



Delivra Health Brands Inc.

Condensed Consolidated Interim Financial Statements (Unaudited)

For the three months ended September 30, 2025 and 2024
(in Canadian dollars)

Delivra Health Brands Inc.

Table of contents

Notice to reader	3
Condensed consolidated interim statements of financial position.....	4
Condensed consolidated interim statements of loss and comprehensive loss	5
Condensed consolidated interim statements of changes in equity	6
Condensed consolidated interim statements of cash flows	7
Notes to the condensed consolidated interim financial statements	8-18

Notice to reader

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these financial statements in accordance with the standards established by the Canadian Institute of Professional Chartered Accountants for a review of interim financial statements by an entity's auditor.

Delivra Health Brands Inc.

Condensed consolidated interim statements of financial position

As at September 30, 2025 and June 30, 2025

(Unaudited – Expressed in thousands of Canadian dollars)

	Note	September 30 2025	June 30 2025
		\$	\$
Assets			
Current assets			
Cash		3,252	3,302
Accounts receivable	3	3,442	3,340
Inventories	4	2,280	2,759
Prepaid expenses and deposits		118	177
		9,092	9,578
Property, plant and equipment	5	-	27
Total assets		9,092	9,605
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	6	2,578	3,253
Loans payable	7	315	308
		2,893	3,561
Loans payable	7	1,870	1,805
Total liabilities		4,763	5,366
Equity			
Share capital	9	148,630	148,630
Other reserves	10	26,156	26,107
Accumulated other comprehensive loss		(14)	(146)
Accumulated deficit		(170,443)	(170,352)
Total equity		4,329	4,239
Total liabilities and equity		9,092	9,605

Going concern (note 2(c))

“Jason Bednar”
Jason Bednar, Director

“Gord Davey”
Gord Davey, Director

Delivra Health Brands Inc.

Condensed consolidated interim statements of loss and comprehensive loss

For the three months ended September 30, 2025 and 2024

(Unaudited – Expressed in thousands of Canadian dollars, except share and per share amounts)

		For the three months ended September 30	
	Note	2025	2024
		\$	\$
Revenue	12	3,207	3,163
Cost of sales		1,704	1,540
Inventory write-down	4	2	25
Gross profit		1,501	1,598
Expenses			
General and administration	8	1,028	945
Sales and marketing		419	662
Depreciation and amortization	5	27	326
Share-based compensation	10	49	71
		1,523	2,004
Loss from operations		(22)	(406)
Other (expense) income			
Interest and finance costs		(71)	(67)
Gain (loss) from extinguishment/forgiveness of accounts payable		10	-
Foreign exchange loss		(8)	(5)
		(69)	(72)
Net loss		(91)	(478)
Other comprehensive gain (loss)-Items that may be reclassified to profit and loss:			
Foreign currency translation		132	(67)
Comprehensive profit (loss)		41	(545)
Net profit (loss) per share – basic and diluted		(0.003)	(0.02)
Weighted average number of outstanding common shares- basic and diluted		31,261,781	30,061,785

Delivra Health Brands Inc.

Condensed consolidated interim statements of changes in equity

For the three months ended September 30, 2025 and 2024

(Unaudited – Expressed in thousands of Canadian dollars, except share and per share amounts)

	Note	Number of shares	Share capital	Other reserves	Accumulated other comprehensive loss	Accumulated deficit	Total
		#	\$	\$	\$	\$	\$
Balance, June 30, 2024		31,261,781	148,630	25,827	(101)	(169,162)	5,194
Share-based compensation	10	-	-	71	-	-	71
Foreign currency translation		-	-	-	(67)	-	(67)
Net loss		-	-	-	-	(478)	(478)
Balance, September 30, 2024		31,261,781	148,630	25,898	(168)	(169,640)	4,720
Balance, June 30, 2025		31,261,781	148,630	26,107	(146)	(170,352)	4,239
Share-based compensation	10			49			49
Foreign currency translation					132		132
Net profit (loss)						(91)	(91)
Balance, September 30, 2025		31,261,781	148,630	26,156	(14)	(170,443)	4,329

Delivra Health Brands Inc.

