

FORM 5

QUARTERLY LISTING STATEMENT

Name of Listed Issuer: Metasphere Labs Inc. (the “Issuer”).

Trading Symbol: LABZ

This Quarterly Listing Statement must be posted on or before the day on which the Issuer’s unaudited interim financial statements are to be filed under the *Securities Act*, or, if no interim statements are required to be filed for the quarter, within 60 days of the end of the Issuer’s first, second and third fiscal quarters. This statement is not intended to replace the Issuer’s obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by the Exchange Policies. If material information became known and was reported during the preceding quarter to which this statement relates, management is encouraged to also make reference in this statement to the material information, the news release date and the posting date on the Exchange website.

General Instructions

- (a) Prepare this Quarterly Listing Statement using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the following items must be in narrative form. When the answer to any item is negative or not applicable to the Issuer, state it in a sentence. The title to each item must precede the answer.
- (b) The term “Issuer” includes the Listed Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

There are three schedules which must be attached to this report as follows:

SCHEDULE A: FINANCIAL STATEMENTS

Financial statements are required as follows:

For the first, second and third financial quarters interim financial statements prepared in accordance with the requirements under Ontario securities law must be attached.

If the Issuer is exempt from filing certain interim financial statements, give the date of the exempting order.

Second Quarter (six-month period) ended January 31, 2026.

Unaudited condensed interim consolidated financial statements of the Issuer for the six-month period ended January 31, 2026 as filed with securities regulatory

authorities, are attached to this Form 5 - Quarterly Listing Statement as Appendix "A".

SCHEDULE B: SUPPLEMENTARY INFORMATION

The supplementary information set out below must be provided when not included in Schedule A.

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.
- (b) A description of the transaction(s), including those for which no amount has been recorded.
- (c) The recorded amount of the transactions classified by financial statement category.
- (d) The amounts due to or from Related Persons and the terms and conditions relating thereto.
- (e) Contractual obligations with Related Persons, separate from other contractual obligations.
- (f) Contingencies involving Related Persons, separate from other contingencies.

With respect to related party transactions for information supplementary to that contained in the notes to the unaudited condensed interim consolidated financial statements, which are attached hereto, please refer to Management's Discussion & Analysis for the six-month period ended January 31, 2026, as filed with securities regulatory authorities and attached to this Form 5 - Quarterly Listing Statement as Appendix "B".

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,

The following securities were issued during the period of November 1, 2025 to January 31, 2026:

Date of Issue	Type of Security (common shares, convertible debentures, etc.)	Type of Issue (private placement, public offering, exercise of warrants, etc.)	Number	Price	Total Proceeds	Type of Consideration (cash, property, etc.)	Describe relationship of Person with Issuer (indicate if Related Person)	Commission Paid
December 1, 2025	Common Shares	RSUs conversion	151,666	150,000 shares at a deemed price of \$0.34 1,666 shares at a deemed price of \$15.00	-	N/A	2 non-arm length parties of the Company	-
January 14, 2026	Common Shares	RSUs conversion	75,000	Deemed price of \$0.34	-	N/A	2 non-arm length parties of the Company	-
January 29, 2026	Units	Non-brokered private placement	12,000,000	\$0.05 per Unit	\$600,000	Cash	18 arm length parties of the Company	-

(b) summary of options and RSUs granted during the period of November 1, 2025 to January 31, 2026:

Date	Number	Name of Optionee if Related Person and relationship	Generic description of other Optionees	Exercise Price	Expiry Date	Market Price on date of Grant
There were no options and RSUs granted during the period of November 1, 2025 to January 31, 2026						

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,

As at January 31, 2026, the authorized capital of the Issuer consisted of an unlimited number of Common shares without par value, and without any special rights or restrictions, of which 23,098,279 Common Shares were issued and outstanding.

The holders of the Common shares are entitled to receive notice of and to attend and vote at all meetings of the shareholders of the Issuer and each Common share shall confer the right to one vote in person or by proxy at all meetings of the shareholders of the Issuer. The holders of the Common shares, subject to the prior rights, if any, of any other class of shares of the Issuer, are entitled to receive such dividends in any financial year as the board of directors of the Issuer may by resolution determine. In the event of the liquidation, dissolution or winding-up of the Issuer, whether voluntary or involuntary, the holders of the Common shares are entitled to receive, subject to the prior rights, if any, of the holders of any other class of shares of the Issuer, the remaining property and assets of the Issuer.

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

Date	Number of common shares	Recorded value of common shares
As at January 31, 2026	23,098,279	\$22,866,755

- (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

Options: Options to purchase Common shares in the capital of the Issuer are granted by the Issuer's Board of Directors to eligible persons pursuant to the Issuer's Stock Option Incentive Plan.

As at January 31, 2026, the following options were outstanding entitling holders to purchase Common shares in the capital of the Issuer as summarized below:

Date of Grant	Number of Options	Exercise Price	Expiry Date	Recorded Value
October 14, 2021	7,409	\$30.00	October 14, 2026	\$2,205
February 7, 2022	13,575	\$195.00	February 7, 2027	\$26,325
March 16, 2022	166	\$240.00	March 16, 2027	\$398
April 13, 2022	166	\$225.00	April 13, 2027	\$346
September 13, 2022	8,333	\$42.00	September 13, 2027	\$4,725
Total	29,649			

As at January 31, 2026, the following RSUs were outstanding:

Date of Grant	Number of Options	Exercise Price	Expiry Date	Recorded Value
March 27, 2025	375,000	N/A - RSU	March 27, 2028	\$120,000
Total	375,000			

Warrants: As at January 31, 2026, the following warrants were outstanding entitling holders to purchase Common shares in the capital of the Issuer as summarized below:

Date of Issue	Number of Warrants	Exercise Price	Expiry Date	Recorded Value
September 15, 2021	16,663	\$30.00	September 15, 2026	\$Nil
November 10, 2021	16,655	\$375.00	November 10, 2026	\$Nil
November 10, 2021	106	\$375.00	November 10, 2026	\$130
January 29, 2026	12,000,000	\$0.06	January 29, 2030	\$Nil
Total	12,033,424			

Convertible Securities:

As at January 31, 2026, there are nil convertible securities outstanding.

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

The Issuer has no shares subject to escrow or pooling agreements or any other restrictions on transfer

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.**

Name of Director/Officer	Position with Issuer
James Henning	Director, member of audit committee
Kevin Cornish	Director, member of audit committee
Guy Bourgeois	Director, member of audit committee
Daniel Xocoyotzin Ontiveros Delgado	CEO

SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS

Provide Interim MD&A if required by applicable securities legislation.

Management's Discussion & Analysis for the six-month period ended January 31, 2026, as filed with securities regulatory authorities, is attached to this Form 5 - Quarterly Listing Statement as Appendix "B".

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: April 1, 2026

Francis Rowe
Name of Director or Senior Officer

Signed: "Francis Rowe"
Signature

Chief Financial Officer
Official Capacity

Name of Issuer Metasphere Labs Inc.	For Quarter Ended January 31, 2026	Date of Report YY/MM/DD 26/04/01
Issuer Address 1890 – 1075 West Georgia Street		
City/Province/Postal Code Vancouver, BC V6E 3C9	Issuer Fax No. 604 687-3141	Issuer Telephone No. 604 687-2038
Contact Name Francis Rowe	Contact Position CEO	Contact Telephone No. 604 687-2038
Contact Email Address info@metasphere.earth	Web Site Address www.metasphere.earth	

APPENDIX A

Metasphere Labs Inc.

Unaudited condensed interim financial statements
for the six-month period ended January 31, 2026

METASPHERE LABS INC.

**UNAUDITED CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE PERIODS ENDED JANUARY 31, 2026 AND 2025
Expressed in Canadian Dollars**

Notice of No Auditor Review of 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 condensed interim consolidated financial statements, they must be accompanied by a notice indicating that the interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of Metasphere Labs Inc. have been prepared by and are the responsibility of management.

The Company's independent auditors have not performed a review of these condensed interim financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditors.

METASPHERE LABS INC.

Unaudited Condensed Interim Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

As at,	Notes	January 31, 2026 Unaudited \$	July 31, 2025 Audited \$
Assets			
Current assets			
Cash and cash equivalents		639,684	56,740
Accounts receivable		57,774	59,716
Prepaid expenses		1,963	2,010
Total assets		699,421	118,466
Liabilities and Shareholders' Equity			
Current liabilities			
Accounts payable and accrued liabilities	3	535,296	492,122
Due to related parties	6	34,661	23,492
Loans payable	4	50,890	-
Total liabilities		620,847	515,614
Shareholders' Equity (Deficiency)			
Share capital	5	22,866,755	22,121,765
Warrant reserve		9,762	9,762
Reserve		3,610,572	3,673,893
Deficit		(26,408,515)	(26,202,568)
Total shareholders' equity (deficiency)		78,574	(397,148)
Total liabilities and shareholders' equity (deficiency)		699,421	118,466

Nature and Continuation of Operations (Note 1)

Subsequent Events (Note 15)

Approved by the board of directors and authorized for issue on April 1, 2026:

"James Henning"

James Henning, Director

"Kevin Cornish"

Kevin Cornish, Director

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

METASPHERE LABS INC.

Unaudited Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

		Three month period ended,		Six month period ended	
		January 31,	January 31,	January 31,	January 31,
		2026	2025	2026	2025
	Notes	\$	\$	\$	\$
Revenues					
Design services income	10	-	22,500	-	22,500
Total Revenues		-	22,500	-	22,500
Cost of revenues					
		-	(21,252)	-	(21,252)
Gross profit		-	1,248	-	1,248
Expenses					
Consulting fees	6	8,750	23,791	16,279	73,120
Corporate development fees	6	15,750	21,000	31,500	46,500
Development costs	11	-	189	-	21,252
Interest expense	4	890	-	890	-
Marketing	12	990	22,500	1,320	43,481
Office expenses		9,225	25,690	11,738	48,596
Professional fees		21,000	10,034	42,654	137,277
Stock-based compensation	5	27,560	-	81,669	2,846
Transfer agent and filing fees		8,356	11,167	19,897	41,879
Total expenses		92,521	114,371	205,947	414,951
Other income					
Interest income		-	-	-	1,236
Total other items		-	-	-	1,236
Net comprehensive loss for the period					
		(92,521)	(113,123)	(205,947)	(412,467)
Basic and diluted loss per share for the period					
		(0.01)	(0.01)	(0.02)	(0.04)
Weighted average number of common shares outstanding					
		11,059,258	10,447,151	11,003,008	9,613,170

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

METASPHERE LABS INC.

