FORM 5A
ANNUAL LISTING SUMMARY

Introduction

The requirement to file this Form 5A does not apply to Non Venture Issuers. Non Venture Issuers must file a Form 51-102F2 Annual Information Form.

This Annual Listing Summary must be posted on or before the day on which the Issuer's annual financial statements are to be filed under the Securities Act. This statement is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by the Exchange Policies.

General Instructions

(a) Prepare this Annual Listing Summary using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the following items must be in narrative form. When the answer to any item is negative or not applicable to the Issuer, state it in a sentence. The title to each item must precede the answer.

(b) The term "Issuer" includes the Listed Issuer and any of its subsidiaries.

(c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

Listed Issuer Name: Deepspatial Inc. (the "Issuer") **Website:** https://www.deepspatial.ai **Listing Statement Date:** February 4, 2021 **Description(s) of listed securities(symbol/type):** Common Shares
Brief Description of the Issuer's Business: **Deepspatial Inc. is a geospatial artificial intelligence (AI) company specializing in providing actionable business insights by leveraging the power of business data, geospatial data and geographic information systems. The Issuer's unique system deploys AI algorithms to help businesses understand customer personas, predict demand and inventory consumption, optimize supply chain and improve product pricing using a targeted, geospatial intelligence platform.**
Description of additional (unlisted) securities outstanding: **Stock Options and Warrants**

Jurisdiction of Incorporation: Ontario		
Fiscal Year End: June 30, 2026		
Date of Last Shareholders' Meeting and Date of Next Shareholders' Meeting (if scheduled): The Issuer's last annual meeting was held on December 5, 2023. The Issuer's next AGM has not yet been announced.		
Financial Information as at: June 30, 2026		
	Current	**Previous**
Cash.....	10,148	72,552
Current Assets	744,253	732,316
Non-current Assets.....	-	-
Current Liabilities.....	2,356,600	1,629,561
Non-current Liabilities.....	-	-
Shareholders' equity (deficiency)....	(1,612,347)	(897,245)
Revenue.....	2,050,936	2,529,521
Net Income (loss).....	(714,969)	(106,955)
Net Cash Flow from Operations.....	(364,545)	(323,306)

SUPPLEMENTARY INFORMATION

The supplementary information set out below must be provided when not included in the Schedules. If the required details are included in Schedule A or B, provide specific reference to the page or note.

1. Related party transactions

Provide disclosure of all transactions with a Related Person, including those previously disclosed on Form 10. Include in the disclosure the following information about the transactions with Related Persons:

(a) A description of the relationship between the transacting parties. Be as precise as possible in this description of the relationship. Terms such as affiliate, associate or related company without further clarifying details are not sufficient.
(b) A description of the transaction(s), including those for which no amount has been recorded.
(c) The recorded amount of the transactions classified by financial statement category.

(d) The amounts due to or from Related Persons and the terms and conditions relating thereto.
(e) Contractual obligations with Related Persons, separate from other contractual obligations.
(f) Contingencies involving Related Persons, separate from other contingencies.

Please see Related Party Transactions (if any) disclosed in the Notes to the audited Annual Financial Statements attached as Schedule "A".

2. Summary of securities issued and options granted during the period.

Provide the following information for the Listed Issuer's fiscal year:

(a) summary of **securities issued during the period**,

Please see warrant and stock option activity disclosed in the Notes to the audited Annual Financial Statements attached as Schedule "A".

Date of Issue	Type of Security (common shares, convertible debentures, etc.)	Type of Issue (private placement, public offering, exercise of warrants, etc.)	Number	Price	Total Proceeds	Type of Consideration (cash, property, etc.)	Describe relationship of Person with Issuer (indicate if Related Person)	Commission Paid

(b) **summary of options** granted during the period,

Please see warrant and stock option activity disclosed in the Notes to the audited Annual Financial Statements attached as Schedule "A".

Date	Number	Name of Optionee if Related Person and relationship	Generic description of other Optionees	Exercise Price	Expiry Date	Market Price on date of Grant

3. Summary of securities as at the end of the reporting period.

Provide the following information in tabular format as at the end of the reporting period:

(a) description of authorized share capital including number of securities outstanding for each class, dividend rates on preferred shares and whether or not cumulative, redemption and conversion provisions,

Please see the Notes to the audited Annual Financial Statements attached as Schedule "A".

(b) description of options, warrants and convertible securities outstanding, including number or amount, exercise or conversion price and expiry date, and any recorded value, and

Please see the Notes to the audited Annual Financial Statements attached as Schedule "A".

(c) number of shares in each class of shares subject to escrow or pooling agreements or any other restriction on transfer.

Please see the Notes to the audited Annual Financial Statements attached as Schedule "A".

4. List the names of the directors and officers and include the position(s) held and the date of appointment, as at the date this report is signed and filed.

Officer/Director	Ttile(s)	Date Appointed
Dr. Rahul Kushwah	Chief Executive Officer and Director	December 22, 2020
Rakesh Malhotra	Chief Financial Officer and Secretary	December 22 2020
Sheldon Kales	Chairman and Director	December 22 2020
David Goodman	Director	April 22 2024
David Yu	Director	February 29 2024

5. Financial Resources

a) State the business objectives that the Issuer expects to accomplish in the forthcoming 12-month period;

b) Describe each significant event or milestone that must occur for the business objectives in (a) to be accomplished and state the specific time period in which each event is expected to occur and the costs related to

each event;

c) Disclose the total funds available to the Issuer and the following breakdown of those funds:

(i) the estimated consolidated working capital (deficiency) as of the most recent month end prior to filing the Listing Statement, and

(ii) the total other funds, and the sources of such funds, available to be used to achieve the objectives and milestones set out in paragraphs (a) and (b); and

(iii) describe in reasonable detail and, if appropriate, using tabular form, each of the principal purposes, with approximate amounts, for which the funds available described under the preceding paragraph will be used by the Issuer.

Please see Management's Discussion and Analysis attached as Schedule "B".

6. Status of Operations

During the fiscal year, did the Listed Issuer

(a) reduce or impair its principal operating assets; or

(b) cease or substantively reduce its business operations with respect to its stated business objectives in the most recent Listing Statement?

Provide details: **N/A**

7. Business Activity

a) Activity for a **mining or oil and gas Listed Issuer**

(i) For the most recent fiscal year, did the Listed Issuer have positive cash flow, significant revenue from operations, or $50,000 in exploration or development expenditures?

Provide details. **N/A**

(ii) If the response to (i) above is “no”, for the three most recent fiscal years did the Listed Issuer have an aggregate of $100,000 in exploration or development expenditures?

Provide details. **N/A**

b) Activity for industry segments other than mining or oil & gas

(i) For the most recent fiscal year, did the Listed Issuer have positive cash flow, or $100,000 in revenue from operations or $100,000 in development expenditures?

Provide details. **N/A**

(ii) If the response to (i) above is “no”, for the three most recent fiscal years, did the Listed Issuer have either $200,000 in operating revenues or $200,000 in expenditures directly related to the development of the business?

Provide details. **N/A**

ATTACHMENTS

SCHEDULE A **AUDITED ANNUAL FINANCIAL STATEMENTS**

SCHEDULE B **MANAGEMENT DISCUSSION AND ANALYSIS**

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Annual Listing Summary.

2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.

3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).

4. All of the information in this Form 5 Quarterly Listing Statement is true.

Dated: **October 28, 2026.**

Rakesh Malhotra
Name of Director or Senior Officer

/s/ "Rakesh Malhotra"
Signature

Chief Financial Officer
Official Capacity

Issuer Details **Deepspatial Inc.**	*For Year End* **June 30, 2026**	*Date of Report (Y/M/D)* **2026/10/28**
Issuer Address **2400 - 40 King Street West, Scotia Plaza, P.O. Box 215**		
City/Province/Postal Code **Toronto, Ontario, M5H 3Y2**	*Issuer Fax No.* **N/A**	*Issuer Telephone No.* **(778) 322-1980**
Contact Name **Dr. Rahul Kushwah**	*Contact Position* **CEO and Director**	*Contact Telephone No.* **(647) 889-6916**
Contact Email Address **Rahul.Kushwahphd@gmail.com**	*Web Site Address* **https://www.deepspatial.ai/**	

SCHEDULE "A"

ANNUAL FINANCIAL STATEMENTS

DEEPSPATIAL INC.

Consolidated financial statements

June 30, 2026 and 2025

(Expressed in Canadian Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Deepspatial Inc.

Opinion

We have audited the consolidated financial statements of Deepspatial Inc. (the "Company") (formerly Aylen Capital Inc.), which comprise the consolidated statements of financial position as at June 30, 2026, and 2025, consolidated statements of loss and comprehensive loss, statements of changes in shareholders' equity (deficiency), and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at June 30, 2026, and 2025 and the consolidated financial performance and consolidated cash flows for the years then ended in accordance with IFRS Accounting Standards ("IFRS").

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 Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with ethical requirements that are relevant to our audit of the consolidated 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 2 in the consolidated financial statements, which indicates that the Company has incurred a net comprehensive loss during the year ended June 30, 2026. As stated in Note 2, these events, or conditions, indicate the existence of material uncertainties 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 consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue Recognition Using the Percentage-of-Completion Method

As disclosed in Notes 3 and 4 to the consolidated financial statements, the Company recognizes revenue over time for contracts that satisfy the criteria in IFRS 15. Progress toward completion is measured using an input method based on costs incurred to date relative to the total estimated costs to complete each contract. Determining the total costs to complete requires significant management judgment and involves estimates that may be affected by factors such as labour requirements, project execution, subcontractor performance, and other direct project costs.

(continues)

We identified revenue recognized over time as a key audit matter because estimating the total costs to complete contracts requires significant management judgment. These estimates are inherently subjective and may be revised as projects progress and additional information becomes available, which could materially affect the timing and amount of revenue recognized. Accordingly, significant auditor judgment was required in evaluating the reasonableness of management's estimates and assumptions used in measuring progress toward completion.

Our audit procedures related to this matter included, among others:

1. Assessed the appropriateness of the percentage-of-completion method applied by management.
2. Obtained project cost information and tested costs incurred to supporting documentation, including vendor invoices and other relevant evidence.
3. Assessed the reasonableness of management's estimated costs to complete contracts and recalculated the percentage of completion and the related revenue recognized.
4. Evaluated the adequacy of the related disclosures in the consolidated financial statements concerning revenue recognition and significant judgments.

Other Information

Management is responsible for the other information. The other information comprises the information, other than the consolidated financial statements and our auditor's report thereon. This includes the Management Discussion and Analysis.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. 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 Consolidated Financial Statements

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

In preparing the consolidated 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.

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Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated financial statements, including the disclosures, and whether the consolidated 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.

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From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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 of 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 Joozer Karimjee.

Bassi & Karimjee LLP

Brampton, Ontario
October 28, 2026

Chartered Professional Accountants
Licensed Public Accountants

DeepSpatial Inc.

Consolidated Statements of Financial Position
As at:
(in Canadian dollars)

ASSETS		**June 30, 2026**		June 30, 2025
CURRENT				
Cash and cash equivalents	$	10,148	$	72,552
Accounts receivable (Note 4)		604,926		47,453
Contract asset (Note 4)		45,542		459,537
Prepaid expenses		83,637		63,087
Sales tax receivable		-		89,687
		744,253		732,316
Intangible assets (Note 5)		-		-
TOTAL ASSETS	**$**	**744,253**	$	**732,316**
LIABILITIES AND SHAREHOLDERS' EQUITY(DEFICIENCY)				
LIABILITIES				
CURRENT				
Accounts payable and accrued liabilities (Note 7)	$	1,350,796	$	1,042,620
Sales tax payable		9,188		-
Contract liabilities (Note 4)		366,785		219,546
Loans (Note 12)		266,361		87,038
Due to related party (Note 7)		145,000		-
Income tax payable		45,270		87,108
Debentures (Note 14)		173,200		193,249
TOTAL LIABILITIES		2,356,600		1,629,561
SHAREHOLDERS' EQUITY (DEFICIENCY)				
Share capital (Note 6)		6,411,261		6,411,261
Contributed surplus		751,323		751,323
Share based compensation reserve		836,131		836,131
Warrant reserve		486,685		486,685
Accumulated other comprehensive gain (loss)		(13,730)		(13,597)
Accumulated deficit		(10,084,017)		(9,369,048)
TOTAL SHAREHOLDERS' EQUITY (DEFICIENCY)		(1,612,347)		(897,245)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**$**	**744,253**	$	**732,316**

Organization and nature of operations (Note 1)
Basis of presentation and going concern (Note 2)
Contingencies (Note 15)
Subsequent events (Note 16)

Approved on behalf of the Board of Directors:

/s/ "Rahul Kushwah"
Rahul Kushwah, CEO and Director

/s/ "Sheldon Kales"
Sheldon Kales, Director

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

	For the Year ended June 30, 2026	For the Year ended June 30, 2025
Revenue (Note 4)	$ 2,050,936	$ 2,529,521
Direct costs	1,023,267	1,038,506
Gross Profit	1,027,669	1,491,015
Expenses:		
Amortization of intangible assets (Note 5)	$ -	$ -
Audit and accounting	104,290	71,250
Consulting fees	234,907	213,378
Interest expense (Note 12 and 14)	34,680	15,290
Interest accretion (Note 14)	-	6,001
Legal fees	-	12,522
Management fees (Note 7)	273,600	255,600
Marketing expenses (Note 7)	-	45,000
Office and miscellaneous	475,902	430,699
Payroll expenses	487,650	292,197
Research and development	-	19,553
Share based payments-restricted share units (Note 10 (b))	-	328
Transfer agent and regulatory fees	65,501	37,703
Travel, entertainment, and related	54,108	39,778
Vehicles use expenses (Note 7)	12,000	12,000
	$ (1,742,638)	$ (1,451,299)
Profit (Loss) before other income (expenses)	$ (714,969)	$ 39,716
Impairment of intangible assets (Note 5)	-	-
Net Profit (loss) before income taxes	(714,969)	39,716
Income tax (expense) recovery	-	(146,671)
Net loss for the year	(714,969)	(106,955)
Loss per share-Basic and Diluted	$ (0.007)	$ (0.001)
Weighted average number of shares outstanding-Basic and Diluted	102,422,171	102,422,171
Net loss for the year	$ (714,969)	$ (106,955)
Currency translation adjustment	(133)	(13,117)
Comprehensive loss for the year	$ (715,102)	$ (120,072)

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

DeepSpatial Inc. (formerly, Aylen Capital Inc.)
Consolidated Statements of Changes in Shareholders' Equity (Deficiency)
(in Canadian dollars)

	Number of common shares outstanding	Share capital	Contributed surplus	Share- based compensation reserve	Warrant reserve	Accumulated Deficit	Accumulated other comprehensive loss	Total
Balance as at June 30, 2024	**102,422,171**	**$ 6,411,261**	**$ 751,323**	**$ 835,803**	**$486,685**	**$ (9,262,093)**	**(480)**	**(777,501)**
Share based payments-restricted share units	-	-	-	328	-	-	-	328
Currency translation adjustment	-	-	-	-	-	-	(13,117)	(13,117)
Net loss for the year	-	-	-	-	-	(106,955)	-	(106,955)
Balance as at June 30, 2025	**102,422,171**	**$ 6,411,261**	**$ 751,323**	**$ 836,131**	**$ 486,685**	**$ (9,369,048)**	**(13,597)**	**$ (897,245)**
Share based payments-restricted share units	-	-	-	-	-	-	-	-
Currency translation adjustment	-	-	-	-	-	-	(133)	(133)
Net loss for the year	-	-	-	-	-	(714,969)	-	(714,969)
Balance as at June 30, 2026	**102,422,171**	**$ 6,411,261**	**751,323**	**$ 836,131**	**$ 486,685**	**$ (10,084,017)**	**(13,730)**	**$ (1,612,347)**

