GREY MATTERS HEALTH INC.
(formerly Algernon Health Inc.)

Condensed Interim Consolidated Financial Statements
(Unaudited)

For the nine months ended May 31, 2026 and 2025
(Expressed in Canadian dollars)

In accordance with National Instruments 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the unaudited financial statements for the nine months ended May 31, 2026.

GREY MATTERS HEALTH INC.
Unaudited Condensed Interim Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

As at	Note	May 31, 2026	August 31, 2025
ASSETS			
Current assets			
Cash	5	$ 41,656	$ 176,501
Accounts receivable	5	17,454	17,038
Prepaid expenses		300,084	360,933
Total current assets		359,194	554,472
Non-current assets			
Restricted cash equivalents	5	28,750	28,750
Right of use asset	6	747,974	-
Intangible assets	7	4,140,440	4,294,252
Total non-current assets		4,917,164	4,323,002
TOTAL ASSETS		$ 5,276,358	$ 4,877,474
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable and accrued liabilities	5,9	$ 2,745,180	$ 2,182,240
Current portion of lease obligation	6	53,532	-
Total current liabilities		2,798,712	2,182,240
Non-current liabilities			
Lease obligation	6	725,263	-
Total non-current liabilities		725,263	-
Total liabilities		3,523,975	2,182,240
Shareholders' equity			
Common share capital	8	31,377,548	30,167,760
Preferred share capital	8	632,084	-
Subscription receipts	8	-	737,100
Securities to be issued as part of asset acquisition	8	-	589,500
Reserves	8	1,673,810	1,805,589
Accumulated other comprehensive loss		(41,964)	(40,119)
Deficit		(31,889,095)	(30,564,596)
Total shareholders' equity		1,752,383	2,695,234
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		$ 5,276,358	$ 4,877,474
Subsequent events	12		

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

Approved on behalf of the Board:

"Christopher Moreau" (signed)
Christopher Moreau
Director and Chief Executive Officer

"Harry Bloomfield" (signed)
Harry Bloomfield
Director

GREY MATTERS HEALTH INC.

Unaudited Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian dollars)

	Note	Three months ended May 31, 2026	Three months ended May 31, 2025	Nine months ended May 31, 2026	Nine months ended May 31, 2025
EXPENSES					
General and administrative		$ 108,505	$ 30,452	$ 261,309	$ 79,060
Marketing		149,405	72,543	427,033	282,589
Professional fees		64,931	65,141	323,666	184,728
Research and development		21,996	26,196	49,964	68,506
Salaries and Benefits	*9*	200,168	139,160	504,767	415,496
Share-based payment	*8*	-	210,298	455	210,298
Shareholder communications		16,740	39,421	91,482	96,384
		561,745	583,211	1,658,676	1,337,061
Write-down of intangible assets	*7*	128,245	-	128,245	-
Finance expense		12,063	-	12,063	-
Interest (income) expense		(24)	14	(521)	(506)
Net loss for the period		702,029	583,225	1,798,463	1,336,555
OTHER COMPREHENSIVE INCOME					
Item not classified into profit or loss:					
Foreign exchange loss/(gain) on translation to reporting currency		557	(205)	1,845	(515)
Comprehensive loss for the period		$ 702,586	$ 583,020	$ 1,800,308	$ 1,336,040
Loss per common share					
Basic and fully diluted		$ 0.13	$ 0.20	$ 0.40	$ 0.48
Weighted average number of common shares outstanding		5,422,477	2,904,160	4,533,319	2,788,550

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

GREY MATTERS HEALTH INC.
Unaudited Condensed Interim Consolidated Statements of Cash Flows
(Expressed in Canadian dollars)

Nine months ended May 31	2026	2025
OPERATING ACTIVITIES		
Net loss for the period	$ (1,798,463)	$ (1,336,555)
Items not involving cash		
Share-based payments	455	210,298
Amortization of intangible assets	105,321	20,208
Write-down of intangible assets	128,245	-
Amortization of right of use asset	18,607	-
Finance expense	12,063	-
Unrealized foreign exchange loss	5,322	39,604
	(1,528,450)	(1,066,445)
Changes in non-cash operating working capital		
Accounts receivable	(157)	669
Prepaid expenses	60,849	65,461
Accounts payable and accrued liabilities	499,858	332,331
	(967,900)	(667,984)
INVESTING ACTIVITIES		
Cash acquired in an asset acquisition	-	175,000
Additions of intangible assets	(24,287)	(15,219)
	(24,287)	159,781
FINANCING ACTIVITIES		
Proceeds from private placement of units	857,002	-
Proceeds from warrants exercised	-	208
	857,002	208
Effect of exchange rate fluctuations on cash held	340	(27)
Decrease in cash	(134,845)	(508,022)
Cash, beginning of period	176,501	596,198
Cash, end of period	$ 41,656	$ 88,176
Supplemental cash flow information		
Non-cash investing and financing activities:		
Intangible assets included in accounts payable	$ 192,579	$ 135,247
Fair value of shares issued in an asset acquisition	$ -	$ 495,000
Fair value of warrants issued in an asset acquisition	$ -	$ 225,500
Fair value of securities to be issued in an asset acquisition	$ -	$ 589,500
Fair value of common warrants exercised	$ -	$ 241
Fair value of common warrants issued	$ 75,958	$ -
Fair value of common warrants expired	$ 473,964	$ 37,605
Fair value of stock options expired	$ -	$ 1,591,204
Fair value of restricted share units settled	$ 43,064	$ 117,384
Fair value of restricted share units expired	$ -	$ 17,943
Interest paid	$ -	$ -
Taxes paid	$ -	$ -

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

GREY MATTERS HEALTH INC.

