



DelphX Capital Markets Inc.

Consolidated Financial Statements

(Expressed in Canadian dollars)

**As at and for the years ended
December 31, 2025 and 2024**

DAVIDSON

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
DelphX Capital Markets Inc.

Opinion

We have audited the accompanying consolidated financial statements of DelphX Capital Markets Inc. (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2025 and 2024 and the consolidated statements of net loss and comprehensive loss, changes in shareholders' deficiency, and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the consolidated financial statements, which indicates that the Company is in the development stage and has not yet realized profitable operations and has relied on non-operational sources of financing to fund operations. As stated in Note 1, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matter described in the Material Uncertainty Related to Going Concern section, we have determined that there are no other key audit matters to communicate in our auditor's report.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

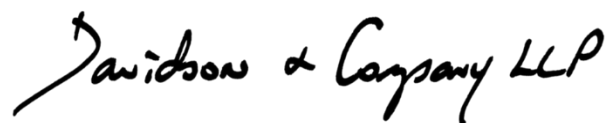
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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

A handwritten signature in black ink that reads "Davidson & Company LLP". The signature is written in a cursive, flowing style.

Chartered Professional Accountants
Licensed Public Accountants

Vancouver, Canada

April 10, 2026

DelphX Capital Markets Inc.
Consolidated Statements of Financial Position
(expressed in Canadian dollars)

As at	December 31, 2025	December 31, 2024
Assets		
Current assets		
Cash	47,575	54,262
Harmonized sales taxes recoverable	24,164	30,580
Deposits and prepaid expenses <i>(note 4)</i>	45,775	76,046
Total current assets	117,514	160,888
Total assets	117,514	160,888
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities <i>(note 5)</i>	2,403,099	2,748,269
Total liabilities	2,403,099	2,748,269
Shareholders' deficiency		
Share capital <i>(note 7)</i>	30,121,439	28,153,349
Commitment to issue shares <i>(note 9)</i>	-	185,000
Contributed surplus <i>(note 9)</i>	6,561,142	6,221,155
Warrants <i>(note 8)</i>	1,857,365	1,872,125
Deficit	(41,295,958)	(39,403,329)
Accumulated other comprehensive income	470,427	384,319
Total shareholders' deficiency	(2,285,585)	(2,587,381)
Total liabilities and shareholders' deficiency	117,514	160,888

Going concern (note 1)
Subsequent events (notes 7, 8, & 9)

Approved for issuance by the Board on April 10, 2026

"Salim Hasham", Independent Director

"A. Gordon Jardin", Independent Director

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

DelphX Capital Markets Inc.
Consolidated Statements of Net Loss and Comprehensive Loss
(expressed in Canadian dollars except where otherwise noted)

	Years ended December 31,	
	2025	2024
Operating expenses		
Administration	1,193,669	1,641,783
Legal and regulatory	154,923	349,433
Investor relations and public reporting	149,934	204,324
Marketing and sales	71,487	53,321
Interest and bank charges	8,806	10,380
Share-based compensation <i>(notes 7, 9 & 10)</i>	314,137	2,513,511
Total operating expenses	1,892,956	4,772,752
Other income (expenses)		
Other income	327	449
Net loss	(1,892,629)	(4,772,303)
Items that may be reclassified subsequently to net loss:		
Foreign currency translation gain (loss)	86,108	(196,519)
Total comprehensive loss	(1,806,521)	(4,968,822)
Basic & diluted net loss per share <i>(note 12)</i>	(0.01)	(0.03)

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

DelphX Capital Markets Inc.
Consolidated Statements of Changes in Shareholders' Deficiency
(expressed in Canadian dollars, except where otherwise noted)

	Share capital		Commitment to issue shares	Warrants	Contributed surplus	Accumulated other comprehensive income	Deficit	Total
	Number of shares	Amount						
Balance at December 31, 2024	184,574,296	28,153,349	185,000	1,872,125	6,221,155	384,319	(39,403,329)	(2,587,381)
Shares issued for cash (note 7)	28,841,761	1,820,560	-	-	-	-	-	1,820,560
Cost of issuance	-	(33,382)	-	-	-	-	-	(33,382)
Finder warrants issued (note 8)	-	(11,090)	-	11,090	-	-	-	-
Finder warrants exercised (note 8)	116,667	7,002	-	(7,002)	7,002	-	-	7,002
Finder warrants expired (note 8)	-	-	-	(18,848)	18,848	-	-	-
Share-based compensation (note 9)					314,137			314,137
Shares issued for services (note 9)	1,567,459	185,000	(185,000)	-	-	-	-	-
Loss and comprehensive loss	-	-	-	-	-	86,108	(1,892,629)	(1,806,521)
Balance at December 31, 2025	215,100,183	30,121,439	-	1,857,365	6,561,142	470,427	(41,295,958)	(2,285,585)

Balance at December 31, 2023	150,755,407	24,371,626	-	1,783,382	5,527,644	580,838	(34,631,026)	(2,367,536)
Shares issued for cash (note 7)	22,918,889	2,324,700	-	-	-	-	-	2,324,700
Cost of issuance	-	(89,234)	-	-	-	-	-	(89,234)
Finder warrants issued (note 8)	-	(88,743)	-	88,743	-	-	-	-
Share-based compensation (note 9)	10,900,000	1,635,000	185,000	-	693,511	-	-	2,513,511
Loss and comprehensive loss	-	-	-	-	-	(196,519)	(4,772,303)	(4,968,822)
Balance at December 31, 2024	184,574,296	28,153,349	185,000	1,872,125	6,221,155	384,319	(39,403,329)	(2,587,381)

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

DelphX Capital Markets Inc.
Consolidated Statements of Cash Flows
(expressed in Canadian dollars except where otherwise noted)

