PesoRama Inc.

Condensed Consolidated Interim Financial Statements

For the nine months ended October 31, 2025 and 2024

(Expressed in Canadian dollars)

(Unaudited)

NOTE TO READER

Under National Instrument 51-102, if an auditor has not performed a review of interim financial statements, they must be accompanied by a note indicating that the interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements have been prepared by and are the responsibility of the management. The Company's independent auditor has not performed a review of these interim financial statements.

PESORAMA INC.

Condensed Consolidated Interim Statements of Financial Position

(Expressed in Canadian dollars)		October 31, 2025 Unaudited		January 31, 2025 Audited
ASSETS				
Current assets				
Cash	$	695,614	$	633,233
Deferred financing fees (Note 8)		618,083		407,373
Taxes receivable (Note 4)		571,008		414,226
Deposits to suppliers		825,632		594,750
Prepaid expenses and other receivables		242,739		234,446
Inventory (Note 3)		10,948,460		11,691,159
Total current assets		**13,901,536**		**13,975,187**
Non-current assets				
Long term taxes receivable (Note 4)		3,829,337		3,313,377
Long term deferred financing fees (Note 8)		-		977,695
Property and equipment (Note 5)		3,359,726		2,261,885
Intangible assets (Note 6)		74,216		74,657
Security deposits		471,651		306,792
Right-of-use assets (Note 7)		7,570,602		5,364,031
Total non-current assets		**15,305,532**		**12,298,437**
Total assets	**$**	**29,207,068**	**$**	**26,273,624**
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities				
Accounts payable and accrued liabilities	$	11,673,769	$	11,443,896
Revolving loan interest payable (Note 8)		240,630		197,370
Obligation to issue shares (Note 9)		147,351		94,500
Current portion of lease liabilities (Note 7)		1,960,445		1,749,051
Revolving loan payable (Note 8)		19,326,442		-
Total current liabilities		**33,348,637**		**13,484,817**
Non-current liabilities				
Lease liabilities (Note 7)		6,535,938		4,313,070
Revolving loan payable (Note 8)		-		17,440,916
Total non-current liabilities		**6,535,938**		**21,753,986**
Total liabilities		**39,884,575**		**35,238,803**
Shareholders' equity (deficiency)				
Share capital (Note 9)		38,997,528		36,593,559
Warrants reserve (Note 10)		10,053,413		6,157,606
Share-based compensation reserve (Note 11)		2,820,532		2,643,936
Accumulated other comprehensive income		1,914,259		1,223,411
Deficit		(64,463,239)		(55,583,691)
Total shareholders' equity (deficiency)		**(10,677,507)**		**(8,965,179)**
Total liabilities and shareholders' equity	**$**	**29,207,068**	**$**	**26,273,624**

Nature of operations (Note 1)

Commitments and contingencies (Note 17)

Subsequent events (Note 18)

See accompanying notes to the consolidated financial statements.

PESORAMA INC.

Condensed Consolidated Statements of Loss and Comprehensive Loss
For the nine months ended October 31,

	Three Months Ended		Nine Months Ended	
(Expressed in Canadian dollars)	**2025**	**2024**	**2025**	**2024**
Sales	6,699,728	5,419,385	18,331,011	16,602,411
Cost of sales				
Inventory expensed (Note 3)	3,610,414	2,963,060	9,876,452	9,170,474
Inventory write-off (Note 3)	60,525	(35,795)	244,268	(177,636)
Distribution costs	465,612	219,961	1,473,885	1,248,315
Gross profit	**2,563,177**	**2,272,159**	**6,736,406**	**6,361,258**
General, administrative, and store operating expenses (Note 15)	3,218,019	2,220,018	8,612,640	7,749,325
Depreciation and amortization (Note 15)	840,594	774,273	2,380,752	2,576,819
Operating loss	**(1,495,436)**	**(722,132)**	**(4,256,986)**	**(3,964,886)**
Financing costs (Note 15)	1,325,992	1,056,968	4,631,655	2,756,340
Other items (Note 15)	64	(6,168)	(9,093)	(6,387)
Net loss	**(2,821,492)**	**(1,772,932)**	**(8,879,548)**	**(6,714,839)**
Currency translation adjustment	284,482	(518,841)	690,848	(945,584)
Net comprehensive loss	**(2,537,010)**	**(2,291,773)**	**(8,188,700)**	**(7,660,423)**
Basic and diluted loss per share	(0.020)	(0.02)	(0.08)	(0.07)
Weighted average number of common shares outstanding - basic and diluted	141,278,752	95,858,889	114,819,889	95,847,298

See accompanying notes to the consolidated financial statements.

PESORAMA INC.

Consolidated Statements of Shareholders' Deficit

For the nine months ended October 31, 2025 and 2024

(Expressed in Canadian dollars)		Number of Common Shares (Note 9)	Share capital (Note 9)	Warrants reserve (Note 10)	SBC reserve[1] (Note 11)	AOCL[2]	Deficit	Total
Balance at January 31, 2025		**95,858,889**	**36,593,559**	**6,157,606**	**2,643,936**	**1,223,411**	**(55,583,691)**	**(8,965,179)**
Units issued in connection with financing offering, net	Note 9 (i)	45,351,166	2,381,962	3,898,466	-	-	-	6,280,428
Shares issued upon warrant exercise	Note 9 (ii)	128,982	22,007	(2,659)				19,348
Share-based compensation	Note 11 (i)	-	-	-	176,596	-	-	176,596
Cumulative translation adjustment of foreign operations		-	-	-	-	690,848	-	690,848
Net loss for the year		-	-	-	-	-	(8,879,548)	(8,879,548)
Balance at October 31, 2025		**141,339,037**	**38,997,528**	**10,053,413**	**2,820,532**	**1,914,259**	**(64,463,239)**	**(10,677,507)**
Balance at January 31, 2024		**95,794,073**	**36,581,657**	**6,159,786**	**2,742,432**	**2,051,073**	**(45,457,942)**	**2,077,006**
Shares issued upon warrant exercise	Note 10 (iv)	64,816	11,902	(2,180)	-	-	-	9,722
Share-based compensation	Note 11 (ii)	-	-	-	(171,668)	-	-	(171,668)
Cumulative translation adjustment of foreign operations		-	-	-	-	(945,584)	-	(945,584)
Net loss for the year		-	-	-	-	-	(6,714,839)	(6,714,839)
Balance at October 31, 2024		**95,858,889**	**36,593,559**	**6,157,606**	**2,570,764**	**1,105,489**	**(52,172,781)**	**(5,745,363)**

(1) Share-based compensation reserve

(2) Accumulated other comprehensive loss

See accompanying notes to the consolidated financial statements.

