

TOTALLY HIP TECHNOLOGIES INC.

Consolidated Financial Statements

Years Ended September 30, 2025 and 2024

(Expressed in Canadian dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Totally Hip Technologies Inc.

We have audited the accompanying consolidated financial statements of Totally Hip Technologies Inc. (the "Company"), which comprise the consolidated statements of financial position as at September 30, 2025 and 2024 and the consolidated statements of operations and comprehensive income (loss), changes in shareholders' deficit, and cash flows for the years then ended, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as at September 30, 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS").

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company has incurred negative cash flow from operations during the year ended September 30, 2025 and, as of that date, the Company has a working capital deficit of \$506,371 and an accumulated deficit of \$18,997,355. These events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended September 30, 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Except for the matter described in the Material Uncertainty Related to Going Concern section of our report, we have determined that there are no key audit matters to communicate in our report.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Management's Discussion and Analysis, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Lonny Wong.

A handwritten signature in black ink that reads "Saturna Group LLP". The script is fluid and cursive, with the letters "S", "G", and "L" being particularly large and stylized.

Saturna Group Chartered Professional Accountants LLP

Vancouver, Canada

January 28, 2026

TOTALLY HIP TECHNOLOGIES INC.

Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

	September 30, 2025 \$	September 30, 2024 \$
Assets		
Current assets		
Cash	236	2,301
GST receivable	12,508	8,857
Total current assets	12,744	11,158
Non-current assets		
Property and equipment	250	313
Total assets	12,994	11,471
Liabilities and shareholders' deficit		
Current liabilities		
Accounts payable and accrued liabilities (Note 3)	381,245	343,011
Loans payable (Note 4)	137,870	43,070
Total liabilities	519,115	386,081
Shareholders' deficit		
Share capital	13,874,077	13,874,077
Share-based payment reserve	4,617,157	4,617,157
Deficit	(18,997,355)	(18,865,844)
Total shareholders' deficit	(506,121)	(374,610)
Total liabilities and shareholders' deficit	12,994	11,471

Nature of operations and continuance of business (Note 1)

Approved and authorized for issuance on behalf of the Board of Directors on January 28, 2026:

/s/ "John Brydle"
John Brydle, Director

/s/ "Vincent Teo"
Vincent Teo, Director

(The accompanying notes are an integral part of these consolidated financial statements)

TOTALLY HIP TECHNOLOGIES INC.

Consolidated Statements of Operations and Comprehensive Income (Loss)
(Expressed in Canadian dollars)

	Year ended September 30, 2025 \$	Year ended September 30, 2024 \$
Revenue (Note 10)	—	171,619
Expenses		
Accounting and audit (Note 5)	26,172	25,862
Consulting fees (Note 5)	6,000	6,000
Depreciation	63	78
Interest and bank charges (Note 5)	25,304	19,063
Office and administrative (Note 5)	32,212	40,113
Rent	30,000	30,000
Transfer agent and filing fees	11,760	14,222
Total expenses	131,511	135,338
Net income (loss) before other income	(131,511)	36,281
Other income		
Interest income (Note 5)	—	5,191
Write-off of loan payable	—	2,800
Total other income	—	7,991
Net income (loss) and comprehensive (income) loss for the year	(131,511)	44,272
Earnings (loss) per share, basic and diluted	—	—
Weighted average number of common shares outstanding, basic and diluted	122,590,730	122,590,730

(The accompanying notes are an integral part of these consolidated financial statements)

TOTALLY HIP TECHNOLOGIES INC.

Consolidated Statements of Changes in Shareholders' Deficit
(Expressed in Canadian dollars)

	Share capital		Share-based payment reserve \$	Deficit \$	Total shareholders' deficit \$
	Number of shares	Amount \$			
Balance, September 30, 2023	122,590,730	13,874,077	4,617,157	(18,910,116)	(418,882)
Net income for the year	—	—	—	44,272	44,272
Balance, September 30, 2024	122,590,730	13,874,077	4,617,157	(18,865,844)	(374,610)
Net loss for the year	—	—	—	(131,511)	(131,511)
Balance, September 30, 2025	122,590,730	13,874,077	4,617,157	(18,997,355)	(506,121)

(The accompanying notes are an integral part of these consolidated financial statements)

TOTALLY HIP TECHNOLOGIES INC.

