Critical Infrastructure Technologies Ltd.

Consolidated Financial Statements

(Expressed in Canadian Dollars)

For the six months ended December 31, 2025

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Critical Infrastructure Technologies Ltd.
Consolidated Statements of Financial Position
As at December 31, 2025
(Expressed in Canadian dollars)

	Dec 31, 2025	June 30, 2025
	$	$
Assets		
Current assets		
Cash (Note 5)	731,804	226,887
Taxes receivable (Note 6)	-	-
Total current assets	731,804	226,887
Deposit	84,057	78,803
Intangible assets (Note 7)	4,283,677	3,915,678
Total assets	5,099,538	4,221,368
Liabilities and shareholders' equity		
Liabilities		
Current liabilities		
Trade and other payables (Note 8)	1,713,425	1,709,202
Loan and borrowings (Note 9)	1,514,406	2,109,122
Total current liabilities	3,227,831	3,818,324
Shareholders' equity		
Share capital (Note 11)	15,631,013	12,907,013
Reserves	2,050,242	2,050,242
Accumulated other comprehensive loss	17,225	(54,038)
Accumulated deficit	(15,826,773)	(14,500,173)
Total shareholders' equity	1,871,707	403,044
Total liabilities and shareholders' equity	5,099,538	4,221,368

Nature and continuance of operations (Note 1)
Subsequent events (Note 16)

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

Critical Infrastructure Technologies Ltd.
Consolidated Statements of Loss and Comprehensive Loss
For the six months ended December 31, 2025
(Expressed in Canadian dollars)

	Dec 31, 2025		June 30, 2025
		$	$
		-	-
Operating expenses			
Consulting fees		11,953	48,998
General and admin fees		293,053	603,882
Professional fees		835,690	56,199
Rent		-	47,471
Travel expenses		53,109	65,970
Total operating expenses		(1,193,805)	(822,520)
Other expenses			
Finance cost		(132,795)	(194,070)
Total other expenses		(132,795)	(194,070)
Net Loss for the year		(1,326,600)	(1,016,590)
Other comprehensive loss			
Foreign currency translation		71,263	(17,671)
Comprehensive Profit/(Loss) for the year		(1,255,337)	(1,034,261)
Loss per share – basic and diluted	$	(0.01)	$ (0.01)
Weighted average number of shares – basic and diluted		114,747,541	83,377,899

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

Critical Infrastructure Technologies Ltd.
Consolidated Statements of Changes in Shareholders' Equity
For the six months ended December 31, 2025
(Expressed in Canadian dollars)

	Share Capital					
	Number of shares	Amount	Reserve	Accumulated comprehensive loss	Deficit	Total shareholders' equity
		$	$	$	$	$
Balance, June 30, 2024	83,377,899	12,907,013	2,050,242	(36,367)	(13,483,583)	1,437,305
Foreign currency translation	-	-	-	(17,671)	-	(17,671)
Loss for the year	-	-	-	-	(1,016,590)	(1,016,590)
Balance, June 30, 2025	83,377,899	12,907,013	2,050,242	(54,038)	(14,500,173)	403,044
Shares issued for cash	17,100,000	2,224,000	-	-	-	2,224,000
Shares issued for debt	10,000,000	500,000	-	-	-	500,000
Shares Issued for cashless exercise	619,642	-	-	-	-	-
Shares issued for RSU's vested	3,650,000	-	-	-	-	-
Foreign currency translation	-	-	-	71,263	-	71,263
Loss for the year	-	-	-	-	(1,326,600)	(1,326,600)
Balance, Dec 31, 2025	114,747,541	15,631,013	2,050,242	17,225	(15,826,773)	1,871,707

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

Critical Infrastructure Technologies Ltd.
Consolidated Statements of Cash Flows
For the six months ended December 31, 2025
(Expressed in Canadian dollars)

