SonicStrategy Inc.

(formerly Spetz Inc.)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2026 AND 2025
(EXPRESSED IN US DOLLARS)

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying unaudited condensed consolidated interim financial statements of SonicStrategy Inc., ("SonicStrategy" or the "Company") as at and for the three months ended March 31, 2026 (the "March 2026 Financial Statements") are the responsibility of the management and Board of Directors of the Company.

The March 2026 Financial Statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in Note 3 to the Company's audited annual consolidated financial statements as at and for the year ended December 31, 2025. In preparing the March 2026 Financial Statements, management has made informed judgments and estimates in accounting for transactions which were not complete at the date of the statement of financial position. In the opinion of management, the March 2026 Financial Statements of the Company have been prepared within acceptable limits of materiality and are in compliance with International Accounting Standard 34, "Interim Financial Reporting".

Management has established processes which are in place to provide it with sufficient knowledge to support management representations that it has exercised reasonable diligence that (i) the March 2026 Financial Statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated, or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as at the date of, and for the periods presented by, the March 2026 Financial Statements; and (ii) the March 2026 Financial Statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as at the date of and for the periods presented by the March 2026 Financial Statements.

The Board of Directors is responsible for reviewing and approving the March 2026 Financial Statements, together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibility. The Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee has met with management to review the financial reporting process and other financial information of the Company, including the March 2026 Financial Statements. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the financial disclosure of the Company, including the March 2026 Financial Statements, for issuance to the Company's shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

"Dustin Zinger"
Dustin Zinger
Chief Executive Officer

"Ivan Riabov"
Ivan Riabov
Chief Financial Officer

Toronto, Canada
May 26, 2026

NOTICE TO READER

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

SonicStrategy Inc. (formerly Spetz Inc.)
Condensed Consolidated Interim Statements of Financial Position (Unaudited)
(Expressed in US Dollars)

As at	Notes		March 31, 2026		December 31, 2025
ASSETS					
Current assets					
Cash		$	34,885	$	101,216
Intangible assets - USDC	5		461,294		281,323
Total current assets			496,179		382,539
Non-current assets					
Intangible assets - Sonic	6		5,378,095		10,028,424
Intangible assets - Bitcoin	7		253,251		324,792
Intangible assets - Sonic vesting right (zero-coupon claim)	8		17,607		31,904
Intangible assets - aSonsT$ (Aave Loop)	9		156,119		593,092
Goodwill	3,12		885,957		901,018
Total non-current assets			6,691,029		11,879,230
Total assets		$	7,187,208	$	12,261,769
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities		$	240,881	$	280,100
Convertible debenture	4,11		419,394		404,524
Sonic tokens borrowed (Aave Loop)	9		64,761		425,264
Total current liabilities			725,036		1,109,888
Non-current liabilities					
Sonic Labs convertible debenture	10		5,170,423		9,349,847
Total liabilities			5,895,459		10,459,735
SHAREHOLDERS' EQUITY					
Share capital	13		31,987,989		31,987,989
Warrant reserve	14		9,533,202		9,533,202
Share-based payments reserve	15		5,329,735		5,063,939
Equity portion on convertible debenture	11		188,860		188,860
Accumulated revaluation surplus			-		-
Accumulated currency translation adjustment (CTA)			64,975		87,265
Accumulated deficit			(45,813,012)		(45,059,221)
Total shareholders' equity			1,291,749		1,802,034
Total liabilities and shareholders' equity		$	7,187,208	$	12,261,769

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

SonicStrategy Inc. (formerly Spetz Inc.)
Condensed Consolidated Interim Statements of Loss and Comprehensive Loss (Unaudited)
(Expressed in US Dollars)

For the three months ended	Notes		March 31, 2026		March 31, 2025
Revenue					
Staking revenue	6	$	111,566	$	-
Expenses					
Management fees	18		76,669		16,711
Director fees	18		13,998		-
Consulting fees			31,706		-
Investor relations consulting fees			2,187		(2,108)
Public company expenses			5,539		8,053
Professional fees			565		5,204
General and administrative			243		-
Travel			11,110		-
Interest and accretion	9, 11		23,439		(40,764)
Foreign exchange gain			(3,611)		1,919
Share-based compensation	15		265,796		-
Net (loss) gain from operations		**$**	**(316,075)**	**$**	**10,985**
Other income (loss)					
Impairment of intangible assets			(13,988)		
Realized loss on digital currencies - intangible assets	6		(1,564,235)		-
Revaluation (loss) gain on digital currencies - intangible assets	6,7,9		(3,123,743)		12,475
Revaluation gain on digital currencies - financial liabilities	10,11		4,264,250		-
Net (loss) gain before discontinued operations		**$**	**(753,791)**	**$**	**23,461**
Discontinued operations - gain on disposition of legacy business			-		-
Discontinued operations - loss from legacy business	16		-		(211,000)
Net loss for the period		**$**	**(753,791)**	**$**	**(187,539)**
Other comprehensive income (loss)					
Revaluation of digital currencies – intangible assets			-		-
Foreign currency translation adjustment (CTA)			(22,290)		38,000
Comprehensive loss for the period		**$**	**(776,081)**	**$**	**(149,539)**
Weighted average shares outstanding					
- Basic and diluted			49,620,466		15,533,642
Loss per share from continuing operations - basic and diluted			(0.02)		0.00
Income (loss) per share from discontinued operations - basic and diluted			-		(0.01)
Loss per share from operations - basic and diluted			(0.02)		(0.01)

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

SonicStrategy Inc. (formerly Spetz Inc.)
Condensed Consolidated Interim Statements of Changes in Shareholders' Equity (Unaudited)
(Expressed in US Dollars)

	Notes	Number of Shares	Share capital	Warrants reserve	Share-based payments reserve	Equity portion on convertible debenture	Accumulated Deficit	Accumulated Foreign Currency Translation Adjustment	Accumulated Revaluation Surplus	Total
Balance, December 31, 2024		**5,783,620**	**$ 22,746,641**	**$ 7,170,470**	**$ 4,145,779**	**$ 132,305**	**$ (36,242,749)**	**$ 42,000**	**$ -**	**$ (2,005,554)**
Equity portion on convertible debenture	11	-	-	-	-	113,708	-	-	-	113,708
Shares issued to settle debt	13	4,456,457	310,988	-	-	-	-	-	-	310,988
Shares issued on private placement	13	5,000,000	348,918	-	-	-	-	-	-	348,918
Shares issued on acquisition of Sonic	3,13	13,999,999	3,652,000	-	-	-	-	-	-	3,652,000
Shares issued on acquisition of Sonic - advisory fee	3,13	700,000	183,515	-	-	-	-	-	-	183,515
Shares issued on acquisition of Sonic - transaction cost	3,13	-	(183,515)	-	-	-	-	-	-	(183,515)
Net loss for the period		-	-	-	-	-	(187,539)	-	-	(187,539)
Revaluation of digital currencies – intangible assets		-	-	-	-	-	-	-	-	-
Foreign currency translation adjustment (CTA)		-	-	-	-	-	-	38,000	-	38,000
Balance, March 31, 2025		**29,940,076**	**$ 27,058,547**	**$ 7,170,470**	**$ 4,145,779**	**$ 246,013**	**$ (36,430,288)**	**$ 80,000**	**$ -**	**$ 2,270,521**
Balance, December 31, 2025		**49,620,466**	**$ 31,987,989**	**$ 9,533,202**	**$ 5,063,939**	**$ 188,860**	**$ (45,059,221)**	**$ 87,265**	**$ -**	**$ 1,802,034**
Share-based compensation		-	-	-	265,796	-	-	-	-	265,796
Net loss for the period		-	-	-	-	-	(753,791)	-	-	(753,791)
Revaluation of digital currencies – intangible assets		-	-	-	-	-	-	-	-	-
Foreign currency translation adjustment (CTA)		-	-	-	-	-	-	(22,290)	-	(22,290)
Balance, March 31, 2026		**49,620,466**	**$ 31,987,989**	**$ 9,533,202**	**$ 5,329,735**	**$ 188,860**	**$ (45,813,012)**	**$ 64,975**	**$ -**	**$ 1,291,749**

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

SonicStrategy Inc. (formerly Spetz Inc.)
Condensed Consolidated Interim Statements of Cash Flows (Unaudited)
(Expressed in US Dollars)