PESORAMA INC.

Condensed Consolidated Interim Statements of Cash Flows

For the nine months ended October 31, 2025 and 2024

(Expressed in Canadian dollars)	**2025**	**2024**
Operating Activities		
Net loss	(8,879,548)	(6,714,839)
Adjustments for items not affecting cash:		
Depreciation and amortization (Notes 5 and 6)	877,688	1,278,404
Depreciation, right-of-use assets (Note 7)	1,503,064	1,298,415
Share-based compensation (Notes 10 and 11)	176,596	(171,668)
Interest on loan payable (Note 8)	2,692,356	1,049,405
Interest on lease liabilities (Note 7)	992,039	481,280
Inventory write-downs (Note 3)	244,268	(177,636)
VAT reserve adjustment (Note 4)	(3,881)	(5,498)
Financing costs (non-cash)	847,981	992,443
Changes in non-cash working capital items		
Taxes receivable (Note 4)	(402,382)	(716,205)
Deposits to suppliers	(177,438)	(438,626)
Prepaid expenses and other receivables	6,989	(79,940)
Inventory (Note 3)	1,334,692	(6,027,879)
Security deposits	(135,434)	(30,235)
Accounts payable and accrued liabilities	(364,142)	6,120,626
Cash used in operating activities	**(1,287,152)**	**(3,141,953)**
Investing Activities		
Purchase of property and equipment (Note 5)	(1,721,420)	(257,943)
Purchase of intangible assets (Note 6)	(36,400)	(52,882)
Cash used in investing activities	**(1,757,820)**	**(310,825)**
Financing Activities		
Proceeds received from issuance of shares from Offering units (Note 9)	6,802,675	-
Share issuance costs (Note 9)	(487,777)	-
Proceeds from exercise of warrants (Note 9)	19,347	9,722
Private debt financing (Note 9)	2,066,478	5,644,592
Private debt financing - transaction costs (Note 8)	(79,299)	(183,148)
Private debt financing - interest payments (Note 9)	(2,830,050)	(179,225)
Lease payments (Note 7)	(2,328,384)	(2,047,167)
Cash provided by financing activities	**3,162,990**	**3,244,774**
Cash, beginning of period	633,233	901,553
Effect of foreign currency translation on cash	(55,637)	23,469
Net decrease in cash	118,018	(208,004)
Cash, end of period	**695,614**	**717,018**
Supplemental cash flow information		
Unpaid loan interest expense	1,265,145	1,235,947
Fair value of finder’s warrants issued in connection with financing offering	224,008	-
Financing costs in accounts payable and accrued liabilities	36,168	39,500
Obligation to issue shares	52,851	78,750

See accompanying notes to the consolidated financial statements.

1. NATURE OF OPERATIONS

PesoRama Inc. (the “Company” or “PesoRama”), which formerly operated under the name Skyscape Capital Inc. (“Skyscape”), was incorporated on January 9, 2018 under the Business Corporations Act (Ontario).

Through PesoRama’s wholly owned subsidiaries, PesoRama Holdings Inc., Canmex Dollar Stores, S.A. de C.V. (“Canmex”), Joi Canadian Stores, S.A. de C.V. (“Joi”), PesoRama Stores Services, S.A. de C.V., and Pesorama Consulting Services, S.A. de C.V. (“Pesorama Consulting”), the Company operates discount retail stores in Mexico, under the Joi Canadian Stores brand, offering consumers a high variety of products with focus on the single price point segment of the retail market.

References within these condensed consolidated interim financial statements to the “Company” or “PesoRama” for periods, dates and/or transactions prior to the RTO Transaction are in reference to Old PesoRama, as the corporate entity of interest pre-RTO Transaction. Alternatively, references within these condensed consolidated interim financial statements to the “Company” or “PesoRama” for periods, dates and/or transactions subsequent to the RTO Transaction are in reference to PesoRama (formerly Skyscape), as the corporate entity of interest post-RTO Transaction. The comparative periods reflected in these condensed consolidated interim financial statements are those of the Private Company, as the condensed consolidated interim financial statements are a continuance of Old PesoRama. The Company’s registered office is located at 77 King Street West, Suite 700, Toronto, ON, M5K 1G8. The common shares of the Company are listed on the TSX Venture Exchange (“TSXV”) under the symbol “PESO”.

Going concern

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 for the foreseeable future. For the three and nine months ended October 31, 2025, the Company incurred a net loss of $2.8 and $8.9 million (October 31, 2024 – $1.8 and $6.7 million) and used $1.3 million of cash in operating activities (October 31, 2024 – $3.1 million). As of October 31, 2025, the Company had working capital deficit of $19.4 million (January 31, 2025 – working capital of $0.5 million), the deficit primarily reflects the classification of the revolving loan payable as a current liability, as the facility matures in June 2026 and is therefore due within twelve months of the reporting date. The Company has an accumulated deficit of $64.5 million (January 31, 2025 - $55.6 million). The Company will need to raise additional financing in the near term to continue operations, fund its working capital needs and fund its expansion strategy consisting of opening additional stores during the foreseeable future.

Although the Company has been successful in the past in obtaining financing and believes that it will continue to be successful, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be available on terms that are advantageous to the Company. These material uncertainties may cast significant doubt as to the Company’s ability to continue as a going concern. No adjustments have been made to the amounts. and classification of assets, liabilities, revenues, and expenses to reflect these uncertainties, should the Company not be successful in raising additional funds, and any adjustments required to the accounts could be material.

Management believes that the going concern assumption is appropriate for these condensed consolidated interim financial statements and that the Company will be able to meet its budgeted capital and administrative costs as well as other potential commitments during the upcoming year and beyond. There is no guarantee that the Company will be successful in either its operating or financing endeavors.

2. BASIS OF PRESENTATION

Statement of compliance

The unaudited condensed consolidated interim financial statements of the Company have been prepared under International Financial Reporting Standards ("IFRS") in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC").

These unaudited condensed consolidated interim financial statements follow the same accounting policies and method of computation as the Company's annual audited consolidated financial statements for the year ended January 31, 2025, except for certain disclosures that are normally required to be included in annual consolidated financial statements which have been condensed or omitted. These condensed consolidated interim financial statements should be read in conjunction with the Company's audited annual consolidated financial statements for the year ended January 31, 2025. These unaudited condensed consolidated interim financial statements were authorized for issuance by the Company's Board of Directors on December 17, 2025.

Comparative figures

Certain comparative figures have been reclassified to conform with the basis of presentation applied for the nine months ended October 31, 2025.