Unaudited Condensed Interim Consolidated Statements of Changes in Shareholders' Equity
(Expressed in Canadian dollars)

	Number of Common Shares	Common Share Capital	Preferred Share Capital	Subscription Receipts and Securities to be Issued as Part of Asset Acquisition	Reserves	Accumulated Other Comprehensive Income	Deficit	Total
Balance at August 31, 2024	**2,730,082**	**$ 29,555,135**	**$ -**	**$ -**	**$ 3,409,675**	**$ (40,386)**	**$ (30,755,831)**	**$ 2,168,593**
Shares and warrants issued in connection with acquisition	550,000	495,000	-	589,500	225,500	-	-	1,310,000
Common shares issued on exercise of warrants	40	241	-	-	(33)	-	-	208
Settlement of restricted share units	145,500	117,384	-	-	(117,384)	-	-	-
Expiration of warrants	-	-	-	-	(37,605)	-	37,605	-
Expiration of stock options	-	-	-	-	(1,591,204)	-	1,591,204	-
Expiration of restricted share units	-	-	-	-	(17,943)	-	17,943	-
Share-based payments	-	-	-	-	210,298	-	-	210,298
Other comprehensive loss	-	-	-	-	-	515	-	515
Net loss for the year	-	-	-	-	-	-	(1,336,555)	(1,336,555)
Balance at May 31, 2025	**3,425,622**	**$ 30,167,760**	**$ -**	**$ 589,500**	**$ 2,081,304**	**$ (39,871)**	**$ (30,445,634)**	**$ 2,353,059**
Balance at August 31, 2025	**3,425,616**	**$ 30,167,760**	**$ -**	**$ 1,326,600**	**$ 1,805,589**	**$ (40,119)**	**$ (30,564,596)**	**$ 2,695,234**
Units issued in a private placement	1,224,287	781,044	-	-	75,958	-	-	857,002
Common shares issued on conversion of preferred shares	768,334	385,680	(385,680)	-	-	-	-	-
Settlement of restricted share units	30,000	43,064	-	-	(43,064)	-	-	-
Preferred shares issued from asset acquisition	-	-	405,000	(589,500)	184,500	-	-	-
Preferred shares issued on conversion of subscription receipts	-	-	612,764	(737,100)	124,336	-	-	-
Expiration of warrants	-	-	-	-	(473,964)	-	473,964	-
Share-based payments	-	-	-	-	455	-	-	455
Other comprehensive loss	-	-	-	-	-	(1,845)	-	(1,845)
Net loss for the year	-	-	-	-	-	-	(1,798,463)	(1,798,463)
Balance at May 31, 2026	**5,448,237**	**$ 31,377,548**	**$ 632,084**	**$ -**	**$ 1,673,810**	**$ (41,964)**	**$ (31,889,095)**	**$ 1,752,383**

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

1. NATURE OF OPERATIONS AND GOING CONCERN

On April 21, 2026, the Company completed its name change to Grey Matters Health Inc. (formerly Algernon Health Inc.) and stock symbol on the CSE to GREY (formerly AGN) with its shares beginning trading under the new name and symbol on the CSE at market-open on April 21, 2026.

Additionally, on April 21, 2026, the Company consolidated all of its issued and outstanding common shares on the basis of 10 to 1. Unless otherwise noted, all common share, preferred share, options, restricted share units, common warrants, common agents warrants, preferred warrants and preferred agents warrants information have been retroactively adjusted to reflect this consolidation.

Previously, on October 15, 2025, the Company completed a name change to Algernon Health Inc. (formerly Algernon Pharmaceuticals Inc.) with its shares beginning trading under the new name on the CSE at market-open on Monday October 20, 2025. The stock symbol remained the same at AGN.

Grey Matters Health Inc. (the “Company” or “Grey Matters”) was incorporated on April 10, 2015 under the British Columbia *Business Corporations Act.* The registered office of Grey Matters is located at Suite 1500 – 1055 West Georgia Street, Vancouver, British Columbia, V6E 4N7.

The consolidated financial statements include the Company’s subsidiaries including: Nash Pharmaceuticals Inc. (“Nash Pharma”) and Nash Pharma’s 100% owned Australian subsidiary, Algernon Research Pty Ltd. (“AGN Research”), Algernon NeuroScience Inc. (“AGN Neuro”), Algernon USA LLC. (“Algernon USA”) and NoBrainer Imaging Centers, Inc. (“NIC”).

On May 22, 2025, the Company acquired NIC which moves the Company into the Alzheimer’s Disease (“AD”) diagnostic and treatment market and expands on the Company’s existing neurological research programs. The acquisition provides the Company with exclusive master franchise licensing rights to open AD screening, diagnostic and treatment centers across Canada and in multiple U.S. markets. While this acquisition represents a new business initiative and focus for the Company, the Company will continue to maintain and advance its drug development research programs, described below.

Grey Matters is also a clinical stage pharmaceutical development company focused on developing repurposed therapeutic drugs in the areas of non-alcoholic steatohepatitis (“NASH”), a type of liver disease, chronic kidney disease (“CKD”), as well as advancing a stroke program using N,N-Dimethyltryptamine (“DMT”). Drug re-purposing (also known as re-profiling, re-tasking, or therapeutic switching) is the application of approved drugs and compounds to treat a different disease than what it was originally developed for.

The Company previously focused on developing a repurposed therapeutic, Ifenprodil, to treat Chronic Cough and Idiopathic Pulmonary Fibrosis (“IPF”); however, on March 26, 2024, the Company closed an agreement with Seyltx, Inc. (“Seyltx”), a privately owned U.S. based drug development company, for the sale of the Company’s Ifenprodil research and development program.

