Global Compliance Applications Corp.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the Six Months Ended December 31, 2025 and 2024

(Stated in Canadian Dollars - unaudited)

NOTICE OF NO AUDITOR REVIEW OF
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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

The accompanying unaudited condensed consolidated interim financial statements of Global Compliance Applications Corp. (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 standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

GLOBAL COMPLIANCE APPLICATIONS CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Stated in Canadian Dollars) (unaudited)

		December 31, 2025		June 30, 2025
ASSETS				
Current assets				
Cash	$	**1,099**	$	1,835
GST and other receivables		**27,922**		41,367
TOTAL ASSETS	$	**29,021**	$	43,202
LIABILITIES AND SHAREHOLDERS' DEFICIT				
Current liabilities				
Accounts payable (Note 6)	$	**2,838,721**	$	2,280,862
Accrued liabilities (Note 6)		**292,019**		545,208
Loans payable (Note 7)		**679,870**		656,673
Deferred revenue		**69**		-
TOTAL LIABILITIES		**3,810,679**		3,482,743
SHAREHOLDERS' DEFICIT				
Share capital (Note 8)		**18,904,838**		18,904,838
Obligation to issue shares		**39,518**		39,518
Share-based payment reserve (Note 8)		**4,368,888**		4,368,888
Accumulated other comprehensive loss		**(1,959)**		(1,181)
Deficit		**(27,092,943)**		(26,751,604)
Total equity		**(3,781,658)**		(3,439,541)
TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIT	$	**29,021**	$	43,202

Going concern (Note 1)
Contingencies (Note 10)
Subsequent event (Note 11)

Approved on behalf of the Board:

"Ryan Gibson"	*"Alexander Helmel"*
Ryan Gibson	Alexander Helmel

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

GLOBAL COMPLIANCE APPLICATIONS CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS
(Stated in Canadian Dollars) (unaudited)

		3 months ended December 31,				Six months ended December 31,		
		2025		2024		**2025**		2024
Revenue:								
Software licensing revenue	$	**5,091**	$	626	$	**10,256**	$	967
Expenses:								
Accounting and audit fees		**5,671**		40,000		**15,671**		43,000
Interest charges (Notes 7)		**17,896**		11,489		**34,310**		22,183
Consulting fees (Note 6)		**69,934**		36,981		**178,588**		185,667
Foreign exchange		**(10,613)**		6,493		**3,913**		7,041
IT costs		**55,025**		35,133		**66,360**		68,335
Legal fees		**13,355**		12,953		**13,903**		14,533
Marketing		**4,840**		933		**9,787**		2,795
Office and miscellaneous		**5,271**		(331)		**9,885**		7,027
Transfer agent, listing, and filing fees		**16,553**		6,709		**19,178**		13,887
Travel		**-**		193		**-**		193
Total expenses		**(177,932)**		(150,553)		**(351,595)**		(364,661)
Other item:								
Gain on debt settlement (Notes 10, 12)		**-**		62,750		**-**		62,750
Net loss		**(172,841)**		(87,177)		**(341,339)**		(300,944)
Foreign currency translation adjustment		**4,328**		(12,943)		**(778)**		(10,383)
Total comprehensive loss	$	**(168,513)**	$	(100,120)	$	**(342,117)**	$	(311,327)
Basic and diluted loss per share	$	**(0.00)**	$	(0.00)	$	**(0.00)**	$	(0.00)
Weighted average number of common shares outstanding		**356,194,200**		307,739,842		**356,194,200**		301,676,679

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

GLOBAL COMPLIANCE APPLICATIONS CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Stated in Canadian Dollars) (unaudited)

	Six months ended December 31, 2025	2024
Operating Activities		
Net loss for the period	$ **(341,339)**	$ (300,944)
Items not affecting cash:		
Accrued interest	**23,197**	23,266
Gain from debt settlement	**-**	(62,750)
Changes in non-cash working capital items:		
GST and other receivables	**13,445**	10,434
Prepaid expenses	**-**	1,364
Accounts payable and accrued liabilities	**304,670**	276,473
Deferred revenue	**69**	-
Cash used in operating activities	**42**	**(52,157)**
Financing Activities		
Subscriptions received	**-**	50,000
Cash provided by financing activities	**-**	**50,000**
Effects of exchange rate changes on cash	**(778)**	(10,383)
Increase (decrease)in cash	**(736)**	**(12,540)**
Cash, beginning	**1,835**	**13,252**
Cash, ending	$ **1,099**	$ **712**
Other Non-Cash Transactions:		
Shares issued for debt	$ **-**	$ 125,235

