Company transferred $3,309,090 (2024 - $292,134) from the share-based payments reserve to deficit, as 1,400,000 (2024 - 1,161,000) stock options expired unexercised.

11. RESEARCH AND LAB FEES

An investment tax credit refund under the government of Québec Scientific Research & Experimental Development program of $Nil for the six months ended December 31, 2025 (2024 - $nil) has been recorded as a reduction of research and lab fees.

12. SEGMENTED DISCLOSURE

The Company has one operating segment, being research and development. All of the Company's assets are located in Canada.

(Unaudited – Expressed in Canadian Dollars)

13. COMMITMENTS

The consulting agreements signed with certain consultants have indefinite terms and monthly fees totalling $30,000. In the event the agreements are terminated by the Company or the consultants as a result of a change in control, the Company would be required to pay a total of $180,000 to the consultants. The consulting agreement with the chief executive officer contains bonus payments upon reaching certain milestones related to clinical trials and license agreements. During the year ended June 30, 2025, bonuses of $65,000 (2024 - $75,000) were paid or accrued to the chief executive officer.

14. SUPPLEMENTAL DISCLOSURES WITH RESPECT TO CASH FLOWS

	March 2026	June 2025
Interest paid	$ -	$ 3,381
Non-cash investing and financing activities		
Conversion of convertible debenture to shares	$ 1,476,000	$ 251,200
Fair value transferred on exercise of stock options	$ -	$ 96,412
Fair value transferred on exercise of warrants	$ 9,032	$ -
Fair value transferred on expiry of warrants	$ (224,945)	$ 714,965
Fair value transferred on expiry of stock options	$ -	$ 3,309,090
Fair value of finders' warrants issued	$ -	$ 105,578
Fair value of finders' shares issued	$ -	$ 63,960

Reconciliation of liabilities arising from financing activities for the nine months ended March 31, 2026 and year ended June 30, 2025:

			Non-cash Items					
	June 30, 2025	Cash Flow	Accretion	Bifurcation t o Equity	Bifurcation t o Warrant Reserve	Gain on extinguishment of debentures	Conversion	March 31, 2026
	$	$	$	$	$	$	$	$
Convertible debentures	1,489,194	1,839,900	268,062	-177,218	-261,650	-	(1,594,080)	1,564,207

			Non-cash Items					
	June 30, 2024	Cash Flow	Accretion	Bifurcation t o Equity	Bifurcation t o Warrant Reserve	Gain on extinguishment of debentures	Conversion	June 30, 2025
	$	$	$	$	$	$	$	$
Convertible debentures	1,660,270	(94,000)	316,926	-	-	(142,802)	(251,200)	1,489,194

15. SUBSEQUENT EVENTS

The Company granted 200,000 incentive restricted stock units ("RSUs") to the CEO and Director of the Company, vesting immediately. Each RSU entitles the holder thereof to receive one common share of the Company expiring on April 24, 2027, subject to the terms of the Omnibus Incentive Plan of the Company and applicable securities law hold periods.

FORWARD-LOOKING INFORMATION AND MATERIAL ASSUMPTIONS

This report on results for the nine months ended March 31, 2026 contains forward-looking information, including forward-looking information about Defence Therapeutic Inc.'s (the "Company" or "Defence") operations, estimates, and research and development.

Forward-looking information is generally signified by words such as "forecast", "projected", "expect", "anticipate", "believe", "will", "should" and similar expressions. This forward-looking information is based on assumptions that the Company believes were reasonable at the time such information was prepared, but assurance cannot be given that these assumptions will prove to be correct, and the forward-looking information in this report should not be unduly relied upon. The forward-looking information and the Company's assumptions are subject to uncertainties and risks and are based on a number of assumptions made by the Company, any of which may prove to be incorrect.

GENERAL

This Management Discussion and Analysis ("MD&A") of the financial condition, results of operations and cash flows of the Company for the nine months ended March 31, 2026 should be read in conjunction with condensed interim financial statements as at March 31, 2026 and for the nine months ended and the audited financial statements as at June 30, 2025 and for the year then ended. This MD&A is effective February 20, 2026. Additional information relating to the Company is available on SEDAR+ at www.sedarplus.ca.

The Company has prepared its condensed interim financial statements as at March 31, 2026 and for the nine months ended then ended in Canadian dollars and in accordance with IFRS Accounting Standards, as issued by the International Accounting Standards Board ("IASB").

DESCRIPTION OF BUSINESS

The Company was incorporated as Accum Therapeutics Inc. on July 18, 2017, under the laws of the province of Québec. The Company changed its name to Defence Therapeutics Inc. on March 26, 2020 and was continued into British Columbia on July 10, 2020. Its principal business activity is the development of a biological drug enhancer platform that improves the efficacy and safety of a multitude of biological-/biosimilar-based pharmaceuticals used in the treatment of cancer and infectious diseases. The Company's head office address and registered and records office is 7171 Rue Frederick Banting, Montreal, Quebec, H4S 1Z9.

On April 30, 2021, the Company became a reporting issuer, and on May 7, 2021, the Company's Common Shares were listed on the Canadian Securities Exchange and began trading under the symbol "DTC".

BUSINESS OF THE COMPANY

On May 12, 2017, prior to the incorporation of the Company, a precursor entity to the Company and a former principal of the Company entered into an Intellectual Property Assignment and Royalty Agreement (the "Original IP Assignment and Royalty Agreement") with TransferTech Sherbrooke, a limited liability partnership ("TTS"), and Jeffrey Victor Leyton ("Leyton"), a professor at the Université de Sherbrooke. The Original IP Assignment and Royalty Agreement assigns Leyton's invention known as "Novel Immunoconjugates with cholic acid nuclear localization sequence peptide and uses thereof" (the "Accum Invention" or "Accum™") and any related intellectual property to the Company.