1. NATURE OF OPERATIONS AND GOING CONCERN (continued)

As at May 31, 2026, the Company has an accumulated deficit of $31,889,095 (August 31, 2025 - $30,564,596) and for the nine months then ended incurred a net loss of $1,798,463 (2025 - $1,336,555). The Company will need to raise sufficient working capital to maintain operations. Without additional financing, the Company may not be able to fund its ongoing operations, advance it AD program or complete research and development ("R&D") activities. Management anticipates that the Company will continue to raise adequate funding through equity or debt financings, although there is no assurance that the Company will be able to obtain adequate funding on favorable terms. These uncertainties may cast significant doubt on the Company's ability to continue as a going concern. These consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. These consolidated financial statements do not reflect adjustments, which could be material, to the carrying value of assets and liabilities, which may be required should the Company be unable to continue as a going concern.

2. BASIS OF PRESENTATION

(a) Statement of compliance

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34") using policies consistent with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). They have been prepared on a historical cost basis, except for certain financial instruments, which are stated at fair value. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting, except for the cash flow information.

These condensed interim consolidated financial statements have been prepared in accordance with the same accounting policies and methods of application as the most recent audited consolidated financial statements for the year ended August 31, 2025, except that they do not include all the disclosures required for the annual audited financial statements. These condensed interim consolidated financial statements should be read in conjunction with the audited consolidated financial statements for the Company for year ended August 31, 2025.

(b) Approval of the condensed interim consolidated financial statements

The condensed interim consolidated financial statements of the Company for the nine-month period ended May 31, 2026 were approved and authorized for issuance by the Board of Directors on July 28, 2026.

(c) Foreign currencies

The reporting currency is the Canadian dollar ("CAD"), which is the functional currency of Grey Matters, Nash Pharma, AGN Neuro, and NIC. The functional currency of Algernon USA is the US dollar. The functional currency of AGN Research is the Australian dollar ("AUD"). Transactions in currencies other than the functional currency are recorded at the rate of exchange prevailing on the date of the transaction, except amortization, which is translated at the rates of exchange applicable to the related assets. Monetary assets and liabilities that are denominated in foreign currencies are translated at the rate prevailing at each reporting date. Non-monetary items that are measured at historical cost in a foreign currency are translated at the exchange rate on the date of the initial transaction. Non-monetary items that are measured at fair values are reported at the exchange rate on the date when fair values are determined. Foreign currency translation differences are recognized in profit or loss, except for differences on the translation of foreign entities to reporting currency on consolidation, which are recognized in other comprehensive income.

2. BASIS OF PRESENTATION (continued)

(c) Foreign currencies (continued)

On consolidation, the assets and liabilities of entities are translated into the reporting currency at the rate of exchange at the reporting date and the condensed interim consolidated financial statements of loss and comprehensive loss are translated at the average exchange rates for the year. The exchange differences arising on translation for consolidation purposes are recognized in other comprehensive loss.

(d) Use of accounting estimates and judgements

The preparation of condensed interim consolidated financial statements in accordance with IFRS requires management to make estimates that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the condensed interim consolidated financial statements and the reported amounts of revenues and expenses during the reporting period.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of consolidation

The condensed interim consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, which are entities over which the Company has control. Control exists when the Company has the power and ability, directly or indirectly, to direct the relevant activities of an entity so as to obtain benefit from its activities. Subsidiaries are fully consolidated from the date that control commences until the date the control ceases. The accounting policies of the Company's subsidiaries have been aligned with the policies adopted by the Company. When the Company ceases to control a subsidiary, the financial statements of that subsidiary are de-consolidated.

All intercompany transactions and balances have been eliminated on consolidation.

Leases and Right of Use Assets

The Company recognizes a right of use ("ROU") asset and a lease liability at the lease commencement date. The ROU asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made on or before the commencement date, plus any initial direct costs incurred, less any lease incentives received. The ROU asset is subsequently depreciated to the earlier of the end of the useful life of the ROU asset or the lease term using the straight-line method. The lease term includes periods covered by an option to extend if the Company is reasonably certain to exercise that option. The ROU asset may be adjusted for certain remeasurements of the lease liability and impairment losses, if any.

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

Leases that have a term of less than 12 months or leases with an underlying asset of low value are recognized as an expense in the statements of loss and comprehensive loss.

4. ASSET ACQUISITION

On May 22, 2025, the Company acquired 100% of the issued and outstanding shares of NIC (the "Transaction"), an unrelated entity. The Transaction is recorded for as an asset acquisition as NIC does not meet the definition of a business in accordance with IFRS 3, Business combinations. The Transaction moves the Company into the AD diagnostic and treatment market and expands on the Company's existing neurological research programs. The Transaction provides the Company exclusive master franchise and licensing rights to open AD screening, diagnostic, and treatment centers across Canada and in multiple U.S. markets.

The Company entered into share exchange agreements (collectively, the "Agreements") with NIC and each of the shareholders of NIC (the "NIC Shareholders") to acquire 100% of the issued and outstanding common and preferred shares of NIC (the "NIC Shares"). NIC is a Canadian company which holds the exclusive master franchise rights from NoBrainer Alzheimer's Treatment Centers, Inc. ("NATC") for the Canadian market (with the exception of the cities of Oakville and Ottawa, Ontario, which are being developed by NATC), and for Florida, excluding Miami, as well as additional franchise rights for Los Angeles and five more major U.S. cities in other U.S. states. As the flagship master franchisee, NIC has no initial franchise fees owing on its franchise territories.

Pursuant to the terms and conditions of the Agreements, final consideration paid by the Company to complete the Transaction includes:

- 550,000 common shares of the Company with a fair value of $495,000 issued upon closing of the Transaction;
- 550,000 common share purchase warrants with a fair value of $225,500 issued upon the closing of the Transaction;
- 450,000 preferred shares ("Preferred Shares") to be issued on or before the end of six months following approval of the creation of the Preferred Share class by the Company's shareholders; and
- 450,000 preferred share purchase warrants to be issued on or before the end of six months following approval of the creation of the Preferred Share class by the Company's shareholders.