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

DeepSpatial Inc. (formerly, Aylen Capital Inc.)
Consolidated Statements of Cash Flows
(in Canadian dollars)

	For the year ended June 30, 2026	For the year ended June 30, 2025
OPERATING ACTIVITIES		
Net loss	**$ (714,969)**	$ **(106,955)**
Non-cash items included in net loss and other adjustments:		
Amortization of intangible assets	**-**	**-**
Interest accretion (Note 14)	**-**	**6,001**
Reversal of loan forgiveness	**-**	**-**
Share based payments-restricted share units	**-**	**328**
Shares issued for services	**-**	**-**
Stock based compensation	**-**	**-**
Interest accrued on CEBA loan	**2,000**	**2,000**
Impairment of intangible assets	**-**	**-**
Changes in non-cash working capital:		
Sales tax receivable	**98,875**	**16,519**
Accounts receivable	**(557,473)**	**(47,453)**
Contract asset	**413,995**	**(405,540)**
Contract liabilities	**147,239**	**(246,839)**
Prepaid expenses	**(20,550)**	**450**
Income tax payable	**(41,838)**	**66,990**
Accounts payable and accrued liabilities	**308,176**	**391,193**
CASH USED IN OPERATING ACTIVITIES	**(364,545)**	**(323,306)**
FINANCING ACTIVITIES		
Private placement of units, net of expenses	**-**	**-**
Due to related party	**145,000**	**-**
Due from related party	**-**	**132,539**
Loans received (Note 12)	**177,323**	**44,138**
Repayment of debentures (Note 14)	**(20,049)**	**-**
CASH PROVIDED BY FINANCING ACTIVITIES	**302,274**	**176,677**
EFFECTS OF FOREIGN EXCHANGE RATE CHANGES	**(133)**	**(13,117)**
NET CHANGE IN CASH DURING THE YEAR	**(62,404)**	**(159,746)**
CASH, BEGINNING OF YEAR	**72,552**	**232,298**
CASH, END OF YEAR	**$ 10,148**	$ **72,552**
Cash paid for income taxes	**$ -**	$ 79,681

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

1. Organization and Nature of Operations

Aylen Capital Inc. ("Aylen") was incorporated on October 28, 2010 under the Canada Business Corporations Act.

Aylen completed a triangular amalgamation (the "Transaction") pursuant to the terms of an acquisition agreement dated September 2, 2020 among Aylen, Loc8 Corp., 2774951 Ontario Limited, John Pennal and Grapevine Analytics Inc. The Transaction was completed on December 22, 2020.

The Transaction involved: (i) the acquisition of all of the issued and outstanding securities of Loc8 Corp. (now called DeepSpatial (Ontario) Inc.) ("Loc8") by way of a triangular amalgamation, pursuant to which, 2774951 Ontario Limited (a wholly owned subsidiary of Aylen) amalgamated with Loc8 (the "Acquisition"); (ii) the sale of Grapevine Analytics Inc. to RDH Inc.; and (iii) immediately prior to completion of the Acquisition, the consolidation of the common shares of Aylen on a one (1) new share for four (4) old share basis (the "Consolidation") resulting in 4,660,509 post Consolidation common shares.

Pursuant to the Acquisition, each shareholder of Loc8 received one (1) post-Consolidation common share for each Loc8 share held, resulting in the issuance of 87,794,000 post-Consolidation common shares to the shareholders of Loc8. Following the completion of the Transaction, Aylen had a total of 92,454,509 common shares outstanding. Aylen issued an additional 700,000 common shares as finder's fee in connection with the completion of the Transaction. The finder's shares were issued in January 2021.

At completion of the Transaction, Aylen changed its name to DeepSpatial Inc. (the "Company").

On March 26, 2022, the Company incorporated a subsidiary in India as DeepSpatial Asia Private Limited.

The Company leverages Artificial Intelligence to create robust intelligence solutions for transforming data into business outcomes for enterprises. At the same time, the company uses a similar approach to providing actionable insights for education, healthcare and agriculture.

The Company's corporate head office is located at 40 King Street W, Suite 2400, Toronto, Ontario, Canada, M5H 3Y2.

The Company's shares are listed on the Canadian Securities Exchange ("CSE") under the symbol DSAI. Effective September 27, 2021, the Company's common shares started trading on the OTCQB Venture Market under the symbol DSAIF.

The Board of Directors of the Company authorized these consolidated financial statements for issuance on October 28, 2026.

2. Basis of Presentation and Going Concern

Basis of Preparation

These consolidated financial statements have been prepared on the historical cost basis except for financial instruments recorded at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The functional currency of the Company and its Canadian subsidiary is the Canadian dollar. The functional currency of the Company's Indian subsidiary is the Indian Rupee. These consolidated financial statements are presented in Canadian dollars, which is the Company's presentation currency.

Basis of Consolidation

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 statements of the Company's subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. These consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries DeepSpatial (Ontario) Inc. and DeepSpatial Asia Private Limited. All inter-company transactions and balances have been eliminated on consolidation.

Statement of Compliance

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

Going Concern Assumption

These financial statements have been prepared using IFRS on a going concern basis, which presumes the realization of assets and discharge of liabilities in the normal course of business, for the next fiscal year. At June 30, 2026, the Company had cash and cash equivalents of $10,148 (2025 - $72,552), a working capital deficit of $1,612,347 (2025 - $897,245) and an accumulated deficit of $10,084,017 (2025 - $9,369,048). The continuing operations of the Company are dependent on funding provided by equity investors. The Company intends to finance its future requirements through a combination of equity and/or debt issuance. There is no assurance that the Company will be able to obtain such financings or obtain them on favorable terms. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

Significant Accounting Judgments and Estimates

The preparation of these consolidated financial statements in compliance with IFRS requires management to make certain critical accounting estimates and assumptions. These estimates and assumptions affect the reported amounts of assets, liabilities, shareholders' equity, and the disclosure of contingent assets and liabilities, as at the date of the financial statements, and expenses for the period reported.

Critical Judgements

The preparation of these consolidated financial statements requires management to make judgements regarding the going concern of the Company (discussed above), as well as the determination of functional currency. The functional currency is the currency of the primary economic environment in which an entity operates. The functional currency for the Company and its Canadian subsidiary has been determined to be the Canadian dollar. The functional currency for

2. Basis of Presentation and Going Concern (Cont'd)

the subsidiary incorporated in India has been determined to be Indian Rupees.

Key Sources of Estimation Uncertainty

Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting periods. Actual results could differ from those estimates and such differences could be significant.

Significant estimates made by management affecting the financial statements include:

Revenue recognition

Contract revenue relating to performance obligations satisfied over time is recognized using a percentage-of-completion approach. Contract revenue, contract assets, contract liabilities, and contract costs are determined based on management estimates and judgments used to measure progress toward completion of contracts. Progress toward completion is measured by comparing actual costs incurred to date with total estimated costs for the contract. In determining total estimated costs, management applies judgment and assumptions related to, among other factors, project schedules, material and labour costs, and changes in contract scope. Changes in estimates could impact the amount and timing of revenue recognized, as well as related contract assets and contract liabilities.

Revenue is recognized only when it is probable that the Company will collect the consideration to which it expects to be entitled. For contracts where collectability is not considered probable, no revenue or contract asset is recognized until such time as collectability becomes probable.

Deferred tax assets & liabilities

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

Useful life of intangible assets

The intangible asset is depreciated over its estimated useful life. Estimated useful lives are determined based on current facts and past experience and takes into consideration the anticipated life of the asset, the potential for technological obsolescence, and regulations.

Share-based Payments

Estimating fair value for granted stock options and warrants requires determining the most appropriate valuation model which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the option or warrant, volatility, dividend yield, and rate of forfeitures and making assumptions about them.

2. Basis of Presentation and Going Concern (Cont'd)

Impairment

The Company applies judgment to assess whether there are any indications that the carrying value of its intangible assets, including trademarks and incorporation costs, may be impaired. Intangible assets are tested for impairment whenever there is an indication that their carrying value may exceed their recoverable amount. Additionally, intangible assets with indefinite useful lives, such as trademarks, are tested for impairment at least annually.

The recoverable amount of these intangible assets is determined based on the higher of fair value less costs to sell and value in use ("VIU"). Estimating the recoverable amount involves making assumptions about future cash flows, projected revenues, operating results, and other factors such as discount rates and margins. These estimates may change over time due to market conditions or business strategies.

The impairment test ensures that intangible assets are not carried at more than their recoverable amount, reflecting the Company's judgment about whether the expected future economic benefits from the asset remain intact.

Provisions

The Company recognizes provisions if there is a present obligation as a result of a past event, it is probable that the Company will be required to settle the obligation and the obligation can be reliably estimated. The amount recognized as a provision reflects management's best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation.

Convertible debentures

The Company makes estimates and assumptions relating to the fair value measurement and disclosure of its convertible debentures. The fair values are determined using a variety of valuation techniques. The inputs to these models are derived from observable market data where possible, but where observable market data are not available, management's judgment is required to establish fair values.

Financial instruments

Financial assets and liabilities, with the exception of accounts receivable and contract asset that does not have a significant financing component, are initially recognized at fair value plus or minus directly attributable transaction costs as appropriate, except for financial assets at fair value through profit or loss, for which transaction costs are expensed. The determination of fair value requires the Company to make assumptions, estimates and judgments regarding approach, effective interest rate, impairment, and foreign exchange rates. As a result, the fair value impacts the Company's reported assets and liabilities.

Shares issued for non-cash consideration

The Company measures equity-settled share-based payment transactions based on an estimate of the fair value of goods or services received, unless that fair value cannot be estimated reliably, in which case the Company measures the fair value of the goods or services received based on the fair value of the equity instruments granted.

3. Material Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

Cash

Cash comprises of cash and short-term investments held at financial institutions in Canada and India.

Income taxes

Income tax on profit or loss for the period comprises of current and deferred tax. Current tax is the expected tax paid or payable on the taxable income for the period, using tax rates enacted or substantively enacted at the statement of financial position date, and any adjustment to tax paid or payable in respect of previous periods.

Deferred tax is recorded by providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

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 are reduced to the extent that it is no longer probable that the related tax benefit will be realized. The effect on deferred tax assets and liabilities of a change in income tax rates is recognized in the period that includes the date of the enactment or substantive enactment of the change. Deferred tax assets and liabilities are presented separately except where there is a right of set-off within fiscal jurisdictions.

Loss per share

Loss per share is computed by dividing the net loss applicable to common shares of the Company by the weighted average number of common shares outstanding for the relevant period.

Diluted loss per common share is computed by dividing the net loss applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding, if potentially dilutive instruments were converted.

Due to the net loss incurred during the years ended June 30, 2026 and 2025, all outstanding stock options and warrants were excluded from the calculation of diluted loss per share, as their effect would have been anti –dilutive.

Research and development expenditures

The application of the Company's accounting policy for research and development expenditures requires judgment in determining whether an activity is determined to be research or development, and if deemed to be development, whether it is probable that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions may change if new information becomes available. If new information becomes available indicating that it is unlikely that future economic benefits will flow to the Company, the amount capitalized is written off to profit or loss in the period the new information becomes available.

3. Material Accounting Policies (Cont'd)

Intangible assets

Intangible assets include technology acquired by the Company and have finite useful lives measured at cost less accumulated amortization and any accumulated impairment losses. Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are recognized in profit or loss as incurred. Amortization is recorded using the straight-line method and is intended to amortize the cost of the assets over their estimated useful lives as follows:

Intellectual property	7 years straight line

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Impairment

The carrying amount of the Company's assets is reviewed for an indication of impairment at the end of each reporting period. If an indication of impairment exists, the Company makes an estimate of the asset's recoverable amount. Individual assets are grouped for impairment assessment purposes at the lowest level at which there are identifiable cash flows that are largely independent of the cash flows of other groups of assets. Recoverable amount of an asset group is the higher of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are adjusted for the risks specific to the asset group and are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money.

Where the carrying amount of an asset group exceeds its recoverable amount, the asset group is considered impaired and is written down to its recoverable amount. Impairment losses are recognized in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount.

Share-Based Payments

The Company grants stock options and warrants for the purchase of common shares of the Company to directors, officers, employees and service providers. The Company recognizes share-based compensation expense based on the estimated fair value of the options and warrants. A fair value measurement is made for each vesting instalment within each option grant and is determined using the Black-Scholes option-pricing model. The fair value of the options and warrants is recognized over the vesting period of the options granted as both share-based compensation expense and reserves. This includes a forfeiture estimate, which is revised for actual forfeitures in subsequent periods. The reserves account is subsequently reduced if the options and warrants are exercised and the amount initially recorded is then credited to share capital.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at the fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of the goods or services received.

3. Material Accounting Policies (Cont'd)

Restricted share units

The Company has established a restricted share plan under which restricted share units are granted to eligible directors, officers and consultants of the Company. The restricted share units are considered equity-settled and are measured using the quoted market price of the Company's common shares at the grant date and recognized as share-based compensation over the vesting period, with a corresponding amount recognized as equity.

Financial Instruments

Financial assets and financial liabilities are recognized on the statement of financial position when the Company becomes a party to the contractual provisions of the financial instrument.

The following is the Company's accounting policy for financial instruments under IFRS 9:

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets 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 FVTOCI. 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 if the Company has opted to measure them at FVTPL.

Measurement

Financial assets and liabilities at amortized cost
Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL
Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statement of loss and comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statement of loss and comprehensive loss in the period in which they arise.

Debt investments at FVOCI
These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI
These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

3. Material Accounting Policies (Cont'd)

Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. 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 shall recognize in the statements of loss and comprehensive 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.

Derecognition

Financial assets
The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

Financial liabilities
The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expired. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition are generally recognized in profit or loss.

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

Asset or Liability	**Measurement**
Cash	Amortized cost
Accounts receivable	Amortized cost
Contract assets	Amortized cost
Accounts payable	Amortized cost
Government assistance loans	Amortized cost
Debentures	Amortized cost
Due to related party	Amortized cost

The Company determines the fair value of financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument.

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 – Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs, including quoted

3. Material Accounting Policies (Cont'd)

Financial Instruments (Cont'd)

forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.

Level 3 – Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

Cash and restricted cash have been measured at fair value using Level 1 inputs.

Impairment of financial assets

Financial assets are assessed at each reporting date to determine whether there is objective evidence that they are impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in a separate line item. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Revenue Recognition

Revenue represents the amount of consideration the Company expects to receive for the delivery of products and services in its contracts with customers, net of discounts and sales taxes.

The Company recognizes revenue from technology services, software licensing, support and maintenance, and software-as-a-service (SaaS).

