IZOTROPIC
CORPORATION

Consolidated Financial Statements

For the years ended April 30, 2026 and 2025
(In Canadian dollars)

Independent Auditor's Report

To the Shareholders of Izotropic Corporation

Opinion

We have audited the consolidated financial statements of Izotropic Corporation (the "Company"), which comprise the consolidated statements of financial position as at April 30, 2026 and 2025, and the consolidated statements of comprehensive loss, changes in shareholders' deficit and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at April 30, 2026 and 2025, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which describes events or conditions that indicate a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

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

Other Information

Management is responsible for the other information. The other information comprises the information included in Management's Discussion and Analysis.

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

DMCL LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC

August 24, 2026

IZOTROPIC CORPORATION

Consolidated Statements of Financial Position

As at April 30, 2026 and 2025

(Expressed in Canadian dollars)

	Notes	April 30, 2026	April 30, 2025
		$	$
ASSETS			
Current			
Cash		**219,713**	274,114
GST recoverable		**3,075**	7,186
Prepaid expenses and deposits	3	**107,630**	114,368
		330,418	395,668
Property and equipment	4	**109,361**	19,061
TOTAL ASSETS		**439,779**	414,729
LIABILITIES			
Current			
Accounts payable and accrued liabilities	5,9	**2,954,496**	2,509,209
Promissory notes	6,8	**3,000,263**	2,749,134
Lease liability	7	**36,671**	15,373
		5,991,430	5,273,716
Non-current			
Lease liability	7	**73,350**	-
TOTAL LIABILITIES		**6,064,780**	5,273,716
SHAREHOLDERS' DEFICIT			
Share capital	6,8	**16,208,020**	15,117,236
Reserves	8	**2,462,937**	2,163,154
Accumulated other comprehensive income (loss)		**823**	(2,453)
Deficit		**(24,296,781)**	(22,136,924)
TOTAL DEFICIT		**(5,625,001)**	(4,858,987)
TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIT		**439,779**	414,729

Nature of operations and going concern (Note 1)

Subsequent events (Note 16)

Approved on behalf of the Board of Directors:

(Signed) "*Bob Thast*"
Director

(Signed) "*Ralph Proceviat*"
Director

IZOTROPIC CORPORATION
Consolidated Statements of Comprehensive Loss
Years ended April 30, 2026 and 2025
(Expressed in Canadian dollars)

		Years ended April 30,	
	Notes	**2026**	2025
		$	$
Operating expenses			
Bank charges		**3,521**	-
Consulting fees	9	**152,675**	250,612
Depreciation	4	**33,359**	48,899
Filing and regulatory fees		**74,940**	64,938
Office		**72,623**	75,018
Professional fees	9	**99,674**	137,104
Research and development	9,10	**723,184**	681,227
Share-based compensation	8,9	**84,126**	920,461
Travel and promotion		**203,877**	38,416
Loss before other items		**(1,447,979)**	(2,216,675)
Other items			
Accretion and interest	6,7	**(478,498)**	(286,080)
Foreign exchange gain (loss)		**23,107**	(56,955)
Loss on debt settlement	6,8	**(281,263)**	(580,000)
		(736,654)	(923,035)
Net Loss		**(2,184,633)**	(3,139,710)
Other comprehensive income			
Foreign currency translation		**3,276**	117
Net loss and comprehensive loss		**(2,181,357)**	(3,139,593)
Net loss per share - basic and diluted		**(0.03)**	(0.05)
Weighted average number of shares outstanding		**66,712,380**	58,684,017

IZOTROPIC CORPORATION

Consolidated Statements of Changes in Shareholders' Deficit

Years ended April 30, 2026 and 2025
(Expressed in Canadian dollars)

		Share Capital		Reserves						
	Notes	Number	Amount	Options	Warrants	RSU	Total Reserves	Accumulated other comprehensive loss	Deficit	Total
		#	$	$	$	$	$	$	$	$
Balance, April 30, 2024		54,996,346	14,090,857	1,069,407	93,935	-	1,163,342	(2,570)	(19,097,883)	(3,846,254)
Share issued for cash	8(b)	9,083,333	933,379	-	(13,379)	-	(13,379)	-	-	920,000
Fair value of warrants issued for loan amendment	6	-	-	-	286,399	-	286,399	-	-	286,399
Warrants expired	8(c)	-	-	-	(65,520)	-	(65,520)	-	65,520	-
Expired options	8(d)	-	-	(35,149)	-	-	(35,149)	-	35,149	-
Share issued on vested RSU's	8(b)(e)	300,000	93,000	-	-	(93,000)	(93,000)	-	-	-
Shared based compensation	8(d)(e)	-	-	827,461	-	93,000	920,461	-	-	920,461
Net and comprehensive loss for the year		-	-	-	-	-	-	117	(3,139,710)	(3,139,593)
Balance April 30, 2025		**64,379,679**	**15,117,236**	**1,861,719**	**301,435**	**-**	**2,163,154**	**(2,453)**	**(22,136,924)**	**(4,858,987)**
Share issued for private placement	8(b)	2,700,000	657,000	-	18,000	-	18,000	-	-	675,000
Share Issuance cost	8(b)	-	(15,822)	-	5,275	-	5,275	-	-	(10,547)
Expired options	8(d)	-	-	(24,776)	-	-	(24,776)	-	24,776	-
Warrants exercised	8(b)	1,655,000	178,556	-	(13,056)	-	(13,056)	-	-	165,500
Share-based compensation	8(d)(e)	-	-	81,276	-	2,850	84,126	-	-	84,126
Shares issued on vested RSUs	8(b)(e)	10,000	2,850	-	-	(2,850)	(2,850)	-	-	-
Share Issued for debt	6,8(b)	980,000	268,200	-	233,064	-	233,064	-	-	501,264
Net and comprehensive loss for the year		-	-	-	-	-	-	3,276	(2,184,633)	(2,181,357)
Balance April 30, 2026		**69,724,679**	**16,208,020**	**1,918,219**	**544,718**	**-**	**2,462,937**	**823**	**(24,296,781)**	**(5,625,001)**

IZOTROPIC CORPORATION

Consolidated Statements of Cash Flows

Years ended April 30, 2026 and 2025
(Expressed in Canadian dollars)

	Year ended April 30, 2026	Year ended April 30, 2025
Operating activities		
	$	$
Net loss	(2,184,633)	(3,139,710)
Items not affecting cash		
Depreciation	33,359	48,899
Share-based compensation	84,126	920,461
Loss on debt settlement	281,263	580,000
Accretion and interest	478,498	286,080
Changes in non-cash working capital items:		
GST recoverable	4,111	(7,185)
Prepaid expenses and deposits	6,738	13,256
Accounts payable and accrued liabilities	445,288	661,969
Net cash used in operating activities	**(851,250)**	(636,230)
Investing activities		
Purchase of property and equipment	**-**	(1,140)
Net cash used in investing activities	**-**	(1,140)
Financing activities		
Shares issued for cash, net of share issue costs	664,453	920,000
Proceeds on exercise of warrants	165,500	-
Payment of lease liability	(36,328)	(47,218)
Net cash provided by financing activities	**793,625**	872,782
Effect of foreign currency translation on cash	3,224	100
Increase (decrease) in cash	(54,401)	235,512
Cash, beginning	274,114	38,602
Cash, ending	**219,713**	274,114

