

## FORM 5

### QUARTERLY LISTING STATEMENT

Name of Listed Issuer: IMAGINEAR INC. (the "Issuer").

Trading Symbol: IP

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.

## **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.

### **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,

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

(b) summary of options granted during the period,

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

**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,
- (b) number and recorded value for shares issued and outstanding,
- (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
- (d) number of shares in each class of shares subject to escrow or pooling agreements or any other restriction 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.

<b>Name</b>	<b>Position</b>
MIKE TUNNICLIFFE	DIRECTOR
ALEN PAUL SILVERRSTIEEN	DIRECTOR & CEO
GURDIP PANAICH	DIRECTOR
MONIQUE HUTCHINS	CORPORATE SECRETARY
JIMMY JEON	CFO

#### **SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS**

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

## 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 CSE Policy 1).
4. All of the information in this Form 5 Quarterly Listing Statement is true.

Dated March 12, 2026.

Alen Paul Silverrstieen  
Name of Director or Senior Officer

*"Alen Paul Silverrstieen"*  
Signature

CEO  
Official Capacity

<b>Issuer Details</b>		
Name of Issuer ImagineAR Inc.	For Quarter Ended November 30, 2025	Date of Report YY/MM/DD 26/03/12
Issuer Address 250-750 West Pender Street		
City/Province/Postal Code Vancouver, BC, V6C 2T7	Issuer Fax No. N/A	Issuer Telephone No. (604) 558-4300 (4)
Contact Name Alen Paul Silverstien	Contact Position Chief Executive Officer	Contact Telephone No. (604) 558-4300 (104)
Contact Email Address <a href="mailto:kgill@crossdavis.com">kgill@crossdavis.com</a>	Web Site Address <a href="http://www.imaginear.com">www.imaginear.com</a>	

SCHEDULE A



## **IMAGINEAR INC.**

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE THREE MONTHS ENDED NOVEMBER 30, 2025 AND 2024**

**(EXPRESSED IN CANADIAN DOLLARS)  
(UNAUDITED)**

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### **NOTICE TO READER**

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of management. The unaudited condensed interim consolidated financial statements have not been reviewed by the Company's auditors.

# ImagineAR Inc.

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

	As at November 30, 2025	As at August 31, 2025
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	\$ 331,432	\$ 119,047
Receivable (note 4)	10,220	9,926
Prepaid expenses (note 5)	199,521	299,604
<b>Total assets</b>	<b>\$ 541,173</b>	<b>\$ 428,577</b>
<b>LIABILITIES AND SHAREHOLDERS' DEFICIENCY</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (notes 6 & 9)	\$ 2,916,078	\$ 2,216,097
Unearned revenue (note 13)	250,000	250,000
<b>Total current liabilities</b>	<b>3,166,078</b>	<b>2,466,097</b>
<b>Non-current liabilities</b>		
Convertible debentures - liability component (note 7)	360,926	346,158
<b>Total liabilities</b>	<b>3,527,004</b>	<b>2,812,255</b>
<b>Shareholders' deficiency</b>		
Capital stock (note 8)	37,222,657	36,930,979
Reserves (note 8)	8,974,353	8,916,018
Convertible debentures - equity component (note 7)	43,822	43,822
Deficit	(49,226,663)	(48,274,497)
<b>Total shareholders' deficiency</b>	<b>(2,985,831)</b>	<b>(2,383,678)</b>
<b>Total liabilities and shareholders' deficiency</b>	<b>\$ 541,173</b>	<b>\$ 428,577</b>

Nature of operations and going concern (note 1)

Commitment and contingency (note 12)

(Signed) "Alen Paul Silverstieen"

Director

(Signed) "Mike Tunnicliffe"

Director

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

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**ImagineAR Inc.****Condensed Interim Consolidated Statements of Loss and Comprehensive Loss****(Expressed in Canadian Dollars)****(Unaudited)**

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	<b>Three Months Ended November 30,</b>	
	<b>2025</b>	<b>2024</b>
<b>Gross Loss</b>		
Licensing income	\$ -	\$ 7,500
Cost of sales	<b>(7,756)</b>	<b>(23,503)</b>
	<b>(7,756)</b>	<b>(16,003)</b>
<b>Expenses</b>		
Accretion interest on convertible debentures (notes 7 & 9)	<b>14,768</b>	13,615
Consulting, director and management fees (note 9)	<b>92,364</b>	158,904
Foreign exchange loss	<b>98,055</b>	33,518
Office and general	<b>20,965</b>	27,613
Professional fees (note 9)	<b>602,098</b>	52,606
Share-based compensation (notes 8 & 9)	<b>86,895</b>	16,367
Shareholder communications and promotion	<b>6,575</b>	5,648
Software (note 10)	<b>8,286</b>	8,002
Transfer agent and filing fees	<b>14,404</b>	8,894
Travel and accomodation	-	34
	<b>(944,410)</b>	<b>(325,201)</b>
<b>Net loss and comprehensive loss for the period</b>	<b>\$ (952,166)</b>	<b>\$ (341,204)</b>
<b>Basic and diluted loss per common share</b>	<b>\$ (0.00)</b>	<b>\$ (0.00)</b>
<b>Weighted average number of common shares outstanding (basic and diluted)</b>	<b>288,004,797</b>	<b>269,568,654</b>

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

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**ImagineAR Inc.****Condensed Interim Consolidated Statements of Cash Flows**  
**(Expressed in Canadian Dollars)**  
**(Unaudited)**

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	<b>Three Months Ended</b>	
	<b>November 30,</b>	
	<b>2025</b>	<b>2024</b>
<b>Operating activities</b>		
Net loss for the period	\$ (952,166)	\$ (341,204)
Items not affecting cash:		
Accretion interest on convertible debentures	14,768	13,615
Foreign exchange	-	33,518
Share-based compensation	86,895	16,367
Changes in non-cash working capital items:		
Receivables	(294)	(1,374)
Prepaid expenses	13,188	12,701
Accounts payable and accrued liabilities	699,981	(72,308)
<b>Net cash used in operating activities</b>	<b>(137,628)</b>	<b>(338,685)</b>
<b>Financing activities</b>		
Proceeds from convertible debentures	-	975,000
Proceeds from private placement	350,013	-
Proceeds from exercise of warrants	-	131,500
<b>Net cash provided by financing activities</b>	<b>350,013</b>	<b>1,106,500</b>
<b>Net change in cash</b>	<b>212,385</b>	<b>767,815</b>
<b>Cash, beginning of period</b>	<b>119,047</b>	<b>101,902</b>
<b>Cash, end of period</b>	<b>\$ 331,432</b>	<b>\$ 869,717</b>