	Dec 31, 2025	June 30, 2025
	$	$
OPERATING ACTIVITIES		
Net Loss	(1,326,600)	(1,016,590)
Adjustments for:		
Interest expense	132,795	194,070
Changes in non-cash working capital:		
Decrease (Increase) in taxes receivable	-	463,625
Decrease (Increase) in prepaid expenses	-	-
Decrease in deposit	(5,254)	876
Increase (Decrease) in trade and other payables	4,223	(288,055)
Cash provided by (used in) operating activities	(1,194,836)	(646,074)
INVESTING ACTIVITIES		
Development expenditure, net of grants and recoveries	(367,999)	52,360
Cash provided by/ (used in) investing activities	(367,999)	52,360
FINANCING ACTIVITIES		
Shares issued for cash	2,224,000	-
Shares issued for debt	500,000	-
Loans received	(727,511)	820,682
Cash provided by financing activities	1,996,489	820,682
Effect of foreign exchange on cash	71,263	(17,671)
Change in cash	504,917	209,297
Cash, beginning of year	226,887	17,590
Cash, end of the period	731,804	226,887
Interest paid	132,795	194,070
Income taxes paid	-	-

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Critical Infrastructure Technologies Ltd. (the "Company") was incorporated under the British Columbia Business Corporations Act on August 11, 2021. The Company's head office and records and registered office is located at 2600 – 1066 West Hastings Street Vancouver, BC V6E 3X1.

The Company is a product development, manufacturer and services company. The Company designs and develops products that provide rapidly deployable communications and power systems to support life and mission critical applications for sectors such as the military and emergency service sectors. The Company's team specialises in critical communications products that support the activities of mining operations and protect the lives of emergency service and defence personnel.

The Company has an accumulated deficit of $15,826,773 as at December 31, 2025. The Company's ability to continue its operations is dependent upon obtaining additional financing sufficient to cover its operating costs. All the preceding indicates the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. These consolidated financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying financial statements.

2. STATEMENT OF COMPLIANCE

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These consolidated financial statements have been approved for issuance by the Board of Directors on February 18, 2026.

3. BASIS OF PRESENTATION

The consolidated financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit or loss, which are stated at their fair value.

The consolidated financial statements are presented in Canadian dollars, which is also the functional currency of the Company. The functional currency of the Company's wholly owned subsidiary, Critical Infrastructure technologies Pty Ltd is the Australian dollars.

In addition, the consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

The preparation of consolidated financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgement of complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

Basis of Consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, CiTech. Inter-company balances and transactions are eliminated on consolidation.

4. MATERIAL ACCOUNTING POLICIES

(a) Cash

Cash is carried in the statement of financial position at amortized cost.

(b) Income taxes

Income tax is recognized in profit or loss except to the extent that it relates to items recognized in other comprehensive income or loss or directly in equity, in which case it is recognized in other comprehensive income or loss or equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period applicable to the period of expected realization or settlement.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same tax authority and the group intends to settle its current tax assets and liabilities on a net basis.

(c) Share capital

Common shares are classified as shareholders' equity. Transaction costs directly attributable to the issue of common shares and share purchase options are recognized as a deduction from equity, net of any tax effects.

(d) Basic and diluted loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the year. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive. Contingently issuable shares are not considered outstanding common shares and consequently are not included in loss per share calculations.

(e) Financial instrument measurement and valuation

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

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

The measurement of the Company's financial instruments is disclosed in Note 16 to these consolidated financial statements. Any financial instrument that is valued using level 2 or 3 inputs will involve estimation uncertainty.

Financial assets

The Company classifies its financial assets in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive income ("FVTOCI") or at amortized cost. The determination of the classification of financial assets is made at initial recognition. Equity instruments that are held for trading (including all equity derivative instruments) are classified as FVTPL; for other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI.

The Company's accounting policy for each of the categories is as follows:

Financial assets at FVTPL: Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed to profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets held at FVTPL are included in profit or loss in the period.

Financial assets at FVTOCI: Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income (loss) in which they arise.

Financial assets at amortized cost: A financial asset is measured at amortized cost if the objective of the business model is to hold the financial asset for the collection of contractual cash flows, and the asset's contractual cash flows are comprised solely of payments of principal and interest. They are classified as current assets or non-current assets based on their maturity date and are initially recognized at fair value and subsequently carried at amortized cost less any impairment.

Impairment of financial assets at amortized cost: The Company assesses all information available, including on a forward-looking basis, the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as the reporting date, with the risk of default as at the date of initial recognition, based on all information available, and reasonable and supportive forward-looking information.

Financial liabilities and equity: Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recorded at the proceeds received, net of direct issue costs.