On May 20, 2020, the Company and TTS entered into an amended and restated Intellectual Property Assignment and Royalty Agreement (the "Amended IP Assignment and Royalty Agreement"), which amends and restates the Original IP Assignment and Royalty Agreement, assigning the Accum Invention and any related intellectual property to the Company in exchange for consideration as follows:

- $25,000 upon completion of the agreement (paid); and
- The issuance of 2,085,714 Common Shares of the Company (issued and valued at $312,857).

The Company must also make milestone payments related to the Accum Invention and any related or derivative inventions as follows:

- $10,000 within 30 days of the completion of the first non-rodent positive toxicology study;
- $25,000 within 30 days of the recruitment of the first phase 1 patient;
- $50,000 within 30 days of the recruitment of the first phase 2 patient;
- $100,000 within 30 days of the recruitment of the first phase 3 patient; and
- $250,000 within 30 days of the first regulatory approval from a relevant registration authority.

As of March 31, 2026 and the date of this MD&A, the Company has not met any of these milestones as they pertain to the Accum Invention in the Original IP Assignment and Royalty Agreement.

In addition, the Company must pay a royalty of 3% calculated on the net revenues and all commercial activities involving the Accum Invention, and 4% calculated on the net revenues and all commercial activities involving any related or derivative inventions.

The Company was also required to enter into a research contract for a minimum of $45,000 (completed). During the year ended June 30, 2022, the research contract was terminated and the $45,000 was refunded to the Company.

The Company has determined that the cash and share consideration paid for the Amended IP Assignment and Royalty Agreement, along with the costs of the research contract, do not qualify as development costs. Accordingly, the amounts have been expensed to research and lab fees.

On April 7, 2022, the Company was granted US patent number US 11,291,717 covering its vaccine platform technology that utilizes components of Defence's proprietary Accum™ technology attached to various tumor, viral or bacterial antigens to enhance both humoral and cellular immunity. The Company was also granted Canadian patent number 3,201,103 on December 12, 2023 and Australian patent number AU 2021402007 on March 14, 2024.

On June 7, 2022, the Company was granted US patent number US 11,352,437 covering its conjugated compounds permitting delivery of antibodies to the nucleus through Defence's proprietary Accum™ technology. The Company was also granted corresponding Israeli patent number IL 261765 on December 1, 2022, corresponding Japanese patent number JP 7126956 on August 29, 2022 and corresponding Australian patent number AU 2017233725 on February 1, 2024.

On March 28, 2023, the Company was granted US patent number US 11,612,651 covering its Accum™-based vaccine enhancer technology platform as a powerful "drop-in" ingredient to boost immunogenicity and performance of virtually any cell-based or protein subunit vaccine, including both prophylactic and therapeutic vaccines in the fields of cancer and infectious diseases.

On February 6, 2024, the Company was granted US patent number US 11,890,350 covering its breakthrough AccuTOX® technology. The patent includes valuable composition-of-matter claims covering a portfolio of therapeutically-active molecules making up the AccuTOX® platform.

On July 8, 2025, the Company was granted US patent number US 12,350,346 covering its Accum™-ADC technology. The patent includes valuable composition-of-matter claims broadly covering therapeutically active ADCs -- not limited to individual diseases or therapeutic targets -- as well as claims covering the use of ADCs for treating or diagnosing diseases such as cancer.

The Company is currently focused on research, development and advancement of the following main products using its proprietary Accum® technology:

- Antibody Drug Conjugates ("ADC") targeting various cancers
- Anti-cancer AccuTOX® program
- Radiopharmceuticals program
- Mesenchymal stromal cell-based vaccine ("ARM-X") targeting cancer

Antibody Drug Conjugates

Defence has demonstrated that the Accum® technology enhances the ability of the ADC Kadcyla ("T-DM1") to specifically target and kill breast cancer cells. Defence completed the synthesis of 18 different Accum variants conjugated to T-DM1 at 10X ratio.

Defence is building studies packages to present to potential partners using its Accum with commercialized and in development ADCs.

The AccuTOX program

A novel anti-cancer function was discovered for "free" Accum®. More specifically, when directly delivered without direct linking onto protein, the Accum® moiety behaves as a toxic "bullet" to cancer cells. The Defence team has engineered a large library of Accum® variants (over 50) screened for their therapeutic efficacy against breast, colon, melanoma and lymphoma cancers. Preclinical studies have been completed against solid T-cell lymphoma, breast cancer and melanoma. Defence obtained a clearance by the FDA to initiate a Phase I trial, and a letter of no-objection from Health Canada to initiate a Phase I trial. Defence is looking for partners to advance this program into Phase I.

Radiophamaceuticals program

Defence is currently testing the use of the Accum® technology developing the next generation of Radio Immuno Conjugates using Indium111, which most of the studies are ongoing at the Canadian Nuclear Laboratories ("CNL"). Defence is also planning studies to be performed at CNL to develop targeted radiopharmaceuticals therapy using the Accum® and AccuTOX® with Actinium225 to increase the nuclear accumulation and the efficacy of the therapy.

ARM-X vaccine program

Defence has engineered a mesenchymal stem cell ("MSC") -based vaccine using the Accum variant AccuTOX®. Treatment of MSCs with the AccuTOX® compounds converts MSCs into potent antigen-presenting cells (ARM-X) capable of mounting a potent anti-tumoral response. Defence is looking for partners to advance this program into Phase I.