**Supplemental disclosure with respect to Cash Flows** (note 11)

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

## ImagineAR Inc.

### Condensed Interim Consolidated Statements of Changes in Shareholders' Deficiency (Expressed in Canadian Dollars) (Unaudited)

	Number of shares	Capital Stock	Share-based payment reserve	Warrant reserve	Convertible debentures - equity component	Shares to be issued	Deficit	Total
<b>Balance, August 31, 2024</b>	<b>265,236,033</b>	<b>\$ 36,141,981</b>	<b>\$ 6,679,125</b>	<b>\$ 929,642</b>	<b>\$ -</b>	<b>\$ 180,800</b>	<b>\$ (45,432,710)</b>	<b>\$(1,501,162)</b>
Convertible debentures	-	-	-	-	141,777	-	-	141,777
Exercise of convertible debentures	9,103,904	453,664	-	-	(58,000)	-	-	395,664
Exercise of warrants	2,630,000	131,500	-	-	-	-	-	131,500
Share-based compensation	-	-	16,367	-	-	-	-	16,367
Net and comprehensive loss for the period	-	-	-	-	-	-	(341,204)	(341,204)
<b>Balance, November 30, 2024</b>	<b>276,969,937</b>	<b>\$ 36,727,145</b>	<b>\$ 6,695,492</b>	<b>\$ 929,642</b>	<b>\$ 83,777</b>	<b>\$ 180,800</b>	<b>\$ (45,773,914)</b>	<b>\$(1,157,058)</b>
<b>Balance, August 31, 2025</b>	<b>285,953,437</b>	<b>\$ 36,930,979</b>	<b>\$ 7,655,448</b>	<b>\$ 1,260,570</b>	<b>\$ 43,822</b>	<b>\$ -</b>	<b>\$ (48,274,497)</b>	<b>\$(2,383,678)</b>
Issued pursuant to private placement	11,667,112	291,678	-	58,335	-	-	-	350,013
Net and comprehensive loss for the period	-	-	-	-	-	-	(952,166)	(952,166)
<b>Balance, November 30, 2025</b>	<b>297,620,549</b>	<b>\$ 37,222,657</b>	<b>\$ 7,655,448</b>	<b>\$ 1,318,905</b>	<b>\$ 43,822</b>	<b>\$ -</b>	<b>\$ (49,226,663)</b>	<b>\$(2,985,831)</b>

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

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# ImagineAR Inc.

## Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended November 30, 2025 and 2024

(Expressed in Canadian Dollars) (Unaudited)

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### 1. NATURE OF OPERATIONS AND GOING CONCERN

ImagineAR Inc. (“the Company”) is a public company domiciled in Canada incorporated in British Columbia under the laws of the Business Corporations Act (BC, Canada) on October 11, 2011. On April 17, 2019, the Company was continued under the Canadian Business Corporations Act. The Company’s head office is located at 82 Richmond Street East, Toronto, ON, M5C 1P1.

The Company’s core business is to deliver engaging and interactive content to users through a cloud-based augmented reality platform. The Company’s shares are listed on the Canadian Securities Exchange (“CSE”) under the ticker symbol “IP”.

The unaudited condensed interim consolidated financial statements of the Company as at, and for the periods ended November 30, 2025 and 2024 comprise the Company and its subsidiaries (together referred to as the “Company”).

The unaudited condensed interim consolidated financial statements have been prepared on the assumption that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. Continued operations of the Company are dependent on the Company’s ability to receive financial support, complete additional equity financing, support from existing creditors, and generating profitable operations in the future. Management believes it will be successful in raising the necessary funding to continue operations; however, there is no assurance that these funds will be available on terms acceptable to the Company or at all.

The Company incurred a net loss and comprehensive loss of \$952,166 during the three months ended November 30, 2025 (2024 – \$341,204) and incurred negative operating cash flows of \$137,628 (2024 - \$338,685). As at November 30, 2025, the Company had an accumulated deficit of \$49,226,663 (August 31, 2025 - \$48,274,497).

There is a material uncertainty related to these conditions that may cast significant doubt upon the Company’s ability to continue as a going concern. The unaudited condensed interim consolidated financial statements do not include the adjustments that would be necessary should the Company be unable to continue as a going concern and realize its assets and discharge its liabilities in the normal course of business. Such adjustments could be material.

### 2. BASIS OF MEASUREMENT AND PRESENTATION

These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting (“IAS 34”), and follow the same accounting policies and methods of application as the annual consolidated financial statements of the Company for the year ended August 31, 2025, except as noted below under changes in accounting policies. These unaudited condensed interim consolidated financial statements do not contain all disclosures required by International Financial Reporting Standards (“IFRS”) and accordingly should be read in conjunction with the 2025 annual consolidated financial statements and the notes thereto. These unaudited condensed interim consolidated financial statements were approved by the Board of Directors of the Company on January 29, 2026.

These unaudited condensed interim consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments measured at fair value, as set out in the accounting policies in note 3 of the 2025 annual consolidated financial statements.

The preparation of consolidated financial statements in accordance with IAS 34 requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company’s accounting policies. The significant judgments made by management in applying the Company’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual consolidated financial statements as at and for the year ended August 31, 2025.

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# ImagineAR Inc.

## Notes to Condensed Interim Consolidated Financial Statements Three Months Ended November 30, 2025 and 2024 (Expressed in Canadian Dollars) (Unaudited)

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### 3. MATERIAL ACCOUNTING POLICIES

#### Significant Accounting Judgments, Estimates and Assumptions

The preparation of these unaudited condensed interim consolidated financial statements in conformity with IFRS requires the Company's management to make judgments, estimates and assumptions about future events that affect the amounts reported in the unaudited condensed interim consolidated financial statements and related notes. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may differ from those estimates and these differences could be material.

#### Critical accounting estimates

##### i) Share-based payments

Management measures share-based payments using the Black-Scholes Option Pricing Model. Assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, employee stock option exercise behaviors and discount rates. Such judgments and assumptions are inherently uncertain. Changes in these assumptions could materially affect the fair value estimates.

##### ii) Provision for expected credit losses

The Company maintains a provision for expected credit losses that may arise if any of its customers are unable to make required payments. If the Company determines that the financial condition of any of its customers with outstanding accounts receivable has deteriorated significantly, increases in the provision may be made to reduce the Company's accounts receivable balance accordingly.

##### iii) Shares issued for non-cash consideration

The Company measures equity-settled share-based payment transactions based on an estimate of the fair value of goods or services received, unless that fair value cannot be estimated reliably, in which case the Company measures the fair value of the goods or services received based on the fair value of the equity instruments granted.