Supplementary cash flow information:		
Re-allocate fair value of exercised warrants to share capital	24,526	-
Fair value of broker warrants issued	5,276	-
Re-allocate fair value of expired options to deficit	24,776	100,669
Fair value of warrants issued for loan extension	-	286,399
Shares issued for debt	268,200	-
Warrants issued for debt	233,064	-
Right of use asset and liability recognized on renewal	122,888	-
Fair value transfer of RSU issued	2,850	-

1. Nature of operations and going concern

(a) Nature of Operations

Izotropic Corporation (the "Company" or "Izotropic") was incorporated in the Province of British Columbia on May 19, 2016, under the Business Corporations Act of British Columbia. The Company's head office is located at 800 – 15355 24 Avenue, Suite 424, Surrey, British Columbia, Canada.

The Company is a research and development company specializing in cancer research and early detection for breast cancer. The common shares of Izotropic are listed on the Canadian Securities Exchange in Canada under the symbol "IZO", on the OTC markets in the USA under the symbol "IZOZF" and the Frankfurt Stock Exchange in Germany under the symbol "1R3".

On April 25, 2017, the Company entered into an agreement with the Regents of the University of California for an Exclusive License Agreement related to breast cancer detection and treatment (Note 11).

(b) Going concern

These consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The Company's financial success is dependent on management's ability to raise adequate financing on reasonable terms and to commence profitable operations in the future. The proposed business of the Company involves a high degree of risk and there is no assurance that the Company will identify proper technologies or inventions that will be successful, and even if so identified and warranted, it may not be able to finance such technologies within the requisite time period. At April 30, 2026, the Company had current liabilities in excess of current assets of $5,661,012 (2025 - $4,878,048) and has no sources of cash from operations. These factors indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. Should the Company be unable to realize its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded in these consolidated financial statements. These consolidated financial statements do not include adjustments that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

2. Material accounting policies

(a) Basis of presentation

These consolidated financial statements (the "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 prepared on a historical cost basis except for certain financial instruments, which are measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The presentation currency of the Company is the Canadian dollar.

2. Material accounting policies (continued)

(a) Basis of presentation (continued)

The consolidated financial statements were approved and authorized for issue by the Board of Directors of the Company on August 24, 2026.

(b) Basis of consolidation

The consolidated financial statements include the accounts of the Company and the following controlled entities:

Entity	Ownership	Jurisdiction	Functional Currency
Izotropic Imaging Corp.	100%	Nevada, USA	US Dollar
Izotropic Development Corp.	100%	California, USA	US Dollar

Subsidiaries are entities controlled by the Company. Control exists when the Company has the power, directly and indirectly, to govern the financial and operating policies of an entity and be exposed to the variable returns from its activities. The financial results of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. All intercompany transactions and balances have been eliminated upon consolidation.

(c) Foreign currency translation

These consolidated financial statements are presented in Canadian dollars, which is also the functional currency of the parent company. The functional currencies of the Company's subsidiaries are outlined in Note 2(b).

Foreign currency transactions are translated into Canadian dollars using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the consolidated statement of financial position date are translated to Canadian dollars at the foreign exchange rate applicable at that date. Realized and unrealized exchange gains and losses are recognized in profit or loss. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

The assets and liabilities of foreign operations are translated into Canadian dollars at period end exchange rates. Income and expenses and cash flows of foreign operations are translated into Canadian dollars using average exchange rates. Exchange differences arising on the translation of foreign operations are recognized in other comprehensive income and accumulated in equity.

(d) Cash

Cash include cash on deposit with banks, demand deposits, and money market instruments with maturities of three months or less, which are readily convertible into cash and are subject to insignificant changes in value.

2. Material accounting policies (continued)

(e) Property and equipment

Property and equipment is measured at cost less accumulated depreciation and impairment losses. Depreciation is calculated on a straight-line basis over the estimated useful life of the assets, except in the year of acquisition, where the amortization is pro-rated over the period the asset is held as follows:

Computer hardware	2 years
Furniture and equipment	5 years
Leasehold improvements	term of lease

An asset's residual value, useful life and depreciation method are reviewed at each financial year-end and adjusted if appropriate.

Gains and losses on disposal of an item are determined by comparing the proceeds from disposal with the carrying amount of the item and are recognized in profit or loss.

(f) Leased assets

The Company has entered into a lease agreement for its corporate office located in Sacramento, California. At inception of a contract, the Company assesses whether a 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.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right of-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use assets are depreciated to the earlier of the end of the useful life of the right- of-use asset or the lease term using the straight-line method as this reflects the expected pattern of consumption of the future economic benefits. The right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

2. Material accounting policies (continued)

(f) Leased assets (continued)

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The Company has elected to apply the practical expedient not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

(g) Share capital

Equity instruments are contracts that give a residual interest in the net assets of the Company. Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares and common share warrants are classified as equity instruments. Transaction costs directly attributable to the issuance of common shares are recognized as a deduction from share capital. Proceeds received for shares that have not yet been issued as at the reporting date are recorded as share subscriptions.

Shares issued for non-monetary consideration are recorded at fair value of the goods or services received. When such fair value cannot be estimated reliably, fair value is measured based on the quoted market value of the Company's shares on the date of share issuance. Warrants issued as purchase consideration in non-monetary transactions are recorded at fair value using the Black-Scholes Option Pricing Model and warrants issued as part of a private placement unit are valued using the residual method.

(h) Share-based compensation

Stock Options

Stock options issued to employees are measured at fair value at the grant date and are recognized as an expense over the relevant vesting periods with a corresponding credit to share reserves.

Stock options issued to non-employees are measured at the fair value of goods or services received or the fair value of equity instruments issued, if it is determined that the fair value of the goods or services cannot be reliably measured. The fair value of non-employee stock options is recorded as an expense at the date the goods or services are received with a corresponding credit to share reserves.

When the stock options are forfeited, expired or cancelled unexercised, the amount previously recognized in the reserve is transferred to deficit.

The fair value of options is calculated using the Black-Scholes Option Pricing Model. When determining the fair value of stock options, management is required to make certain assumptions and estimates related to expected lives, volatility, risk-free rate, future dividend yields and estimated forfeitures at the initial grant date.

2. Material accounting policies (continued)

(h) Share-based compensation (continued)

The number of options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest. Upon the exercise of stock options, proceeds received from stock option holders are recorded as an increase to share capital and the related share reserve is transferred to share capital.

Restricted Share Units ("RSUs"), Deferred Share Units ("DSUs") and Performance Share Units ("PSUs")

RSUs are equity-settled share-based payments. RSUs are measured at their fair value on the date of grant based on the closing price of the Company's shares on the date prior to the grant, and is recognized as share-based compensation expense over the vesting period with a corresponding credit to share reserves.

