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# **MyndTec Inc.**

## **CONDENSED INTERIM FINANCIAL STATEMENTS**

**THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2025**

**(Expressed in Canadian Dollars)**

**(UNAUDITED)**

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### **Notice to Reader**

The accompanying unaudited condensed interim financial statements of MyndTec Inc. (the "Company") have been prepared by and are the responsibility of management. The unaudited condensed interim financial statements as at and for the three and nine months ended September 30, 2025 have not been reviewed by the Company's auditors.

# MyndTec Inc.

## Condensed Interim Statements of Financial Position (Expressed in Canadian Dollars) (Unaudited)

As at	September 30, 2025	December 31, 2024
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 90,212	\$ 117,476
Trade and other receivables (note 3)	5,248	11,440
Inventories (note 4)	46,353	115,270
Prepaid expenses and deposits	15,078	25,324
Total current assets	156,891	269,510
Non-current assets		
Equipment (note 6)	25,785	44,059
<b>Total Assets</b>	<b>\$ 182,676</b>	<b>\$ 313,569</b>
<b>Liabilities and Shareholders' Equity</b>		
Current liabilities		
Trade and other payables (note 7)	\$ 997,337	\$ 1,054,299
Deferred revenue (note 8)	17,000	17,000
Current portion of long-term liabilities (notes 9, 10 and 11)	414,824	443,206
Total current liabilities	1,429,161	1,514,505
Long-term liabilities, net of current portion		
Deferred revenue (note 8)	4,250	17,000
Other long-term debt (note 11)	14,824	19,938
<b>Total Liabilities</b>	<b>1,448,235</b>	<b>1,551,443</b>
<b>Shareholders' deficiency</b>		
Share capital (note 13)	16,309,499	15,715,455
Contributed surplus	4,122,083	3,972,844
Accumulated deficit	(21,697,141)	(20,926,173)
Total shareholders' deficiency	(1,265,559)	(1,237,874)
<b>Total Liabilities and shareholders' deficiency</b>	<b>\$ 182,676</b>	<b>\$ 313,569</b>

Nature of business and going concern (note 1)  
Commitments and contingencies (note 18)  
Subsequent events (note 22)

The notes to the unaudited condensed interim financial statements are an integral part of these statements.

Approved by the Board of Directors:

Director: (s) "Craig Leon"

Director: (s) "Bill Jackson"

# MyndTec Inc.

## Condensed Interim Statements of Loss and Comprehensive Loss (Expressed in Canadian Dollars) (Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Revenue (notes 12 and 21)	\$ 11,419	\$ 11,956	\$ 119,514	\$ 98,278
Cost of sales (note 4)	13,362	13,078	76,954	101,811
Gross margin	(1,943)	(1,122)	42,560	(3,533)
<b>Expenses</b>				
General and administration (note 14)	165,733	179,557	541,981	567,348
Research and development (note 14)	49,266	52,830	187,840	160,557
Quality and regulatory assurance	-	65,891	-	70,970
Selling and marketing	-	6,292	18,015	7,244
Share-based compensation (notes 12 and 13)	3,400	(17,678)	17,310	35,442
Interest and accretion (reversal) expense (note 16)	(33,353)	8,129	(12,338)	20,052
Depreciation and amortization (note 6)	6,091	8,828	18,274	31,118
Changes in fair value (note 16)	-	-	-	(1)
Public listing costs	11,766	10,123	42,446	47,770
Government grants and tax credits	-	(19,293)	-	(19,293)
<b>Total operating expenses</b>	202,903	294,679	813,528	921,207
<b>Net loss and comprehensive loss</b>	\$ (204,846)	\$ (295,801)	\$ (770,968)	\$ (924,740)
<b>Basic and diluted loss per share</b>				
- continuing operations	\$ (0.01)	\$ (0.01)	\$ (0.03)	\$ (0.04)
<b>Weighted average number of shares outstanding - basic and diluted</b>	27,941,468	24,822,655	26,594,265	24,465,341

The notes to the unaudited condensed interim financial statements are an integral part of these statements.

# MyndTec Inc.

## Condensed Interim Statements of Changes in Shareholders' Equity (Expressed in Canadian Dollars) (Unaudited)

	Share capital	Contributed surplus	Accumulated Deficit	Total deficiency
Balance, December 31, 2023	\$ 14,971,184	\$ 3,787,802	\$ (19,678,766)	\$ (919,780)
Net loss and comprehensive loss	-	-	(924,740)	(924,740)
Private placements (note 13)	467,530	212,730	-	680,260
Issuance expense (note 13)	(32,467)	(10,503)	-	(42,970)
Share-based compensation	-	35,442	-	35,442
Balance, September 30, 2024	\$ 15,406,247	\$ 4,025,471	\$ (20,603,506)	\$ (1,171,788)
Net loss and comprehensive loss	-	-	(322,667)	(322,667)
Private placements (note 13)	344,850	(66,688)	-	278,162
Issuance expense (note 13)	(35,642)	1,980	-	(33,662)
Share-based compensation	-	12,081	-	12,081
Balance, December 31, 2024	\$ 15,715,455	\$ 3,972,844	\$ (20,926,173)	\$ (1,237,874)
Net loss and comprehensive loss	-	-	(770,968)	(770,968)
Private placements (note 13)	610,652	136,217	-	746,869
Issuance expenses (note 13)	(16,608)	(4,288)	-	(20,896)
Share-based compensation	-	17,310	-	17,310
Balance, September 30, 2025	\$ 16,309,499	\$ 4,122,083	\$ (21,697,141)	\$ (1,265,559)

The notes to the unaudited condensed interim financial statements are an integral part of these statements.