Unaudited Condensed Interim Consolidated Statements of Changes in Shareholders' Deficiency

For the six months ended January 31, 2026 and 2025

(Expressed in Canadian Dollars)

	Number of shares #	Share Capital \$	Subscriptions received (receivable) \$	Reserve \$	Warrant reserve \$	Deficit (As Restated – See Note 13) \$	Total \$
Balance, July 31, 2024	8,779,137	21,405,173	20,000	3,521,757	9,762	(25,292,916)	(336,224)
Shares issued upon exercise of warrants (Note 5)	1,187,500	475,000	(20,000)	-	-	-	455,000
Share-based compensation (Note 5)	-	-	-	2,846	-	-	2,846
Net loss for the period	-	-	-	-	-	(412,467)	(412,467)
Balance, January 31, 2025	9,966,637	21,880,173	-	3,524,603	9,762	(25,705,383)	(290,845)
Balance, July 31, 2025	10,721,613	22,121,765	-	3,673,893	9,762	(26,202,568)	(397,148)
RSU conversion (Note 5)	376,666	144,990	-	(144,990)	-	-	-
Private placement (Note 5)	12,000,000	600,000	-	-	-	-	600,000
Share-based compensation (Note 5)	-	-	-	81,669	-	-	81,669
Net loss for the period	-	-	-	-	-	(205,947)	(205,947)
Balance, January 31, 2026	23,098,279	22,866,755	-	3,610,572	9,762	(26,408,515)	78,574

On August 8, 2025, the Company completed a one-for-four common share consolidation. All references to share capital and per share data have been adjusted to reflect the Company's share consolidation.

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

METASPHERE LABS INC.

Unaudited Condensed Interim Consolidated Statements of Cash Flows

For the six months ended January 31, 2026 and 2025

(Expressed in Canadian Dollars)

	January 31, 2026 \$	January 31, 2025 \$
Cash provided by (used in):		
OPERATING ACTIVITIES		
Net income (loss) for the period	(205,947)	(412,467)
Items not affecting operating cash:		
Share-based compensation (recovery)	81,669	2,846
Interest expense	890	-
	(123,388)	(409,621)
Net changes in non-cash working capital:		
Amounts receivable	1,942	32,266
Prepaid expenses	47	14,870
Accounts payable and accrued liabilities	43,174	(587,766)
Due to related parties	11,169	(30,843)
Cash used in operating activities	(67,056)	(981,094)
FINANCING ACTIVITIES		
Proceeds (repayment) of loans payable	50,000	(86,443)
Proceeds from private placement	600,000	-
Proceeds from exercise of warrants and options	-	455,000
Cash received from financing activities	650,000	368,557
Increase (decrease) in cash	582,944	(612,537)
Cash, beginning of the period	56,740	899,817
Cash, end of the period	639,684	287,280

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

METASPHERE LABS INC.

Notes to the Unaudited Condensed Interim Consolidated Financial Statements

For the six months ended January 31, 2026 and 2025

(Expressed in Canadian Dollars)

1. Nature and Continuance of Operations

Metasphere Labs Inc. (formerly Looking Glass Labs Ltd.) (the “Company”) was incorporated on June 19, 2015, under the laws of the province of British Columbia, Canada. On February 29, 2024, the Company changed its name from Looking Glass Labs Ltd. to Metasphere Labs Inc. The Company is focused on leveraging blockchain, metaverse, and AI technologies to drive innovation and sustainability. By doing so, the Company aims to push the boundaries of technology in the blockchain, metaverse, and AI spaces while promoting sustainability and user engagement. Further, the Company will continue to explore revenue generating activity with its developed Pocket Dimension Metaverse.

The head office, principal address, records office and registered address of the Company are located at 1890 – 1075 West Georgia Street, Vancouver BC, V6E 3C9.

Currently, based on its planned expenditures and expected cash flows, the Company will need to secure new sources of working capital to continue operations for the next twelve-month period. Management’s plan is to actively secure sources of funds, including possible equity and debt financing options, while at the same time focus on exercising careful cost control to sustain operations and, if necessary, the Company will curtail spending.

These unaudited condensed interim consolidated financial statements have been prepared on a going concern basis, which presumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business in the foreseeable future. During the period ended January 31, 2026, the Company incurred a net comprehensive loss of \$205,947 (January 31, 2025 – \$412,467), and had an accumulated deficit of \$26,408,515 (July 31, 2025 – \$26,202,568) and a working capital surplus of \$78,574 as at January 31, 2026 (July 31, 2025 – working capital deficiency of \$397,148).

The Company’s ability to continue as a going concern and meet its corporate objectives may require additional financing through debt or equity issuances or other available means. There is no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be available on terms advantageous to the Company. These conditions indicate the existence of material uncertainties that may cast significant doubt about the Company’s ability to continue as a going concern. These unaudited condensed interim consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue its existence.

2. Statement of Compliance and Material Accounting Policies

These unaudited condensed interim consolidated financial statements were approved and authorized for issue on April 1, 2026, by the directors of the Company.

Statement of Compliance

These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and in accordance with IAS 34 – Interim Financial Reporting. These unaudited condensed interim consolidated financial statements do not include all of the information required for annual financial statements and should be read in conjunction with the Company’s audited financial statements for the year ended July 31, 2025. These unaudited condensed interim consolidated financial statements have been prepared following the same accounting policies as the Company’s audited consolidated financial statements for the year ended July 31, 2025.

These unaudited condensed interim consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments. In addition, these unaudited condensed interim consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

METASPHERE LABS INC.

Notes to the Unaudited Condensed Interim Consolidated Financial Statements

For the six months ended January 31, 2026 and 2025

(Expressed in Canadian Dollars)

2. Statement of Compliance and Material Accounting Policies (continued)

Basis of Presentation

These unaudited condensed interim consolidated financial statements have been prepared on an accrual basis and are based on historical cost, modified where applicable. The unaudited condensed interim consolidated financial statements are presented in Canadian dollars, unless otherwise noted, which is the Company's functional currency.

Basis of Consolidation

The unaudited condensed interim consolidated financial statements include the accounts of the Company and its controlled entities. Control occurs when the Company is exposed to, or has the right to, variable returns from its involvement with an investee and has the ability to affect those returns through its power over the investee. Details of controlled entities are as follows:

Name	Jurisdiction of Incorporation	Interest	Functional Currency
Web 3.0 Holdings Corp. (inactive)	Canada	100%	Canadian Dollars
HOK Technologies Inc.	Canada	100%	Canadian Dollars
HOK BVI Technologies Inc.	British Virgin Islands	100%	Canadian Dollars

All inter-company transactions and balances have been eliminated in the unaudited condensed interim consolidated financial statement presentation.

Functional and Presentation Currency

These unaudited condensed interim consolidated financial statements are presented in Canadian dollars. Each entity determines its own functional currency, and items included in the consolidated financial statements of each entity are measured using that functional currency.

Transactions and balances in foreign currencies

Foreign currency transactions are translated into the functional currency of the respective entity, using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items at period-end exchange rates are recognized immediately in profit or loss.

Non-monetary items measured at historical cost are translated using the exchange rates at the date of the transaction and are not retranslated. Non-monetary items measured at fair value are translated using the exchange rates at the date when fair value was determined.

Foreign Operations

On consolidation, the assets and liabilities of foreign operations are translated into Canadian dollars from their functional currency at the exchange rate prevailing at the reporting date and their statements of loss and comprehensive loss are translated at the exchange rates approximating those in effect on the date transactions occurred. The exchange differences arising on the translation are recognized in other comprehensive income and accumulated in the foreign currency translation reserve in equity. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognized in earnings as part of the gain or loss on disposal.

METASPHERE LABS INC.

Notes to the Unaudited Condensed Interim Consolidated Financial Statements
For the six months ended January 31, 2026 and 2025
(Expressed in Canadian Dollars)

2. Statement of Compliance and Material Accounting Policies (continued)

Significant Accounting Judgments, Estimates and Assumptions

The preparation of consolidated financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments and estimates in applying the Company's unaudited condensed consolidated financial statements include the following:

Going concern

The assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty involves significant judgment based on historical experience and other factors, including the expectation of future events that are believed to be reasonable under the circumstances.

Deferred tax assets

The ability of the Company to recognize deferred tax assets involves judgment of the probability that the Company will be able to generate taxable income in the future.

Stock-based compensation

The fair value of stock-based compensation requires estimates of assumptions that are used in the Black-Scholes option pricing model. The Company also uses judgment to estimate probability of achieving vesting conditions of restricted stock units ("RSUs").

Recoverability of long-lived assets

Long-lived assets are reviewed for impairment at each reporting date and upon the occurrence of events or changes in circumstances indicating that the carrying value of the assets may not be recoverable. The Company assesses at each reporting date if the intangible asset has indicators of impairment. In determining whether the intangible asset is impaired, the Company assesses certain criteria including observable decreases in value, significant changes with adverse effect on the entity, a change in market interest rates, and evidence of technological obsolescence. The application of the Company's accounting policy for intangible asset expenditures requires judgment in determining whether it is likely that the future economic benefits will flow to the Company, which are based on assumptions about future events or circumstances. Estimates and assumptions may change if new information becomes available. If, after expenditures are capitalized, information becomes available suggesting that the recovery of expenditures is unlikely, the amount capitalized in excess of recoverable value is written off to profit or loss in the period the new information becomes available.

Estimated useful life of long-lived assets

Judgment is used to estimate each component of a long-lived asset's useful life and is based on an analysis of all pertinent factors including, but not limited to, the expected use of the asset and in the case of an intangible asset, contractual provisions that enable renewal or extension of the asset's legal or contractual life without substantial cost, and renewal history. If the estimated useful lives were incorrect, it could result in an increase or decrease in the annual amortization expense, and future impairment charges or recoveries.

Revenue recognition

Management has exercised significant judgment in determining appropriate accounting treatment for the recognition of income, including whether contracts meet the definition of a contract within the scope of IFRS 15 - Revenue from Contracts with Customers ("IFRS 15").