Under IFRS, the Company's DSUs and PSUs are classified as equity-settled share-based payment transactions as they are settled in either cash or common shares at the sole discretion of the Company. As such, the DSUs and PSUs are measured in the same manner as RSUs.

The amount recognized for services received as consideration for the RSUs, DSUs and PSUs granted is based on the number of equity instruments that eventually vest. Upon the release of RSUs, DSUs and PSUs, the related share reserve is transferred to share capital.

(i) Loss per share

The Company calculates basic earnings or loss per share by dividing net income or loss by the weighted average number of common shares outstanding during the reporting period. The Company follows the treasury stock method for the calculation of diluted earnings per share. Stock options, share purchase warrants, and other equity instruments are dilutive when the average market price of the common shares during the period exceeds the exercise price of the options, warrants and other equity instruments. When a loss has been incurred, basic and diluted loss per share is the same because the exercise of options and warrants would be anti-dilutive.

Diluted earnings per share is computed in a manner similar to basic earnings per share except that the weighted average shares outstanding are increased to include additional shares from restricted and deferred stock units and the assumed exercise of stock options and warrants, if dilutive.

(j) Financial instruments

Recognition and classification

The Company recognizes a financial asset or financial liability on the consolidated statement of financial position when it becomes party to the contractual provisions of the financial instrument. The Company classifies its financial instruments in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive (loss) income ("FVOCI") or at amortized cost.

2. Material accounting policies (continued)

(j) Financial instruments (continued)

The Company determines the classification of financial assets at initial recognition. The classification of financial assets is generally based on the business model in which the financial assets are managed and their contractual cash flow characteristics.

Equity instruments that are held for trading 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 FVOCI.

All financial assets not classified as measured at amortized cost or FVOCI are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL.

Measurement

Initial measurement

On initial recognition, all financial assets and financial liabilities are measured at fair value adjusted for directly attributable transaction costs except for financial assets and liabilities classified as FVTPL, in which case the transaction costs are expensed as incurred.

Subsequent measurement

The following accounting policies apply to the subsequent measurement of financial instruments:

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses including any interest or dividend income, are recognized in profit or loss. Transaction costs are expensed as incurred.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

2. Material accounting policies (continued)

(j) Financial instruments (continued)

The following accounting policies apply to the subsequent measurement of financial instruments:

Financial liabilities at amortized cost	These are subsequently measured at amortized cost using the effective interest method. Other financial liabilities are derecognized, when the obligations are discharged, cancelled or expire.

The following table shows the classification of financial instruments under IFRS 9:

Financial asset/liabilities	**IFRS 9 Classification**
Cash	FVTPL
Accounts payable	Amortized cost
Promissory notes	Amortized cost
Lease liability	Amortized cost

The Company assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

For financial assets measured at amortized cost the Company applies the expected credit loss model. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company recognizes in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

(k) Research and development

Research and development Research expenditures undertaken with the prospect of gaining new scientific or technical knowledge are expensed as incurred. Development expenditures are deferred when they meet the criteria for capitalization in accordance with IFRS Accounting Standards, and the future benefits could be regarded as being reasonably certain. The criteria to be fulfilled in order to capitalize development costs are if such costs can be measured reliably, if the product or process is technically and commercially feasible, if future economic benefits are probable and if the Company intends to and has sufficient resources to complete the development and to use or sell the asset. As at April 30, 2026 and 2025 no development costs were deferred.

2. Material accounting policies (continued)

(l) Income taxes

Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the liability method, providing for 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 date of financial position.

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 offset deferred tax assets against deferred tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

(m) Significant accounting judgments, estimates and assumptions

The preparation of consolidated financial statements in conformity with IFRS Accounting Standards requires management to exercise judgments and to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses.

Estimates and associated assumptions are based on historical experience and other factors. Actual results may differ from these estimates. Estimates and underlying assumptions are continually evaluated for reasonableness and relevancy. Where revisions to accounting estimates are required, they are recognized in the period in which the estimates are revised for the current as well as future periods that are affected.

The Company has identified the following areas where significant estimates, assumptions and judgments are made and where actual results may differ from the estimates under different assumptions and conditions and may materially affect financial results of the Company reported in future periods.

Going concern

The assessment of whether the going concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. The Company is aware that material uncertainties exist related to events or conditions that may cast significant doubt upon the Company’s ability to continue as a going concern.

2. Material accounting policies (continued)

(m) Significant accounting judgments, estimates and assumptions (continued)

Share-based compensation

The fair value of equity instruments is subject to the limitations of the Black-Scholes Option Pricing Model as well as other pricing models that incorporate market data and involves uncertainty in estimates used by management in the assumptions. Because option pricing models require inputs of highly subjective assumptions, including the volatility of the Company's share price, expected life of options, rate of forfeiture of awards granted, changes in subjective input assumptions can materially affect the fair value estimate.

Deferred tax assets

Deferred tax assets, including those arising from unutilized tax losses, require management to assess the likelihood that the Company will generate sufficient taxable earnings in future periods in order to utilize recognized deferred tax assets. Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. In addition, future changes in tax laws could limit the ability of the Company to obtain tax deductions in future periods. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the reporting date could be impacted. The Company has recorded a full valuation allowance against its deferred tax assets due to the uncertainty in the realization of these assets.

Functional currencies

The determination of an entity's functional currency is a matter of judgment based on an assessment of the specific facts and circumstances relevant to determining the primary economic environment of each entity within the group. The Company reconsiders the functional currencies used when there is a change in events or conditions considered in determining the primary economic environment of each entity.

(n) Recent Accounting Pronouncements

In May 2024, the IASB issued *Amendments to the Classification and Measurement of Financial Instruments*, which amended IFRS 9, *Financial Instruments*, and IFRS 7, *Financial Instruments: Disclosures*. The amendments clarify the date on which certain financial assets and financial liabilities are recognized and derecognized (including liabilities settled through electronic payment systems), clarify the classification of financial assets with contingent features (such as ESG-linked features) under the "solely payments of principal and interest" assessment, and introduce additional disclosures. The amendments are effective for annual reporting periods beginning on or after January 1, 2026, with early adoption permitted. Management is reviewing the impact of these amendments, but they are not expected to have a material impact on the consolidated financial statements.

In April 2024, the IASB issued IFRS 18, *Presentation and Disclosures in Financial Statements, to replace IAS 1, Presentation of Financial Statements,* effective January 1, 2027, with early adoption permitted. The new standard is aimed to set out overall requirements for presentation and disclosures in the financial statements. Management is reviewing the impact the standard will have on the consolidated financial statements.