##### iv) Fair Value of Convertible Debentures

The Company makes estimates and assumptions relating to the fair value measurement and disclosure of its convertible debentures. The fair values are determined using a variety of valuation techniques. The inputs to these models are derived from observable market data where possible, but where observable market data is not available, management's judgment is required to establish fair values. Management is required to make an estimate of the discount rate used in calculating the present value of the convertible debenture and related interest equal to the market rate that would be given for similar debt, without a conversion feature. Management determines this rate by assessing what rate the Company could borrow funds at from an unrelated party.

##### v) Provisions

The Company recognizes a provision if there is a present obligation as a result of a past event, it is probable that the Company will be required to settle the obligation, and the obligation can be reliably estimated. The amount recognized as a provision reflects management's best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation.

#### Critical accounting judgments

##### i) Research and development costs

Costs to develop products are capitalized to the extent that the criteria for recognition as intangible assets under IAS 38 – Intangible Assets, are met. Those criteria require that the product is technically, and economically feasible, which management assessed based on the attributes of the development project, perceived user needs, industry trends and expected future economic conditions. Management considers these factors in aggregate and applies significant judgment to determine whether the product is feasible.

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# ImagineAR Inc.

## Notes to Condensed Interim Consolidated Financial Statements Three Months Ended November 30, 2025 and 2024 (Expressed in Canadian Dollars) (Unaudited)

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### 3. MATERIAL ACCOUNTING POLICIES (continued)

#### Significant Accounting Judgments, Estimates and Assumptions (continued)

Critical accounting judgments (continued)

ii) Going concern

At each reporting period, management exercises judgment in assessing the Company's ability to continue as a going concern by reviewing the Company's performance, resources and future obligations. The conclusion that the Company will be able to continue is subject to critical judgments of management with respect to assumptions surrounding the short and long-term operating budgets, expected profitability, investment and financing activities and management's strategic planning.

iii) Determination of Functional currency

Foreign currency translation under IFRS Accounting Standards requires each entity to determine its own functional currency, which becomes the currency that an entity measures its results and financial position in. Judgment is necessary in assessing each entity's functional currency. In determining the functional currencies of the Company and its subsidiaries, the Company considered many factors, including the currency that mainly influences sales prices for goods and services, the currency of the country whose competitive forces and regulations mainly determine the sales prices, and the currency that mainly influences labor, materials, and other costs for each consolidated entity.

#### New accounting standards and interpretations

A number of new standards, and amendments to standards and interpretations, are not effective and have not been early adopted in preparing these unaudited condensed interim consolidated financial statements. The following accounting standards and amendments are effective for future periods:

- i) IFRS 18 - Presentation and Disclosure in Financial Statements - IFRS 18 introduces three sets of new requirements to give investors more transparent and comparable information about companies' financial performance for better investment decisions.
  - a) Three defined categories for income and expenses – operating, investing or financing – to improve the structure of the income statements, and require all companies to provide new defined subtotals, including operating profit;
  - b) Requirement for companies to disclose explanations of management-defined performance measures (MPMs) that are related to the income statement; and
  - c) Enhanced guidance on how to organize information and whether to provide it in the primary financial statements or in the notes.

This new standard is effective for reporting periods beginning on or after January 1, 2027. The Company will be evaluating the impact of the above standard on its consolidated financial statements.

### 4. AMOUNTS RECEIVABLE

The receivables balance is comprised of the following items:

	As at November 30, 2025	As at August 31, 2025
Sales tax receivable from the Canadian Federal Government	\$ 10,220	\$ 9,926
	\$ 10,220	\$ 9,926

## ImagineAR Inc.

### Notes to Condensed Interim Consolidated Financial Statements Three Months Ended November 30, 2025 and 2024 (Expressed in Canadian Dollars) (Unaudited)

#### 5. PREPAID EXPENSES

The prepaid expenses balance is comprised of the following items:

	As at November 30, 2025	As at August 31, 2025
Advertising and promotion	\$ 12,416	\$ 18,149
Advanced commission	87,500	87,500
Advisory services	89,284	176,179
Insurance	10,321	17,776
	<b>\$ 199,521</b>	<b>\$ 299,604</b>

#### 6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The accounts payable and accrued liabilities balance is comprised of the following items:

	As at November 30, 2025	As at August 31, 2025
Trade payables	\$ 2,429,820	\$ 1,771,307
Related parties (note 9)	451,831	385,374
Accrued liabilities	31,769	56,803
Payroll liabilities	2,658	2,613
	<b>\$ 2,916,078</b>	<b>\$ 2,216,097</b>

#### 7. CONVERTIBLE DEBENTURES

On September 9, 2024, the Company issued unsecured convertible debentures in the principal amount of \$125,000, which was received during the year ended August 31, 2024. Each debenture bears interest at a rate of 12% per annum and matures two years from the date of issuance. The debentures are convertible into units at a price of \$0.05 per unit and each unit will consist of one common share of the Company and one share purchase warrant, with each warrant entitling the holder to purchase an additional common share of the Company at a price of \$0.07 for a period of three years from the date of the issuance. During the three months ended November 30, 2025, the Company recorded accretion of interest of \$Nil (2024 - \$2,945) for the debentures.

During the year ended August 31, 2025, the Company issued 74,301 common shares and 2,500,000 units valued at \$127,945 pursuant to the conversion of the debentures in settlement of liabilities of \$111,834, of which \$2,945 was accrued interest, and accordingly, the Company reallocated \$16,111 of convertible debenture equity portion to capital stock.

	Liability	Equity	Total
Balance at August 31, 2024	\$ -	\$ -	\$ -
Issuance of convertible debentures	108,889	16,111	125,000
Accretion of interest	2,945	-	2,945
Issuance of 2,574,301 shares/units	(111,834)	(16,111)	(127,945)
<b>Balance at August 31, 2025 and November 30, 2025</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

## ImagineAR Inc.

### Notes to Condensed Interim Consolidated Financial Statements Three Months Ended November 30, 2025 and 2024 (Expressed in Canadian Dollars) (Unaudited)

#### 7. CONVERTIBLE DEBENTURES (continued)

On October 22, 2024, the Company issued unsecured convertible debentures in the principal amount of \$385,000. Each debenture bears interest at a rate of 12% per annum and matures two years from the date of issuance. The debentures are convertible into units at a price of \$0.05 per unit and each unit will consist of one common share of the Company and one share purchase warrant, with each warrant entitling the holder to purchase an additional common share of the Company at a price of \$0.07 for a period of three years from the date of the issuance. During the three months ended November 30, 2025, the Company recorded accretion of interest of \$6,515 (2024 - \$3,296) for the debentures.

During the year ended August 31, 2025, the Company issued 16,154 common shares and 4,700,000 units valued at \$235,504 pursuant to the conversion of the debentures in settlement of liabilities of \$205,215, of which \$504 was accrued interest, and accordingly, the Company reallocated \$30,289 of convertible debenture equity portion to capital stock.