As part of the asset acquisition on May 22, 2025, the Company issued 550,000 warrants to purchase common shares (the "May 2025 Warrants") for a period of five years. Each May 2025 Warrant entitles the holder thereof to purchase one common share at an exercise price of $1.50 per common share until May 22, 2026. After the first anniversary the exercise price will increase to $2.50 per common share until May 22, 2027. After the second anniversary the exercise price will increase to $5.00 per Common Share for the remaining 36 months. If, prior to the first anniversary, the common shares trade on the Canadian Securities Exchange ("CSE") at a price of $2.00 or greater for a period of 20 consecutive trading days, and following 30 days written notice to the May 2025 Warrant holders, the exercise price will increase to $2.50 per common share until the date of the second anniversary, and on the second anniversary, the exercise price will increase to $5.00 per common share for a period of 36 months from the second anniversary. The May 2025 Warrants vested and became exercisable by the holders thereof on September 23, 2025.

The Company received shareholder approval on September 19, 2025 for the Preferred class of shares. The Preferred Shares are convertible into, without payment of any consideration and without further action on the part of the holder thereof, Common Shares on a one-for-one basis, following the April 21, 2026 share consolidation. The Preferred Shares include a ten percent annual dividend payable in Common Shares or Preferred Shares at the discretion of the Company's board of directors.

(Expressed in Canadian dollars)

4. ASSET ACQUISITION (continued)

Each Preferred Warrant will entitle the holder thereof to purchase one Preferred Share at an exercise price (the "Preferred Exercise Price") of $1.50 per Preferred Share for a period of 12 months from the Issuance Date, after which on the first anniversary, the Preferred Exercise Price will increase to $2.50 per Preferred Share for a period of 12 months from the first anniversary, and on the second anniversary, the Preferred Exercise Price will increase to $5.00 per Preferred Share for a period of 36 months from the second anniversary. If, prior to the first anniversary, the Common Shares trade on the CSE at a price of $2.00 or greater for a period of 20 consecutive trading days, and following 30 days written notice to the Preferred Warrant holders, the Preferred Exercise Price will increase to $2.50 per Preferred Share until the date of the second anniversary, and on the second anniversary, the Preferred Exercise Price will increase to $5.00 per Preferred Share for a period of 36 months from the second anniversary. The Preferred Warrants shall vest and become exercisable by the holders thereof on the date that is four months and one day from the date of issuance.

The fair value of the preferred shares and preferred share purchase warrants totaling $589,500 is recorded within equity, as Securities to be Issued as Part of Asset Acquisition.

The fair value of the common share purchase warrants and the preferred share purchase warrants were estimated using a Monte Carlo Simulation with the following assumptions: day one share price of $0.90, risk-free rate of 2.96%, and a volatility of 110%.

The fair value of the assets acquired is as follows:

	Assets Acquired
Assets	
Cash	$ 175,000
Prepaid expenses and deposits	69,350
Franchise rights	1,108,063
	$ 1,352,413

	Consideration Paid
Consideration	
Common shares	$ 495,000
Common warrants	225,500
Securities to be issued as part of asset acquisition	589,500
Transaction costs	42,413
	$ 1,352,413

Transaction costs pertaining to the acquisition of NIC of $42,413 have been capitalized in the cost of the assets acquired.

5. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's risk exposure and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of loss associated with a counter party's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to its cash and accounts receivable. The Company's accounts receivable is mainly comprised of GST receivable and accrued interest receivable from GIC's held with bank. The GST receivable is not a financial instrument as they do not arise from contractual obligations. The Company limits exposure to credit risk on bank deposits by holding demand deposits in high credit quality banking institutions in Canada, the United States and Australia. Management believes that the credit risk with respect to receivables is minimal.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements. All of the Company's financial obligations are due within one year.

At May 31, 2026, the Company had a working capital deficit of $2,439,518 (August 31, 2025 - $1,627,768). This included cash of $41,656 (August 31, 2025 - $176,501) available to meet short-term business requirements and current liabilities of $2,798,712 (August 31, 2025 - $2,182,240). The Company's accounts payable and accrued liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk, and other price risks. The Company is not exposed to significant interest rate risk and other price risk.

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 risk that the Company will realize a loss as a result of a decline in the fair value of the cash is limited because of the short-term investment nature. The Company's financial assets exposed to interest rate risk consist of cash and restricted cash equivalents. Restricted cash equivalents consist of GICs held at banking institutions that bear interest at prime less 2.70% (August 31, 2025 - 2.25%) and mature five months from the purchase date.

b) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company holds marketable securities from its investment in Seyltx. The Company is not exposed to significant other price risk as there is no active trading market for the common shares held in Seyltx.

5. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Market risk (continued)

c) Foreign currency risk

Foreign currency risk is related to fluctuations in foreign exchange rates. The Company has certain expenditures that are denominated in US dollars ("US$"), Australian dollars ("AUD$"), Euros, the British Pound Sterling ("GBP£") and Swedish Krona ("Krona") and other operating expenses that are mainly in Canadian dollars ("CAD$").

The Company holds funds in its Australian subsidiary in AUD$ and it US subsidiary in US$ and may fund additional cash calls to these foreign subsidiaries in the future. The Company's exposure to foreign currency risk arises primarily on fluctuations in the exchange rate of the CAD$ relative to the US$ and the AUD$.