For the three months ended		March 31, 2026		March 31, 2025
Cash flows from operating activities				
Net loss for the period	$	(753,791)	$	(187,539)
Non-cash items:				
Interest and accretion		23,439		(40,000)
Depreciation and amortization expense		-		86,000
Increase of related party payables		-		84,000
Revaluation of digital assets		3,123,743		(13,000)
Revaluation of financial liabilities		(4,264,250)		-
Realized loss on digital assets		1,564,235		-
Impairment of intangible assets		13,988		-
Staking revenue		(111,566)		-
Expenses paid by digital currencies (USDC)		110,784		-
Share-based compensation		265,796		-
		(27,622)		(70,539)
Net change in non-cash working capital items:				
Accounts receivable		-		5,000
Deferred revenue		-		(3,000)
Employee benefit liabilities		-		(1,000)
Accounts payable and accrued liabilities		(39,219)		(89,000)
Cash flows used in operating activities		(66,841)		(158,539)
Cash flows from investing activities				
Sale of investments		-		-
Purchase of digital currencies		-		(139,000)
Cash flows used in provided investing activities		-		(139,000)
Cash flows from financing activities				
Decrease in short term bank credit		-		(16,000)
Increase in related party payables		-		(11,000)
Net proceeds from private placements		-		348,000
Cash flows provided by financing activities		-		321,000
Effects of exchange rate changes on cash		510		(2,000)
Increase (decrease) in cash		(66,331)		21,461
Cash, beginning of the period		101,216		1,000
Cash, end of the period	**$**	**34,885**	**$**	**22,461**

Supplemental disclosure of cash flow information				
Shares issued on acquisition of Sonic, net	$	-	$	3,652,000
Shares issued to settle debt		-		310,988

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

1. Nature of Operations and Going Concern

SonicStrategy Inc. (the "Company", formerly Spetz Inc.) was incorporated on December 11, 1998, under the laws of the Province of Ontario, Canada. The registered office and principal place of business of the Company is 77 King Street West, Suite 400, Toronto, Ontario, M5K 0A1, Canada. The Company is listed on the Canadian Securities Exchange ("CSE") and trades under the symbol "SONI".

Prior to June 1, 2025, the Company had a global online, AI-powered marketplace platform that dynamically connected consumers to nearby rated service providers within 30 seconds. The Company operated in Israel, Australia, the United Kingdom and the United States. On June 1, 2025, the Company completed the sale of its legacy operating business, the SonicStrategy app platform, along with all associated assets, liabilities, and subsidiaries, including its holdings in SonicStrategy Tech Ltd, SonicStrategy Inc (US) and Kirobo Ltd.

On March 17, 2025, the Company completed its acquisition of Sonic Strategy Inc. ("SonicStrategy"). SonicStrategy is a blockchain staking company focused on the Sonic blockchain. With the completion of the acquisition of SonicStrategy, the Company further strengthened its capabilities in blockchain infrastructure and staking solutions.

Following SonicStrategy acquisition and SonicStrategy legacy business sale, the Company now focuses on expanding its validator operations, increasing staking adoption, and integrating with the Company's broader ecosystem with the goal of generating value and revenue through validator operations, staking activities, treasury management, and validator infrastructure. The Company aims to drive growth in staking solutions, validator-as-a-service (VaaS), and enterprise blockchain adoption. On December 2, 2025, the Company filed articles of amendment to complete its legal name change to SonicStrategy Inc.

Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. The Company has suffered recurring losses from operations and negative cash flows from operations since inception. As of March 31, 2026, the Company had incurred accumulated losses of $45,813,012 and expects to continue to fund its operations through capital fundraising and future revenues. There is no assurance that such financing will be obtained. Management continues to actively monitor liquidity, treasury balances, and operating expenditures in response to digital asset market conditions. Considering the above, these factors raise material uncertainties related to events or conditions that may cast significant doubt about its ability to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of these uncertainties.

2. Basis of Presentation

Statement of Compliance

These unaudited condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting*. Accordingly, they do not include all of the information and disclosures required for full annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the IASB and interpretations issued by IFRIC. These unaudited condensed consolidated interim financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2025.

Basis of Measurement

These condensed consolidated interim financial statements have been prepared using the historical cost basis except for certain financial instruments and digital assets, which are measured at fair value as required by IFRS. The financial statements are prepared on an accrual basis of accounting, except for cash flow information. These condensed consolidated interim financial statements follow the same accounting policies and methods of application as the most recent audited consolidated financial statements for the year ended December 31, 2025.

Basis of Consolidation

These condensed consolidated interim financial statements include the accounts of the Company and its subsidiaries. All intercompany balances and transactions were eliminated on consolidation. Subsidiaries are entities the Company controls when it has the power, directly or indirectly to govern the financial and operating policies of an entity, and it is exposed, or has rights, to variable returns from its involvement with the entity.

Subsidiaries	Jurisdiction of incorporation	Status	Functional Currency	Ownership interest
2618249 Ontario Corp.	Ontario, Canada	Active	CAD	100%
Sonic Strategy Inc.	Alberta, Canada	Inactive	CAD	100%
DataNavee Corporation	Ontario, Canada	Inactive	CAD	100%
Digimax Fund SPC	Cayman Islands	Inactive	CAD	80%
Digimax Global BVI inc.	Cayman Islands	Inactive	CAD	100%
Delphi Crypto AiCi	USA	Inactive	USD	100%

Functional and Presentation Currency

All figures presented in these condensed consolidated interim financial statements are reflected in United States dollars, which is the Company's presentation currency. The Company's functional currency is Canadian dollars ("CAD"). Foreign currency transactions are translated into CAD dollars at exchange rates in effect on the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the consolidated statement of financial position date are translated to CAD dollars at the foreign exchange rate applicable at that date. Realized and unrealized exchange gains or losses are recognized through profit or loss. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction unless it is measured at fair value in which case it is translated using the exchange rate at the date when the fair value was measured.

Significant judgements, estimates and assumptions

In the preparation of these condensed consolidated interim financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the condensed consolidated interim financial statements and the reported amounts of expenses during the period. Actual results could differ from these estimates.

These condensed consolidated interim financial statements were approved by the Board of Directors on May 26, 2026.

Accounting Standards Issued and Adopted

The Company has evaluated new and amended standards issued by the IASB that are effective for annual reporting periods beginning on or after January 1, 2026, and has determined that they are not applicable to the Company's operations or do not have a material impact on its financial statements.

3. Acquisition of Sonic Strategy Inc.

On March 17, 2025, the Company announced the completion of acquisition of SonicStrategy, a blockchain staking company focused on the Sonic blockchain. The Company issued 13,999,999 common shares in the capital of the Company to the shareholders of SonicStrategy in exchange for 100% of the issued and outstanding shares in the capital of SonicStrategy. The Company also issued an aggregate of 700,000 common shares to two arm’s length entities as an advisory fee. Below is a final breakdown of the purchase price allocated to the assets acquired.

Other receivables	$	17,513
Goodwill		3,652,789
Fair value of net assets acquired	**$**	**3,670,302**
Common shares		3,670,302
Fair value of consideration paid	**$**	**3,670,302**

Goodwill recognized on the acquisition of SonicStrategy represents the excess purchase price paid by the Company over the fair value of the net assets acquired. Goodwill recognized on acquisition primarily reflects expected synergies associated with validator infrastructure operations, staking capabilities, and strategic positioning within the Sonic ecosystem. Refer to

(Expressed in US Dollars)

Note 12 for further details regarding the impairment of goodwill recognized as of December 31, 2025, including the underlying assumptions and valuation considerations.

4. Sale of SonicStrategy App Platform and Subsidiaries

On June 1, 2025, the Company completed the sale of its legacy operating business, the SonicStrategy app platform, along with all associated liabilities and subsidiaries, including its holdings in SonicStrategy Tech Ltd, SonicStrategy Inc (US), and Kirobo Ltd.

The total consideration for the transfer of all shares in the subsidiaries was $1.00 CAD (actual dollars). As a result of the transaction, the associated assets and liabilities of the legacy SonicStrategy operating entities were removed from the Company's financial statement.