Consolidated Statements of Cash Flows
(Expressed in Canadian dollars)

	Year ended September 30, 2025 \$	Year ended September 30, 2024 \$
Operating activities		
Net income (loss) for the year	(131,511)	44,272
Items not involving cash:		
Depreciation	63	78
Write-off of loan payable	—	(2,800)
Changes in non-cash operating working capital:		
GST receivable	(3,651)	5,859
Prepaid expenses	—	7,500
Accounts payable and accrued liabilities	38,234	(91,249)
Net cash used in operating activities	(96,865)	(36,340)
Financing activities		
Proceeds from loans payable	94,800	15,520
Net cash provided by financing activities	94,800	15,520
Change in cash	(2,065)	(20,820)
Cash, beginning of year	2,301	23,121
Cash, end of year	236	2,301

(The accompanying notes are an integral part of these consolidated financial statements)

TOTALLY HIP TECHNOLOGIES INC.

Notes to the Consolidated Financial Statements
Years Ended September 30, 2025 and 2024
(Expressed in Canadian dollars)

1. Nature of Operations and Continuance of Business

Totally Hip Technologies Inc. (the "Company") was incorporated in the province of Alberta on March 8, 1995. The Company was continued under the laws of the province of British Columbia on March 18, 1999. The Company is in the business of providing consulting services for general corporate finance advice and assistance with strategic direction, corporate development, and financing.. The Company is listed on the TSX Venture Exchange under the symbol 'THP.V'. The Company's registered address is at Suite 702, 889 West Pender Street, Vancouver, BC, V6C 3B2.

These consolidated financial statements have been prepared on the going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. The Company has incurred negative cash flow from operations. As at September 30, 2025, the Company has a working capital deficit of \$506,371 and an accumulated deficit of \$18,997,355. The continued operations of the Company are dependent on its ability to generate future cash flows or obtain additional financing. Management is pursuing additional financing. Management is of the opinion that sufficient working capital will be obtained from external financing to meet the Company's liabilities and commitments as they become due, although there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These factors indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. These consolidated financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern. Such adjustments could be material.

2. Material Accounting Policy Information

(a) Basis of Presentation

These consolidated financial statements have been prepared in accordance with the IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") on a going concern basis.

These consolidated financial statements include the accounts of the Company and the following wholly-owned inactive subsidiaries incorporated in the province of British Columbia:

Totally Hip Services Inc.
Totally Hip Software (B.C.) Inc.

All inter-company balances and transactions have been eliminated on consolidation.

These consolidated financial statements have been prepared on a historical cost basis and are presented in Canadian dollars, which is the Company's functional currency.

(b) Significant Accounting Estimates and Judgments

The preparation of these consolidated financial statements in accordance with IFRS requires management to make judgments, estimates, and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

TOTALLY HIP TECHNOLOGIES INC.

Notes to the Consolidated Financial Statements
Years Ended September 30, 2025 and 2024
(Expressed in Canadian dollars)

2. Material Accounting Policy Information (continued)

(b) Significant Accounting Estimates and Judgments (continued)

Estimates and Assumptions

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods are outlined below:

Deferred Income Taxes

The determination of income tax expense and the composition of deferred income tax assets and liabilities involves judgment and estimates as to the future taxable earnings, expected timing of reversals of deferred income tax assets and liabilities, and interpretations of tax laws. The Company is subject to assessments by tax authorities who may interpret the tax law differently. Changes in these interpretations, judgments, and estimates may materially affect the final amount of deferred income tax provisions, deferred income tax assets and liabilities, and results of operations.

Significant Judgments

The critical judgments that the Company's management has made in the process of applying the Company's accounting policies that have the most significant effect on the amounts recognized in the Company's consolidated financial statements are as follows:

Going Concern

The application of the going concern assumption which requires management to take into account all available information about the future, which is at least but not limited to, 12 months from the year end of the reporting period. The Company is aware that material uncertainties related to events or conditions may cast significant doubt upon the Company's ability to continue as a going concern.

(c) Cash and Cash Equivalents

The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance, are readily convertible to known amounts of cash, and which are subject to insignificant risk of changes in value to be cash equivalents.