(Expressed in Canadian dollars)

3. Prepaid expenses and deposits

	April 30, 2026	April 30, 2025
	$	$
Filing and regulatory fees	**11,201**	14,595
Insurance	**6,577**	6,384
Lease	**3,594**	3,389
Professional fee	**13,500**	-
Promotional services	**72,758**	90,000
Total	**107,630**	114,368

4. Property and equipment

	Furniture and equipment	**Right-of-use asset**	**Leasehold improvement**	**Computer hardware**	**Total**
Cost	**$**	**$**	**$**	**$**	**$**
Balance, April 30, 2024	62,574	102,032	15,717	-	180,323
Additions	-	-	-	1,140	1,140
Foreign currency translation	-	490	75	-	565
Balance, April 30, 2025	62,574	102,522	15,792	1,140	182,028
ROU asset derecognized at the end of the lease term		(102,522)			(102,522)
Additions	-	122,888	-	-	122,888
Foreign currency translation	-	(834)	(285)	-	(1,119)
Balance, April 30, 2026	**62,574**	**122,054**	**15,507**	**1,140**	**201,275**
Accumulated depreciation					
Balance, April 30, 2024	52,807	52,561	8,805	-	114,173
Depreciation	4,673	37,626	6,030	570	48,899
Foreign currency translation	-	(92)	(13)	-	(105)
Balance, April 30, 2025	57,480	90,095	14,822	570	162,967
ROU asset derecognized at the end of the lease term		(102,522)			(102,522)
Depreciation	2,038	29,783	968	570	33,359
Foreign currency translation	-	(1,607)	(283)	-	(1,890)
Balance, April 30, 2026	**59,518**	**15,749**	**15,507**	**1,140**	**91,914**
Net book value					
Balance, April 30, 2026	**3,056**	**106,305**	**-**	**-**	**109,361**
Balance, April 30, 2025	5,094	12,427	970	570	19,061

(Expressed in Canadian dollars)

4. Property and equipment (continued)

The Company entered into a property lease on June 9, 2022 for a research and development facility in Sacramento, California. The lease was effective December 1, 2022 and expired on August 31, 2025.

Following the initial term of the lease, the lease continued on a month-to-month basis from September 1, 2025 through November 30, 2025. The Company executed an extension of the lease effective December 1, 2025 (Note 7).

In accordance with IFRS 16, the Company recorded a right-to-use asset and lease liability with a fair value of $122,888. The fair value was determined by discounting lease payments at an incremental borrowing rate of 15% (Note 7).

5. Accounts payable and accrued liabilities

	April 30, 2026	April 30, 2025
	$	$
Accounts payable (Note 9)	**2,887,007**	2,446,709
Other accrued liabilities (Note 9)	**67,489**	62,500
	2,954,496	2,509,209

6. Promissory note

On April 1, 2022, the Company completed an offering (the "Offering") of secured promissory notes ("Notes") in the aggregate principal amount of $2,050,000. The Notes bear interest at 12% per annum and matured on March 31, 2023. Pursuant to the Offering, the Company issued 826,613 warrants exercisable at a price of $0.62 per share expiring March 31, 2025.

Effective June 30, 2024 and March 31, 2025, the Company entered into two amended loan agreements (the "Initial Principal Sum") and promissory notes ("Notes"):

(a) The initial Loan Agreement and Initial Principal Sum was $2,000,000 and the amount due to the Lender totaled $2,415,000 (the "New Principal Sum") to June 30, 2024;

(b) The New Principal Sum was calculated based on the initial loan amount of $2,000,000, plus unpaid interest of 12% per annum from the outset, plus Extension Fees, minus interest paid;

(c) The interest was set at 12% per annum and due quarterly;

6. Promissory note (continued)

(d) The interest due for the nine month period between July 1, 2024 and March 31, 2025 was $180,000;

Loan Terms and Extension Fees

(a) New loan terms will be established for 6 month periods until paid;

(b) Extension Fees of 5% will be added on to the Initial Principal Sum for every 6 month extension;

(c) A 5% Extension Fee of $100,000 (based on the Initial Principal Sum of $2,000,000) was added to the New Principal Sum covering the period between June 30, 2024 and December 31, 2024 resulting in a balance at March 31, 2025 in the amount of $2,695,000.

In addition, on July 19, 2024, the Company issued 9,660,000 warrants exercisable at $0.10 per share expiring July 19, 2029 with a fair value of $89,132. The fair value of the warrants was determined using the residual value whereby the value is first allocated to the debt based on the fair value of the loan with the difference allocated to warrants.

On April 1, 2025, the Company issued 3,000,000 bonus warrants exercisable at a price of $0.31 per share and expiring April 1, 2030 with a fair value of $197,267. The fair value of the warrants was determined using the residual value whereby the value is first allocated to the debt based on the fair value of the loan with the difference allocated to warrants.

On December 8, 2025, the Company entered into a debt settlement agreement to settle outstanding interest of $60,000, representing three months of interest for the period from July to September 2025, pursuant to the promissory note. Pursuant to the agreement, the Company settled the interest through the issuance of 240,000 units with an aggregate fair value of $144,463, in full settlement of the interest. Each unit consisted of one common share of the Company and one common share purchase warrant with each warrant entitling the holder to acquire one additional common share at a price of $0.35 per share for a period of five years from the date of issuance. The fair value of the common shares of $76,800 was determined using the share market price, while the fair value of the warrants of $67,663 was estimated using the Black-Scholes Option Pricing Model. The loss on debt settlement of $84,462 due to difference between the carrying amount of the debt extinguished and the aggregate fair value of the units issued was recorded under other income on consolidated statements of loss and comprehensive loss for the year ending April 30, 2026 (Note 8 (b), (c)).

(Expressed in Canadian dollars)

6. Promissory note (continued)

On January 28, 2026, the Company entered into a debt settlement agreement to settle outstanding interest of $60,000, representing three months of interest for the period from October to December 2025, pursuant to the promissory note. Pursuant to the agreement, on January 28, 2026, the Company settled the interest through the issuance of 240,000 units with aggregate fair value of $104,066, in full settlement of the interest. Each unit consisted of one common share of the Company and one common share purchase warrant with each warrant entitling the holder to acquire one additional common share at a price of $0.25 per share for a period of three years from the date of issuance. The fair value of the common shares of $56,400 was determined using the share market price, while the fair value of the warrants of $47,666 was estimated using the Black-Scholes Option Pricing Model. The loss on debt settlement of $44,066 due to difference between the carrying amount of the debt extinguished and the aggregate fair value of the units issued was recorded under other income on consolidated statements of loss and comprehensive loss for the year ending April 30, 2026 (Note 8 (b), (c)).

On April 1, 2026, the Company entered into a debt settlement agreement to settle $100,000 of the outstanding principal balance under a promissory note originally dated April 1, 2022. Under the terms of the agreement, the Company agreed to issue 500,000 units. Each unit consists of one common share and one common share purchase warrant exercisable at $0.20 per share for a period of three years. Pursuant to the agreement, on April 1, 2026, the Company settled the principal through the issuance of 500,000 units with aggregate fair value of $252,735, in full settlement of the principal. The fair value of the common shares of $135,000 was determined using the share market price, while the fair value of the warrants of $117,735 was estimated using the Black-Scholes Option Pricing Model. The loss on debt settlement of $152,735 due to difference between the carrying amount of the debt extinguished and the aggregate fair value of the units issued was recorded under other income on consolidated statements of loss and comprehensive loss for the year ending April 30, 2026 (Note 8 (b), (c)). As a result of the transaction, the outstanding principal balance of the promissory note was reduced from $2,000,000 to $1,900,000.