As a part of the agreement, the Company also obtained a full release from all outstanding debts, liabilities, and obligations owed by the Company to the former Company's CEO and to one of the former Company's directors. No finder's fees were paid in connection with this transaction. Below represents the associated assets and liabilities removed from the Company's financial statement following the subsidiary's sale:

Cash and cash equivalents	$ -
Investments	(48,802)
Accounts receivable, net	(260,335)
Other receivables	(32,035)
Prepaid expenses	(55,745)
Property, plant and equipment, net	(12,674)
Intangible assets	(1,541,182)
Goodwill	(349,966)
Short term bank facility	94,002
Accounts payable	495,028
Other payables	381,556
Deferred revenue	216,739
Related party payables	1,664,334
Related party convertible debenture	301,712
Convertible debenture	97,919
Employee benefit liabilities	17,325
Gain on sale of subsidiaries	**$ 967,876**

5. Digital Currencies – Intangible Assets – USDC

	USDC		USD $
Balance, January 1, 2025	-	$	-
USDC purchased	870,464		870,464
USDC contributed in-kind on private placements	190,267		190,267
USDC sold to fund expenses	(507,561)		(507,561)
USDC sold to acquire S tokens	(271,847)		(271,847)
Balance, December 31, 2025	**281,323**	$	**281,323**
USDC purchased	290,755		290,755
USDC sold to fund expenses	(110,784)		(110,784)
Balance, March 31, 2026	**461,294**	$	**461,294**

The Company holds USDC, a US dollar-pegged stablecoin used to settle trades and fund near-term obligations. USDC is presented within current assets and classified as an intangible asset (digital currency) under IAS 38, not as cash or cash equivalents. It has an indefinite useful life and is measured at fair value through profit or loss (FVTPL). Balances are initially recognized at fair value on the trade date and remeasured to fair value at each reporting date using observable USDC/USD market quotations from observable market quotations from active USD-stablecoin markets. Because USDC is designed to maintain a stable 1:1 peg to the U.S. dollar and is traded on active, liquid markets with directly observable pricing, the Company classifies USDC as Level 1 within the IFRS 13 fair-value hierarchy.

USDC is held with a third-party digital-asset custodian under standard custodial arrangements. The Company retains control of the USDC under IFRS because it can direct the use of the balances, withdraw or transfer them at its discretion (subject only to normal platform procedures), and is exposed to substantially all risks and rewards of ownership. USDC is not subject to contractual lock-ups, staking programs, lending arrangements, or other encumbrances.

(Expressed in US Dollars)

Although USDC is intended for short-term liquidity management, it is not considered a demand deposit or a cash equivalent under IAS 7 and is therefore presented separately from cash. Key risks associated with USDC include issuer and reserve risk, custodian/counterparty risk, and temporary de-pegging risk. All fair-value changes are recognized in profit or loss.

During the three months ended March 31, 2026, the Company purchased 290,755 USDC ($290,755) and used 110,784 USDC ($110,784) to fund operating expenses, resulting in a closing balance of 461,294 USDC ($461,294) as at March 31, 2026.

6. Digital Currencies – Intangible Assets – Sonic Tokens

	Sonic in Safe Wallet	Sonic in Validator #1	Sonic in Validator #2	Sonic Tokens Total	Sonic Value USD $
Balance, January 1, 2025	**-**	**-**	**-**	**-**	**$ -**
S purchased in the open market	9,308,495	-	-	9,308,495	3,169,693
S contributed by Sonic Labs as part of convertible debenture	126,622,349	-	-	126,622,349	38,138,651
S contributed in-kind on private placements	369,355	-	-	369,355	184,642
S sold to fund expenses	(122,000)	-	-	(122,000)	(63,174)
S staked to the validator #1	(3,000,004)	3,000,004	-	-	-
S staked to the validator #2	(126,622,544)	-	126,622,544	-	-
S deployed to Beets LP (via bpt-sss / bpt-sss-gauge)	(2,574,727)	-	-	(2,574,727)	(856,869)
S withdrawn from Beets LP (via bpt-sss / bpt-sss-gauge)	2,583,015	-	-	2,583,015	785,079
S deployed to Pendle LP (via Magpie PT-LP)	(1,000,000)	-	-	(1,000,000)	(323,100)
S withdrawn from Pendle LP	1,007,526	-	-	1,007,526	308,605
S deployed to Aave (supplied to Aave via aSonsT$)	(7,896,727)	-	-	(7,896,727)	(2,415,071)
S borrowed from Aave (variableDebt)	5,700,000	-	-	5,700,000	1,746,770
S deployed to Sonic vesting right (zero-coupon claim)	(388,314)	-	-	(388,314)	(119,834)
S received as staking revenue from Beets LP	9,538	-	-	9,538	3,403
S received as staking revenue and restaked in validators	-	63,672	-	63,672	20,167
S staking revenue claimed	2,125,500	2,082	302	2,127,884	333,361
S staking revenue unclaimed in validators	-	127	1,940	2,067	153
Realized gain on S sold to fund expenses	-	-	-	-	8,110
Valuation adjustment	-	-	-	-	(30,649,760)
Foreign exchange translation adjustment (OCI)	-	-	-	-	(242,402)
Balance, December 31, 2025	**6,121,462**	**3,065,885**	**126,624,786**	**135,812,133**	**$ 10,028,424**
S sold to acquire USDC	(6,121,466)	-	-	(6,121,466)	(290,755)
Realized loss on sale of S	-	-	-	-	(1,564,235)
Withdrawal of S deployed to Aave	4,196,452	-	-	4,196,452	182,009
Return of S borrowed from Aave	(4,199,400)	-	-	(4,199,400)	(182,135)
Miscellaneous tokens converted to S	2,987	-	-	2,987	-
S staking revenue claimed	1,100	38,176	650,630	689,906	53,871
S staking revenue unclaimed in validators	-	61,318	1,266,248	1,327,566	57,695
Valuation adjustment	-	-	-	-	(2,807,506)
Foreign exchange translation adjustment (OCI)	-	-	-	-	(99,273)
Balance, March 31, 2026	**1,135**	**3,165,379**	**128,541,664**	**131,708,178**	**$ 5,378,095**

The table reconciles movements in the Company's Sonic (S) holdings for the three months ended March 31, 2026 across three locations: the self-custodied ("safe") wallet, Validator #1 and Validator #2. The self-custody wallet represents an on-chain address for which the Company retains exclusive control of the private keys, providing unrestricted ability to access, manage, and transfer S balances held therein. This self-custodied arrangement is distinct from the Company's digital assets held with third-party custodians (see Notes 5 and 7 on USDC and Bitcoin), as the S tokens in the self-custodied wallet are not held by an external custodian or service provider.

Delegated Sonic tokens remain assets of the Company at all times. Delegation does not transfer ownership and delegated balances may be undelegated by the Company subject to standard Sonic network unbonding periods.

During the three months ended March 31, 2026, the Company sold 6,121,466 S ($290,755) to acquire USDC which resulted in a realized loss of $1,564,235. The Company also withdrew 4,196,452 S ($182,009) previously deployed to Aave, returned 4,199,400 S ($182,135) that was borrowed from Aave, claimed 689,906 S ($53,871) as revenue from staking and accrued 1,327,566 S ($57,695) as unclaimed revenue. During the three months ended March 31, 2026, the position was revalued downward by $2,807,506 and is presented as "revaluation loss on digital currencies - intangible assets" in the condensed consolidated interim statements of loss and comprehensive loss.

Sonic tokens are classified within the Company's digital-asset portfolio and measured at fair value through profit or loss (FVTPL). Tokens are initially recognized at fair value on trade date and are not amortized. At each reporting date, S holdings are remeasured to fair value using quoted market prices on principal venues; all fair-value changes are recognized in profit or loss (presented as "valuation adjustment"). Tokens delegated to validators or temporarily deployed to DeFi programs remain recognized as the Company's assets and continue to be measured at FVTPL; any related receipt tokens held during the period (e.g., LP or PT-LP units, aSonsT$) are accounted for under the same policy while outstanding. Staking rewards from validators, whether claimed or unclaimed at year-end, are recognized as revenue on an accrual basis when earned (i.e., when the protocol has no further performance conditions and the amount is reliably measurable). Rewards are measured at the fair value of the S tokens at the earning date. Rewards are recorded as an increase in S and subsequent changes in value are recognized in FVTPL. Key risks include market-price volatility for S, validator operational/slashing risk for delegated balances, smart-contract and counterparty risk when assets are deployed to DeFi programs, liquidity risk, and chain-level intervention capability.