Condensed consolidated interim statements of cash flows

For the three months ended September 30, 2025 and 2024

(Unaudited – Expressed in thousands of Canadian dollars, except share and per share amounts)

		For the three months ended September 30	
	Note	2025	2024
		\$	\$
Operating activities			
Net profit (loss)		(91)	(478)
Adjustments to reconcile non-cash items			
Depreciation and amortization	5	27	326
Inventory write-down	4	2	25
Share-based compensation	10	49	71
Gain (loss) from extinguishment/forgiveness of accounts payable		(10)	-
Interest and accretion on loans	7	77	81
Changes in working capital			
Accounts and lease receivable		(202)	(428)
Inventories		458	28
Prepaid expenses and deposits		59	(127)
Accounts payable and accrued liabilities		(646)	148
Net cash provided by operating activities		(277)	(354)
Financing activities			
Repayment of loans and borrowings	7	(5)	(16)
Net cash used in financing activities		(5)	(16)
Effect of foreign exchange on cash		232	(94)
Change in cash during the period		(50)	(464)
Cash, beginning of the year		3,302	4,200
Cash, end of the period		3,252	3,736

Supplemental information:

- 1) During the three months ended September 30, 2025, the interest paid was \$1 (2024: \$2)
- 2) During the three months ended September 30, 2025, there was no income tax paid (2024: \$nil)

Delivra Health Brands Inc.

Notes to the condensed consolidated interim financial statements

For the three months ended September 30, 2025 and 2024

(Unaudited – Expressed in thousands of Canadian dollars, except share and per share amounts)

1. Nature of operations

Delivra Health Brands Inc. ("Delivra Health" or the "Company") is a publicly traded corporation, incorporated in Canada, with its head office located at 404 – 999 Canada Place, Vancouver, BC, V6C 3E2. Delivra Health's common shares are listed on the TSX Venture Exchange under the symbol "DHB" and on the OTCQB® Venture Market operated by OTC Market Group under the symbol "DHBUF".

These unaudited condensed consolidated interim financial statements as at and for the three months ended September 30, 2025 and 2024 include Delivra Health and its subsidiaries (together referred to as "the Company").

The Company is in the health and wellness consumer packaged goods business. The Company provides innovative lifestyle and health and wellness self-care products to consumers and patients in regulated markets around the world through its subsidiaries: Dream Water Global ("Dream Water") and Delivra Corp. ("Delivra").

On January 27, 2025, the Company's Board of Directors approved the consolidation of the Company's issued and outstanding common shares at a consolidation ratio of ten (10) pre-consolidation common shares for every post-consolidation common share (the "Share Consolidation"), the change has been applied retrospectively and as a result, all disclosures of common shares, per common share data and data related to stock options, warrants in the accompanying consolidated financial statements and related notes reflect this share consolidation for all periods presented.

2. Material accounting policies

a) *Basis of presentation*

These condensed consolidated interim financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

These consolidated financial statements were approved and authorized for issue by the board of directors ("Board") of the Company on November 10, 2025.

b) *Estimation Uncertainty*

There are many external factors that can adversely affect general workforces, economies and financial markets globally. Examples include, but are not limited to, political conflict in other regions and heightened inflation. It is not possible for the Company to predict the duration or magnitude of adverse results of such external factors and their effect on the Company's business or ability to raise funds.

To date, the Company has not experienced a significant overall downturn in demand for its products in connection with such ongoing uncertainties, however, the Company cannot provide assurance that there will not be downturns or disruptions to its operations in the future.

c) *Basis of accounting – going concern*

These condensed consolidated interim financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business.

The Company's ability to continue in the normal course of operations is dependent on its ability to achieve and maintain profitable operations and raise additional capital through debt or equity financings. While the Company has been successful in raising capital in the past, there is no assurance it will be successful in closing further financing transactions in the future.

The Company had a consolidated net loss of \$91 and generated negative operating cash flows of \$277 for the three months ended September 30, 2025 and an accumulated deficit of \$170,443 as at September 30, 2025. The ability of the Company to continue as a going concern is dependent upon generating profit through its operations and/or obtaining additional financing through the issuance of debt or equity. There is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company or that profitable operations are not achieved. These events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. If for any reason the Company is unable to continue as a going concern, then this could have an impact on the Company's ability to realize assets at their recognized values, and to extinguish liabilities in the normal course of business at the amounts stated in the consolidated financial statements.

Delivra Health Brands Inc.