Government assistance

The Company has received government assistance in the form of Interactive Digital Media Tax Credits. Amounts resulting from government assistance programs are recognized where there is reasonable assurance that the government assistance will be received, and amounts can be reasonably estimated. Government assistance is included in other income on the consolidated statements of loss and comprehensive loss.

METASPHERE LABS INC.

Notes to the Unaudited Condensed Interim Consolidated Financial Statements

For the six months ended January 31, 2026 and 2025

(Expressed in Canadian Dollars)

2. Statement of Compliance and Material Accounting Policies (continued)

New accounting standards issued but not yet effective

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 the impact that the adoption of IFRS 18 will have on its financial statements.

In May 2024, the IASB issued amendments to IFRS 7 - Financial Instruments: Disclosures and IFRS 9 - Classification and Measurement of Financial Instruments. These amendments, effective for annual periods beginning on or after January 1, 2026, address specific issues related to the derecognition of financial liabilities settled through an electronic payment system and the classification of financial assets with contractual cash flow characteristics. The Company is currently evaluating the impact of these amendments on its consolidated financial statements.

3. Accounts Payable and Accrued Liabilities

	January 31, 2026 \$	July 31, 2025 \$
Accounts payable	313,900	274,511
Accrued liabilities	221,396	217,611
Total	535,296	492,122

4. Loans Payable

On November 23, 2023, the Company issued 2,500,000 units to convert \$1,000,000 of loans payable from debt to equity to certain loan holders who agreed to participate in the non-brokered private placement. Each unit consist of one common share and one common share purchase warrant exercisable for a period of two years at an exercise price of \$0.40.

During the year ended July 31, 2024, the Company repaid \$175,871 to loan holders, and a balance of \$161,849 was forgiven and recorded as a gain on settlement of debt. During the year ended July 31, 2025, the Company repaid \$86,443 in loans payable and accrued interest.

During the period ended January 31, 2026, the Company received a \$50,000 loan from an arm's length party. The loan bears interest at 10% per annum and is due on demand. As at January 31, 2026, the Company had a balance of \$50,890 (July 31, 2025 - \$Nil) of loans payable, including \$890 (July 31, 2025 - \$Nil) in accrued interest.

METASPHERE LABS INC.

Notes to the Unaudited Condensed Interim Consolidated Financial Statements

For the six months ended January 31, 2026 and 2025

(Expressed in Canadian Dollars)

5. Share Capital***Authorized share capital and share consolidation***

Unlimited number of common shares without par value.

On August 8, 2025, the Company consolidated all of its issued and outstanding common shares on the basis of one new common share for every four old common shares. Unless otherwise noted, all share, option, loss per share and warrant information have been adjusted to reflect this consolidation.

Issued share capital

At January 31, 2026, there were 23,098,279 (July 31, 2025 – 10,721,613) issued and fully paid common shares outstanding.

For the period ended January 31, 2026

During the period ended January 31, 2026, the Company issued 376,666 common shares upon the conversion of 376,666 RSUs and the Company transferred \$144,990 from reserve to share capital.

On January 29, 2026, the Company closed a non-brokered private placement offering and issued 12,000,000 units at a price of \$0.05 per unit, for total consideration of \$600,000. Each unit consists of one common share in the capital of the Company and one common share purchase warrant. Each warrant entitles the holder thereof to purchase one additional common share of the Company for a period of four years at an exercise price of \$0.06.

For the period ended January 31, 2025

During the period ended January 31, 2025, the Company issued 1,187,500 common shares upon the exercise of 1,187,500 warrants for total proceeds of \$475,000.

Warrants

The following table summarizes the continuity of the Company's share purchase warrants:

	Number of Warrants	Weighted Average Exercise Price\$
Balance, July 31, 2024	2,522,174	3.08
Exercised	(1,187,500)	(0.40)
Balance, July 31, 2025	1,334,674	5.47
Issued	12,000,000	0.06
Expired	(1,301,250)	(0.40)
Balance, January 31, 2026	12,033,424	0.62

Details of warrants outstanding as of January 31, 2026 are as follows:

Number of warrants	Number of Warrants Exercisable	Weighted Average Life	Expiry Date	Exercise Price\$
16,663	16,663	0.00	September 15, 2026	30.00
16,761	16,761	0.00	November 10, 2026	375.00
12,000,000	12,000,000	3.99	January 29, 2030	0.06
12,033,424	12,033,424	3.99		

METASPHERE LABS INC.

Notes to the Unaudited Condensed Interim Consolidated Financial Statements

For the six months ended January 31, 2026 and 2025

(Expressed in Canadian Dollars)

5. Share Capital (continued)***Stock options***

The Company has an incentive stock option plan in place under which it is authorized to grant options to directors, officers, employees and consultants to acquire up to 20% of the Company's issued and outstanding common shares. Under the plan, the exercise price of each option may not be less than the market price of the Company's stock as calculated on the date of grant less the applicable discount. The options can be granted for a maximum term of 5 years prior to listing on an exchange, and 10 years after being listed on an exchange. Vesting periods are determined by the Board of Directors.

On September 13, 2022, the Company granted incentive stock options to its officers and consultants to purchase an aggregate of 32,312 common shares at an exercise price of \$42 per common share for up to five years. The options vest 1/8 every three months over 24 months. The total grant date fair value of the options was measured at \$1,374,038. The options were measured using the Black-Scholes Option Pricing Model with the following assumptions: Stock price - \$54; exercise price - \$42; expected life - 5 years; volatility - 100%; dividend yield - \$0; and risk-free rate - 3.23%.

During the period ended January 31, 2026, the Company recorded share-based compensation of \$Nil (January 31, 2025 - \$2,846) related to the vesting of options. The following is a summary of the Company's option activity for the period ended January 31, 2026:

	Number of Options	Weighted Average Exercise Price \$
Balance, July 31, 2024	29,704	111.04
Expired	(55)	(30.00)
Balance, July 31, 2025 and January 31, 2026	29,649	111.19

Details of options outstanding and exercisable as at January 31, 2026 are as follows:

Number of Options	Number of Options - Exercisable	Weighted Average Life	Expiry Date	Exercise Price \$
7,409	7,409	0.175	October 14, 2026	30.00
13,575	13,575	0.467	February 7, 2027	195.00
166	166	0.006	March 16, 2027	240.00
166	166	0.007	April 13, 2027	225.00
8,333	8,333	0.454	September 13, 2027	42.00
29,649	29,649	1.11		

Restricted Stock Units ("RSUs")

The Company has adopted a Restricted Stock Unit plan ("RSU Plan"). The purpose of the RSU Plan is to secure for the Company and its shareholders the benefits of incentive inherent in share ownership by certain directors, officers, other key employees and consultants of the Company ("Participants") who, in the judgment of the Board, will be responsible for its future growth and success. RSUs granted pursuant to this RSU Plan will be used to compensate Eligible Persons who have forgone salary to assist the Company in cash management in exchange for the grant of RSUs and incentive stock options under the Company's stock option plan.

METASPHERE LABS INC.

Notes to the Unaudited Condensed Interim Consolidated Financial Statements

For the six months ended January 31, 2026 and 2025

(Expressed in Canadian Dollars)

5. Share Capital (continued)***Restricted Stock Units (“RSUs”) (continued)***

Under the terms of the plan, RSUs are granted to Participants and the RSUs expire at the earlier of 5 years from the date of vesting of the RSU and 10 years from the grant date. Each RSU gives the Participant the right to receive one common share of the Company. The aggregate number of common shares that may be reserved for issuance, at any time, under this Plan and under any other share compensation arrangement adopted by the Company, including the Company’s incentive stock option plan, shall not exceed up to a maximum of 20% of the issued and outstanding Shares at the time of grant pursuant to awards granted under all share compensation plans.

For the period ended January 31, 2026

On March 27, 2025, pursuant to its shareholder approved RSU Plan, the Company has granted 750,000 RSUs to officers and directors of the Company. The RSUs will vest in tranches, with each 25% tranche vesting quarterly. During the period ended January 31, 2026, the Company recorded \$81,669 of stock-based compensation relating to the vesting of RSUs.

During the period ended January 31, 2026, the Company issued 376,666 common shares upon the conversion of 376,666 RSUs and the Company transferred \$144,990 from reserve to share capital. As at January 31, 2026, 375,000 (July 31, 2025 – 751,666) restricted stock units were outstanding under the RSU plan and recorded \$81,669 (January 31, 2025- \$Nil) of stock-based compensation relating to the number of vested RSUs.

For the period ended January 31, 2025

During the period ended January 31, 2025, 8,000 RSU’s were cancelled. As at January 31, 2025, 6,665 restricted stock units were issued under the RSU plan.

Share-based payment reserve

The share-based payment reserve records items recognized as stock-based compensation expense and other share-based payments until such time that the stock options, warrants or RSUs are exercised, at which time the corresponding amount will be transferred to share capital.

6. Related Parties***Related party balances***

Amounts due to related parties:

	January 31, 2026	July 31, 2025
	\$	\$
Amounts owed to directors of the Company	34,661	23,492
Total	34,661	23,492

METASPHERE LABS INC.

Notes to the Unaudited Condensed Interim Consolidated Financial Statements

For the six months ended January 31, 2026 and 2025

(Expressed in Canadian Dollars)

6. Related Parties (continued)

Related party transactions

During the period ended January 31, 2026, the Company paid and/or accrued accounting, management, corporate development and consulting fees of \$18,779 (January 31, 2025 - \$86,866) to the Company's key management.

During the period ended January 31, 2026, the Company also incurred share-based compensation to key management personnel related to the grant of stock options and RSUs of \$81,669 (January 31, 2025 - \$Nil).

All related party transactions are in the normal course of operations and have been measured at the agreed to amounts, which is the amount of consideration established and agreed to by the related parties.

7. Financial Risk and Capital Management

(a) Fair value measurements:

Financial hierarchy:

Financial instruments recorded at fair value are classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The hierarchy is summarized as follows:

Level 1: Unadjusted quoted prices in active markets for identical assets and liabilities;

Level 2: Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly from observable market data; and

Level 3: Inputs that are not based on observable market data.