As at May 31, 2026, the Company had monetary assets of US$16,897 or $23,315 (August 31, 2025 - US$1,663 or $2,285) at the CAD$ equivalent and monetary liabilities of US$641,972 or $885,794 (August 31, 2025 - US$521,489 or $716,630) at the CAD$ equivalent. The Company's sensitivity analysis suggests that a change in the absolute rate of exchange in US$ by 10% will increase or decrease net loss and comprehensive loss by approximately $86,248 (August 31, 2025 - $71,435).

As at May 31, 2026, the Company had monetary assets of AUD$5,443 or $5,396 (August 31, 2025 - AUD$5,443 or $4,892) at the CAD$ equivalent and monetary liabilities of AUD$23,468 or $23,266 (August 31, 2025 - AUD$23,468 or $21,090) at the CAD$ equivalent. The Company's sensitivity analysis suggests that a change in the absolute rate of exchange in AUD$ by 10% will increase or decrease comprehensive loss by approximately $1,787 (August 31, 2025 - $1,620).

As at May 31, 2026, the Company had monetary liabilities of $272,484 Euros or $438,427 (August 31, 2025 - $272,484 Euros or $437,664) at the CAD$ equivalent. The Company's sensitivity analysis suggests that a change in the absolute rate of exchange in the Euro by 10% will increase or decrease net loss and comprehensive loss by approximately $43,843 (August 31, 2025 - $43,766).

As at May 31, 2026, the Company had monetary liabilities of GBP£77,452 or $143,806 (August 31, 2025 - GBP£77,452 or $143,604) at the CAD$ equivalent. The Company's sensitivity analysis suggests that a change in the absolute rate of exchange in the GBP£ by 10% will increase or decrease net loss and comprehensive loss by approximately $14,381 (August 31, 2024 - $14,360).

As at May 31, 2026, the Company had monetary liabilities of $114,900 Krona or $17,166 (August 31, 2025 - $114,900 Krona or $16,672) at the CAD$ equivalent. The Company's sensitivity analysis suggests that a change in the absolute rate of exchange in the Krona by 10% will increase or decrease net loss and comprehensive loss by approximately $1,717 (August 31, 2025 - $1,667).

The Company has not entered into any foreign currency contracts to mitigate this risk. Foreign currency risk is considered low relative to the overall financial operating plan.

Fair Value

The Company classifies and discloses fair value measurements based on a three-level hierarchy:

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

(Expressed in Canadian dollars)

5. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Fair value (continued)

The Company classified its financial instruments at Level 1 and as follows:

	Financial Assets	Loans and Receivables	Financial Liabilities
	Fair Value Through Profit	Measured at Amortized Cost	Measured at Amortized Cost
May 31, 2026			
Cash	$ 41,656	$ -	$ -
Marketable securities	-	-	-
Restricted cash equivalents	$ 28,750	$ -	$ -
August 31, 2025			
Cash	$ 176,501	$ -	$ -
Marketable securities	-	-	-
Restricted cash equivalents	$ 28,750	$ -	$ -

6. RIGHT OF USE ASSETS AND LEASES

The Company entered into a lease agreement for its inaugural brain PET scanning clinic at the HCA Florida University Medical Office Building in Davie, Florida, located on the campus of the HCA Florida University Hospital after signing a five-year lease with a renewal option for an additional five years.

Right-of-use asset:

Cost	**Clinic**
Balance, August 31, 2025	**$ -**
Addition	762,117
Changes in foreign exchange rates	4,556
Balance, May 31, 2026	**$ 766,673**

Accumulated Amortization	**Clinic**
Balance, August 31, 2025	**$ -**
Amortization	18,607
Changes in foreign exchange rates	92
Balance, May 31, 2026	**$ 18,699**

Net Book Value	**Clinic**
Balance, August 31, 2025	$ -
Balance, May 31, 2026	**$ 747,974**

(Expressed in Canadian dollars)

6. RIGHT OF USE ASSETS AND LEASES (continued)

Lease liability:

		Clinic
Balance, August 31, 2025	**$**	**-**
Addition		762,117
Finance expense		12,063
Changes in foreign exchange rates		4,615
Balance, May 31, 2026	**$**	**778,795**

Allocated as:		May 31, 2026
Current	$	53,532
Non-current		725,263
	$	**778,795**

Maturity Analysis		May 31, 2026
Less than one year	$	91,218
One to three years		293,260
Four to six years		325,143
Six to nine year		360,492
Total undiscounted lease liability		1,070,113
Amount representing implicit interest		(291,318)
Lease liability	**$**	**778,795**

(Expressed in Canadian dollars)

7. INTANGIBLE ASSETS

	Acquisition of Nash Pharma(1)	Trademark Application Costs(2)	Patent Application Costs(3)	Acquired Franchise Rights(4)	Total
Cost					
Balance, August 31, 2024	$ 2,917,653	$ 23,270	$ 288,041	$ -	$ 3,228,964
Additions	-	3,307	61,047	-	64,354
Acquired in asset acquisition (note 4)	-	-	-	1,108,063	1,108,063
Balance, August 31, 2025	$ 2,917,653	$ 26,577	$ 349,088	$ 1,108,063	$ 4,401,381
Additions	-	15,171	64,583	-	79,754
Disposals	-	(24,476)	(130,898)	-	(155,374)
Balance, May 31, 2026	**$ 2,917,653**	**$ 17,272**	**$ 282,773**	**$ 1,108,063**	**$ 4,325,761**

	Acquisition of Nash Pharma(1)	Trademark Application Costs(2)	Patent Application Costs(3)	Acquired Franchise Rights(4)	Total
Accumulated Amortization					
Balance, August 31, 2024	$ -	$ (5,490)	$ (46,947)	$ -	$ (52,437)
Amortization	-	(2,613)	(21,645)	(30,434)	(54,692)
Balance, August 31, 2025	$ -	$ (8,103)	$ (68,592)	$ (30,434)	$ (107,129)
Amortization	-	(2,294)	(19,922)	(83,105)	(105,321)
Disposals	-	8,795	18,334	-	27,129
Balance, May 31, 2026	**$ -**	**$ (1,602)**	**$ (70,180)**	**$ (113,539)**	**$ (185,321)**