	Liability		Equity		Total
Balance at August 31, 2024	\$	-	\$	-	\$ -
Issuance of convertible debentures		335,378		49,622	385,000
Accretion of interest		22,914		-	22,914
Issuance of 4,716,154 shares/units		(205,215)		(30,289)	(235,504)
Balance at August 31, 2025	\$	153,077	\$	19,333	\$ 172,410
Accretion of interest		6,515		-	6,515
<b>Balance at November 30, 2025</b>	<b>\$</b>	<b>159,592</b>	<b>\$</b>	<b>19,333</b>	<b>\$ 178,925</b>

On October 31, 2024, the Company issued unsecured convertible debentures in the principal amount of \$590,000. Each debenture bears interest at a rate of 12% per annum and matures two years from the date of issuance. The debentures are convertible into units at a price of \$0.05 per unit and each unit will consist of one common share of the Company and one share purchase warrant, with each warrant entitling the holder to purchase an additional common share of the Company at a price of \$0.07 for a period of three years from the date of the issuance. During the three months ended November 30, 2025, the Company recorded accretion of \$8,253 (2024 - \$7,374) for these debentures.

During the year ended August 31, 2025, the Company issued 214,092 common shares and 8,000,000 units valued at \$418,348 pursuant to the conversion of the debentures in settlement of liabilities of \$366,793, of which \$18,348 was accrued interest, and accordingly, the Company reallocated \$51,555 of convertible debenture equity portion to capital stock.

	Liability		Equity		Total
Balance at August 31, 2024	\$	-	\$	-	\$ -
Issuance of convertible debentures		513,956		76,044	590,000
Accretion of interest		45,918		-	45,918
Issuance of 8,214,092 shares/units		(366,793)		(51,555)	(418,348)
Balance at August 31, 2025	\$	193,081	\$	24,489	\$ 217,570
Accretion of interest		8,253		-	8,253
<b>Balance at November 30, 2025</b>	<b>\$</b>	<b>201,334</b>	<b>\$</b>	<b>24,489</b>	<b>\$ 225,823</b>

For accounting purposes, these convertible debentures were separated into their liability and equity components. The fair value of the liability component at the time of issuance was calculated with the discounted cash flows for the convertible notes, assuming a 20% effective interest rate which was the management estimated rate for convertible notes without a conversion feature. The fair value of the equity component was determined at the time of issuance as the difference between the face value of the convertible debentures and the fair value of the liability component.

## ImagineAR Inc.

### Notes to Condensed Interim Consolidated Financial Statements Three Months Ended November 30, 2025 and 2024 (Expressed in Canadian Dollars) (Unaudited)

#### 8. CAPITAL STOCK, STOCK OPTIONS AND WARRANTS

##### Capital stock

The Company has authorized an unlimited number of common shares without par value.

During the three months ended November 30, 2025, the Company:

- i) Closed the first tranche of its non-brokered private placement and issued 11,667,112 units at a price of \$0.03 per unit for gross proceeds of \$350,013. Each unit is comprised of one common share and one non-transferable common share purchase warrant, with each warrant entitling the holder to purchase one additional common share at a price of \$0.05 for a period of thirty-six months from the closing of the offering. Warrants were fair valued at \$58,335 using the residual value method.

During the three months ended November 30, 2024, the Company:

- i) Issued 2,630,000 common shares pursuant to the exercise of warrants for proceeds of \$131,500.
- ii) Issued 9,103,904 common shares valued at \$453,664 pursuant to the exercise of the convertible debentures in settlement of \$395,664, and accordingly, the Company reallocated \$58,000 of convertible debentures - equity portion to share capital.

##### Share purchase warrants

At November 30, 2025, the following warrants were outstanding:

<b>Expiry Date</b>	<b>Exercise Price(\$)</b>	<b>Number of Warrants Outstanding</b>
May 29, 2026	0.05	12,905,315
October 31, 2026	0.05	34,366,000
September 9, 2027	0.07	2,500,000
October 22, 2027	0.07	4,700,000
October 31, 2027	0.07	8,000,000
November 14, 2028	0.05	11,667,112
	<b>0.05</b>	<b>74,138,427</b>

The 15,200,000 warrants issued pursuant to convertible debenture conversions into units comprising one common share and one warrant (see note 7) were valued at \$337,543 using the relative fair value method.

The following is a summary of the warrant transactions:

	<b>Number of Warrants</b>	<b>Weighted Average Exercise Price (\$)</b>
Balance, August 31, 2024	49,901,315	0.05
Granted	9,103,904	0.07
Exercised	(2,630,000)	0.05
Balance, November 30, 2024	56,375,219	0.05
<b>Balance, August 31, 2025</b>	<b>62,471,315</b>	<b>0.05</b>
Granted	11,667,112	0.05
<b>Balance, November 30, 2025</b>	<b>74,138,427</b>	<b>0.05</b>

The outstanding warrants on November 30, 2025, had a weighted average remaining life of 1.36 years (August 31, 2025 – 1.32 years).

## ImagineAR Inc.

### Notes to Condensed Interim Consolidated Financial Statements Three Months Ended November 30, 2025 and 2024 (Expressed in Canadian Dollars) (Unaudited)

#### 8. CAPITAL STOCK, STOCK OPTIONS AND WARRANTS (continued)

##### Stock options

The Company grants stock options pursuant to its stock option plan. The Board of Directors administers the plan, pursuant to which the Board of Directors may grant from time to time incentive stock options up to an aggregate maximum of 10% of the issued and outstanding shares of the Company to directors, officers, employees, consultants and advisors. The options can be granted for a maximum of ten years.

As at November 30, 2025, the following incentive stock options were outstanding:

<b>Expiry Date</b>	<b>Exercise Price(\$)</b>	<b>Remaining Contractual Life (years)</b>	<b>Number of Options Outstanding</b>	<b>Number of Options Vested (Exercisable)</b>
June 5, 2026	0.05	0.51	900,000	900,000
June 27, 2026	0.05	0.57	5,700,000	5,700,000
January 17, 2027	0.07	1.13	3,000,000	3,000,000
February 25, 2027	0.075	1.24	500,000	500,000
August 20, 2027	0.05	1.72	750,000	750,000
January 16, 2028	0.075	2.13	5,000,000	5,000,000
February 28, 2028	0.065	2.25	7,650,000	7,650,000
March 4, 2028	0.055	2.26	50,000	50,000
February 28, 2030	0.065	4.25	3,000,000	3,000,000
	<b>0.063</b>	<b>1.87</b>	<b>26,550,000</b>	<b>26,550,000</b>

The following is a summary of the option transactions:

	<b>Number of Stock Options</b>	<b>Weighted Average Exercise Price (\$)</b>
Balance, August 31, 2024 and November 30, 2024	12,500,000	0.06
<b>Balance, August 31, 2025 and November 30, 2025</b>	<b>26,550,000</b>	<b>0.06</b>

The outstanding options at November 30, 2025, had a weighted average remaining life of 1.87 years (August 31, 2025 – 2.12 years).