# MyndTec Inc.

## Condensed Interim Statements of Cash Flows (Expressed in Canadian Dollars) (Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
<b>Cash flows from (used for) operating activities</b>				
Net loss and comprehensive loss	\$ (204,846)	\$ (295,801)	\$ (770,968)	\$ (924,740)
Items not affecting cash:				
Share-based compensation	3,400	(17,678)	17,310	35,442
Depreciation and amortization (notes 5 and 6)	6,091	8,828	18,274	31,118
Accretion expense (note 16)	(33,789)	7,799	(13,725)	18,510
Changes in fair value (note 16)	-	-	-	(1)
Deferred revenue (note 8)	(4,250)	(4,250)	(12,750)	(12,750)
	(233,394)	(301,102)	(761,859)	(852,421)
Changes in non-cash operating working capital:				
Trade and other receivables	2,185	4,020	6,192	5,950
Inventories	890	28,818	68,917	73,840
Prepaid expenses and deposits	1,112	2,327	10,246	17,266
Trade and other payables	(22,027)	98,271	(72,376)	47,543
<b>Cash used in operating activities</b>	(251,234)	(167,666)	(748,880)	(707,822)
<b>Cash used in investing activities</b>				
Additions to equipment	-	(21,005)	-	(21,005)
<b>Cash used in investing activities</b>	-	(21,005)	-	(21,005)
<b>Cash from (used for) financing activities</b>				
Lease payments (note 5)	-	-	-	(6,379)
Repayment of government loans (note 10)	-	-	-	(30,000)
Issuance of other long term debt (note 11)	-	-	-	30,000
Repayment of other long term debt (note 11)	(1,479)	(1,249)	(4,357)	(3,221)
Net proceeds of private placements (note 13)	130,916	130,776	725,973	637,290
<b>Cash from financing activities</b>	129,437	129,527	721,616	627,690
<b>Change in cash and cash equivalents</b>	(121,797)	(59,144)	(27,264)	(101,137)
<b>Cash and cash equivalents,</b>				
<b>beginning of the period</b>	212,009	145,418	117,476	187,411
<b>Cash and cash equivalents, end of the period</b>	\$ 90,212	\$ 86,274	\$ 90,212	\$ 86,274

The notes to the unaudited condensed interim financial statements are an integral part of these statements.

# MyndTec Inc.

## Notes to Condensed Interim Financial Statements

September 30, 2025 and 2024

(Expressed in Canadian Dollars)

(Unaudited)

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### 1. Nature of business and going concern

MyndTec Inc. (the “Company” or “MyndTec”) is a medical technology company with a strategic vision to transform neurological care through the integration of artificial intelligence (AI) and advanced neurotechnology, including functional electrical stimulation (FES) therapy, predictive AI technologies, and solutions for patients with neurological disorders including stroke, spinal cord injury, and neurodegenerative diseases. The Company is incorporated under the Business Corporations Act of Ontario and its head office is operated in a virtual environment. The Company became a publicly traded entity on the Canadian Securities Exchange on February 16, 2022 and is listed under the symbol MYTC.

These financial statements (the “Financial Statements”) have been prepared on a going concern basis, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they come due. There is no certainty whether the Company will generate significant revenue or attain profitable operations in the near future, as it incurred a net and comprehensive loss of \$770,968 and had a negative cash flow from operating activities of \$748,880 for the nine-month period ended September 30, 2025. As at September 30, 2025, the Company was in default on its Federal Economic Development Agency loan, with a principal balance of \$396,827 and accrued interest of \$11,717 (note 10), and with respect to a claim by its former law firm for \$715,652 in fees (note 7).

The Company has accumulated \$21,697,141 of losses as of September 30, 2025 and its ability to continue as a going concern is dependent on it raising future required capital, bringing its products to market and achieving and maintaining profitable operations. The outcome of these matters cannot be predicted at this time. As a result, there exists a material uncertainty which creates significant doubt regarding the Company’s ability to continue as a going concern. These financial statements do not include any adjustments and classifications of assets and liabilities, which might be necessary should the Company be unable to continue its operations. Such adjustments could be material.

### 2. Basis of presentation

#### Statement of compliance

These unaudited condensed interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standard (“IAS”) 34 ‘Interim Financial Reporting’ (“IAS 34”) using accounting policies consistent IFRS® Accounting Standards as issued by the International Accounting Standards Board (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and Interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”). The accounting policies and methods of computation applied by the Company in these unaudited condensed interim financial statements are the same as those applied in the Company’s annual consolidated financial statements for the year ended December 31, 2024.

These Financial Statements were approved and authorized for issuance by the Board of Directors of the Company on November 19, 2025.

#### ***Functional currency and presentation currency***

These Financial Statements are presented in Canadian dollars (“CAD dollars”) and the Company’s functional currency is Canadian dollars.

# MyndTec Inc.

Notes to Condensed Interim Financial Statements  
September 30, 2025 and 2024  
(Expressed in Canadian Dollars)  
(Unaudited)

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## 2. Basis of presentation (continued)

### *Use of estimates and judgements*

The preparation of these Financial Statements in conformity with IFRS requires management to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities at the date of the Financial Statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

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

The following are the critical judgments, apart from those involving estimations, that management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the Financial Statements:

- ***Going concern***

Judgement is required in determining if disclosure of a material uncertainty related to events or conditions which cast significant doubt on the Company's ability to continue as a going concern is required.

The estimates used by management in reaching this conclusion are based on information available as of the date of these audited Financial Statements were authorized for issuance and included an internally generated cash flow forecast. Accordingly, actual results could differ from those estimates and resulting variances may be material to management's assessment.

As indicated in notes 1, 7, 10, and 18, a material uncertainty exists which creates significant doubt regarding the Company's ability to continue as a going concern. These financial statements do not include any adjustments or reclassifications of assets and liabilities, which might be necessary should the Company be unable to continue its operations. Such adjustments could be material.

- ***Stock options and warrants***

The Company uses the Black-Scholes valuation model to determine the fair value of stock option awards granted and warrants granted in conjunction with the share capital subscriptions. Estimates are required for inputs to this model including the fair value of the underlying shares, the expected life of the option, volatility, expected dividend yield, forfeiture rates and the risk-free interest rate. Variation in actual results for any of these inputs will result in a different value of the share option realized from the original estimate. The assumptions and estimates used are further outlined in note 13.