(Expressed in US Dollars)

Sonic is measured at FVTPL on a recurring basis and is classified as Level 2 under IFRS 13. Fair value is determined using observable market inputs, quoted prices from CoinMarketCap, without significant unobservable assumptions; prices may reflect composite quotes, cross-venue averages or liquidity screens, so they are not a single unadjusted Level-1 quote for an identical asset in a principal market. S balances were not pledged or encumbered at period end, other than normal protocol mechanics (e.g., validator-delegated S subject to potential unbonding) and the contractual lock-up described above.

7. Digital Currencies – Intangible Assets – Bitcoin

	BTC		USD $
Balance, January 1, 2025	-	$	-
BTC purchased	3.71		395,910
Valuation adjustment	-		(69,107)
Foreign exchange translation adjustment (OCI)	-		(2,011)
Balance, December 31, 2025	**3.71**	**$**	**324,792**
Valuation adjustment	-		(67,190)
Foreign exchange translation adjustment (OCI)	-		(4,351)
Balance, March 31, 2026	**3.71**	**$**	**253,251**

The Company holds 3.71 BTC as a treasury digital asset. Bitcoin is accounted for as an intangible asset with an indefinite useful life under IAS 38, and the Company applies the revaluation model because there is an active market with quoted prices. On initial recognition the asset is measured at cost; thereafter it is carried at its revalued amount, being fair value at the reporting date derived from observable market quotations from CoinMarketCap and classified as Level 2 under IFRS 13 (the Company applies Level 2 classification on a conservative basis because pricing reflects composite/cross-venue inputs rather than a single unadjusted principal-market quote).

Upward revaluations are recognized in other comprehensive income and accumulated in equity as a revaluation surplus; decreases are recognized in profit or loss, except to the extent they reverse a previous surplus for the same asset, in which case the decrease is recognized in other comprehensive income. During the three months ended March 31, 2026, the position was revalued downward by $67,190 and is presented as “revaluation loss on digital currencies - intangible assets” in the condensed consolidated interim statements of loss and comprehensive loss.

The BTC is held with a third-party digital-asset custodian under standard custodial arrangements. The Company retains control of the BTC under IFRS because it has the ability to direct the use of the asset, can withdraw or transfer the BTC at its discretion (subject only to normal platform operating procedures), and is exposed to substantially all of the risks and rewards associated with ownership. The BTC is not subject to contractual lock-ups or restrictions on transfer.

The BTC holding is not amortized, is not pledged or encumbered, and is exposed to market-price volatility and liquidity risk inherent in digital-asset markets. Because fair value is determined using observable market inputs and does not rely on significant unobservable assumptions, BTC is measured using a recurring fair-value technique consistent with IFRS 13 requirements.

8. Digital Currencies – Intangible Assets – Sonic Vesting Right

	Balance (S)		USD $
Balance, January 1, 2025	-	$	-
Purchase	388,314		119,834
Impairment loss	-		(86,598)
Foreign exchange translation adjustment (OCI)	-		(1,332)
Balance, December 31, 2025	**388,314**	**$**	**31,904**
Impairment loss	-		(13,988)
Foreign exchange translation adjustment (OCI)	-		(309)
Balance, March 31, 2026	**388,314**	**$**	**17,607**

(Expressed in US Dollars)

The balance represents a non-interest-bearing contractual right to receive Sonic tokens over time, economically similar to a zero-coupon claim that settles in Sonic. The right was acquired as part of the Company's broader digital-asset strategy and originated from transactions undertaken using the Company's self-custodied wallet. The right is accounted for as an intangible asset under IAS 38 and is measured at cost less impairment, with cost equal to the fair value of consideration given on the purchase date ($119,834 for 388,314 Sonic tokens). The right is not amortized and is tested for impairment at each reporting date.

When tokens are claimed, a pro-rata portion of the carrying amount is derecognized and any difference between the fair value of the Sonic tokens received on the claim date and the carrying amount relieved is recognized in profit or loss. No income is recognized during the vesting period unless and until tokens are actually claimed, and unvested amounts do not themselves generate staking rewards or validator income.

The vesting right is distinct from the Company's Sonic spot holdings and operates independently of the Company's validator and Aave supply/borrow activities. It does not involve delegation or staking until tokens are actually received. The Company retains control of the right as it holds a contractual entitlement to receive Sonic tokens as vesting conditions are met and is exposed to the associated risks and rewards. The right is not pledged or encumbered. Key risks relate to contract performance by the counterparty, volatility and liquidity of the Sonic token, and changes in protocol-level vesting mechanics. The vesting schedule is expected to complete by April 18, 2026.

As at March 31, 2026, management performed its required impairment assessment of the vesting right in accordance with IAS 36. The recoverable amount of the asset was determined by reference to the fair value of the underlying Sonic tokens expected to be received, based on the quantity of tokens outstanding at period end multiplied by the observable market price of Sonic as at the reporting date. As the market price of Sonic declined during the period, the estimated recoverable amount of the vesting right decreased accordingly. Since the recoverable amount was lower than the carrying amount, an impairment loss of $13,988 was recognized in profit or loss to reduce the asset to its recoverable amount. In future periods, impairment losses may be reversed if there is an increase in the recoverable amount resulting from changes in market prices or other relevant assumptions, subject to the limitations in IAS 36. Management will continue to assess the vesting right for indicators of impairment at each reporting date, with particular sensitivity to changes in the market price and liquidity of the Sonic token.

9. Digital Currencies – Intangible Assets and Related Financial Liability – Aave Loop

	aSonsT$ - Asset		USD $
Balance, January 1, 2025	**-**	**$**	**-**
Supplied to Aave as part of the lending program	7,896,727		2,415,071
Rewards received	7,125		2,208
Valuation adjustment (index + price)	(105,709)		(1,796,537)
Foreign exchange translation adjustment (OCI)	-		(27,650)
Balance, December 31, 2025	**7,798,143**	**$**	**593,092**
Balance, December 31, 2025 (if converted to S)	*8,032,087*	*$*	*593,092*
Tokens withdrawn from the lending program	(4,196,452)		(182,009)
Valuation adjustment (index + price)	110,265		(249,047)
Foreign exchange translation adjustment (OCI)	-		(5,917)
Balance, March 31, 2026	**3,711,956**	**$**	**156,119**
Balance, March 31, 2026 (if converted to S)	*3,823,315*	*$*	*156,119*

	S Borrowed - Liability		USD $
Balance, January 1, 2025	**-**	**$**	**-**
S borrowed from Aave	5,700,000		1,746,770
Interest expense	59,237		11,805
Valuation adjustment	-		(1,313,192)
Foreign exchange translation adjustment (OCI)	-		(20,119)
Balance, December 31, 2025	**5,759,237**	**$**	**425,264**
Interest expense	26,154		1,455
S returned to Aave	(4,199,400)		(182,135)
Valuation adjustment	-		(175,507)
Foreign exchange translation adjustment (OCI)	-		(4,316)
Balance, March 31, 2026	**1,585,991**	**$**	**64,761**

(Expressed in US Dollars)

During the period, the Company operated an Aave lending strategy in which Sonic (S) tokens were supplied to Aave and received as deposit receipts (aSonsT$) while, in a parallel leg, S was borrowed on a variable-rate basis. aSonsT$ represents the Company's claim on the supplied pool and grows with the Aave supply index and movements in the underlying S/stS price; the borrowed balance increases with the debt index. For the three months ended March 31, 2026, the Company withdrew 4,196,452 aSonsT$ ($182,009) from the Aave lending program. Period-end remeasurement of the aSonsT$ position (index + price) produced a valuation adjustment of $249,047, resulting in 3,711,956 aSonsT$ with a carrying amount of $156,119; if converted at the reporting date this would correspond to 3,823,315 S. "Valuation adjustment" on the asset leg is presented as "revaluation loss on digital currencies - intangible assets" in the condensed consolidated interim statements of loss and comprehensive loss. On the liability leg, the Company incurred $1,455 of interest via the debt index and 4,199,400 S ($182,135) were returned to Aave, ending with 1,585,991 S outstanding ($64,761). "Valuation adjustment" on the liability leg is presented as "revaluation gain on digital currencies – financial liabilities" in the consolidated statements of loss and comprehensive loss.

The Aave positions are held directly on-chain from the Company's self-custodied wallet, and the Company retains full control over both the supplied (aSonsT$) and borrowed (variable-debt S) legs. Supplying S to Aave does not transfer ownership of the tokens to the protocol; the Company continues to control the underlying economic benefits and bears the associated risks. aSonsT$ remains the Company's asset until withdrawn or redeemed, and the collateralized S is not derecognized. These positions are not subject to the contractual lock-up applicable to the contributed S tokens and operate independent of validator-level restrictions.