Other products

Other products the company has worked on include:

- Dendritic Cell ("DC") cancer vaccines using Accum (Accuvac™)
- A new protein-based vaccine formulation against COVID and infectious diseases
- Cervical cancer vaccine

Accuvac™: for DC cancer vaccines

Defence has optimized the chemical manufacturing of its experimental antigens to efficiently link the Accum® moiety. When used to pulse DCs, these modified antigens were shown to breakdown endosomal membranes leading to efficient processing, presentation and activation of responding T-cells. The prophylactic vaccination led to 100% protection against cancer growth. This process was rechallenged three times and led to a continued 100% protection against cancerous tumor growth.

Therapeutic vaccination of animals with pre-established tumors triggered a substantial delay in tumor growth as a stand-alone therapy. Combination of Accuvac™ to the immune-checkpoint inhibitor anti-PD-1 cured 70% of treated animals.

A COVID vaccine

Defence had used the Accum® technology to develop a distinct COVID-19 protein-based vaccine. So far, the vaccine is highly immunogenic as tests with rodent animals showed that high antibody titers lasted for more than 16 weeks. In addition, the generated antibodies "neutralized" the ability of pseudo-typed viruses (an artificial virus with COVID-19 S proteins) from

infecting cells. Also, a non-GLP study on rabbits was completed demonstrating no toxicity signs, along with a strong humoral response.

Additionally, Defence successfully tested a new formulation to deliver its protein-based COVID vaccine via the intranasal cavity. Two GLP studies have been completed on hamsters and have shown potent protective effects. Since the pandemic is not currently an international health threat, these proof-of-concept studies will serve as examples in case a vaccine is needed for ongoing or future emerging pandemics.

Cervical cancer vaccine

Defence has engineered a protein based anti-cervical cancer vaccine. In a nutshell, Accum is attached to the E7 protein. When tested prophylactically and therapeutically, the vaccine was effective at protecting and controlling cervical cancer growth, respectively. In addition, a good antibody titer was obtained. A GLP study was completed at a contract research organization (CRO). Defence is working on finding a partner to initiate a Phase I trial.

Accum™ Platform and Core Technology

Defence Therapeutics continues to advance its proprietary Accum™ drug-enhancer platform, designed to improve the efficacy and safety of biological and biosimilar-based pharmaceuticals used in the treatment of cancer and infectious diseases. The technology enables targeted intracellular delivery of payloads—ranging from antigens to chemotherapeutic agents—by promoting endosomal escape and enhancing intracellular bioavailability. This platform forms the backbone for the Company's vaccine and antibody-drug conjugate (ADC) programs, supporting both in-house and potential partnered applications. Defence current focus is on the ADC and Radiopharmaceuticals programs.

Research and Development Activities

During fiscal 2025, the Company focused on:

- Studies advancement related to Accum™ with radio-immuno-conjugates to develop the next generation of targeted radiopharmaceuticals therapies.
- ADC formulation studies, demonstrating improved stability and cytotoxic efficiency using Accum™-linked payloads.
- Scale-up and process development within its Montreal laboratory, including validation of new analytical procedures and expanded lab-equipment infrastructure under its current lease agreement.
- Research and laboratory expenditures amounted to $802,193 (2024 – $3,861,452), with a portion offset by Scientific Research and Experimental Development (SR&ED) tax credits totaling $268,995, recorded as a reduction of research expenses. The reduction in total spend reflects the transition from broad exploratory research to focused pre-clinical validation and assay refinement.

Intellectual Property and Scientific Validation

The Company continued to strengthen its patent portfolio surrounding the Accum™ technology with patents covering:

- Modified Accum™ analogues for enhanced intracellular trafficking;
- Accum™-ADC linker chemistry for targeted cytotoxic delivery; and
- Vaccine formulations integrating Accum™ with specific cancer antigens.

Defence maintained collaborations with contract-research collaborators to evaluate the platform in animal models for oncology. These collaborations provided key data supporting the mechanism of action and potential commercial viability of Accum™-based therapeutics.

Government Support and Tax Incentives

In addition to SR&ED credits, Defence leverages federal and provincial research incentive programs to defray eligible development expenditures. All such credits are recognized under IAS 20 using the cost-reduction approach, consistent with IFRS. The amounts claimed remain subject to review by the Canada Revenue Agency and Revenu Québec.

Future Technical Outlook

Looking forward, the Company intends to:

- Advance the Accum-ADC platform program;
- Develop the Accum™-radiopharmaceuticals program;
- Optimize the Accum conjugation to validate Accum™ across multiple payload classes;
- Pursue regulatory and manufacturing readiness for upcoming translational studies and potential partnerships.

Technical Highlight Summary:

Category	Highlights for Fiscal 2025	Comparative / Prior Year Context (2024)	Outlook and Next Steps
Core Platform	Continued optimization of the Accum™ biological drug-enhancer platform, enabling targeted intracellular delivery for antibody-drug conjugates (ADCs).	Extensive pre-clinical validation of Accum™-based payload delivery and endosomal-escape mechanisms.	Advance into GLP-grade studies and expand external co-development partnerships for oncology.
Vaccine Programs	Refined Accum™-based therapeutic cancer vaccine constructs.	Broad early-stage proof-of-concept work across multiple tumor antigens.	Seeking partners to advance the program in clinics.
ADC Development	Developed and tested new Accum™ linker chemistry, improving payload stability and cytotoxic efficiency versus standard ADC formats.	Initial linker design and feasibility screening.	Pursue licensing or joint-venture partnerships with established ADC developers.
Laboratory Operations	Expanded Montreal R&D facility; upgraded analytical and cell-based assay capacity under existing lab lease.	Lab commissioning and initial infrastructure setup.	Maintain capacity for scaled in-vitro / in-vivo testing; evaluate additional laboratory space post-FY 2026.
Research & Lab Expenditures	$802,193 incurred (2024 – $3,861,452); reflects cost optimization and shift to focused validation studies.	Peak development spend tied to multiple simultaneous proof-of-concept projects.	Continue disciplined cost control while allocating incremental funds to GLP studies and IP expansion.
SR&ED Tax Credits	$268,995 recognized under the Scientific Research & Experimental Development (SR&ED) program as a reduction of R&D costs.	No SR&ED credits recorded in FY 2024.	Maintain eligibility and compliance; expand claims to cover new research domains.
Intellectual Property	Ongoing filings for modified Accum™ analogues and ADC linker chemistry.	Strengthened protection of core Accum™ patent families.	Broaden IP coverage internationally and pursue strategic patent licensing opportunities.
Collaborations	Sustained CRO collaborations for pre-clinical validation in oncology.	Early mechanistic studies with institutional partners.	Extend collaborations to translational studies and manufacturing partners.
Technical Staffing & Governance	Maintained specialized scientific team; implemented quality oversight under new Head of Quality and Operations (appointed Oct 2025).	Focus on laboratory staffing and external consultants.	Expand internal QA/QC systems for regulatory readiness.
Strategic Objective	Consolidate pre-clinical evidence to support upcoming IND submission and partnership-driven advancement of Accum™-based therapeutics.	Technology validation and market positioning.	Transition from research to clinical translation by FY 2026.

SELECTED ANNUAL INFORMATION

	June 30, 2025 $	June 30, 2024 $	June 30, 2023 $
Revenue	-	-	-
Net loss for the year	(3,522,072)	(13,193,045)	(6,762,783)
Basic and diluted loss per Common Share	(0.07)	(0.30)	(0.17)
Total assets	1,651,515	477,747	3,532,709
Long-term debt	-	7,871	1,746,069
Dividends	-	-	-

In 2024, the Company raised $1,450,500 in private placements in order to continue to advance the Accum™ technology. In 2025 the Company raised $5,015,000 for the same purpose. Year-to-year variances were not the result of any discontinued operations, changes in accounting policies or significant dispositions.

SELECTED QUARTERLY INFORMATION

Results for the eight most recently completed quarters are summarized below.

For the Quarter Periods Ended	March 31, 2026 $	December 31, 2025 $	September 30, 2025 $	June 30, 2025 $
Total revenue	-	-	-	-
Net loss for the period	(2,961,745)	(1,521,503)	(702,996)	-1,158,485
Basic and diluted loss per share	(0.05)	(0.03)	(0.01)	-0.02
Total assets	9,446,301	1,369,005	2,768,511	1,651,515
Total non-current liabilities	3,057,719	1,487,720	1,412,951	-
Dividends	-	-		-

For the Quarter Periods Ended	March 31, 2025 $	December 31, 2024 $	September 30, 2024 $	June 30, 2024 $
Total revenue	-	-	-	-
Net loss for the period	-951,888	-804,837	-606,862	-1,348,232
Basic and diluted loss per share	-0.02	-0.02	-0.01	-0.03
Total assets	2,363,585	403,028	424,674	477,747
Total non-current liabilities	-	-	-	7,871
Dividends	-	-	-	-

There is minimal seasonality in the Company's business. A discussion of the factors that have caused variations over the quarters is as follows:

- For the three months ended March 31, 2026, Defence Therapeutics Inc. reported a net loss and comprehensive loss of approximately $2.96 million compared to $1.26 million in the comparative prior-year quarter, primarily reflecting the recognition of a $1.49 million fair value loss on derivative liability associated with the Company's structured financing arrangement entered into during the quarter. Operating expenses also increased to approximately $1.48 million from $1.11 million in the prior-year quarter, driven mainly by higher research and laboratory expenditures, increased investor relations activities, consulting costs and general corporate expenses as the Company continued to advance its Accum™ platform and oncology-related development programs. The Company completed a significant financing during the quarter, strengthening liquidity, with cash and restricted cash totaling approximately $8.95 million as at March 31, 2026.

- The quarter period ended December 31, 2023 was comparable to recent quarters when normalizing for a stock option grant to directors and officers resulting in share-based compensation of $5,836,658.
- The quarter periods ended March 31, 2024 and June 30, 2024 were comparable to recent quarters.
- During the quarter period ended September 30, 2024, the Company's net loss decrease is primarily due to a reduction in investor relations and shareholder communication costs as well as research and lab fees.
- During the quarter ended December 31, 2024, the Company's net loss increase is primarily due to the increase in share based compensation during the period and the higher incident of Laboratory fees.
- During the quarter ended March 31, 2025, the Company's net loss increase is primarily due to the increase in share based compensation during the period.
- During the quarter ended June 30, 2025, the Company's net loss increase is primarily due to the increase in research and lab fees during the period.
- During the quarter ended September 30, 2025, the Company's net loss increase is primarily due to the increase in Share Based Compensation during the period.
- During the quarter ended December 31, 2025, the Company's net loss increase is primarily due to the increase in Promotional expenses during the period.

OPERATIONS

Three months ended March 31, 2026

For the three months ended March 31, 2026, the Company recorded a net and comprehensive loss of $2,961,745, compared to a loss of $1,259,529 for the three months ended March 31, 2025. The increased loss during the quarter was primarily attributable to the recognition of a $1,493,512 fair value loss on derivative liability associated with the Company's structured financing arrangement completed during the quarter, together with increased research and laboratory expenditures, higher investor relations activities, and increased office and general expenses, partially offset by lower share-based compensation expense.