Total share-based compensation for options vested during the three months ended November 30, 2025 was \$86,895 (2024 – \$16,367).

#### 9. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Related parties include key management personnel and any companies owned or controlled by key management personnel. Key management personnel include the Board of Directors and Executive Officers.

## ImagineAR Inc.

### Notes to Condensed Interim Consolidated Financial Statements Three Months Ended November 30, 2025 and 2024 (Expressed in Canadian Dollars) (Unaudited)

#### 9. RELATED PARTY TRANSACTIONS (continued)

Amounts paid or accrued to key management personnel are as follows.

	Three Months Ended November 30,	
	2025	2024
Consulting, director, and management fees	\$ 61,508	\$ 96,836
Professional fees	13,385	-
	<b>\$ 74,893</b>	<b>\$ 96,836</b>

The table above includes:

- i) Accrued management and consulting fees of \$61,508 (2024 - \$90,836), to the CEO of the Company.
- ii) Accrued consulting fees of \$Nil (2024 - \$6,000) to the former CFO of the Company.
- iii) Accrued professional fees of \$13,385 (2024 - \$Nil) to a company that employs the CFO of the Company.

During the three months ended November 30, 2025, the Company paid the CEO of the Company \$33,550 (2024 - \$37,848) for outstanding payables on account.

As of November 30, 2025, \$451,831 (August 31, 2025 - \$385,374) remained outstanding to related parties and is included in accounts payable and accrued liabilities.

During the three months ended November 30, 2024, the Company issued 1,090 common share and 2,100,000 units valued at \$105,150 to a director of the Company and his son for the settlement of convertible debentures of \$91,617, of which \$150 was accrued interest, and accordingly, the Company reallocated \$13,533 of convertible debenture equity portion to capital stock. Each unit consists of one common share of the Company and one share purchase warrant, with each warrant entitling the holder to purchase an additional common share of the Company at a price of \$0.07 for a period of three years from the date of the issuance.

#### 10. SOFTWARE

	Three Months Ended November 30,	
	2025	2024
Research	\$ 2,072	\$ 2,000
Development of new features, architecture, and functions	6,214	6,002
	<b>\$ 8,286</b>	<b>\$ 8,002</b>

#### 11. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

There were no significant non-cash investing and financing transactions for the three months ended November 30, 2025.

Significant non-cash investing and financing transactions for the three months ended November 30, 2024 consisted of:

- i) Issuance of 9,103,904 common shares valued at \$453,664 pursuant to the exercise of convertible debentures.

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## **ImagineAR Inc.**

### **Notes to Condensed Interim Consolidated Financial Statements**

**Three Months Ended November 30, 2025 and 2024**

**(Expressed in Canadian Dollars) (Unaudited)**

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#### **12. COMMITMENT AND CONTINGENCY**

During the year ended August 31, 2024, the Company entered into a Funding Agreement with a private company whereby financing of up to USD\$850,000 would be provided to the Company to support litigation of a legal claim submitted by the Company against a private company for patent infringement. The Funding Agreement was financed by way of the convertible debenture financing that was completed during the three months ended November 30, 2024 (note 7). Pursuant to the terms of the Funding Agreement, should the Company receive any proceeds from the claim, 17.5% of the proceeds will be paid to the private company and distributed on a prorated basis to the individuals who participated in the convertible debt financing. The full amount of financing of \$1,100,000 (USD \$850,000) was received during the three months ended November 30, 2024.

#### **13. DESIGN AND INSTALLATION AGREEMENT**

On February 21, 2025, the Company executed a Design and Project Installation Agreement ("DPIA") by its wholly-owned subsidiary, FameDays Inc., to develop a 25,000 square foot immersive experience center in Niagara Falls, Ontario in consideration of \$10,000,000.

The Company granted 2,000,000 stock options to the arm's length customer and received a non-refundable deposit of \$250,000 for future services upon execution of the Agreement.

The construction of the immersive experience center remains in the planning phase, and as a result, no work has started and the balance of the unearned revenue is \$250,000 as of November 30, 2025.

On December 8, 2025, the Company announced that it has received formal written notice from 1000005450 Ontario Inc. regarding the termination of the DPIA and the Master Services Agreement ("MSA") associated with the planned Niagara Immersive Center project. The termination is effective immediately.

The \$250,000 paid non-refundable deposit will be credited toward a potential future engagement, subject to negotiation and execution of a new written agreement. No outstanding obligations remain under the terminated agreements.

SCHEDULE C



*ImagineAR Inc.*

*MANAGEMENT'S DISCUSSION AND ANALYSIS*

**January 29, 2026**

**For the three months ended November 30, 2025 and 2024**

**Head Office**  
**82 Richmond Street East, Toronto, ON, M5C 1P1**  
*Telephone: 818-850-2490*  
*Email: [Info@imaginear.com](mailto:Info@imaginear.com)*

## 1. INTRODUCTION

The Management's Discussion and Analysis ("MD&A") of operating results and financial position for three months ended November 30, 2025 and 2024 is supplementary to and should be read in conjunction with the unaudited condensed interim consolidated financial statements and related notes for the same period as well as the audited consolidated financial statements and related notes as at for the years ended August 31, 2025 and 2024. Copies of these documents can be found on the SEDAR+ website at [www.sedarplus.ca](http://www.sedarplus.ca). The MD&A is intended to help readers understand the dynamics of our business and the key factors underlying our financial results. The MD&A and the unaudited condensed interim consolidated financial statements were approved by the Board of Directors on January 29, 2026.