Basis of measurement

These condensed consolidated interim financial statements have been prepared on a historical cost basis, except for financial instruments classified at fair value through profit or loss (FVTPL"). In addition, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting except for cash flow information.

Functional and presentation currency

These condensed consolidated interim financial statements are presented in Canadian dollars. The Company's functional currency and that of its Canadian subsidiary is the Canadian dollar while each of its subsidiaries in Mexico has a Mexican peso functional currency, which is the primary economic environment in which each subsidiary operates.

Use of judgments, estimates and assumptions

The preparation of the condensed consolidated interim financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

2. BASIS OF PRESENTATION (continued)

Use of judgments, estimates and assumptions (continued)

Estimates are based on management's best knowledge of current events and actions that the Company may undertake in the future. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The judgments, estimates, and assumptions applied in these condensed consolidated interim financial statements, including the key sources of estimation uncertainty, were the same as those applied in the Company's audited annual consolidated financial statements for the year ended January 31, 2025.

Significant accounting policies

The Company's significant accounting policies can be read in Note 3 to the Company's annual audited consolidated financial statements for the year ended January 31, 2025.

3. INVENTORY

As of October 31, 2025, the Company maintained finished goods inventory of $10,948,460 (January 31, 2025- $11,691,159). The Company's inventory balance consists of inventory held at the Company's warehouse and stores, as well as inventory in transit from suppliers for which the risk of loss during transit lies with the Company. The cost of inventories included in cost of sales for the three and nine months ended October 31, 2025, were $3,610,414 and $9,876,452 (October 31, 2024 - $2,963,060 and $9,170,474). During the three and nine months ended October 31, 2025, the Company recognized inventory write-downs of $60,525 and $244,268 (October 31, 2024 inventory recovery of – $35,795 and $177,636).

4. TAXES RECEIVABLE

As at October 31, 2025, taxes receivable classified as current assets consists of GST of PesoRama and taxes receivable classified as long-term assets consists of net VAT of Joi, Canmex and Pesorama Consulting. Both GST and VAT are indirect taxes which are refundable for amounts paid by each entity to their vendors, net of indirect taxes collected for amounts charged by each entity to their customers. GST returns for PesoRama are filed on a quarterly basis. The Company is in the process of claiming VAT refunds for Joi, Canmex and Pesorama Consulting accumulated from prior operating periods.

As of October 31, 2025 and January 31, 2025, the balance of taxes receivable is as follows:

Legal entity	Tax Type	October 31, 2025	January 31, 2025
PesoRama Inc.	GST	524,026	367,243
PesoRama Holdings	GST	46,982	46,983
Canadian GST Receivable		**571,008**	**414,226**
Joi Canadian Stores, S.A. de C.V.	VAT	3,349,154	2,881,002
Canmex Dollar Stores, S.A. de C.V.	VAT	537,240	553,968
Pesorama Consulting Services, S.A. de C.V.	VAT	(57,057)	(121,593)
Mexican VAT Receivable		**3,829,337**	**3,313,377**
Total Receivable		**4,400,345**	**3,727,603**

5. PROPERTY AND EQUIPMENT

As at October 31, 2025 and January 31, 2025, the balances of the Company's property and equipment are as follows:

Cost	Furniture and equipment, office	Furniture and equipment, Stores	Computer Hardware	Communication equipment	Leasehold improvements	Total
As at January 31, 2024	73,617	1,442,550	524,142	134,620	8,120,796	10,295,725
Capital expenditures	1,034	36,432	38,989	11,561	591,593	679,609
Foreign exchange	(6,076)	(151,525)	(55,035)	(14,620)	(875,698)	(1,102,954)
As at January 31, 2025	68,575	1,327,457	508,096	131,561	7,836,691	9,872,380
Capital expenditures	4,294	83,544	29,469	12,885	1,591,228	1,721,420
Foreign exchange	4,279	106,068	39,349	10,707	672,615	833,018
As at October 31, 2025	**77,148**	**1,517,069**	**576,914**	**155,153**	**10,100,534**	**12,426,818**
Accumulated Amortization						
As at January 31, 2024	(24,838)	(405,432)	(380,345)	(110,711)	(5,955,724)	(6,877,050)
Additions	(7,102)	(137,791)	(90,703)	(10,281)	(1,287,320)	(1,533,197)
Foreign exchange	2,134	50,075	43,180	12,069	692,294	799,752
As at January 31, 2025	(29,806)	(493,148)	(427,868)	(108,923)	(6,550,750)	(7,610,495)
Additions	(5,338)	(105,797)	(44,485)	(9,934)	(669,781)	(835,335)
Foreign exchange	(1,789)	(42,566)	(33,788)	(8,834)	(534,285)	(621,262)
As at October 31, 2025	**(36,933)**	**(641,511)**	**(506,141)**	**(127,691)**	**(7,754,816)**	**(9,067,092)**
Net book value						
As at January 31, 2025	38,769	834,309	80,228	22,638	1,285,941	2,261,885
As at October 31, 2025	**40,215**	**875,558**	**70,773**	**27,462**	**2,345,718**	**3,359,726**

6. INTANGIBLE ASSETS

As at October 31, 2025 and January 31, 2025 the balances of the Company's intangible assets are as follows:

Cost	Software Licenses	Brand Names	Software in Development	Total
As at January 31, 2024	302,276	15,828	2,652	320,756
Capital expenditures	74,864	1,795	-	76,659
Foreign exchange	(35,698)	(1,744)	(275)	(37,717)
As at January 31, 2025	341,442	15,879	2,377	359,698
Capital expenditures	36,257	143	-	36,400
Foreign exchange	27,907	1,232	184	29,323
As at October 31, 2025	**405,606**	**17,254**	**2,561**	**425,421**
Accumulated Amortization	-	-	-	
As at January 31, 2024	(301,009)	(1,265)	(2,652)	(304,926)
Additions	(11,643)	(781)	-	(12,424)
Foreign exchange	31,857	177	275	32,309
As at January 31, 2025	(280,795)	(1,869)	(2,377)	(285,041)
Additions	(41,737)	(616)	-	(42,353)
Foreign exchange	(23,457)	(170)	(184)	(23,811)
As at October 31, 2025	**(345,989)**	**(2,655)**	**(2,561)**	**(351,205)**
Net book value				
As at January 31, 2025	60,647	14,010	-	74,657
As at October 31, 2025	**59,617**	**14,599**	**-**	**74,216**

(i) Software in development represented work performed by a third-party contractor to improve the Company's software for tracking sales and inventory at its stores as well as create interfaces to the general ledger.