Total operating expenses for the quarter amounted to $1,478,033, compared to $1,105,708 for the comparative prior-year quarter. Research and laboratory fees increased significantly to $729,186 (2025 – $120,475), reflecting expanded scientific, pre-clinical and product development activities. Investor relations and shareholder communication expenses were $251,347 (2025 – $254,187), remaining elevated due to ongoing market awareness initiatives and shareholder engagement activities. Management fees increased to $135,000 (2025 – $100,000), while consulting fees increased to $89,613 (2025 – $21,690), reflecting increased reliance on external professional and technical advisory services.

Accounting and legal expenses increased to $61,384 (2025 – $45,150), primarily due to regulatory, financing and corporate governance activities. Office and general expenses increased materially to $115,520 (2025 – $40,940), reflecting increased administrative and operational support costs associated with the Company's expanded activities. Interest accretion expense totaled $76,487 (2025 – $83,370), remaining consistent with the prior year and reflecting the ongoing amortization of financing instruments.

Share-based compensation decreased significantly to $15,795 (2025 – $421,236), primarily due to fewer equity awards vesting during the current quarter. Transfer agent and filing fees totaled $8,240 (2025 – $6,753), while depreciation of equipment and right-of-use assets amounted to $9,425 (2025 – $17,710), reflecting lower depreciable asset balances during the period. The Company recorded a foreign exchange gain of $13,964 during the quarter, compared to a foreign exchange gain of $5,803 in the comparative period, primarily resulting from fluctuations in foreign currency denominated balances.

Other items during the quarter included a fair value loss on derivative liability of $1,493,512 associated with the Company's structured financing arrangement entered into during the quarter. The Company also recorded a cumulative translation adjustment gain of $9,800 during the quarter related to the translation of its foreign operations.

Basic and diluted loss per share for the three months ended March 31, 2026 was $(0.04) compared to $(0.03) for the comparative prior-year quarter. The weighted average number of common shares outstanding during the quarter increased to

59,032,644 compared to 49,213,052 in the prior-year period, reflecting equity issuances completed during the current and prior periods.

Nine months ended March 31, 2026

For the nine months ended March 31, 2026, the Company recorded a net and comprehensive loss of $5,196,276, compared to $2,671,352 for the nine months ended March 31, 2025. The increased loss was primarily attributable to the recognition of the derivative fair value loss, increased research and laboratory activities, higher investor relations expenditures, and increased accounting, legal and office-related costs associated with the Company's continued operational and financing activities.

Total operating expenses for the nine-month period were $3,700,395, compared to $2,517,469 in the comparative prior-year period. Research and laboratory fees increased substantially to $1,161,297 (2025 – $466,966), reflecting the advancement of the Company's research and development programs. Investor relations and shareholder communication expenses increased to $1,015,521 (2025 – $325,485), reflecting increased market outreach and shareholder engagement activities.

Share-based compensation decreased to $213,231 (2025 – $651,680), while management fees decreased to $275,000 (2025 – $311,000). Interest accretion expense totaled $268,062 (2025 – $300,833), reflecting the ongoing accretion of convertible debentures and financing obligations. Consulting fees increased to $190,526 (2025 – $105,713), accounting and legal expenses increased to $238,211 (2025 – $92,638), and office and general expenses increased to $251,781 (2025 – $88,535), reflecting increased corporate, financing and operational activities during the period.

Transfer agent and filing fees were $51,532 (2025 – $69,165), while depreciation of equipment and right-of-use assets totaled $34,940 (2025 – $53,128). Foreign exchange losses were nominal at $294 (2025 – $52,326). Other items during the period included a fair value loss on derivative liability of $1,493,512 (2025 – $nil), partially offset in the prior-year comparative period by a gain on extinguishment of debentures of $153,820. The Company also recorded a cumulative translation adjustment loss of $3,000 during the current period.

Basic and diluted loss per share for the nine months ended March 31, 2026 was $(0.09), compared to $(0.06) for the comparative prior-year period, based on a weighted average of 57,677,473 common shares outstanding compared to 44,342,166 in the prior-year period.

LIQUIDITY AND CAPITAL RESOURCES

Financial Position

As at March 31, 2026, the Company had cash of $2,952,981 (June 30, 2025 – $1,232,427), restricted cash of $6,000,000 (June 30, 2025 – $nil), and current assets of $3,278,528 (June 30, 2025 – $1,463,856). Current liabilities totaled $973,684 (June 30, 2025 – $2,907,351), resulting in a working capital surplus of $2,304,844 at March 31, 2026, compared to a working capital deficit of $1,443,495 at June 30, 2025.

The significant improvement in working capital during the period is primarily attributable to the completion of the Company's March 2026 private placement financing for aggregate gross proceeds of approximately $9.6 million, including approximately $6.0 million raised pursuant to a structured sharing agreement arrangement. In addition, the Company completed a $2.0 million convertible debenture financing during the period and converted previously outstanding convertible debentures into equity, resulting in the reduction of current liabilities and strengthening of the Company's overall liquidity position.

Total assets at March 31, 2026 were $9,446,301 (June 30, 2025 – $1,651,515), consisting primarily of cash, restricted cash and receivables. Total liabilities amounted to $4,031,403, consisting primarily of a derivative liability of $1,493,512 associated with the sharing agreement financing arrangement, non-current convertible debentures of $1,564,207 and accounts payable and accrued liabilities of $973,684.

Impact of the Convertible Debenture Financing

During the nine months ended March 31, 2026, the Company completed a $2,000,000 unsecured convertible debenture financing, which materially strengthened the Company's liquidity position and enabled the settlement of outstanding obligations, repayment and conversion of prior convertible debentures, reduction of accounts payable and accrued liabilities, repayment of lease obligations, and continued funding of research and development activities.

