MYDECINE INNOVATIONS GROUP INC.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED SEPTEMBER 30, 2025 AND 2024

(Expressed in Canadian dollars)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed interim consolidated financial statements, they must be accompanied by a notice indicating that the condensed interim consolidated financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of Mydecine Innovation Group Inc. (the "Company") have been prepared by and are the responsibility of the Company's management.

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

MYDECINE INNOVATIONS GROUP INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(EXPRESSED IN CANADIAN DOLLARS)

As at,	Notes	September 30, 2025 Unaudited $	December 31, 2024 Audited $
Assets			
Current assets			
Cash		47,081	325
Other receivables		-	50,273
Total assets		47,081	50,598
Liabilities and Shareholders' Equity			
Current liabilities			
Accounts payable and accrued liabilities	9	8,237,198	8,060,188
Sales tax payable		26,604	37,155
Notes payable	5	127,298	240,078
Convertible debentures, net	4	6,815,474	6,634,653
Total liabilities		15,206,574	14,972,074
Shareholders' Deficiency			
Share capital	6	126,268,990	126,268,990
Contributed surplus	6	16,787,778	16,787,778
Equity portion of convertible debentures		285,756	285,756
Deficit		(158,502,017)	(158,264,000)
Total shareholders' deficiency		(15,159,493)	(14,921,476)
Total liabilites and shareholders' deficiency		47,081	50,598

Nature, continuance of operations and going concern (Note 1)
Subsequent events (Note 12)

Approved on behalf of the Board on November 17, 2025

"David Joshua Bartch" ***"Peter Field"***

Director Director

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

MYDECINE INNOVATIONS GROUP INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(EXPRESSED IN CANADIAN DOLLARS)

		Three-month period ended,		Nine-month period ended	
		September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
	Notes	**$**	**$**	**$**	**$**
Expenses					
Finance cost	4,5	(88,535)	386,716	192,520	1,103,493
Corporate development		4,892	375	6,540	3,143
Consulting		-	-	70,630	-
Director and management fees	8	(72,976)	238,520	401,625	668,542
Foreign exchange loss (gain)		122,446	(44,174)	(176,341)	30,948
Insurance		-	19,427	-	93,713
Office and miscellaneous		(2,458)	-	59,742	95,830
Professional fees		-	-	-	266,676
Regulatory and filing fees		3,006	13,523	34,490	43,460
Research and development		(40,136)	1,143,846	(40,136)	2,660,597
Salaries		(25)	232,772	5,487	727,342
Total income (expenses)		73,786	(1,991,005)	(554,557)	(5,693,744)
Other Items					
Gain on forgiveness of liabilities	9	-	-	316,540	-
Gain on settlement of liability		-	-	-	18,072
Total other items		-	-	316,540	18,072
Net comprehensive income (loss) for the period		73,786	(1,991,005)	(238,017)	(5,675,672)
Basic and diluted loss per share for the period		0.09	(1.61)	(0.19)	(4.81)
Weighted average number of common shares outstanding		1,235,108	1,235,108	1,235,108	1,179,161

Subsequent to the period ended September 30, 2025, the Company consolidated its shares on a 50 to 1 post-consolidated basis. The Company's shares, basic and diluted loss per share have been adjusted retrospectively for all periods presented to reflect the consolidation.

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

MYDECINE INNOVATIONS GROUP INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF SHAREHOLDERS' DEFICIENCY
(EXPRESSED IN CANADIAN DOLLARS)

	Number of shares	**Share Capital**	**Equity component convertible debentures**	**Contributed Surplus**	**Deficit**	**Total**
	#	**$**	**$**	**$**	**$**	**$**
Balance, December 31, 2023	1,051,302	126,123,011	285,756	16,787,778	(155,111,864)	(11,915,319)
Debt settlement	183,759	145,978	-	-	-	145,978
Net loss and comprehensive loss for the period	-	-	-	-	(5,675,672)	(5,675,672)
Balance, September 30, 2024	1,235,061	126,268,989	285,756	16,787,778	(160,787,536)	(17,445,013)
Balance, December 31, 2024	1,235,061	126,268,990	285,756	16,787,778	(158,264,000)	(14,921,476)
Net loss and comprehensive loss for the period	-	-	-	-	(238,017)	(238,017)
Balance, September 30, 2025	**1,235,061**	**126,268,990**	**285,756**	**16,787,778**	**(158,502,017)**	**(15,159,493)**

Subsequent to the period ended September 30, 2025, the Company consolidated its shares on a 50 to 1 post-consolidated basis. The Company's shares, basic and diluted loss per share have been adjusted retrospectively for all periods presented to reflect the consolidation.