(d) Financial Instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the respective instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are included in the initial carrying value of the related instrument and are amortized using the effective interest method. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in the consolidated statement of operations.

IFRS 9 – Financial Instruments ("IFRS 9") establishes three primary measurement categories for financial assets: amortized cost, fair value through other comprehensive income ("FVOCI") and fair value through profit or loss ("FVTPL"). The Company determines the classification of the financial assets at initial recognition. The basis of classification depends on the Company's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument.

TOTALLY HIP TECHNOLOGIES INC.

Notes to the Consolidated Financial Statements
Years Ended September 30, 2025 and 2024
(Expressed in Canadian dollars)

2. Material Accounting Policy Information (continued)

(d) Financial Instruments (continued)

The Company has made the following classifications:

Cash	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Loans payable	Amortized cost

Financial Assets

Financial assets at amortized cost

Financial assets are measured at amortized cost if they are not designated at FVTPL, and the following conditions are met:

- are non-derivative financial assets which are held within a business model whose objective is to hold assets to collect contractual cash flows and selling financial assets; and,
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at FVTOCI

Financial assets are measured at fair value through other comprehensive income only if they not designated at FVTPL, and the following conditions are met:

- it has been held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and,
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company does not hold any financial assets measured at fair value through other comprehensive income.

Financial assets at FVTPL

Assets that do not meet the criteria to be measured at amortized cost, or fair value through other comprehensive income, are measured at fair value through profit or loss. All interest income and changes in the financial assets' carrying amount are recognized in the consolidated statement of operations.

Impairment of financial assets

Financial assets, other than those classified as FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been decreased.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account.

When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are offset against the allowance account. Changes in the carrying amount of the allowance account are recognized in the consolidated statement of operations. Loss allowances are based on the lifetime ECL's that result from all possible default events over the expected life of the trade receivable, using the simplified approach.

TOTALLY HIP TECHNOLOGIES INC.

Notes to the Consolidated Financial Statements
Years Ended September 30, 2025 and 2024
(Expressed in Canadian dollars)

2. Material Accounting Policy Information (continued)

(d) Financial Instruments (continued)

Impairment of financial assets (continued)

For financial assets measured at amortized cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through the consolidated statement of operations to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Financial Liabilities and Equity Instruments

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized as the proceeds received, net of direct issue costs.

Other financial liabilities

Other financial liabilities (including loans and borrowings and trade payables and other liabilities) are initially measured at fair value, net of transaction costs. Subsequently, other financial liabilities are measured at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

(e) Income Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in the statement of operations. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax

Deferred income tax is provided using the statement of financial position method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable income will be available to allow all or part of the deferred income tax asset to be utilized.

TOTALLY HIP TECHNOLOGIES INC.

Notes to the Consolidated Financial Statements
Years Ended September 30, 2025 and 2024
(Expressed in Canadian dollars)

2. Material Accounting Policy Information (continued)

(e) Income Taxes (continued)

Deferred income tax (continued)

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

(f) Revenue

Under IFRS 15, Revenue from Contracts with Customers, the Company uses the 5-step model for revenue recognition based on identifying the contract with the customer, identifying the performance obligations, determining the individual transaction price, and allocating the transaction price to the individual performance obligations making up the contract. Revenue is then recognized when or as the associated performance obligations are delivered and based on the expected consideration to be received. The Company generates revenues from consulting services. The fees that are outlined in an agreement are recognized when the Company's obligations have been performed.

(g) Share-based Payments

The grant date fair value of share-based payment awards granted to employees is recognized as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Share-based payment arrangements in which the Company receives goods or services as consideration for its own equity instruments are accounted for as equity-settled, share-based payment transactions, regardless of how the equity instruments are obtained by the Company.

The fair value of the options is measured at the grant date using the Black-Scholes option pricing model. The fair value is recognized as an expense over the vesting period, which is the period over which all of the specified vesting conditions are satisfied with a corresponding increase in equity. For awards with graded vesting, the fair value of each tranche is recognized over its respective vesting period. Non-market vesting conditions are considered in making assumptions about the number of awards that are expected to vest. When the options are exercised, any proceeds received are credited to share capital along with the amount reflected in share-based payment reserve.