- ***Fair value of financial instruments***

The individual fair values attributable to the different components of a financing transaction, notably loans and borrowings are determined using valuation techniques. The Company uses judgment to select the methods used to make certain assumptions and in performing the fair value calculations in order to determine the values attributable to each component of a transaction at the time of their issuance. When determining the discount rate used to estimate the fair value of government loans, the Company considers market conditions and other internal and external factors as well as third-party financing agreements entered into by the Company. In determining the fair value of the Health Technology Exchange loan, the Company uses judgment to estimate the future loan repayments based on projected future revenue. These valuation estimates could be significantly different because of the use of judgment and the inherent uncertainty in estimating the fair value of these instruments that are not quoted in an active market.

# MyndTec Inc.

Notes to Condensed Interim Financial Statements  
September 30, 2025 and 2024  
(Expressed in Canadian Dollars)  
(Unaudited)

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## 2. Basis of presentation (continued)

### *Use of estimates and judgements (continued)*

- **Income taxes**

The Company computes an income tax provision in each of the tax jurisdictions in which it operates. Actual amounts of income tax expense only become final upon filing and acceptance of the tax return by the relevant tax authorities, which occurs subsequent to the issuance of the Financial Statements. Additionally, estimation of income taxes includes evaluating the recoverability of deferred tax assets against future taxable income based on an assessment of the ability to use the underlying future tax deductions before they expire. To the extent that estimates of future taxable income differ from the tax return, earnings would be affected in a subsequent period.

In determining the amount of current and deferred tax, the Company considers the impact of uncertain tax positions and whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Company to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

- **Revenue recognition**

The Company recognizes revenue on the transfer of promised services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those services by applying the following steps:

- identify the contract with a customer;
- identify the performance obligations in the contract;
- determine the transaction price;
- allocate the transaction price to the performance obligations; and,
- recognize revenue when, or as, the Company satisfies a performance obligation.

Revenue represents the amount the Company expects to receive for products and services in its contracts with customers, net of discounts and sales taxes. The Company derives treatment revenue based upon the use of the Company's MyndMove devices by treatment clinics; as well as the sale of its products and supplies to research institutions and treatment clinics. Treatment revenue is recognized on a monthly basis as services are provided. The sale of its products and supplies is recognized when delivered to the customer and all performance obligations have been met. The sale of extended warranties is deferred and recognized over the warranty period.

The Company recognizes revenue upon transfer of control of products or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for the products or services transferred. The Company evaluates contracts with customers to determine the appropriate performance obligations for revenue recognition purposes based on whether the product or service is distinct from some or all of the other products or services in the arrangement. A product or service is distinct if the customer can benefit from it on its own or together with other readily available resources and the Company's promise to transfer the good or service is separately identifiable from other promises in the contractual arrangement with the customer. Non-distinct products and services are combined with other goods or services until they are distinct as a bundle and therefore form a single performance obligation.

The Company determines the transaction price at the outset of each arrangement and the total consideration is allocated to the distinct performance obligations based on their relative fair value. The Company has determined that the recurring services promised in a contract with a customer represent a series of distinct services that are substantially the same and have the same pattern of transfer over time to the customer and each delivery of service is accounted for as a single distinct performance obligation.



# MyndTec Inc.

Notes to Condensed Interim Financial Statements  
September 30, 2025 and 2024  
(Expressed in Canadian Dollars)  
(Unaudited)

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## 2. Basis of presentation (continued)

### *Use of estimates and judgements (continued)*

- *Revenue recognition (continued)*

The timing of revenue recognition and the contractual payment schedules often differ, resulting in some contractual payments being billed prior to the commencement of service. These amounts that are billed, but not earned, are recognized as deferred revenue in the Statements of financial position. When products or services have been transferred to customers and revenue has been recognized, but not billed, the Company recognizes and includes these amounts as unbilled trade receivables in the statements of financial position.

### **Future accounting standards**

IFRS 18 Presentation and Disclosure in Financial Statements was issued by the IASB in April 2024, and introduces three sets of new requirements to give investors more transparent and comparable information about companies' financial performance for better investment decisions, with mandatory application of the standard in annual reporting periods beginning on or after January 1, 2027. The Company is still assessing the impact of the implementation of these amendments. No standards have been early adopted in the current period.

## 3. Trade and other receivables

The aging of trade and other receivables net of expected credit losses, as at September 30, 2025 and December 31, 2024 were as follows:

	As at September 30, 2025	As at December 31, 2024
Trade receivables		
0 - 30 days	\$ 5,006	\$ 2,477
31 - 90 days	-	678
Over 90 days	242	807
	5,248	3,962
Commodity taxes	-	7,478
	\$ 5,248	\$ 11,440

The Company provides for expected credit losses based on its assessment of probability of specific losses, estimates of future individual exposures and provisions based on historical experience. During the nine-month period ended September 30, 2025 the Company recorded \$nil (2024 - \$nil) expected credit losses.

# MyndTec Inc.

Notes to Condensed Interim Financial Statements  
September 30, 2025 and 2024  
(Expressed in Canadian Dollars)  
(Unaudited)

## 4. Inventories

The following are the Company's inventories as at September 30, 2025 and December 31, 2024:

	As at September 30, 2025	As at December 31, 2024
Clinical supplies	\$ 18,347	\$ 45,254
Finished devices	28,006	70,016
	<b>\$ 46,353</b>	<b>\$ 115,270</b>

## 5. Right-of-use asset and lease obligations

Changes in the right-of-use asset and lease obligation for the nine-month period ended September 30, 2025 and year ended December 31, 2024 are as follows:

### *Right-of-use asset*

	As at September 30, 2025	As at December 31, 2024
<b>Cost</b>		
Balance - beginning and end of period	\$ -	\$ 70,056
<b>Accumulated depreciation</b>		
Balance - beginning of period	-	56,434
Amortization	-	13,622
Balance - end of period	-	70,056
<b>Net book value - end of period</b>	<b>\$ -</b>	<b>\$ -</b>

### *Lease obligation*

The Company's right-of-use asset relates to the Company's three-year office premises lease that commenced on August 1, 2021 and terminated on July 31, 2024.