	Years ended December 31,	
	2025	2024
Operating activities		
Net loss	(1,892,629)	(4,772,303)
Non-cash items:		
Share-based compensation	314,137	2,513,511
	(1,578,492)	(2,258,792)
Net change in non-cash working capital related to operations		
Harmonized sales taxes recoverable	6,416	8,446
Deposits and prepaid expenses	30,271	(14,166)
Accounts payable and accrued liabilities	(345,170)	143,655
Cash used for operating activities	(1,886,975)	(2,120,857)
Financing activities		
Issuance of common shares (net of issuance costs)	1,794,180	2,235,466
Cash provided from financing activities	1,794,180	2,235,466
Effect of foreign currency translation	86,108	(196,519)
Decrease in cash for the year	(6,687)	(81,910)
Cash, beginning of the year	54,262	136,172
Cash, end of the year	47,575	54,262

For the years ended December 31, 2025 and 2024, there were nominal amounts of cash interest paid. Non-cash transactions, which are not reflected in the statement of cash flows, include finders warrants in connection with private placements, with a total fair value of \$11,090 (2024 - \$88,743) as determined using the Black-Scholes option pricing model. The finders' warrants were recognized as part of share issuance costs (Note 8) disclosed separately on the statement of shareholders' deficiency.

DelphX Capital Markets Inc.
Notes to the Consolidated Financial Statements
(expressed in Canadian dollars except where otherwise noted)

1. General information and going concern

DelphX Capital Markets Inc. (“**DelphX**” or the “**Company**”) was incorporated as Seaside Exploration Partners Corp. (“**Seaside**”) on October 21, 2016, pursuant to the *Business Corporations Act* (British Columbia), and was a Capital Pool Company, pursuant to the policies of the TSX Venture Exchange (“**TSXV**”). On April 25, 2018, DelphX Corporation and Seaside completed a Qualifying Transaction (“**QT**”), as is defined pursuant to TSXV Policy 2.4, pursuant to a definitive share-exchange agreement dated December 12, 2017.

The principal address of the Company is 15 Prince Arthur Street, Toronto, Ontario, M5R 1B2. DelphX’s principal business activity is to develop a global facility for transparent offering, purchase, sale, collection and storage of certain fixed income securities and derivatives, and to manage data, research, analytics and valuations of such instruments.

These audited consolidated financial statements (the “**Financial Statements**”) have been prepared using IFRS Accounting Standards (“**IFRS**”) applicable to a going concern, which contemplates the realization of assets and settlement of liabilities as they fall due in the normal course of business for the foreseeable future. The Company is in the development stage and has not yet realized profitable operations and has relied on non-operational sources of financing to fund operations. DelphX’s ability to continue as a going concern is dependent on successfully executing its business plan, which includes the raising of additional funds. The Company will continue to seek additional forms of debt or equity financing, but it cannot provide assurance that it will be successful in doing so. These material uncertainties cast significant doubt as to the ability of the Company to continue as a going concern. The Financial Statements do not reflect the adjustments to the carrying amounts of assets and liabilities and the reported expenses and consolidated statement of financial position classifications that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

2. Basis of preparation

Statement of compliance

The Financial Statements have been prepared in accordance with IFRS Accounting Standards, as issued by the International Accounting Standards Board (“**IASB**”).

Basis of presentation and measurement

The Financial Statements have been prepared on an accrual basis and are based on historical cost basis, except for certain financial instruments that are measured at amortized cost or fair value.

The preparation of the Financial Statements in accordance with IFRS requires the use of certain accounting estimates. It also requires management to exercise its judgment in the process of applying the Company’s accounting policies.

The Financial Statements were approved and authorized for issuance by the Board on April 10, 2026.

DelphX Capital Markets Inc.
Notes to the Consolidated Financial Statements
(expressed in Canadian dollars except where otherwise noted)

Basis of consolidation and foreign currency translation

The Financial Statements include the accounts of the Company and its directly and indirectly wholly-owned subsidiaries. All inter-company transactions, balances, income and expenses between the consolidated entities are eliminated on consolidation.

The Company's presentation currency is the Canadian dollar which is also its functional currency. The functional currencies of the Company's subsidiaries were determined based on the principal currency of the economic environment in which each entity operates. The application of foreign currency translation adjustments are detailed in note 3.

Details of the Company's subsidiaries are as follows:

Subsidiary	Jurisdiction	Incorporation date	Functional currency	Status
DelphX Corporation	Delaware, USA	February 18, 2016	United States dollar	Active
DelphX Services Corporation	United States	August 4, 2011	United States dollar	Active
DelphX Data Corporation	Canada	February 21, 2018	Canadian dollar	Active
Quantem Capital LLC	Delaware, USA	September 3, 2021	United States dollar	Active
Quantem Capital Corporation	Bermuda	April 11, 2018	United States dollar	Inactive

3. Material accounting policies

Critical accounting estimates and judgements

Application of accounting policies requires management to use estimates and judgments that can have a material effect on the revenues, expenses, comprehensive loss, assets and liabilities recognized and disclosures made in the Financial Statements.

Management's best estimates concerning the future are based on the facts and circumstances available at the time estimates are made. Management uses historical experience, general economic conditions and assumptions regarding probable future outcomes as the basis for determining estimates. Estimates and their underlying assumptions are reviewed periodically, and the effects of any changes are recognized immediately. Actual results could differ from the estimates used.

The following areas require management's significant accounting estimates and judgments:

Significant accounting estimates

Fair value of stock options and warrants: The Company has a stock option plan (the "**Plan**") pursuant to which options to purchase common shares of the Company ("**Options**") may be granted. The Company also issues warrants from time to time in connection with certain equity transactions. Determining the fair value of warrants and Options requires judgments related to the choice of a pricing model, the estimation of volatility, the expected forfeiture rate and the expected term of the underlying instruments. Any changes in the estimates or inputs utilized to determine fair value could result in a significant impact on the Company's future operating results or on other components of equity.