Revenue from Contracted Projects
Revenue from projects is recognized on a percentage-of-completion basis as the Company's performance creates or enhances assets that the customer controls as the work progresses. Profits recognized are based upon project revenue and related estimated cost to completion. Provisions for anticipated losses are made in the period in which the first become determinable. The Company transfers control of goods or services over time and satisfies performance obligations as these are completed. Progress toward completion is measured by comparing costs incurred to date to total estimated costs required to complete the contract. Revenue is recognized based on the percentage of completion applied to the contract transaction price.

Most client contracts contain a single performance obligation because the promised services are highly integrated and cannot be separately identified within the contract. When a contract includes distinct services from which the customer can benefit independently, each service is accounted for as a separate performance obligation. The transaction price is allocated to those obligations based on their relative estimated stand-alone selling prices. Revenue for each obligation is recognized over time using a measure of progress that reflects the transfer of control to the customer.

Contract assets and contract liabilities arise when the timing of revenue recognition differs from amounts billed to customers. Payment terms are based on completion of milestones throughout the project life for fixed price contracts. Estimates of total contract costs require management judgment and may be affected by changes in project scope,

3. Material Accounting Policies (Cont'd)

labour and material costs, and other factors. The effects of changes in estimates, if any, are recognized in the period in which they become known.

Technology services revenue consists of fees charged for recurring services provided. Technology service revenue is recognized when the service is delivered to the customer and revenue is recognized on a monthly basis.

Software license revenue is comprised of non-recurring license fees charged for the use of our software products generally licensed under perpetual arrangements. Revenue from the license of distinct software is recognized at the time that both the right to-use software has commenced, and the software has been made available to the customer.

Support and maintenance and other recurring revenue primarily consist of fees charged for customer support on software products post-delivery.

Revenue from SaaS arrangements, which allows customers to use hosted software over a term without taking possession of the software, are provided on a subscription basis. Revenue from the SaaS arrangement, which includes the hosted software and maintenance, is recognized ratably over the term of the arrangement.

Contract Balances

The timing of revenue recognition, billing and cash collections results in accounts receivable, contract assets and contract liabilities on the consolidated financial position. Contract assets are recognized when revenue is recognized in excess of billings or when the Company has a right to consideration and that right is conditional to something other than the passage of time. Contract assets are subsequently transferred to accounts receivable when the right to payment becomes unconditional. Contract liabilities are recognized when payments received from customers are in excess of revenue recognized. Contract liabilities are subsequently recognized in revenue when the Company satisfies its performance obligations.

Accounts Receivables

Receivables are initially recognized at fair value and are subsequently carried at amortized cost, net of credit loss allowances, based on expected recoverability. The allowance reflects management's estimate of amounts that may not be recoverable. Changes in the allowance, including recoveries of amounts previously written off, are recognized in profit or loss.

Changes in accounting policies and future accounting changes

Lack of Exchangeability (Amendments to IAS 21)

In August 2023, the IASB issued narrow- scope amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates, which were incorporated into Part I of the CPA Canada Handbook – Accounting in November 2023. The amendments specify how to determine whether a currency is exchangeable into another currency and how to determine the spot exchange rate when a currency lacks exchangeability.

3. Material Accounting Policies (Cont'd)

A currency is exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations. An entity assesses whether a currency is exchangeable into another currency at the measurement date and for a specified purpose. If an entity is able to obtain no more than an insignificant amount of the other currency at the measurement date for the specified purpose, the currency is not exchangeable into the other currency.

When a currency is not exchangeable into another currency at a measurement date, an entity is required to estimate the spot exchange rate as the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions.

When an entity estimates a spot exchange rate because a currency is not exchangeable into another currency, the amendments require an entity to disclose information that enables the users of the financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows, including the risks to which the entity is exposed because of the currency not being exchangeable into the other currency.

The amendments are effective for annual reporting periods beginning on or after January 1, 2025 and apply to the Company from July 1, 2025. In applying the amendments, an entity shall not restate comparative periods but will follow the specific transitional provisions included in the amendments. There was no impact on the Financial statements for the year ended June 30, 2026 due to this adoption.

Future accounting changes

Presentation and Disclosure in Financial Statements (IFRS 18)

In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements to improve reporting of financial performance. The new standard replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new categories and required subtotals in the statement of profit and loss and also requires disclosure of management defined performance measures. It also includes new requirements for the location, aggregation and disaggregation of financial information. The standard is effective for annual reporting periods beginning on or after January 1, 2027, including interim financial statements. Retrospective application is required and early adoption is permitted. The Company has not yet adopted this standard and is currently assessing the potential impact on its future financial statements.

4. Revenue

Over-time revenue:	2026	2025
Revenue from contracts	1,977,293	2,486,807
Service and maintenance	73,643	42,714
Total revenue from contracts with customers	**2,050,936**	**2,529,521**

	2026	2025
Geographical markets		
India	2,050,936	2,529,521
Canada	-	-
Total revenue from contracts with customers	**2,050,936**	**2,529,521**

As at June 30, 2026, there was 1 customer (2025 – 2 customers) which made up 100% of the Company's total revenue. The Company recognized contract assets of $45,542 (June 30, 2025 - $459,537), contract liabilities of $366,785 (June 30, 2025 - $219,546) and accounts receivable of $604,926 (June 30, 2025 - $47,453). The full amounts receivables balance of $604,926 was received subsequent to the year end.

The Company recognized revenue of $219,546 during the year ended June 30, 2026 that was included in the contract liability balance at the beginning of the period.

5. Intangible assets

On September 9, 2019, the Company issued 63,450,000 common shares with a fair value price of $0.0338 per common share for a total fair value consideration of $2,145,000, issued to Algo8 AI Private Limited, a Company incorporated in India and its associates including their designates, being the purchase and assignment of Intellectual Property comprising of development and creation of the work product related to geospatial artificial intelligence for enterprises. The issuance of shares is being recorded as an asset acquisition. This intellectual property amount of $2,145,000 is estimated to have a useful life of 7 years and was being amortized on a straight-line basis.

		Intellectual Property
Cost:		
Balance as at June 30, 2023	$	2,145,000
Additions		-
Balance as at June 30, 2024	**$**	**2,145,000**
Additions		-
Balance as at June 30, 2025, and 2026	**$**	**2,145,000**
Accumulated amortization:		
Balance as at June 30, 2023	$	1,167,106
Amortization		306,428
Impairment		671,466
Balance as at June 30, 2024	**$**	**2,145,000**
Amortization		-
Impairment		-
Balance as at June 30, 2025, and 2026	**$**	**2,145,000**
Net book value:		
At June 30, 2026	$	**-**
At June 30, 2025	$	-

During the year ended June 30, 2024, the intangible assets were fully impaired to a net book value of $nil (refer to Note 15 for further details)

There were no additions or amortization during the year ended June 30, 2026. At June 30, 2026, cost and accumulated amortization and impairment were each $2,145,000 and the net book value was $nil.

6. Capital Stock

The Company is authorized to issue the following shares:

- Unlimited number of common shares and an unlimited number of preferred shares issuable in series

a) Common shares

The holders of common shares are entitled to receive dividends which are declared from time to time and are entitled to one vote per share at meetings of the Company. All shares are ranked equally with regards to the Company's residual assets.

At June 30, 2026 the Company has 102,422,171 (June 30, 2025: 102,422,171) common shares issued and outstanding.

b) Share issuances

During the year ended June 30, 2026 and 2025

The Company did not issue any shares during the years ended June 30, 2026 and 2025.

c) Warrants

On September 15, 2023, the Company issued 150,000 warrants to a consultant for services. These warrants were issued at an exercise price of $0.12 per share term of two (2) year expiring on September 15, 2025. The fair value of each option used for the purpose of estimating the stock-based compensation is estimated using the Black-Scholes option pricing model with the following assumptions:

Risk free rate		5%
Expected dividends		0%
Expected forfeiture rate		0%
Expected volatility		105.39%
Expected life		2 years
Fair value per options		$0.04
Stock based compensation expense	$	6,238

6. Capital Stock (Cont'd)

c) Warrants

Continuity of the Company's warrants is as follows:

	Number of Warrants	Weighted Average Exercise Price
Outstanding, June 30, 2023	**-**	**-**
Issued	150,000	$0.12
Issued	11,700,000	$0.10
Issued agent warrants	1,170,000	$0.10
Issued	6,000,000	$0.10
Conversion of convertible debentures	333,333	$0.30
Conversion of convertible debentures	1,273,332	$0.30
Issued	3,060,000	$0.10
Issued agent warrants	586,000	$0.10
Outstanding, June 30, 2024 and June 30, 2025	**24,272,665**	**$0.11**
Expired during the year ended June 30, 2026	**(24,272,665)**	**$0.11**
Outstanding, June 30, 2026	**-**	**-**

At June 30, 2026, no warrants were outstanding. All 24,272,665 warrants outstanding at June 30, 2025 expired unexercised during the year. The following table shows the comparative warrants outstanding at June 30, 2025:

Outstanding	Exercise Price	Remaining Life (Years)	Expiry Date
150,000	$0.12	0.21	September 15, 2025
12,870,000	$0.10	0.21	September 13, 2025
6,000,000	$0.10	0.21	October 6, 2025
333,333	$0.30	0.38	November 17, 2025
1,273,332	$0.30	0.43	December 4, 2025
3,646,000	$0.10	0.43	December 4, 2025
24,272,665	$0.11	0.26	

7. Related Party Transactions

Related parties include key management personnel, the Board of Directors, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions. Key management of the Company are members of the Board of Directors, the Executive Chairman, the Chief Executive Officer ("CEO"),and the Chief Financial Officer ("CFO"). Transactions with key management personnel in the consolidated financial statements include the following:

		June 30, 2026		June 30, 2025
Management fees expensed to directors and officers	$	273,600	$	255,600
Vehicle expenses		12,000		12,000
	$	285,600	$	267,600

As of June 30, 2026, there was $722,596 (June 30, 2025: $450,648) due to related parties in accounts payable and accrued liabilities.

As of June 30, 2026, an amount of $145,000 (June 30, 2025: $nil) was due to a company related by common directors. This loan is free of interest, carries no repayment terms and is due on demand.

8. Financial Instruments

The fair value of the Company's accounts payable approximates carrying value, due to its short-term nature. The Company's cash is measured at fair value under the fair value hierarchy based on level one quoted prices in active markets for identical assets or liabilities. The fair value of the Company's government assistance loan approximates carrying value, as it bears interest at 5% per annum.

Financial risk management and objectives

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk, and market risk (including interest rate risk, foreign currency risk, and commodity price risk).

The Company thoroughly examines the various financial risks to which it is exposed and assesses the impact and likelihood of those risks. Where material, these risks are reviewed and monitored by the Board of Directors.

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's accounts receivable as of June 30, 2026 is $604,926 (June 30, 2025: $47,453).

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Company. The Company generates cash flows primarily from its financing activities.

The Company manages its liquidity needs by carefully monitoring scheduled costs. Liquidity is measured in various time bands, on day to day and week-to-week basis, as well as on long term liquidity needs over 180 day to 360 day look out periods. Funding for long term liquidity needs is based on the ability of the Company to successfully complete private placements.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

	Total Contractual cash flows	Less than 1 year	1-3 years	4-5 years	After 5 years
Accounts payables and accrued liabilities	1,350,796	1,350,796	-	-	-
Sales tax payable	9,188	9,188			
Government assistance loan	44,900	44,900	-	-	-
Loans and due to related party	366,461	366,461			
Income tax payable	45,270	45,270	-	-	-
Convertible debentures	173,200	173,200	-	-	-
	1,989,815	1,989,815	-	-	-

As at June 30, 2026, the Company had cash of $10,148 to settle current liabilities of $2,356,600.

8. Financial Instruments (Cont'd)

Concentration risk:

The concentration risk is the potential for loss due to having a large portion of revenue from a particular customer. The Company derives most of its revenue from 1 customer.

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, commodity and equity prices, and foreign exchange rates.

(a) 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. The Company is not exposed to significant interest rate risk.

(b) Price risk

The Company is not exposed to significant price risk as it does not possess investments in publicly traded securities.

(c) Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument denominated in a foreign currency will fluctuate because of changes in foreign exchange rates.

The Company's Indian subsidiary and Canadian subsidiaries transactions are in Indian Rupees ("INR") and Canadian dollars, respectively. The results of the Company's operations are subject to currency translation risk. The Company mitigates foreign exchange risk through forecasting its foreign currency denominated expenditures and maintaining an appropriate balance of cash in each currency to meet the expenditures.

As at June 30, 2026, a reasonably possible 10% fluctuation in the INR/CAD exchange rate would not have a material impact on the Company's net loss and comprehensive loss.

9. Capital Management

The Company considers its capital to be shareholders' equity, which is comprised of share capital and deficit, which as at June 30, 2026 was a deficit of $1,612,347. The Company's capital structure is adjusted based on the funds available to the Company such that it may continue to seek new opportunities. The Board of Directors does not establish quantitative return on capital criteria but rather relies on the expertise of management and other professionals to sustain future development of the business.

The sources of future funds presently available to the Company are through the sale of equity capital of the Company. The ability of the Company to arrange such financing in the future will depend in part upon the prevailing capital market conditions as well as the business performance of the Company. There can be no assurance that the Company will be successful in its efforts to arrange additional financing, if needed, on terms satisfactory to the Company.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is not subject to externally imposed capital restrictions. There were no changes to the Company's management of capital during the period.

10. (a) Stock options

Effective November 1, 2021, the Company's existing stock option plan was replaced by an equity incentive plan called the Omnibus equity incentive plan. The number of common shares of the Company issuable pursuant to options under the Omnibus Equity Incentive Plan is set at 10% of the aggregate number of common shares of the Corporation issued and outstanding from time to time, subject to any limitations imposed by applicable regulations, laws, rules and policies. Upon valid exercise of the stock options granted under the Omnibus Equity Incentive Plan and payment of the exercise price for the common shares of the Company issuable in connection therewith, such common shares shall be issued as fully paid and non- assessable common shares in the capital of the Company.

Year ended June 30, 2026

No stock options were issued during the year ended June 30, 2026

Year ended June 30, 2025

No stock options were issued during the year ended June 30, 2025.

Continuity of the Company's options is as follows:

	Number of Options	Weighted Average Exercise Price
Outstanding, June 30, 2024	-	-
Issued during the year	-	-
Outstanding, June 30, 2025	-	-
Issued during the year	-	-
Outstanding June 30, 2026	-	-

10. (b) Restricted Share Units ("RSU")

The Company adopted the equity incentive plan called the Omnibus equity incentive plan. The number of common shares of the Company issuable pursuant to restricted share units and deferred share units under the Omnibus Equity Incentive Plan be set at 10% of the aggregate number of common shares of the Corporation issued and outstanding from time to time, subject to any limitations imposed by applicable regulations, laws, rules and policies. Upon vesting of the RSU or deferred share units granted under plan in accordance with the terms thereof, the underlying common shares shall be issued as fully paid and non-assessable common shares in the capital of the Company. 956,000 Common Shares in the capital of the Corporation are reserved and set aside for issuance in satisfaction of vested RSUs, subject to the terms of the Plan.

RSUs are measured at fair value on the date of grant and are recognized as share-based compensation expense on a straight-line basis over the vesting period. The corresponding amount is recorded to the share-based compensation reserve. Upon the exercise of RSUs, the related share-based compensation reserve is transferred to share capital. During the year ended June 30, 2026 and 2025, the Company did not grant any RSU's. The Company expensed $nil (2025: $328) being share based payments-restricted share units expense on the vesting of the options.