	As at September 30, 2025	As at December 31, 2024
Balance - beginning of period	\$ -	\$ 6,253
Accreted interest expense	-	126
Lease payment	-	(6,379)
Balance - end of period	<b>\$ -</b>	<b>\$ -</b>

Variable payments for this lease for the nine-month period ended September 30, 2025, were \$nil (2024 – \$92,281), recognized in general and administrative expenses in the statements of loss and comprehensive loss. The aforementioned lease terminated on July 31, 2024 and was renewed for a one-year period. Due to the short-term nature of the renewal lease, it was not capitalized.

# MyndTec Inc.

Notes to Condensed Interim Financial Statements  
September 30, 2025 and 2024  
(Expressed in Canadian Dollars)  
(Unaudited)

## 6. Equipment

Net book value (NBV)	Computers software & office equipment	Treatment devices	Equipment
Balance, December 31, 2023	\$ 2,756	\$ 102,461	\$ 105,217
Addition	-	21,005	21,005
Depreciation during the period	(558)	(16,938)	(17,496)
Balance, September 30, 2024	2,198	106,528	108,726
Depreciation during the period	(104)	(64,563)	(64,667)
Balance, December 31, 2024	2,094	41,965	44,059
Depreciation during the period	(723)	(17,551)	(18,274)
Balance, September 30, 2025	\$ 1,371	\$ 24,414	\$ 25,785

### NBV as at September 30, 2025

Cost	\$ 4,992	\$ 110,003	\$ 114,995
Accumulated depreciation	(3,621)	(85,589)	(89,210)
Net book value	\$ 1,371	\$ 24,414	\$ 25,785

### NBV as at December 31, 2024

Cost	\$ 4,992	\$ 110,003	\$ 114,995
Accumulated depreciation	(2,898)	(68,038)	(70,936)
Net book value	\$ 2,094	\$ 41,965	\$ 44,059

The estimated useful life for treatment devices was revised in 2024, from 10 years to 5 years, due to a decreasing use of these devices that will mandate a need for technical upgrades within the next two years, to stay operational. This change resulted in a \$60,685 increase in depreciation expense during the year ended December 31, 2024 and will increase depreciation for the year ended December 31, 2025 by \$1,983 - which will be offset by a \$8,455 decrease in 2026, a \$12,568 decrease in 2027 and a total of \$41,645 of decreases over the next 5 years.

## 7. Trade and other payables

The following are included in trade and other payables as at September 30, 2025 and December 31, 2024:

	As at September 30, 2025	As at December 31, 2024
Trade and other payables	\$ 274,554	\$ 330,039
Warranty provision	7,131	8,609
Deferred payment agreement	550,000	550,000
Legal fees incurred after January 24, 2022	165,652	165,652
Balance - end of period	\$ 997,337	\$ 1,054,300

# MyndTec Inc.

Notes to Condensed Interim Financial Statements  
September 30, 2025 and 2024  
(Expressed in Canadian Dollars)  
(Unaudited)

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## 7. Trade and other payable (continued)

### Deferred Payment Agreement

On December 31, 2021, the Company entered into an agreement with a former legal firm, which was made in settlement of amounts payable by the Company for services provided in 2021 and up to January 24, 2022, that related to the preparation of the Company's non-offering prospectus and execution of its February 2022 private placement. The agreement provided for deferral of \$339,000 of fees, to be paid at \$2,500 per month from February 1, 2022 to June 1, 2023 plus \$296,500 due and payable on June 30, 2023.

On June 30, 2023, the remaining deferred payment balance became due; the Company was unable to pay this obligation; and, the Company became in default of this agreement. The former legal firm (1) demanded its full entitlement under the agreement, which required the Company to expense \$255,792 of penalties, and, (2) charged the Company \$14,658 in interest expense - creating a total addition to the Company's losses of \$270,450 in the year ended December 31, 2023.

Interest was to be accrued on the balance beginning January 24, 2022 at an annual rate equal to the Royal Bank of Canada prime rate plus 5%, calculated and compounded monthly. Conditional upon the Company respecting the payment terms, the interest was to be waived. The Company has not accrued any interest on this loan from June 1, 2023 to June 30 2025, given the creditor has not made additional claims and the Company has made significant counterclaims.

### Disputed expenses

On April 6, 2022, the Company obtained an Order for Assessment from the Ontario Superior Court of Justice to assess \$198,570 of legal fees, of which the Company had already paid \$32,918 and \$165,652 remains unpaid. The Company intends to add the aforementioned \$270,450 of interest and penalties to this Assessment, if it is unable to make alternate settlement arrangements.

### Deferred Payment Agreement and Disputed Expenses

The Company does not have funds to settle the \$550,000 of disputed deferred payment agreement obligations or the \$165,652 of disputed expenses and has asked its former legal firm to accept a significantly smaller settlement.

On December 21, 2023 the Company's former legal firm filed a Statement of Claim with the Ontario Superior Court of Justice, in the amount of \$715,202 to collect their fees. On January 29, 2024, the Company filed a Statement of Defense and Counterclaim with respect to the December 21, 2023 Claim for Damages, which was filed against the Company by the Company's former legal firm.

As of September 30, 2025, there have been no mediation meetings or other formal proceedings in respect of the legal firm's or Company's claims. The Court has provided a February 2, 2026 date as the first court date on which the parties will be able to deal with any part of this matter.

# MyndTec Inc.

## Notes to Condensed Interim Financial Statements September 30, 2025 and 2024 (Expressed in Canadian Dollars) (Unaudited)

### 8. Deferred revenue

Current plus long-term deferred revenue was \$21,250 as at September 30, 2025 (December 31, 2024 - \$34,000), net of \$12,750 of income recognized in the nine-month period ended September 30, 2025 (2024 - \$12,750). The deferred revenue as at September 30, 2025 and December 31, 2024 relates to a five-year extended warranty for the engineering, manufacturing and delivery of devices to a research facility, the KITE Research Institute at the University Health Network, in Toronto, Canada, which is significantly influence by a director of the Company (note 12).