	Acquisition of Nash Pharma(1)	Trademark Application Costs(2)	Patent Application Costs(3)	Acquired Franchise Rights(4)	Total
Net Book Value					
Balance, August 31, 2025	$ 2,917,653	$ 18,474	$ 280,496	$1,077,629	$ 4,294,252
Balance, May 31, 2026	**$ 2,917,653**	**$ 15,670**	**$ 212,593**	**$ 994,524**	**$ 4,140,440**

(1) On October 19, 2018, the Company completed the acquisition transaction of Nash Pharma. No amortization was taken on the intangibles acquired as the assets with finite life are not available for use. On an annual basis, the intangibles with finite life are reviewed for impairment. The Company will impair or write-off the intangible assets related to the acquisition of Nash Pharma following the performance of an annual impairment test or an additional impairment test when indicators of impairment exist and the recoverable value is less than the carrying value.

(2) The Company has filed trademark applications for the name “ALGERNON”, “ALGERNON NEUROSCIENCE” and trademarks pertaining to the Company’s PET scanning brand names. The Company amortizes trademarks over their estimated useful life of ten years. The Company recorded $2,294 of amortization within general and administrative expenses on the condensed interim consolidated statement of loss and comprehensive loss for the nine months ended May 31, 2026 (2025 - $1,939). The Company recorded a write-down of $15,683 within write-down of intangible assets on the consolidated statement of loss and comprehensive loss for the nine months ended May 31, 2026 following the change of the Company’s name, which pertained to the ALGERNON trademark.

(3) The Company has filed new method of use patents for lead compounds for treatment of disease areas including NASH, CKD, and Stroke. In addition to method of use, the applications for the Stroke lead compounds also includes claims for composition of matter as well as formulations, dosages, and devices. The likelihood of the application success is not known. The Company amortizes its patent application costs over their remaining estimated useful life representing the remaining months to expiration of the associated patent. The Company recorded $19,922 of amortization within research and development expenses on the condensed interim consolidated statement of loss and comprehensive loss for the nine months ended May 31, 2026 (2025 - $15,803). The Company recorded a write-down of $112,562 within write-down of intangible assets on the consolidated statement of loss and comprehensive loss for the nine months ended May 31, 2026 pertaining to patents that were no longer being pursued by the Company.

7. INTANGIBLE ASSETS (continued)

(4) On May 22, 2025, the Company completed the acquisition transaction of NIC. Through the acquisition the Company acquired the exclusive master franchise rights NATC for the Canadian market (with the exception of the cities of Oakville and Ottawa, Ontario, which are being developed by NATC), and for Florida, excluding Miami, as well as additional franchise rights for Los Angeles and five more major U.S. cities in other U.S. states. The Company amortizes these franchise rights over their estimated useful life of ten years. The Company recorded $83,105 of amortization within general and administrative expenses on the condensed interim consolidated statement of loss and comprehensive loss for the nine months ended May 31, 2026.

8. SHARE CAPITAL AND RESERVES

Share capital

Authorized

Unlimited number of common shares without par value.

The Company altered it's authorized share structure and Articles, to include an unlimited number of preferred shares, of which an unlimited number of preferred shares were to be designated as Series 1 Preferred Shares. This alteration was approved by the Company's shareholders at the annual and special meeting held on September 19, 2025 resulting in an unlimited number of preferred shares without par value, with an unlimited number of preferred shares designated as Series 1 preferred shares.

Issued and outstanding – common shares

As at May 31, 2026, there were 5,448,237 (August 31, 2025 – 3,425,616 common shares issued and outstanding. Details of common shares are as follows:

During the nine-month period ended May 31, 2026:

- During the nine months ended May 31, 2026, the Company announced a non-brokered private placement for gross proceeds of $500,000 (the "Offering") of units (the "Units") at an issue price of $0.70 per Unit. The Company subsequently announced an increase to the size of the Offering to $858,000.

  Each Unit will consist of one Class A common share in the capital of the Company ("a "Common Share") and one-half Common Share purchase warrant (a "Common Warrant"). Each full Common Warrant will entitle the holder to acquire one Common Share (a "Common Warrant Share") at an exercise price of $1.50 (the "Exercise Price") per Common Warrant Share for a period of twelve months from the issuance date (the "Issuance Date"), after which on the first anniversary of the Issuance Date (the "First Anniversary"), the Exercise Price will increase to $2.50 per Common Warrant Share for a period of twelve months from the First Anniversary, and on the second anniversary of the Issuance Date (the "Second Anniversary"), the Exercise Price will increase to $5.00 per Common Warrant Share for a period of thirty-six months from the Second Anniversary.

  The Common Warrants are subject to an acceleration of their Exercise Price if prior to the First Anniversary, the Common Shares trade on the CSE at a price of $2.00 or greater for a period of twenty consecutive trading days. Following thirty days written notice to the Common Warrant holders, the Exercise Price will increase to $2.50 per Common Warrant Share until the date of the Second Anniversary, and on the Second Anniversary, the Exercise Price will increase to $5.00 per Common Warrant Share for a period of thirty-six months from the Second Anniversary per the original terms of the Common Warrants.