The aSonsT$ is classified within the Company's digital-asset portfolio and measured at fair value through profit or loss (FVTPL). It is initially recognized at fair value on trade date and remeasured each reporting date using observable inputs only: the Aave supply index / stS–S basis published by the protocol and the quoted S price on principal venues. Changes in fair value (including auto-compounded incentives) are recognized in profit or loss. Because the valuation uses observable inputs without significant unobservable assumptions, the aSonsT$ asset is classified within Level 2 of the IFRS 13 fair-value hierarchy and included in the Company's hierarchy table within financial assets.

The Aave variable-debt S balance is accounted for as a financial liability measured at fair value through profit or loss ("FVTPL") in accordance with IFRS 9. The liability is initially recognized at fair value, with subsequent measurement at fair value at each reporting date. Changes in fair value, including the effects of movements in the market price of the S token and the accrual of variable borrowing costs through the Aave debt index, are recognized in profit or loss in the period in which they arise. The borrowing is repayable on demand and subject to liquidation if the health factor deteriorates; accordingly, it is presented as a current liability. As the liability is measured at fair value on a recurring basis using observable market inputs, it is included in the IFRS 13 fair value hierarchy.

The loop seeks to earn the spread between the supply yield on aSonsT$ and the borrowing cost on variable-debt S while maintaining exposure to S price movements on the net position. Key risks include market-price volatility in S, interest-rate/index risk on the Aave supply and borrow indices, liquidation risk if collateral value falls, smart-contract/counterparty risk at the protocol level, and liquidity risk around unwinding. The Company presents the asset and liability gross and does not offset them.

10. Sonic Labs Convertible Debenture

	Balance (S)		USD $
Balance, January 1, 2025	-	$	-
Contributed in-kind ($40,000,000 principal amount)	126,622,349		38,138,651
Valuation adjustment	-		(28,562,328)
Foreign exchange translation adjustment (OCI)	-		(226,476)
Balance, December 31, 2025	**126,622,349**	**$**	**9,349,847**
Valuation adjustment	-		(4,088,743)
Foreign exchange translation adjustment (OCI)	-		(90,681)
Balance, March 31, 2026	**126,622,349**	**$**	**5,170,423**

On September 10, 2025, the Company entered into an unsecured, non-interest-bearing convertible debenture with Sonic Labs in the principal amount of $40,000,000. Consideration was contributed in-kind as 126,622,349 Sonic ("S") tokens at the fair value of $38,138,651. On December 29, 2025, the debenture was amended and restated, replacing the original debenture in its entirety. Under the amended and restated terms, the debenture matures on March 10, 2029 and, at maturity or upon a change of control, is settled solely through the delivery of S tokens in accordance with the proportional settlement formula set out in the agreement (i.e., by returning a variable number of the contributed tokens based on the remaining principal). There is no cash redemption feature. The instrument ranks pari passu with the Company's other unsubordinated, unsecured obligations.

Under the amended and restated debenture, either the holder or the Company may convert all or a portion of the outstanding principal into common shares at a conversion price of US$4.50 per share, subject to customary anti-dilution provisions, the execution of a listing agreement in connection with the listing of the Company's common shares on a senior U.S. stock exchange acceptable to the Holder, and a 9.99% beneficial-ownership limitation. The parties jointly determine whether, and for what amount, the debenture is convertible under this limitation. As conversion is contingent upon the execution of a U.S. stock-exchange listing agreement and remains subject to ownership limitations, the conversion feature does not represent an unconditional equity conversion right.

The debenture is classified in its entirety as a financial liability measured at fair value through profit or loss ("FVTPL"), as no portion of the instrument meets the criteria for equity classification under IAS 32 and no embedded derivative is separated. The host contract fails the fixed-for-fixed equity criterion because the debenture must be settled solely through delivery of S tokens rather than cash, and the number of tokens to be delivered is variable and determined by a proportional formula tied to the remaining principal and the quantity of contributed tokens; accordingly, settlement is neither a fixed amount of cash nor a fixed number of equity instruments. The conversion feature similarly does not meet the definition of an equity instrument, as it is contingent upon future events, subject to a 9.99% beneficial-ownership limitation, and embedded within an instrument that fails the fixed-for-fixed requirement. As the debenture is measured in its entirety at FVTPL, IFRS 9 requires that no embedded conversion option be bifurcated from the host contract.

The debenture was initially recognized at the fair value of the S tokens received, and at each reporting date its carrying amount is remeasured to fair value with changes recognized in profit or loss. As a monetary item denominated in U.S. dollars, foreign-exchange gains and losses are also recognized in profit or loss. The debenture is presented as non-current, as the Company has an unconditional right to defer settlement for at least twelve months after the reporting date.

The 126,622,349 S tokens received as consideration are subject to a four-year contractual lock-up commencing on September 10, 2025, enforced through multi-signature custodial arrangements and contractual restrictions. Management determined that the lock-up is entity-specific and would not transfer to a market participant. Accordingly, in accordance with IFRS 13, no fair-value discount is applied to the contributed tokens or the debenture upon initial measurement or subsequent remeasurement. The lock-up affects transferability only and does not restrict the Company's ability to use the tokens within permitted activities.

As at March 31, 2026, management concluded that the conversion feature and other contingent terms were not significant to the debenture's fair value, as the conditions for conversion had not been met and conversion was not economically advantageous. Accordingly, fair value was determined primarily as the present obligation to deliver S tokens at maturity, measured as the remaining notional S units multiplied by the quoted market price of S at period end. As the valuation technique uses observable inputs only, the debenture is classified within Level 2 of the IFRS 13 fair-value hierarchy and is included in the Company's fair-value hierarchy table within financial liabilities. If, in a future year, the conversion feature becomes significant, the Company will incorporate additional valuation inputs and reassess the hierarchy classification accordingly.

During the three months ended March 31, 2026, this convertible debenture was subject to a valuation adjustment of $4,088,743, resulting in a carrying amount of $5,170,423 and 126,622,349 Sonic (S) tokens. "Valuation adjustment" is presented as "revaluation gain on digital currencies – financial liabilities" in the condensed consolidated interim statements of loss and comprehensive loss.

(Expressed in US Dollars)

11. Convertible Debenture

On January 17, 2025, the Company issued new convertible debentures in the aggregate principal amount of $703,482 (CAD $1,015,914). This balance includes a) the principal amount of outstanding convertible debentures that were issued in November 2023 and matured on December 31, 2024 which were cancelled and rolled into a new 2025 convertible debenture in the amount of $628,109 (CAD $906,675) and b) additional convertible debentures issued to replace the consulting fee payable in the amount of $75,373 (CAD $108,800). The previous year convertible debenture holders waived the interest amount that occurred since November 2023 in the amount of $75,556 (CAD $108,800).

The remaining convertible debenture balance from 2024 was converted into equity in January 2025 in the amount of $75,886 (CAD $109,541) and another portion of $97,919 (CAD $133,591) was forgiven by the holder as part of the legacy business disposition.

The principal amount of the new debentures is convertible into units of the Company ("units"), at a price per unit of $0.20, with each unit comprised of one (1) common share and one-half (1/2) of a common share purchase warrant ("warrant"). Each whole warrant is exercisable for one common share, at a price of $0.40 per share for a period of 24 months following the issuance of the warrants. The new debentures are outstanding for 18 months following the closing. The new debentures bear interest at a rate of 12% per annum.

The Company accounted for the instrument as a compound financial instrument in accordance with IAS 32, whereby the liability component was initially measured at the present value of the contractual cash flows discounted at an estimated market rate of interest for a similar instrument without a conversion feature. The liability was determined using a face value of $703,468 (CAD $1,015,914), a term of 546 days on a 360-day basis, and a discount rate of approximately 12.32% per annum, resulting in an initial liability of $589,773 (CAD $851,776). The residual amount of $113,708 (CAD $164,138) was recognized as an equity component representing the value of the conversion feature.

During the year ended December 31, 2025, six holders of the convertible debenture converted the outstanding amount of their debenture, totaling $367,548 (CAD $508,193), into 2,445,660 common shares and 1,222,830 warrants, resulting in a proportionate reduction of both the convertible debenture liability and the related equity component associated with the conversion feature.