Notes to the condensed consolidated interim financial statements

For the three months ended September 30, 2025 and 2024

(Unaudited – Expressed in thousands of Canadian dollars, except share and per share amounts)

2. Material accounting policies (continued)

d) *Basis of measurement*

These condensed consolidated interim financial statements are presented in Canadian dollars and are prepared on a historical cost basis, except for certain financial instruments which are measured at fair value.

e) *Basis of consolidation*

These condensed consolidated interim financial statements incorporate the financial statements of the Company and its subsidiaries. The accounts of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. Intercompany transactions, balances and unrealized gains or losses on transactions are eliminated.

Subsidiary	Jurisdiction and functional currency	% ownership	Accounting method
Dream Products Inc.	Canada	100%	Consolidation
Dream Products USA Inc.	USA	100%	Consolidation
Sarpes Beverages, LLC	USA	100%	Consolidation
Delivra Corp.	Canada	100%	Consolidation
Delivra Inc.	Canada	100%	Consolidation
Delivra Pharmaceuticals Inc.	Canada	100%	Consolidation
LivCorp Inc.	Canada	100%	Consolidation
LivCorp International Inc.	Canada	100%	Consolidation
LivVet Inc.	Canada	100%	Consolidation
PortaPack Ltd.	Canada	100%	Consolidation
United Greeneries Holdings Ltd.	Canada	100%	Consolidation
United Greeneries Operations Ltd.	Canada	100%	Consolidation

3. Accounts receivable

The summary of the Company's accounts receivable is as follows:

	September 30 2025	June 30 2025
	\$	\$
Trade receivables	3,210	3,134
Taxes recoverable from governments	232	206
	3,442	3,340

The Company provides credit to its customers in the normal course of business and has mitigated this risk by managing and monitoring the underlying business relationships. At the reporting date, there was \$nil trade receivable write-down (September 2024 - \$nil). At the reporting date, the Company assessed the collectability of the balance and concluded that none of the receivables were uncollectible.

Delivra Health Brands Inc.

Notes to the condensed consolidated interim financial statements

For the three months ended September 30, 2025 and 2024

(Unaudited – Expressed in thousands of Canadian dollars, except share and per share amounts)

4. Inventories

The summary of the Company's inventories is as follows:

	September 30 2025	June 30 2025
	\$	\$
Liquid sleep shots and sleep powder packets		
Finished goods	1,380	1,787
	1,380	1,787
Pain relief creams		
Raw materials and work-in-progress	282	271
Finished goods	658	737
	940	1,008
Packaging and supplies	158	159
Inventory allowance	(198)	(195)
	2,280	2,759

Allowance and write-downs

During the three months ended September 30, 2025, the inventory write-down was \$2 (2024: \$25). Due to estimation uncertainties attributable to forecasting including slow moving and expiry dates, it is not possible to predict whether the full carrying value of inventory can be recognized in the next 12 months. As such, as at September 30, 2025, the Company recognized an inventory valuation allowance of \$198.

Delivra Health Brands Inc.

Notes to the condensed consolidated interim financial statements

For the three months ended September 30, 2025 and 2024

(Unaudited – Expressed in thousands of Canadian dollars, except share and per share amounts)

5. Property, plant and equipment

The summary of the Company's property, plant and equipment is as follows

	Plant and Equipment	Total
	\$	\$
Cost		
July 1, 2024	480	480
June 30, 2025	480	480
Accumulated depreciation		
July 1, 2024	377	377
Amortization	76	76
June 30, 2025	453	453
Net book value June 30, 2025	27	27
Cost		
July 1, 2025	480	480
Sep 30, 2025	480	480
Accumulated depreciation		
July 1, 2025	453	453
Amortization	27	27
Sep 30, 2025	480	480
Net book value		
Sep 30, 2025	-	-

Delivra Health Brands Inc.

Notes to the condensed consolidated interim financial statements

For the three months ended September 30, 2025 and 2024

(Unaudited – Expressed in thousands of Canadian dollars, except share and per share amounts)

6. Accounts payable and accrued liabilities

The summary of the Company's accounts payable and accrued liabilities is as follows:

	September 30 2025	June 30 2025
	\$	\$
Trade payables	1,410	1,338
Accrued liabilities	782	1,562
Other payables	386	353
	2,578	3,253

Trade payables, accrued liabilities, payroll liabilities and other payables are non-interest bearing. All amounts are expected to be settled within 12 months.