(h) Earnings (Loss) Per Share

Basic earnings (loss) per share is computed using the weighted average number of common shares outstanding during the period. The treasury stock method is used for the calculation of diluted loss per share, whereby all "in the money" stock options and share purchase warrants are assumed to have been exercised at the beginning of the period and the proceeds from their exercise are assumed to have been used to purchase common shares at the average market price during the period. When a loss is incurred during the period, basic and diluted loss per share are the same as the exercise of stock options and share purchase warrants is considered to be anti-dilutive. As at September 30, 2025, the Company has 3,135,000 (2024 - 3,135,000) potentially dilutive shares outstanding.

TOTALLY HIP TECHNOLOGIES INC.

Notes to the Consolidated Financial Statements
Years Ended September 30, 2025 and 2024
(Expressed in Canadian dollars)

2. Material Accounting Policy Information (continued)

(i) Recent accounting pronouncements

A number of new standards, and amendments to standards and interpretations, are not yet effective for the year ended September 30, 2025, and have not been early adopted in preparing these consolidated financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18 – Presentation and Disclosure in Financial Statements which will replace IAS 1, Presentation of Financial Statements. The key new concepts introduced in IFRS 18 relate to the structure of the statement of earnings (loss), required disclosures in the financial statements for certain earnings or loss performance measures that are reported outside an entity's financial statements and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general. IFRS 18 will apply for reporting periods beginning on or after January 1, 2027, and also applies to comparative information. The Company is still in the process of assessing the impact of this standard on its consolidated financial statements.

Amendments to the Classification and Measurement of Financial Instruments ("Amendments to IFRS 9 and IFRS 7")

In May 2024, the IASB issued Amendments to IFRS 9 and IFRS 7 which clarify the date of recognition and derecognition of some financial assets and liabilities with a new exception for some financial liabilities settled through an electronic cash transfer system, clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest criterion, add new disclosures for certain instruments with contractual terms that can change cash flows such as instruments with features linked to the achievement of environment, social and governance targets; and update the disclosures for equity instruments designated at FVOCI. Amendments to IFRS 9 and IFRS 7 is effective for periods beginning on or after January 1, 2026, with early adoption permitted. The Company is still in the process of assessing the impact of this standard on its consolidated financial statements.

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

3. Accounts Payable and Accrued Liabilities

	2025 \$	2024 \$
Trade payables (Note 5)	338,447	301,548
Accrued liabilities	12,000	18,067
Accrued interest payable	30,798	23,396
	381,245	343,011

4. Loans Payable

- (a) As at September 30, 2025, the amount of \$27,550 (2024 - \$27,550) is owed to various unrelated parties. The amounts due are non-interest bearing, unsecured, and due on demand.
- (b) As at September 30, 2025, the amount of \$60,000 (2024 - \$10,000) is owed to an unrelated party which bears interest at 6% per annum, is unsecured, and due on demand.
- (c) As at September 30, 2025, the amount of \$50,320 (2024 - \$5,520) is owed to companies controlled by a former significant shareholder of the Company. The loan bears interest at 1% per month, is unsecured, and due on demand.

TOTALLY HIP TECHNOLOGIES INC.

Notes to the Consolidated Financial Statements

Years Ended September 30, 2025 and 2024

(Expressed in Canadian dollars)

5. Related Party Transactions

- (a) As at September 30, 2025, the amount of \$77,406 (2024 - \$56,435) was owed to companies controlled by a former significant shareholder of the Company, which is included in accounts payable and accrued liabilities.
- (b) As at September 30, 2025, the amount of \$23,569 (2024 - \$nil) was owed to a company with common management, which is included in accounts payable and accrued liabilities.
- (c) During the year ended September 30, 2025, the Company incurred the following expenditures to the companies controlled by a former significant shareholder of the Company:
- Accounting fees of \$14,000 (2024 - \$14,700);
 - Interest of \$14,466 (2024 - \$4,580); and
 - Office and administrative of \$15,750 (2024 - \$35,354).
- (d) During the year ended September 30, 2025, the Company incurred consulting fees of \$6,000 (2024 - \$6,000) to a company controlled by the President of the Company.