As at April 30, 2026, the promissory note balance amounts to $3,000,263 (April 30, 2025 - $2,749,134). This promissory note is secured by the assets of the Company.

	$
Balance April 30, 2024	2,000,000
Accrued interest	415,000
Loss on extinguishment of debt	580,000
Accretion	40,533
Fair value of warrants	(286,399)
Balance April 30, 2025	2,749,134
Accrued interest	239,430
Accretion	31,949
Settlement with units (Note 8)	(220,000)
Accrued loan extension fees	199,750
Balance April 30, 2026	**3,000,263**

(Expressed in Canadian dollars)

7. Lease liability

The Company entered into a property lease on June 9, 2022 for a research and development facility in Sacramento, California. The lease was effective December 1, 2022 and expired on August 31, 2025.

Following the initial term of the lease, the lease continued on a month-to-month basis from September 1, 2025 through November 30, 2025. The Company executed an extension of the lease effective December 1, 2025 and will expire on November 1, 2028. In accordance with IFRS 16, the Company recorded a right-of-use assets and lease liability with a fair value of $122,888. The fair value was determined by discounting lease payments at an incremental borrowing rate of 15% (Note 4).

The changes in the carrying value of current and non-current lease liabilities are as follows:

	$
Balance April 30, 2024	56,390
Lease payments	(47,218)
Accretion	5,546
Foreign currency translation	655
Balance April 30, 2025	15,373
Lease payments	(36,328)
Accretion	7,368
Addition	122,888
Foreign currency translation	720
Balance April 30, 2026	**110,021**
Current portion	36,671
Long-term portion	73,350

The remaining life of the Company's property lease as of April 30, 2026 was 2.59 years. The minimum annual lease payments, undiscounted, are as follows:

Years ending April 30,	$
2027	49,982
2028 and after	82,072

8. Share capital

(a) Authorized
The authorized share capital of the Company is an unlimited number of common shares without par value.

(b) Issued and outstanding
As at April 30, 2026, the Company's outstanding share capital consisted of 69,724,679 (April 30, 2025 – 64,379,679) issued and fully paid common shares.

The following shares were issued during the year ended April 30, 2026:

On September 19, 2025, the Company completed a non-brokered private placement financing offering and issued 1,500,000 units at a price of $0.25 per unit for gross proceeds of $375,000. Each unit consists of one common share and one transferable warrant and each warrant entitles the holder to purchase one additional share exercisable at a price of $0.50 per share expiring September 19, 2028. The Company uses residual value method for unit offerings, accordingly, the entire proceeds were allocated to share capital.

The Company paid $3,500 of finder fees and issued 14,000 broker warrants with fair value of $5,276 in connection with the closing of the private placement. Each broker warrant will entitle the holder to purchase one additional share exercisable at a price of $0.25 per share expiring September 19, 2028.

On December 12, 2025, the Company completed a debt settlement by issuing 240,000 units consisting of one common share and one share purchase warrant exercisable at a price of $0.35 expiring December 12, 2030. The fair value of common share issued was $76,800 and fair value of warrants was $67,663. The aggregate fair value of the units was applied against the total outstanding promissory note interest of $60,000 (Note 6). Loss on debt settlement $84,462 was recorded under other items on consolidated statements of loss and comprehensive loss for the year ending April 30, 2026.

On February 4, 2026, the Company completed a non-brokered private placement, issuing 1,200,000 units at a price of $0.25 per unit for gross proceeds of $300,000. Each unit consisted of one common share and one transferable common share purchase warrant. Each warrant entitles the holder to acquire one additional common share at an exercise price of $0.25, expiring February 4, 2029. The gross proceeds were allocated between share capital and the warrant reserve using the residual value method, whereby the fair value of the common shares was determined first by reference to the market price of the Company's common shares on the issuance date, with the residual allocated to the warrants. As a result, $282,000 was allocated to share capital and $18,000 to the warrant reserve.

On February 4, 2026, the Company completed a debt settlement by issuing 240,000 units consisting of one common share and one share purchase warrant exercisable at a price of $0.25 expiring February 4, 2029. The fair value of common share issued was $56,400 and fair value of warrants was $47,666. The aggregate fair value of the units was applied against the total outstanding promissory note interest of $60,000 (Note 6). Loss on debt settlement of $44,066 was recorded under other items on consolidated statements of loss and comprehensive loss for the year ending April 30, 2026.

8. Share capital (continued)

(b) Issued and outstanding (continued)

The following shares were issued during the year ended April 30, 2026: (continued)

On April 21, 2026, the Company completed a principal debt settlement by issuing 500,000 units consisting of one common share and one share purchase warrant exercisable at a price of $0.20 expiring April 21, 2029. The fair value of common share was $135,000 and the fair value of warrants was $117,735. The aggregate fair value of the units was applied against the total outstanding promissory note of $100,000 (Note 6). Loss on debt settlement of $152,735 was recorded under other items on consolidated statements of loss and comprehensive loss for the year ending April 30, 2026.

During the year ended April 30, 2026, 1,655,000 warrants were exercised for gross proceeds of $165,500.

During the year ended April 30, 2026, 10,000 RSUs were converted to common share with the fair value of $2,850.

During the year ended April 30, 2026, the Company incurred $7,046 of share issuance costs for legal and other transaction costs and $3,500 for broker fees and issued 14,000 broker warrants with a fair value of $5,276.

The following shares were issued during the year ended April 30, 2025:

On June 14, 2024, the Company completed a non-brokered private placement of 1,800,000 units at $0.10 per unit for gross proceeds of $180,000. Each unit consisted of one common share and one share purchase warrant exercisable at a price of $0.25 per share, expiring June 14, 2027.

On November 19, 2024, the Company completed a non-brokered private placement of 2,800,000 units at a price of $0.05 per share for gross proceeds of $140,000. Each unit consisted of one common share and one transferable warrant exercisable at a price of $0.10 per share expiring November 19, 2026.

During the year ended April 30, 2025, 1,450,000 share purchase warrants were exercised at a price of $0.10 per share for proceeds of $145,000.

On February 14, 2025, the Company completed a non-brokered private placement of 3,033,333 units at a price of $0.15 per share for gross proceeds of $455,000. Each unit consisted of one common share and one transferable warrant exercisable at a price of $0.30 per share expiring February 14, 2027.

On April 2, 2025, the Company issued 300,000 common shares with a fair value of $93,000 for RSUs. The fair value of the RSUs of $93,000 was reclassified from reserves to share capital on the issuance of shares.

(Expressed in Canadian dollars)

8. Share capital (continued)

(c) Share purchase warrants (continued)

Each whole warrant entitles the holder to purchase one common share of the Company.