The Company's financial assets and liabilities are classified as follows:

	Classification
Cash	Amortized cost
Trade and other payables	Amortized cost
Loan and borrowings	Amortized cost

(f) Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. Sales are recorded as a recovery of cost against intangible assets. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Research costs are expensed in the period in which they are incurred. Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the Company is able to use or sell the asset; the Company has sufficient resources and intent to complete the development; and its costs can be measured reliably. Capitalised development costs are amortised on a straight-line basis over the period of their expected benefit, beginning on the date they become available for use in the manner intended by management.

(g) Impairment of non-financial assets

Non-financial assets are reviewed at each reporting date to identify circumstances indicating occurrence of impairment loss or reversal of previous impairment losses, if any. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. Reversal of impairment loss is restricted to the original cost of the asset.

(h) Leases

At inception of a contract, the Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Leases of right-of-use assets are recognized at the lease commencement date at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, and otherwise at the Company's incremental borrowing rate. At the commencement date, a right-of-use asset is measured at cost, which is comprised of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any decommissioning and restoration costs, less any lease incentives received.

Each lease payment is allocated between repayment of the lease principal and interest. Interest on the lease liability in each period during the lease term is allocated to produce a constant periodic rate of interest on the remaining balance of the lease liability. Except where the costs are included in the carrying amount of another asset, the Company recognizes in profit or loss (a) the interest on a lease liability and (b) variable lease payments not included in the measurement of a lease liability in the period in which the event or condition that triggers those payments occurs. The Company subsequently measures a right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses; and adjusted for any remeasurement of the lease liability. Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term, except where the lease contains a bargain purchase option a right-of-use asset is depreciated over the asset's useful life.

The Company has elected to exclude non-lease components related to premises leases in the determination of the lease liability. The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of twelve-months or less and leases of low-value assets. The lease payments associated with these leases are charged directly to income on a straight-line basis over the lease term. During the six months ended December 31, 2025 and the year ended June 30, 2025, the total expense related to short term leases was nil and $47,471.

(i) Foreign currency translation

The functional currency is the currency of the primary economic environment in which an entity operates and may differ from the currency in which the entity conducts transactions.

Transactions in currencies other than the functional currency are translated to the functional currency at exchange rates prevailing on the dates of the transactions. Monetary assets and liabilities that are denominated in currencies other than the functional currency are translated to the functional currency using the exchange rate prevailing on the date of the consolidated statement of financial position, while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation of foreign currency-denominated transactions or balances are recorded as a component of profit or loss in the period in which they occur.

Exchange gains and losses arising from the translation of foreign currency-denominated transactions or balances are recorded as a component of profit or loss in the period in which they occur.

The results of operations and financial position of a subsidiary where the functional currency is different from the presentation currency are translated as follows: assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position; expenses are translated at the average exchange rate for the year; all resulting exchange differences are recognized in other comprehensive income or loss. On disposition or partial disposition of a foreign operation, the cumulative amount of any respective exchange difference is recognized in profit or loss.

(j) Share-based compensation

The fair value method of accounting is used for share-based payment transactions. Under this method, the cost of stock options and other share-based payments is recorded based on the estimated fair value using the Black-Scholes option-pricing model at the grant date and charged to profit over the vesting period. The amount recognized as an expense is adjusted to reflect the number of equity instruments expected to vest.

Upon the exercise of stock options and other share-based payments, consideration received on the exercise of these equity instruments is recorded as share capital and the related share-based payment reserve is transferred to share capital.

Charges for options that are forfeited before vesting are reversed from reserves.

(k) Revenue recognition

Revenues comprise the sale of manufactured products and are measured at the amounts specified in the customer's arrangement. Sales of manufactured products are recognized when products are delivered to the customer, which is also the moment when control of the products is transferred, and when there is no unfulfilled obligation that could affect the customer's acceptance of the products. A receivable is recognized when the products are delivered or services are rendered and the customer has accepted delivery in accordance with contract terms, as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

The Company does not expect to have any contracts where the period between the transfer of the promised products or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money. Cash payments received or advances due pursuant to contractual arrangements are recorded as deferred revenue until all of the foregoing conditions of revenue recognition have been met.