7. Loans

The summary of the Company's loans and borrowings is as follows:

	Notes	September 30 2025	June 30 2025
		\$	\$
Unsecured loans	(a)	2,185	2,113
Total loans liabilities		2,185	2,113
Current portion		(315)	(308)
Non-current portion		1,870	1,805

a) Unsecured loans

As at September 30, 2025, the Company has three remaining unsecured loans from the Atlantic Canada Opportunities Agency ("ACOA") (2025 – three remaining unsecured loans).

	Discount Rate(ii)	Maturity	Face Value	Balance, July 1, 2025	Accretion	Repayments	Total
			\$	\$	\$	\$	\$
Loans assumed on acquisition							
ACOA 201210	16%	(i)	2,860	1,958	71	-	2,029
ACOA 206924	16%	2026	117	8	1	(5)	4
ACOA 207593	16%	(i)	484	147	5	-	152
Balance, September 30, 2025			3,461	2,113	77	(5)	2,185

(i) The annual instalments are calculated as 5% to 10% of forecasted revenues from pipeline products for the calendar year immediately preceding the due date of the respective payment, with an estimated commencement date of August 31, 2026.

(ii) The discount interest rate used to calculate the fair value of the loans.

The loans with ACOA are through the Atlantic Innovation Fund for the specified projects, in which repayable contributions are received by the Company to a maximum amount based on the lesser of: (i) a percentage of eligible costs, plus a percentage of working capital requirements for the project in certain instances, and (ii) a

Delivra Health Brands Inc.

Notes to the condensed consolidated interim financial statements

For the three months ended September 30, 2025 and 2024

(Unaudited – Expressed in thousands of Canadian dollars, except share and per share amounts)

7. Loans (continued)

specified amount. The Company must meet certain conditions of assistance, which are specific to each agreement and project, including maintaining specified amounts of equity.

8. General and administration expenses

The summary of the Company's general and administration expenses is as follows:

	September 30 2025	September 30 2024
	\$	\$
Insurance	47	48
Investor relations	88	20
Office and general	70	77
Professional and consulting services	235	116
Regulatory	6	6
Rent	5	7
Salaries, bonus and benefits	541	624
Travel	36	47
	1,028	945

9. Share capital and earnings per share

a) Authorized

The Company has an unlimited number of authorized common shares with no par value.

b) Issued capital

On February 21, 2025, the Company completed the Share Consolidation in which one (1) new common share was issued for each ten (10) outstanding common shares. Prior to this Share Consolidation, a total of 312,617,854 common shares were outstanding, which have since consolidated into 31,261,781 common shares. Except where otherwise indicated, all historical share numbers and per share amounts have been adjusted on a retroactive basis to reflect this Share Consolidation. As a result of the Share Consolidation and effective February 21, 2025, the exchange basis of the December Warrants and the number of December Warrant Shares obtainable upon exercise of the December Warrants was decreased by a multiple of ten (10), such that a holder of the December Warrants will be required to exercise ten (10) December Warrants to acquire one (1) December Warrant Share at the adjusted price of \$0.50 per December Warrant Share. All information in these consolidated financial statements is presented on a post-Share Consolidation basis. As a result of the Share Consolidation, the number, exchange basis or exercise price of all stock options and warrants have been adjusted, to reflect the ten-for-one Share Consolidation.

As at September 30, 2025, 31,261,781 common shares (June 30, 2025 – 31,261,781) were issued and fully paid.

Delivra Health Brands Inc.

Notes to the condensed consolidated interim financial statements

For the three months ended September 30, 2025 and 2024

(Unaudited – Expressed in thousands of Canadian dollars, except share and per share amounts)

10. Other reserves

The summary of the Company's other reserves is as follows:

	Share-based awards (a) \$	Warrants (b) \$	Other \$	Total \$
Balance, June 30, 2024	12,040	12,972	815	25,827
Share-based compensation	280	-	-	280
Balance, June 30, 2025	12,320	12,972	815	26,107
Warrants issued	-	-	-	-
Share-based compensation	49	-	-	49
Balance, September 30, 2025	12,369	12,972	815	26,156

a) Share-based awards

(i) Stock options

On March 20, 2020, the Company adopted a fixed share option plan ("Predecessor Plan") under which the maximum number of common shares that were issuable pursuant to the exercise of stock options was fixed at 2,150,795 common shares, representing 10% of the issued and outstanding common shares as of the date of the implementation of the Predecessor Plan. On March 20, 2024, the Company adopted a new 10% fixed stock option plan (the "New Plan") that replaced the Predecessor Plan. Under the New Plan a maximum of 3,126,178 common shares are reserved for issuance, representing 10% of the issued and outstanding common shares as of the date of the implementation of the New Plan.