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

GLOBAL COMPLIANCE APPLICATIONS CORP.
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' DEFICIT
(Stated in Canadian Dollars) (unaudited)

	Share capital		Obligation to issue shares	Subscription received	Share-based payment reserve	Accumulated other comprehensive income (loss)	Deficit	Total
	Number of Shares	Amount						
		$	$	$	$	$	$	$
Balance, June 30, 2024	**258,608,059**	**18,552,907**	**39,518**	**29,000**	**4,039,815**	**(3,361)**	**(25,518,927)**	**(2,861,048)**
Shares issued for cash, net of costs (Note 8)	1,450,000	7,250.00	-	(29,000)	21,750	-	-	-
Shares issued for debt (Note 8)	25,047,000	312,690	-	-	-	-	-	312,690
Subscriptions received (Note 12)	-	-	-	50,000	-	-	-	50,000
Net and comprehensive loss	-	-	-	-	-	(10,383)	(300,944)	(311,327)
Balance December 31, 2024	**285,105,059**	**18,872,847**	**39,518**	**50,000**	**4,061,565**	**(13,744)**	**(25,819,871)**	**(2,809,685)**
Balance, June 30, 2025	**356,194,200**	**18,904,838**	**39,518**	**-**	**4,368,888**	**(1,181)**	**(26,751,604)**	**(3,439,541)**
Net and comprehensive loss	-	-	-	-	-	(778)	(341,339)	(342,117)
Balance December 31, 2025	**356,194,200**	**18,904,838**	**39,518**	**-**	**4,368,888**	**(1,959)**	**(27,092,943)**	**(3,781,658)**

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

1. Nature and Continuance of Operations

Global Compliance Applications Corp. (the "Company", "Global Compliance", or "GCAC") was incorporated on July 14, 2014, under the *Business Corporations Act* (British Columbia). The Company's shares trade on the Canadian Securities Exchange ("CSE") under the trading symbol "APP". The head office of the Company is Suite 830 - 1100 Melville Street, Vancouver, BC V6E 4A6. The registered and records office of the Company is Suite 1500 - 1055 West Georgia Street, Vancouver, BC V6E 4N7. The Company designs and develops data technologies and applications for the medical cannabis industry.

These condensed consolidated interim financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at December 31, 2025, the Company has not generated significant revenues from operations and has current liabilities that exceed current assets by $3,781,658 and accumulated deficit of $27,092,943. The continued operations of the Company are dependent on its ability to generate future cash flows from operations or obtain additional financing. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. These financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern. These adjustments could be material. Management intends to finance operating costs over the next twelve months with private placements of common shares and loans from directors. While management has been successful in obtaining sufficient funding for its operating and capital requirements from the inception of the Company to date, there is no assurance that additional funding will be available to the Company, when required, or on terms which are acceptable to management.

2. Statement of Compliance

These financial statements were authorized for issue on February 27, 2026, by the directors of the Company.

Statement of Compliance
These unaudited condensed consolidated interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34") using accounting policies consistent with the IFRS Accounting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the IFRS Interpretations Committee ("IFRIC").

These unaudited condensed interim consolidated financial statements do not include all of the information required of a full annual financial report and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that this financial report be read in conjunction with the audited annual consolidated financial statements of the Company for the year ended June 30, 2025.

3. Material Accounting Policy Information and Basis of Preparation

Basis of Measurement
These condensed consolidated interim financial statements have been prepared on an accrual basis except for certain financial instruments, and are based on historical costs. These financial statements are presented in Canadian dollars which is also the Company's functional currency.

Consolidation
These condensed consolidated interim financial statements include the accounts of the Company and its controlled entities. Details of controlled entities are as follows:

(Stated in Canadian Dollars) (unaudited)

3. Material Accounting Policy Information and Basis of Preparation (continued)
Consolidation (continued)

	Country of incorporation	Percentage owned*	
		December 31, 2025	June 30, 2025
Antisocial Holdings Ltd. **	Canada	100%	100%
GCAC Europe UAB **	Lithuania	100%	100%
Citizen Green OU **	Estonia	45.8%	45.8%
GCAC Australia Pty Ltd. **	Australia	61%	61%
OPINIT LLC **	USA	100%	100%
GCAC North America Inc.	USA	100%	100%

* Percentage of voting power is in proportion to ownership.
** These companies are dormant.

Inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated on consolidation.

Revenue recognition
The Company primarily derives revenue from the provision of cloud-based software as well as services associated with customizing its products. Software revenue includes licenses derived from software and software services. The Company generates revenue from several sources:

<u>Software Licenses.</u> Revenue from software licenses is recognized over the term of the license contract term, unless otherwise agreed to between the Company and the customer.
<u>Customization services.</u> Revenue from customization services is recognized as earned, based on performance according to specific terms of the contract.
<u>Monthly subscription fees.</u> Revenue from subscriptions to access the Company's software over a period of time is recognized over the contractual period.

Revenue is recognized when the performance obligations have been achieved and the goods or services have been transferred to the customer, which are normally:

- persuasive evidence of a contractual arrangement exists;
- the program is complete;
- the contractual delivery arrangements have been satisfied;
- the customer has access to the license software and has the contractual right to use it as per the contract;
- the fee is fixed or determinable;
- collection of the fee is reasonably assured; and
- the costs incurred or to be incurred in respect of the contractual arrangement can be measured reliably.

Payments received prior to the completion of the performance obligation is recorded as deferred revenue.

New Standards and Interpretations Not Yet Adopted

IFRS 18 – Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements. This standard aims to improve the consistency and clarity of financial statement presentation and disclosures by providing updated guidance on the structure and content of financial statements. Key changes include enhanced requirements for the presentation of financial performance, financial position, and cash flows, as well as additional disclosures to improve transparency and comparability. IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027. The Company is currently assessing the impact that the adoption of IFRS 18 will have on its consolidated financial statements.

(Stated in Canadian Dollars) (unaudited)

3. Material Accounting Policy Information and Basis of Preparation (continued)

New Standards and Interpretations Not Yet Adopted (continued)

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

4. Intangible Assets

TraceLocker

During the year ended June 30, 2023, the Company determined that the value of their TraceLocker App was impaired under IAS 36 due to lack of revenue generated by the app. As a result, the Company recognized an impairment loss of $170,276 to write down the intangible to its estimated value in use of $1. During the year ended June 30, 2025, the Company wrote off the TraceLocker App and recognized an impairment loss of $1.

5. Digital Currencies

During the years ended June 30, 2025 and 2024, the changes of GCAC tokens, an Ethereum ERC-20 token listed on Uniswap.org, are as follows:

		GCAC Token
Balance June 30, 2024	$	**5,816**
Impairment		(5,816)
Balance June 30, 2025 and December 31, 2025	$	**-**

The Company recorded an impairment of $5,816 during the year ended June 30, 2025 (2024: $9,170) due to the illiquidity of the tokens in an active market. The carrying value is based on the amount the Company would expect to receive if all tokens were converted to Ethereum and sold. At the date of these financial statements, there has been no change to the carrying value of the digital currency.

6. Related Party Transactions

Key management personnel are persons responsible for planning, directing and controlling the activities of an entity, and include certain directors and officers. The Company considers its Chief Executive Officer, Chief Financial Officer, and directors of the Company to be key management. The Company has incurred charges during the six ended December 31, 2025, from directors and senior management, or companies controlled by them, for consulting fees in the amount of $119,650 (2024: $34,530).

During the year ended June 30, 2023, the Company entered into loan agreements with the President of a subsidiary to borrow USD $8,000 (CAD $10,592), repayable on demand with 6% per annum (Note 7). During year ended June 30, 2024, the principal amount of the loan increased by USD $500 (CAD $678) and the Company repaid USD $1,000 (CAD $1,355). During the year ended June 30, 2025, the principal amount of the loan increased by an additional amount of USD $565 (CAD $800). As at December 31, 2025, the balance of the principal and interest is USD $9,523 (CAD $13,052) (June 30, 2025: USD $9,240 (CAD $12,606)).

At December 31, 2025, a balance of $728,094 (June 30, 2025: $510,014) was owing to related parties and included in accounts payable and accrued liabilities. These amounts are unsecured, non-interest bearing and due on demand.