(l) Government Assistance

Government grants related to research and development cost rebates are offset to the related costs in the statement of financial position (if related to capitalized development costs) or in profit and loss if related to expensed research and development. Government grants are recognized when there is reasonable assurance that the Company has met the requirements of the approved grant program and there is reasonable assurance that the grant will be received.

(m) New Accounting Policies and recent Accounting Pronouncements

On April 9, 2024, the IASB issued a new standard – IFRS 18, "Presentation and Disclosure in Financial Statements" with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:

- the structure of the statement of profit or loss;
- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

IFRS 18 will replace IAS 1; many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will apply for reporting periods beginning on or after January 1, 2027 and also applies to comparative information. Adoption of IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its 'operating profit or loss'.

(n) Critical accounting estimates and judgements

The preparation of consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, and expenses. Estimates and associated assumptions applied in determining asset or liability values are based on historical experience and various other factors including other sources that are believed to be reasonable under the circumstances but are not necessarily readily apparent or recognizable at the time such estimate or assumption is made. Actual results may differ from these estimates.

Estimates and underlying assumptions used in determining asset and liability values 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.

Information about critical accounting estimates and judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the consolidated financial statements are discussed below:

Going Concern

The preparation of the consolidated financial statements requires management to make judgments regarding the going concern of the Company as disclosed in Note 1.

Deferred tax assets and liabilities

The estimation of income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all the deferred income tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets, and future income tax provisions or recoveries could be affected.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The Company assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Research and development expenses

The determination of whether expenditures on research and development activities meet the criteria for capitalization as internally generated intangible assets is subject to significant judgement. The Company has determined that until such time that a project can demonstrate its commercial and technical feasibility, and its intention and ability to use or sell the asset, the Company has sufficient resources and intends to complete the development and its costs can be reliably measured, it will remain in the research phase and accordingly expenditures will be recognized as expenses on the consolidated statements of loss and comprehensive loss. The application of each of these criteria is subject to significant inherent judgement.

(Expressed in Canadian dollars)

Intangible assets that are not ready for use are required to be tested for impairment annually, conducting this test on development stage assets which do not yet generate cashflows requires significant judgement by management.

5. CASH

	Dec 31, 2025	June 30, 2025
	$	$
Cash at bank – Australia	104,223	224,082
Cash at bank – Canada	626,526	1,816
Cash on hand	1,055	989
Ending balance	**731,804**	**226,887**

6. TAXES RECEIVABLE

	Dec 31, 2025	June 30, 2025
	$	$
Goods and Services Tax receivable	-	-
Ending balance	**-**	**-**

Taxes receivable was settled net of amounts owed for withholding tax payables at the discretion of the governing tax agency (Note 8).

7. INTANGIBLE ASSETS

	Dec 31, 2025	June 30, 2025
	$	$
Capitalized Development Costs		
Beginning balance	3,915,678	3,968,037
Additions	1,248,689	1,568,978
Grant received	-	(165,425)
R&D tax rebate	(880,690)	(850,032)
Recovery of costs - sale of the Nexus 16 prototype	-	(605,880)
Foreign exchange	-	-
Ending balance	**4,283,677**	**3,915,678**

As at December 31, 2025, all intangible assets relate to capitalized developments costs on the Company’s sole product in development (the Nexus 16/20 and 24), and are not being amortized because they are not yet available for use in the manner intended by management. The first Nexus 16 build, the prototype, was sold to a mining company in order to further validate the development of the Nexus 16, so that the product was functional in the field. As a result, development work continues to be undertaken in order to develop this further.

(Expressed in Canadian dollars)

8. TRADE AND OTHER PAYABLES

	Dec 31, 2025	June 30, 2025
	$	$
Accrual and creditors	251,994	660,108
Unearned income (Refer Note 7)	-	-
Grant Received in Advance	796,782	210,528
Superannuation payable	102,865	131,756
Accrued wages	437,794	498,468
Tax payables	123,990	208,342
Ending balance	**1,713,425**	**1,709,202**

Grant received in advance is expected to be recognized within 9 months of year end.