The following is an analysis of the Company's financial assets and liabilities measured at fair value as at January 31, 2026 and July 31, 2025:

	As at January 31, 2026		
	Level 1	Level 2	Level 3
	\$	\$	\$
Cash and cash equivalents	\$639,684	-	-

	As at July 31, 2025		
	Level 1	Level 2	Level 3
	\$	\$	\$
Cash and cash equivalents	\$56,740	-	-

(b) Financial risk management:

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash. The Company limits its exposure to credit risk on liquid financial assets through maintaining its cash with high-credit quality financial institutions. The credit risk is considered low.

METASPHERE LABS INC.

Notes to the Unaudited Condensed Interim Consolidated Financial Statements

For the six months ended January 31, 2026 and 2025

(Expressed in Canadian Dollars)

7. Financial Risk and Capital Management (continued)

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. As at January 31, 2026, the Company has cash of \$639,684 (July 31, 2025 - \$56,740) available to apply against short-term business requirements and current liabilities of \$620,847 (July 31, 2025 - \$515,614).

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risk: foreign currency risk, interest rate risk and other price risk. As at January 31, 2026, it is management's conclusion that the exposure to market risk is not material.

8. Segmented Information

At January 31, 2026 and July 31, 2025 the Company operated in one geographic area and one operating segment.

9. Capital Management

The Company's capital structure consists of shareholders' equity. The Company's objective when managing capital is to maintain adequate levels of funding to support the development of its business and maintain the necessary corporate and administrative functions to facilitate these activities. This is done primarily through equity financing and related party loans.

Future financings are dependent on market conditions and there can be no assurance the Company will be able to raise funds in the future. The Company invests all capital that is surplus to its immediate operational needs in short-term, highly-liquid, high-grade financial instruments. There were no changes to the Company's approach to capital management during the period ended January 31, 2026.

The Company is not subject to externally imposed capital requirements. The Company does not currently have adequate sources of capital for the development of its business and will need to raise additional capital by obtaining equity financing through private placements or debt financing. The Company may raise additional debt or equity financing in the near future to meet its current obligations.

10. Revenues

The following is a break-down of revenues earned:

	Three months ended January 31,		Six months ended January 31,	
	2026	2025	2026	2025
	\$	\$	\$	\$
Design services revenue	-	22,500	-	22,500
	-	22,500	-	22,500

During the period ended January 31, 2025, the Company recorded \$20,000 in revenue pursuant to the completion of the development of a blockchain-based carbon credit registry as per the definitive agreement dated May 12, 2024. In addition, the Company recorded \$2,500 in revenue pursuant to the completion of design services for an open metaverse initiative as per a definitive agreement dated March 20, 2024.

METASPHERE LABS INC.

Notes to the Unaudited Condensed Interim Consolidated Financial Statements

For the six months ended January 31, 2026 and 2025

(Expressed in Canadian Dollars)

11. Development Costs

During the period ended January 31, 2026, the Company incurred \$Nil (January 31, 2025 - \$21,252) of development costs which consist primarily of platform development costs which were expensed as incurred as they did not meet the criteria for capitalization.

12. Marketing Expenses

During the period ended January 31, 2026, the Company incurred \$1,320 (January 31, 2025 - \$43,481) of marketing and sales expenses which consist of advertising, marketing and promotional expenses. These costs consist mainly of digital advertising and promotion designed to raise awareness and interest in the Company's projects.

13. Contingencies

During the year ended July 31, 2023, a claim was commenced against the Company by Thanh Khiết Nguyen (the "Plaintiff"). The claim is brought against the Company, its directors and former directors, and third parties for conspiracy to extract all of the value out of the Plaintiff's former company and is brought under section 227 of the BC Business Corporations Act.

The Company filed a response to the civil claim on December 14, 2023. As set out in the Company's response to the civil claim, it believes that the allegations are without merit. The Company intends to vigorously defend itself against the claim made.

14. Prior Year Restatement

The consolidated financial statements as at January 31, 2025, and for the period then ended have been restated to correct a prior-year error. The Company identified that on the disposal HOK Vietnam Company Limited, the cumulative translation reserve of \$(66,789), previously recognized in Other Comprehensive Income (OCI), was not reclassified to profit or loss during the year ended July 31, 2023, the year of disposal, as required under IAS 21 - The Effects of Changes in Foreign Exchange Rates.

To ensure comparability, the 2024 comparative figures in the Consolidated Statement of Changes in Deficiency have been restated to reflect this reclassification. The restatement has no impact on total equity at January 31, 2025.

The effects of the restatement are as follows:

Restated Consolidated Statement of Shareholders' Deficiency

	As at January 31, 2025		
	As restated	As previously reported	Restatement
	\$	\$	\$
Deficit	(25,705,383)	(25,638,594)	(66,789)
Accumulated other comprehensive loss	-	(66,789)	66,789

15. Subsequent Events

On March 12, 2026, the Company announced a listed issuer financing exemption offering (the "LIFE Offering") for a minimum of 2,272,727 common shares in the capital of the Company and a maximum of 9,090,909 Common Shares at a price of \$0.11 per common share, for minimum gross proceeds of \$250,000 and maximum gross proceeds of \$1,000,000.

On March 28, 2026, the Company issued 112,500 common shares upon the conversion of 112,500 RSUs.

APPENDIX B

Metasphere Labs Inc.

Management's Discussion & Analysis
for the six-month period ended January 31, 2026

Metasphere Labs Inc.

Management's Discussion and Analysis

For the periods ended January 31, 2026 and 2025

April 1, 2026

This management's discussion and analysis provides an analysis of our financial situation which will enable the reader to evaluate important variations in our financial situation for the six months ended January 31, 2026, compared to the six months ended January 31, 2025. This report prepared as April 1, 2026 intends to complement and supplement our unaudited condensed interim consolidated financial statements (the "financial statements") as at January 31, 2026, and should be read in conjunction with the unaudited condensed interim consolidated financial statements and the accompanying notes. Readers are also advised to read the Company's audited financial statements and accompanying notes for the year ended July 31, 2025, which have been prepared in accordance with International Financial Reporting Standards.

Our unaudited condensed interim consolidated financial statements and the management's discussion and analysis are intended to provide a reasonable base for the investor to evaluate our financial situation.

Our unaudited condensed interim financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS"). All dollar amounts contained in this MD&A are expressed in Canadian dollars, unless otherwise specified.

Where we say "we", "us", "our", the "Company", "MLI" or "Metasphere", we mean Metasphere Labs Inc. as it may apply.

Management is responsible for the preparation and integrity of the unaudited financial statements, including the maintenance of appropriate information systems, procedures and internal controls. Management is also responsible for ensuring that information disclosed externally, including the unaudited financial statements and Management Discussion and Analysis ("MD&A"), is complete and reliable.

All dollar amounts included therein and in the following MD&A are expressed in Canadian dollars except where noted. This discussion contains forward-looking statements that involve risks and uncertainties. Such information, although considered to be reasonable by the Company's management at the time of preparation, may prove to be inaccurate and actual results may differ materially from those anticipated in the statements made. Additional information on the Company is available for viewing on SEDAR at www.sedarplus.ca.

Cautionary Statement on Forward Looking Information

The information provided in this MD&A, may contain "forward-looking statements" about the Company. In addition, the Company may make or approve certain statements in future filings with Canadian securities regulatory authorities, in press releases, or in oral or written presentations by representatives of the Company that are not statements of historical fact and may also constitute forward-looking statements. All statements, other than statements of historical fact, made by the Company that address activities, events or developments that the Company expects or anticipates will or may occur in the future are forward-looking statements, including, but not limited to, statements preceded by, followed by or that include words such as "may", "will", "would", "could", "should", "believes", "estimates", "projects", "potential", "expects", "plans", "intends", "anticipates", "targeted", "continues", "forecasts", "designed", "goal", or the negative of those words or other similar or comparable words. Although the Company believes that the expectations reflected in these forward-looking statements are based on reasonable assumptions, there are a number of risks and uncertainties that could cause actual results to differ materially from such forward-looking statements. These include, among others, the cautionary statements under "Description of Business".

Specific forward-looking information contained in this MD&A include, among others, statements, management's beliefs, expectations or intentions regarding the following:

- timelines;
- the business and operations of the Company;
- the business, operations, strategies and expectations of the Company;
- the Company's business objectives and discussion of trends affecting its business;
- the funds available to the Company and the principal uses of those funds;
- anticipated revenues and cash flows from operations and funding requirements of the Company;
- capital, operating and general expenditures;
- expectations regarding the ability to raise capital;
- anticipated revenues to be realized by the Company from future contracts;
- treatment under governmental regulatory regimes and expectations with respect to regulatory approvals; and
- other forward-looking statements including, but not limited to, information concerning the intentions, plans and future actions of the Company.

Forward-looking statements are based on reasonable assumptions, estimates, analysis, and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such information is made available. Forward-looking statements are inherently subject to known and unknown risks and uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking statements. Although the Company has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated or intended, including the factors and risks described or referred to elsewhere herein, as well as unanticipated and/or unusual events. Many of such factors are beyond the Company's ability to predict or control. Risks and uncertainties that may affect forward-looking statements include, but are not limited to, those which relate to the following:

- the limited operating history of the Company;
- the historical lack of profitability of the Company;
- the need to obtain additional financing and uncertainty as to the availability and terms of future financing;
- the ability to raise funds necessary for general working capital and continuing operations;
- reliance on sale of equity or investments to raise the funds required to continue operations;
- the possibility that events will arise that require more cash than the Company has or can reasonably obtain;
- uncertainties associated with business opportunities that may be presented to, or pursued by the Company;
- the Company's operations, strategies and profitability may be adversely affected by competition from other similar entities;
- uncertainties related to early stage of technology and product development;
- uncertainties related to regulatory regimes and laws;
- dependence on key personnel;
- fluctuations in the currency markets and stock market volatility;
- going concern considerations;
- conflicts of interest;
- changes in the regulatory environment;
- competition for, among other things, capital, acquisitions, equipment and skilled personnel;
- operating or technical difficulties in connection with business activities;
- the possibility of cost overruns or unanticipated expenses;
- the requirements of being a public-traded company may strain the Company's resources, divert management's attention and affect its ability to attract and retain executive management and qualified board members;
- the Company's business is reliant on blockchain technology;
- the Company's use of proprietary and non-proprietary software, data and intellectual property may be subject to substantial risk;
- the business of the Company will be exposed to cybersecurity risks;

- uninsured or uninsurable risks;
- the Company will have to adapt to respond to evolving security risks;
- the Company may be unable to obtain adequate insurance to insure its operations;
- intellectual property rights claims may adversely affect the operation of the Company's business;
- all active and liquid trading markets in the Company's common shares may fail to develop;
- the Company's compliance and risk management programs may not be effective;
- unexpected market disruptions may cause major losses for the Company;
- foreign exchange risk;
- the Company will depend on its senior management and directors to source suitable investment opportunities;
- managing different business lines could present conflicts of interest;
- operational risk may materially and adversely affect the Company's performance and results;
- the Company may not be effective in mitigating risk;
- force majeure events may materially and adversely affect the business continuity of the Company;
- the Company will be reliant, in part, on attracting and retaining skilled management and directors;
- situations may arise where the directors and/or officers of the Company may be in competition with the Company and may have interests that conflict with, or differ from, the Company's interests;
- the Company may be subject to litigation; and
- the other factors discussed under the heading "Risk Factors".