The debentures bear interest at 8.0% per annum, mature 24 months from issuance, and are convertible at the option of the holder into common shares of the Company at a conversion price of $0.60 per common share. Each debenture unit included 1,666 common share purchase warrants, each exercisable at $0.75 per share for a period of 24 months from the date of issuance. In connection with the financing, the Company incurred cash transaction costs of $160,100 and issued 266,667 finder's warrants.

In accordance with IFRS accounting requirements for compound financial instruments, the debentures were bifurcated into liability and equity components on initial recognition. The fair value of the liability component was determined using a discounted cash flow model based on an estimated market interest rate of 18%, with the residual value allocated to the equity component and warrants. As at March 31, 2026, the carrying value of the convertible debenture liability was $1,564,207 and was classified as non-current based on the contractual maturity profile of the instrument. The equity component associated with the convertible debentures totaled $281,558 and is presented within shareholders' equity.

Cash Flows

During the nine months ended March 31, 2026, cash used in operating activities totaled $3,710,054 (2025 – $2,576,888), reflecting the Company's net loss for the period, continued investment in research and development programs, increased investor relations expenditures, higher corporate and administrative costs, and changes in non-cash working capital balances. The operating cash outflow was partially offset by non-cash items including the fair value loss on derivative instruments, interest accretion and share-based compensation.

Investing activities used $15,054 during the period (2025 – provided $18,595), primarily relating to net purchases of equipment used in operations and research activities.

Financing activities provided net cash of $5,446,966 (2025 – $4,581,405), driven primarily by proceeds of approximately $3,595,000 from the March 2026 private placement financing, $2,000,000 in proceeds from the issuance of convertible debentures, and $27,750 from the exercise of warrants. These inflows were partially offset by transaction costs of $160,100, lease repayments of $15,069, share issuance costs and other financing-related expenditures.

As a result of the above, the Company recorded a net increase in cash of $1,720,554 during the nine-month period, resulting in an ending cash balance of $2,952,981 as at March 31, 2026, compared to $1,232,427 at June 30, 2025. In addition, the Company held restricted cash of $6,000,000 as at March 31, 2026 in connection with the structured sharing agreement financing arrangement.

Liquidity Outlook and Going Concern.

Despite the significant improvement in the Company's working capital position during the period, including the completion of the March 2026 private placement financing and the $2.0 million convertible debenture financing, the Company continues to incur operating losses and negative cash flows from operations as it advances its research and development programs. During the nine months ended March 31, 2026, the Company incurred a net loss of $5,196,276 and used $3,710,054 in operating activities.

As disclosed in Note 2 to the condensed interim financial statements, the Company does not currently generate revenues or positive operating cash flows sufficient to fund its planned operations for at least the next twelve months. These conditions indicate the existence of material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern.

The Company's ability to continue operations is dependent upon its ability to obtain additional financing through equity financings, debt arrangements, strategic partnerships, licensing arrangements or other non-dilutive funding sources. While management has historically been successful in accessing the capital markets and raising financing, there can be no assurance that additional funding will be available on commercially reasonable terms, or at all.

Management continues to actively monitor liquidity, control discretionary expenditures, prioritize key development activities and evaluate additional financing alternatives with the objective of maintaining sufficient financial resources to support the Company's operations and strategic objectives.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not entered into any off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

These amounts of key management compensation are included in the amounts shown on the condensed interim statements of comprehensive loss:

	Nine Months Ended December 31, 2025	Nine Months Ended December 31, 2024
Consulting fees	$ 97,357	$ 58,500
Accounting and Legal	102,500	40,000
Management fees	255,000	311,000
Research and lab fees	-	125,000
Wages and Salaries	190,000	53,333
Share-based compensation	213,231	519,964
	$ 858,088	$ 1,107,797

As at March 31, 2026, the Company had accounts payable of $13,797 (June 30, 2025 - $71,195) with companies controlled by current and former officers and directors. The balances owing are unsecured, non-interest-bearing and have no specific terms of repayment.

At March 31, 2026, the Company had accounts receivable of $nil (June 30, 2025 - $Nil) from a company with a common officer for expense reimbursement.

COMMITMENTS

The consulting agreements signed with certain consultants have indefinite terms and monthly fees totalling $30,000. In the event the agreements are terminated by the Company or the consultants as a result of a change in control, the Company would be required to pay a total of $180,000 to the consultants. The consulting agreement with the chief executive officer contains bonus payments upon reaching certain milestones related to clinical trials and license agreements. During the year ended June 30, 2025, bonuses of $65,000 (2024 - $75,000) were paid or accrued to the chief executive officer.

CAPITAL DISCLOSURES

The Company considers its capital to be comprised of shareholders' equity (deficiency).

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares. Although the Company has been successful at raising funds in the past through the issuance of share capital, it is uncertain whether it will continue this method of financing due to the current difficult market conditions.

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

Management reviews the capital structure on a regular basis to ensure that the above objectives are met. There have been no changes to the Company's approach to capital management during the nine months ended March 31, 2026. The Company is not subject to externally imposed capital requirements.

FINANCIAL INSTRUMENTS AND RISKS

As at March 31, 2026, the Company's financial instruments consist of cash, accounts payable and accrued liabilities, lease obligation, loan payable and convertible debentures. The carrying values of these financial instruments approximate their fair values.

Fair value

The Company classifies its fair value measurements in accordance with an established hierarchy that prioritizes the inputs in valuation techniques used to measure fair value as follows:

Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities.
Level 2 - Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly.
Level 3 - Inputs that are not based on observable market data.