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

MYDECINE INNOVATIONS GROUP INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(EXPRESSED IN CANADIAN DOLLARS)

	September 30, 2025	September 30, 2024
Cash provided by (used in):	**$**	**$**
OPERATING ACTIVITIES		
Net loss for the period	**(238,017)**	(5,675,672)
Items not affecting operating cash:		
Finance cost	**192,520**	1,103,493
Foreign exchange	**(3,992)**	1,989
Loss on debt settlement	**-**	(18,072)
Gain on settlement of accounts payable	**(316,540)**	-
	(366,029)	(4,588,262)
Net changes in non-cash working capital:		
Sales tax receivable	**(10,551)**	37,319
Amounts receivable	**50,273**	-
Prepaid and deposits	**-**	19,278
Accounts payable and accrued liabilities	**373,063**	4,554,192
Cash used in operating activities	**46,756**	22,527
Increase in cash	**46,756**	22,527
Cash, beginning of the period	**325**	37,646
Cash, end of the period	**47,081**	60,173

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

1. NATURE, CONTINUANCE OF OPERATIONS AND GOING CONCERN

Mydecine Innovations Group Inc. (the "Company") was incorporated under the Business Corporations Act (British Columbia) on September 27, 2013, under the name 0981624 B.C. Ltd. On May 27, 2020 the Company changed its name to Mydecine Innovations Group Inc. The Company's common shares trade on the Canadian Securities Exchange (CSE: MYCO), OTC exchange (OTC: MYCOF) and on the Frankfurt stock exchange (FSE:0NF0). The Company's principal activities have historically included research, drug development, and clinical trials of psilocybin products; however, it is now actively evaluating and pursuing other business opportunities. The registered address, head office, principal address and records office of the Company are located at Suite 1890 - 1075 West Georgia Street, Vancouver, British Columbia, V6E 3C9.

As at September 30, 2025, the Company has an accumulated deficit of $158,502,017 (December 31, 2024 – $158,264,000), net loss from operations of $238,017 (December 31, 2024 – $5,675,672) and cash provided by (used in) operating activities of $46,756 (December 31, 2024 – $22,527). The Company's ability to continue as a going concern is dependent upon its ability settle its liabilities, obtain shareholder support, generate future profitable operations and/or to obtain the necessary financing to conduct its planned business, meet its on-going levels of corporate overhead and discharge its liabilities as they come due. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. These material uncertainties may cast significant doubt as to the Company's ability to continue as a going concern.

These condensed interim consolidated financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge liabilities in the normal course of business. Accordingly, it does not give effect to adjustments, if any that would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and liquidate its liabilities in other than the normal course of business and at amounts which may differ from those shown in these condensed interim consolidated financial statements.

2. BASIS OF PRESENTATION

Statement of Compliance

These condensed interim consolidated financial statements of the Company are prepared in accordance with International Financial Standard 34 Interim Financial Reporting of the International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS") and interpretations of the International Financial Reporting Committee ("IFRIC"). Accordingly, these condensed interim financial statements do not include all of the information and footnotes required by IFRS for complete financial statements for the year-end reporting process.

These condensed interim financial statements follow the same accounting policies and methods of application as the Company's audited financial statements for the year ended December 31, 2024. The policies applied in these condensed interim financial statements are based on IFRS issued as of the date the Board of Directors approved the financial statements. These condensed interim financial statements should be read in conjunction with the Company's annual audited financial statements for the year ended December 31, 2024.

These condensed interim consolidated financial statements were approved and authorized for issuance by the Company's Board of Directors on November 17, 2025.

Basis of Measurement

These condensed interim consolidated financial statements have been prepared on a historical cost basis except for certain financial assets, which are measured at fair value through profit and loss, as explained in the accounting policies below. Historical costs are generally based upon the fair value of the consideration given in exchange for goods and services. These consolidated financial statements have been prepared using accrual basis of accounting except for cash flow statement.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

2. BASIS OF PRESENTATION

Functional Currency

All figures presented in the consolidated financial statements are reflected in Canadian dollars. The Company and NeuroPharm Inc. ‘s functional currency is the Canadian dollar.