The reader is cautioned that the foregoing list of factors is not exhaustive of the factors that may affect forward looking statements. New factors emerge from time to time, and it is not possible for management to predict all such factors and to assess in advance the impact of each such factor on the business of the Company or the companies in which it is invested, or the extent to which any factor or combination of factors may cause actual results to differ materially from those contained in any forward-looking statement. The reader is also cautioned to consider these and other factors, uncertainties and potential events carefully and not to put undue reliance on forward-looking statements. Although the forward-looking statements contained in this MD&A are based upon what management of Company currently believes to be reasonable assumptions; actual results, performance or achievements could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits will be derived therefrom. These forward-looking statements are made as of the date of this MD&A and, other than as specifically required by law, Company does not assume any obligation to update or revise any forward-looking statement to reflect events or circumstances after the date on which such statement is made, or to reflect the occurrence of unanticipated events, whether as a result of new information, future events or results, or otherwise.

Consequently, all forward-looking statements made in this MD&A and other documents of the Company are qualified by such cautionary statements and there can be no assurance that the anticipated results or developments will actually be realized or, even if realized, that they will have the expected consequences to or effects to the Company.

Readers are cautioned that these factors and risks are difficult to predict and that the assumptions used in the preparation of forward-looking statements, although considered reasonably accurate at the time of preparation, may prove to be incorrect. Accordingly, readers are cautioned that the Company's actual results achieved could vary from the information provided in this MD&A, and the variations may be material. Readers are also cautioned that the foregoing list of factors is not exhaustive. Consequently, there is no representation by the Company that actual results achieved will be the same, in whole or in part, as those set out in the forward-looking statements. Furthermore, the forward-looking statements contained in this MD&A are made as of the date of this MD&A, and the Company does not undertake any obligation, except as required by Applicable Securities Laws, to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise. The forward-looking statements contained in this MD&A are expressly qualified by this cautionary statement.

OVERVIEW AND DESCRIPTION OF BUSINESS

Description of Business

The Company is focused on leveraging blockchain, metaverse, and artificial intelligence (“AI”) technologies to drive innovation and sustainability. By doing so, the Company aims to push the boundaries of technology in the blockchain, metaverse, and AI spaces while promoting sustainability and user engagement. Further, the Company will continue to explore revenue generating activity with its developed Pocket Dimension Metaverse (<https://www.metasphere.earth/>).

The Company publicly released the Pocket Dimension metaverse on May 29, 2023. The Pocket Dimension metaverse is a hyper-realistic digital world that is built using the latest version of Unreal Engine in order to offer users a premium virtual experience. Pocket Dimensions feature 10 different environments. Pocket Dimension is a private virtual space that provides users the ability to explore the virtual space and socialize with other users, through avatars.

The Company's current focus is to leverage its developed products with the latest blockchain technology to further develop Web3 applications designed to foster sustainable and impactful solutions across various sectors to solve social coordination problems for acting on climate change and addressing global challenges relating to the environment. The Company will focus on creating applications that not only push the boundaries of virtual worlds but also prioritize environmental sustainability, social impact, and the promotion of freedom of speech.

The Company's short-term focus for the upcoming quarters is also to continue to develop its monetization strategies while maintaining its working capital for further development of its assets.

COMPANY HIGHLIGHTS

As Metasphere looks forward, its focus will shift toward metaverse and mini-app development on the Telegram Messenger platform, leveraging the Telegram Open Network blockchain. This strategic shift aligns with Metasphere's mission to democratize access to decentralized applications within widely adopted social ecosystems, offering secure, scalable solutions that foster community-driven interactions.

On March 12, 2026, the Company announced a listed issuer financing exemption offering (the “LIFE Offering”) for a minimum of 2,272,727 common shares in the capital of the Company (each, a “Common Share”) and a maximum of 9,090,909 Common Shares at a price of \$0.11 per Common Share, for minimum gross proceeds of \$250,000 and maximum gross proceeds of \$1,000,000. The Company intends to use the net proceeds of the LIFE Offering for general working capital and business development.

On January 13, 2026, the Company announced a proposed non-brokered private placement (the “Offering”). The Company intends to raise up to \$600,000 through the issuance of up to 12,000,000 Units at a price of \$0.05 per Unit. Each Unit will consist of one common share in the capital of the Company (the “Common Share”) and one transferable common share purchase warrant (each, a “Warrant”). Each Warrant will entitle the holder to acquire one additional Common Share of the Company at a price of \$0.06 for a period of four years from the Closing Date. On January 29, 2026, the Company announced the closing the Offering. The closing of the Offering consisted of 12,000,000 Units in the capital of the Company, issued at a price of \$0.05 per Unit, for aggregate proceed of \$600,000.

On September 16, 2025, the Company announced the appointment of Mr. Daniel Xocoyotzin Ontiveros Delgado as CEO of the Company, effective September 15, 2025, following the resignation of Mrs. Natasha Ingram from this position. Mr. Ontiveros Delgado is a business professional with global experience—leveraging language fluency to navigate cross-border teams and customers—paired with deep tech and AI expertise and a successful track record in the fintech industry.

On August 8, 2025, the Company the Company consolidated all of its issued and outstanding common shares on the basis of one new common share for every four old common shares. Unless otherwise noted, all share, option, loss per share and warrant information have been retroactively adjusted to reflect this consolidation.

On August 1, 2025, the Company announced that it will be proceeding with a share consolidation of its issued and outstanding share capital on the basis of every four (4) old Common Shares into one (1) new Common Share (the “Share Consolidation”), effective August 8, 2025 (the “Record Date”). The Company received approval from its shareholders for the Share Consolidation at its Special Meeting that took place on July 21, 2025.

On May 21, 2025, the Company announced it has settled outstanding debts totaling \$158,545 owed to creditors for unpaid invoices and management fees. Pursuant to debt settlement agreements, the Company has issued 754,976 common shares.

On April 2, 2025, Company announced the results of its annual general and special meeting of shareholder held on April 2, 2025 (the “Meeting”). After considering the feedback from the shareholders at the Meeting, the Company decided to withdraw the special items from the Meeting’s agenda, that included a proposal to approve the Stock Option Plan, the RSU Plan, the previously announced proposed Share Consolidation, and the proposed Private Placement. All other general matters, including the Number of Directors, the Election of Directors, the Appointment of Auditor, and Other Business, outlined in the proxy proceeded as scheduled.

At the Meeting, a total of 998,989 common shares voted, representing approximately 10.02% of the issued and outstanding common shares of the Company. Of which, the majority of the shareholders votes cast were against the proposal of fixing the number of directors at three. Pursuant to Section 120 of *British Columbia Business Corporation Act* (“BCBCA”) and the Company’s bylaws Section 13.1 (the “Bylaws”), the Company must have at least three directors to comply with corporate legislation. Given the rules set out in the BCBCA and the Bylaws, the number of directors remains at three.

At the Meeting, the majority of the shareholders votes cast were withheld for the Company’s nominees of directors. Given that the Company does not retain a majority voting policy, and no nominees other than those provided in the Company’s management information circular were received, the withholding of votes does not automatically remove the nominees from the board. Under the Company's default plurality voting system, directors are elected based on who receives the most "for" votes, regardless of how many "withhold" votes there are. Where the number of nominees equals the number of open board seats, all nominees are elected as long as they receive at least one "for" vote — even if they receive more "withhold" votes. Therefore, the election of Kevin Cornish, James Henning, and Guy Bourgeois as directors of the Company are duly held until the next annual meeting of shareholders or until their successors are duly appointed or elected.

On March 10, 2025, the Company announced that pursuant to its restricted share unit plan, it has granted an aggregate of 750,000 restricted share units (“RSUs”) to certain officers and directors of the Company. The RSUs shall entitle the holder the ability to acquire one common share of the Company underlying each such RSU by delivering a trigger notice to the Company in accordance with the RSU Plan for a period of three year from issuance. The RSUs will vest in tranches, with each 25% tranche vesting quarterly.

On August 30, 2024, the Company announced that it has received approval to list its common shares on the Canadian Securities Exchange (the “CSE”). Consequently, the Company has also submitted a request to delist its Common Shares from Cboe Canada (the “CBOE”). The common shares were delisted from the CBOE and trade on the CSE under the symbol “LABZ”.

OVERALL PERFORMANCE

At January 31, 2026, the Company had accumulated deficit of \$26,408,515 (July 31, 2025 – \$26,202,568) since its inception, and has working capital surplus of \$78,574 (July 31, 2025 – working capital deficit of \$397,148). The Company incurred a net loss of \$205,947 for the period ended January 31, 2026 (January 31, 2025 – \$412,467). The Company used \$67,056 of cash (January 31, 2025 – \$981,094) in operating activities and raised a net of \$650,000 of cash (January 31, 2025 – \$368,557) from financing activities.

On February 6, 2024, the Company acquired the Carbon.bot and Climate.bot digital platforms (the “Platforms”) in exchange for the issuance of 765,000 common shares of the Company. Once launched, the Platforms are intended to serve as a unique real time news aggregator in the environmental sustainability sector, utilizing large language models such as ChatGPT to summarize and present articles from its network. The transaction was accounted for as an asset acquisition and the cost of the Platforms acquired was

\$765,000. As at July 31, 2024, the Company recorded impairment of intangibles of \$692,063. An impairment loss is recognized for the amount, if any, by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less cost to sell and the value in use (being the present value of expected future cash flows of the asset or CGU).