7. Loans Payable

The Company has a loan payable of $310,716 which is unsecured and bears interest at 7% per annum. The loan was originally due December 31, 2019, but was subsequently renewed until December 31, 2021. The loan is currently in default and continues to accrue interest under the same terms until repaid. The demand to repay the loan has not been made.

During the year ended June 30, 2023, the Company entered into a loan agreement to borrow USD $5,000 (CAD $6,767), repayable on demand and bearing 6% interest per annum. During the six months ended December 31, 2025, the Company accrued USD $150 (CAD $209) (year ended June 30, 2025: USD $300 (CAD $419)) of interest on the loan. As at December 31, 2025, the principal of the loan is USD $5,000 (CAD $6,853) (June 30, 2025: USD $5,000 (CAD $6,822)) and the accrued interest is USD $846 (CAD $1,162) (June 30, 2025: USD $696 (CAD $953)).

During the year ended June 30, 2023, GCACNA entered into a loan agreement to borrow USD $5,000 (CAD $6,660), repayable on demand and bearing 6% interest per annum. During the six months ended December 31, 2025, the Company accrued USD $177 (CAD $242) (year ended June 30, 2025: USD $339 (CAD $473)) of interest on the loan. As at December 31, 2025, the principal of the loan is USD $5,000 (CAD $6,853) (June 30, 2025: USD $5,000 (CAD $6,822)) and the accrued interest is USD $945 (CAD $1,296) (June 30, 2025: USD $769 (CAD $1,049)).

During the year ended June 30, 2023, GCACNA entered into two loan agreements with the President of a subsidiary to borrow USD $8,000 (CAD $10,592), repayable on demand and bearing 6% interest per annum (Note 6). During the year ended June 30, 2024, the principal amount of the loan increased by USD $500 (CAD $678) and the Company repaid USD $1,000 (CAD $1,355) against the principal. During the year ended June 30, 2025, the principal amount of the loan increased by an additional amount of USD $565 (CAD $800). During the six months ended December 31, 2025, the Company accrued USD $283 (CAD $388) (year ended June 30, 2025: USD $745 (CAD $1,040)) of interest on the loan. As at December 31, 2025, the principal of the loan is USD $8,065 (CAD $11,227) (June 30, 2025: is USD $8,065 (CAD $11,053)) and the accrued interest is USD $1,458 (CAD $1,998) (June 30, 2025: USD $1,175 (CAD $1,603)).

On December 21, 2023, the Company entered into a loan agreement to borrow $1,890, repayable in 12 months and bearing 8% interest per annum. During the six months ended December 31, 2025, the Company accrued $76 (2024: $76) of interest on the loan. As at December 31, 2025, the principal of the loan is $1,890 (June 30, 2025: $1,890) and the accrued interest is $307 (June 30, 2025: $231). The loan is in default.

On February 1, 2024, the Company entered into a loan agreement with a holder of the convertible promissory note for the outstanding balance of the convertible note of $27,385, repayable in 12 months and bearing 8% interest per annum. During the six months ended December 31, 2025, the Company accrued $1,104 (2025: $1,104) of interest on the loan. As at December 31, 2025, the principal of the loan is $27,385 (June 30, 2025: $27,385) and the accrued interest is $3,6494,202 (June 30, 2025: $3,097). The loan is in default.

On February 2, 2024, the Company entered into a loan agreement with a third party to borrow $1,870, repayable in 12 months and bearing 8% interest per annum. During the six months ended December 31, 2025, the Company accrued $75 (2025: $75) of interest on the loan. As at December 31, 2025, the principal of the loan is $1,870 (June 30, 2025: $1,870) and the accrued interest is $286 (June 30, 2025: $211). The loan is in default.

On April 18, 2024, the Company entered into a loan agreement with a third party to borrow $8,260, repayable in 12 months and bearing 8% interest per annum. During the six months ended December 31, 2025, the Company accrued $333 (2025: $333) of interest on the loan. As at December 31, 2025, the principal of the loan is $8,260 (June 30, 2025: $8,260) and the accrued interest is $1,128 (June 30, 2025: $795).