7. LEASES

The leases of the Company relate to 31 store leases and 1 office lease.

Right-of-use assets

Cost	
As at January 31, 2024	9,353,160
Additions	4,228,655
Foreign exchange	(1,214,780)
As at January 31, 2025	12,367,035
Additions	3,222,586
Foreign exchange	1,090,000
As at October 31, 2025	**16,679,621**

7. LEASES (continued)

Accumulated depreciation	
As at January 31, 2024	5,975,102
Depreciation	1,747,176
Foreign exchange	(719,274)
As at January 31, 2025	7,003,004
Depreciation	1,503,064
Foreign exchange	602,951
As at October 31, 2025	**9,109,019**

Net book value	
As at January 31, 2025	5,364,031
As at October 31, 2025	**7,570,602**

Lease liability	
As at January 31, 2024	4,451,767
Additions	4,228,655
Interest on lease liability	745,076
Lease payment	(2,773,174)
Foreign exchange	(590,203)
As at January 31, 2025	6,062,121
Additions	3,222,586
Interest on lease liability	992,039
Lease payment	(2,328,384)
Foreign exchange	548,021
As at October 31, 2025	**8,496,383**

Current portion	1,960,445
Non-current portion	6,535,938
Total lease liability	**8,496,383**

The table below summarizes the remaining expected lease payments as at October 31, 2025:

Fiscal Years	
2026	3,334,112
2027	3,247,611
2028	2,610,719
2029	2,502,907
2030	2,143,240
Thereafter	1,397,028
Less: imputed interest	(6,739,234)
Present value of lease liabilities	**8,496,383**

8. REVOLVING LOAN PAYABLE

On June 9, 2023, the Company entered into a revolving credit facility agreement ("the Agreement") with Third Eye Capital Corporation (the "Agent") as the agent on behalf of certain lenders (the "Lenders") with a maturity date of June 6, 2026. This Agreement provides for a revolving credit facility of up to $20 million ("the Loan"), strategically structured to support the Company's growth initiatives, notably including but not limited to the construction and maintenance of Joi Dollar Plus Stores in Mexico ("Eligible Stores") and the expansion of inventory and product offerings. The Agreement outlines a flexible interest rate structure, wherein the applicable interest rate is determined as the greater of 13.5% or the Prime Rate (as posted by the Royal Bank of Canada) plus 7.55%. Interest shall accrue daily on outstanding advances and all obligations under the Agreement and all such interest shall be calculated, compounded and payable monthly in arrears in cash on the first business day of each calendar month. In the event of default, a default rate of 10% per annum applies. At the Agent's option, exercised in the Agent's sole discretion, the Agent may (at any time) (a) deduct the aggregate amount of any outstanding principal, interest, fees, costs, expenses, and other charges (including wire transfer charges) on the due date thereof from a cash advance, (b) treat such amounts as an advance under the Agreement or (c) disburse such amounts by way of direct payment. Upon maturity, the Company must pay all outstanding interest and principal. Upon execution of the agreement, the Agent on behalf of the Lenders was granted unlimited guarantee and first-ranking lien on all of the present and future assets of the Company including all equity securities.

Proceeds from advances received under the Agreement shall be used solely for the purposes of (a) subject to the prior written approval of the Agent, the leasing and tenant fit-out work related to new Eligible Stores reasonably anticipated to be incurred by the Company within 45 days of the date of such advance (b) the purchase of Inventory by the Company to be used in an Eligible Store and (c) the payment to the Lenders or Agent for fees and expenses incurred in connection with the Agreement.

The allowable draw down (the "Borrowing Base") at a given point in time is determined using the borrowing base calculation which is comprised of 70% of eligible inventory including eligible in-transit inventory, 100% of eligible cash receipts, and 100% of the Company's trailing twelve months (TTM) EBITDA (provided it remains positive) after accounting for reserves related to interest and other fees.

For the purposes of the borrowing base calculation, EBITDA is defined as the consolidated net income adjusted for the following: (a) income and income based tax expense; (b) interest charges including interest expense, amortization or write-offs of debt discount and debt issuance costs and commissions, discounts and other fees and charges associated with any indebtedness (including the Agreement) accrued during the period on a consolidated basis in accordance with IFRS and all capitalized interest during such period; (c) rent under capitalized leases; (d) depreciation expense determined in accordance with IFRS; (e) extraordinary or nonrecurring losses, expenses and charges; (f) realized losses on swap agreements or other derivatives entered into for hedging interest rate or commodity price risks permitted by the Agent; (g) any non-cash loss attributable to the mark to market movement in the valuation of any equity interests, and swap agreements or other derivative instruments permitted by the Agent, but only to the extent the cash impact resulting from such loss has not been realized; (h) fees and expenses incurred during such period in connection with any actual issuance of any Debt, or any actual acquisitions, Investments, asset sales or divestitures permitted by the Agent; (i) operating expense attributed to actual acquisitions permitted by the Agent including salary obligations paid to employees terminated, one-time restructuring charges, implementation of cost savings initiatives, relocation costs, integration costs, recruitment fees, transition costs, and professional consulting fees; (j) earn-out and contingent consideration obligations

8. REVOLVING LOAN PAYABLE (continued)

(including to the extent accounted for as bonuses or otherwise) and adjustments thereof and purchase price adjustments, in each case in connection with actual acquisitions or investments permitted by the Agent; (k) all fees, expenses or charges from abandoned, closed, disposed or discontinued operations and any losses on disposal of abandoned, closed or discontinued operations, and attributable to business dispositions or asset dispositions (other than in the ordinary course of business), in each case permitted by the Agent; (l) all non-cash losses, charges and expenses, including any asset impairments, write-offs or write-downs; (m) stock-based compensation; (n) interest income and credits; (o) any extraordinary income or gains; (p) income and commodity tax credits (to the extent not netted from tax expenses); (q) any other non-cash income; and (r) any non-cash expenses associated with stock-based compensation. The Borrowing Base is subject to monthly redetermination to reflect evolving business dynamics.

On October 17, 2024 the Company entered into an amended agreement with the Agent whereby excluding unpaid in-transit inventory from the original borrowing base calculation. Under the amending agreement, unpaid in-transit inventory would be considered to fall under a secondary credit facility whose borrowing base would be calculated as 70% of the total unpaid in-transit inventory. Advances under this secondary credit facility would bear interest determined as the greater of 18.5% or the Prime Rate (as posted by the Royal Bank of Canada) plus 12.55%. Interest shall accrue daily on outstanding advances and all such interest shall be calculated, compounded and payable monthly in arrears in cash on the first business day of each calendar month. In the event of default, a default rate of 10% per annum applies. Upon signing of the amending agreement, the total credit available of $20 million is allocated to each credit facility based on their respective borrowing base calculations.