DelphX Capital Markets Inc.
Notes to the Consolidated Financial Statements
(expressed in Canadian dollars except where otherwise noted)

Significant accounting judgments

Deferred tax assets: Deferred tax assets including those arising from tax loss carryforwards, require management to assess the likelihood that the Company will generate sufficient taxable earnings in future periods in order to utilize recognized deferred tax assets. Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. In addition, future changes in tax laws could limit the ability of the Company to obtain tax deductions in future periods. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the reporting date could be impacted.

Going concern: Management has made significant judgements relating to going concern as disclosed in note 1.

Financial Instruments

Financial assets and financial liabilities are recognized in the Company's statements of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Except for financial assets and financial liabilities at FVTPL, transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, upon initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

Financial assets

All recognized financial assets are measured subsequently in their entirety at either amortized cost or fair value, depending on the classification of the financial assets. The classification and measurement of financial assets after initial recognition at fair value depends on the business model for managing the financial asset and the contractual terms of the cash flows. Financial assets are classified in one of the three categories: (i) amortized cost; (ii) fair value through other comprehensive income ("FVTOCI"); or (iii) fair value through profit and loss ("FVTPL").

Amortized cost - Financial assets that are debt instruments and are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding, are measured at amortized cost at each subsequent reporting period. The Company classifies cash and deposits as financial assets that are subsequently measured at amortized cost.

FVTOCI - Financial assets that are debt instruments and are held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets, and that have contractual cash flows that are solely payments of principal and interest ("SPPI") on the principal outstanding, are measured at FVTOCI. Currently, the Company does not have any FVTOCI financial assets. In addition, the Company may, at initial recognition, make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity instrument is held for trading.

DelphX Capital Markets Inc.
Notes to the Consolidated Financial Statements
(expressed in Canadian dollars except where otherwise noted)

FVTPL - Financial assets that do not meet the criteria for being measured at amortized cost or FVTOCI are measured subsequently at FVTPL. Trading financial instruments are mandatorily measured at FVTPL as they are held for trading purposes or are part of a business model with a pattern of short-term profit taking. Non-trading financial assets are also mandatorily measured at FVTPL if their contractual cash flow characteristics do not meet the SPPI test or if they are managed together with other financial instruments on a fair value basis. In addition, the Company may, at initial recognition, make an irrevocable election to designate a financial asset as FVTPL. A financial asset is designated as FVTPL when such classification eliminates or significantly reduces a measurement inconsistency that would otherwise arise from measuring the financial asset on different basis. Gains and losses realized on disposition and unrealized gains and losses from changes in fair value of the financial assets are recognized in the statement of net loss.

Impairment of financial assets

For financial assets measured at amortized cost or FVTOCI, the Company recognizes a loss allowance for expected credit losses (“**ECL**”) only when there has been a significant increase in credit risk since initial recognition. If the credit risk on such financial instruments has not increased significantly since initial recognition, the Company measures the loss allowance on those financial instruments at an amount equal to 12-months ECL.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of a financial asset. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial asset that are possible within 12 months after the reporting date.

In assessing whether the credit risk on a financial asset has increased significantly since initial recognition, the Company compares the risk of default occurring on the financial asset at the reporting date with the risk of default occurring at the initial recognition. The Company considers both quantitative and qualitative factors that are supportable, including historical experience and forward-looking information that is available without undue cost or effort.

Irrespective of the above assessment, the Company presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Company has reasonable and supportable information that demonstrates otherwise. Despite the foregoing, the Company presumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the reporting date.

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

DelphX Capital Markets Inc.
Notes to the Consolidated Financial Statements
(expressed in Canadian dollars except where otherwise noted)

Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Company has designated on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss but is transferred to retained earnings.

Financial liabilities

All financial liabilities are measured subsequently at amortized cost using the effective interest method or at FVTPL. Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination, (ii) held for trading or (iii) it is designated as at FVTPL. A financial liability is classified as held for trading if it has been acquired principally for the purpose of repurchasing it in the near term or on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking, or it is a derivative financial liability.

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise or the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis.

Financial liabilities classified or designated at FVTPL are measured at fair value, with any gains or losses arising on changes in fair value recognized in profit or loss. However, for financial liabilities that are designated as FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of the issuer is recognized in other comprehensive loss, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive loss would create or enlarge an accounting mismatch in profit or loss. The remaining amount of change in the fair value of a liability is recognized in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognized in other comprehensive loss are not subsequently reclassified to profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

The Company classifies accounts payable and accrued liabilities at amortized cost.

DelphX Capital Markets Inc.
Notes to the Consolidated Financial Statements
(expressed in Canadian dollars except where otherwise noted)

Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

Foreign currency

The functional currency is the currency of the primary economic environment in which each entity operates. For financial reporting purposes the Company has selected the Canadian dollar as its presentation currency. The assets and liabilities in the Financial Statements of subsidiaries with a functional currency other than the Canadian dollar are translated into Canadian dollars for reporting purposes using exchange rate of the reporting date. The revenues and expenses are translated using the average exchange rates over the period of reporting, approximating the rates of exchange on the transaction dates. The equity translation is kept at historical rates. Foreign exchange differences arising on the translation from the functional currency to the presentation currency are recognized separately in other comprehensive income (loss).

Transactions in currencies other than the functional currency of the entity are recorded at the rate of exchange prevailing on the date of the transaction. Monetary assets and liabilities that are denominated in foreign currencies are translated at the rate prevailing at each reporting date. Foreign currency translation differences arising on translation into the functional currency of the entity are recognized in the consolidated statement of net loss.