	Warrants	Weighted average exercise price
	#	$
Balance April 30, 2024	6,232,793	0.62
Issued	20,293,333	0.17
Exercised [(1)]	(1,450,000)	0.10
Expired [(2)]	(3,391,468)	0.71
Balance April 30, 2025	21,684,658	0.22
Issued	3,694,000	0.35
Exercised [(1)]	(1,655,000)	0.10
Balance April 30, 2026	**23,723,658**	**0.25**

(1) The weighted average price of the shares on the dates of exercise of the warrants was $0.48 (April 30, 2025 - $0.25).
(2) This includes 891,468 expired broker warrants at a weighted average price of $0.60 per share. The fair value of expired warrants of $65,520 was reclassified from reserves to deficit.

As at April 30, 2026, the weighted average contractual life of the warrants was 1.71 years (April 30, 2025 – 2.96 years).

The following table summarizes the warrants outstanding as at April 30, 2026:

Exercise Price	Expiry date	Warrants
$		#
0.50	September 20, 2026	2,841,325
0.25	June 14, 2027	1,800,000
0.10	July 19, 2029	6,795,000
0.10	November 19, 2026	2,560,000
0.30	February 14, 2027	3,033,333
0.25	September 19, 2028	14,000
0.50	September 19, 2028	1,500,000
0.31	April 1, 2030	3,000,000
0.35	December 12, 2030	240,000
0.25	February 4, 2029	1,200,000
0.25	February 4, 2029	240,000
0.20	April 21, 2029	500,000
		23,723,658

8. Share capital (continued)

(c) Share purchase warrants (continued)

In connection with the completed a non-brokered private placement financing offering that closed on September 19, 2025, the Company issued 1,500,000 share purchase warrants. Each warrant entitles the holder to purchase one additional share at a price of $0.50 per share expiring September 19, 2028. The Company uses the residual value method for unit offerings, accordingly, the $Nil was allocated to the share purchase warrants. The Company also issued 14,000 broker warrants with fair value of $5,276 in connection with the closing of the private placement. Each broker warrant entitles the holder to purchase one additional share at a price of $0.25 per share expiring September 19, 2028.

On September 20, 2025, the Company amended the expiry date of 2,841,325 private placement warrants from September 20, 2025 to September 20, 2026.

On December 12, 2025, the Company issued 240,000 units to settle outstanding debt of $60,000 (Note 6). Each unit comprised one common share and one share purchase warrant, with each warrant entitling the holder to acquire one additional common share at an exercise price of $0.35 per share expiring December 12, 2030. The fair value of the 240,000 warrants was estimated at $67,663 using the Black-Scholes Option Pricing Model.

On February 4, 2026, the Company issued 240,000 units to settle outstanding debt of $60,000 (Note 6). Each unit is comprised of one common share and one share purchase warrant, with each warrant, entitling the holder to acquire one additional common share at an exercise price of $0.25 expiring February 4, 2029. The fair value of share purchase warrants was $47,666 determined using the Black-Scholes Option Pricing Model

In connection with the non-brokered private placement offering that closed on February 4, 2026, the Company issued 1,200,000 share purchase warrants. Each warrant entitles the holder to acquire one additional common share at an exercise price of $0.25, expiring February 4, 2029. $18,000 of the gross proceeds were allocated to the warrants using the residual value method.

On April 21, 2026, the Company issued 500,000 units to settle outstanding debt of $100,000 (Note 6). Each unit is comprised of one common share and one share purchase warrant with each warrant, entitling the holder to acquire one additional common share at an exercise price of $0.20 expiring April 21, 2029. The fair value of share purchase warrants was $117,735 determined using the Black-Scholes Option Pricing Model.

(Expressed in Canadian dollars)

8. Share capital (continued)

(c) Share purchase warrants (continued)

The fair value of the warrants issued during the year ended April 30, 2026 were valued using the Black-Scholes Option Pricing Model using the following weighted average assumptions:

Year ended April 30, 2026	**$**
Share price at grant date	$0.28
Exercise price	$0.25
Expected life	3.48 years
Expected volatility	157.33%
Risk-free interest rate	3.05%
Expected dividend yield	Nil

(d) Stock options

The Company has a Stock Option Plan which provides that the Board of Directors of the Company may from time to time, at its discretion, and in accordance with the Exchange requirements, grant to directors, officers, employees and consultants stock options (“Options”) to purchase common shares of the Company. The aggregate maximum number of common shares that may be issued under the Option Plan upon the exercise of Options shall not exceed 10% of the Company’s issued and outstanding common shares from time to time.

A summary of the options outstanding as at April 30, 2026 and 2025 is as follows:

	Stock options	Weighted average exercise price
	#	$
Balance April 30, 2024	2,810,000	0.55
Granted	3,000,000	0.28
Expired (1)	(150,000)	0.37
Balance April 30, 2025	5,660,000	0.43
Granted	400,000	0.30
Expired (1)	(400,000)	0.28
Balance April 30, 2026	**5,660,000**	**0.43**

(1) The fair values of expired options during the year ended April 30, 2026 of $24,776 were reclassified from reserves to deficit (year ended April 30, 2025 - $35,149).

(Expressed in Canadian dollars)

8. Share capital (continued)

(d) Stock options (continued)

The following table summarizes the options outstanding and exercisable as at April 30, 2026 and 2025:

Exercise Price	Expiry date	Options outstanding	Options exercisable
$		#	#
0.65	March 10, 2027	100,000	100,000
0.61	October 31, 2027	2,160,000	2,160,000
0.31	April 1, 2030	3,000,000	3,000,000
0.28	June 13, 2026	200,000	200,000
0.31	December 8, 2027	200,000	125,000
		5,660,000	**5,585,000**

As at April 30, 2026, the weighted average contractual life of the stock options was 1.60 years (April 30, 2025 – 3.61 years).

The fair value of stock options granted during the year ended April 30, 2026, was $81,276 (April 30, 2025 - $827,461).

The fair value of stock options granted was determined using the Black-Scholes Option Pricing Model based on the following assumptions at the time of grant:

	April 30, 2026	April 30, 2025
Risk-free annual interest rate	2.68%	2.58%
Expected annual dividend yield	0%	0%
Expected stock price volatility	204.2%	140.0%
Expected life	1.5 years	5 years

The fair value of stock options granted during the year ended April 30, 2026 was $0.22 (April 30, 2025 - $0.28) per option.

(Expressed in Canadian dollars)

8. Share capital (continued)

(e) Restricted stock units ("RSUs")

Each RSU gives the participant the right to receive one common share of the Company. There were no RSUs outstanding as at April 30, 2026 and 2025.

During the year ended April 30, 2026, the Company recorded share-based compensation of $2,850 (April 30, 2025 - $93,000) for the RSUs vested during the year. The fair value of the RSUs awarded during the year ended April 30, 2026 was $0.285 (April 30, 2025 - $0.31) per share.