As of October 31, 2025, the Company received proceeds of $18,301,926 in aggregate under both credit facilities (January 31, 2025 - $16,235,448).

In consideration for entering into the Agreement, during the year ended January 31, 2024, the Company issued 15,060,838 common share purchase warrants of the Company to the Lenders (Note 10). The fair value of the warrants was determined using the Black-Scholes option pricing model and was capitalized as deferred financing costs upon initial recognition. These costs are expensed in the consolidated statement of loss and comprehensive loss on a straight-line basis over the three-year term of the Agreement.

In addition to the warrants issued, the Agreement included a closing fee of $800,000, to the Agent for the benefit of the Lenders. The Company also incurred an additional $569,455 in loan issuance costs associated with legal fees and due diligence preformed by the Agent. Upon execution of the Agreement, the aggregate issuance costs of $1,369,455 were capitalized to deferred transaction costs and are expensed in the consolidated statement of loss and comprehensive loss on a straight-line basis over the three-year term of the Agreement.

During the three and nine months ended October 31, 2025, total financing costs expensed in the consolidated statement of loss in connection with the amortization of deferred financing costs were $258,471 and $766,985 (October 31, 2024 - $258,472 and $769,795).

As part of the Agreement, the Agent will charge an annual monitoring fee of $50,000 and a standby fee of 1% payable by the Company to the Agent. The standby fee is calculated quarterly based on the difference between the daily amounts outstanding under this Agreement and the Loan limit during the respective quarter. Both fees are

8. REVOLVING LOAN PAYABLE (continued)

considered to be financing costs and are expensed as financing costs in the consolidated statement of loss and comprehensive loss on initial recognition.

During the three and nine months ended October 31, 2025, total financing costs associated with standby and monitoring fees were $13,920 and $80,996 (October 31, 2024 - $110,821 and $222,648) of which $1,697 were in accounts payable and accrued liabilities as at October 31, 2025 (January 31, 2025 - $30,158). The Company also incurred an amendment fee in connection with the signing of the October 17, 2024 amendment of $200,000 which was added to the principal of the revolving loan payable as of October 31, 2025 (October 31, 2024 - $nil).

The balance of the revolving loan payable as at October 31, 2025, and January 31, 2025 is as follows:

Balance, January 31, 2024	6,765,767
Issued during the period	9,835,448
Interest	1,696,515
Interest paid	(659,444)
Balance, January 31, 2025	17,638,286
Issued during the period	2,066,478
Interest	2,692,356
Interest paid	(2,830,048)
Balance, October 31, 2025	**19,567,072**

Current	19,567,072
Non-current	-

As the revolving loan facility matures in June 2026, which is within twelve months of the reporting date, the outstanding balance has been classified as a current liability in accordance with IAS 1.

The balance of deferred financing fees is as follows:

Balance, January 31, 2024	2,413,334
Amortization of financing fees	(1,028,266)
Balance, January 31, 2024	1,385,068
Amortization of financing fees	(766,985)
Balance, October 31, 2025	**618,083**

Current	618,083
Non-current	-

In accordance with the agreement, the Company is subject to certain financial and non-financial covenants under the Agreement and was in compliance with all such covenants as of October 31, 2025.

9. SHARE CAPITAL

The authorized share capital consists of an unlimited number of common shares.

As of October 31, 2025 141,339,037 common shares were issued and outstanding (January 31, 2025 – 95,858,889) and 4,667,641 shares were held in escrow (January 31, 2025 - 4,667,641).

9. SHARE CAPITAL (continued)

Outstanding common shares as of October 31, 2025 are as follows:

	Common shares	Amount ($)
Balance, January 31, 2024	95,794,073	36,581,657
Shares issued upon warrant exercise (iv)	64,816	11,902
Balance, January 31, 2025	95,858,889	36,593,559
Units issued in connection with financing offering (i)	45,351,166	2,416,433
Shares issued upon exercise of warrants (ii)	128,982	22,007
Balance, October 31, 2025	**141,339,037**	**39,031,999**

For the nine months ended October 31, 2025

(i) On July 9, 2025, the Company closed an equity offering issuing an aggregate of 45,351,166 units at a price of $0.15 per unit for aggregate gross proceeds of $6,802,675. Each unit is composed of one common share and one common share purchase warrant exercisable into one common share at a price of $0.30 for a period of two years from September 7, 2025. A value of $3,128,217, before issuance costs, was allocated to the 45,351,166 common shares with the remaining balance allocated to warrants based on the residual method. The Company incurred cash share issuance costs of $522,247 and issued 2,232,353 finders' warrants with a fair value of $224,008 determined using the Black-Scholes pricing model. Each finder warrant is exercisable into one common share of the Company at a price of $0.15 per common share until July 9, 2027. The issuance costs of $746,256 were allocated to share capital.

(ii) On September 12, 2025, 128,982 warrants were exercised to purchase 128,982 common shares at $0.15 per share for cash proceeds received of $19,348. Warrants reserve of $2,659 were reclassified to share capital in connection with this exercise.

(iii) As of October 31, 2025, the Company recognized an obligation to issue shares of $147,351 representing director's fees incurred during the year ended January 31, 2025 and the nine months ended October 31, 2025. The obligation is to be settled through the issuance of shares at market price per share at the time of issuance. In accordance with IAS 32, Financial Instruments: Presentation, the obligation is classified as a financial liability because it represents a contractual obligation to deliver a variable number of the Company's own equity instruments for a fixed monetary amount.

For the year ended January 31, 2025

(iv) On March 20, 2024, 64,816 finders' warrants were exercised to purchase 64,816 common shares at $0.15 per share for cash proceeds received of $9,722. Warrants reserve of $2,180 were reclassified to share capital in connection with this exercise.

(v) As of January 31, 2025, the Company recognized an obligation to issue shares of $94,500 representing director's fees incurred during the year ended January 31, 2025. The obligation is to be settled through the issuance of shares at market price per share at the time of issuance.