The events and circumstances that led to the recognition of the impairment losses included a decrease in forecasted growth as a result of material uncertainties with respect to the Company's ability to raise capital for further business development and a change in business models and implementation strategies. The recoverable amount of the operating unit is determined based upon updated cash flow projections.

RESULTS OF OPERATIONS

For the three-month period ended January 31, 2026, the Company incurred a net loss of \$92,521 compared to \$113,123 in the comparative period. The decrease in net loss was mainly as a result of lower expenses during the period ended January 31, 2026 compared to January 31, 2025.

Some of the significant charges to operations are as follows:

- Consulting fees of \$8,750 (2025 - \$23,791) decreased as the Company engaged additional consultants in the comparative period to assist in the execution of the Company's business plan, compared to the current period. Management reduced the consulting fees charged to the Company compared to the prior period.
- Corporate service fees of \$15,750 (2025 - \$21,000) decreased compared to the prior period, reflecting reduced corporate and management fees charged to the Company by the directors.
- Marketing fees of \$990 (2025 - \$22,500) decreased as the Company engaged a new marketing firm in the comparative period to support the execution of the Company's business plan, compared to the current period.
- Share-based compensation of \$27,560 (2025 - \$Nil) includes the vesting of the March 2025 RSU grant during the current period, with no such share-based compensation to be recorded in the comparative period.

For the six-month period ended January 31, 2026, the Company incurred a net loss of \$205,947 compared to \$412,467 in the comparative period. The decrease in net loss was mainly as a result of lower expenses during the period ended January 31, 2026 compared to January 31, 2025.

Some of the significant charges to operations are as follows:

- Consulting fees of \$16,279 (2025 - \$73,120) decreased as the Company engaged additional consultants in the comparative period to assist in the execution of the Company's business plan, compared to the current period. Management reduced the consulting fees charged to the Company compared to the prior period.
- Corporate development fees of \$31,500 (2025 - \$46,500) decreased compared to the prior period, reflecting reduced corporate and management fees charged to the Company by the directors.
- Marketing fees of \$1,320 (2025 - \$43,481) decreased as the Company engaged a new marketing firm in the comparative period to support the execution of the Company's business plan, compared to the current period.
- Professional fees of \$42,654 (2025 - \$137,277) decreased as the Company had higher legal fees incurred during the comparative period ended January 31, 2025, resulting in overall higher professional fees.
- Share-based compensation of \$81,669 (2025 - \$2,846) increased as it includes the vesting of the March 2025 RSU grant during the current period, whereas the Company recorded the remaining portion of the vested options in the comparative period.
- Development costs of \$Nil (2025 - \$21,252) consisted of platform development costs in the prior period, with no such platform development costs in the current period.

SUMMARY OF QUARTERLY RESULTS

The following selected financial data has been prepared in accordance with IFRS Accounting Standards and should be read in conjunction with the Company's financial statements. All dollar amounts are in Canadian dollars.

SUMMARY OF QUARTERLY RESULTS - DISCUSSION

Quarter Ended	Income (Loss) for the period	Income (Loss) per Share (Basic & Diluted)	Total Assets
	\$	\$	\$
January 31, 2026	(92,521)	(0.01)	699,421
October 31, 2025	(113,426)	(0.01)	85,004
July 31, 2025	(280,513)	(0.03)	118,466
April 30, 2025	(216,672)	(0.02)	217,343
January 31, 2025	(113,123)	(0.00)	356,457
October 31, 2024	(299,344)	(0.03)	762,017
July 31, 2024	(1,018,585)	(0.76)	1,016,130
April 30, 2024	203,862	0.02	1,292,844

The increase in net income during the quarter ended April 30, 2024, resulted from lower operating expenses and increased revenues for NFT sales recognized during the period. The increase in assets at April 30, 2024, resulted from the increase of cash due to the gross proceeds received from the private placement that closed in November 2023 as well as the newly acquired Platforms in February 2024.

The increase in net loss during the quarter ended July 31, 2024, resulted from higher operating expenses and an impairment of intangible assets during the period, increasing the net loss compared to the period ended April 30, 2024. The decrease in assets at July 31, 2024, resulted from the impairment of intangible assets.

The loss during the quarter ended October 31, 2024, mainly resulted from a decrease in revenue during the period. The loss was lower than the quarter ended July 31, 2024, which resulted mainly from an impairment of intangible assets during the July 31, 2024 period compared to no such impairment during the quarter ended October 31, 2024.

The loss during the quarters ended January 31, 2025 and April 30, 2025, mainly resulted from a decrease in revenue during the periods. The loss for the three months ended January 31, 2025 was lower than the quarter ended October 31, 2024 and the quarter ended April 30, 2025, due to lower consulting fees and professional fees and stock-based compensation incurred during the quarter ended January 31, 2025.

The loss during the quarter ended July 31, 2025, mainly resulted from a decrease in revenue and loss on settlement of debt during the period. The loss for the three months ended July 31, 2025 was higher than the quarters ended April 30, 2024 and the quarter ended January 31, 2025, due to higher stock-based compensation, and a loss on settlement of debt and bad debt expense incurred during the quarter ended January 31, 2025.

The loss during the quarter ended October 31, 2025, mainly resulted from a decrease in revenue and reduced operating expenses compared to other quarters.

The loss during the quarter ended January 31, 2026, mainly resulted from reduced operating expenses compared to other quarters.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

The Company's capital structure consists of shareholders' equity. The Company's objective when managing capital is to maintain adequate levels of funding to support the development of its business and maintain the necessary corporate and administrative functions to facilitate these activities. This is done primarily through equity financing and related party loans.

Future financings are dependent on market conditions and there can be no assurance the Company will be able to raise funds in the future. The Company invests all capital that is surplus to its immediate operational needs in short-term, highly-liquid, high-grade financial instruments. There were no changes to the Company's approach to capital management during the period ended January 31, 2026. The Company is not subject to externally imposed capital requirements. The Company does not currently have adequate sources of capital for the development of its business and will need to raise additional capital by obtaining equity financing through private placements or debt financing. The Company may raise additional debt or equity financing in the near future to meet its current obligations.

The Company's working capital surplus at January 31, 2026 was \$78,574 (July 31, 2025 – working capital deficiency of \$397,148) including cash of \$639,684 (July 31, 2025 – \$56,740).

RELATED PARTIES

The Directors and Executive Officers of the Company are as follows:

Daniel Xocoyotzin Ontiveros Delgado – CEO (appointed on September 15, 2025)

Natasha Ingram – Former CEO (appointed on February 23, 2024, resigned on September 15, 2025)

Francis Rowe – CFO (appointed on August 25, 2021)

James Henning – Director & Audit Committee Chair (appointed on January 25, 2023)

Guy Bourgeois – Director (appointed on June 13, 2024)

Kevin Cornish – Director (appointed on May 23, 2023)

TRANSACTIONS WITH RELATED PARTIES

The following amounts are owed to related parties at:

	January 31, 2026	July 31, 2025
	\$	\$
Amounts owed to directors of the Company	34,661	23,492
	34,661	23,492

Related party transactions

During the period ended January 31, 2026, the Company paid and/or accrued accounting, management, corporate development and consulting fees of \$18,779 (2025 - \$83,866) to the Company's key management:

	January 31, 2026	January 31, 2025
	\$	\$
Consulting fees to Natasha Ingram, former CEO	3,779	46,366
Consulting fees to Francis Rowe, CFO	4,500	13,500
Consulting fees to Guy Bourgeois, Director	3,000	12,000
Consulting fees to Kevin Cornish, Director	6,000	12,000
Consulting fees to James Henning, Director	1,500	3,000
	18,779	86,866

During the period ended January 31, 2026, the Company also incurred stock-based compensation to key management personnel related to the vesting of RSUs of \$81,669 (2025 - \$Nil).

All related party transactions are in the normal course of operations and have been measured at the agreed to amounts, which is the amount of consideration established and agreed to by the related parties.

PROPOSED TRANSACTIONS

There is no material proposed transactions to report on.

SIGNIFICANT JUDGEMENTS

The preparation of financial statements in accordance with IFRS Accounting Standards requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's statements include:

Going concern

The assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty involves significant judgement based on historical experience and other factors, including the expectation of future events that are believed to be reasonable under the circumstances.

Deferred tax assets

The ability of the Company to recognize deferred tax assets involves judgement of the probability that the Company will be able to generate taxable income in the future.

Stock-based compensation

The fair value of stock-based compensation requires judgement to estimate probability of achieving vesting conditions of RSUs.

Business combinations

Judgement is required to determine if the Company's acquisition represented a business combination or an asset purchase. If estimates or judgments differed, this could result in a materially different allocation of net assets on the consolidated statement of financial position. In a business combination, substantially all identifiable assets, liabilities and contingent liabilities acquired are recorded at the date of acquisition at their respective fair values. One of the most significant areas of judgment and estimation relates to the determination of the fair value of these assets and liabilities, including the fair value of contingent consideration, if applicable. If any intangible assets are identified, depending on the type of intangible asset and the complexity of determining its fair value, an independent external valuation expert may develop the fair value, using appropriate valuation techniques, which are generally based on a forecast of the total expected future net cash flows. These valuations are linked closely to the assumptions made by management regarding the future performance of the assets concerned and any changes in the discount rate applied.

Recoverability of long-lived assets

The Company assesses at each reporting date if the intangible asset has indicators of impairment. In determining whether the intangible asset is impaired, the Company assesses certain criteria including observable decreases in value, significant changes with adverse effect on the entity, a change in market interest rates, and evidence of technological obsolescence. The application of the Company's accounting policy for intangible asset expenditures requires judgment in determining whether it is likely that the future economic benefits will flow to the Company, which are based on assumptions about future events or circumstances. Estimates and assumptions may change if new information becomes available. If, after expenditures are capitalized, information becomes available suggesting that the recovery of expenditures is unlikely, the amount capitalized in excess over the recoverable value is written off to profit or loss in the period the new information becomes available.

Estimated useful life of long-lived assets

Judgment is used to estimate each component of a long-lived asset's useful life and is based on an analysis of all pertinent factors including, but not limited to, the expected use of the asset and in the case of an intangible asset, contractual provisions that enable renewal or extension of the asset's legal or contractual life without substantial cost, and renewal history. If the estimated useful lives were incorrect, it could result in an increase or decrease in the annual amortization expense, and future impairment charges or recoveries.