	June 30, 2026	June 30, 2025
RSUs outstanding, beginning of year	202,668	202,668
Granted	-	-
Settled	-	-
RSUs outstanding, end of year	202,668	202,668

11. Income Taxes

The following is a reconciliation of income taxes attributable to operations computed at the statutory tax rates to income tax expense (recovery).

		June 30, 2026	June 30, 2025
Income (loss) before income taxes	$	(714,969)	39,716
Tax rate		26.5%	26.5%
Expected income tax recoverable at statutory rate		(189,467)	10,525
Changes in statutory, foreign tax, foreign exchange rates and other		6,936	148,261
Non-deductible items		-	87
Change in unrecognized deductible temporary differences		182,531	(12,202)
Total income tax expense (recovery)	$	-	146,671

11. Income Taxes (Cont'd)

Deferred tax assets

The tax effects of temporary differences that give rise to deferred income tax assets are as follows:

		June 30, 2026		June 30, 2025
Non-capital losses available for future period	$	1,469,010	$	1,274,278
Share issuance costs		-		-
Intangible assets		309,283		309,283
Total deferred tax assets		1,778,293		1,583,561
Less: Unrecognized deferred tax assets		(1,778,293)		(1,583,561)
Net deferred tax assets	$	-	$	-

The significant components of the Company's unrecognized deferred tax assets are as follows:

		June 30, 2026	Expiry Date		June 30, 2025	Expiry Date
Non-capital losses	$	5,543,436	2040-2046	$	4,808,597	2040 - 2045
Share issuance costs	$	-	-	$	-	-
Intangible assets	$	1,167,106	No expiry date	$	1,167,106	No expiry date

Tax attributes are subject to review and potential adjustment by tax authorities.

12. Loans

In connection to the outbreak of COVID-19, Aylen had received, prior to the reverse merger, $40,000 in Canada Emergency Business Account ("CEBA") loans from the government of Canada. These CEBA loans are non-interest bearing if repaid by January 18, 2024. The loan can be extended to December 31, 2026 and 25% will be forgiven if the principal is repaid before the maturity date of January 18, 2024. Aylen had recognized the forgiveness of $10,000 prior to the reverse merger on December 22, 2020 and the funds and debt of $30,000 was transferred to the Company post-acquisition. As at March 31, 2024, the Company has not made payment on the CEBA loans for which the Company is now obligated to repay the principal of $40,000. The CEBA balance at June 30, 2026 was $44,900 (June 30, 2025: $42,900), including $4,900 of accrued interest. Interest expense for the year was $2,000 (2025: $2,000).

The Company has an unsecured, interest-bearing third-party loan of $109,087 (June 30, 2025: $Nil) including accrued interest of $1,087 (2025: $nil), repayable on demand and bearing interest at 12% per annum. Interest expense for the year ended was $1,228 (2025: $nil). The total balance of $109,087 was repaid in full subsequent to year-end (Note 16).

The Company also has an unsecured, interest-bearing loan in the amount of $112,374 (June 30, 2025: $44,138) including accrued interest of $2,124 (June 30, 2025: $1,098), repayable on demand and bearing interest at 10% per annum. Interest expense for the year ended was $6,452 (June 30, 2025: $5,042).

13. Segment Information

The Company has a single reportable segment. The Company leverages Artificial Intelligence to create robust location intelligence solutions for transforming existing location data into business outcomes.

As of June 30, 2026, all assets of the business are located in Canada except for cash of $7,931 (June 30, 2025: $47,023), contract assets of $45,542 (June 30, 2025: $459,537), accounts receivable of $604,926 (June 30, 2025: $47,453), sales tax receivable of $Nil (June 30, 2025: $89,687) and prepaid expenses of $83,637 (June 30, 2025: $63,087), which are located in India.

14. Debentures

The Company closed the first tranche of its issuance of unsecured convertible debentures on October 27, 2022, for a total consideration of $572,500. The Company closed the final tranche of its issuance of unsecured convertible debentures on March 24, 2023, for a total consideration of $102,750. These Convertible Debentures mature on the date which is two (2) years from the Closing Date (the "Maturity Date"). The Company shall have a right to prepay or redeem a part or the entire principal amount of the Convertible Debentures at par plus accrued and unpaid interest at any time by providing a minimum of 30 days and a maximum 60 days' notice prior to the date fixed for redemption (the "Redemption Date"). The Convertible Debentures bear interest at a rate of 10% per annum from the date of issue and payable on the earlier of the following: (i) conversion of the Convertible Debentures, (ii) the Redemption Date, and (iii) the Maturity Date.

Each Convertible Debenture will be convertible into Units at the option of the holder at any time prior to the close of the third business day prior to the earlier of: (i) the Maturity Date, and (ii) the Redemption Date, at a conversion price of per Unit equal to $0.15. Unsecured debentures convertible are convertible into units (“Units”) each consisting of one common share (the "Common Shares") of the Company and one-half warrant (the “Warrants”) to purchase Common Shares of the Company (the "Convertible Debentures"). Each warrant is exercisable into one Common Share at a price of $0.30 per warrant for a period of two years from the date of the Closing.

In the event that the Common Shares close at a trading price of at least $0.30 for 10 consecutive trading days, the Company may cause the Convertible Debentures to be converted into Units at the Conversion Price upon the Company delivering a notice (a "Forced Conversion Notice") to the Debenture holders not less than a minimum of 30 days and a maximum of 60 days prior to the conversion date specified in such Forced Conversion Notice.

Of the total consideration amount of $675,250, $90,768 was allocated to the equity component of the Debentures and the remaining amount allocated to the liability component, to be accreted over the term of the Debentures.

On November 17, 2023, the Company converted $100,000 convertible debentures to 666,666 units at $0.15 per unit. Each unit comprises of one common share and one-half share purchase warrant. Each whole warrant is exercisable into a common share of the Company at an exercise price of $0.30 per share for a period of 24 months.

On December 4, 2023, the Company converted $382,000 convertible debentures to 2,546,664 units at $0.15 per unit. Each unit comprises of one common share and one-half share purchase warrant. Each whole warrant is exercisable into a common share of the Company at an exercise price of $0.30 per share for a period of 24 months.

During the year ended June 30, 2025, the remaining convertible debentures reached contractual maturity and entered into default.

During the year ended June 30, 2025, a debenture holder commenced legal proceedings against the Company in the Ontario Superior Court of Justice regarding unpaid principal and interest. On June 25, 2025, the Company entered into a formal Terms of Settlement agreeing to pay a total settlement amount of $30,250 in full and final satisfaction of the claim, inclusive of interest and costs. Under the agreement, the Company paid an initial lump sum of $4,250 in September 2025, with the remaining balance of $26,000 payable in 13 consecutive monthly installments of $2,000 through October 2, 2026. During the year ended June 30, 2026, the Company had paid $24,250 under the settlement schedule. Subsequent to year-end, another $2,000 was paid and the remaining $4,000 was still outstanding to be paid.

As at June 30, 2026, the outstanding debenture principal of $173,200 (2025: $193,249) and accrued interest of $109,919 (June 30, 2025: $89,129) included in accounts payable and accrued liabilities remained in default, payable on demand, and reflected within current liabilities.

14. Debentures (Cont'd)

As at June 30, 2026, the Company's Debentures were comprised of the following:

	Equity component of convertible debenture	Liability component of convertible debenture	Total
Balance, June 30,2023	$ 90,768	$ 610,938	$ 701,706
Accretion	$ -	58,310	58,310
Conversion	$ (64,445)	(482,000)	(546,445)
Balance, June 30, 2024	$ 26,323	$ 187,248	$ 213,571
Accretion	$ -	6,001	6,001
Conversion	$ -	-	-
Expiry	$ (26,323)		
Balance, June 30, 2025	$ -	$ 193,249	$ 193,249
Repayments	$ -	$ (20,049)	$ (20,049)
Balance, June 30, 2026	$ -	$ 173,200	$ 173,200

The Company expensed interest on convertible debentures amounting $25,000 for the year ended June 30, 2026 (June 30, 2025: $8,248) included in the statement of loss and comprehensive loss.

15. Cancellation of shares and contingencies

On April 16, 2024, the Company canceled 21,450,000 common shares initially issued in 2019 to Algo8 as part of a technology acquisition. The cancellation was due to a breach of contract, as the seller failed to provide adequate support for the effective utilization or enhancement of the acquired technology. As a result, the related intangible assets were fully impaired to $nil. Following the cancellation, the corresponding share capital of $725,000, originally recognized in 2019, was reversed and credited to contributed surplus. The cancellation is accounted for entirely within equity in accordance with IAS 32 and IFRS2. As of the reporting date, no legal action has been initiated by the sellers. Based on the Company's legal assessment, management believes the cancellation was valid, and no present obligation exists. Consequently, no provision has been recognized in the financial statements. However, the matter is disclosed as a contingent liability due to the inherent uncertainty involved.

If the shareholder disputes the cancellation and pursues litigation, there is a risk that the Company could be required to reissue an equivalent number of common shares. In such a case, the Company would recognize a loss equal to the fair value of the shares at the time of reissuance.

16. Subsequent events

a. Subsequent to June 30, 2026, the Company repaid in full the third-party loan outstanding at year-end, totaling $109,087 (including accrued interest) (Note 12).

b. The Company also obtained an unsecured, interest-bearing short-term third-party loan of $150,000. The principal amount along with accrued interest of $1,698 was fully settled and repaid subsequently.

c. Subsequent to year-end, the Company obtained an additional unsecured loan in the amount of $75,000, bearing interest at 10% per annum and repayable on demand.

SCHEDULE "B"

ANNUAL MANAGEMENT'S DISCUSSION AND ANALYSIS

DEEPSPATIAL INC.

MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED JUNE 30, 2026

DEEPSPATIAL INC.

(formerly, Aylen Capital Inc.)

MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED JUNE 30, 2026

(Information as at October 28, 2026 unless otherwise noted)

Introduction

Management's Discussion and Analysis ("MD&A") is intended to help the reader understand DeepSpatial Inc. (the "Company") audited consolidated financial statements for the year ended June 30, 2026. This MD&A should be read in conjunction with the audited consolidated financial statements of the Company and the notes thereto for the year ended June 30, 2026. The effective date of this report is the information date stated above. The financial statements are prepared in accordance with IFRS Accounting Standards ("IFRS"). Unless expressly stated otherwise, all financial information is presented in Canadian dollars. This MD&A contains forward-looking information and involves risks and uncertainties, including those described in the Risks and Uncertainties section.

Forward-Looking Statements

Certain statements contained in the following MD&A constitute forward-looking statements (within the meaning of the Canadian securities legislation and the U.S. Private Securities Litigation Reform Act of 1995) that involve risks and uncertainties. Forward-looking statements are frequently, but not always, identified by words such as "expects", "anticipates", "believes", "intends", "estimates", "potential", "possible" and similar expressions, or statements that events, conditions or results "will", "may", "could" or "should" occur or be achieved. The forward-looking statements may include statements regarding work programs, capital expenditures, timelines, strategic plans, market price of commodities or other statements that are not statement of fact. Forward-looking statements are statements about the future and are inherently uncertain, and actual achievements of the Company may differ materially from those reflected in forward-looking statements due to a variety of risks, uncertainties and other factors. For the reasons set forth above, investors should not place undue reliance on forward-looking statements. Important factors that could cause actual results to differ materially from the Company’s expectations include uncertainties involved in disputes and litigation, uncertainty of estimates of capital and operating costs, recovery rates, production estimates and economic return; the need for cooperation of government agencies; the need to obtain additional financing and uncertainty as to the availability and terms of future financing.

All forward-looking statements in this MD&A are based on the Company's beliefs and assumptions using information available when those assumptions were made. The forward-looking statements are made as of the date of this MD&A and may change after that date. The Company assumes no obligation to update or revise them to reflect new events or circumstances, except as required by applicable securities laws.

Although management believes that the expectations represented by such forward-looking information or statements are reasonable, there is significant risk that the forward-looking information or statements may not be achieved, and the underlying assumptions thereto will not prove to be accurate. Forward-looking information or statements in this MD&A include, but are not limited to, information or statements

concerning our expectations regarding the ability to raise additional funds, results of the research and development performed in relation to the products and services of the Company, positive result due to the change in business model, possibility of entering into strategic alliance, distribution agreements and other arrangements to market their products and services and possibility of producing viable products through the use of the new technologies purchased and developed.

Actual results or events could differ materially from the plans, intentions and expectations expressed or implied in any forward-looking information or statements, including the underlying assumptions thereto, as a result of numerous risks, uncertainties and factors including: the possibility that opportunities will arise that require more cash than the Company has or can reasonably obtain; dependence on key personnel; dependence on corporate collaborations; potential delays; uncertainties related to early stage of technology and product development; uncertainties as to fluctuation of the stock market; uncertainties as to future expense levels and the possibility of unanticipated costs or expenses or cost overruns; and other risks and uncertainties which may not be described herein. The Company has no policy for updating forward looking information beyond the procedures required under applicable securities laws.

CORPORATE OVERVIEW

The Company's corporate head office is located at 40 King Street W, Suite 2400, Toronto, Ontario, Canada, M5H 3Y2.

The Company leverages Artificial Intelligence to create robust intelligence solutions for transforming data into business outcomes for enterprises. At the same time, the company uses a similar approach to providing actionable insights for education, healthcare and agriculture.

Extensive User Research has gone into its development. The Company comes from actual validation of client pain points and the value proposition would substantially improvise planning, resource allocation, and decision-making – predicting the surge in demand and supply, identifying the prospects of high and low margin, multiplying supply chain efficiency, and optimizing service delivery. The scope of solutions that can be improved with the integration of geolocation intelligence is simply endless. The Company’s unique technology unites business data with business operations to help it understand: (1) customer personas (to distinguish and classify personalized product preferences and SKU relativity);

(2) predict inventory consumption and link it to effective supply chains and warehouse planning; (3) expand existing markets by locating potential customers analogous to already existing clientele; and (4) to promote targeted pricing and discount strategies on a geospatial basis. Its technology helps businesses better understand important questions including who a company's ideal customers are, how it can more effectively manage inventory, and where to open new locations or expand.

The following highlights the four steps involved in The Company's business solution:

1. Collect business data: **including SKU (Stock Keeping Unit) level, inventory levels and other business key performance indicators (KPIs).**

2. Collect public and private data: The Company's artificial algorithms **use** location context data (through various map engines) as well as public, proprietary and dynamic data in order to arrive at relevant insights. The company's pre-built algorithms customize this data in order to generate a unique geospatial algorithm for its clients that is used to optimize their business.

3. Utilize artificial intelligence and machine learning **engine to: arrive at future data sets (which are used as pre usage data sets); geospatially stitch information together to allow the automatic geocoding and display of such data; and apply its machine learning algorithms to arrive at relevant features important to a particular business processes and outcomes.**

4. Generated insights will allow businesses to understand:

    - WHO:
        - are the customers that a particular business should target?
        - are the "super fans" that can improve a company's NPS (net promoter score)
        - are the most active on social media?
        - should we be focusing our business efforts towards?
    - WHEN:
        - is the best time to launch a product or service?
        - is the best time to expand?
        - is the best time to scale back?
        - should a business allocate resources to a specific, time-sensitive initiative?