Foreign currency transactions are translated to the respective functional currencies of the Company’s entities at the exchange rates in effect on the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the foreign exchange rate applicable at the statement of financial position date. Non-monetary items carried at historical cost denominated in foreign currencies are translated to the functional currency at the date of the transactions. Non-monetary items carried at fair value denominated in foreign currencies are translated to the functional currency at the date when the fair value was determined. Realized and unrealized exchange gains and losses are recognized through profit and loss.

On consolidation, the assets and liabilities of foreign operations reported in their functional currencies are translated into Canadian dollars, the Company’s presentation currency, at period-end exchange rates. Income and expenses, and cash flows of foreign operations are translated into Canadian dollars using average exchange rates. Exchange differences resulting from translating foreign operations are recognized in other comprehensive loss.

Basis of consolidation

Subsidiaries are entities controlled by the Company. Control exists when the Company has the power, directly and indirectly, to govern the financial and operating policies of an entity and be exposed to the variable returns from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. As at September 30, 2025, the following is a list of the Company’s operating subsidiaries:

Name	Jurisdiction of incorporation	Interest
Mydecine Group (1220611 BC Ltd)	Canada	100%
NeuroPharm Inc	Canada	100%

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

Discontinued operating and assets held for distribution

A non-current asset or a group of assets and liabilities is held for distribution when its carrying amount will be recovered principally through its divestiture and not by continuing utilization. To meet this definition, the asset must be available for immediate distribution, and divestiture must be highly probably.

These assets and liabilities are recognized as assets held for distribution and liabilities associated with assets held for distribution, without offset. The related assets recorded as assets held for distribution are valued at the lower of fair value, net of divestiture fees, and cost less accumulated depreciation and impairment losses, and are no longer depreciated.

An operation is qualified as discontinued when it represents a separate major line of business and the criteria for classification as an asset held for distribution have been met, or when the Company has sold the asset.

Discontinued operations are presented on a single line of the consolidated statements of loss and comprehensive loss for the periods reported, comprising the earnings after tax of discontinued operations until divestiture and the gain or loss after tax on sale or fair value measurement, less costs to sell the assets and liabilities making up the discontinued operations are presented on one separate line of the consolidated statements of cash flows for the periods presented.

3. SIGNIFICANT ACCOUNTING POLICIES

In preparing these condensed interim consolidated financial statements, the significant accounting policies and the significant judgments made by management in applying the Company's significant accounting policies and key sources of estimation uncertainty were the same as those that applied to the Company's audited financial statements for the year ended December 31, 2024.

The preparation of condensed interim financial statements requires that the Company's management make judgments and estimates of effects of uncertain future events on the carrying amounts of the Company's assets and liabilities at the end of the reporting period. Actual future outcomes could differ from present estimates and judgments, potentially having material future effects on the Company's condensed interim financial statements. Estimates are reviewed on an ongoing basis and are based on historical experience and other facts and circumstances. Revisions to estimates and the resulting effects on the carrying amounts of the Company's assets and liabilities are accounted for prospectively.

4. CONVERTIBLE DEBENTURES

On December 9, 2021, the Company closed a senior secured convertible debenture financing on a non-brokered private placement basis for gross proceeds of $5,500,000. The debenture bears annual interest of 10%, matures in 36 months and the principal and interest are convertible into units ("conversion units") at a conversion price of $0.17, at the option of the debenture holder. Each conversion unit will consist of one (1) common share of the Company common share purchase warrant. Additionally, the Company issued 32,352,941 warrants which will entitle the holder to purchase one (1) additional common share of the Company at a price of $8.50 per Warrant Share for a period of thirty-six (36) months from the issuance date. The lender has a general security interest over the Company's assets.

On May 19, 2023, the Company amended the conversion price of the convertible debentures and the exercise price of the debenture warrants. The conversion price of the convertible debenture and exercise price of the debenture warrants were amended from $8.50 to $0.35. All other terms of the convertible debenture and the debenture warrants remain unchanged. The amendment did not affect the carrying value of the conversion feature or warrants.