(Stated in Canadian Dollars) (unaudited)

7. Loans Payable (continued)

		Principal		Interest		Total
Balance June 30, 2024	$	373,968		237,767	$	611,735
Addition		800		-		800
Interest		-		44,138		44,138
Balance June 30, 2025		374,768		281,905		656,673
Interest		-		23,197		23,197
Balance December 31, 2025	$	**374,768**	$	**305,102**	$	**679,870**

8. Share Capital

a) Authorized

Unlimited common shares, without par value.

b) Issued and outstanding

As at December 31, 2025: 356,194,200 (June 30, 2025: 356,194,200) common shares are issued and outstanding.

<u>During the six months ended December 31, 2025.</u>

No shares were issued during the period.

<u>During the year ended June 30, 2025</u>

On July 26, 2024, the Company closed a non-brokered private placement and issued 1,450,000 units at a price of $0.02 per unit for gross proceeds of $29,000. Each unit consisted of one common share and one common share purchase warrant, whereby each warrant entitles the holder to purchase one additional common share of the Company for a period of two years from closing at an exercise price of $0.05 per common share. Under the residual method, a value of $21,750 was allocated to the warrants.

On July 26, 2024, the Company issued 12,497,000 units with a fair value of $249,940 to certain creditors to settle an aggregate amount of $249,940 in debt. Each unit consisted of one common share and one common share purchase warrant, whereby each warrant entitles the holder to purchase one additional common share of the Company for a period of two years from closing at an exercise price of $0.05 per common share. The fair value of the warrants was determined to be $187,455 using the residual method.

On November 1, 2024, the Company issued 12,550,000 common shares at a price of $0.02 per common share to settle certain creditors of the Company an aggregate amount of $125,500 in debt. The fair value of the common shares was $62,750 and the Company recorded a gain on debt settlement of $62,750 during year ended June 30, 2025.

On April 14, 2025, the Company closed a non-brokered private placement and issued 8,000,000 units at a price of $0.01 per unit for gross proceeds of $80,000. Each unit consisted of one common share and one common share purchase warrant, whereby each warrant entitles the holder to purchase one additional common share of the Company for a period of three years from closing at an exercise price of $0.05 per common share. Under the residual method, a value of $40,000 was allocated to the warrants.

(Stated in Canadian Dollars) (unaudited)

8. Share Capital (continued)

b) Issued and outstanding (continued)

On April 14, 2025, the Company issued 36,089,141 units with a fair value of $260,314 to certain creditors to settle an aggregate amount of $360,891 in debt. Each unit consisted of one common share and one half common share purchase warrant, whereby each warrant entitles the holder to purchase one additional common share of the Company for a period of two years from closing at an exercise price of $0.05 per common share. The fair value of the common shares was $180,446 and the fair value of the warrants was $79,868. The fair value of the warrants was determined using Black-Sholes option pricing model with the following assumptions: expected life of 2 years, risk-free interest rate of 2.69%, volatility of 288% and dividend yield of 0%. The Company recorded a gain on debt settlement of $100,577 during year ended June 30, 2025.

c) Warrants

The continuity schedule of the Company's warrants is as follows:

	Number of warrants	Weighted average exercise price ($)
Balance, June 30, 2024	56,566,540	0.12
Issued	39,991,571	0.05
Expired/forfeited	(22,329,539)	0.05
Balance, June 30, 2025	74,228,572	0.06
Expired/forfeited	(1,066,666)	0.07
Balance, December 31, 2025	**73,161,906**	**0.06**

The following table details the warrants outstanding and exercisable at December 31, 2025:

Number of Warrants	Exercise Price	Expiry Date
3,412,500	$0.05	August 15, 2026
7,788,727	$0.05	December 30, 2026
7,272,108	$0.17	February 22, 2026
6,000,000	$0.05	March 14, 2026
500,000	$0.05	May 2, 2026
8,197,000	$0.05	May 2, 2026
13,947,000	$0.05	July 26, 2026
18,044,571	$0.05	April 14, 2027
8,000,000	$0.05	April 14, 2028
73,161,906	**$0.06**	

At December 31, 2025, the weighted average remaining contractual life of all warrants outstanding was 0.88 years.

On December 9, 2024, the Company extended the expiry of an aggregate 7,788,727 common share purchase warrants by one year to December 30, 2025 and then on December 18, 2025 the Company extended them to December 30, 2026. The warrants were originally issued on December 30, 2022 and were set to expire on December 30, 2024. Each warrant entitles the holder thereof to acquire one common share in the capital of the Company at a price of $0.05 per common share.