The continuity of the Company's stock options is as follows:

	Number outstanding #	Weighted average exercise price \$
Outstanding at June 30, 2024	2,755,024	0.67
Forfeited	(88,857)	0.53
Outstanding at June 30, 2024	2,666,167	0.67
Granted	100,000	0.30
Expired	(326,167)	0.85
Outstanding at September 30, 2025	2,440,000	0.63

During the three months ended September 30, 2025, 100,000 stock options were granted (September 2024 – none). The options are exercisable at a price of \$0.30, vest immediately and will have an expiry date on August 6, 2028.

In determining the amount of share-based compensation, the Company used the Black-Scholes option pricing model to establish the fair value of stock options granted. The following assumptions were applied for the stock options granted above:

	September 30 2025
Risk-free interest rate	2.69%
Expected life of options (years)	3.00
Expected annualized volatility	200.65%
Expected dividend yield	Nil

Delivra Health Brands Inc.

Notes to the condensed consolidated interim financial statements

For the three months ended September 30, 2025 and 2024

(Unaudited – Expressed in thousands of Canadian dollars, except share and per share amounts)

10. Other reserves (continued)

The number of options outstanding and exercisable at September 30, 2025 is as follows:

Expiry date	Number of stock options outstanding #	Exercise price \$	Number of stock options exercisable #
December 7, 2025	150,000	0.75	150,000
April 8, 2026	445,000	1.20	445,000
October 31, 2027	410,000	0.50	410,000
May 27, 2029	1,335,000	0.50	445,000
August 6, 2028	100,000	0.30	100,000
	2,440,000		1,550,000

b) Warrants

The continuity of the Company's warrants is as follows:

	Total # outstanding	Weighted average exercise price #	\$
Outstanding at June 30, 2024	6,000,000	6,000,000	0.50
Outstanding at June 30, 2025	6,000,000	6,000,000	0.50
Outstanding at Sep 30, 2025	6,000,000	6,000,000	0.50

(i) Private placement December Warrants

Pursuant to the December 2023 Offering, the Company issued an aggregate of 6,000,000 December Warrants. Each December Warrant will entitle the holder thereof to acquire one December Warrant Share at a price of \$0.50 per December Warrant Share for 36 months following the completion of the December 2023 Offering.

The fair value of December Warrants was estimated using the relative fair value method and the following assumptions:

Stock price at time of measurement	\$0.15
Risk free interest rate	4.04
Expected life of warrants (years)	3.00
Expected annualized volatility	197.48%
Expected dividend yield	Nil

Delivra Health Brands Inc.

Notes to the condensed consolidated interim financial statements

For the three months ended September 30, 2025 and 2024

(Unaudited – Expressed in thousands of Canadian dollars, except share and per share amounts)

10. Other reserves (continued)

The Company's outstanding warrants as of September 30, 2025 is as follows:

	Issued #	Outstanding #	Exercise price \$	Expiry date
Private Placement	6,000,000	6,000,000	0.5	Dec 12, 2026
	6,000,000	6,000,000		

11. Related parties

The summary of the Company's related party transactions during the three months ended September 30, 2025 and 2024 is as follows:

a) Compensation of key management personnel

Key management personnel ("KMP") include persons having the authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The KMP of the Company are the members of the Company's executive management team and Board of Directors. Compensation provided to KMP is as follows:

	September 30 2025	September 30 2024
	\$	\$
Salaries and benefits	195	167
Directors' fees	60	60
Share-based compensation	20	43
Total	275	270

b) Payments to related parties

As at September 30, 2025, there was \$264 directors' fees and management bonuses (June 30, 2025 – \$244) included in accounts payable and accrued liabilities.