6. Share Capital

Authorized: unlimited common shares without par value
100,000,000 preferred shares without par value

7. Stock Options

The Company has established a stock option plan pursuant to which options may be granted to directors, officers, employees and consultants of the Company. The exercise price is equal to the market price of the Company's shares as calculated on the date of grant. The aggregate number of shares issuable pursuant to stock options granted under the plan is limited to 10% of the issued and outstanding shares at the time of grant. Options are granted for a maximum term of 5 years and are fully vested when granted unless otherwise stated.

The following table summarizes the continuity of the Company's stock options:

	Number of stock options	Weighted average exercise price \$
Outstanding, September 30, 2023, 2024, and 2025	3,135,000	0.12

Additional information regarding stock options outstanding as at September 30, 2025 is as follows:

Range of exercise prices \$	Number of options	Outstanding and exercisable	
		Weighted average remaining contractual life (years)	Weighted average exercise price \$
0.12	3,135,000	0.2	0.12

TOTALLY HIP TECHNOLOGIES INC.

Notes to the Consolidated Financial Statements
Years Ended September 30, 2025 and 2024
(Expressed in Canadian dollars)

8. Financial Instruments and Risk Management

(a) Fair Values

Fair value measurements are classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair values of financial instruments, which include cash, accounts payable and accrued liabilities, and loans payable, approximate their carrying values due to the relatively short-term maturity of these instruments.

(b) Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash. The Company limits its exposure to credit loss by placing its cash with high credit quality financial institutions. The carrying amount of financial assets represents the maximum credit exposure.

(c) Foreign Exchange Rate Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is not exposed to any significant foreign exchange rate risk.

(d) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk as it does not have any liabilities with variable rates.

(e) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's objective to managing liquidity risk is to ensure that it has sufficient liquidity available to meet its liabilities when due. The Company relies on raising debt or equity financing in a timely manner.

9. Capital Management

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of cash and equity comprised of issued share capital and share-based payment reserve.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issues or by undertaking other activities as deemed appropriate under the specific circumstances.

The Company is not subject to externally imposed capital requirements and the Company's overall strategy with respect to capital risk management remains unchanged from the year ended September 30, 2024.

TOTALLY HIP TECHNOLOGIES INC.

Notes to the Consolidated Financial Statements

Years Ended September 30, 2025 and 2024

(Expressed in Canadian dollars)

10. Revenue

During the year ended September 30, 2025, the Company earned consulting revenue of \$nil (2024 - \$171,619) from companies with common management.

A breakdown of the revenue is presented below:

	2025 \$	2024 \$
<u>Major goods/service lines</u>		
Consulting services	—	171,619
<u>Timing of revenue recognition</u>		
Consulting services transferred over time	—	171,619

11. Segmented Information

The Company has one operating segment, the provision of consulting services. The Company's head office and operations are in Canada.

12. Income Taxes

The tax effect (computed by applying the Canadian federal and provincial statutory rate) of the significant temporary differences, which comprise deferred income tax assets and liabilities, are as follows:

	2025 \$	2024 \$
Canadian statutory income tax rate	27%	27%
Income tax provision (recovery) at statutory rate	(35,508)	11,953
Tax effect of:		
Change in unrecognized deferred income tax assets	35,508	(11,953)
Income tax provision	—	—

The significant components of deferred income tax assets and liabilities are as follows:

	2025 \$	2024 \$
Deferred income tax assets		
Non-capital losses carried forward	1,588,000	1,552,509
Capital losses carried forward	35,882	35,882
Property and equipment	98,236	98,219
Total gross deferred income tax assets	1,722,118	1,686,610
Unrecognized deferred income tax assets	(1,722,118)	(1,686,610)
Net deferred income tax asset		—

TOTALLY HIP TECHNOLOGIES INC.

Notes to the Consolidated Financial Statements

Years Ended September 30, 2025 and 2024

(Expressed in Canadian dollars)

12. Income Taxes (continued)

As at September 30, 2025, the Company has non-capital losses carried forward of \$5,881,481 which are available to offset future years' taxable income. These losses expire as follows:

	\$
2026	612,939
2027	255,722
2028	398,086
2029	196,134
2030	207,568
2031	257,555
2032	399,525
2033	509,090
2034	356,214
2035	471,989
2036	437,648
2037	607,387
2038	335,358
2039	180,868
2040	72,960
2041	99,526
2042	227,566
2043	123,898
2045	131,448
	5,881,481