9. LOAN AND BORROWINGS

	Dec 31, 2025	June 30, 2025
	$	$
Beginning balance	2,109,122	1,094,370
Loans received (repaid), net	(727,511)	820,682
Interest expense	132,795	194,070
Ending balance	**1,514,406**	**2,109,122**

	Dec 31, 2025	June 30, 2025
	$	$
(a) Foresense Ltd.	110,015	104,256
(b) 23XI Investments Pty Ltd ATF The JJC Consulting Services Trust	715,755	697,745
(c) Radium Capital	-	629,969
(d) Anderson Investment Trust	96,478	370,042
(e) Shareholder Loans	592,158	307,110
Total balance	**1,514,406**	**2,109,122**

(Expressed in Canadian dollars)

(a) Arm's length non-secured loan obtained with a balance of $104,256 at June 30, 2025, having simple interest rate @ 15%, repayable on demand. During the six months ended December 31, 2025, the Company accrued interest of $8,408 and repaid $9,600 plus together with a FX adjustment of $6,951 resulting in a balance of $110,015 at December 31, 2025.

(b) Related party non-secured loan obtained from 23 XI Investments Ltd ATF The JJC Consulting Services Trust, an associated company controlled by the CEO of the Company (Note 12). Loan is taken without any terms and condition having simple interest rate at 15%, repayable on demand. During the six months ended December 31, 2025, the Company repaid borrowed a net $18,010 resulting in a balance of $715,755 at December 31, 2025.

(c) Arm's length non-secured loans obtained with a balance of $629,969 at June 30, 2025, having a simple interest rate @ 15%, unsecured and repayable by November 30, 2025. During the six months ended December 31, 2025, the Company accrued interest of $30,732, and paid $702,186 on October 15, 2026, to pay the loan out in full.

(d) Arm's length non-secured loan obtained with a balance of $370,042 at June 30, 2025, having a simple interest rate @ 15%, repayable on demand. During the six months ended December 31, 2025, the Company repaid a net $273,564 resulting in a balance of $96,478 at December 31, 2025.

(e) Loans from existing shareholders – repayable on or before June 30, 2026 or by negotiation.

10. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. Related party transactions for the six months ended December 31, 2025 and the year ended June 30, 2025 are as follows:

Related party	Relation	Transaction with related party
Junior Jay Pty Ltd ATF The JJC Consulting Services Trust	Associated company controlled by CEO	1. Refer to Note 9(c) for loan balance and terms.
		2. CiTech occupies the premises which is taken on lease by Junior Jay Pty Ltd. During the six months rent charged to income statement is amounting $nil included in rent expense (2025 - $47,471) and $261,252 capitalized in intangible assets (2025 - $427,242).

Key management personnel include persons having the authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has identified its directors and certain senior officers as its key management personnel and the compensation costs for key management personnel are as follows:

(Expressed in Canadian dollars)

	Dec 31, 2025	June 30, 2025
	$	$
General and admin fees – income statement	196,712	90,600
General and admin fees - capitalized to R&D	128,800	487,636
Total key management compensation	**325,512**	**628,030**

As at December 31, 2025, amounts of $437,792 (2025: $454,776) were owed to key management personnel.

11. SHARE CAPITAL AND RESERVES

(a) Authorized

Unlimited number of common and preferred shares without par value

(b) Shares issued during the six months ended December 31, 2025

31,369,642 shares were issued

(c) Stock options

A summary of the Company's stock option activity is as follows:

	Number of Options	Weighted Average Exercise Price
		$
Balance, June 30, 2025, 2024 and 2023	300,000	0.30
Issued during the three months ended Sept 30, 2025	7,450,000	0.10
Balance December 31, 2025	7,750,000	

(Expressed in Canadian dollars)

As at December 31, 2025 outstanding options were as follows:

Grant Date	Number of options outstanding	Number of options exercisable	Exercise price	Expiry date
May 20, 2022	300,000	300,000	$0.24	May 20, 2027
July 22, 2025	7,450,000	7,450,000	$0.10	July 22, 2028
Total	**7,750,000**	**7,750,000**		

(d) Warrants

	Number of Warrants	Weighted Average Exercise Price $
Balance, June 30, 2025	8,269,416	0.30
Warrants Exercised	(5,000,000)	
Warrants issued	20,000,000	0.10
Balance, December 31, 2025	**23,269,416**	

As at December 31, 2025, outstanding warrants were as follows:

Grant Date	Number of warrants outstanding and exercisable	Exercise price	Expiry date
February 13, 2023	3,269,416	$0.30	February 13, 2026
September 5, 2025	20,000,000	$0.10	September 5, 2028
Total	**23,269,416**		