    - WHERE:
        - are the most profitable places for expansion?
        - should a business open a new location?
        - should a business keep its warehouse/office?
        - should a business target its marketing (traditional & digital) and spending?
        - should a company strategically increase/decrease its presence?
        - are the bottlenecks in the end of end process of the business as a whole?
    - HOW:
        - can a business/brand better connect with people?
        - can a business optimize its inventory and/or service management?
        - can a business build better supply chains?
        - can a business use social media and location data to discover unique factors of consumer behavior including regarding a consumer's hobbies and interests, lifestyle preferences, relationships, diet choices, entertainment preferences and his or her culture and beliefs?
        - can a business predict the probability that a service or product will succeed in a particular market?
    - WHY:
        - is a business not obtaining the intended results?
        - is a business or segment growing?
        - isn't a business or segment growing?

The result? Smart, data driven decisions for business growth across multiple industries including retail, food and beverage, government as well as agriculture and engineering construction.

One of the most common challenges faced by companies is how to how to apply data (that is largely unstructured) in a meaningful way to their business. Our Company helps bridge that gap by synthesizing the collected data into a format that can easily understood by companies to provide data-driven answers. The data fusion platform together with the machine learning platform allows business to stitch data which is multi variable and analyze the same.

Product Pipeline

The company has launched products for the enterprise segment along with that an end to end platform for education, healthcare and agriculture. At the same time, the company is working on use cases associated with crime prevention.

Verticals Targeted

Our current efforts to commercialize our technology are targeted towards the government sector as being one of the focus segments along with players in the manufacturing, retail, food and beverage, and transportation verticals. As we mature, we hope to penetrate other industry verticals with our AI and alternative data offering that provides robust geo-intelligence insights for businesses. Currently, our biggest focus is on education, agriculture and healthcare.

In March, Deepspatial announced the appointment of technology and business development experts to its board to strategize technology development and to further business development. The following
Sourav Sachin, VP Engineering at BrowserStack, previously CEO of WoNoBo, Director of Engineering, Flipkart Kapil Raval, Director, Partner Ecosystem, Azure Global Engineering at Microsoft
Andrew Mandyam, Founding Partner, Utilis Consulting, previously Director at Enbridge Gas Distribution
Robert Luciano, CEO, DecisionSMART Retail Advisory, previously Director, Starbucks Coffee Canada
Pulkit Trivedi, Director, Google, previously Director, Facebook

Sourav Sachin is an alumnus of the prestigious Indian Institute of Technology, Bombay, and brings over two decades of experience in the technology, media, and retail sectors where he has built, scaled, and commercialized several technologies. He is currently the VP of Engineering at BrowserStack, a technology company specializing in building cloud web and mobile testing platforms that provide developers the ability to test their website and applications across on-demand browsers. Prior to joining BrowserStack, Sourav served as the CEO of WoNoBo, a cloud-based GIS platform specializing in “street view” functionality. Sourav was the Director of Engineering for Flipkart, India’s largest eCommerce company, which was acquired by WalMart for $16 billion USD.

Kapil Raval is currently a director in the energy vertical for Azure Global Engineering at Microsoft. Prior to this role, he was the Director of Corporate Business Development for AI-infused Industry Solutions for Microsoft. Before his work at Microsoft, Kapil was the Global Business Leader for Telecom Solutions at Hewlett Packard Enterprise, where he led teams globally, expanding HPE’s telecom solutions market by over 12%.

Andrew Mandyam is currently the founder and CEO of Utilis Consulting, an energy consulting company based out of Ontario, specializing in offering a subscription-based product to players in the energy sector. Before founding Utilis, Andrew was the Director of Regulatory Affairs at Enbridge Gas, the largest natural gas utility in Canada serving over 2 million customers and bringing over $2 billion in annual revenues.

Robert Luciano brings over 25 years of experience in the retail sector, and currently serves as the CEO of DecisionSMART advisory, a consulting firm specializing in retail expansion for firms providing in-house expertise on the real estate and demographic variables. Prior to his foray into entrepreneurship, he was the Director of Store Development for Starbucks Coffee Canada, where he led the opening of 50+ new stores across the country and managed a portfolio of 500+ existing assets.

Pulkit Trivedi is currently a Director at Google Pay, India, and brings with him over 19 years of experience in a diverse range of environments and roles. Featured in the "40 Young Business Leaders Under 40" report published by Business Today in 2015, he has previously worked in executive roles across Intel, Microsoft, and IBM. At Intel, he was singlehandedly responsible for managing a $300 MM revenue portfolio in South Asia, and also worked on launching India's prominent "all-in-one" PC with HP in 2009.

In March, Deepspatial also announced partnership with DFM foods. DFM Foods is a leading player in the snack foods market in India, and its flagship product – CRAX rings – is a household name in the second most populous nation in the world. With product differentiation, aggressive marketing, and a focus on high quality, the company has grown its earnings at an aggressive 20% year over year rate and is currently listed on the Bombay Stock Exchange (BSE) with a $250 million+ market capitalization. To continue its longstanding journey of growth, the company has partnered with DeepSpatial to leverage the power of geospatial intelligence in customer profiling and market expansion. This is an arm's length transaction and DFM has come on board as a client for Deepspatial, where initially they are starting off with a specific geolocation and following successful delivery, they will be looking at expansion into other cities in South Asia.

DFM operates in a competitive industry facing fierce competition on pricing, product choice, and distribution in India. DeepSpatial will be stepping in to assist the firm in generating the following three categories of insight:

Geodemographic customer profiles: DeepSpatial will conduct a thorough analysis of product sales within different geographies and integrate the datasets with its own to arrive at ideal customer archetypes that precisely define the success criteria for a product within a certain demography. To develop such customer archetypes, DeepSpatial will deploy its proprietary machine learning algorithms to identify the correct features that provide predictable models of successful sales. These insights will allow DFM to target its marketing and distribution through a precise, granular, data-driven approach for the highest ROI.

Market Entry and Expansion: DeepSpatial will leverage the insights generated from geodemographic customer profiling to identify alternative markets for expansion in India, given certain bounded constraints such as delivery cost, pricing power, regional competitive profiles etc.

Distributor and Supply chain optimization: DFM foods currently engages with 3,000+ distributors and subcontractors that cater to 1.2 million+ retailers for effective delivery of various products to consumers. DeepSpatial will be analyzing this dataset geospatially to identify efficient delivery mechanisms, route

optimizations strategies, and create predictive models of demand and supply to better manage the production supply chain.

Deepspatial received an initial purchase order from DFM foods in November 2021 for approx. $6,000 and expects to deliver the solution to the client within the next 3-4 weeks. At the same time, Deepspatial is in continuous discussions with DFM foods regarding technology scale up which is anticipated to lead to additional purchase orders from DFM foods.

Deepspatial is focused on growth and building long -term shareholder value. The company is focused on:

1) Expanding its technology portfolio to develop SaaS ("Software as a service") driven AI products and has assembled a team to expedite this initiative.
2) As an AI company, Deepspatial is also developing custom solutions for clients. The company has brought on senior leadership to head sales and business development.
3) The company is also focused on establishing both data and strategic partnerships.
4) The company will also be looking at strategic acquisitions which can boost the offering of Deespatial in the geospatial space.

In line with long term growth, in April, the company announced the appointment of Pramod Misra, to its board of advisors. The new appointment will allow the company to scale its operations by catalyzing growth across two central pillars of its core business – scaling business activity and enabling strategic data partnerships.

Pramod currently serves as the General Manager and Lead Data Scientist at Indian telecom company – Vodafone. Educated at the Georgia Institute of Technology, he has over a decade's worth experience in technical roles across various industries. Prior to Vodafone, Pramod has spent time at the Novartis Group and the Nuclear Power Corporation of India developing quantitative research models. His technical expertise, foresight, and experience will allow Deepspatial to access and leverage specialized data partnerships across industries.

Their addition to the team will allow Deepspatial to improve its product offering and scale its operations, paving pathways of synergistic alliances and prospective growth. The company is focused on scaling its technology platform to new/novel domains with a focus on tech development and business expansion.

In the period from July 1, 2021 to March 31, 2022, the company had significant developments on the administration, technological along with the business development front.

On the administration and investor exposure front, the company announced that its common shares are now trading on the OTCQB Venture Market (OTCQB), a US trading platform that is operated by the OTC Markets Group in New York. The company is trading on the OTCQB under the symbol "DSAIF"; the Company's common shares will continue to trade on the Canadian Securities Exchange (CSE) under the symbol "DSAI". The OTCQB Venture is the premier marketplace for entrepreneurial and development stage U.S. and international companies that are committed to providing a high-quality trading and information experience for their US investors. To be eligible, companies must be current in their financial reporting, pass a minimum bid price test, and undergo an annual company verification and management certification process. The OTCQB Venture quality standards provide a strong baseline of transparency, as well as the technology and regulation to improve the information and trading experience for investors.

On the technological front, the company announced that it has filed patent application number 63244524 - Computer Implemented Method and System for Retail Management and Optimization with the United

States Patent and Trademark Office (USPTO) for its proprietary methods of retail management with enhanced user experience for dynamic planning and decision making.

The company is currently working on 4 patent applications – two have been filed, and two are in process. The two filed patents focus on education and crop yield prediction which has applications in the government sector. The patent portfolio is anticipated to grow as the company expands into additional verticals which is anticipated to yield novel IP for which the company will seek patent protection. Therefore, the company expects to file patents on an on-going basis. At the same time, as part of our IP strategy, Deepspatial is also working towards filing the same patents in jurisdictions where the company is planning to operate in from a client business perspective. The company is focusing on filing patents in the US, Canada and India which are seen as favorable jurisdictions to maintain patent protection and patent infringement by a third party does carry significant penalties in these jurisdictions.

Challenge:

Advancements in information technology have revolutionized the landscape for e-commerce and retail. As digital transformations enrich and enhance existing businesses, retail businesses face new frontiers for expansion along with a novel constraint - location. As organizations adopt omni-channel strategies to deliver value, traditional retail needs to adapt to find novel solutions to thrive. In 2019, retailers in the United States announced over 9,000 store closings. In 2020, the onset of the current pandemic has only exacerbated the problem. Optimization of inventory management, pricing, supply chain, customer sentiment at existing locations along with identification of new markets and identification of stores which need to be shut down are unique challenges which need to be addressed in the retail segment.

COVID-19 has impacted Deepspatial on two specific fronts – recruitment of talent for tech development along with customer acquisition in certain verticals such as retail. In the current environment, although potential customers have reduced the IT spend and are not focusing on expanding operations, the focus has turned towards optimization of operations and improving margins. This has allowed us to re-focus and re-position our solution as being a technology that can assist in making decisions, improving productivity which has a downstream impact on margins.

One of our initial focus areas was retail as well as the food & beverage sector which has been dramatically impacted by COVID-19. Initially, our solution was being positioned as the one which could offer insights on where to open and where to expand. However, in the current landscape, the expansion plans of retailers have come to a standstill. Therefore, we had to add certain modules, expand the technology focus towards providing insights on distribution optimization, customer archetypes, customer acquisition, marketing and optimizing supply chain. Although the government sector was initially not a top focus area for us, the COVID-19 landscape paved an opportunity which has allowed us to engage with government authorities in education and infrastructure.

The partnerships that we have announced are focused on the government sector where there are specific budgetary allocations focusing on infrastructure, education and health. Our partners are deeply entrenched in these sectors and see a need for our offering. As such, currently, we have begun to focus extensively on the government sector where we are working towards capitalizing on these potential business opportunities.

Although COVID-19 has significantly impacted workplaces, being an IT/AI company, our team of scientists/engineers are working remotely, and we have Key Performance Indicators (KPIs) in place to ensure progress is being made in a regular manner. At the same time, on the business front, due to the restrictions imposed globally due to COVID-19, we have pivoted heavily towards establishing a partner

program for business development while also having our in- house team of business development professionals to work with partners as well as to onboard clients.

Deepspatial's Solution:

The company's technology (patent pending) is a complete solution that addresses all the pain points encountered in the retail sector. Deepspatial's proprietary Artificial Intelligence (AI) driven algorithms and the company's proprietary data sets are used in conjunction with the customer's data and insights which are client-specific to assist the customer in making critical business decisions.

Key features of the retail management platform include Inventory Optimization, E-Commerce Optimization, New Location Identification and Evaluation, Customer Persona Targets, Pricing Recommendations, Trend Prediction and more. Layering together proprietary, public and client data sets, along with social media sentiment analysis to capture consumer and customer perspectives, Deepspatial's Artificial Intelligence and Machine Learning engine determines what it the current state and predicts the future state for users to make critical, bottom-line, business decisions.

Furthermore, the company also announced recruitment of lead data scientist – Dr. Bushra Zaman. Leading the company's AI team is now Dr. Bushra Zaman, a senior data scientist who's an adjunct professor at the University of Utah and previously led high-profile projects with World Bank.

On the business development front, the company announced hiring of VP, Business development . Furthermore, the company also announced a partnership with one of the leading system integrators in India.

Deepspatial also announces addition of senior team members to lead global business development efforts. Debojoyti Purkayastha (Deb), previously an advisor to Deepspatial, has transitioned to the role of VP, Global business development. Deb has 23 years of experience in technology sales and helped scale up major global tech companies such as Voyager labs and Riverbed. Deb has transitioned to the role of Chief Business Officer since September 2024.

The company announced a partnership with SISL Infotech, to provide its patented AI (artificial intelligence) & GIS (geographic information systems) solutions to SISL Infotech's vast, industry-wide client base. SISL Infotech is a leading system integrator in India, helping customers automate their business functions with IT software and services. Some of their partners include Microsoft, IBM, Cisco, HP, Dell, and ESRI. SISL Infotech is one of the largest technology system integrators in India with more than 4000 employees and 6000 global customers. The Deepspatial / SISL Infotech partnership will empower businesses to tap into previously unserved markets by taking advantage of geo-spatial intelligence and AI-driven business insights. Our partnership with SISL will allow SISL infotech to offer our solutions to their wide range of clientele and the compensation for SISL will be a percentage of revenue share depending on the size of the order.

As part of the push into the government sector, in October, Deepspatial announced a partnership with IPE Global to provide its solutions to IPE Global's clients throughout government and private sectors. IPE Global will be leveraging Deepspatial's technology to assist their global client base in addition to working together towards jointly proposing their solutions to specific markets and clients identified by IPE Global. IPE Global Limited is a leading international development consulting group, providing Information and Communication Technology solutions for development and sustainable growth in developing countries. IPE Global currently operates in 8 countries encompassing Africa, Asia, and Europe with a workforce of over 1100 employees globally. This will broaden the reach of Deepspatial to government clients in several jurisdiction and the partnership will work on a revenue share basis.

Furthermore, Deepspatial also announced a partnership with Staqo in October. Staqo is an enterprise IT platform and services organization operating in many countries with over 200 experts in various domains of enterprise technology such as Deep Learning, Machine Learning, Blockchain, IoT, Image Recognition, Solutions Engineering, Cloud computing, AI, and IT infrastructure. Leveraging Staqo's strong grip in the areas of AI, Facial Recognition, Image Analytics, Application Development, and Cloud delivery – Deepspatial will be working alongside Staqo to empower its global client base to deliver a full spectrum of enterprise technology solutions. One of the key product offering of Staqo is a real time monitoring solution for employee attendance and distribution which is being used by clients in the industrial and retail space. This is complementary to Deepspatial platform as integration with Deepspatial leads to real time insights which can have an immediate impact in enhancing productivity. The two companies have executed a Joint Marketing Agreement whereby Staqo will be offering its real time monitoring solution as an enterprise solution combined with Deepspatial's proprietary platform.