Income taxes

Income tax expense consists of current and deferred tax expense. Current and deferred tax are recognized in profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income.

Current tax is recognized and measured at the amount expected to be recovered from or payable to the taxation authorities based on the income tax rates enacted or substantively enacted at the end of the reporting period and includes any adjustment to taxes payable in respect of previous years.

Deferred tax is recognized on any temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable earnings. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized, and the liability is settled.

The effect of a change in the enacted or substantively enacted tax rates is recognized in net loss or in equity depending on the item to which the adjustment relates.

Deferred tax assets are recognized to the extent future recovery is probable. At each reporting period end, deferred tax assets are reduced to the extent that it is no longer probable that sufficient taxable earnings will be available to allow all or part of the asset to be recovered.

DelphX Capital Markets Inc.
Notes to the Consolidated Financial Statements
(expressed in Canadian dollars except where otherwise noted)

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) that has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

Equity

The common shares, warrants and Options are classified as equity. Costs, such as finder's fees and commissions, professional fees and regulatory fees directly attributable to common shares that are issued, are deducted from the proceeds of the offering. Share capital issued for other than cash is valued at the price at which the stock trades on the date of issuance. Contributed surplus includes the value of share-based payments and expired warrants. Accumulated deficits include all current and prior period retained losses.

Warrants

When the Company issues units that are comprised of a combination of shares and warrants, the Company allocates the proceeds received on the issuance of units between the common shares and warrants using the residual value method. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component. Cash received on exercise of warrants is credited to share capital along with any share warrant reserve amounts previously recorded that are applicable to the warrants exercised.

Share-based payments

Equity-settled share-based payments of Options and warrants to employees and others providing similar services are measured at the fair value of the equity instruments at the grant-date using the Black-Scholes option pricing model. The fair value is estimated at grant-date and each tranche is recognized on a graded-vesting basis over the period the securities vest. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in comprehensive loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to warrant reserve. Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

For equity-settled transactions whereby common shares are issued in exchange for the receipt of goods or services, the Company measures the cost of services received at the fair value of the common shares granted on the date the services are received, unless the fair value of the services can be reliably measured. In such cases, the fair value of the services is used.

If the equity instruments are not issued at the reporting date, a liability is recognized until the instruments are issued and all necessary approvals have been obtained. Once the shares are issued, the liability is reclassified to equity.

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The expense related to these transactions is recognized in the statement of profit or loss over the period in which the services are received.

Basic earnings per share

The basic earnings (loss) per share is computed by dividing the net income (loss) by the weighted average number of common shares outstanding during the year. The diluted loss per share reflects the potential dilution of common share equivalents, such as outstanding Options and share purchase warrants, in the weighted average number of common shares outstanding during the year, if dilutive. The treasury stock method is used for the assumed proceeds upon the exercise of Options and warrants that are used to purchase common shares at the average market price during the year.

Related party transactions

A party is related to an entity if the party directly or indirectly controls, is controlled by or is under common control with the entity; or if it has an interest in the entity that gives it significant influence over the entity; or if it has joint control over the entity or is an associate or a joint venture of the entity. In addition, members and dependents of the key management personnel of the entity (Board of Directors and Executive Management) are also considered related parties.

New, amended, and future accounting pronouncements

On April 9, 2024, the IASB issued IFRS 18 – Presentation and Disclosure in Financial Statements, which replaces parts of IAS 1 and introduces significant changes to the structure and content of financial statements. The standard is effective for annual periods beginning on or after January 1, 2027, with early adoption permitted. The Company has not early adopted IFRS 18 and is currently assessing its impact.

Other accounting standards and 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. Deposits and prepaid expenses

	December 31, 2025	December 31, 2024
Consulting fees	8,084	39,569
Administrative	37,691	36,477
	45,775	76,046

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5. Accounts payable and accrued liabilities

	December 31, 2025	December 31, 2024
Administration	567,509	619,831
Investor relations and public reporting	85,818	13,445
Legal and regulatory	1,686,492	2,051,713
Research and development	63,280	63,280
	2,403,099	2,748,269

6. Capital management

The Company's main objective in managing capital is to ensure sufficient liquidity to pursue and fund product development, production and promotion. Secondly, the Company strives to continue to fund its growth strategy, while at the same time taking a conservative approach toward financial leverage and management of financial risk. The Company's capital is considered to be its shareholders' equity (deficiency). The Company's primary uses of capital are financing operations to support the launch of the Company's Credit Rating Security (CRS) product. The Company currently funds these requirements from existing cash resources and/or cash raised through the issuance of equity. The Company's objectives when managing capital is to ensure the Company will continue to have enough liquidity so that it can provide its products and services to customers and returns to its shareholders. The Company monitors its capital on the basis of the adequacy of its cash resources to fund its business plan.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the year ended December 31, 2025. The Company is not subject to any significant capital requirements by lending institution or regulatory body, other than by the continued listing requirements of the TSXV.

7. Share capital

Authorized

DelphX's authorized share capital consists of an unlimited number of common shares at no par value.

Issued and outstanding

As at December 31, 2025, the Company had 215,100,183 common shares outstanding (December 31, 2024 – 184,574,296).

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On December 22, 2025, the Company closed the issuance of 1,250,000 units at a subscription price of \$0.04 per unit for gross proceeds of \$50,000 (the “**December 22, 2025 Offering**”). Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one common share at a price of \$0.06, for a period of two years from the date of issuance.

On December 1, 2025, the Company closed the issuance of 2,800,000 units at a subscription price of \$0.04 per unit for gross proceeds of \$112,000 (the “**December 1, 2025 Offering**”). Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one common share at a price of \$0.07, for a period of two years from the date of issuance.