### 9. Current portion of long-term liabilities

The current portion of long-term liabilities as at September 30, 2025 and December 31, 2024 includes:

	As at September 30, 2025	As at December 31, 2024
<b>Payable in cash</b>		
Federal Economic Development Agency	\$ 408,544	\$ 437,683
Total government loans	408,544	437,683
Other long-term debt	6,280	5,523
Balance - end of period	\$ 414,824	\$ 443,206

### 10. Government loan

The only Government loan as at September 30, 2025 and December 31, 2024 is:

	As at September 30, 2025	As at December 31, 2024
Federal Economic Development Agency (FEDA)	\$ 408,544	\$ 437,683
	408,544	437,683
Less current portion	408,544	437,683
<b>Long-term portion</b>	\$ -	\$ -

### Federal Economic Development Agency of Southern Ontario (FEDA) loan

The FEDA loan is unsecured, non-interest bearing and it provided initial financing of \$919,518. On December 31, 2022, the Company defaulted on this loan and it became payable on demand. No payments have been made since November 1, 2022.

As at September 30, 2025, the principal balance outstanding of this loan is \$396,827 (December 31, 2024 - \$437,683). During the nine-month periods ended September 30, 2025, the Company recognized (\$13,725) (2024 - \$18,384) reversal of accretion expense (note 16) and the Company made repayments of \$nil (2024 - \$nil).

# MyndTec Inc.

Notes to Condensed Interim Financial Statements  
September 30, 2025 and 2024  
(Expressed in Canadian Dollars)  
(Unaudited)

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## 10. Government loan (continued)

### Federal Canadian Emergency Business Account (CEBA) loan

The Federal CEBA loan is part of the Canadian federal government's support program in response to the COVID-19 pandemic, wherein the Company was able to obtain a \$30,000 non-interest-bearing loan, net of a \$10,000 forgivable amount. This loan was paid on January 22, 2024 to assure the \$10,000 forgiveness. During the nine-month periods ended September 30, 2025 and 2024, the Company recognized \$nil accretion expense on this loan.

A reconciliation of the government loans for the nine-month period ended September 30, 2025 and year ended December 31 2024 is as follows:

	As at September 30, 2025	As at December 31, 2024
Balance - beginning of period	\$ 437,683	\$ 449,258
Loan payments	(15,414)	(30,000)
Accretion expense	(13,725)	18,426
Fair value adjustment of settled government loan	-	(1)
Balance - end of period	408,544	437,683
Less current portion	408,544	437,683
Long-term portion	\$ -	\$ -

## 11. Other long-term debt

On January 22, 2024, the Company's Canadian Emergency Business Account loan (note 10) was repaid from the proceeds of a loan from the Royal Bank of Canada (RBC). The new \$30,000 RBC loan is repayable in equal amounts over 60 months, with interest at RBC prime plus 2.84%, which totaled 7.79% on September 30, 2025.

During the nine-month period ended September 30, 2025, the Company recognized \$1,387 (2024 - \$1,218) of interest expense (note 16) and repaid \$4,357 (2024 - \$1,972) of the principal on this loan. At September 30, 2025 the outstanding principal was \$21,104, of which \$6,280 was included in the current portion of long-term liabilities (note 9).

# MyndTec Inc.

## Notes to Condensed Interim Financial Statements September 30, 2025 and 2024 (Expressed in Canadian Dollars) (Unaudited)

### 12. Related party balance and transactions

During the nine-month period ended September 30, 2025, the Company recognized treatment revenues and device sales revenues from LBB Applied Technology Inc., a significant shareholder of the Company and the Company's distributor in the US. that was previously able to nominate one director, who continues to remain on the Board, to the Company's Board of Directors. These transactions were made in the normal course of business.

The Company has a shareholder and director, who is employed by the KITE Research Institute at the University Health Network in Toronto, Canada (KITE), an Institution over which he has significant influence and to which the Company is committed to a long-term license agreement (note 18), requiring the semi-annual payment of royalty fees. In addition, the Company has entered into contracts with this Institution to sell MyndMove devices, which have been modified for research purposes; and to purchase research and development (R&D) services.

A summary of the Company's related party transactions for the nine-month periods ended September 30, 2025 and 2024 and the year ended December 31, 2024 is as follows:

	September 30,		Year ended	
	2025	2024	December 31,	2024
<b>Revenue during the period ended</b>				
Treatment fees and product sales	\$ 13,213	\$ 33,737	\$ 43,579	
	\$ 13,213	\$ 33,737	\$ 43,579	
<b>Expenses during the period ended</b>				
Share-based compensation for directors and senior officers	\$ 10,164	\$ 25,818	\$ 33,081	
Salaries, fees and benefits for directors and senior officers	251,463	257,457	338,024	
License fees	4,264	3,381	3,734	
	\$ 265,891	\$ 286,656	\$ 374,839	
<b>Assets - as at the date specified</b>				
Accounts receivable	\$ -	\$ 1,854	\$ -	
<b>Liabilities - as at the date specified</b>				
License fees and expenses payable	\$ 90,577	\$ 96,047	\$ 86,314	
Deferred revenue	21,250	55,250	34,000	
	\$ 111,827	\$ 151,297	\$ 120,314	

# MyndTec Inc.

## Notes to Condensed Interim Financial Statements September 30, 2025 and 2024 (Expressed in Canadian Dollars) (Unaudited)

### 13. Share capital, warrants and stock options

	Common shares	Warrants	Stock options	Total
Balance, December 31, 2023	23,999,331	6,359,447	1,485,000	31,843,778
Rights forfeited or expired	-	-	(525,000)	(525,000)
Options issued	-	-	37,500	37,500
Private placements	907,014	907,014	-	1,814,028
Balance, September 30, 2024	24,906,345	7,266,461	997,500	33,170,306
Private placements	370,883	370,883	-	741,766
Balance, December 31, 2024	25,277,228	7,637,344	997,500	33,912,072
Options issued	-	-	125,000	125,000
Options cancelled	-	-	(200,000)	(200,000)
Private placements	3,023,448	1,640,977	-	4,664,425
Balance, September 30, 2025	28,300,676	9,278,321	922,500	38,501,497

#### Shares in Escrow

As at September 30, 2025, the Company had nil common shares held in escrow (December 31, 2024 – 1,829,356).