During the three months ended March 31, 2026, the carrying amount increased from accretion and interest expense of $21,984, resulting in a closing balance of $419,394.

The following table reflects the continuity of the components of the convertible debentures as at March 31, 2026 and December 31, 2025:

	Convertible debenture	Equity Component	Total
Balance at December 31, 2024	**$ 870,107**	**$ 132,305**	**$ 1,002,412**
Part of prior year convertible debenture balance cancelled	(628,109)	-	(628,109)
Accrued interest on part of prior year confertible debenture balance forgiven	(75,373)	-	(75,373)
Balance converted into a new 2025 convertible debenture	628,109	-	628,109
Consulting fee payable rolled into a new 2025 convertible debenture	75,373	-	75,373
Part of prior year convertible debenture balance settled with shares	(75,886)	-	(75,886)
Part of prior year convertible debenture balance forgiven as part of Spetz legacy disposition	(97,919)	-	(97,919)
Equity portion on 2025 convertible debenture	(113,708)	113,708	-
Accretion and interest accrued	114,914	-	114,914
Conversion into equity	(310,395)	(57,153)	(367,548)
Interest paid	(16,712)	-	(16,712)
Foreign exchange translation adjustment (OCI)	34,123	-	34,123
Balance at December 31, 2025	**$ 404,524**	**$ 188,860**	**$ 593,384**
Accretion and interest accrued	21,984	-	21,984
Foreign exchange translation adjustment (OCI)	(7,114)	-	(7,114)
Balance at March 31, 2026	**$ 419,394**	**$ 188,860**	**$ 608,254**

(Expressed in US Dollars)

12. Goodwill

	Sonic(b)	Spetz(a)	Total
Balance, December 31, 2024	**$ -**	**$ 901,018**	**$ 901,018**
Sonic acquisition	3,652,789	-	3,652,789
Spetz disposal	-	(349,966)	(349,966)
Impairment	(2,854,309)	-	(2,854,309)
Foreign exchange translation adjustment (OCI)	102,538	18,144	120,682
Balance, December 31, 2025	**$ 901,018**	**$ -**	**$ 901,018**
Foreign exchange translation adjustment (OCI)	(15,061)	-	(15,061)
Balance, March 31, 2026	**$ 885,957**	**$ -**	**$ 885,957**

a) As of June 1, 2025, goodwill represented the excess purchase price paid for the acquisition of Spetz Tech Ltd. in August 2022 over the fair value of the net identifiable assets acquired, net of previously recognized impairments. On June 1, 2025, the Company sold the Spetz subsidiaries, and all related goodwill was derecognized as part of the disposal of the discontinued operations.

b) On March 17, 2025, the Company completed the acquisition of SonicStrategy. Goodwill of $3,652,789 recognized on the acquisition represents the excess of the consideration transferred over the fair value of the net identifiable assets acquired. The goodwill primarily reflects expected growth opportunities in blockchain infrastructure, validator operations and staking services, as well as synergies expected from integrating SonicStrategy's technical, operational and ecosystem relationships into the Company's platform following its change in business.

Following the sale of the legacy Spetz operations and the acquisition of SonicStrategy, goodwill is monitored and tested for impairment within a single cash-generating unit ("CGU") that reflects the Company's ongoing digital assets operations. Goodwill is allocated to a single CGU because, following the change in business, the Company operates as an integrated blockchain-infrastructure platform. This CGU represents the lowest level within the Company at which goodwill is monitored for internal management purposes, consistent with IAS 36. Goodwill is tested for impairment annually and whenever indicators of impairment exist.

During the year ended December 31, 2025, and subsequent to year-end, the Company identified indicators of impairment, including continued volatility and declines in the market price of Sonic tokens, increased uncertainty in digital asset markets, and evolving expectations regarding the execution and sustainability of staking and related digital-asset strategies. As a result, management performed an updated impairment assessment of the CGU in accordance with IAS 36.

The recoverable amount of the CGU is determined as the higher of (i) fair value less costs of disposal ("FVLCD") and (ii) value in use ("VIU"). In reassessing the recoverable amount, management placed greater emphasis on a market participant perspective, including consideration of the liquidity profile of the underlying assets, constraints on the realization of value, and the absence of observable evidence supporting a premium above the fair value of the net identifiable assets of the CGU.

Management also updated its VIU model based on discounted cash flows. Key assumptions used in the impairment model include:

i) Projected EBITDA: Forecasts reflect management's revised expectations for the CGU, incorporating increased uncertainty in validator yields, token price variability, and the timing and scale of future staking and ecosystem-related growth.

ii) Terminal growth rate: A terminal growth rate of 2% was applied, consistent with long-term inflation expectations and industry growth, while reflecting uncertainty in long-term digital-asset market conditions.

iii) Discount rate: A pre-tax discount rate of approximately 34% was applied, reflecting the weighted-average cost of capital for the CGU and incorporating risks specific to blockchain infrastructure, digital-asset volatility, and staking-dependent cash flows.

Based on the updated impairment assessment, management determined that the recoverable amount of the CGU is best represented by the fair value of its net identifiable assets. As a result, the Company recognized an impairment loss on goodwill of $2,854,309 during the year ended December 31, 2025. The impairment reflects the impact of current market conditions, increased uncertainty in future economic benefits, and the absence of a demonstrable premium attributable to goodwill under prevailing assumptions. In addition, goodwill was impacted by foreign exchange movements of $102,538 during the year. Accordingly, the carrying amount of goodwill as at December 31, 2025 was $901,018. During the three months ended March 31, 2026, goodwill was adjusted for foreign exchange translation adjustment (OCI) adjustment of $15,061, resulting in a carrying amount of $885,957 as at March 31, 2026.

(Expressed in US Dollars)

13. Share Capital

(a) Authorized

The Company is authorized to issue an unlimited number of common shares without par value.

(b) Issued and outstanding - Common Shares

	Common Shares		Amount
Balance, December 31, 2024	**5,783,620**	**$**	**22,746,641**
Shares issued to settle debt	4,456,457		310,988
Shares issued on private placement - January 2025	5,000,000		348,918
Shares issued on acquisition of Sonic, net	13,999,999		3,652,000
Shares issued on acquisition of Sonic - advisory fee	700,000		183,515
Shares issued on acquisition of Sonic - transaction cost	-		(183,515)
Balance, March 31, 2025	**29,940,076**	**$**	**27,058,547**
Balance, December 31, 2025	**49,620,466**	**$**	**31,987,989**
No activity	-		-
Balance, March 31, 2026	**49,620,466**	**$**	**31,987,989**

On January 20, 2026, the Company closed a private placement offering 5,000,000 common shares of the Company for gross proceeds of $348,918 (CAD $500,000). In addition, the Company issued 4,456,457 common shares of the Company for a total of $310,998 (CAD $445,646) that were used to settle outstanding amounts in accounts payable and in convertible debenture.

On March 17, 2025, the Company announced that it had completed its acquisition of Sonic Strategy Inc. The Company had issued 13,999,999 common shares in the capital of the Company to the shareholders of Sonic Strategy in exchange for 100% of the issued and outstanding shares in the capital of Sonic Strategy. The Company had also issued an aggregate of 700,000 common shares to two arm's length entities as an advisory fee.

14. Warrants

The following table reflects the continuity of warrants for the three months ended March 31, 2026:

	Warrants	WAEP (Note A)
Warrants outstanding, December 31, 2024	**946,735**	**$1.25**
Warrants issued on private placement	8,502,761	$0.75
Warrants issued on private placement - broker warrants	849,538	$0.75
Warrants issued on convertible debenture conversion	1,222,831	$0.40
Warrants outstanding, December 31, 2025	**11,521,865**	**$0.75**
Warrants outstanding, December 31, 2025	**11,521,865**	**$0.75**
Expired	(200,000)	$5.00
Warrants outstanding, March 31, 2026	**11,321,865**	**$0.68**

The following table reflects warrants outstanding as at March 31, 2026:

Expiry Date		Exercise Price	Life Remaining	Warrants
October 31, 2026	$	0.24	0.58	746,735
April 15, 2027	$	0.40	1.04	125,528
April 11, 2027	$	0.40	1.03	266,175
June 03, 2027	$	0.40	1.18	410,133
May 28, 2027	$	0.75	1.16	8,082,832
June 18, 2027	$	0.75	1.22	861,000
June 20, 2027	$	0.75	1.22	408,467
August 1, 2027	$	0.40	1.34	420,995
	$	**0.68**	**1.13**	**11,321,865**

During the three months ended March 31, 2026, 200,000 warrants expired unexercised.