On November 14, 2025, the Company closed the issuance of 1,200,000 units at a subscription price of \$0.05 per unit for gross proceeds of \$60,000 (the “**November 2025 Offering**”). Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one common share at a price of \$0.08, for a period of two years from the date of issuance.

On October 7, 2025, the Company closed the issuance of 1,500,000 units at a subscription price of \$0.05 per unit for gross proceeds of \$75,000 (the “**October 2025 Offering**”). Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one common share at a price of \$0.08, for a period of two years from the date of issuance. In connection with the October 2025 Offering, the Company paid a cash finders’ fee of \$3,500 and issued 70,000 finders’ warrants. The Finders’ Warrants will be exercisable at \$0.08 each for a period of two years after issuance.

On August 29, 2025, the Company completed a private placement of 5,000,000 units at a subscription price of \$0.05 per unit for gross proceeds of \$250,000 (the “**August 2025 Offering**”). On September 9, 2025, the Company issued an additional 1,000,000 units under the same terms for further gross proceeds of \$50,000. In total, the Company issued 6,000,000 units for aggregate gross proceeds of \$300,000. Each unit is comprised of one common share and one common share purchase warrant. Each warrant entitles the holder to acquire one common share at an exercise price of \$0.08 for a period of two years from the date of issuance.

On July 4, 2025, the Company closed the issuance of 2,540,000 units at a subscription price of \$0.06 per unit for gross proceeds of \$152,400 (the “**July 2025 Offering**”) of which \$102,000 was received prior to June 30, 2025. Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one common share at a price of \$0.08, for a period of two years from the date of issuance.

On May 26, 2025, the Company closed the issuance of 2,151,000 units at a subscription price of \$0.07 per unit for gross proceeds of \$150,570 (the “**May 2025 Offering**”). Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one common share at a price of \$0.20, for a period of five years from the date of issuance. In connection with the May 2025 Offering, the Company paid a cash finders’ fee of \$3,533 and issued 50,470 finders’ warrants. The Finders’ Warrants will be exercisable at \$0.20 each for a period of five years after issuance.

On March 24, 2025, the Company closed the issuance of 7,276,428 units at a subscription price of \$0.07 per unit for gross proceeds of \$509,350 (the “**March 2025 Offering**”). Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one common share at a price of \$0.08, for a period of five years from the date of issuance. In connection with the March 2025 Offering, the Company paid a cash finders’ fee of \$4,900 and issued 70,000 finders’ warrants. The Finders’ Warrants will be exercisable at \$0.08 each for a period of five years after issuance.

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On March 4, 2025, 116,667 finders' warrants were exercised at a price of \$0.06 per share for total proceeds of \$7,002, resulting in the issuance of 116,667 common shares.

On February 21, 2025, the Company closed the issuance of 2,789,333 units at a subscription price of \$0.09 per unit for gross proceeds of \$251,040 (the **"February 2025 Offering"**). Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one common share at a price of \$0.20, for a period of two years from the date of issuance.

On February 3, 2025, the Company issued 1,567,459 common shares in settlement of a \$185,000 commitment to issue shares pursuant to shares-for-services agreements. The commitment had been previously recognized as an obligation in connection with services rendered in 2024.

On January 24, 2025, the Company closed the issuance of 1,335,000 units at a subscription price of \$0.12 per unit for gross proceeds of \$160,200 (the **"January 2025 Offering"**). Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one common share at a price of \$0.20, for a period of five years from the date of issuance.

On December 10, 2024, the Company closed the issuance of 2,900,834 Units at a subscription price of \$0.12 per unit for gross proceeds of \$347,700 (the **"December 2024 Offering"**). Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one common share at a price of \$0.20, for a period of five years from the date of issuance. In connection with the November 2024 Offering, the Company paid a cash finder's fee of \$3,528 and issued 29,400 finders' warrants to eligible finders. The finder's warrants will be exercisable at \$0.20 each for a period of five years after issuance.

On August 23, 2024, the Company closed the issuance of 4,491,666 Units at a subscription price of \$0.12 per unit for gross proceeds of \$539,000 (the **"August 2024 Offering"**). Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one common share at a price of \$0.25, for a period of five years from the date of issuance. In connection with the August 2024 Offering, the Company paid a cash finder's fee of \$37,730 and issued 314,417 finder's warrants. The finder's warrants will be exercisable at \$0.25 each for a period of five years after issuance.

On July 30, 2024, the Company closed the issuance of 3,972,223 Units at a subscription price of \$0.09 per unit for gross proceeds of \$357,500 (the **"July 2024 Offering"**). Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one common share at a price of \$0.25, for a period of five years from the date of issuance. In connection with the July 2024 Offering, the Company paid a cash finder's fee of \$3,500 and issued 38,889 finder's warrants. The finder's warrants will be exercisable at \$0.25 each for a period of five years after issuance.

On July 3, 2024, the Company issued 10,900,000 common shares pursuant to a shares-for-services agreement with a fair value of \$1,635,000. The fair value was determined based on the market price of the Company's common shares on the date the services were rendered.

On June 20, 2024, the Company closed the issuance of 2,650,000 Units at a subscription price of \$0.08 per unit for gross proceeds of \$212,000 (the **"June 2024 Offering"**). Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one common share at a price of \$0.20, for a period of five years from the date of issuance. In connection with the June 2024 Offering, the Company paid a cash finder's fee of \$3,640 and issued 52,000 finder's warrants. The finder's warrants will be exercisable at \$0.20 each for a period of five years after issuance.

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On April 23, 2024, the Company closed the issuance of 5,000,000 Units at a subscription price of \$0.08 per unit for gross proceeds of \$400,000 (the “**April 2024 Offering**”). Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one common share at a price of \$0.20, for a period of five years from the date of issuance. In connection with the April 2024 Offering, the Company paid a cash finder's fee of \$11,200 and issued 140,000 finder's warrants. The finder's Warrants will be exercisable at \$0.20 each for a period of five years after issuance.