#### 2024 Private Placements

On February 13, 2024, March 19, 2024, May 27, 2024, June 24, 2024, August 12, 2024, October 23, 2024 and December 24, 2024, the Company closed five private placements (the “2024 Private Placements”) of units at \$0.75 per unit with its two largest shareholders, for a total of \$958,422. Each unit under the 2024 Private Placements was comprised of one common share and one warrant. The warrants have an exercise price of \$0.90 per warrant and expire three years from the date of issuance.

Under the 2024 Private Placements, the subscribers received 1,277,897 common shares of the Company and 1,277,897 warrants to acquire common shares of the Company at \$0.90. The warrants expire three years after the respective issue dates. Of the \$881,790 in net proceeds, \$137,519 was allocated to the value of the warrants, based on a Black Scholes valuation of the warrants with an exercise price of \$0.90; a weighted average estimated \$0.31 value of common shares; a weighted-average volatility rate of 85.86%; an expected 3-year life for the warrants; and a weighted-average risk-free interest rate of 3.53%.

#### 2025 Private Placements

On January 23, 2025, the Company closed a non-brokered private placement (the “January 2025 Private Placement”) of 258,506 units at \$0.75 per unit with two of its largest existing shareholders, for a total subscription price of \$193,880. Each unit under the January 2025 Private Placement was comprised of one common share and one warrant. The warrants have an exercise price of \$0.90 per warrant and expire three years after the respective issue date.

On January 30, 2025, the Company announced that it has launched a non-brokered private placement offering of up to 7,500,000 units of the Company at a price of \$0.20 per unit to raise aggregate gross proceeds to the Company of up to \$1,500,000 (the “Offering”).

April 24, 2025, the Company closed the first tranche of the Offering with 692,736 units issued at \$0.20 per unit with its largest shareholder, for gross proceeds of \$138,547. Each unit was comprised of one common share and one-half warrant. The warrants have an exercise price of \$0.24 per warrant and expire three years from the date of issuance.



# MyndTec Inc.

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## 13. Share capital, warrants and stock options (continued)

### 2025 Private Placements (continued)

May 23, 2025, the Company closed the second tranche of the Offering with 697,023 units issued at \$0.20 per unit with its largest shareholder, for gross proceeds of \$139,405. Each unit was comprised of one common share and one-half warrant. The warrants have an exercise price of \$0.24 per warrant and expire three years from the date of issuance.

On July 3, 2025, the Company closed the third tranche of the Offering with 686,573 units issued at \$0.20 per unit with its largest shareholder, for gross proceeds of \$137,315. Each unit was comprised of one common share and one-half warrant. The warrants have an exercise price of \$0.24 per warrant and expire three years from the date of issuance.

On August 14, 2025, the Company closed the fourth tranche of the Offering with 688,610 units issued at \$0.20 per unit with its largest shareholder, for gross proceeds of \$137,722. Each unit was comprised of one common share and one-half warrant. The warrants have an exercise price of \$0.24 per warrant and expire three years from the date of issuance.

Under the January 2025 Private Placement and the Offering, the subscribers received a total of 3,023,448 common shares of the Company and 1,640,977 warrants to acquire common shares of the Company. Of the \$725,973 in net proceeds after deduction of share issuance costs of \$20,896, \$131,929 was allocated to the value of the warrants, based on a Black Scholes valuation of the warrants with a weighted average exercise price of \$0.344; a weighted average estimated \$0.075 value of common shares; a weighted-average volatility rate of 93.53%; an expected 3-year life for the warrants; and a weighted-average risk-free interest rate of 2.73%.

### Warrants and Options

On September 30, 2025, the Company has 9,278,321 of fully vested warrants outstanding, exercisable into one common share per warrant, as follows:

- 1,620,743 at an exercise price of \$0.90, that expire in the year ending December 31, 2026;
- 4,738,704 at an exercise price of \$1.00, that expire on February 16, 2027;
- 1,277,897 at an exercise price of \$0.90, that expire in the year ending December 31, 2027;
- 258,506 at an exercise price of \$0.90, that expire on January 23, 2028;
- 346,368 at an exercise price of \$0.24, that expire on April 24, 2028;
- 348,511 at an exercise price of \$0.24, that expire on May 22, 2028;
- 343,287 at an exercise price of \$0.24, that expire on July 3, 2028;
- 344,305 at an exercise price of \$0.24, that expire on August 14, 2028.

On September 30, 2025, the Company had 922,500 options outstanding, with a weighted average exercise price of \$0.90 and weighted average remaining life of 5.83 years. 850,000 of the options are fully vested.

# MyndTec Inc.

Notes to Condensed Interim Financial Statements  
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## 13. Share capital, warrants and stock options (continued)

### Stock options

Under the Company's "evergreen" stock option plan, the Company may grant stock options for up to 10% of the outstanding common shares at the time of the granting of the stock options on a fully diluted basis to certain employees and directors. The exercise price of each stock option granted may not be less than the market price of the Company's stock at the time of the grant. These stock options vest over a period of up to four years and have expiry dates of either seven or ten years. The following options are issued and outstanding:

On January 16, 2025 the Company granted 100,000 stock options to four consultants, engaged by Company on its Advisory Board. Each option allows the purchase of one common share of the Company at \$0.50 per share. The options vest on a monthly basis at one-twelfth per month, until December 31, 2025, and expire on January 16, 2035.