The addition of new team members, combined with technological advancement and business partnerships is setting the stage for long term growth on both the technology as well as business front. Deepspatial is currently working on securing additional partnerships with system integrators and solution providers. These partnerships will be on a revenue share basis where the cost to Deepspatial will typically be somewhere between 5-10 % of the revenue share on the contracts provided by these system integrators due to which there will be no capital costs for Deepspatial with the exception of sharing revenue from the contracts that the company gets through these partnerships. At the same time, Deepspatial has allocated approximately $50,000 in its annual budget for data partnerships, which will allow the company to layer additional data sets into the technology.

In October, the company also announced a partnership with Sheela Foam Ltd . Sheela Foam Ltd (NSE: SFL) is a publicly traded company on the National Stock Exchange in India (NSE) and is currently trading at a market cap of over CAD$ 2 billion and is the largest polyurethane foam manufacturer in Asia Pacific with footprints in India, Australia and Spain and also the largest manufacturer of mattresses in India under renowned brand name Sleepwell. Deepspatial will assist Sheela Foam in identifying new market opportunities for expansion and provide better coverage for their existing markets. Deepspatial's AI-driven solutions will be adopted by Sheela Foam Ltd., to help maximize its distribution & retail coverage which is expected to reduce costs and increase profitability, margins, and revenue.

As part of the company's push into the government sector, the company announced major developments in January and February. In January, the company announced the addition of a new partner and a new contract in India focusing on Health and Sanitation Planning, Waste Disposal Planning, Infrastructure Planning, and Tourism Site Planning and Development. Due to privacy reasons, this partner and client wish to remain anonymous. The contract marks a new entry in the infrastructure and urban planning sector for Deepspatial, where its solutions will be used to support organizations and provide AI & data driven decision making for key Government personnel, ensuring a better future and quality of life for its citizens. Furthermore, in February, Deepspatial announced a Memorandum of Understanding (MoU) with a Government of India Educational Program under the Ministry of Education in one of the States with the outcome of improving the quality and access to education while enabling schools to better prepare students for rewarding career paths. Deepspatial will be working closely with the officials of the flagship program under the Ministry of Education to identify key areas of opportunity for improving access to education and ensure students are prepared for higher education from the State. Throughout the discovery process, Deepspatial may provide additional services if deemed suitable and valuable to the underlying outcomes, which may lead to further commercial contracts.

The company continued to expand its intellectual property portfolio and filed it's first patent in the agriculture segment in March. The company announced filing of US patent entitled "System and Method for Classification of Crops Using Multi-Class Machine Learning Techniques" (Patent Application #63307982). Deepspatial has created a novel artificial intelligence-driven technology that solves several obstacles in agricultural practices such as crop yield prediction, crop rotation, crop selection, and other crop management activities that will result in a greater yield of crop and maximize crop utilization for farmers. The Company's recently filed patent speaks to an artificial intelligence-driven platform that allows farmers, stakeholders, and decision makers to predict the crop yield for any given land and the type of crop that would thrive most to ensure maximum efficiency with every yield and season. The result not only allows farmers to capture the highest food yield for our ever-growing population, but will also directly impact their bottom line, ensuring they will continue to do unarguably valuable and challenging work. World population is growing and is expected to reach between 8 and 10 billion by 2050. Increase in population creates more demand for food, and it is estimated that total food consumption will have to increase by 50-70%. Traditional methods of agricultural farming are not equipped to handle the demand forecasted and the need for new methods and practices in agricultural management and technologies are becoming increasingly important. The global agriculture technology-as-a-service market is projected to grow from $1,101.6 million in 2020 to $3,089.8 million by 2025, at a CAGR of 22.91% from 2020 to 2025. High growth in the market is expected to be driven by the growing need to adopt agriculture technologies across the industry. The patent allows the company to venture into a new segment which has a tremendous growth rate and the company will leverage its's previously announced government and private sector partnerships to assist with business development in the agriculture segment.

On the investor front, the company received approval from the Depository Trust Company ("DTC") to make the Company's common shares (the "Common Shares") eligible to be electronically cleared and settled ("DTC Eligibility"). The Common Shares will continue to trade in the United States under the ticker symbol "DSAIF"on the OTCQB Venture Market and on the Canadian Securities Exchange (CSE) under the ticker symbol "DSAI".

DTC is a subsidiary of the Depository Trust & Clearing Corporation, a U.S. company that manages the electronic clearing and settlement of securities for publicly traded companies in the United States. Securities that are eligible to be electronically cleared and settled through DTC are "DTC eligible. "DTC eligibility is expected to simplify the process of trading and enhance the liquidity of the Company's Common Shares in the United States because of the accelerated settlement period and the expected reduction in costs for investors and brokers.

The company believes it has a strong sales pipeline consisting of new sectors and Government opportunities and expects growth in order booking. Moreover, based on the traction and client needs, the company also expects to further expand the data-science and technology team to meet forecasted project deadlines and new client orders.

The company achieved successful client validation of Platform in the government sector for educational advancements for underserved communities. The revenue producing project, encompassing and impacting over 100 schools, was created for the Department of Education in the State of Meghalaya, India. The education platform delivered by Deepspatial provided impactful insights by using its proprietary AI algorithms (patent pending).

The quality of education differs drastically between States and regions due to factors like demographics, environment, accessibility, healthcare, occupational, infrastructural, and several other factors. Every region is unique, and remote areas have varying characteristics that need to be accounted for while planning or

implementing policy level decisions, especially those affecting education. As a result of the unequal access and other factors, the passing rates of many secondary and higher secondary schools in remote-like districts were decreasing dramatically.

Deepspatial, in collaboration with Department of Education officials, initiated an interdisciplinary analysis of the factors affecting the Secondary and Higher Secondary Students of a District in the State of Meghalaya. The insights provided by Deepspatial's Platform has helped the policy and decision makers of the State understand the particular issues contributing to the decline of the passing rate of State's students, and provided actionable insights for decision making to impact change. Deepspatial is currently working towards scaling its technology throughout the State with the Department of Education to further impact the State's citizens.

The company also announced partnership with NielsenIQ. NielsenIQ is the leader in providing the most complete, unbiased view of consumer behavior, globally. Since launching in 2016, the NielsenIQ Partner Network has been instrumental in driving business value for more than 200 unique NielsenIQ clients by simplifying industry collaboration and providing more relevant and accurate results from partners that better align to the way clients measure their business.

The partnership empowers its partners to gain access to Nielsen's network of Fortune 500 clients. NielsenIQ clients also benefit a great deal as they can work directly with any of the partners who specialize across a broad range of areas including demand planning, data harmonization, machine learning, AI-driven promotion, and many other features. The offering with NielsenIQ will be on a revenue share basis.

In addition to the government segment, the company also expanded in the enterprise segment. In July 2022, the company secured a purchase order with a large global frozen-food conglomerate, headquartered in North America. Despite the rapid growth of the frozen food market, many companies are still facing expansion challenges due to multiple factors. In several jurisdictions, lack of proper infrastructure often results in a failure to supply safe, frozen food products in a timely manner. Frozen food usually has a long shelf-life, however, if not stored well (rapid change in temperatures), the product is wasted easily. Distribution remains a pain point for the frozen food sector and companies are looking for solutions to these challenges. Deepspatial will provide the frozen-food organization with its Geospatial Artificial Intelligence (Geo-AI) Platform to plan, optimize, and govern the client's distribution network while enhancing its decision-making capability for market expansion. Furthermore, in August 2022, the company also secured a purchase order from a leading FMCG (fast-moving consumer goods) company in South Asia. Despite the industry being valued at $105.85 billion in 20211, FMCG companies face several big challenges such as cost minimization, meeting increasingly diverse customer requirements, and ensuring availability and fulfillment of customer demand. With consumer demand sometimes peaking up to 400%, the flexibility to adapt to fluctuations and shorter lifespans poses significant challenges, which can be solved by optimizing distribution, logistics, and supply chain operations. Deepspatial's platform addresses the challenges that FMCG industry are currently facing with its distributors, wholesalers, retailers, and product segment availability for its appropriate target customers. The Company's platform empowers its clients to analyze and optimize distribution networks using multivariate geospatial data analysis and outcome modelling tools, in return, helping companies make smarter decisions that make a difference. The length of the project is estimated at four months and pending successful results of the project, the Company expects to work on a significant scale with the client.

The validation of company's platform for education led to Deepspatial receiving an exclusive invitation to present at the United Nations General Assembly Forum, UNESCO Artificial Intelligence for Information Accessibility 2022 Global Conference.The theme of the conference is promoting and understanding

Artificial Intelligence. AI can be very beneficial to society but if abused it can also be very harmful. The theme, therefore, raises a range of issues, including the relationship between Artificial Intelligence and Law, AI and Ethics, media and our right to know, creativity, and innovation. UNESCO's programs contribute to the achievement of the Sustainable Development Goals defined in the 2030 Agenda, adopted by the UN General Assembly in 2015. Presenting at the Conference, Deepspatial will highlight the impact its Geo-AI Platform has made on many lives through its Education, Healthcare, and Agriculture platforms and how the Company's work can contribute to UNESCO's mandate of achieving sustainable development goals. Showcasing its novel AI-driven technology to international experts in AI, Deepspatial is becoming well-positioned as a thought leader in the space of Geospatial Artificial Intelligence.

Moreover, Deepspatial was also invited to present at the Bureau of Police Research and Development (BPRD) on August 18, 2022, as the only AI company selected this year to showcase and demonstrate the capability of its platform for law enforcement. Deepspatial was working with authorities at different levels of the Government to develop and refine its geospatial AI platform over the past 12 months. The Company's research and development has resulted in novel intellectual property which is currently being drafted into patent applications to be filed with the United States Patent and Trademark Office.

Deepspatial's geospatial AI-driven Platform for Law Enforcement empowers agencies to identify and analyze criminal activity, patterns, and trends to deploy resources effectively and efficiently. At the upcoming BPRD event to be attended by senior law enforcement officials from over 25 states across India, the Company will showcase its platform for law enforcement and its capabilities and features such as Demographic Analysis, Crime Prediction, Crime Prevention, Crime Drivers, Potential Escape Routes and Deployment of Resources, and others ground-breaking tools.

Over the last quarter, the company has achieved progress both on the government and the enterprise segment front which is important for business development and expansion. The company is anticipating filing of multiple patents along with major developments related to business development on the government front.

On Sep 8, 2023, the Company announced its intent to carry out a private placement to issue up to 20,000,000 units (the "Units") at a price of $0.05 per unit to investors for gross proceeds of up to $1,000,000. Each Unit will consist of one common share of the Company and one common share purchase warrant (a "Warrant"), whereby each Warrant entitles the holder to purchase one additional common share for a period of two years from closing at an exercise price of $0.10 per share. If, following four months and a day after the closing date, the volume weighted average price of the common shares on the CSE is equal to or greater than $0.20 for any 10 consecutive trading days, the Company may, upon providing written notice to the holders of Warrants, accelerate the expiry date of the Warrants to the date that is 30 days following the date of such written notice.
Net proceeds will be used for general operations (working capital) including business development and technology upgrades. All securities issued in connection with the private placement will be subject to a statutory hold period expiring four months and one day from the date of issuance of the securities.

On Sep 14 the company announced closing of the first tranche of placement. The Company issued 11,700,000 units (the "Units") at a price of $0.05 per unit to investors for gross proceeds of $585,000. Each Unit consists of one common share of the Company and one common share purchase warrant (a "Warrant"), whereby each Warrant entitles the holder to purchase one additional common share for a period of two years from closing at an exercise price of $0.10 per share. If, following four months and a day after the closing date, the volume weighted average price of the common shares on the CSE is equal to or greater than $0.20 for any 10 consecutive trading days, the Company may, upon providing written notice to the holders of Warrants, accelerate the expiry date of the Warrants to the date that is 30 days following the date

of such written notice. On October 10, the company announced closing of the second tranche. The Company issued 6,000,000 units (the "Units") at a price of $0.05 per unit to investors for gross proceeds of $300,000. On Dec 4, the company announced it has closed the final tranche of its previously announced private placement, bringing the total to $1,038,000. As part of the final tranche the Company issued 3,060,000 units (the "Units") at a price of $0.05 per unit to investors for gross proceeds of $153,000.

On Dec 4, the company also announced that the majority of the debenture holders that participated in the Company's convertible debenture financing which was completed in October 2022 and March 2023 for total proceeds of $675,250 have elected to convert the debenture to units at a conversion price of $0.15 per unit, with each unit comprised of one common share and one-half of one warrant, with each whole warrant exercisable into a common share at an exercise price of $0.30 per share. The holders of principal amount $482,000 of convertible debentures have completed the conversion into units.

On Dec 7, the company announced a contract win in one of the states in India for its innovative AI-driven education platform.The contract, initially valued at $200,000 for the first year, signifies the commencement of a potentially long-term collaboration. Upon successful platform deployment, this engagement is anticipated to extend into a multi-year commitment encompassing comprehensive support, service, and updates.

The Company secured this significant contract following a thorough government selection process, where its collaborative bid with a reputable technology integrator was identified as the most technically and commercially viable solution. The platform's ground-breaking approach in integrating Item Response Theory (IRT) and pioneering multidisciplinary concepts in school education has garnered attention for its potential to reshape pedagogical approaches and improve learning outcomes. The company's AI-driven education platform introduces novel multidisciplinary concepts in school education, notably integrating practical applications of IRT. This innovative framework empowers educators to personalize learning experiences, enabling a more nuanced understanding of students' strengths and areas for improvement, fostering a more tailored educational environment.

On February 29th, the company announced a significant milestone in its corporate journey, having evolved from a phase of rigorous technological validation and strategic financial planning to achieving substantial market penetration in the transformative education sector. This transition marked the beginning of the company’s revenue-generating phase, underscoring its position as a leader in leveraging technological innovation to shape the future of education.

The company also provided a description of its geospatial AI platform:

Pioneering Geo-AI Analytics for Transformative Insights

Deepspatial AI's Geo-AI Analytics Platform represents a cutting-edge blend of geospatial analysis and artificial intelligence, designed to uncover hidden insights across various scales - from state-wide to global levels. The platform is built on a robust inference engine capable of processing diverse data sets across key sectors such as education, agriculture, and food & civil supplies.

Key Features and Value Proposition:

Inference Engine: At the heart of the platform, the inference engine is designed to share hidden insights by analyzing geospatial data. This enables state-wide, country-wide, and global inferencing capabilities.

Sector-Specific Insights: Initially focusing on education, agriculture, and enterprise-specific segments, the platform leverages state data sets to deliver tailored insights.

Scalable Insights: As we integrate more data, our platform's value grows, offering deeper insights. This scalability allows for more accurate modeling and inferencing as the customer base expands across state governments and enterprises.

Customizable Subscription Services: The company's business model includes segment-specific subscriptions such as Eduverse for education, AgriVerse for agriculture, and Fitverse for health and fitness, among others. This approach allows for targeted solutions that meet the unique needs of clients.

The company also announced appointment of David Yu as an independent director to the board. Mr. Yu brings a wealth of experience and a proven track record of success in the technology and business sectors. His previous role as CEO showcases his exceptional leadership and strategic vision, vital in navigating companies through growth and innovation. His background is further enriched by a bachelor's degree in electronic engineering, and extensive experience in IT support and engineering.