On January 30, 2024, the Company closed the issuance of 3,904,166 Units at a subscription price of \$0.12 per unit for gross proceeds of \$468,500 (the “**January 2024 Offering**”). Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one common share at a price of \$0.20, for a period of two years from the date of issuance. In connection with the January 2024 Offering, the Company paid a cash finder's fee of \$8,400 and issued 70,000 finder's warrants. The finder's warrants will be exercisable at \$0.20 each for a period of two years after issuance.

After the reporting date, the following securities transacted:

On January 30, 2026, the Company closed the issuance of 3,000,000 Units at a subscription price of \$0.05 per unit for gross proceeds of \$150,000 (the “**January 2026 Offering**”). Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one common share at a price of \$0.08, for a period of 2 years from the date of issuance.

On February 24, 2026, the Company closed the issuance of 4,100,000 Units at a subscription price of \$0.05 per unit for gross proceeds of \$205,000 (the “**February 2026 Offering**”). Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one common share at a price of \$0.08, for a period of five years from the date of issuance.

On March 20, 2026, the Company closed the issuance of 4,360,000 Units at a subscription price of \$0.05 per unit for gross proceeds of \$218,000 (the “**March 2026 Offering**”). Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one common share at a price of \$0.08, for a period of five years from the date of issuance.

8. Warrants

A continuity of the warrants to purchase common shares is as follows:

	Average exercise price	Number of warrants
December 31, 2023	\$0.21	60,589,576
Issued	\$0.22	23,557,095
Expired	\$0.28	(12,430,084)
December 31, 2024	\$0.20	71,716,587
Issued	\$0.10	29,032,231
Exercised	\$0.06	(116,667)
Expired	\$0.13	(14,654,999)
December 31, 2025	\$0.18	85,977,152

During the year ended December 31, 2025 the Company issued 28,841,761 warrants (2024 – 22,918,889) in connection with the unit financings disclosed in note 7. The warrants portion of the units issued were valued at nil using the residual value method.

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During the year ended December 31, 2025, the Company issued 190,470 finder's warrants in connection with the unit financings disclosed in note 7. The fair value of the finder's warrants, being \$11,090, were estimated using the Black-Scholes option pricing model with the following assumptions:

Issuance	Number of finders' warrants issued	Exercise price	Risk-free rate	Expected life	Estimated Volatility	Dividend Yield
March 24, 2025	70,000	\$0.08	2.70%	5 years	144%	0%
May 26, 2025	50,470	\$0.20	2.92%	5 years	142%	0%
Oct 7, 2025	70,000	\$0.08	2.73%	5 years	132%	0%

During the year ended December 31, 2024, the Company issued 638,206 finder's warrants in connection with the unit financings disclosed in note 7. The fair value of the finder's warrants, being \$88,743, were estimated using the Black-Scholes option pricing model with the following assumptions:

Issuance	Number of finder's warrants issued	Exercise price	Risk-free rate	Expected life	Estimated Volatility	Dividend Yield
January 30, 2024	70,000	\$0.20	4.04%	2 years	127%	0%
April 23, 2024	140,000	\$0.20	3.79%	5 years	171%	0%
June 20, 2024	45,500	\$0.20	3.36%	5 years	168%	0%
July 30, 2024	38,889	\$0.25	3.16%	5 years	167%	0%
August 23, 2024	314,417	\$0.25	2.93%	5 years	168%	0%
December 10, 2024	29,400	\$0.20	2.83%	5 years	160%	0%

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The outstanding issued warrants balance as at December 31, 2025 is comprised of the following items:

Number of Warrants	Type	Exercise Price	Expiry Date
3,904,166	Warrants	\$0.20	January 30, 2026
70,000	Finders' Warrants	\$0.20	January 30, 2026
5,680,000	Warrants	\$0.15	April 15, 2026
280,000	Finders' Warrants	\$0.10	April 15, 2026
5,430,250	Warrants	\$0.15	June 29, 2026 ⁽¹⁾
458,245	Finders' Warrants	\$0.33	July 14, 2026
4,825,715	Warrants	\$0.30	August 25, 2026 ⁽²⁾
2,825,000	Warrants	\$0.15	August 30, 2026 ⁽²⁾
3,483,668	Warrants	\$0.20	November 1, 2026 ⁽³⁾
5,422,221	Warrants	\$0.15	December 7, 2025 ⁽⁴⁾
2,789,333	Warrants	\$0.20	February 21, 2027
4,982,727	Warrants	\$0.35	May 27, 2027
2,540,000	Warrants	\$0.08	July 4, 2027
5,000,000	Warrants	\$0.08	August 29, 2027
1,000,000	Warrants	\$0.08	September 9, 2027
1,500,000	Warrants	\$0.08	October 7, 2027
70,000	Finders' Warrants	\$0.08	October 7, 2027
1,200,000	Warrants	\$0.08	November 14, 2027
2,800,000	Warrants	\$0.07	December 1, 2027
1,250,000	Warrants	\$0.06	December 22, 2027
5,000,000	Warrants	\$0.20	April 23, 2029
140,000	Finders' Warrants	\$0.20	April 23, 2029
2,650,000	Warrants	\$0.20	June 20, 2029
45,500	Finders' Warrants	\$0.20	June 20, 2029
3,972,223	Warrants	\$0.25	July 30, 2029
38,889	Finders' Warrants	\$0.25	July 30, 2029
4,491,666	Warrants	\$0.25	August 23, 2029
314,417	Finders' Warrants	\$0.25	August 23, 2029
2,900,834	Warrants	\$0.20	December 10, 2029
29,400	Finders' Warrants	\$0.20	December 10, 2029
1,335,000	Warrants	\$0.20	January 24, 2030
7,276,428	Warrants	\$0.08	March 24, 2030
70,000	Finders' Warrants	\$0.08	March 24, 2030
2,151,000	Warrants	\$0.20	May 26, 2030
50,470	Finders' Warrants	\$0.20	May 26, 2030
85,977,152			

⁽¹⁾ The Company was granted permission by the TSXV to extend the expiry date of these warrants by one year to June 2026.