Revenue recognition

Management has exercised significant judgement in determining appropriate accounting treatment for the recognition of income, including whether contracts meet the definition of a contract within the scope of IFRS 15 – Revenue from Contracts with Customers.

Government assistance

The Company has received government assistance in the form of Interactive Digital Media Tax Credits. Amounts resulting from government assistance programs are recognized where there is reasonable assurance that the government assistance will be received, and amounts can be reasonably estimated, and collection is reasonably assured. Government assistance is included in other income on the consolidated statements of loss and comprehensive loss.

SIGNIFICANT ESTIMATES AND ASSUMPTIONS

The preparation of the Company's financial statements in conformity with IFRS Accounting Standards requires management to make estimates and assumptions concerning the future. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Areas requiring a significant degree of estimation relate to the fair value measurements for financial instruments, the fair value of these assets and liabilities acquired in a business combination, the useful lives of long-lived assets, and stock-based compensation and other equity-based payments, and the recoverability and measurement of deferred tax assets and liabilities. Actual results may differ from those estimates.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

The material accounting policy information was the same as those that applied to the Company's audited financial statements for the year ended July 31, 2025.

During the six months ended January 31, 2025, the Company recorded \$20,000 in revenue pursuant to the completion of the development of Pure Sky Registry LLC's blockchain-based carbon credit registry as per the definitive agreement dated May 12, 2024. In addition, the Company recorded \$2,500 in revenue pursuant to the completion of design services for Bluesphere Venture Inc.'s eco-conscious open metaverse initiative as per the definitive agreement dated March 20, 2024. Cost of sales for this revenue stream represents costs incurred to complete the development and design work.

FINANCIAL INSTRUMENTS AND RISKS

Financial instruments recorded at fair value are classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The hierarchy is summarized as follows:

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

The following is an analysis of the Company's financial assets and liabilities measured at fair value as at January 31, 2026 and July 31, 2025:

	As at January 31, 2026		
	Level 1	Level 2	Level 3
	\$	\$	\$
Cash and cash equivalents	\$639,684	-	-

	As at July 31, 2025		
	Level 1	Level 2	Level 3
	\$	\$	\$
Cash and cash equivalents	56,740	-	-

Risk management

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash. The Company limits its exposure to credit risk on liquid financial assets through maintaining its cash with high-credit quality financial institutions. The credit risk is considered low.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. As at January 31, 2026, the Company has cash of \$639,684 (July 31, 2025 – \$56,740) available to apply against short-term business requirements and current liabilities of \$620,847 (July 31, 2025 - \$515,614).

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risk: foreign currency risk, interest rate risk and other price risk. As at January 31, 2026, management concludes the exposure to market risk is not material.

OTHER INFORMATION

Off Balance Sheet Items

The Company has no off-balance sheet arrangements.

Contingencies

From time to time, the Company and/or its subsidiaries may become defendants in legal actions and the Company intends to take appropriate action with respect to any such legal actions, including by defending itself against such legal claims as necessary. Other than the claims described below, as of the date of this report, the Company is not aware of any other material or significant claims against the Company.

During the year ended July 31, 2023, Thanh Khiết Nguyen (the "Plaintiff") commenced a claim against the Company. The claim was brought against the Company, its directors and former directors, and third parties for conspiracy to extract all of the value out of the Plaintiff's former company under section 227 of the BC Business Corporations Act.

While this matter is ongoing, the Company disputes the allegations and intends to vigorously defend against the claims. Estimating an amount or range of possible losses resulting from litigation proceedings is inherently difficult, particularly where the matters involve indeterminate claims for monetary damages and are in the stages of the proceedings where key factual and legal issues have not been resolved. For these reasons, the Company is currently unable to predict the ultimate timing or outcome of or reasonably estimate the possible losses or a range of possible losses resulting from the matter described above.

Additional share information

At the date of this MD&A the Company had the following number of securities issued and outstanding:

Securities	Number
Common shares	23,210,779
Options	29,649
Restricted share units	262,500
Warrants	12,033,424
Fully diluted share capital	35,536,352

Disclaimer

The information provided in this document is not intended to be a comprehensive review of all matters concerning the Company. It should be read in conjunction with all other disclosure documents provided by the Company, which can be accessed at www.sedarplus.ca. No securities commission or regulatory authority has reviewed the accuracy or adequacy of the information presented herein.

RISKS AND UNCERTAINTIES

The Market price of the Common Shares may experience significant volatility

The market price for Common Shares may be subject to general volatility. Factors such as variations in the Company's financial results, announcements by the Company, developments affecting the business and customers, general interest rate levels, the market price of the Common Shares and general market volatility could cause the market price of the Common Shares to fluctuate significantly.

In addition, future sales or the availability for sale of substantial amounts of Common Shares in the public market could adversely affect the prevailing market price of the Common Shares and could impair the Company's ability to raise capital through future sales of its securities.

Market Acceptance

The operating results of the Reporting Issuer's business is subject to the market acceptance of the Company's products and services. If the Company's products and services do not gain market acceptance, its operating results may be negatively affected. If the markets for the Company's products and services fail to develop, develop more slowly than expected or become subject to increased competition, its business may suffer. As a result, the Company may be unable to: (i) successfully market its products; (ii) develop new products or services; or (iii) complete new products and services currently under development. If the Company's products and services are not accepted by its customers or by other businesses in the marketplace, the Company's business, operating results and financial condition will be materially affected.

The growth of the metaverse market and the digital asset industry in general, and distributed ledger technology that supports digital assets, is subject to a high degree of uncertainty. The factors affecting the further development of the digital asset industry, as well as distributed ledger technology, include: continued worldwide growth in the adoption and use of digital assets; government and quasi-government regulation of

digital assets and their use, or restrictions on or regulation of access to and operation of applicable distributed ledger technology or systems that facilitate their issuance and secondary trading; the maintenance and development of the open-source software protocols of certain blockchain networks used to support digital assets; advancements in technology, including computing power, that may render existing distributed ledger technology obsolete or inefficient; the use of the networks supporting digital assets for developing smart contracts and distributed applications; changes in consumer demographics and public tastes and preferences; the availability and popularity of other forms or methods of buying and selling goods and services, including new means of using fiat currencies; and general economic conditions and the regulatory environment relating to digital assets.

Conflicts of Interest

The directors and officers of the Company will not be devoting all of their time to the affairs of the Company. The directors and officers of the Company are directors and officers of other companies, some of which will be in similar businesses as those of the Company. The directors and officers of the Company are required by law to act in the best interests of the Company. They have the same obligations to the other companies in respect of which they act as directors and officers. Discharge by the directors and officers of their obligations to the Company may result in a breach of their obligations to the other companies, and in certain circumstances this could expose the Company to liability to those companies. Similarly, discharge by the directors and officers of their obligations to the other companies could result in a breach of their obligations to act in the best interests of the Company. Such conflicting legal obligations may expose the Company to liability to others and impair its ability to achieve its business objectives.

Failure to Grow at the Rate Anticipated

The Company is a start-up company with no sustained history of sales or profitability. If the Company is unable to achieve adequate revenue growth, its ability to become profitable may be adversely affected and the Company may not have adequate resources to execute its business strategy.

Attracting and Retaining Key Personnel

The Company may be unable to attract or retain key personnel with sufficient experience, and the Company may be unable to attract, develop and retain additional employees required for the Company's development and future success. The Company's success is largely dependent on the performance of its board and management team. Qualified individuals are in high demand, and the Company may incur significant costs to attract and retain them. The loss of the services of any key personnel, or an inability to attract other suitably qualified persons when needed, could prevent the Company from executing on its business plan and strategy, and the Company may be unable to find adequate replacements on a timely basis, or at all. The Company does not currently maintain key-person insurance on the lives of any of the Company's key personnel.

Expenses May Not Align With Revenues

Unexpected events may materially harm the Company's ability to align incurred expenses with recognized revenues. The Company incurs operating expenses based upon anticipated revenue trends. Since a high percentage of these expenses may be relatively fixed, a delay in recognizing revenues from transactions related to these expenses (such a delay may be due to the factors described elsewhere in this risk factor section or it may be due to other factors) could cause significant variations in operating results from quarter to quarter, and such a delay could materially reduce operating income. If these expenses are not subsequently matched by revenues, the Company's business, financial condition, or results of operations could be materially and adversely affected.

The Company has a Limited Operating History

The Company has a very limited history of operations and is in the early stage of operations. As such, the Company will be subject to many risks common to such enterprise including, undercapitalization, cash shortages, limitations with respect to personnel, financial and other resources, and lack of revenue. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of its early stage of operations. There can be no assurance

that the Company will be able to earn material revenue or that any of its activities will generate positive cash flow.

The Company incurred a net loss of \$205,947 for the period ended January 31, 2026. The Company's accumulated deficit as of January 31, 2026 was \$26,408,515. The Company intends to continue to expend significant funds to develop its business. As the Company grows, the Company expects the aggregate amount of these expenses will also continue to grow. There is no assurance that sufficient funding will be available in the future. Management has the option to raise funds through a combination of equity and/or debt financing, along with a sale of investments/platforms. The success of these plans will depend upon the ability of the Company to generate cash flows from its portfolio investments/platforms.

The Company's efforts to grow the business may be more costly than expected and the Company may not be able to increase its revenue enough to offset higher operating expenses. The Company may incur significant losses in the future for a number of reasons, including as a result of unforeseen expenses, difficulties, complications and delays, the other risks described in this document and in the Company's public disclosure record and other unknown events. The amount of future net losses will depend, in part, on the growth of the Company's future expenses and its ability to generate revenue. If the Company continues to incur losses in the future, the net losses and negative cash flows incurred to date, together with any such future losses, will have a material adverse effect on the Company's stockholders' equity and working capital. Even if the Company achieves profitability in the future, it may not be able to sustain profitability in subsequent periods. If the Company is unable to achieve and sustain profitability, the market price of the Common Shares may significantly decrease and the Company's ability to raise capital, expand its business or continue operations may be impaired. A decline in the Company's value may also cause investors to lose all or part of their investment.

Ability to Secure Adequate Sources of Funding

The continued development of the Company's business will require additional financing and there is no assurance that the Company will obtain the financing necessary to be able to achieve its business objectives. The Company's ability to obtain additional financing will depend on investor demand, the Company's performance and reputation, market conditions and other factors. The Company's inability to raise such capital could result in the delay or indefinite postponement of the Company's current business or in its inability to continue to carry on its business. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favorable to the Company.