10. WARRANTS

The following table reflects the changes in warrants issued and outstanding up to October 31, 2025:

	Warrants	Weighted average exercise price ($)
Balance, January 31, 2024	69,466,810	0.73
Exercised (iv)	(64,816)	0.15
Expired	(35,737,307)	1.22
Balance, January 31, 2025	33,664,687	0.22
Granted (i) (ii)	47,583,519	0.29
Exercised (iii)	(128,982)	0.15
Balance, October 31, 2025	**81,119,224**	**0.26**

As at October 31, 2025, the following warrants were outstanding:

Exercise price ($)	Number of warrants	Weighted average remaining contractual life in years
0.14	15,060,838	2.61
0.15	2,946,936	1.33
0.30	63,111,450	1.39
0.26	**81,119,224**	**1.61**

As at January 31, 2025, the following warrants were outstanding:

Exercise price ($)	Number of warrants	Weighted average remaining contractual life in years
0.14	15,060,838	3.36
0.15	843,565	0.95
0.30	17,760,284	0.96
0.22	**33,664,687**	**2.03**

For the nine months ended October 31, 2025

(i) On July 9, 2025, the Company issued 45,351,166 warrants in connection with an equity offering, each exercisable into one common share of the Company at a price of $0.30 per share until September 7, 2027.

(ii) In connection with the same offering, the Company issued 2,232,353 finder's warrants, each exercisable into one common share of the Company at a price of $0.15 per share until July 9, 2027. The fair value of the finder's warrants was $224,008, determined using the Black-Scholes pricing model with the following assumptions: dividend yield 0%, risk-free interest rate of 2.66%, expected volatility of 95%, stock price of $0.18, and expected life of 2 years.

(iii) On September 12, 2025, 128,982 warrants were exercised to purchase 128,982 common shares at $0.15 per share for cash proceeds received of $19,348. Warrants reserve of $2,659 were reclassified to share capital in connection with this exercise.

10. WARRANTS (continued)

For the year ended January 31, 2025

(iv) On March 20, 2024, 64,816 finders' warrants were exercised to purchase 64,816 common shares at $0.15 per share for cash proceeds received of $9,722. Warrants reserve of $2,180 were reclassified to share capital in connection with this exercise.

11. STOCK OPTIONS

The following table reflects the options issued and outstanding up to October 31, 2025:

	Number of options	**Weighted average exercise price ($)**
Balance, January 31, 2024	9,550,000	0.84
Forfeited (iii)(iv)	(4,050,000)	0.81
Balance, January 31, 2025	5,500,000	0.86
Granted (i)	10,400,000	0.23
Balance, October 31, 2025	15,900,000	0.45

For the nine months ended October 31, 2025

(i) On August 22, 2025, the Company granted 10,400,000 stock options to directors, officers and employees under the Company's stock option plan. Each option is exercisable into one common share of the Company at an exercise price of $0.23 per option for a period of five years from the grant date. Using the Black-Scholes option pricing model, the 10,400,000 options were valued at $618,981 in total, or $0.0595 per option, using the following assumptions: dividend yield 0%, risk-free interest rate of 2.94%, expected volatility of 36%, stock price of $0.23, and expected life of 5.0 years.

(ii) During the three and nine months ended October 31, 2025, the Company recognized $111,265 and $176,596 in share-based compensation expense (October 31, 2024 – recovery of $303,579 and $171,668) in connection with the vesting of options issued.

For the year ended January 31, 2025

(iii) During the year ended January 31, 2025, 3,050,000 stock options, previously granted on February 8, 2022 to certain employees, were forfeited upon their departure resulting in a reversal of the share-based compensation expense of $474,915. At the time of the forfeiture, 1,450,000 of the options had vested. Each option was exercisable into one common share of the Company at $1.00 per share.

(iv) During the year ended January 31, 2025, 1,000,000 stock options, previously granted on November 24, 2023 to certain consultants, were forfeited upon renegotiation of their consulting agreement resulting in a reversal of the share-based compensation expense of $16,129. At the time of the forfeiture, none of the options had vested. Each option was exercisable into one common share of the Company at $0.23 per share.

11. STOCK OPTIONS (continued)

(v) During the year ended January 31, 2025, the Company recognized $392,548 in share-based compensation expense in connection with the vesting of options issued.

(vi) No stock options were granted during the year ended January 31, 2025.

The following table reflects the options issued and outstanding as at October 31, 2025:

Exercise price ($)	Number outstanding	Weighted average remaining life (years)	Number exercisable
0.23	11,400,000	4.66	250,000
1.00	4,500,000	1.27	3,375,000
0.95	**15,900,000**	**3.70**	**3,625,000**

The following table reflects the options issued and outstanding as at January 31, 2025:

Exercise price ($)	Number outstanding	Weighted average remaining life (years)	Number exercisable
0.23	1,000,000	3.82	250,000
1.00	4,500,000	2.02	2,250,000
0.92	**5,500,000**	**2.35**	**2,500,000**

12. RELATED PARTIES

During the three and nine months ended October 31, 2025 and 2024, there were separate related party transactions as follows:

	Three months ended October 31,		**Nine months ended October 31,**	
	2025	2024	**2025**	2024
Management fees (i)	$ 197,439	$ 192,011	$ 588,575	$ 590,274
Directors' and consulting fees (ii)	78,689	72,380	225,235	217,130
Share-based compensation (iii)	68,699	(12,957)	114,196	222,568
Professional fees (iv)	103,069	139,303	334,201	168,346
Performance bonus (v)	125,000	-	125,000	-
Total	**$ 572,896**	**$ 390,737**	**$ 1,387,207**	**$ 1,198,318**

(i) Salaries, wages, and benefits and management fees of 197,439 and $588,575 (October 31, 2024 - $192,011 and $590,274) relating to the key management personnel were incurred during the three and nine months ended October 31, 2025. As of October 31, 2025, management fees payable consisted of $54,400 (January 31, 2025 - $104,166) included in accounts payable and accrued liabilities.

(ii) Directors’ fees of $78,689 and $225,235 (October 31, 2024 - $72,380 and $217,130) were recognized in management and director’s fees during the three and nine months ended October 31, 2025. As of October 31, 2025, director's fees payable consisted of $251,420 (January 31, 2025 - $181,771) of which $104,069 (January 31, 2025 - $87,271) is included in accounts payable and accrued liabilities and $147,351 (January 31, 2025 - $94,500) is recorded as obligation to issue shares, this is to be settled through the issuance of shares at the market price per share at the time of issuance.

12. RELATED PARTIES (continued)

(iii) For the three and nine months ended October 31, 2025, the Company recognized a share-based compensation of $68,699 and $114,196 (October 31, 2024 - $12,957 and $212,205) related to the vesting of stock options previously granted to key management personnel.

(iv) Professional fees for legal consulting services totaling $103,069 and $334,201 (October 31, 2024 - $139,303 and $168,346) were incurred during the three and nine months ended October 31, 2025, with a law firm in which a Director of the Company is a partner. As of October 31, 2025, the Company had $164,937 (January 31, 2025 - $237,382) recorded in accounts payable and accrued liabilities related to amounts owed to this law firm.