The convertible debenture is a compound financial instrument. Management estimated the fair value of the debt using a discount rate of 20% applicable to the Company's business, with the residual value allocated to the equity components of the convertible debenture. The Convertible Debenture has $37,743 of deferred loan costs which are amortized over the life of the loan and are recorded in interest expense. The residual value was allocated between the warrants and the conversion feature using the relative fair value method. The Black Scholes Pricing Model was used to determine the fair value of the warrants. The inputs to the pricing model were a stock and exercise price of $8.50, expected life of 3 years, volatility 149%, and risk-free rate of 0.17%. The Company utilized the Monte Carlo option model to estimate the fair value for the conversion feature. This resulted in an allocated value of $918,604 to the warrants and $240,756 to the conversion feature.

(EXPRESSED IN CANADIAN DOLLARS)

The following table reconciles the recorded value of the liability and the equity components of the convertible debentures at September 30, 2025 and 2024:

	Convertible debenture $	Warrants issued with debenture – Contributed Surplus $	Equity component of convertible debenture $	Total $
Balance, December 31, 2023	5,213,984	670,604	175,756	6,060,344
Imputed interest	1,420,669	-	-	1,420,669
Balance, December 31, 2024	6,634,653	670,604	175,756	7,481,013
Imputed interest	180,821	-	-	180,821
Balance, September 30, 2025	6,815,474	670,604	175,756	7,661,834

On March 4, 2023, the Company amended the terms of the convertible debenture, whereby agreeing to waive the holders security interest in Mindleap Health ("Security Interest Waiver"). The Company agreed to issue 250,000 common shares with a fair value of $110,000 and pay $660,000 to waive the security interest the convertible debenture held.

The Company has not paid the interest or converted the convertible debenture at maturity, on December 9, 2024. Since December 9, 2024, the Company has continued to accrue interest at a rate of 10% per annum. Subsequent to the period ended September 30, 2025, the Company entered into an agreement to settle this obligation (Note 12).

5. NOTES PAYABLE

	Notes Payable $
Balance, December 31, 2023	209,447
Interest	21,256
Foreign exchange	9,375
Balance, December 31, 2024	240,078
Interest	11,699
Deductions	(120,487)
Foreign exchange	(3,992)
Balance, September 30, 2025	127,298

On March 8, 2022, the Company entered into a secured note payable with an arms-length party for $151,889 which bears a 5% interest rate annually and matures on March 7, 2023. The security interest in the Company includes certain current assets of the Company. On March 7, 2023, the Company defaulted on the note payable and the defaulted note payable bears interest of 12% interest per annum. The Company is in negotiation with the creditor to settle this note payable.

On September 28, 2023, the Company entered into a loan agreement with an arm's length party for $110,000, which is due on demand, unsecured, and bears interest of 6%. On April 14, 2025, the total balance of $110,000 and interest of $10,487 on the note payable was forgiven by the lender. The Company recorded a gain on settlement of liabilities of $120,487.

6. SHARE CAPITAL AND CONTRIBUTED SURPLUS

(a) Authorized: Unlimited common shares without par value

Issued: common shares 1,235,061 (2024 – 1,235,061 common shares)

Period ended September 30, 2025:

During the period ended September 30, 2025, the Company did not issue any common shares.

Subsequent to the period ended September 30, 2025, the Company consolidated its shares on a 50 to 1 post-consolidated basis. The Company's shares, basic and diluted loss per share have been adjusted retrospectively for all periods presented to reflect the consolidation.

Year ended December 31, 2024:

On February 22, 2024, the Company issued 52,371 common shares with a fair value of $32,732 and settled debt of $52,371. The Company recorded a gain on settlement of debt of $19,639.

On March 27, 2024, the Company issued 58,824 common shares with a fair value of $58,824 and settled debt of $50,000. The Company recorded a loss on settlement of debt of $8,824.

On April 15, 2024, the Company issued 72,564 common shares with a fair value of $54,423 and settled debt of $61,680. The Company recorded a gain on debt settlement of $7,256.

Obligation to issue shares:

On August 28, 2022, the Company was obligated to issue 19,380 common shares for the last tranche of Neuropharm's anti-dilution clause. As at March 31, 2025 and December 31, 2024, these shares have not been issued.

On March 4, 2023, the Company amended the terms of the convertible debenture (Note 4), whereby agreeing to waive the holders security interest in Mindleap Health ("Security Interest Waiver"). The Company agreed to issue 5,000 common shares with a fair value of $110,000. Subsequent to the period ended September 30, 2025, the Company entered into an agreement to settle this obligation (Note 12).