## 2. FORWARD-LOOKING INFORMATION

*This document contains forward-looking statements which reflect management's current expectations about future events and financial and operating performance of the Company. Words such as "may", "will", "should", "could", "anticipate", "believe," "expect", "intend", "plan", "potential", "continue" and similar expressions have been used to identify these forward-looking statements. Forward-looking statements contained in this document may include estimates, plans, expectations, opinions, forecasts, projections, guidance or other statements that are not statements of fact. These statements reflect management's current views with respect to future events or conditions, including prospective financial performance, financial position, and predictions of future actions, plans or strategies. Certain material factors and assumptions were applied in drawing our conclusions and making these forward-looking statements. These statements reflect management's current views, beliefs and assumptions and are subject to certain inherent risks and uncertainties. Factors that could cause actual performance to differ materially include, but are not limited to:*

- *ability to develop or acquire new technology;*
- *competition in the market;*
- *development of new software products;*
- *economic growth and fluctuations;*
- *proper performance of our applications;*
- *the protection and privacy of personal information which we hold;*
- *the risks associated with credit extended;*
- *capital expenditures;*
- *changes in accounting policies and estimates;*
- *exchange rate fluctuation between the US and Canadian dollar;*
- *human resource matters, including recruitment and retention of competent personnel; and*
- *the ability to raise capital.*

*The above (and other) factors could cause our actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by these forward-looking statements. See "Risks and Uncertainties" below and the section entitled "Risk Factors". Should one or more of these risks or uncertainties materialize, or should the assumptions underlying our projections or forward-looking statements prove incorrect, our actual results may vary materially from those described in this MD&A as intended, planned, anticipated, believed, estimated or expected. We do not intend and do not assume any obligation to update these forward-looking statements whether as a result of new information, plans, events or otherwise, unless required by law. The Company's forward-looking statements are expressly qualified in their entirety by this cautionary statement.*

### 3. COMPANY OVERVIEW

ImagineAR Inc. (“the Company”) is a public company domiciled in Canada incorporated in British Columbia under the laws of the Business Corporation Act (BC, Canada) on October 11, 2011. On April 17, 2019, the Company was continued under the Canadian Business Corporations Act. The Company's head office is located at 82 Richmond Street East, Toronto, ON, M5C 1P1.

The Company’s core business is to deliver engaging and interactive digital content to users through a cloud-based enterprise augmented reality (“AR”) platform with a brand name of ImagineAR™. The self-publishing AR cloud platform can integrate into both IOS & Android native mobile apps as a Software Development Kit (“SDK”) or provided as a white-label mobile app.

In calendar year 2023-2024, the Company transitioned to focusing on patent portfolio licensing and vigorous enforcement, delivering immersive AR experiences integrated with proprietary GenAI interactions, location-based entertainment immersive attractions and broadening its focus into new vertical markets that can increase mobile app ROI with the existing ImagineAR SDK platform as well as potential AI/AR Interactive experiences. New targeted markets include college, retail, entertainment, and casino gaming.

#### *About ImagineAR™ Product Suite*

ImagineAR™ is the free generic consumer AR mobile app that allows the user to visualize the AR content once it is activated through the ImagineAR™ Client Web Dashboard. The activated content can be in the form of a 2D/3D image, text or video. ImagineAR™ can also deliver AR rewards, sweepstakes and create AR scavenger hunts. The mobile app is available for free in both the IOS and Android mobile app stores and is used for proof of concept and demonstration purposes.

ImagineAR™ Cloud - Centralized content management system where the content is securely stored and managed. This past year, the Company made significant upgrades and enhancements to the Cloud to provide for true globalization of AR immersive activations.

The ImagineAR product suite bridges the gap between the digital world and real-world experiences. The SDK integrated into mobile apps allow the users to scan real-world objects, enjoy immersive holograms and unlock useful and entertaining content. The self-publishing platform allows users to generate their own AR content using existing content assets. The Company also provides professional content services that can take the form of gaming content (scavenger hunts, score boards, sweepstakes etc.) or custom content (3D modelling, video animation, brand logo imaging etc.) The Company plans to integrate Generative AI with the SDK.

The AR experiences could be self-published to the ImagineAR™ SDK. The Company will charge users a Software as a Service (“SaaS”) recurring monthly licensing fee for the use of the ImagineAR™ mobile app or an annual recurring licensing fee for the SDK and white-label mobile app. Alternatively the Company will enter a revenue sharing agreement with clients depending upon specific agreed upon key performance indications.

The Company has been marketing the ImagineAR™ platform to the sports industry, music, brands live events, and the retail marketplace.

#### **Recent client agreements and news include:**

**On November 14, 2024**, the Company announced that it has filed a lawsuit against Niantic, Inc. (Niantic) in the United States District Court for the District of Delaware for infringement of certain ImagineAR patents related to augmented reality (AR) and virtual technology. The complaint accuses multiple Niantic products of infringement, including Niantic’s Pokémon GO AR mobile game. At this time, the Company will not be providing further comment regarding this legal action while litigation is pending. The Company will provide public updates as appropriate.

**On January 22, 2025**, the Company announced the planned launch of its disruptive AI/AR as-a-Service business model. This new platform will uniquely integrate GenAI technology, developed by S3iai, with Augmented Reality (AR), enabling businesses across vertical industries to create smarter, personalized, and more immersive customer experiences delivering instantaneous voice and text interactions directly on mobile devices thru avatars and AR holograms.

**On February 24, 2025**, the Company announced the execution of a Design and Project Installation agreement by its wholly-owned subsidiary FameDays to develop a 25,000-square foot immersive experience center in Niagara Falls, Ontario. The \$10,000,000 agreement, executed with Ontario real estate developer Mr. J Grewal through his holding company on February 21, 2025, will include immersive attractions, AR racing, VR Gaming, Mixed Reality among other attractions. This marks the first implementation of ImagineAR's newly announced AR-AI (Augmented Reality-Artificial Intelligence Integrated Revenue) business model, designed to drive scalable, recurring revenue.

Mr. J Grewal, an Ontario real estate developer and owner of the location for the Immersive Centre at Niagara Falls, paid a non-refundable deposit of \$250,000 to the Company upon execution of the sign and Installation contract. Additionally, Mr. Grewal, through his holding company, executed the master Services Agreement pursuant to which the Company will provide on-site support, software development and support as well as 24/7 mobile app guest support. Apart from the initial \$10,000,000 contract, the Company will also receive an annual fee and monthly royalties based on the gross sales of the various attractions at the Immersive Centre once it is built.

The Niagara Falls center is the first immersive AR /AI installations slated for 2025. The partnership serves as a blueprint for scaling ImagineAR's technology across high-traffic global destinations, from theme parks to cultural landmarks.

**On December 8, 2025**, the Company announced that it has received formal written notice from 1000005450 Ontario Inc. regarding the termination of the Design and Project Installation Agreement ("DPIA") and the Master Services Agreement ("MSA") associated with the planned Niagara Immersive Center project. The termination is effective immediately.

According to the notice received, the Owner/Customer determined that current economic and market conditions have rendered the project not viable at this time. As outlined in the termination letter, heightened economic uncertainty within Canada, increased financing risk, and tariff-related cross-border cost pressures were cited as materially impacting project feasibility. The Owner/Customer emphasized that the termination decision is not reflective of the capabilities, technology, or professionalism of the Company.