⁽²⁾ The Company was granted permission by the TSXV to extend the expiry date of these warrants by one year to August 2026.

⁽³⁾ The Company was granted permission by the TSXV to extend the expiry date of these warrants by one year to November 2026.

⁽⁴⁾ The Company was granted permission by the TSXV to extend the expiry date of these warrants from November 29, 2024 to December 7, 2025 and again to December 7, 2026.

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After the reporting date, the following changes to the outstanding number of warrants occurred:

During the first quarter of 2026, 11,460,000 warrants were issued in connection with the private placements units over that same period as disclosed under note 7.

On January 30, 2026, 3,904,166 warrants and 70,000 finders warrants each with an exercise price of \$0.20 expired.

9. Contributed surplus

Options

In accordance with the Plan, Options may be granted to certain officers, directors, employees, and consultants of the Company with a maximum term of 10 years and variable vesting as determined by the directors of the Company upon issuance. The Plan allows for the issuance of Options up to 10% of the issued and outstanding common shares. As at December 31, 2025, the Company had 1,570,351 (December 31, 2024 – 844,430) Options available for issuance. A continuity of the unexercised Options to purchase common shares is as follows:

	Weighted average exercise price	Number of options
Outstanding at December 31, 2023	\$0.23	13,000,000
Issued	\$0.23	10,063,000
Expired and forfeited	\$0.27	(5,450,000)
Outstanding at December 31, 2024	\$0.22	17,613,000
Issued	\$0.12	10,376,667
Expired and forfeited	\$0.20	(8,050,000)
Outstanding at December 31, 2025	\$0.18	19,939,667
Exercisable at December 31, 2025	\$0.18	19,939,667

The grant-date fair value for the 10,376,667 Options granted during the year ended December 31, 2025 was estimated using the Black-Scholes option pricing model with the following assumptions:

Date Issued	Number of options issued	Exercise price	Risk- free rate	Expected life	Estimated Volatility	Dividend Yield	Vested Fair value
January 31, 2025	650,000	\$0.20	2.77%	1 year	128%	0%	\$27,300
February 28, 2025	950,000	\$0.20	2.57%	2 years	129%	0%	\$38,950
March 13, 2025	1,100,000	\$0.20	2.46%	2 years	128%	0%	\$30,800
April 7, 2025	576,667	\$0.10	2.46%	2 years	129%	0%	\$21,337
July 10, 2025	2,425,000	\$0.12	2.69%	2 years	127%	0%	\$72,750
September 5, 2025	1,800,000	\$0.08	2.54%	2 years	123%	0%	\$54,000
December 11, 2025	1,875,000	\$0.08	2.62%	2 years	126%	0%	\$45,000
December 26, 2025	1,000,000	\$0.08	2.57%	2 years	126%	0%	\$24,000
	10,376,667						\$314,137

The grant-date fair value for the 10,063,000 Options granted during the year ended December 31, 2024 was estimated using the Black-Scholes option pricing model with the following assumptions:

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Date Issued	Number of options issued	Exercise price	Risk- free rate	Expected life	Estimated Volatility	Dividend Yield	Vested Fair value
January 8, 2024	750,000	\$0.25	4.03%	2 years	126%	0%	\$61,500
January 12, 2024	150,000	\$0.25	4.03%	2 years	126%	0%	\$12,300
March 17, 2024	645,000	\$0.15	4.27%	2 years	128%	0%	\$62,565
May 13, 2024	3,918,000	\$0.25	4.29%	2 years	127%	0%	\$184,146
August 26, 2024	1,200,000	\$0.25	3.25%	2 years	132%	0%	\$121,200
September 20, 2024	1,650,000	\$0.25	2.92%	2 years	135%	0%	\$118,800
December 31, 2024	1,750,000	\$0.20	2.93%	2 years	133%	0%	\$133,000
	10,063,000						\$693,511

The table below provides additional information regarding the outstanding Options as at December 31, 2025:

Number outstanding	Number exercisable	Exercise price	Expiry date	Vested Fair Value
250,000	250,000	\$0.25	January 8, 2026	\$20,500
150,000	150,000	\$0.25	January 12, 2026	\$12,300
650,000	650,000	\$0.20	January 31, 2026	\$27,300
645,000	645,000	\$0.15	March 17, 2026	\$62,565
3,918,000	3,918,000	\$0.25	May 13, 2026	\$184,146
1,200,000	1,200,000	\$0.25	August 26, 2026	\$121,200
1,650,000	1,650,000	\$0.25	September 20, 2026	\$118,800
1,750,000	1,750,000	\$0.20	December 31, 2026	\$133,000
950,000	950,000	\$0.20	February 28, 2027	\$38,950
1,100,000	1,100,000	\$0.20	March 13, 2027	\$30,800
576,667	576,667	\$0.10	April 7, 2027	\$21,337
2,425,000	2,425,000	\$0.12	July 10, 2027	\$72,750
1,800,000	1,800,000	\$0.08	September 5, 2027	\$54,000
1,875,000	1,875,000	\$0.08	September 5, 2027	\$45,000
1,000,000	1,000,000	\$0.08	September 5, 2027	\$24,000
19,939,667	19,939,667			

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After the reporting date, the following changes to the outstanding number of options occurred:

All 1,695,000 Options with expiry dates occurring in the first quarter of 2026 expired.