Stock Options

The Company has adopted the 2023 Mydecine Equity Incentive Plan (the "Incentive Plan") which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with stock exchanges requirements, grant to directors, officers, employees and consultants to the Company, non-transferable options to purchase common shares. Included in the Incentive Plan are provisions that provide that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares of the Company and that the number of common shares reserved for issuance pursuant to options granted to all consultants or persons conducting investing relations activities will not exceed 2% of the issued and outstanding common shares within any 12-month period. At the discretion of the Board of Directors of the Company, options granted under the Incentive Plan may have a maximum exercise term of 10 years from the date of grant, the term is set by the plan administrator. Vesting terms will be determined at the time of grant by the Board of Directors.

During the period ended September 30, 2025 and 2024 the Company did not grant any stock options.

(EXPRESSED IN CANADIAN DOLLARS)

As at September 30, 2025, the Company did not have outstanding stock options

A summary of the status of the Company's stock options outstanding and exercisable as at September 30, 2025 and $2,024, and changes during those periods is presented below:

	Number of Options	Weighted Average Exercise Price	
Balance, December 31, 2023	4,877	$	572.5
Expired	(197)	$	(1,175.0)
Balance, December 31, 2024	4,681	$	547.4
Expired	(4,681)	$	547.4
Balance, September 30, 2025	-	$	-

Warrants

A summary of the status of the Company's warrants outstanding and exercisable as at September 30, 2025 and December 31, 2024, and changes during those periods is presented below:

	Number of Warrants	Weighted Average Exercise Price	
Balance, December 31, 2023	80,881	$	434
Expired	(28,052)	$	(1,122)
Balance, December 31, 2024	52,829	$	1,583
Expired	(460)		-
Balance, September 30, 2025	52,369	$	69.18

As at September 30, 2025, the Company had warrants outstanding and exercisable enabling holders to acquire the following:

Number of warrants	Number of warrants exercisable	Weighted average Life
52,369	52,369	1.65
52,369	52,369	1.65

As at September 30, 2025, Nil (December 31, 2024 – 4,681) share options and 52,369 (December 31, 2024 – 52,828) warrants were excluded from the diluted weighted-average number of ordinary share calculation because their effect would have been anti-dilutive. These options and warrants could potentially dilute basic earnings per share in the future.

7. FINANCIAL INSTRUMENTS AND RISK FACTORS

Fair values

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

The fair value of transactions is classified according to the following hierarchy based on the amount of observable inputs used to value the instrument.

• Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.
• Level 2 – Inputs are other than quoted prices in Level 1 that are either directly or indirectly observable for the asset or liability.

(EXPRESSED IN CANADIAN DOLLARS)

• Level 3 – Inputs for the asset or liability that are not based on observable market data.

Assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the placement within the fair value hierarchy level.

The following is an analysis of the Company's financial assets and liabilities at fair value as at September 30, 2025 and December 31, 2024.

	As at September 30, 2025		
	Level 1	Level 2	Level 3
	$	$	$
Cash	47,081	-	-
Total financial assets	**47,081**	-	**-**
	As at December 31, 2024		
	Level 1	Level 2	Level 3
	$	$	$
Cash	325	-	-
Total financial assets	**325**	-	**-**

For the financial instruments, including sales tax receivable/payable, note payable, convertible debentures and accounts payable are measured at amortized cost, the carrying values approximate the fair values of the financial instruments given their short-term maturity as a level 1 input.

Credit risk

Credit risk is the risk of loss associated with a counter party's inability to fulfil its payment obligations. The Company's credit risk is primarily attributable to cash and receivables. Cash is held with major financial institutions, from which management believes the risk of loss to be minimal.

On January 4, 2023, the Company entered into share sale agreements with arms length parties and sold 15,250,000 Pangenomic common shares for gross proceeds of $1,785,365. As of December 31, 2023, the Company has collected $500,001 from the disposition of these shares. During the year ended December 31, 2023, an expected credit loss provision of $1,285,365 was recognized in relation to amounts receivables for those shares and included on the statement of loss and comprehensive loss for the reporting year. The increase in the expected credit loss was a result of changes in the expected probability of default at December 31, 2023. The Company is pursuing the collection of this receivable.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations when they become due. The Company's exposure to liquidity risk is dependent on raising of funds to meet commitments and sustain operations. The Company controls liquidity risk by management of working capital and cash flows. As at September 30, 2025, there is insufficient working capital and the Company has been restructuring and/or negotiating with parties to discharge its debt. The Company's cash is held in business accounts which are available on demand for the Company's business and are not invested in any asset-backed deposits or investments. All of the financial liabilities of the Company are due within 12 months of September 30, 2025.