(v) During the three and nine months ended October 31, 2025, the Company granted bonuses totaling $125,000 (October 31, 2024 - $Nil) to key personnel.

13. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

Financial instruments

As at October 31, 2025 and January 31, 2025, the Company's financial instruments consisted of the following:

	Level		October 31, 2025		January 31, 2025
FINANCIAL ASSETS					
FVTPL					
Cash	1	$	695,614	$	633,233
Other assets at amortized cost					
Security deposits			471,651		306,792
Total financial assets		**$**	**1,167,265**	**$**	**940,025**
FINANCIAL LIABILITIES					
FVTPL					
Obligation to issue shares	1	$	147,351	$	94,500
Other liabilities, at amortized cost					
Accounts payable and accrued liabilities	1		11,673,769		11,443,896
Current portion of revolving loan interest payable			240,630		197,370
Revolving loan payable			19,326,442		17,440,916
Total financial liabilities		**$**	**31,388,192**	**$**	**29,176,682**

The Company characterizes its fair value measurements of financial instruments into a three-level hierarchy depending on the degree to which the inputs are observable, as follows:

- Level 1 inputs are quoted prices in active markets for identical assets and liabilities;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the assets or liabilities either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

13. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (continued)

A financial instrument is classified to the lowest level hierarchy for which a significant input has been used in measuring fair value. The carrying amounts for cash, security deposits, obligations to issues shares and accounts payable and accrued liabilities approximate their respective fair values due to their short-term maturities. The carrying amount of the revolving loan payable approximates fair value due to the recency of the drawdowns therefore the interest rate applied to the revolving loan payable is expected to be very similar to market interest rates at year-end.

Financial risk management

The Company's activities are exposed to a variety of financial risks in the normal course of business. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize the Company's capital costs by using suitable means of financing and to manage and control the Company's financial risks effectively.

The principal financial risks arising from financial instruments are liquidity risk, foreign currency risk, credit risk, and interest rate risk.

Liquidity risk

As of October 31, 2025, the Company's liabilities encompass accounts payable and accrued liabilities, lease liabilities, revolving loan interest payable, and the revolving loan payable. Certain of these obligations possess contractual maturity dates within one year, excluding the long-term segment of lease liabilities (please refer to Note 7 for a detailed breakdown of remaining lease payments related to the long-term portion of lease liability) and the revolving loan payable (detailed in Note 8). The Company actively monitors its liquidity risk by continually assessing its capital needs. Further insights into our liquidity management strategy can be found in the discussion pertaining to liquidity in Note 1.

The following table outlines the undiscounted contractual maturities of the Company's financial liabilities at October 31, 2025:

	Less than 1 year	1-5 years	Thereafter
Accounts payable and accrued liabilities	11,673,769	-	-
Lease liability	3,334,112	10,504,477	1,397,028
Revolving loan interest payable	240,630	-	-
Revolving loan payable	19,326,442	-	-
	34,574,953	**10,504,477**	**1,397,028**

Foreign currency risk

The Company's functional and reporting currency is the Canadian dollar but it is exposed to foreign currency risk with respect to the expenditures incurred by its Mexican subsidiaries, JOi, Canmex, and Pesorama Consulting whose functional currencies are the Mexican peso. As the Company and its subsidiaries operate internationally, certain of the Company's financial instruments and transactions are denominated in currencies other than their respective functional currencies. The results of the Company's operations are, therefore, subject to currency transaction and

13. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (continued)

translation risks. As at October 31, 2025, the Company has not entered into any hedging agreements to mitigate currency risks, with respect to foreign exchange rates, as foreign currency risk was deemed to be low. A change of 5% in the CAD/MXN exchange rate on October 31, 2025, would not have a material impact on net loss.

Credit risk

Credit risk is the risk of an unexpected loss if a third party fails to meet its contractual obligations. Financial instruments that potentially subject the Company to credit risk consist of cash, and security deposits, since the Company does not make any sales on credit terms. The Company manages credit risk by depositing its cash with major financial institutions, which have been assigned high credit ratings by internationally recognized credit rating agencies, and by only paying security deposits to reputable, well-established third parties.

Interest rate risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in prevailing market interest rates. As at October 31, 2025, the Company is exposed to interest rate risk through their revolving loan payable which incurs interest at variable rate. As at October 31, 2025, the Company has not entered into any hedging agreements to mitigate interest rate risk.

A change of 0.5% in market interest rates would result in a variance of approximately $Nil in interest expense. This is because the Company’s variable-rate loan is currently subject to minimum interest rate thresholds, and the prevailing benchmark rate as at October 31, 2025 remains below those thresholds. As a result, reasonably possible changes in market rates would not affect the rate applied to the loan, and therefore would not impact interest expense.

14. MANAGEMENT OF CAPITAL

The Company’s objectives when managing capital are to ensure the Company will have sufficient financial capacity, liquidity, and flexibility to fund the Company’s store operations and growth in Mexico. The Company is dependent upon funding these activities through a combination of available cash, debt, and equity, which it considers to be the components of its capital structure.

The Company manages its capital structure and adjusts it based on changes in economic conditions and the risk characteristics of its assets. To maintain or adjust the capital structure, from time to time the Company may issue or repurchase Shares or other securities, acquire or dispose of assets, or adjust its capital spending to manage current and projected debt levels. The Company may draw down on their revolving loan payable to fund inventory purchases and expansion. Use of proceeds from the revolving loan payable is limited as outlined in Note 8.

To facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. To maximize ongoing development efforts, the Company does not pay out dividends.