12. Net revenue

a) The Company generates net revenue from two geographical locations:

Net revenue	September 30 2025	September 30 2024
	\$	\$
Canada	599	652
US	2,608	2,511
Total	3,207	3,163

Net revenues in each geographical location relate to the sale of the following:

- Canada – Dream Water liquid sleep shots, gummies and sleep powder packets, and LivRelief™ pain relief creams
- US – Dream Water liquid sleep shots, gummies and sleep powder packet.

The Company's non-current assets are all in Canada.

Delivra Health Brands Inc.

Notes to the condensed consolidated interim financial statements

For the three months ended September 30, 2025 and 2024

(Unaudited – Expressed in thousands of Canadian dollars, except share and per share amounts)

12. Net revenue (continued)

- b) Net revenue comprised the following sales: (1) Dream Water® brand sales in both US and Canada; (2) Delivra LivRelief™ brand sales in Canada; and (3) LivRelief™ Infused topical cream licensing sales in Canada.

The following table sets forth the disaggregation of the Company's net revenue from customer listing agreements of the Company's brands:

	September 30 2025	September 30 2024
Net revenue	\$	\$
Dream Water® US and Canada	2,874	2,661
LivRelief™	310	284
LivRelief™ Infused	23	218
Total	3,207	3,163

13. Major customers

During the three months ended September 30, 2025, the Company reported net revenue from two major customers over 10% of its total net revenue. The customers represented approximately \$1,631 and \$399 (September 30, 2025 - \$1,845) of total net revenue of the Company.

14. Financial instruments and risk

The Company thoroughly examines the various financial instruments and risks to which it is exposed and assesses the impact and likelihood of those risks. These risks include foreign exchange risk, credit risk, interest rate risk, and liquidity risk. Where material, these risks are reviewed and monitored by the Board of Directors.

The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility.

Foreign exchange risk

Foreign exchange risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in foreign exchange rates. As at September 30, 2025, the Company is exposed to foreign currency risk through its bank accounts denominated in United States Dollars ("USD"). A 10% appreciation (depreciation) of USD against the CAD, with all other variables held constant, would result in an increase or decrease of \$6 (September 2024 - \$9) in the Company's profit and comprehensive profit for the year.

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 the Company's trade accounts receivable. The Company's cash and accounts receivable are exposed to credit risk. The risk for cash is mitigated by holding these instruments with highly rated financial institutions. The Company provides credit to its customers in the normal course of business and has mitigated this risk by managing and monitoring the underlying business relationships. As at September 30, 2025, the Company is exposed to credit risk in the amount of the carrying amount of the Company's cash and accounts receivable.

As at September 30, 2025, the Company's aging of receivables was approximately as follows:

	September 30 2025	June 30 2025
	\$	\$
0 – 60 days	2,209	1,820
Over 60 days	1,001	1,314
	3,210	3,134

Delivra Health Brands Inc.

Notes to the condensed consolidated interim financial statements

For the three months ended September 30, 2025 and 2024

(Unaudited – Expressed in thousands of Canadian dollars, except share and per share amounts)

14. Financial instruments and risk (Continued)

Credit concentration

As at September 30, 2025, the Company's major customers balance of accounts receivable was approximately \$2,206 and \$253 (June 30, 2025 - \$2,586).

Interest rate risk

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. As at September 30, 2025, the Company is not exposed to any significant interest rate risk.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company manages liquidity risk by maintaining sufficient cash balances to enable settlement of transactions on the due date. Accounts payable and accrued liabilities have maturities of 30 days or less or are due on demand and are subject to normal trade terms. The Company has current assets of \$9,092 (June 2025: \$9,578) and current liabilities of \$2,893 (June 2025: \$3,561). The Company addresses its liquidity through debt or equity financing obtained through the sale of convertible debentures and common shares. While the Company has been successful in securing financings in the past, there is no assurance that it will be able to do so in the future.

Fair value hierarchy

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:
Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 – Inputs that are not based on observable market data.

During the period ended September 30, 2025, there were no transfers of amounts between fair value levels.

Cash and short-term investments are classified as a Level 1 financial instrument.

The Company's other financial instruments, including accounts receivable, current portion of lease receivable, promissory note and accounts payable and accrued liabilities are carried at cost which approximates fair value due to the relatively short maturity of those instruments. The carrying value of the Company's non-current portion of lease receivable, loans and borrowings approximate fair value as they bear a market rate of interest.