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 Continuance of Operations (Note 1)
Subsequent Events (Note 15)

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

"James Henning"	*"Kevin Cornish"*
James Henning, Director	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)

	Notes	Three month period ended, January 31, 2026 $	January 31, 2025 $	Six month period ended January 31, 2026 $	January 31, 2025 $
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.

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.

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.

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.

(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.

(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		

(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.

(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

(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.

(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.

(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 Khiet 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.