(Expressed in US Dollars)

15. Stock Options and Restricted Share Units

The Company has a share option plan under which it is authorized to grant options and restricted share units to purchase common shares of the Company to directors, senior officers, employees and/or consultants of the Company. The aggregate number of shares of the Company which may be issued and sold under the plan will not exceed 10% of the total number of common shares issued and outstanding from time to time. Share options are granted with a maximum term of ten years with vesting requirements at the discretion of the Board of Directors.

The following table reflects the continuity of stock options for the three months ended March 31, 2026:

	Stock Options	WAEP (Note A)
Options outstanding, December 31, 2024	**60,000**	**$5.00**
Issued	4,950,000	$0.91
Forfeited	(2,050,000)	$1.22
Options outstanding, December 31, 2025	**2,960,000**	**$0.78**
Options outstanding, December 31, 2025	**2,960,000**	**$0.78**
No activity	-	-
Options outstanding, March 31, 2026	**2,960,000**	**$0.78**

The following table reflects stock options outstanding as at March 31, 2026:

Expiry Date		Exercise Price	Life Remaining	Stock Options
August 25, 2027	$	5.00	1.40	10,000
June 5, 2035	$	0.81	9.18	2,150,000
August 7, 2035	$	0.60	9.35	750,000
September 4, 2035	$	1.44	9.43	50,000
	$	**0.78**	**9.20**	**2,960,000**

During the three months ended March 31, 2026, the Company recognized $265,796 as stock-based compensation expense to recognize the partial vesting of these options since the grant date.

The following table reflects the continuity of restricted stock units (RSUs) for the three months ended March 31, 2026:

	RSUs
RSUs outstanding, December 31, 2024	**360,311**
Exercised	(229,207)
Forfeited	(36,069)
RSUs outstanding, December 31, 2025	**95,035**
RSUs outstanding, December 31, 2025	**95,035**
Expired	(30,415)
RSUs outstanding, March 31, 2026	**64,620**

The following table reflects stock options outstanding as at March 31, 2026:

Expiry Date	Life Remaining	RSUs
April 29, 2026	0.08	20,367
May 30, 2026	0.17	20,405
April 1, 2029	3.00	23,848
	1.19	**64,620**

During the three months ended March 31, 2026, 30,415 RSUs expired unexercised.

(Expressed in US Dollars)

16. Discontinued operations – legacy business

For the three months ended		March 31, 2026		March 31, 2025
Revenue				
Israel	$	-	$	381,000
	$	**-**	**$**	**381,000**
Cost of revenue				
Payroll and related expenses	$	-	$	59,000
Communication and cloud expenses		-		25,000
Subcontractors		-		1,000
	$	**-**	**$**	**(85,000)**
Sales and marketing expenses				
Promotion marketing	$	-	$	185,000
Payroll and related expenses		-		54,000
Subcontractors		-		6,000
	$	**-**	**$**	**(245,000)**
General and administration				
Payroll, related expenses and management fee	$	-	$	70,000
Depreciation and amortization expenses		-		1,000
Office expenses		-		7,000
Professional fees - legal and accounting		-		11,000
System and IT expenses		-		4,000
Bad debt		-		(25,000)
Directors' fees		-		(4,000)
Other		-		1,000
	$	**-**	**$**	**(65,000)**
Research expenses				
Payroll and related expenses	$	-	$	-
Subcontractors		-		27,000
Other expenses		-		1,000
	$	**-**	**$**	**(28,000)**
Other expenses				
Interest, finance and accretion expense	$	-	$	40,000
	$	**-**	**$**	**(40,000)**
Net loss for the period attributed to the disposed legacy business	**$**	**-**	**$**	**(82,000)**
Add: Amortization on intangible assets related to legacy business		-		(84,000)
Add: Outgoing CEO compensation booked in the parent company		-		(45,000)
Total net loss from discontinued operations - legacy business	**$**	**-**	**$**	**(211,000)**

On June 1, 2025, the Company completed the sale of its legacy operating business, the SonicStrategy app platform, along with all associated assets, liabilities, and subsidiaries, including its holdings in SonicStrategy Tech Ltd, SonicStrategy Inc (US) and Kirobo Ltd. As a result, prior period revenue and expenses have been reclassified as a separate line on the condensed consolidated interim statements of loss and comprehensive loss called “discontinued operations – loss from legacy business”. Comparative information has been re-presented accordingly in compliance with IFRS 5. The table above breaks down the discontinued operations by each period.

17. Financial Instruments and Risk Management

Risk Management

In the normal course of business, the Company is exposed to a number of risks that can affect its operating performance. The Company’s activities expose it to a variety of financial risks: digital asset risk, credit risk, liquidity risk, market risk (including interest rate risk). Risk management is carried out by the Company’s management team with guidance from the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

Digital Asset Risks

In addition to the financial risks described below, the Company’s exposure to credit risk, liquidity risk and market risk is significantly influenced by its activities involving digital assets, including staking, validator operations and participation in DeFi protocols. Digital assets introduce unique characteristics that may amplify or modify traditional financial risks, as described below.

(Expressed in US Dollars)

Custody and private key risk
Digital assets are held either in self-custodied wallets or with third-party custodians. Loss, theft or compromise of private keys, security breaches, or failure of custodial service providers could result in permanent loss of assets.

Validator and protocol risk
The Company operates validator nodes and participates in staking activities, exposing it to risks such as validator downtime, slashing penalties and changes in protocol rules that may impact reward generation.

DeFi and smart contract risk
Participation in DeFi protocols exposes the Company to risks including smart contract vulnerabilities, oracle failures, collateral liquidation mechanisms and protocol governance risks.

Regulatory risk
The regulatory environment for digital assets continues to evolve and may impact the Company's operations, asset valuation, and ability to transact.

These risks are considered in conjunction with the Company's broader exposure to credit, liquidity and market risks described below.

Fair Values

Financial instruments of the Company consist of cash, accounts receivable, accounts payable and accrued liabilities, other payables, related-party payables, the Aave variable-debt S borrowing, and the Sonic Labs convertible debenture. Digital assets (including Sonic tokens, USDC, Bitcoin and aSonsT$) are accounted for as intangible assets under IAS 38 and therefore are not financial instruments; however, because they are measured at fair value on a recurring basis, they are included in the fair-value hierarchy table below in accordance with IFRS 13. There are no significant differences between the carrying amounts and estimated fair values of the Company's financial instruments, and the Company measures its digital assets at fair value on a recurring basis.

The Company has determined the estimated fair values of its financial instruments and digital assets measured at fair value based on appropriate valuation methodologies. Where quoted market prices or observable inputs are not readily available, the Company uses judgment in selecting valuation techniques and developing assumptions. Fair-value estimates may not be indicative of amounts that could be realized in an orderly market transaction on the reporting date and may differ materially if different assumptions or methodologies were applied.

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

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

March 31, 2026	Level 1	Level 2	Level 3	Total
Cash	$ 34,885	$ -	$ -	$ 34,885
Intangible assets - USDC	$ 461,294	$ -	$ -	$ 461,294
Intangible assets - Sonic	$ -	$ 5,378,095	$ -	$ 5,378,095
Intangible assets - Bitcoin	$ -	$ 253,251	$ -	$ 253,251
Intangible assets - aSonsT$ (Aave Loop)	$ -	$ 156,119	$ -	$ 156,119
Sonic Labs convertible debenture (liability)	$ -	$ (5,170,423)	$ -	$ (5,170,423)
Sonic tokens borrowed (Aave Loop)	$ -	$ (64,761)	$ -	$ (64,761)

December 31, 2025	Level 1	Level 2	Level 3	Total
Cash	$ 101,216	$ -	$ -	$ 101,216
Intangible assets - USDC	$ 281,323	$ -	$ -	$ 281,323
Intangible assets - Sonic	$ -	$ 10,028,424	$ -	$ 10,028,424
Intangible assets - Bitcoin	$ -	$ 324,792	$ -	$ 324,792
Intangible assets - aSonsT$ (Aave Loop)	$ -	$ 593,092	$ -	$ 593,092
Sonic Labs convertible debenture (liability)	$ -	$ (9,349,847)	$ -	$ (9,349,847)
Sonic tokens borrowed (Aave Loop)	$ -	$ (425,264)	$ -	$ (425,264)

The fair value of digital currencies – intangible assets is determined by reference to the market price provided by www.coinmarketcap.com, an independent third-party pricing aggregator that makes publicly available, for each relevant digital asset.