No installation or development work had commenced under the agreements, and therefore both the DPIA and MSA have been terminated in full. The notice further states that, should economic conditions materially improve in the future — including stabilization of financing markets and easing of tariff-related cost pressures — the Owner/Customer may, at its sole discretion, consider re-engaging in discussions regarding a future immersive experience project. The termination letter expressly notes that no expectation, reliance, or commitment should be inferred from this possibility.

Any previously paid non-refundable deposit will be credited toward a potential future engagement, subject to negotiation and execution of a new written agreement. The Company confirms that no outstanding obligations remain under the terminated agreements.

#### **4. NATURE OF CONTINUANCE OF OPERATIONS AND GOING CONCERN**

The unaudited condensed interim consolidated financial statements were prepared with the assumption that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. Continued operations of the Company are dependent on the Company's ability to receive financial support, complete additional debt or equity financing, or generate profitable operations in the future. The Company believes it will be able to raise the necessary funding to continue operations; however, there is no assurance that these funds will be available on terms acceptable to the Company or at all.

The Company's cash position was \$331,432 at November 30, 2025 (August 31, 2025 - \$119,047) and had a working capital deficit of \$2,624,905 at November 30, 2025 (August 31, 2025 - \$2,037,520).

These conditions result in a material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern. The unaudited condensed interim consolidated financial statements do not include the adjustments that would be necessary should the Company be unable to continue as a going concern.

#### **5. OUTLOOK**

The Company will continue to generate awareness for its platform by marketing its AR technology in various verticals including retail, sports and live entertainment, education, and fundraising. As announced, the Company has established a number of strategic partnerships and alliances and performed numerous demonstrations to chief marketing officers and chief decision makers for AR as well as AI opportunities.

As the Company cycles through the sales funnel, feedback has been encouraging and is optimistic new prospective opportunities is emerging specifically in the AI marketplace. Over the next twelve months, management expects to convert potential opportunities into revenue growth and expects to realize revenue in the form of monthly recurring revenues from licensing fees and upfront professional services fees from AI/AR Solutions and custom client content.

#### **6. DISCUSSION OF OPERATIONS**

The results of operations reflect the overhead costs incurred to provide an administrative infrastructure to manage the business and financing activities of the Company. General and administrative costs can be expected to increase or decrease in relation to the changes in activity of Management and Directors.

*Three months period ended November 30, 2025 and 2024*

For the three months ended November 30, 2025, the Company had a net comprehensive loss of \$952,166 (with basic and diluted loss per share of \$0.00) compared with a net comprehensive loss of \$341,204 (with basic and diluted loss per share of \$0.00) in the comparative period. During the three months ended November 30, 2025, the Company had:

- Professional fees of \$602,098 (2024 - \$52,606). The increase is due to additional legal services on corporate matter, patent maintenance, and litigation of a legal claim for patent infringement during the current period.
- Foreign exchange loss of \$98,055 (2024 - \$33,518). The increase is due to the fluctuation in the USD to CAD exchange rate during the current period.
- Share-based compensation of \$86,895 (2024 - \$16,367). Share based payments will vary from period to period depending upon the number of stock options and warrants granted and vested during a period, and the fair value of the options and warrants calculated as at the grant date.

## 7. SUMMARY OF QUARTERLY RESULTS

The following table contains selected condensed interim consolidated financial information for the Company, prepared in accordance with IFRS, for the eight most recently completed quarters:

<b>Three Months Ended</b>	<b>Nov 30, 2025</b>	<b>Aug 31, 2025</b>	<b>May 31, 2025</b>	<b>Feb 28, 2025</b>
	\$	\$	\$	\$
Revenue and other income	Nil	Nil	7,500	7,500
Loss and Comprehensive loss	(952,166)	(161,168)	(966,353)	(1,373,062)
Loss per Common Share	(0.00)	(0.00)	(0.00)	(0.00)

<b>Three Months Ended</b>	<b>Nov 30, 2024</b>	<b>Aug 31, 2024</b>	<b>May 31, 2024</b>	<b>Feb 29, 2024</b>
	\$	\$	\$	\$
Revenue and other income	7,500	7,534	1,723	28,430
Loss and Comprehensive loss	(341,204)	(528,057)	(361,382)	(453,210)
Loss per Common Share	(0.00)	(0.00)	(0.00)	(0.00)

### **Fiscal 2026**

During the quarter ended November 30, 2025, the Company's loss of \$952,166 increased from a loss of \$161,168 incurred during the three months ended August 31, 2025. The increase in loss is primarily due to an increase in professional fees, foreign exchange loss, and share-based compensation during the three-month period ended November 30, 2025.

### **Fiscal 2025**

During the quarter ended August 31, 2025, the Company's loss of \$161,168 decreased from a loss of \$966,353 incurred during the three months ended May 31, 2025. The decrease in loss is primarily due to lower consulting, director and management fees, professional fees and share-based compensation during the three-month period ended August 31, 2025.

During the quarter ended May 31, 2025, the Company's loss of \$966,353 decreased from a loss of \$1,373,062 incurred during the three months ended February 28, 2025. The decrease in loss is primarily due to no share-based compensation related to options granted during the three-month period ended May 31, 2025.

During the quarter ended February 28, 2025, the Company's loss of \$1,373,062 decreased from a loss of \$341,204 incurred during the three months ended November 30, 2024. The increase in loss is primarily due to higher share-based compensation related to options grant during the three-month period ended February 28, 2025.

During the quarter ended November 30, 2024, the Company's loss of \$341,204 decreased from a loss of \$528,057 incurred during the three months ended August 31, 2024. The decrease in loss is primarily due to lower professional fees during the three-month period ended November 30, 2024.

### **Fiscal 2024**

During the quarter ended August 31, 2024, the Company's loss of \$528,057 increased from a loss of \$361,382 incurred during the three months ended May 31, 2024. The increase in loss is primarily due to an increase in consulting fees and professional fees during the three-month period ended August 31, 2024.

During the quarter ended May 31, 2024, the Company's loss of \$361,382 decreased from a loss of \$453,210 incurred during the three months ended February 29, 2024. The decrease in loss is primarily due to decrease of shareholder communications and fewer options vested during the three-month period ended May 31, 2024.

During the quarter ended February 29, 2024, the Company's loss of \$453,210 decreased from a loss of \$813,902 incurred during the three months ended November 30, 2023. The decrease in loss is primarily due to no transaction cost paid during the three-month period ended February 29, 2024.

## 8. LIQUIDITY AND CAPITAL RESOURCES

The Company's cash position was \$331,432 at November 30, 2025 compared to \$119,047 at August 31, 2025. The Company had a working capital deficit of \$2,624,905 at November 30, 2025 (August 31, 2025 – \$2,037,520). During the period ended November 30, 2025, cash flow activities consisted of:

- i) cash spent on operating activities of \$137,628 (2024 - \$338,685) consisting of operating expenses during the current period.
- ii) cash received from financing activities of \$350,013 (2024 - \$1,106,500) consisting of cash received from private placements during the current period.