The following table sets forth the Company's financial asset measured at fair value by level within the fair value hierarchy:

March 31, 2026	Level 1	Level 2	Level 3	Total
Cash	$ 2,952,981	$ -	$ -	$ 2,952,981
Restricted cash	6,000,000			6,000,000

June 30, 2025	Level 1	Level 2	Level 3	Total
Cash	$ 1,232,427	$ -	$ -	$ 1,232,427

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company manages credit risk, in respect of cash, by placing it at major Canadian financial institutions. The Company has minimal credit risk. Of the $315,182 (June 30, 2025 - $198,052) receivables balance, $315,182 (June 30, 2025 - $198,052) is owing from the Canada Revenue Agency and Revenue Québec.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquid funds to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The contractual financial liabilities of the Company as of March 31, 2026 equal $3,122,817 (June 30, 2025 - $2,907,351). The face value of the convertible debenture is $2,000,000 which matures on September 16, 2027. All of the liabilities presented as accounts payable are due within 30 days of the reporting date.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on capital.

i) *Currency risk* – The Company has minimal funds held in a foreign currency and holds a material amount of accounts payable and accrued liabilities in United States dollars. A fluctuation in the exchange rate between the Canadian and United States dollars of 10% would result in a $10,332 change in the Company's accounts payable and accrued liabilities. The Company does not use any techniques to mitigate currency risk.

ii) *Interest rate risk* – Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. Interest earned on cash is at nominal interest rates. The Company currently has no debt subject to variable interest rates. Accordingly, the Company does not consider interest rate risk to be significant.

iii) *Other price risk* – Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk. The Company is not exposed to significant other price risk.

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Going concern risk assessment

The Company's ability to continue its operations and to realize assets at their carrying value is dependent upon its ability to generate positive cash flows and/or obtain additional financing sufficient to fund its development and operating costs. The Company may be able to generate working capital to fund its operations by raising additional capital through equity markets. However, there is no assurance it will be able to raise funds in the future. Based on its current plans, budgeted expenditures and cash requirements, the Company does not have sufficient cash to finance its current plans for at least twelve months from the date the condensed interim financial statements are issued. These material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern. These condensed interim financial statements do not give effect to any adjustments required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying condensed interim financial statements.

If the going concern assumption were not appropriate for these condensed interim financial statements, then adjustments may be necessary in the carrying values of assets and liabilities, the reported expenses and the statement of financial position classifications used. Such adjustments could be material.

Convertible debentures and lease obligation

The debt component of the convertible debentures and lease obligation are calculated using a discounted cash flow method, which requires management to make an estimate of an appropriate discount rate. Changes in the discount rate can materially affect the calculation of the debt component of the convertible debentures and the lease obligation.

NEW ACCOUNTING STANDARD ADOPTED DURING THE YEAR

Classification of liabilities as current or non-current (amendments to International Accounting Standard ("IAS") 1 *Presentation of Financial Statements*)

IAS 1 has been amended to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.

These amendments were adopted for the reporting period beginning July 1, 2024. There was no impact for the Company.

NEW ACCOUNTING STANDARD ISSUED BUT NOT YET EFFECTIVE

IFRS 18 *Presentation and Disclosure in Financial Statements*

In April 2024, the IASB issued IFRS 18. This standard aims to improve the consistency and clarity of financial statement presentation and disclosures by providing updated guidance on the structure and content of financial statements. Key changes include enhanced requirements for the presentation of financial performance, financial position and cash flows, as well as additional disclosures to improve transparency and comparability.

IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027. The Company is currently assessing the impact that the adoption of IFRS 18 will have on its financial statements.

OUTSTANDING SHARE DATA

The Company had the following securities issued and outstanding:

	May 22, 2026	March 31, 2026
Common Shares	75,788,153	75,588,153
Warrants	31,011,850	31,011,850
Stock options	2,725,000	2,725,000
Convertible debentures	3,333,333	3,333,333
Fully diluted shares	112,858,336	112,658,336

RISKS AND UNCERTAINTIES

Limited operating history

The Company has a very limited history of operations and is considered a start-up company. As such, the Company is subject to many risks common to such enterprises, including under-capitalization; cash shortages; limitations with respect to personnel, financial and other resources; and lack of revenues. There is no assurance that the Company will be successful in achieving a return on shareholders' investment, and the likelihood of the Company's success must be considered in light of its early stage of operations.

The Company's officers and directors may be engaged in a range of business activities resulting in conflicts of interest

The Company may be subject to various potential conflicts of interest, as some of its officers and directors may be engaged in a range of business activities. In addition, the Company's executive officers and directors may devote time to their outside business interests, so long as such activities do not materially or adversely interfere with their duties to the Company. In some cases, the Company's executive officers and directors may have fiduciary obligations associated with these business interests that interfere with their ability to devote time to the Company's business and affairs and that could adversely affect the Company's operations. These business interests could require significant time and attention of the Company's executive officers and directors.
In addition, the Company may become involved in other transactions that conflict with the interests of its directors and officers who may from time to time deal with persons, firms, institutions or companies with which the Company may be dealing, or which may be seeking investments similar to those desired by it. The interests of these persons could conflict with those of the Company. In addition, from time to time, these persons may be competing with the Company for available investment opportunities. Conflicts of interest, if any, will be subject to the procedures and remedies provided under applicable laws. In particular, if such a conflict of interest arises at a meeting of the Company's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In accordance with applicable laws, the directors of the Company are required to act honestly, in good faith and in the best interests of the Company.