On March 20th, the company also announced a government contract valued at over $800,000. This end-to-end service agreement spans an initial period of three years, marking a significant milestone in Deepspatial's venture in addressing the global food crisis. Over the next eight months, Deepspatial will deploy its cutting-edge AI platform across more than 4,500 locations within one state in India, starting in April 2024. This ambitious project aims to enhance public distribution, market enforcement, and consumer protection through advanced data analytics and AI technologies. Deepspatial's platform will ensure that essential goods and services reach those in need efficiently and effectively. This technology will play a pivotal role in enhancing market discipline and safeguarding consumer interests by providing real-time insights and analytics for decision-makers.

This strategic partnership was secured in collaboration with a leading system integrator, through a competitive bid and RFP process. The collaboration signifies Deepspatial's commitment to leveraging its proprietary technology to address complex challenges in the public sector, ensuring efficient service deliveries and enhanced consumer satisfaction.

The company is proud to announce generation of meaningful revenue. On April 11th, the company announced that between January 1 and March 31, 2024, the Company has received a total of CDN$425,000 in payments from clients for the contracts awarded, demonstrating a significant leap in the Company's financial strength and market trust. Furthermore, the Company has successfully invoiced CDN$860,000 for its innovative solutions during this period, signaling a robust demand for its state-of-the-art AI-driven offerings. These financial achievements underscore Deepspatial's pivotal turning point in its operational success and financial stability.

Furthermore, the company significantly reduced its share count by announcing on April 22nd cancellation of 21,450,000 previously issued common shares of the Company (the "Shares"). The Shares were initially issued to Algo8 India Private Ltd ("Algo8") for acquisition of technology which was never delivered to Deepspatial. Nandan Mishra, a principal of Algo8, has also resigned from the board of directors of Deepspatial, effective immediately.

The company announced further progress in launch of its platform for education in the state of Meghalaya, India on May 13th. The company announced successful completion of a pilot program and the official launch of its education platform under the Government of India's Vidya Samiksha Kendra (VSK) initiative. This milestone marks a significant achievement in the implementation of the National Education Policy. Under the VSK initiative, Deepspatial's platform is being deployed in the state of Meghalaya. Deepspatial's AI-based learning analytics, assessment, and management system is a critical component of the entire VSK setup. VSK setup includes Deepspatial's AI platform along with setup being developed by one of the largest

Japanese Multinational Conglomerate which is a Fortune 500 company and among the top 10 companies by market capitalization on NIKKEI index.

The development announced by Deepspatial involved tech enhancement, tech deployment along with revenue generation which together sets the stage for growth of the company moving forward.

Building on its operational momentum in early 2024, the Company continued to expand both the scale and impact of its AI-driven platforms across multiple government initiatives.

On October 2, 2024, Deepspatial was awarded the WGIC DEI Trailblazer Corporate Impact Award 2024 by the World Geospatial Industry Council. This international recognition reflects the measurable impact of the Company's edskCalibre platform in advancing equitable access to education through applied GeoAI and large-scale analytics. The award reinforces Deepspatial's growing credibility as a global public-sector technology partner.

Shortly thereafter, on October 10, 2024, the Company commenced implementation of its edskCalibre platform under a contract valued at approximately $2 million with the Department of Education, Government of Himachal Pradesh, India. The deployment supports personalized assessment, career guidance, and performance analytics for more than 530,000 students and approximately 5,000 educators. This state-wide rollout further validates the scalability of the Company's AI infrastructure and its ability to execute complex, multi-location public sector deployments.

On October 29, 2024, the Company expanded its education footprint through participation in a Government-led Talent Identification Programme designed to identify high-potential students for scholarship opportunities with the Aga Khan Foundation. By leveraging its proprietary analytics engine, Deepspatial enabled large-scale, data-driven student assessment, further strengthening its positioning within the education technology and social impact ecosystem.

While operational progress continued, the Company also addressed regulatory matters. On November 1, 2024, the Ontario Securities Commission issued a Failure-to-File Cease Trade Order as a result of delays in filing audited financial statements and related disclosures for the fiscal year ended June 30, 2024. Management has prioritized resolution of these matters and has taken concrete steps to restore full compliance.

On November 11, 2025, the Company appointed new auditors to complete outstanding financial filings and advance the process toward revocation of the cease trade order. Management views this appointment as a critical governance milestone and remains focused on strengthening internal controls, completing required filings, and positioning the Company for re-engagement with capital markets.

Collectively, these developments reflect continued execution on large-scale government contracts, growing validation of the Company's technology at both national and international levels, and a structured effort to reinforce corporate governance as the Company prepares for its next phase of growth.

SELECTED FINANCIAL INFORMATION

The following table contains selected financial information of the Company for the years ended June 30, 2026, and 2025.

	For the year ended June 30, 2026 $	*For the year ended June 30, 2025 $*
Revenue	2,050,936	2,529,521
Total operating expenses	(1,742,638)	(1,451,299)
Comprehensive loss for the year	(715,102)	(120,072)
Loss per common share – basic and diluted	(0.007)	(0.001)
Weighted average number of common shares outstanding	102,422,171	102,422,171

The chart below presents the summary financial information of the Company:

	As at June 30, 2026 ($)	*As at June 30, 2025 ($)*
Current assets	744,253	732,316
Non-current assets	-	-
Total assets	744,253	732,316
Current liabilities	2,356,600	1,629,561
Non-Current liabilities	-	-
Shareholders' equity (deficiency)	(1,612,347)	(897,245)
Cash dividends per common share	-	-

OVERALL PERFORMANCE AND RESULTS OF OPERATIONS

Expenses and Net Loss

Revenue for the year ended June 30, 2026, was $2,050,936 (2025: $2,529,521). Revenue was generated in India from contracted projects and service and maintenance activities.

Direct costs were $1,023,267 (2025: $1,038,506), resulting in gross profit of $1,027,669 (2025: $1,491,015) and a gross margin of approximately 50.1% (2025: 58.9%). Total operating expenses increased to $1,742,638 (2025: $1,451,299).

The Company recorded loss before income taxes of $714,969 (2025: profit of $39,716). After income tax expense of $nil (2025: $146,671), the net loss was $714,969 (2025: $106,955). Comprehensive loss was $715,102 (2025: $120,072), including a currency translation adjustment of $133 (2025: $13,117).

The following table summarizes quarterly financial information for fiscal 2026 and the comparative fiscal 2025 quarters.

	Q4 2026	Q3 2026	Q2 2026	Q1 2026
	$	$	$	$
Profit (loss) before income taxes	(196,128)	8,976	(255,155)	(272,662)
Loss per share, basic and diluted	(0.002)	0.000	(0.002)	(0.003)

	Q4 2025	Q3 2025	Q2 2025	Q1 2025
	$	$	$	$
Loss before income taxes	(111,454)	375,646	(182,877)	(41,599)
Loss per share, basic and diluted	(0.001)	0.004	(0.002)	(0.000)

Variances for the years ended June 30, 2026, and 2025

Transfer agent and regulatory costs were $65,501 for the year ended June 30, 2026 (2025: $37,703), primarily representing compliance costs associated with the Company's CST and OTC listings.

Amortization of intangible assets were $nil for the year ended June 30, 2026 (2025: $nil). The acquired intangible asset was fully amortized and impaired during fiscal 2024 and had a carrying amount of $nil at June 30, 2026 and 2025.

Research and development costs were $nil for the year ended June 30, 2026 (2025: $19,553). These costs relate to the development of the Company's geospatial artificial intelligence products and services.

Consulting fees were $234,907 for the year ended June 30, 2026 (2025: $213,378). These fees relate primarily to consultants engaged in business development and corporate activities.

Marketing expenses were $nil for the year ended June 30, 2026 (2025: $45,000). These expenses relate to marketing the Company and its products.

Share-based payment expense for restricted share units was $nil for the year ended June 30, 2026 (2025: $328) and reflects the vesting of previously granted restricted share units.

Office and miscellaneous expenses were $475,902 for the year ended June 30, 2026 (2025: $430,699). The increase is related to the increase in business operations in India.

Payroll expenses were $487,650 for the year ended June 30, 2026 (2025: $292,197). This increase in payroll is a result of increase in hiring more staff for business operations in India.

Revenue Recognition and Estimates

The Company recognizes revenue under IFRS 15 – Revenue from Contracts with Customers, using a cost-based input method (percentage of completion) for long-term software development and implementation contracts.

Revenue recognized during interim periods was based on management's best estimates of project progress at those reporting dates, considering information available at the time.

Management expects that estimation variability may arise in applying the percentage-of-completion method. Estimates are reviewed as project information becomes available.

Key Judgments and Estimates

Revenue recognized under the percentage-of-completion method requires management to make judgments regarding:

- identification of performance obligations;
- assessment of progress toward satisfaction of those obligations; and
- estimation of total contract costs.

These estimates are reviewed at each reporting date and updated as necessary based on the most current information available. Changes in estimates are accounted for prospectively and reflected in the period in which they become known.

No cash dividends have been paid by the Company. The Company has no present intention of paying cash dividends on its common shares as it anticipates that all available funds will be invested to finance existing activities.

CRITICAL ACCOUNTING ESTIMATES

Preparing financial statements in conformity with IFRS requires the Company to select from possible alternative accounting principles. Estimates also affect classification and reported amounts for various assets, liabilities, equity balances, revenues and expenses. Prior estimates are revised as new information is obtained and are subject to change in future periods. Management believes the accounting policies and estimates used in preparing the financial statements are considered appropriate in the circumstances but are subject to numerous judgments and uncertainties inherent in the financial reporting process.

The preparation of these financial statements requires management to make judgements regarding the going concern of the Company, as well as the determination of functional currency. The functional currency is the currency of the primary economic environment in which an entity operates and has been determined for the Company. The functional currency for the Company has been determined to be the Canadian dollar and its subsidiary in India as Indian Rupees.

Significant estimates made by management affecting the financial statements include:

Revenue recognition

Contract revenue relating to performance obligations satisfied over time is recognized using a percentage-of-completion approach. Contract revenue, contract assets, contract liabilities, and contract costs are determined based on management estimates and judgments used to measure progress toward completion of

contracts. Progress toward completion is measured by comparing actual costs incurred to date with total estimated costs for the contract. In determining total estimated costs, management applies judgment and assumptions related to, among other factors, project schedules, material and labour costs, and changes in contract scope. Changes in estimates could impact the amount and timing of revenue recognized, as wellas related contract assets and contract liabilities.

Revenue is recognized only when it is probable that the Company will collect the consideration to which it expects to be entitled. For contracts where collectability is not considered probable, no revenue or contract asset is recognized until such time as collectability becomes probable.

Deferred tax assets & liabilities

The estimation of income taxes includes evaluating the recoverability of deferred tax assets and liabilities based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets and liabilities will not be realized. The ultimate realization of deferred tax assets and liabilities is dependent upon the generation of future taxable income and the interpretation of tax regulations in multiple jurisdictions. As the final outcome of tax reviews may differ from the estimates recorded, changes in these estimates are recognized in the period they become known. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets or liabilities, and deferred income tax provisions or recoveries could be affected.

Useful life of intangible assets

The intangible asset is depreciated over its estimated useful life. Estimated useful lives are determined based on current facts and past experience and takes into consideration the anticipated life of the asset, the potential for technological obsolescence, and regulations.

Impairment

The Company applies judgment to assess whether there are any indications that the carrying value of its intangible assets, including trademarks and incorporation costs, may be impaired. Intangible assets are tested for impairment

whenever there is an indication that their carrying value may exceed their recoverable amount. Additionally, intangible assets with indefinite useful lives, such as trademarks, are tested for impairment at least annually.

The recoverable amount of these intangible assets is determined based on the higher of fair value less costs to sell and value in use ("VIU"). Estimating the recoverable amount involves making assumptions about future cash flows, projected revenues, operating results, and other factors such as discount rates and margins. These estimates may change over time due to market conditions or business strategies.

The impairment test ensures that intangible assets are not carried at more than their recoverable amount, reflecting the Company's judgment about whether the expected future economic benefits from the asset remain intact.

Share-based Payments

Estimating fair value for granted stock options and warrants requires determining the most appropriate valuation model which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the option or warrant, volatility, dividend yield, and rate of forfeitures and making assumptions about them.

Provisions

The Company recognizes provisions if there is a present obligation as a result of a past event, it is probable that the Company will be required to settle the obligation and the obligation can be reliably estimated. The amount recognized as a provision reflects management's best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation.

Convertible debentures

The Company makes estimates and assumptions relating to the fair value measurement and disclosure of its convertible debentures. The fair values are determined using a variety of valuation techniques. The inputs to these models are derived from observable market data where possible, but where observable market data are not available, management's judgment is required to establish fair values.

Financial instruments

Financial assets and liabilities, with the exception of accounts receivable and contract asset that does not have a significant financing component, are initially recognized at fair value plus or minus directly attributable transaction costs as appropriate, except for financial assets at fair value through profit or loss, for which transaction costs are expensed. The determination of fair value requires the Company to make assumptions, estimates and judgments regarding approach, effective interest rate, impairment, and foreign exchange rates. As a result, the fair value impacts the Company's reported assets and liabilities.

Shares issued for non-cash consideration

The Company measures equity-settled share-based payment transactions based on an estimate of the fair value of goods or services received, unless that fair value cannot be estimated reliably, in which case the Company measures the fair value of the goods or services received based on the fair value of the equity instruments granted.

LIQUIDITY AND CAPITAL RESOURCES

At June 30, 2026, the Company had cash and cash equivalents of $10,148 (2025: $72,552) and a working capital deficit of $1,612,347 (2025: $897,245). During the year ended June 30, 2026, the Company received $302,274 from financing activities (2025: $176,677).

Cash used in operating activities was $364,545 for the year ended June 30, 2026 (2025: $323,306). This consisted of the net loss of $714,969, adjusted for $2,000 of non-cash items and $348,424 of cash provided through changes in non-cash working capital.

Non-cash items for the year ended June 30, 2026 consisted of interest accrued on the CEBA loan of $2,000 (2025: interest accretion of $6,001, share-based payment expense of $328 and interest accrued on the CEBA loan of $2,000).

Changes in non-cash working capital provided $348,424 during fiscal 2026. The principal changes included increases in accounts receivable of $557,473, decreases in contract assets of $413,995 and increases in accounts payable and accrued liabilities of $308,176.

The Company had no cash flows from investing activities during the years ended June 30, 2026 and 2025.

Financing activities provided $302,274 during the year ended June 30, 2026 (2025: $176,677). Fiscal 2026 financing cash flows comprised $145,000 due to a related party, loan proceeds of $177,323 and debenture repayments of $20,049.

The Company has started generating revenues. The ability of the Company to continue as a going concern is dependent on raising additional financing, development of its projects and generation of profitable operations in the future.

The Company has financed its operations through the issuance of equity shares and convertible debentures and intends to finance future requirements through a combination of operating receipts and equity or debt financing. There is no assurance that financing will be available when required or on terms acceptable to the Company. See Caution Regarding Forward-Looking Statements and Risks and Uncertainties. Other than liabilities and contractual obligations disclosed in the financial statements, the Company has no material commitments.

The Company's objectives when managing its capital structure are to preserve the Company's access to capital markets and its ability to meet its financial obligations.