On March 24, 2026, the Board of Directors approved the granting of 1,450,000 Options to consultants and advisors under the Plan. The Options have a two-year maturity and are exercisable for common shares of the Company at an exercise price of \$0.08 per common share

Share-based payments

Share-based payments of \$314,137 for the year ended December 31, 2025 was incurred in connection with the vesting of Options. For the year ended December 31, 2024, share-based payments of \$2,513,511 included vesting of Options \$693,511 and \$1,820,000 incurred in connection with shares-for-services agreements of which was settled with the issuance of 10,900,000 common shares in the prior year and as part of the 1,567,459 common shares in the current year.

The remaining \$185,000 recorded as a commitment to issue shares at December 31, 2024 were converted to 1,567,459 shares for shares for services during the year ended December 31, 2025.

10. Related party transactions and balances

Equity transactions

The private placements disclosed in note 7 during the year ended December 31, 2025 included the issuance of 830,000 units to related parties for gross proceeds of \$58,350 (December 31, 2024 – 1,854,166 units for gross proceeds of \$165,000) and were subject to the same terms and conditions as those offerings disclosed under note 7.

Key management compensation

Key management includes those individuals having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly. Key management includes the directors, the chief executive officer, the current and former chief financial officer and the chief actuary and risk officer. Compensation paid or accrued to key management is detailed below:

	2025	2024
Compensation to key management	593,333	634,272
Share-based compensation	217,720	365,425
	811,053	999,697

11. Income tax

The reconciliation of the combined Canadian federal income tax rates of 26.5% and U.S. combined federal and state rate of 28.99% to the effective tax rate is as follows:

	2025	2024
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Loss before recovery of income taxes	(1,892,629)	(4,772,303)
Expected income tax recovery	(502,000)	(1,265,000)
Tax rate changes and other adjustments	(1,085,000)	(122,000)
Permanent differences	84,000	682,000
Share issue costs	(12,000)	-
Adjustment to prior years' provision versus statutory rates	-	53,000
Change in tax benefits not recognized	1,515,000	652,000
Income tax (recovery) expense	-	-

Tax loss carryforwards

The Company has approximated non-capital tax losses that will expire as follows:

Year	Canada	US
2040 and prior	1,753,000	1,889,098
2041	805,000	-
2042	1,531,000	-
2043	730,000	-
2044	609,000	-
Indefinite	-	12,335,516
	5,428,000	14,224,614

12. Loss per share

The calculation of per share amounts is based on the following:

	2025	2024
Net loss - basic	(1,892,629)	(4,772,303)
Effect of dilutive securities	-	-
Net loss - diluted	(1,892,629)	(4,772,303)
Weighted averages shares - basic	200,669,448	168,010,478
Effect of dilutive securities	-	-
Weighted average shares - diluted	200,669,448	168,010,478
Per share - basic	(0.01)	(0.03)
Per share - diluted	(0.01)	(0.03)

In computing per share amounts for the year ended December 31, 2025, 19,939,667 Options (2024 – 17,613,000) and 85,977,152 warrants (2024 – 71,716,587) and were excluded as the Company had a net loss and their inclusion would be anti-dilutive.

13. Financial instruments

Fair value represents the price at which a financial instrument could be exchanged in an orderly market, in an arm's length transaction between knowledgeable and willing parties who are under no compulsion to act. The Company classifies the fair value of the financial instruments according to the following hierarchy based on the amount of observable inputs used to value the financial instrument:

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- Level 1 fair value measurements are those derived from quoted prices (adjusted) in the active market for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the assets or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The carrying value of cash, harmonized sales taxes recoverable, deposits, and accounts payable and accrued liabilities approximates fair value due to the short-term nature of these financial instruments.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. There have been no transfers between levels during the year.

14. Risk Management

DelphX may be exposed to risks of varying degrees of significance which could affect its ability to achieve its business objectives. The main objectives of the Company's risk management processes are to ensure that risks are properly identified and that the capital base is adequate in relation to those risks. The principal risks to which the Company is exposed are described below.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. As of December 31, 2025, the Company had \$117,514 in current assets (December 31, 2024 - \$160,888) and \$2,403,099 (December 31, 2024 - \$2,748,269) in liabilities with a maturity of one year or less. The Company manages its liquidity risk by reviewing its growth plans on an ongoing basis and sourcing funding through private placements of equity until such time that the Company is able to generate revenue and profits. Refer to note 1 for further discussion of going concern.

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 conditions. These risks include market factors that may have an impact on interest rates, foreign exchange rates, commodity prices and/or stock market movements.

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The Company operates in an industry regulated by the Trading and Markets division of the U.S. Securities and Exchange Commission which oversees the FINRA which is responsible for changes in regulations for broker-dealer firms. Changes in regulations could have a significant impact on the Company's operations.

Currency risk

The Company's functional currency is the Canadian dollar. The Company also conducts business in US dollars. Financial assets and liabilities denominated in foreign currencies will be affected by changes in the exchange rate between the functional currency and any foreign currencies. The assets and liabilities primarily affected are cash, accounts payable and accrued liabilities, that are denominated in foreign currencies.

Management believes that at this stage of its development, foreign currency risk derived from currency conversions is negligible and therefore does not hedge its foreign exchange risk.

The Company's funds are kept in Canadian and US dollars at major Canadian and US financial institutions.

As of December 31, 2025, the Company's exposure to foreign currency balances is as follows:

		Exposure in Canadian dollars	
Account	Foreign Currency	2025	2024
Cash	US dollar	42,860	43,693
Accounts payable and accrued liabilities	US dollar	(1,681,016)	(2,054,397)
		(1,638,156)	(2,010,704)