8. SHARE CAPITAL AND RESERVES (continued)

Share capital (continued)

Issued and outstanding – common shares (continued)

On November 14, 2025, the Company closed the first tranche (the “First Tranche”) of the Offering for gross proceeds of $177,000 from the sale of 252,875 Units, on November 28, 2025, the Company closed the second tranche (the “Second Tranche”) of the Offering for gross proceeds of $210,000 from the sale of 300,000 Units, on December 23, 2025, the Company closed the third tranche (the “Third Tranche”) of the Offering for gross proceeds of $352,500 from the sale of 503,553 Units and on December 31, 2025, the Company closed the fourth and final tranche (the “Fourth Tranche”) of the Offering for gross proceeds of $117,501 from the sale of 167,859 Units. Following the Fourth Tranche, the financing was closed for a total of $857,001 from the sale of 1,224,287 Units from the closing of tranches of the Offering between November 14, 2025 and December 31, 2025.

The total fair value of the Common Warrants associated with the Units of the Offering was $75,958.

The Company did not pay any cash finder’s fees or issue any finder’s warrants pertaining to the Offering.

During the nine months ended May 31, 2026, 768,334 preferred shares were converted into 768,334 common shares. The 768,334 common shares were issued from treasury and the 768,334 preferred shares were cancelled.

There were 30,000 common shares issued to an employee of the Company as a result of the settlement of restricted share units (“RSUs”).

During the nine-month period ended May 31, 2025:

- There were 40 common shares issued during the three months ended November 30, 2024 following the exercise of 40 warrants at $5.20 per warrant.
- There were 145,500 common shares issued to officers, directors and consultants of the Company as a result of the settlement of RSUs.
- As part of the acquisition of NIC as described in note 4, the Company issued 550,000 common shares to the NIC shareholders with a fair value of $495,000.

Issued and outstanding – preferred shares

As at May 31, 2026, there were 950,000 (August 31, 2025 – nil) Series 1 preferred shares issued and outstanding. Details of preferred shares are as follows:

During the nine-month period ended May 31, 2026:

- An alteration to the Company’s authorized share structure and Articles, to include an unlimited number of preferred shares, of which an unlimited number of preferred shares were to be designated as Series 1 Preferred Shares was approved by the Company’s shareholders at the annual and special meeting held on September 19, 2025.

8. SHARE CAPITAL AND RESERVES (continued)

Share capital (continued)

Issued and outstanding – preferred shares (continued)

The Series 1 Preferred Shares include a ten percent annual dividend payable in Common Shares or preferred shares at the discretion of the Company's Board of Directors and each Series 1 Preferred Shares and were convertible into, without payment of any consideration and without further action on the part of the holder thereof, ten Class A Common Shares of the Company. Following the share consolidation completed on April 21, 2026, the balance of preferred shares outstanding remains the same, however they now are convertible into common shares on a one for one basis. The Series 1 Preferred Shares are voting shares and carry one vote each.

On November 5, 2025, the Company converted 1,268,334 subscription receipts into 1,268,334 Series 1 preferred shares (the "Series 1 Preferred Shares") and 634,167 Series 1 Preferred Share warrants (the "Preferred Warrants") pertaining to a private placement of subscription receipts that closed on July 24, 2025. The Company also issued 28,000 finders warrants to purchase Series 1 Preferred Shares to eligible finders in connection with the private placement of the subscription receipts. Additionally, 450,000 Preferred Shares and 450,000 Preferred Warrants were issued pertaining to the acquisition of NIC completed on May 22, 2025. The issuance of these shares fully satisfied the securities to be issued recorded on the statement of changes in shareholders' equity as at August 31, 2025.

During the nine months ended May 31, 2026, 768,334 preferred shares were cancelled following their conversion into 768,334 common shares.

During the nine-month period ended May 31, 2025:

- There were no preferred shares issued or cancelled during the nine months ended May 31, 2025.

Stock options

Stock options to purchase common shares have been granted to directors, employees, contractors and consultants at exercise prices determined by reference to the market value on the date of the grant. The number of shares available for options to be granted under the Company's rolling stock option plan is 10% of the number of shares outstanding (the "Plan"). Options granted under the Plan vest immediately or over a period of time at the discretion of the Board of Directors.

Under the Plan, the number of shares reserved for issuance to any one optionee will not exceed 5% of the then issued and outstanding shares and the number of shares reserved for issuance to consultants will not exceed 2% of the then issued and outstanding shares. The options are non-assignable and non-transferable and will be exercisable up to 10 years from the date of grant. The minimum exercise price of an option granted under the Plan must not be less than the discounted market price, as such term is defined in the policies of the Canadian Securities Exchange ("CSE") and other applicable regulatory authorities.

Effective July 10, 2024, by way of director's resolution, the Company has limited its total stock options and RSUs to a combined 10% of the issued and outstanding common shares of the Company. Previously each plan allowed for the issuance of 10% of the issued and outstanding common shares of the Company.

(Expressed in Canadian dollars)

8. SHARE CAPITAL AND RESERVES (continued)

Stock options (continued)

The changes in stock options outstanding are as follows:

	Number of Stock Options	Weighted Average Exercise Price
Balance at August 31, 2024	78,500	$ 21.20
Granted	105,000	$ 0.90
Expired, cancelled or forfeited	(77,700)	$ (21.30)
Balance outstanding at August 31, 2025	105,800	$ 0.97
Balance outstanding at May 31, 2026	105,800	$ 0.97
Balance vested at May 31, 2026	105,800	$ 0.97

As at May 31, 2026, the Company had the following stock options outstanding and exercisable:

Date of Grant	Date of Expiry	Number Outstanding	Exercise Price	Remaining Life in Years
January 1, 2022	January 1, 2027	800	$ 10.25	0.66
March 6, 2025	March 6, 2030	100,000	$ 0.90	3.76
April 7, 2025	April 7, 2030	5,000	$ 0.90	3.85
Total outstanding		105,800	$ 0.97	3.75
Total exercisable		105,800	$ 0.97	3.75

AGN Neuro adopted a Stock Option Plan (the “AGN Neuro Plan”) on December 20, 2022. Under the AGN Neuro Plan, shares of AGN Neuro are authorized for issuance to employees, officers, directors, consultants and Grey Matters employees in an amount up to 10% of the issued and outstanding common shares of AGN Neuro. As at May 31, 2026, no stock options have been granted under the AGN Neuro Plan.