The Company's intellectual property and licenses thereto

The Company's success will depend in part on its ability to protect and maintain its intellectual property rights and its licenses. No assurance can be given that the license or rights used by the Company will not be challenged, invalidated, infringed or circumvented, nor that the rights granted thereunder will provide competitive advantages to the Company. It is not clear whether the pending patent applications will result in the issuance of patents. There is no assurance that the Company will be able to enter into licensing arrangements, develop or obtain alternative technology in respect of patents issued to third parties that incidentally cover its production processes. Moreover, the Company could potentially incur substantial legal costs in defending legal actions that allege patent infringement or by instituting patent infringement suits against others. The Company's commercial success also depends on the Company not infringing patents or proprietary rights of others and not breaching the exclusive license granted to the Company. There can be no assurance that the Company will be able to maintain such licenses that it may require to conduct its business or that such licenses have been obtained at a reasonable cost. Furthermore, there can be no assurance that the Company will be able to remain in compliance with its licenses. Consequently, there may be a risk that such licenses may be withdrawn with no compensation or penalties to the Company.

If patent laws or the interpretation of patent laws change, the Company's competitors may be able to develop and commercialize its discoveries

Important legal issues remain to be resolved as to the extent and scope of available patent protection for biopharmaceutical products and processes in Canada, and other important markets outside Canada, such as Europe or the United States. As such, litigation or administrative proceedings may be necessary to determine the validity, scope and ownership of certain of the Company's and others' proprietary rights. Any such litigation or proceeding may result in a significant commitment of resources in the future and could force the Company to do one or more of the following: cease selling or using any of its future products that incorporate a challenged intellectual property, which would adversely affect its revenue; obtain a license or other rights from the holder of the intellectual property rights alleged to have been infringed or otherwise violated, which license may not be available on reasonable terms, if at all; and redesign its future products to avoid infringing or violating the intellectual property rights of third parties, which may be time-consuming or impossible to do. In addition, changes in patent laws in Canada and other countries may result in allowing others to use its discoveries or develop and commercialize its products. The Company cannot provide assurance that the patents it obtains will afford it significant commercial protection.

The Company may not be able to enforce its intellectual property rights throughout the world. This risk is exacerbated, as it expects that one or more of its product candidates will be manufactured and used in a number of foreign countries

The laws of foreign countries may not protect intellectual property rights to the same extent as the laws of Canada. Many companies have encountered significant problems in protecting and defending intellectual property rights in certain foreign jurisdictions. This risk is exacerbated for the Company, as it expects that future product candidates could be manufactured and used in a number of foreign countries.

The legal systems of some countries, particularly developing countries, do not favor the enforcement of patents and other intellectual property protection, especially those relating to life sciences. This could make it difficult to stop the infringement or other misappropriation of the Company's intellectual property rights. For example, several foreign countries have compulsory licensing laws under which a patent owner must grant licenses to third parties. In addition, some countries limit the enforceability of patents against third parties, including government agencies or government contractors. In these countries, patents and trade secrets may provide limited or no benefit.
Most jurisdictions in which the Company intends to apply for patents have patent protection laws similar to those of Canada, but some of them do not. For example, the Company may do business in the future in countries that may not provide the same or similar protection as that provided in Canada. Additionally, due to uncertainty in patent protection law, the Company has not filed applications in many countries where significant markets exist.

Proceedings to enforce patent rights in foreign jurisdictions could result in substantial costs and divert the Company's efforts and attention from other aspects of its business. Accordingly, efforts to protect intellectual property rights in such countries may be inadequate. In addition, changes in the law and legal decisions by courts in Canada, the US and foreign countries may affect the Company's ability to obtain adequate protection for the Company's technology and the enforcement of its intellectual property.

Preclinical studies, clinical trials, licensing, regulations and products

The Company is also exposed to risks related to preclinical studies, clinical trials, licensing, regulations and products as follows:

- The Company may not be successful in its efforts to identify, license or discover additional product candidates;
- The Company faces product liability exposure, which, if not covered by insurance, could result in significant financial liability;
- If the Company is unable to advance product candidates through clinical development, obtain regulatory approval and ultimately commercialize product candidates, or if the Company experiences significant delays in doing so, business will be materially harmed;
- The Company's business is highly dependent on its lead product candidate, Accum™, and it must complete preclinical studies and clinical testing before it can seek regulatory approval and begin commercialization of any of its other product candidates. If the Company is unable to obtain regulatory approval for and successfully commercialize Accum™, its business may be materially harmed and such failure may affect the viability of its other product candidates;
- Any product candidates that the Company successfully develops and commercializes will have to compete with existing therapies and new therapies that may become available in the future;
- Clinical development involves a lengthy and expensive process with uncertain outcomes, and results of earlier studies and trials may not be predictive of future clinical trial results. If preclinical studies and clinical trials are not sufficient to support regulatory approval of any of the Company's product candidates, it may incur additional costs or experience delays in completing, or ultimately be unable to complete, the development of such product candidate;
- The Company expects to develop Accum™, and potentially future product candidates, in combination with other therapies, which exposes it to additional risks;
- The Company's preclinical studies and clinical trial may fail to adequately demonstrate the safety, potency and purity of any of its product candidates, which would prevent or delay development, regulatory approval and commercialization;

- The results of preclinical studies and early-stage clinical trials may not be predictive of future results. Initial success in the Company's ongoing clinical trials may not be indicative of results obtained when these trials are completed or in later-stage trials;
- Interim, "top-line" and preliminary data from clinical trials that the Company announces or publishes from time to time may change as more patient data become available, and are subject to audit and verification procedures that could result in material changes in the final data; and
- Disruptions at Health Canada and other government agencies caused by funding shortages or global health concerns could hinder their ability to hire, retain or deploy key leadership and other personnel, or otherwise prevent new or modified products and services from being developed, approved or commercialized in a timely manner, which could negatively impact the Company's business.

Geopolitical risks

Recent geopolitical events and potential economic global challenges, such as the risk of higher inflation and the energy crises, may create further uncertainty and risk with respect to the prospects of the Company's business.