During the period from September 1, 2025 to the date of the report, the Company closed a non-brokered private placement and issued 11,667,112 units at a price of \$0.03 per unit for gross proceeds of \$350,013. Each unit is comprised of one common share and one nontransferable common share purchase warrant, with each warrant entitling the holder to purchase one additional common share at a price of \$0.05 for a period of thirty-six months from the closing of the offering.

## 9. SHARE CAPITAL

As at the date of this report, the Company had 297,620,549 common shares.

As at the date of this report, stock options were outstanding enabling holders to acquire shares as follows:

Expiry Date	Exercise price (\$)	Number of Options Outstanding	Exercisable
June 5, 2026	0.05	900,000	900,000
June 27, 2026	0.05	5,700,000	5,700,000
January 17, 2026	0.05	3,000,000	3,000,000
February 25, 2027	0.075	500,000	500,000
August 20, 2027	0.050	750,000	750,000
January 16, 2028	0.075	5,000,000	5,000,000
February 28, 2028	0.065	7,650,000	7,650,000
March 4, 2028	0.055	50,000	50,000
February 28, 2030	0.065	3,000,000	3,000,000
		26,550,000	26,550,000

As at the date of this report, warrants were outstanding enabling holders to acquire shares as follows:

Expiry Date	Exercise price (\$)	Number of Warrants Outstanding
May 29, 2026	0.05	12,905,315
October 31, 2026	0.05	34,366,000
September 9, 2027	0.07	2,500,000
October 22, 2027	0.07	4,700,000
October 31, 2027	0.07	8,000,000
November 14, 2028	0.05	11,667,112
		74,138,427

## 10. OFF-BALANCE SHEET ARRANGEMENTS

The Company did not have any off-balance sheet arrangements or transactions.

## 11. RELATED PARTY TRANSACTIONS

Related parties include the Board of Directors, Executive Officers and any companies owned or controlled by them. During the period months ended November 30, 2025, the Company:

- i. accrued management and consulting fees of \$61,508 (2024 - \$90,836), to the CEO of the Company, namely Alen Paul Silverrstieen, of which the compensation was approved by Compensation Committee of the Board of Director and has been continuance of the Board of Director contract approval in 2019.
- ii. accrued consulting fees of \$Nil (2024 - \$6,000) to the former CFO of the Company, namely Leon Ho.
- iii. Accrued professional fees of \$13,385 (2024 - \$Nil) to a company that employs the CFO of the Company, namely Jimmy Jeon.

During the period ended November 30, 2025, the Company paid the CEO of the Company \$33,550 (2024 - \$37,848) for outstanding payables on account.

As of November 30, 2025, \$451,831 (August 31, 2025 - \$385,374) remained outstanding to related parties and is included in accounts payable and accrued liabilities as follows:

	<i>November 30,</i> <i>2025</i>	<i>August 31,</i> <i>2025</i>
CEO and Director, Alen Paul Silverrstieen	\$ 397,004	\$ 344,924
Former CFO, Leon Ho	\$ 30,450	\$ 30,450
CFO, Jimmy Jeon	\$ 24,377	\$ 10,000
<b>Total</b>	<b>\$ 451,831</b>	<b>\$ 385,374</b>

During the period ended November 30, 2024, the Company issued 1,090 common share and 2,100,000 units valued at \$105,150 to a director of the Company, namely Gurdip Panaich, and his son for the settlement of convertible debentures of \$91,617, of which \$150 was accrued interest, and accordingly, the Company reallocated \$13,533 of convertible debenture equity portion to capital stock. Each unit consists of one common share of the Company and one share purchase warrant, with each warrant entitling the holder to purchase an additional common share of the Company at a price of \$0.07 for a period of three years from the date of the issuance.

**12. NEW ACCOUNTING STANDARDS, INTERPRETATIONS AND FUTURE ACCOUNTING CHANGES**

Please refer to the unaudited condensed interim consolidated financial statements on [www.sedarplus.ca](http://www.sedarplus.ca).

**13. FINANCIAL INSTRUMENTS**

Please refer to the audited annual consolidated financial statements on [www.sedarplus.ca](http://www.sedarplus.ca).

**14. CAPITAL MANAGEMENT**

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. Management considers the Company's capital structure to consist of the components of shareholders' equity.

The Company is dependent on external financing to fund its activities. In order to carry out future transactions and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess additions to its media business if it feels there is sufficient economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the period presented. The Company and its subsidiaries are not subject to externally imposed capital requirements.

**15. CONTINGENCIES**

The Company is unaware of exposure to any contingent liabilities.

**16. RISKS AND UNCERTAINTIES**

The Company's financial condition, results of operations and business are subject to risks. The following are identified as the main risk factors:

**Financing**

The Company is reliant upon financing in order to continue its operations because it does not derive any income from its assets. There is no guarantee that future sources of funding will be available to the Company. If the Company is not able to raise additional funding in the future, it will be unable to carry out its operations.

**Key Personnel**

The future of the Company is dependent on the management of the Company. The departure of any of operations or management personnel or their inability to continue being functional could have an adverse impact on the Company's growth, business, financial position, and operating results.

**Competition**

The Company will compete with many larger companies and newcomers to the industry that will have greater financial and technical resources than the Company for the development of its applications as well as the recruitment and retention of qualified consultants and employees.

## Volatility in the trading price of our publicly traded securities

The trading price of our common shares is subject to volatility due to market conditions and other factors and cannot be predicted. Investment in these securities is inherently risky and the holders of these securities may not be able to sell their securities at or above the price at which they purchased such securities due to trading price fluctuations in the capital markets. Trading price could fluctuate significantly in response to factors that are both related and unrelated to our operating performance and/or future prospects, and past performance is not indicative of future performance.

## Industry Volatility

The Company operates in a volatile space given augmented reality is still very advanced and requires the Company to be flexible and aggressive in its agreement to build client references and revenue streams, which ultimately might not materialize due to unforeseeable factors.

## Reliance on Professional Advisors and Service Providers

The Company relies on a number of professional advisors and service providers, including external auditors, legal counsel and its accounting service providers. These professionals are subject to their respective professional and/or regulatory requirements, and they may not comply with all regulatory requirements or may fail to perform to their respective professional standards. They may not comply with their obligations to the Company or perform their services in a timely or acceptable manner. The failure of such professionals to comply with their respective regulatory requirements or professional standards could affect the Company in ways that are not predictable, including ways that could have a material adverse effect on the Company's business, prospects, results of operations and financial condition.