	RSU	Weighted average issue price
	#	$
Balance, April 30, 2024	-	-
Awarded	300,000	0.310
Vested	(300,000)	0.310
Balance, April 30, 2025	-	-
Awarded	10,000	0.285
Vested	(10,000)	0.285
Balance April 30, 2026	**-**	**-**

(f) Long-term Incentive Plan

The Company has a long-term incentive plan (the "LTIP") which provides that the Board of Directors of the Company may from time to time, at its discretion, and in accordance with the Exchange requirements, grant to directors, key employees and consultants of the Company, LTIP in the form of restricted share units, performance share units and deferred share units. The LTIP provides that the aggregate maximum number of common shares that may be issued upon the settlement of awards granted under the LTIP shall not exceed 10% of the Company's issued and outstanding common shares from time to time.

(Expressed in Canadian dollars)

9. Related party transactions and balances

The Company identified Mr. Robert Thast as the director, President and Chief Executive Officer ("CEO"); Mr. Ralph Proceviat as the Chief Financial Officer ("CFO"); Mr. Younes Achkire as the Chief Operations Officer ("COO"); and the Company's current directors as its key management personnel.

Key management includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including the Company's executive officers and members of its Board of Directors.

(a) During the years ended April 30, 2026 and 2025, the Company entered into the following transactions with related parties:

	Years ended April 30,	
	2026	2025
	$	$
Research and development	523,812	581,987
Professional fees	39,500	15,000
Share-based compensation	-	413,731
	563,312	1,010,718

Research and development consisted of the following:

	Years ended April 30,	
	2026	2025
	$	$
President, CEO and Director	-	20,000
Company controlled by the COO	523,812	561,987
	523,812	581,987

During the year ended April 30, 2026, professional fees of $39,500 (year ended April 30, 2025 - $15,000) were paid or accrued to the CFO of the Company.

During the year ended April 30, 2026, Nil (April 30, 2025 – 1,700,000) stock options were issued to the directors and officers of the Company.

	Year ended April 30, 2026		Year ended April 30, 2025	
	Number of options issued	**Expense for the year (vested)**	Number of options issued	Expense for the year (vested)
	#	**$**	#	$
President, CEO and Director	-	-	500,000	137,910
COO	-	-	200,000	55,164
CFO	-	-	200,000	55,164
Directors	-	-	800,000	165,493
	-	-	1,700,000	413,731

(Expressed in Canadian dollars)

9. Related party transactions and balances (continued)

(b) Related party balances

As at April 30, 2026, amounts of $1,864,484 (April 30, 2025 - $1,421,085) due to directors and officers were included in accounts payable and accrued liabilities. The amounts are unsecured, non-interest-bearing and without fixed terms of repayment (note 5).

	April 30, 2026	April 30, 2025
	$	$
President, CEO and Director	**-**	7,788
Company controlled by the COO	**1,853,109**	1,398,297
CFO	**11,375**	15,000
	1,864,484	1,421,085

10. Research and development

For the years ended April 30, 2026 and 2025, the Company's research and development costs consisted of the following:

	Years ended April 30,	
	2026	2025
	$	**$**
Clinical study	**-**	12,886
Consulting	**67,670**	55,597
Contractor fees	**523,811**	561,987
Freight and logistics	**-**	607
Materials	**-**	24,708
Patent maintenance	**118,339**	4,942
Software	**13,364**	20,500
	723,184	681,227

11. License agreement

On April 25, 2017, the Company entered into a license agreement (the "License Agreement") with the Regents for the University of California (the "Licensor") which granted the Company an exclusive worldwide license for the Biopsy Systems for breast computed tomography patent and other related patents ("Licensed Patent Rights").

In consideration for the license, the Company paid an aggregate of US$210,000 (CAD $275,639) and reimbursed US$79,872 of patent costs to the Licensor. In addition, the Company agreed to pay the Licensor:

- 2% of total consideration received by the Company within 30 days of the completion of a Change of Control;
- 3% of net sales from the sales of all products produced by the Licensee in connection with the License Agreement and sold by the Company in the U.S.;
- 3% of net sales from the sale of the first 15 commercial sales of all products produced by the Licensee in connection with the License Agreement in any other country excluding the U.S.; and
- 1% royalty of net sales of all methods and services sold by the Licensee in connection with the License Agreement.

Under the License Agreement, the Company may grant a sublicense to affiliates of the Company, or to third parties. The Company has agreed to pay the Licensor 25% of any cash consideration, or the cash equivalent of any other form of consideration, due to the Licensee for the grant of rights under a sublicense.

Under the License Agreement, the Company is obligated to further development, manufacture, marketing and sale of products, methods, and services offered by the Company in connection with the License Agreement in quantities sufficient to meet the market demand ("Milestones") as follows:

- submit an application covering a product or service to the U.S. Food and Drug Administration ("FDA") or equivalent foreign agency by June 30, 2018. The timeline to accomplish this condition was later revised and extended and the Company initially engaged with the FDA in the third quarter of 2020;

- obtain FDA or equivalent foreign agency approval by December 31, 2021. This condition has also been revised and timeline extended for up to 7 years. The Company will make annual payments of up to $15,000 until this milestone is accomplished; and

- achieve commercial sale and fill the market demand by June 30, 2022. This milestone timeline has also been revised for up to 7 years based on a number of factors.

If the Company is unable to meet any of the above License Agreement Milestones, the Company has the right to extend the target date of any of the above Milestones by 1 year upon payment of US$10,000 to the Licensor. The Company has a further right to extend the target date of any Milestones for an additional 1 year for US$15,000. Under the License Agreement, the total period of time to complete any Milestone must not exceed seven years from the date of the License Agreement, unless the parties mutually agree in writing otherwise. If the Company does not complete a Milestone and does not opt to extend the period to complete the Milestone or opts to extend the period to complete the Milestone and does not complete the Milestone within the extended time period, then the Licensor has the right to terminate the License Agreement, or reduce the Company's exclusive License to a non-exclusive license.

11. License agreement (continued)

On June 4, 2025, the Company entered into an amendment to the license agreement to further extend the milestone dates and modify some of its obligations.

Under the amendment the Company has agreed to the following milestones:

- submit an application covering a Licensed Product or Licensed Service to the FDA or equivalent foreign agency by March 31, 2026 (submitted);
- obtain FDA or equivalent foreign agency approval covering a Licensed Product or Licensed Service by March 31, 2032;
- begin marketing a Licensed Product or Licensed Service within twelve (12) months of obtaining FDA or equivalent foreign agency approval but no later than March 31, 2033; and
- achieve first commercial Sale and fill the market demand of a Licensed Product or Licensed Service in the United States by December 31, 2033.