On August 1, 2025 the Company granted 25,000 stock options to four consultants, engaged by Company on its Advisory Board. Each option allows the purchase of one common share of the Company at \$0.50 per share. The options vest on a monthly basis at 5,000 per month commencing August 31, 2025 and expiring on August 1, 2035.

The Company estimated the fair value of the stock options granted in 2025 and 2024 using the Black-Scholes option pricing model with the following weighted average assumptions:

	2025 January 16,	2025 August 1,	2024 April 15
Options	\$ 100,000	25,000	37,500
Exercise price	\$ 0.50	\$ 0.50	\$ 0.75
Estimated share price value	\$ 0.10	\$ 0.08	\$ 0.50
Volatility	112.87 %	101.71 %	113.26 %
Expected life in years	10	10	5
Risk free interest rate	3.89 %	3.38 %	3.89 %
Dividend yield	nil	nil	nil
Estimated value per option	\$ 0.087	\$ 0.060	\$ 0.385
Total valuation	\$ 8,685	\$ 1,576	\$ 14,442

Due to the absence of Company specific volatility rates, the Company chose comparable companies in a similar industry.

In the nine-month period ending September 30, 2025 the Company recorded \$17,310 (nine months ended September 30, 2024 – 35,442) of share-based compensation expense, related to stock options, in the statement of loss and comprehensive loss, using the graded vesting method.

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## 14. Breakdown of expenses by nature

	Nine months ended September 30	
	2025	2024
<b>General and administration</b>		
Salaries and benefits	\$ 279,812	\$ 281,361
Accounting, legal and professional fees	119,310	130,189
Technology expense	31,894	46,776
Additional rent	42,487	30,129
Insurance	46,492	56,828
Other expenses	21,986	22,065
<b>Total general and administration</b>	<b>\$ 541,981</b>	<b>\$ 567,348</b>
<b>Research and development</b>		
Salaries and benefits	\$ 118,180	\$ 140,263
Patent expenses	11,798	17,647
Other development expenses	57,862	2,647
	<b>\$ 187,840</b>	<b>\$ 160,557</b>

## 15. Salaries and benefits

	Nine months ended September 30	
	2025	2024
General and administration	\$ 279,812	\$ 281,361
Research, development and quality control	118,180	140,263
	<b>\$ 397,992</b>	<b>\$ 421,624</b>

## 16. Interest and accretion

	Nine months ended September 30	
	2025	2024
Government loans		
FEDA	\$ (13,725)	\$ 18,384
Total government loans	(13,725)	18,384
Lease obligation	-	126
<b>Total accretion expense</b>	<b>(13,725)</b>	<b>18,510</b>
Other long-term debt	1,387	1,884
Short term interest	-	(342)
<b>Total interest and accretion expense</b>	<b>\$ (12,338)</b>	<b>\$ 20,052</b>
Government loans		
HTX	\$ -	\$ (1)
<b>Total change in fair value</b>	<b>\$ -</b>	<b>\$ (1)</b>

# MyndTec Inc.

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## 17. Government grants and tax credits

### Scientific research and experimental development (SR&ED) tax credits

In the past, the Company has made claims for SR&ED deductions and related expenses for income tax purposes, based on the applicable legislation in the Income Tax Act (Canada). Since February 16, 2022, when the Company became publicly listed, only the Ontario portion of SR&ED credits is recoverable in cash refunds.

During the year ended December 31, 2024, the Company received and recorded \$19,293 of Ontario SR&ED claims, related to the annual December 31, 2023 tax period. The Company did not have any recoverable SR&ED expenditures related to the annual December 31, 2024 tax period, or for the nine-month period ended September 30, 2025.

## 18. Commitments and contingencies

The Company is in default of its unsecured obligations to its former legal firm (note 7) and the FEDA (note 10), for which it does not have the funds to repay. As of September 30, 2025, the Company's only foreseeable option to settle these \$1,124,195 of obligations is to issue Company securities. Otherwise, the creditors might be inclined to commence legal proceedings. These obligations are an impediment to the Company's ability to complete future financings, which creates a material uncertainty and a going concern risk (note 1) for the Company.

On August 29, 2012, the Company entered into an agreement with a health services institution whereby it granted the Company an exclusive worldwide license to commercialize certain intellectual property related to a functional electrical stimulation device and system; for which the Institution received 400,000 of the Company's common shares, with a fair value of \$400,000. In addition, the Company is committed to paying a cumulative royalty on the net sales of stimulators used to treat motor dysfunction, as follows:

- 0% on the first \$1,000,000 cumulative net sales;
- 4% on the cumulative net sales exceeding \$1,000,000 but not greater than \$7,500,000; and,
- 1% on the cumulative net sales exceeding \$7,500,000.

The amount of these fees for the year ended December 31, 2024 and 2023 are disclosed in note 13.

The Company's office lease agreement expired on July 31, 2025. Total rental costs for the one month ending July 31, 2025 was \$5,578 after which the Company has closed its office and is operating virtually.

## 19. Capital management

The Company's capital management objectives are to maintain financial flexibility in order to pursue its product development and commercialization strategy, and ultimately provide long-term returns to its shareholders. This strategy relies significantly on the Company's ability to demonstrate growing efficacy creation in its medical devices, in order to convince potential investors to invest more capital in the Company's development efforts.

The Company defines capital as the aggregate of its share capital and borrowings.

The Company manages its capital structure in accordance with changes in economic conditions. In order to maintain or adjust its capital structure, the Company may elect to issue or repay financial liabilities, issue shares, repurchase shares, pay dividends or undertake any other activities as deemed appropriate under the specific circumstances. The Company is not subject to any externally imposed capital requirements. Management reviews its capital management approach on an ongoing basis. There were no material changes to this approach during the nine-months period ended September 30, 2025.

# MyndTec Inc.

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## 20. Financial instruments and risk management

### ***Credit risk***

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from deposits with banks and outstanding receivables. The Company trades only with recognized, creditworthy third parties. The Company performs credit checks for all customers who wish to trade on credit terms.