Based on available funds, the Company manages its capital structure and makes adjustments to it to maintain flexibility while achieving the objectives stated above as well as support future business opportunities. To manage the capital structure, the Company may adjust its project plans, operating expenditure plans, or issue new common shares. The Company monitors its capital structure using annual forecast cash flows, expenditure budgets and targets for the year as well as corporate capitalization schedules. This is achieved by the Board of Directors' review and acceptance of expenditure budgets that are achievable within existing resources and the timely matching and release of the next stage of expenditure with the resources made available from private placements or other funding.

The Board of Directors does not establish quantitative return on capital criteria for management but rather relies on the expertise of the Company's management to sustain future development of the business. The Company is not subject to externally imposed capital requirements or covenants.

Going Concern Uncertainty

For the year ended June 30, 2026, the Company incurred a net loss of $714,969 (2025: $106,955) and negative operating cash flows of $364,545 (2025: $323,306). At June 30, 2026, the Company had an accumulated deficit of $10,084,017 (2025: $9,369,048). These conditions indicate a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

While the Company has been successful in obtaining financing to date, there can be no assurance that it will be able to do so in the future, if required, on terms favorable for the Company. This need may be adversely impacted by uncertain market conditions, approval by regulatory bodies, and adverse results from operations.

OUTSTANDING SHARE DATA

At June 30, 2026, the Company had 102,422,171 common shares outstanding. The table below presents securities outstanding at June 30, 2026 and at October 28, 2026, the effective date of this MD&A.

	October 28, 2026	June 30, 2026
Common shares	102,422,171	102,422,171
Stock options	-	-
RSU	202,668	202,668
Warrants	-	-
Fully diluted shares outstanding	102,624,839	102,624,839

Share issuances

During the year ended June 30, 2026, the Company did not issue or cancel any common shares. No share-based compensation expense was recorded.

FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognized on the statements of financial position when the Company becomes a party to the contractual provisions of the financial instrument.

The following is the Company's accounting policy for financial instruments under IFRS 9:

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets 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 FVTOCI. 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 if the Company has opted to measure them at FVTPL.

Measurement

Financial assets and liabilities at amortized cost
Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL
Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of loss and comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of loss and comprehensive loss in the period in which they arise.

Debt investments at FVOCI
These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI
These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. 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 shall recognize in the statements of loss and comprehensive 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.

Derecognition

Financial assets
The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

Financial liabilities
The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expired. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition are generally recognized in profit or loss.

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

Asset or Liability	**Measurement**
Cash	Amortized cost
Accounts receivable	Amortized cost
Contract asset	Amortized cost
Accounts payable and accrued liabilities	Amortized cost

Government assistance loan	Amortized cost
Loans	Amortized cost
Debentures	Amortized cost

The Company determines the fair value of financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument.

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 – Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.

Level 3 – Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

Cash has been measured at fair value using Level 1 inputs.

Impairment of financial assets

Financial assets are assessed at each reporting date to determine whether there is objective evidence that they are impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in a separate line item. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Financial risk management and objectives

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk, and market risk (including interest rate risk, foreign currency risk, and commodity price risk).

The Company thoroughly examines the various financial risks to which it is exposed and assesses the impact and likelihood of those risks. Where material, these risks are reviewed and monitored by the Board of Directors.

Credit risk

Credit risk arises if a customer or counterparty fails to meet its contractual obligations. At June 30, 2026, accounts receivable was $604,926 (2025: $47,453) and the contract asset was $45,542 (2025: $459,537). One customer (2025: Two customers) accounted for 100% of fiscal 2026 revenue, resulting in significant customer concentration risk.

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Company. The Company generates cash flows primarily from its financing activities.

The Company manages its liquidity needs by carefully monitoring scheduled costs. Liquidity is measured in various time bands, on day to day and week-to-week basis, as well as on long term liquidity needs over 180 day to 360 day look out periods. Funding for long term liquidity needs is based on the ability of the Company to successfully complete private placements.

At June 30, 2026, the Company had cash and cash equivalents of $10,148 available to settle current liabilities of $2,356,600.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

	Total Contractual cash flows	**Less than 1 year**	**1-3 years**	**4-5 years**	**After 5 years**
Accounts payable and accrued liabilities	1,350,796	1,350,796	-	-	-
Sales tax payable	9,188	9,188	-	-	-
Government assistance loan	44,900	44,900	-	-	-
Due to related party	366,461	366,461	-	-	-
Income tax payable	45,270	45,270	-	-	-
Convertible debentures	173,200	173,200	-	-	-
	1,989,815	1,989,815	-	-	-

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, commodity and equity prices, and foreign exchange rates.

(a) 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. The Company is not exposed to significant interest rate risk.

(b) Price risk

The Company is not exposed to significant price risk as it does not possess investments in publicly traded securities.

(c) Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument denominated in a foreign currency will fluctuate because of changes in foreign exchange rates.

The Company's Indian subsidiary and Canadian subsidiaries transactions are in Indian Rupees ("INR") and Canadian dollars, respectively. The results of the Company's operations are subject to currency translation risk. The Company mitigates foreign exchange risk through forecasting its foreign currency denominated expenditures and maintaining an appropriate balance of cash in each currency to meet the expenditures.

At June 30, 2026, a reasonably possible 10% fluctuation in the INR/CAD exchange rate would not have had a material impact on the Company's net loss and comprehensive loss.

TRANSACTIONS WITH RELATED PARTIES

Related parties include key management personnel, the Board of Directors, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions. Key management of the Company are members of the Board of Directors, the Executive Chairman, the Chief Executive Officer ("CEO"), the Chief Financial Officer ("CFO"). Transactions with key management personnel not disclosed elsewhere in the financial statements include the following:

		June 30, 2026		June 30, 2025
Management fees expensed to directors and officers	$	273,600	$	255,600
Vehicle expenses		12,000		12,000
	$	285,600	$	267,600

At June 30, 2026, $722,596 was due to related parties and included in accounts payable and accrued liabilities (2025: $450,648).

As at June 30, 2026, an amount of $145,000 (June 30, 2025: $nil) was to a Company related by common directors. This loan is free of interest, carries no repayment terms and is due on demand.

The Company's Executive Chairman, CEO and CFO are Sheldon Kales, Rahul Kushwah and Rakesh Malhotra, respectively. There were no changes in management after June 30, 2026 and before the effective date of this MD&A.

Notes:
a) The management fees paid to the directors and officers are routine and regular compensation for services provided on an ongoing basis to the Company.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not entered into any material off-balance sheet arrangements such as guarantee contracts, contingent interests in assets transferred to unconsolidated entities, derivative instrument obligations, or with respect to any obligations under a variable interest entity arrangement.

BOARD PURPOSE AND FUNCTION

The directors and management of the company have experience operating in Canada and taking projects through to various stages of development.

The Board's purpose is to ensure corporate governance, risk, strategy and shareholder interests are priorities at all times. At June 30, 2026, the Board consisted of three members. There were no changes in the directors after year-end and before the effective date of this MD&A.

CONTROL AND PROCEDURES

The Chief Executive Officer and Chief Financial Officer are responsible for designing internal controls over financial reporting in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Company's financial statements for external purposes in accordance with IFRS. The design of the Company's internal control over financial reporting was assessed as of the date of this Management Discussion and Analysis.

Based on this assessment, it was determined that certain weaknesses existed in internal controls over financial reporting. As indicative of many small companies, the lack of segregation of duties and effective risk assessment were identified as areas where weaknesses existed. The existence of these weaknesses is to be compensated for by senior management monitoring, which exists. The officers will continue to monitor very closely all financial activities of the Company and increase the level of supervision in key areas. It is important to note that this issue would also require the Company to hire additional staff in order to provide greater segregation of duties. Since the increased costs of such hiring could burden the Company's financial resources, management has chosen to disclose the potential risk in its filings and proceed with increased staffing only when the budgets and workload will enable the action. The Company has attempted to mitigate these weaknesses, through a combination of extensive and detailed review by the CFO of financial accounting and reporting.

(a) The Company being a venture issuer, is not required to certify the design and evaluation of the Company's Disclosure Control and Procedures ("DC&P") and Internal Control Over Financial Reporting ("ICFR") and has not completed such an evaluation; and

(b) inherent limitations on the ability of the certifying officers to design and implement on a cost effective basis DC&P and ICFR for the issuer may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

RISKS AND UNCERTAINTIES

The Company is subject to a number of risks and uncertainties due to the nature of its business and the present stage of development of its business. Current and potential investors should give special consideration to the risk factors involved.

Regulatory Filings and Cease Trade Order

The Ontario Securities Commission issued a failure-to-file cease trade order on November 1, 2024 because of delays in the Company's continuous disclosure filings. The order restricts trading in the Company's securities and may adversely affect liquidity, investor confidence and access to capital until the required filings are completed and the order is revoked.

Customer Concentration

One customer accounted for 100% of the Company's revenue for the year ended June 30, 2026. A reduction, delay, non-renewal or termination of business with the customer could have a material adverse effect on revenue, cash flows and operating results.

Management

Dependence on Key Personnel, Contractors and Service Providers, shareholders of our Company rely on the good faith, experience and judgment of the Company's management and advisors in supervising and providing for the effective management of the business and the operations of the Company and in selecting and developing new investment and expansion opportunities. The Company may need to recruit additional qualified contractors and service providers to supplement existing management. The Company will be dependent on a relatively small number of key people, the loss of any one of whom could have an adverse effect on the Company.

Value of Our Common Shares

The value of the Company's common shares could be subject to significant fluctuations in response to variations in and annual operating results, the success of the Company's business strategy, competition or other applicable regulations which may affect the business of the Company and other factors.

Additional Funding and Financing Risk

Additional funds will be required for future development. The source of future funds available to the Company is the sale of additional equity capital or borrowing of funds. There is no assurance that such funding will be available to the Company. Furthermore, even if such financing is successfully completed, there can be no assurance that it will be obtained on terms favorable to the Company or will provide the Company with sufficient funds to meet its objectives, which may adversely affect the Company's business and financial position. In addition, any future equity financing by the Company may result in substantial dilution for existing shareholders.

Uninsured Hazards

The Company currently carries no insurance coverage. The potential costs that could be associated with any liabilities not covered by insurance or compliance with applicable laws and regulations may cause substantial delays and require significant capital outlays, adversely affecting the Company's financial position.

Conflicts of Interest

Certain Directors and Officers of the Company also serve as Directors and officers of other companies involved in development and production. Consequently, there exists the possibility that such Directors or Officers may be in a position of conflict of interest. Any decision made by such Directors or Officers involving the Company are made in accordance with their duties and obligations to deal fairly and in good faith with the Company and such other companies. In addition, such Directors will declare and refrain from voting on, any matter in which such Directors may have a material conflict of interest.

Permits, Licenses and Approvals

The operations of the Company may require licenses and permits from various governmental authorities. The Company believes it holds or is in the process of obtaining all necessary licenses and permits to carry on the activities which it is currently conducting under applicable laws and regulations. Such licenses and permits are subject to changes in regulations and in various operating circumstances. There can be no guarantee that the Company will be able to obtain all necessary licenses and permits that may be required to maintain its activities.

General Venture Company Risks

The common shares must be considered highly speculative due to the nature of the Company's business, the early stage of its deployment, its current financial position and ongoing requirements for capital. An investment in the common shares should only be considered by those persons who can afford a total loss of investment and is not suited to those investors who may need to dispose of their investment in a timely fashion. Investors should consult with their own professional advisors to assess the legal, financial and other aspects of an investment in common shares.

Uncertainty of Revenue Growth

There can be no assurance that the Company can generate substantial revenue growth, or that any revenue growth that is achieved can be sustained. Revenue growth that the Company has achieved or may achieve may not be indicative of future operating results. In addition, the Company may increase further its operating expenses in order to fund increase its sales and marketing efforts and increase its administrative resources in anticipation of future growth. To the extent that increases in such expenses precede or are not subsequently followed by increased revenues, the Company's business, operating results and financial condition will be materially adversely affected.

Marketing and Distribution Capabilities

In order to commercialize its technology, the Company must either acquire or develop an internal marketing and sales force with technical expertise and with supporting distribution capabilities or arrange for third parties to perform these services. In order to market certain of its products, the Company must either acquire or develop a sales and distribution infrastructure. In order to maximize sales of other products, the Company may determine that it needs to either acquire or develop a sales and distribution infrastructure. The acquisition or development of a sales and distribution infrastructure would require substantial resources, which may divert the attention of its management and key personnel and defer its product development and deployment efforts. To the extent that the Company enters into marketing and sales arrangements with other companies, its revenues will depend on the efforts of others. These efforts may not be successful. If the Company fails to develop substantial sales, marketing and distribution channels, or to enter into arrangements with third parties for those purposes, it will experience delays in product sales and incur increased costs.

Rapid Technological Development

The markets for the Company's products and services are characterized by rapidly changing technology and evolving industry standards, which could result in product obsolescence or short product life cycles.

Accordingly, the Company's success is dependent upon its ability to anticipate technological changes in the industries it serves and to successfully identify, obtain, develop and market new products that satisfy evolving industry requirements. There can be no assurance that the Company will successfully develop new products or enhance and improve its existing products or that any new products and enhanced and improved existing products will achieve market acceptance. Further, there can be no assurance that competitors will not market products that have perceived advantages over the Company's products or which render the products currently sold by the Company obsolete or less marketable.

The Company must commit significant resources to developing new products before knowing whether its investments will result in products the market will accept. To remain competitive, the Company may be required to invest significantly greater resources then currently anticipated in research and development and product enhancement efforts and result in increased operating expenses.

Competition

The Company's industry is competitive and composed of many foreign companies. The Company expects to experience competition from competitors whom it expects to continue to improve their products and technologies. Competitors may announce and introduce new products, services or enhancements that better meet the needs of end-users or changing industry standards, or achieve greater market acceptance due to pricing, sales channels or other factors. Competitors may be able to respond more quickly than the Company to changes in end-user requirements and devote greater resources to the enhancement, promotion and sale of their products.

Intellectual Property

The Company's ability to compete effectively will depend, in part, on its ability to maintain the proprietary nature of its technology. Although the Company considers certain of its technology to be proprietary, patents or copyrights do not protect all design and technology. The Company has adopted procedures to protect its intellectual property and maintain secrecy of its confidential business information and trade secrets. However, there can be no assurance that such procedures will afford complete protection of such intellectual property, confidential business information and trade secrets. There can be no assurance that the Company's competitors will not independently develop technologies that are substantially equivalent or superior to the Company's technology.

To protect the Company's intellectual property, it may become involved in litigation, which could result in substantial expenses, divert the attention of its management, cause significant delays and materially disrupt the conduct of its business.

SUBSEQUENT EVENTS

a. Subsequent to June 30, 2026, the Company repaid in full the third-party loan outstanding at year-end, totaling $109,087 (including accrued interest) .

b. The Company also obtained an unsecured, interest-bearing short-term third-party loan of $150,000. The principal amount along with accrued interest of $1,698 was fully settled and repaid subsequently.

c. Subsequent to year-end, the Company obtained an additional unsecured loan in the amount of $75,000, bearing interest at 10% per annum and repayable on demand.

STRATEGY AND OUTLOOK

The Company's objective is to increase shareholder value by commercializing its artificial intelligence and geospatial analytics products, executing customer contracts and pursuing suitable strategic opportunities.