(EXPRESSED IN CANADIAN DOLLARS)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. If interest rates decrease, the Company will generate smaller interest revenue. The Company is not exposed to significant interest rate risk due to the short-term maturity of its monetary assets. The Company is not susceptible to interest rate fair value risk on its convertible debentures and notes payable that bear fixed interest rates.

Currency risk

The Company is exposed to currency risk related to the fluctuation of foreign exchange rates and the degree of volatility of those rates. Currency risk is limited to the portion of the Company's business transactions and balances denominated in currencies other than the Canadian dollar. The Company performed a sensitivity analysis utilizing a 1% factor and concluded currency risk is not significant to the consolidated financial statements.

8. RELATED PARTY TRANSACTIONS

Key management includes directors, executive officers and officers who have authority and responsibility for planning, directing and controlling the activities of the Company. The Company paid or accrued compensation in form of salaries and management fees to companies controlled by directors, executive officers and officers as follows:

	September 30, 2025 $	September 30, 2024 $
Management fees to the CEO of the Company	156,662	355,205
Management fees to the CFO of the Company	42,000	46,800
Salaries paid or accrued to the COO	-	355,620
Salaries or management fees paid or accrued to other offices of the Company	202,963	622,157
Total	401,625	1,379,782

During the period ended September 30, 2025, the Company has an accrual for salaries, bonuses, short term benefits and management fees of $4,845,476 (December 31, 2024 – $4,444,208) for the executive team and board of directors included in accounts payable and accrued liabilities within the consolidated statement of financial position. Related party transactions were made on terms equivalent to those that prevail in arm's length transactions.

During the period ended September 30, 2025, the Company entered into settlement agreements with related parties were issued subsequent to the period end. See Note 12.

9. ACCOUNTS PAYABLE

	September 30, 2025 $	December 31, 2024 $
Accounts payable	2,476,700	2,614,062
Amounts due to related parties	4,845,476	4,444,208
Accrued liabilities	915,022	1,001,918
Total	8,237,198	8,060,188

During the year ended December 31, 2024, the Company issued 183,758 common shares with a fair value of $145,979 and settled debt of $164,051. The Company recognized a gain of $18,072 (2023 - $Nil) on settlement of debt against shares. During the year ended December 31, 2024, the Company negotiated certain vendor settlements and recorded a gain on settlement of debt of $934,337 (2024 - $702). This includes gain on settlement of amounts owed to research organization of $865,366 in return of ownership rights to the research work carried out by the organization for the Company, as disclosed in Note 11.

During the period ended September 30, 2025, the Company entered into a settlement agreement with an arm's length vendor, whereby the Company settled accounts payables of $233,246 with a cash payment of $35,891. The Company recorded a gain on settlement of liabilities of $196,053.

On September 28, 2023, the Company entered into a loan agreement with an arm's length party for $110,000 which is due on demand, unsecured, and bears interest of 6% (Note 5). On April 14, 2025, the total balance of $110,000 and interest of $10,487 on the note payable was forgiven by the lender. The Company recorded a gain on settlement of liabilities of $120,487.

10. CAPITAL MANAGEMENT

The Company defines capital as all components of shareholders' equity. The Board of Directors does not establish quantitative return on capital criteria for management due to the nature of the Company's business. The Company does not pay dividends. The Company is not subject to any externally imposed capital requirements. There has been no changes in the Company's capital management since fiscal year 2024. Management reviews these policies on an ongoing basis.

11. CONTINGENCIES

As at December 31, 2023, the Company has an outstanding payable balance of $865,456 to a research partner that was due on August 30, 2024 ("Due Date"). If the Company does not remit payment by the Due Date, the Company would incur a project cancellation fee of $1,400,000. On November 1, 2024, the Company entered into a settlement agreement with the Company's research partner, who forgave the amount outstanding and waived the project cancellation fee in exchange for the research conducted by the research partner.

12. SUBSEQUENT EVENTS

On October 21, 2025, the Company consolidated its shares on a 50 to 1 post-consolidated basis (the "Consolidation"). The Company's shares, basic and diluted loss per share have been adjusted retrospectively for all periods presented to reflect the Consolidation.