(Expressed in Canadian dollars)

12. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	6 months ended Dec 31, 2025	**Year ended June 30, 2025**
	$	$
Loss before income taxes	(1,326,600)	(1,016,590)
Statutory income tax rates	27%	27%
Expected income recovery	(358,182)	(274,480)
Difference in tax rates	15,659	12,000
Non-deductible expenses	-	-
Deferred tax assets acquired	-	-
Foreign exchange rate and others	-	-
Unrecognized (recognised) tax benefits	(342,523)	(262,480)
Total income tax expense	-	-

The significant components of the Company's deferred income tax assets that have not been included on the statement of financial position are as follows:

	Dec 31, 2025	**June 30, 2025**
	$	$
Deferred income tax assets:		
Non-capital loss carry-forwards	1,048,003	705,480
Income tax benefits not recognized	(1,048,003)	(705,480)
Net deferred tax assets	-	-

The Company has approximately $962,000 in non-capital losses available in Canada and $660,175 (AUD$717,582) in non-capital losses available in Australia can be carried forward and claimed as deductions in future years.

The tax pools relating to these deductible temporary differences expire as follows:

	Expiry Date Range
Temporary Differences	
Non-capital losses (Canada)	From 2041 to 2044
Non-capital losses (Australia)	No expiry

13. MANGEMENT OF CAPITAL

The Company defines capital as consisting of shareholder's equity (comprised of issued share capital, reserve, and deficit). Management's objective is to provide investment management services to shareholders which includes investing in marketable securities for the purpose of returns in the form of investment income and capital appreciation, as well as the ability to meet its on-going operational obligations as they become due. The Company manages its capital structure to maximize its financial flexibility making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. The Company does not presently utilize any quantitative measures to monitor its capital, but rather relies on the expertise of the Company's management to sustain the future development of the business. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. As at December 31, 2025, the Company is not subject to any externally imposed capital requirements or debt covenants. There were no changes in the Company's approach to managing capital during the year.

14. FINANCIAL INSTRUMENTS

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Market Risk

Market risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate because of changes in market prices or prevailing conditions. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk and are disclosed as follows:

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company holds no financial instruments that are denominated in a currency other than the Company and CITP's functional currencies. As at December 31, 2025, the Company is not exposed to currency risk.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in interest rates. The Company's sensitivity to interest rates relative to its cash balances is currently immaterial. The Company also has no long-term debt with variable interest rates, so it has no negative exposure to changes in the market interest rate.

(iii) Price rate risk

The Company has no exposure to price risk with respect to equity prices as the Company is not listed. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market.

Credit Risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash and other receivables. The Company limits the exposure to credit risk by only investing its cash with high-credit quality financial institutions. Tax and other receivables consist of refundable sales taxes and rebates from government agencies. Management believes that the credit risk related to its cash and other receivables is negligible.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. As at September 30, 2025, the Company has a cash balance $731,804 and current liabilities of $3,227,831. As such, the Company has insufficient cash to fund corporate overhead costs for the next year. The Company likely has insufficient funds from which to finance any identified business acquisition and as such will require additional financing to accomplish the Company's long-term strategic objectives. Future funding may be obtained by means of issuing share capital and/or debt financing. There can be no certainty of the Company's ability to raise additional financing through these means. If the Company is unable to continue to finance itself through these means, it is possible that the Company will be unable to continue as a going concern. Consequently, the Company is exposed to liquidity risk as at December 31, 2025.

Fair Value Measurements

The carrying value of cash and cash equivalents, other receivables, trade and other payables, loan and borrowings approximate their fair value due to the short-term maturity of these financial instruments.

15. SEGMENTED INFORMATION

The Company operates as a single segment, being the development of communications products for the mining, emergency service, defence, and government sectors. All long-lived assets are located in Australia.

16. SUBSEQUENT EVENTS

Subsequent to the end of December 31, 2025, the Company:

1. The company received a $395,600 deposit for the sale of a Nexus 20
2. The company received $973,685 relating to the exercising of 3,245,616 warrants at a price of $0.30 per share.
3. The company received $440,540 relating to the exercising of 4,405,400 options at a price of $0.10 per share.