The Company does not hold any collateral as security but mitigates this risk by dealing only with what management believes to be financially sound counterparties and, accordingly, does not anticipate significant loss for non-performance.

Credit loss impairment is determined based upon review of specific accounts as the Company does not have significant historical uncollectable receivables. As at September 30, 2025, the Company had \$242 in overdue trade and other receivables (December 31, 2024 – \$1,485).

### ***Liquidity risk***

Liquidity risk is the risk the Company will not be able to meet its financial obligations as they come due. The Company's exposure to liquidity risk is dependent on the Company's ability to raise additional financing to meet its commitments and sustain operations. The Company mitigates liquidity risk by management of working capital, cash flows, the issuance of share capital and if desired, the issuance of debt. The Company's trade and other payables are all due within twelve months from the date of these Financial Statements.

If unanticipated events occur that impact the Company's ability to meet its forecast and continue to fund customer acquisition cost, research and development, and administrative requirements, the Company may need to take additional measures to increase its liquidity and capital resources, including obtaining additional debt or equity financing or strategically altering the business forecast and plan. In this case, there is no guarantee that the Company will obtain satisfactory financing terms or adequate financing. Failure to obtain adequate financing on satisfactory terms could have a material adverse effect on the Company's results of operations or financial condition.

The Company is obligated to the following contractual maturities of undiscounted cash flows as at September 30, 2025:

	<b>Less than 1 year</b>	<b>2 - 3 years</b>	<b>More than 3 years</b>	<b>Total</b>
Trade and other payables	\$ 997,337	\$ -	\$ -	\$ 997,337
Government loans	408,544	-	-	408,544
Other long-term debt	6,280	14,824	-	21,104
	<b>\$ 1,412,161</b>	<b>\$ 14,824</b>	<b>\$ -</b>	<b>\$ 1,426,985</b>

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## 20. Financial instruments and risk management (continued)

### **Market risk**

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

- **Foreign currency risk** arises on financial instruments that are denominated in a currency other than the functional currency in which they are measured. The Company's primary exposure with respect to foreign currencies is from United States dollar denominated cash, trade and other receivables, and trade and other payables. As at September 30, 2025, a 1% change in the foreign exchange rates would result in a \$611 impact to the Financial Statements (December 31, 2024 - \$516).
- **Interest rate risk** is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk as at September 30, 2025 with respect to its \$21,104 long term debt, at prime plus 2.84%, which totaled 7.54% at September 30, 2025.
- **Other price risk** is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company is not exposed to other price risk as at September 30, 2025 and December 31, 2024.

### **Fair values**

The carrying values of cash and cash equivalents, trade and other receivables excluding HST, trade and other payables excluding HST, and other long-term debt are considered representative of their respective fair values due to the short-term period to their maturity. The government loans approximate their fair value as the interest and discount rates are consistent with the current rates offered by the Company for its loans with similar terms. The Company does not use derivative financial instruments to manage this risk.

Financial instruments recorded at fair value on the statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The Company categorizes its fair value measurements according to a three-level hierarchy. The hierarchy prioritizes the inputs used by the Company's valuation techniques. A level is assigned to each fair value measurement based on the lowest-level input significant to the fair value measurement in its entirety. The three levels of the fair value hierarchy are defined as follows:

- **Level 1** – Unadjusted quoted prices as at the measurement date for identical assets or liabilities in active markets.
- **Level 2** – Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.
- **Level 3** – Significant unobservable inputs that are supported by little or no market activity. The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.
- The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value. During the year, there were no transfers of amounts between levels. The fair value of derivative and warrant liabilities and HTC government loan are determined using level 3 inputs.
- There are no financial instruments measured at fair value using level 3 inputs as at September 30, 2025 or December 31, 2024.

# MyndTec Inc.

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## 21. Segmented information

The Company reports segment information based on internal reports used by the chief operating decision maker ("CODM") to make operating and resource decisions and to assess performance. The CODM is the Chief Executive Officer.

The Company has revenues from sales in Canada and from Canada to the United States and Malaysia. The Company has one operating segment which includes income related to its MyndMove, MyndSearch (a variation of MyndMove, which has been modified for research purposes) and MyndStep devices. The two types of revenue include: (1) treatment fees, from treatment clinics that use the Company's MyndMove devices and (2) product sales, which are revenues from the sale of MyndMove, MyndSearch or MyndStep devices to clinics or research institutions and the sale of treatment supplies.

All treatment revenue devices are located in Canada. Revenues by geographical location and by services and products, delivered in the nine-month periods ended September 30, 2025 and 2024, were as follows:

Revenue by geographic location of customers	Nine months ended September 30	
	2025	2024
Canada	\$ 33,926	\$ 51,626
Non-Canadian	85,588	46,652
Total revenue	\$ 119,514	\$ 98,278
Revenue by services and products delivered		
Treatment fees	\$ 21,000	\$ 38,450
Product sales	98,338	59,630
Other	176	198
Total revenue	\$ 119,514	\$ 98,278

## 22. Subsequent events

On October 2, 2025, the Company closed the fifth tranche of the Offering with 522,106 units issued at \$0.20 per unit with its largest shareholder, for gross proceeds of \$104,421. Each unit was comprised of one common share and one-half warrant. The warrants have an exercise price of \$0.24 per warrant and expire three years from the date of issuance.

On October 16, the Company closed the sixth tranche of the Offering with 263,425 units issued at \$0.20 per unit with its largest shareholder, for gross proceeds of \$52,669. Each unit was comprised of one common share and one-half warrant. The warrants have an exercise price of \$0.24 per warrant and expire three years from the date of issuance.

On November 4, 2025, the Company closed the seventh tranche of the Offering with 262,027 units issued at \$0.20 per unit with its largest shareholder, for gross proceeds of \$52,451. Each unit was comprised of one common share and one-half warrant. The warrants have an exercise price of \$0.24 per warrant and expire three years from the date of issuance.