On March 19, 2025, the Company entered into a Debt Forgiveness Agreement ("Debt Forgiveness") to settle outstanding debt totaling $933,488 (US $641,348) ("Debt") with Mr. Damon Michaels ("Creditor"), a related party. The Creditor agreed to settle this Debt in exchange for a secured convertible debenture in the principal amount of $71,735 (US $50,000). The convertible debenture matures twelve (12) months from the date of issuance and is convertible into common shares of the Company (the "Common Shares") at maturity at a conversion price equal to the greater of: i) 30-day volume weighted average price or ii) the minimum conversion price permitted by the Canadian Securities Exchange (the "CSE"). The issuance of this convertible debenture was approved by the Board effective August 15, 2025, and subsequently ratified and approved by shareholders at the Annual General and Special Meeting held on October 1, 2025 (the "AGSM"). No interest shall accrue on the foregoing convertible debenture prior to an event of default. Upon default, the principal will accrue interest at 8% per annum, compounded quarterly. This convertible debenture was issued on October 14, 2025.

On March 19, 2025, the Company entered into a Debt Forgiveness Agreement ("Debt Forgiveness") to settle outstanding debt totaling $1,073,312 (US $745,043) ("Debt") with Mr. Rob Roscow ("Creditor"), a related party. The Creditor agreed to settle this Debt in exchange for a secured convertible debenture in the principal amount of $71,735 (US $50,000). The convertible debenture matures twelve (12) months from the date of issuance and is convertible into Common Shares at maturity at a conversion price equal to the greater of: i) 30-day volume weighted average price or ii) the minimum conversion price permitted by the CSE. The issuance of this convertible debenture was approved by the Board effective August 15, 2025, and subsequently ratified and approved by shareholders at the AGSM. No interest shall accrue on the foregoing convertible debenture prior to an event of default. Upon default, the principal will accrue interest at 8% per annum, compounded quarterly. This convertible debenture was issued on October 14, 2025.

On March 20, 2025, the Company settled accounts payable of $243,479 (the "Debt") in exchange for a secured convertible debenture in the principal amount of $143,470 (US $100,000) with an arm's length party. The convertible debenture matures in two years, bears interest of 1% per month, and is convertible in whole or in part, into Common Shares. The conversion price is equal to the greater of: i) 30-day volume weighted average price or ii) the minimum conversion price permitted by the CSE. This convertible debenture shall bear interest on overdue interest at the rate of 12% per annum and shall bear interest following the occurrence of an event of default at the rate of 24% per annum. The issuance of this convertible debenture was approved and ratified on September 9, 2025. The convertible debenture was issued on October 14, 2025.

The Company entered into a debt settlement agreement with Josh Bartch, the Company's Chief Executive Officer and a director, to settle $1,309,836 of unpaid management fees and expense reimbursements. The Company issued a convertible debenture in the principal amount of $1,309,836, maturing one year from issuance, and convertible beginning four (4) months and one (1) day after issuance into Common Shares at the greater of: (i) the twenty (20) day volume-weighted average trading price immediately prior to conversion; or (ii) the minimum price permitted by the CSE and applicable securities regulators. The issuance of this convertible debenture was approved by the Board effective August 15, 2025, and subsequently ratified and approved by shareholders at the AGSM. No interest shall accrue on the foregoing debentures prior to an event of default. Upon default, the principal will accrue interest at 8% per annum, compounded quarterly. The convertible debenture was issued on October 14, 2025.

The Company entered into a debt settlement agreement with Pioneer Garage Limited to settle CAD $7,878,792 in amounts owing under a prior convertible debenture and expense reimbursements. In full and final settlement, the Company issued a convertible debenture in the principal amount of CAD $7,878,792, maturing one year from issuance, and convertible beginning four (4) months and one (1) day after issuance into common shares at the greater of: (i) the twenty (20) day volume-weighted average trading price immediately prior to conversion; or (ii) the minimum price permitted by the CSE and applicable securities regulators. The issuance of this convertible debenture was approved by the Board effective August 15, 2025, and subsequently ratified and approved by shareholders at the AGSM. No interest shall accrue on the foregoing debentures prior to an event of default. Upon default, the principal will accrue interest at 8% per annum, compounded quarterly. The convertible debenture was issued on October 14, 2025.