15. EXPENSES BY NATURE

	Three Months Ended		Nine Months Ended	
	October 31, 2025	**October 31, 2024**	**October 31, 2025**	**October 31, 2024**
General, administrative and store operating expenses				
Management and directors' fees	401,129	264,391	938,810	786,570
Salaries, wages, and benefits	1,408,472	1,217,049	4,053,584	3,686,302
Professional fees	553,108	302,494	1,388,908	1,355,913
Store expenses	376,035	359,924	1,031,149	1,020,269
Investor relations	5,562	11,197	32,471	63,555
Office expenses	214,251	238,321	617,674	618,572
Security and monitoring	17,962	5,385	48,475	25,429
Repairs and maintenance	600	932	9,185	7,736
Share-based compensation	111,265	(303,579)	176,596	(171,668)
Travel expenses	66,935	81,334	182,960	291,733
Marketing and promotion	62,700	42,570	132,828	64,914
Total	**3,218,019**	**2,220,018**	**8,612,640**	**7,749,325**
Depreciation and amortization				
Depreciation	294,868	357,840	835,335	1,272,706
Amortization, intangible assets	16,473	1,814	42,353	5,698
Depreciation, right-of-use assets	529,253	414,619	1,503,064	1,298,415
Total	**840,594**	**774,273**	**2,380,752**	**2,576,819**
Financing costs				
Interest on lease liabilities	348,846	164,684	992,039	481,280
Interest on loan payable	714,128	430,843	2,692,356	1,049,405
Financing costs	272,391	369,293	847,981	992,443
Bank and other finance charges	85,916	59,997	222,064	171,608
Foreign exchange loss (gain)	(95,289)	32,151	(122,785)	61,604
Total	**1,325,992**	**1,056,968**	**4,631,655**	**2,756,340**
Other items				
VAT Adjustment	(66)	(135)	(3,881)	(5,498)
Other expense (income)	130	(6,033)	(5,212)	(889)
Total	**64**	**(6,168)**	**(9,093)**	**(6,387)**

(i) The store expenses balance includes utilities, communication systems, repairs and maintenance and variable and non-indexed rental expenses that are excluded from the lease liability under IFRS 16.

16. OPERATING SEGMENTS

The company's retail operations in Mexico constitute its sole reportable segment, but it has assets in both Canada and Mexico.

	Canada	Mexico	Total
Revenue			
Nine months ended October 31, 2025	-	18,331,011	18,331,011
Nine months ended October 31, 2024	-	16,602,411	16,602,411
Three months ended October 31, 2025	-	6,699,728	6,699,728
Three months ended October 31, 2024	-	5,419,385	5,419,385
Non-current assets			
As at October 31, 2025	5,045	15,300,487	15,305,532
As at January 31, 2025	983,905	11,314,532	12,298,437

17. COMMITMENTS AND CONTINGENCIES

Commitments

As of October 31, 2025, the Company had planned expenditures of $837,300 associated with the construction of new store locations expected to open in fiscal 2026. The Company had retail stores and office lease commitments outstanding, which have been recorded as lease liabilities of $8,496,383 in the consolidated financial statements (see Note 7).

Additionally, at October 31, 2025, the Company had inventory purchase commitments of $94,699 (January 31, 2025 - $193,856). All these commitments are expected to be fulfilled and paid within the next twelve months.

Contingencies

<u>Legal Claim for Unpaid Professional Fees</u>

In February 2021, a certain legal professional firm (the "Legal Firm") initiated legal proceedings against the Company in regard to unpaid legal fees of approximately $702,000 owed by the Company to the Legal Firm, all of which have been previously accrued in accounts payable and accrued liabilities. In July 2021, the Company initiated legal action against the Legal Firm on the grounds of professional negligence in association with legal services provided to the Company. At this point in time, the Company is currently unable to determine the outcome nor able to estimate potential losses from these proceedings.

17. COMMITMENTS AND CONTINGENCIES (continued)

Contingencies (continued)

Trademark Infringement Claims

In December 2020, the Company was notified that a certain third party initiated a series of infringement claims with the Mexican Institute of Industrial Property ("MTO") against Joi claiming that Joi's trademark is similar to the plaintiff's own registered trademark for its products. Joi's initial response highlighted the fact that a) the goods cited are not under a trademark held by Joi but by Canmex, b) the MTO has granted trademark registration to Canmex for the trademark "Joi," among others, and c) Joi's name is not similar to the registered trademark of the plaintiff. The proceedings are ongoing as Joi awaits further action from the MTO. The initial ruling favored the Company, with no penalties imposed and recognition granted for the use of the name JOI CANADIAN STORES. The plaintiff has appealed this decision, and the appellate process is ongoing. However, the maximum estimated financial claim is approximately MXN $1,790,000 (equivalent to CAD $135,058).

The Company believes the third party's claims to be without merit and anticipates a high likelihood of success in prevailing against the infringement claims. As such, the Company has not made any provision related to these claims.

Legal Claims from Former PCS Employees

As at October 31, 2025, PCS had open legal claims from six former employees. The maximum estimated financial claim is approximately MXN $5 million (equivalent to CAD $378,583).

Legal Action from Former CEO

In November 2021, the former CEO of Old PesoRama (the "Former CEO") filed a statement of claim in the Court of Queen's Bench of Alberta against the Company and its directors for wrongful termination, interference with contractual relations, engagement in civil conspiracy, abuse of civil process, oppressive conduct, and breach of fiduciary and other duties. The claim seeks non-monetary compensation in the amount of 8,750,000 common shares of the Company. The Former CEO is also seeking, in the aggregate, approximately $5.3 million in compensatory and punitive damages in connection with the foregoing claims, and $120,000 for costs associated with the legal proceeding.

The Company strongly disagrees with all the former CEO's positions, believes that the claims are without merit and intend to vigorously defend themselves against the Former CEO's claims. As such, the Company has not made any provision related to this litigation.

Legal Action from Former CFO

On July 20, 2022, the former CFO of Joi, Canmex and Pesorama Consulting filed a claim with the Local Labour Board in Mexico against Joi, Canmex, Pesorama Consulting and management for wrongful termination. The claim seeks monetary damages of MXN $4.5 million (CAD $339,989). As of October 31, 2025, the Company recognized a provision for of MXN $4.5 million (CAD $339,989) in accounts payable and accrued liabilities.

18. SUBSEQUENT EVENTS

On November 6, 2025, the Company settled outstanding director fee liabilities through the issuance of 656,250 common shares at a price of $0.20 per share, in accordance with board approval dated September 16, 2025. The settlement fully extinguished the related payables.

On November 21, 2025, a total of 1,304,721 warrants were exercised for common shares of the Company. The Company received total cash proceeds of $195,708 in connection with these warrant exercises.

On November 28, 2025, the Company completed the final closing of its previously announced equity financing for total gross proceeds of $5,000,000, issuing 20,000,000 units at a price of $0.25 per unit, with each unit consisting of one common share and one-half of one common share purchase warrant, each whole warrant exercisable at $0.40 per share for a period of 18 months. Subsequent to the closing, the Company received final acceptance from the TSX Venture Exchange and issued clarifications to the terms of the financing, which did not impact the total proceeds or the amounts to be recognized in the financial statements.

Subsequent to October 31, 2025, the Company announced the opening of three new JOI Dollar Plus store locations: Store #29 (Roma Norte) on November 21, 2025, Store #30 (Zócalo) on December 13, 2025, and Store #31 (Parque Puebla) on December 21, 2025.