Credit Risk

Credit risk arises primarily from cash held with financial institutions, digital assets held with custodians/exchanges, and assets placed with third-party protocols. The Company's cash is held with a tier-1 financial institution and is considered low credit risk and any expected credit loss is immaterial. USDC and BTC are held at Crypto.com, exposing the Company to the exchange/custodian's credit and operational risk. Sonic (S) tokens are held in a Company hot wallet or delegated to validators and do not create a receivable from a financial institution (credit risk), but they carry operational/key-management risk and validator operational/slashing risk. Where S (or related receipts such as aSonsT$) are placed with DeFi protocols (e.g., Aave), the Company is exposed to protocol/counterparty performance risk and pooled-lending credit mechanics. The Company's maximum exposure to credit risk at the reporting date is the carrying amount of financial assets held with banks, custodians/exchanges, and protocols; assets in self-custody are excluded from credit exposure to third parties but remain subject to operational loss risk. The Company monitors counterparty concentrations and venue health (including custodian controls and protocol risk reviews) and diversifies holdings where practicable.

Currency Risk

The Company's functional currency is CAD and its presentation currency is USD. USD-denominated monetary balances are remeasured to CAD with gains or losses recognized in profit or loss, while translation to USD presentation currency is recognized in OCI as a cumulative translation adjustment (CTA). At March 31, 2026, the Company's USD monetary exposure comprised USDC of $461,294 (CAD $642,998) and USD cash holdings equivalent to CAD $265. USDC is accounted for as an intangible asset under IAS 38 and measured using the revaluation model. Its fair value is based on a 1:1 peg to the U.S. dollar. Accordingly, exposure to USD/CAD fluctuations arises through changes in the translated fair value of the asset rather than monetary remeasurement under IAS 21. A 10% change in the USD/CAD exchange rate would therefore change profit or loss by approximately CAD $64,326 (increase if USD strengthens; decrease if USD weakens). Other balances are excluded from this sensitivity because they are non-monetary under IAS 21 (e.g., Sonic and BTC measured at FVTPL; the Sonic Labs debenture and Aave variable-debt S borrow settled in tokens), with their risk reflected in fair-value or token-price movements rather than monetary FX remeasurement.

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Company manages cash projections centrally and regularly updates projections for changes in business and fluctuations caused in digital currency prices and exchange rates.

At March 31, 2026, cash of $34,885 and USDC balance of $461,294 exceed accounts payable and accrued liabilities of $240,881, and additional liquidity is available from BTC, which can be liquidated promptly if required. Liabilities also include two instruments that are not expected to require cash settlement: (i) the Sonic Labs convertible debenture ($5,170,423), which will either be converted to equity or settled in S tokens at maturity, and (ii) S tokens borrowed under the Aave loop ($64,761), which are economically linked to the Aave deposit position (aSonsT$) and are intended to be closed on-chain without cash. Management believes near-term liquidity is adequate given the cash balance relative to trade payables, the expected non-cash settlement of the debentures and Aave borrow, and the ability to realize BTC if needed. The Company monitors liquidity daily, maintains venue diversification, and can unwind protocol positions to fund obligations.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Digital asset prices are volatile and affected by various factors including global supply and demand, interest rates, exchange rates, inflation or deflation and broader political and economic conditions. Supply and demand for such assets can change rapidly as affected by regulations, protocol developments and general economic trends. A decline in the market prices of digital assets could impact the Company's future operations. Management continuously monitors the Company's exposure in response to market conditions.

(Expressed in US Dollars)

The Company is exposed to digital-asset price volatility because Sonic (S), BTC and aSonsT$ are measured at FVTPL, and the Sonic Labs convertible debenture is also measured at FVTPL with a value linked to the S price. A 10% change in the S price at the reporting date would change profit or loss by approximately ±$0.03 million, reflecting the net exposure of long S and aSonsT$ offset by the debenture liability. A 10% change in BTC would change profit or loss by approximately ±$0.02 million. These estimates assume all other variables remain constant and positions are unchanged from period end.

USDC is also measured at FVTPL; however, due to its intended 1:1 peg to the U.S. dollar and historically insignificant price volatility, USDC is *not* included in the digital-asset price sensitivity analysis above. Its risk is instead captured through USD/CAD foreign-exchange sensitivity (see currency risk narrative).

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company also has interest bearing convertible debentures which have fixed rate interest rates until maturity and are therefore not subject to fluctuations in market interest rates until maturity.

18. Related Party Transactions and Key Management Compensation

Key management includes members of the board of directors, Chief Executive Officer and Chief Financial Officer. The aggregate value of transactions relating to key management personnel and entities over which they have control or significant influence were as follows for the three months ended March 31, 2026 and 2025:

For the three months ended	March 31, 2026	March 31, 2025
CEO		
Compensation	$ 52,824	$ -
Share-based compensation	55,425	-
Compensation - discontinued operations	-	45,000
Total CEO compensation	**108,249**	**45,000**
CFO		
Compensation	23,845	16,711
Share-based compensation	12,049	-
Compensation - discontinued operations	-	-
Total CFO compensation	**35,894**	**16,711**
Directors		
Compensation	13,998	-
Share-based compensation	36,147	-
Total director compensation	**50,145**	**-**
	$ 194,288	**$ 61,711**

19. Commitments

As at March 31, 2026, the Company had no material contractual commitments, including but not limited to capital expenditures, lease obligations, or purchase commitments. The Company is not party to any material legal proceedings, claims, or contingent liabilities. In the normal course of business, the Company may be subject to claims or assessments; however, management does not believe that the outcome of any such matters, individually or in the aggregate, would have a material adverse effect on the Company's financial position, results of operations, or cash flows. The Company has not provided any guarantees, indemnities, or other off-balance sheet arrangements that would give rise to a material contingent liability. The Company may enter into consulting and service agreements in the normal course of operations. These agreements are typically short-term in nature and cancellable without significant penalty; accordingly, no material commitments have been recognized.

20. Subsequent Events

On May 12, 2026, the Company cancelled all outstanding stock options. The options were cancelled as they were significantly out-of-the-money and no longer considered economically viable by management.

21. Basis of presentation – units and comparative information

In the current period, the Company changed the unit of presentation from thousands of United States dollars to actual United States dollars to provide greater precision and clarity. Comparative figures have been re-presented on the same basis for consistency, and this change affects only the display of amounts and does not impact measurement, recognition, or totals previously reported.

In addition, in prior periods, the Company presented equity as a single line item titled “share capital and additional paid-in capital” on the statement of financial position and statement of changes in shareholders’ equity. In the current period, the Company has enhanced its financial statement presentation by disaggregating this balance into separate components, including share capital, warrant reserve, share-based payments reserve, and equity portion of convertible debenture, to provide more relevant and transparent information to users of the financial statements. Accordingly, comparative figures have been reclassified to conform to the current period presentation. As part of this change, the opening balances of equity have been adjusted to reflect the allocation of amounts between the respective equity components. This reclassification had no impact on total shareholders’ equity.

In addition, certain prior-period disclosures were reorganized and reworded to align with the current-period presentation (including note ordering, headings and aggregation/disaggregation of various line items). These changes are presentation-only and have no effect on profit or loss, total assets, total liabilities, equity, or cash flows.

22. Interim income tax

The Company incurs no taxable income and therefore recognized no current or deferred tax expense.

23. Segment reporting

Subsequent to the sale of the legacy business on June 1, 2025, the Company operates as a single reportable segment. The Chief Operating Decision Maker (CODM), being senior management, reviews financial information on a consolidated basis for the SonicStrategy business unit there is no segmented information that is reviewed for performance. The Company’s operations are primarily based in Canada, and no separate geographic segment information is reviewed by the CODM.

24. Capital management

The Company’s objectives when managing capital are to safeguard its ability to continue as a going concern, to maintain financial flexibility, and to support the execution of its business strategy. The Company defines capital as shareholders’ equity (deficiency). The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of its underlying assets, including digital assets. To maintain or adjust its capital structure, the Company may issue new shares, incur or repay debt, or dispose of assets. The Company is not subject to externally imposed capital requirements. Management monitors capital based on the Company’s financial position, liquidity requirements, and ongoing funding needs, including through budgeting and forecasting processes.