In addition, from time to time, the Company may enter into transactions to acquire assets. The Company's continued growth may be financed, wholly or partially, with debt, which may increase the Company's debt levels. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for the Company to obtain additional capital and to pursue business opportunities, including potential acquisitions. Debt financings may also contain provisions that, if breached, may entitle lenders or their agents to accelerate repayment of loans or realize upon security over the Company's assets, and there is no assurance that the Company would be able to repay such loans in such an event or prevent the enforcement of security granted pursuant to any such debt financing.

Risk Management Efforts May Not Be Effective

The Company could incur substantial losses and its business operations could be disrupted if the Company is unable to effectively identify, manage, monitor and mitigate financial risks, such as credit risk, interest rate risk, liquidity risk, and other market-related risk, as well as operational risks related to the Company's business, assets and liabilities. The Company's risk management policies, procedures and techniques, may not be sufficient to identify all of the risks that the Company is exposed to, mitigate the risks that are identified or identify concentrations of risk or additional risks to which the Company may become subject in the future.

Dependence on Third Party Relationships

The Company may become highly dependent on a number of third-party relationships to conduct its business and implement expansion plans. It cannot be assured that all of these partnerships will turn out to be as advantageous as anticipated or that other partnerships would not have proven to be more advantageous. In addition, it is impossible to assure that all associated partners will perform their obligations as agreed.

Tax and Accounting Changes

The Company is subject to numerous tax and accounting requirements, and changes in existing accounting or taxation rules or practices, or varying interpretations of current rules or practices, could have a significant adverse effect on the Company's financial results, or the manner in which the Company conducts its business. The Company may expand its operations into foreign jurisdictions in the future. These operations, and any expansion thereto, will require the Company to comply with the tax laws and regulations of multiple jurisdictions, which may vary substantially. Complying with the tax laws of these jurisdictions can be time consuming and expensive and could potentially subject the Company to penalties and fees in the future if the Company were to fail to comply.

Additional Costs to Maintain Public Listing

The Company is a reporting issuer and incurs significant legal, accounting and other expenses. The Company will incur increased costs as a result of operating as a publicly-traded company and its management will be required to devote substantial time to compliance. In addition, securities laws and regulations and stock exchanges rules and policies impose various requirements on public companies, including requirements to file annual, quarterly and event-driven reports with respect to the Company's business and financial condition and operations and to establish and maintain effective disclosure and financial controls and corporate governance practices. The Company's existing management team will need to devote a substantial amount of time to these matters, and may need to hire additional personnel to assist the Company with complying with these requirements. Moreover, these rules and regulations will increase the Company's legal and financial compliance costs and will make some activities more time consuming and costly.

In addition, changing laws, regulations and standards relating to corporate governance and public disclosure are creating uncertainty for public companies, increasing legal and financial compliance costs and making some public Company required activities more time consuming. These laws, regulations and standards are subject to varying interpretations, in many cases due to their lack of specificity and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices.

Being a public Company and complying with applicable rules and regulations will make it more expensive for the Company to obtain director and officer liability insurance, and the Company will incur substantially higher costs to obtain coverage. These factors could also make it more difficult for the Company to attract and retain qualified executive officers and board members.

Investor Tax Issues

Income tax consequences in relation to the Common Shares will vary according to the circumstances of each investor. Prospective investors should seek independent advice from their own tax and legal advisors.

Internal Controls

Proper internal control systems and disclosure are critical to the operation of a public company. However, the Company does not expect that its internal controls will prevent all errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. Further, the design of a control system must reflect the fact that there are resource constraints and the benefits of such controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. Due to the inherent limitations in a

cost-effective control system, misstatements due to error or fraud may occur and may not be detected in a timely manner or at all. If the Company cannot provide reliable financial reports or prevent fraud, the Company's reputation and operating results could be materially adversely affected, which could cause investors to lose confidence in the Company and its reported financial information, which in turn could result in a reduction in the value of the Common Shares.

Dividends

The Company has not paid any dividends on its outstanding Common Shares. Any payments of dividends on the Common Shares will be dependent upon the financial requirements of the Company to finance future growth, the financial condition of the Company and other factors which the Company's Board of Directors may consider appropriate in the circumstance. It is unlikely that the Company will pay dividends in the immediate or foreseeable future.

Political and Economic Instability

The Company may be affected by possible political or economic instability. The risks include, but are not limited to, terrorism, military repression, extreme fluctuations in currency exchange rates and high rates of inflation. Changes or shifts in political attitude towards blockchain technology in certain countries may adversely affect the Company's business.

Going Concern Assumption

The financial statements of the Company have been prepared in accordance with IFRS Accounting Standards on a going concern basis, which presumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company, and therefore the Company's continuation as a "going concern" is uncertain and is dependent upon, amongst other things, attaining a satisfactory revenue level, the support of its customers, its ability to continue profitable operations, the generation of cash from operations, and its ability to obtain financing arrangements and capital in the future. These material uncertainties represent risks to the Company's ability to continue as a going concern and realize its assets and pay its liabilities as they become due. If the "going concern" assumption was not appropriate for the financial statements, then adjustments would be necessary to the carrying values of assets and liabilities, the reported expenses and the balance sheet classifications used. Such adjustments could be material.

Need to Manage Growth

The Company could experience rapid growth in revenues, personnel, complexity of administration and in other areas. There can be no assurance that the Company will be able to manage the impact that growth could place on the Company's administrative infrastructure, systems and controls. If the Company is unable to manage future growth effectively, the Company's business, operations and operating results and financial condition may be materially adversely affected.

Global Financial Developments

Stress in the global financial system may adversely affect the Company's finances and operations in ways that may be hard to predict or to defend against. Financial developments seemingly unrelated to the Company or to its industry may adversely affect the Company over the course of time. For example, material increases in any applicable interest rate benchmarks may increase the debt payment costs for any credit facilities. Credit contraction in financial markets may hurt its ability to access credit in the event that the Company requires significant access to credit for business expansion. A reduction in credit, combined with reduced economic activity, may adversely affect business. Any of these events, or any other events caused by turmoil in world financial markets, may have a material adverse effect on the Company's business, operating results, and financial condition.

Regulatory Risks

The business and activities of the Company may be heavily regulated in all jurisdictions where it will carry on business. The proposed activities of the Company may be subject to various laws, regulations and guidelines by governmental authorities, grant government agencies and self-regulatory bodies broad administrative discretion over the activities of the Company, including the power to limit or restrict business activities as well as impose additional disclosure requirements on the Company's products and services. The Company's business objectives are contingent upon, in part, compliance with regulatory requirements enacted by these governmental authorities and obtaining all regulatory approvals, where necessary, for the provision of its services. Although the operations of the Company are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail the Company's ability to conduct business in the jurisdictions and industries in which it currently operates or intends to operate. Amendments to current laws and regulations governing the Company's current and/or intended operations, more stringent implementation thereof or other unanticipated events could have a material adverse impact on the business, financial condition and operating results of the Company.

Permits and Licenses

The Company believes it currently has all permits and licenses that are necessary to carry on its business. It may require additional licenses or permits in the future and there can be no assurance that we will be able to obtain all such additional licenses and permits. In addition, there can be no assurance that any existing licenses and permits will be renewable if and when required or that such existing licenses and permits will not be revoked.

Changes in Laws, Regulations and Guidelines

The Company's operations will be subject to various laws, regulations, guidelines and licensing requirements in the United States, Canada and potentially other jurisdictions. Although the Company is expected to comply with all such laws, any changes to such laws, regulations, guidelines and policies due to matters beyond the control of the Company could have a material adverse effect on the Company's business, results of operations and financial condition.

Litigation

The Company may become involved in litigation that may materially adversely affect it. From time to time in the ordinary course of the Company's business, it may become involved in various legal proceedings. Such matters can be time-consuming, divert management's attention and resources and cause the Company to incur significant expenses. Furthermore, because litigation is inherently unpredictable, the results of any such actions may have a material adverse effect on the Company's business, operating results or financial condition. More specifically, the Company may face claims relating to information that is retrieved from or transmitted over the Internet or through the solution and claims related to the Company's products. In particular, the nature of the Company's business exposes it to claims related to intellectual property rights, rights of privacy, and personal injury torts. Furthermore, there is no assurance that any liability incurred as a result of litigation can be recovered from the Company's insurance policy.

Other Risks Relating to the Company's Business

Competition

The Company will compete with other businesses. Any market participant with sufficient capital and know-how has the ability to compete with the Company's core businesses. As a result, the Company will face significant competition in the blockchain and metaverse sectors. The Company's competitors may include other acquisition vehicles and major blockchain-based businesses worldwide which may have greater financial, technical and human capital than the Company, in addition to superior expertise and experience in the blockchain business.

The market in which the Company competes requires continuous innovation and are highly competitive, rapidly evolving, subject to changing technology, shifting customer trends, competition for new content, and frequent introductions of new products and services. New competitors could launch new businesses in the Company's markets at a relatively low cost since technological and financial barriers to entry are relatively low. Some of the Company's current and potential competitors may have competitive advantages, such as greater name recognition, longer operating histories, broader geographic scope, and larger marketing budgets, as well as substantially greater financial, technical, personnel, and other resources. The Company may also experience competition from smaller, newer competitors that may be more agile in responding to customers' demands. These competitors may be able to respond more quickly and effectively than the Company can to new or changing opportunities, technologies, standards or customer requirements or provide competitive pricing. As a result, even if the Company's products are more effective than the products and services that the Company's competitors offer, potential customers might select competitive products and services in lieu of purchasing the Company's products and services. For these reasons, the Company may not be able to compete successfully against the Company's current and future competitors, which could negatively impact the Company's future sales and harm the Company's business and financial condition.

Operational Risk

Operational risk is the risk of an adverse outcome resulting from inadequate or failed internal processes, people, systems or from external events. The Company's exposure to operational risk arises from routine processing errors, as well as extraordinary incidents, such as major systems failures or legal and regulatory matters. As the Company offers products and services that are reliant on both technology and human expertise and execution, the Company is exposed to material operational risk arising from a number of factors, including, but not limited to, human error, processing and communication errors, errors of the Company's service providers, counterparties or other third parties, failed or inadequate processes and technology or system failures.