(Stated in Canadian Dollars) (unaudited)

8. Share Capital (continued)

d) Share-based compensation

The Company has a stock option plan whereby share purchase options are granted in accordance with the policies of regulatory authorities at an exercise price equal to the greater of the market price of the Company's shares on the date of the grant and the date prior thereto and, unless otherwise stated, vest on the grant date. The term of any share purchase option shall not exceed five years. Under the stock option plan, the board of directors may grant up to 10% of the issued number of shares outstanding as at the date of the share purchase option grant.

During the six months ended December 31, 2025 and the year ended June 30, 2025, no stock options were issued.

A continuity schedule of the Company's share purchase options is as follows:

	Options	Weighted average exercise price ($)
Balance, June 30, 2024 and 2025	11,935,000	0.10
Expired/forfeited/cancelled	(7,450,000)	0.10
Balance, December 31, 2025	**4,485,000**	**0.09**

As at December 31, 2025, the weighted average remaining contractual life of the outstanding options was 0.98 years.

Details of the Company's outstanding and exercisable share purchase options at December 31, 2025, is as follows:

Exercise price	Remaining contractual life (years)	Number of options outstanding	Expiry Dates
$0.10	1.18	300,000	March 7, 2027
$0.15	0.36	850,000	May 10, 2026
$0.14	0.52	750,000	July 7, 2026
$0.06	1.09	400,000	February 1, 2027
$0.10	1.10	250,000	February 7, 2027
$0.07	1.20	100,000	March 15, 2027
$0.05	1.33	1,335,000	May 2, 2027
$0.05	1.52	500,000	July 8, 2027
$0.09	**0.98 years**	**4,485,000**	

e) Share based payment reserve

The reserve records items recognized as stock-based compensation expense and other share-based payments until such time that the share purchase options, RSU's or finders' warrants are exercised, at which time the corresponding amount will be transferred to share capital. If the options and warrants expire unexercised, the amount recorded remains in the reserve.

Proceeds from issuances by the Company of units consisting of shares and warrants are allocated based on the residual method, whereby the carrying amount of the warrants is determined based on any difference between gross proceeds and the estimated fair market value of the shares. If the proceeds from the offering are less than or equal to the estimated fair market value of shares issued, a nil carrying amount is assigned to the warrants.

8. Share Capital (continued)

f) Loss per share

The calculation of basic and diluted loss per share for the six months ended December 31, 2025, was based on the loss attributable to common shareholders of $341,339 (2024: $300,944) and the weighted average number of common shares outstanding of 356,194,200 (2024: 301,676,679).

The calculation of basic and diluted loss per share for the three months ended December 31, 2025, was based on the loss attributable to common shareholders of $172,650 (2024: $87,177) and the weighted average number of common shares outstanding of 356,194,200 (2024: 307,739,842).

9. Financial Risk and Capital Management

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk
Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk was on its cash. Management believes that the credit risk with respect to cash is minimal as balances are held with a high-credit quality financial institution.

Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company has a planning process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. Liquidity risk is assessed as high.

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements, and loans. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding or loans.

Interest rate risk
Interest rate risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Management does not believe the Company is exposed to significant interest rate risk as cash is non-interest bearing and liabilities bear interest at a fixed rate as at December 31, 2025.

Foreign exchange risk
Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is not exposed to significant foreign exchange risk.

Fair value
The carrying value of cash, accounts payable and loan payable approximate their fair value due to the relatively short-term nature of these instruments.

Capital Risk Management
The Company defines its capital as shareholders' equity. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to continue the development of mobile applications. As the Company is in the preliminary stages of operations, its principal source of funds is from the issuance of common shares.

9. Financial Risk and Capital Management (continued)

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, acquire or dispose of assets or adjust the amount of cash.

The Company is not subject to externally imposed capital requirements. There were no changes in management's approach to managing capital.

10. Contingencies

The Company, in the normal course of business, is a party to various claims and lawsuits. The Company's accounting policy is to include the estimated net cost of disposition of known claims and lawsuits in its financial statements where it is possible to make such estimates.

11. Subsequent Event

On February 2, 2026, the Company issued 36,746,542 units with a fair value of $551,198 to certain creditors to settle an aggregate amount of $367,465 in debt. Each unit consisted of one common share and one common share purchase warrant, whereby each warrant entitles the holder to purchase one additional common share of the Company for a period of two years from closing at an exercise price of $0.05 per common share.