The Company has also agreed to pay a diligence obligation extension fee totaling US$85,000 as follows:

- US$25,000 due within thirty (30) days of the Second Amendment Effective Date (paid);
- US$20,000 due on July 1, 2025 (paid);
- US$20,000 due on September 1, 2025 (paid); and
- US$20,000 due on November 1, 2025 (paid)

12. Fair value of financial instruments

As at April 30, 2026, the Company's financial instruments consist of cash which is measured at FVTPL and accounts payable and promissory notes which were measured at amortized cost. The carrying amounts of cash and accounts payable approximate fair value due to their immediate or short-term maturity. The carrying values of promissory notes was measured at the effective interest rate which approximate fair value.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

The Company uses the following hierarchy for determining fair value measurements:
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 asset or liability, either directly or indirectly; and
Level 3: Inputs for the asset or liability that are not based on observable market data.

During the year, there were no transfers of amounts between level 1, 2 and 3 of the fair value hierarchy.

Cash was measured using Level 1 inputs.

(Expressed in Canadian dollars)

13. Financial instruments risk

The Company is exposed to a variety of financial instrument related risks. The Board mitigates these risks by assessing, monitoring and approving the Company's risk management processes.

(a) Credit Risk

Credit risk is the risk of a potential loss to the Company associated with a counterparty's inability to fulfill its contractual obligations. The Company's credit risk is primarily attributable to cash and deposits. The risk for cash balances are mitigated by holding these instruments with highly rated and reputable Canadian financial institutions. Credit risk is low.

(b) Liquidity risk

A summary of the Company's contractual obligations and commitments as at April 30, 2026 are as follows:

	Total	<1 year	1 - 3 years	3 – 5 years
	$	$	$	$
Accounts payable and accrued liabilities	2,954,496	2,954,496	-	-
Promissory notes	3,000,263	3,000,263	-	-
Lease liability	132,054	49,982	82,072	-
	6,086,813	**6,004,741**	**82,072**	**-**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations associated with its financial liabilities as they come due. The Company's approach to managing liquidity risk is to ensure that it has sufficient liquidity to settle obligations and liabilities when they are due. As at April 30, 2026, the Company had current liabilities in excess of current assets of $5,661,012 (April 30, 2025 - $4,878,048). The Company is pursuing additional sources of financing to ensure that it can meet its ongoing operating requirements and development of its product. There is no assurance that additional financing will be available on terms acceptable to the Company, if at all. Liquidity risk has been assessed as high.

(c) Interest Rate Risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or fair values of financial instruments. It arises when the Company invests in interest bearing financial instruments. As at April 30, 2026 and 2025, the Company did not have any financial instruments subject to variable interest rate risk.

13. Financial instruments risk (continued)

(d) Currency Risk

Currency risk is the risk that foreign exchange rates will fluctuate significantly from expectations. The Company's exposure to currency risk arises where payments to vendors and consultants are in other currencies. Further, the Company holds a portion of its cash in currencies other than it's functional currencies. To manage this risk, the Company holds as small of an amount as practical in foreign currencies.

The operating results and financial position of the Company are reported in Canadian dollars. As the Company operates in an international environment, some of the Company's financial instruments and transactions are denominated in currencies other than the Canadian dollar. The results of the Company's operations are subject to currency transaction and translation risks.

The Company holds cash in Canadian and US dollars. The Company's main risk is associated with fluctuations in the US dollars and assets and liabilities are translated based on the foreign currency translation policy described in Note 2(c).

The Company has determined that an effect of a 10% increase or decrease in the USD against the Canadian dollar on financial assets and liabilities, as at April 30, 2026, including cash, accounts payable and accrued liabilities and lease liability denominated in USD, would result in an increase or decrease of approximately \$252,519 (April 30, 2025 - \$214,905) to the net loss and comprehensive loss for the year ended April 30, 2026.

At April 30, 2026, the Company had no hedging agreements in place with respect to foreign exchange rates. The Company has not entered into any agreements or purchased any instruments to hedge possible currency risks at this time.

14. Capital management

The Company manages its capital, consisting of share and working capital, in a manner consistent with the risk characteristic of the assets it holds. All sources of financing are analyzed by management and approved by the board of directors. The Company's objectives when managing capital is to safeguard the Company's ability to continue as a going concern. The Company is meeting its objective of managing capital through preparing short- term and long-term cash flow analysis to ensure an adequate amount of liquidity. The Company is not subject to any externally imposed capital restrictions. There were no changes in the Company's approach to capital management during the year.

(Expressed in Canadian dollars)

15. Income taxes

The Company and its subsidiaries are subject to income taxes in Canada and US on its taxable income as reported in its statutory accounts at a tax rate in accordance with the relevant income tax laws.

A reconciliation of the combined taxes at statutory rates and the Company's effective income tax expense is as follows:

	April 30, 2026	April 30, 2025
	$	$
Net loss before tax	**(2,184,633)**	(3,139,710)
Statutory tax rate	**27%**	27%
Income tax recovery at statutory rate	**(589,851)**	(847,722)
Increase (reduction) in income taxes:		
Deductible and non-deductible items	**140,283**	410,114
Share issuance costs	**(3,610)**	(2,049)
Change in tax assets not recognized	**453,178**	439,657
Total income tax recovery	**-**	-

Deferred income taxes result primarily from differences in the recognition of certain revenue and expense items for financial and income tax reporting purposes. The Company has temporary differences between the tax and accounting bases of assets.

The temporary differences that give rise to deferred income tax assets (liabilities) at April 30, 2026 and 2025, are as follows:

	April 30, 2026	April 30, 2025
	$	$
Losses carried forward	**4,260,478**	3,825,098
Property, plant and equipment	**17,126**	-
Share Issuance costs	**5,467**	4,795
Deferred tax assets not recognized	**(4,283,071)**	(3,829,893)
Net deferred tax asset	**-**	-

The Company has Canadian non-capital losses carried forward of approximately 15,670,000 (April 30, 2025 - $14,167,000). The non-capital losses expire from 2038 to 2046.

16. Subsequent events

i. On June 13, 2026, 200,000 stock options with exercise price of $0.28 expired unexercised.

ii. On June 30, 2026, the Company executed a Formal Agreement (together with a Distribution Agreement and Shareholders' Agreement) with Izotropic Africa ("IZAF") to commercialize its IzoView breast CT imaging system throughout Africa and the Gulf Cooperation Council (territory). The agreements finalize the ownership structure of Izotropic Africa as 51% held by IZAF shareholders and 49% held by the Company and appoint IZAF as the Company's exclusive distributor and commercialization partner across the Territory. IZAF will be responsible for commercialization, sales and marketing, regulatory and market development activities, customer development, and administrative and operational activities within the Territory. The Company is responsible for product manufacturing and supply, technical, clinical and regulatory support, and related commercialization activities. The Company has also committed, subject to financing, to fund 40% of the first-year start-up costs of US$120,000 and to build, ship and install IzoView units for clinical studies and cover related construction, delivery and installation costs.

iii. On August 10, 2026, the Company's Board of Directors approved the grant of an aggregate of 750,000 restricted share units ("RSUs") pursuant to the Company's Long Term Performance Incentive Plan. The RSUs are subject to vesting over the applicable term of service and represent the right to receive one common share of the Company upon vesting.