Restricted Share Units

Effective July 23, 2020, the Company has a 10% rolling restricted share unit plan which allows the Company to grant RSUs to directors, officers, employees, and consultants of the Company, to a maximum of the number of shares equal to 10% of the shares issued and outstanding from time to time.

Effective July 10, 2024, by way of director’s resolution, the Company has limited its total stock options and RSUs to a combined 10% of the issued and outstanding common shares of the Company. Previously each plan allowed for the issuance of 10% of the issued and outstanding common shares of the Company.

(Expressed in Canadian dollars)

8. SHARE CAPITAL AND RESERVES (continued)

Restricted Share Units (continued)

The changes in RSUs outstanding are as follows:

	Number Outstanding
Balance at August 31, 2024	42,500
Granted	145,500
Settled	(145,500)
Expired, cancelled or forfeited	(12,500)
Balance at August 31, 2025	30,000
Settled	(30,000)
Balance at May 31, 2026	-

Share-based payments

(a) Stock options

- No stock options were granted during the nine months ended May 31, 2026.
- On March 5, 2025, the Company granted a total of 100,000 incentive stock options to certain officers and directors of the Company with an exercise price of $0.90 per share. The options expire on March 5, 2030. The fair value of the incentive stock options were determined using a Black-Scholes valuation model, including the exercise price of $0.90, risk-free rate of 2.72%, estimated life of five years, no dividend yield and a volatility of 252.52%. The incentive stock options granted vested immediately.
- On April 7, 2025, the Company granted a total of 5,000 incentive stock options to a consultant of the Company with an exercise price of $0.90 per share. The options expire on April 7, 2030. The fair value of the incentive stock options were determined using a Black-Scholes valuation model, including the exercise price of $0.90, risk-free rate of 2.64%, estimated life of five years, no dividend yield and a volatility of 249.33%. The incentive stock options granted vested immediately.
- There were no stock options exercised during the nine months ended May 31, 2026 or 2025.
- During the nine months ended May 31, 2026, no stock options were forfeited or cancelled.
- During the nine months ended May 31, 2025, a total of 76,600 incentive stock options, 10,000 with exercise prices of $25.00, 7,600 with exercise prices of $72.50, 800 with exercise prices of $87.50, 27,400 with exercise prices of $10.30 and 30,800 with exercise prices of $13.50, were forfeited and cancelled.
- There was $455 of share-based payments recognized for previously granted, unvested stock options during the nine months ended May 31, 2026 (2025 – $92,914).

(b) Restricted Share Units

- No RSUs were granted during the nine months ended May 31, 2026.
- On March 5, 2025, a total of 140,500 RSU units were granted to certain officers and directors of the Company with a fair value of $0.80 per RSUs based on the five day volume average price of the Company's common shares on the CSE. The RSUs vested entirely on the grant date.

(Expressed in Canadian dollars)

8. SHARE CAPITAL AND RESERVES (continued)

Share-based payments (continued)

(b) Restricted Share Units (continued)

- On April 7, 2025, a total of 5,000 RSU units were granted to a consultant of the Company with a fair value of $0.90 per RSUs based on the five day volume average price of the Company's common shares on the CSE. The RSUs vested entirely on the grant date.

- During the nine months ended May 31, 2026, a total of 30,000 (2025 – 145,500) RSUs were settled resulting in the issuance of 30,000 (2025 – 145,500) common shares of the Company to officers, directors and consultants of the Company.

- No RSUs were forfeited during the nine months ended May 31, 2026.

- During the nine months ended May 31, 2025, a total of 12,500 RSUs were forfeited.

- There were no share-based payments recognized for previously granted, unvested RSUs in the nine months ended May 31, 2026 (2025 – $117,384).

Overall, during the nine months ended May 31, 2026, the Company recorded $455 of share-based payment expense (2025 - $210,298).

Common share purchase warrants

The changes in common share purchase warrants outstanding are as follows:

	Number of Common Warrants	Weighted Average Exercise Price
Balance at August 31, 2024	1,764,657	$ 6.40
Issued (note 4)	550,000	$ 1.50
Exercised	(40)	$ (5.20)
Expired	(115,540)	$ (2.80)
Balance at August 31, 2025	2,199,077	$ 4.20
Issued	612,144	$ 1.50
Expired	(848,630)	$ (3.80)
Balance at May 31, 2026	1,962,591	$ 3.18
Balance exercisable at May 31, 2026	1,962,591	$ 3.18

(Expressed in Canadian dollars)

8. SHARE CAPITAL AND RESERVES (continued)

Common share purchase warrants (continued)

As at May 31, 2026, the Company had the following common share purchase warrants outstanding:

Date of Expiry	Exercise Price	Number of Common Warrants	Weighted Average Remaining Life in Years
August 1, 2026	$ 2.40	340,000	0.17
August 19, 2026	$ 2.40	196,000	0.22
July 4, 2027 (1)	$ 9.38	114,887	1.09
August 22, 2027	$ 10.63	149,560	1.23
May 22, 2030 (2)	$ 2.50	550,000	3.98
November 14, 2030 (2)	$ 1.50	126,429	4.46
November 28, 2030 (2)	$ 1.50	150,000	4.50
December 23, 2030 (2)	$ 1.50	251,786	4.56
December 31, 2030 (2)	$ 1.50	83,929	4.59
Total	$ 3.18	1,962,591	2.74

(1) The terms of the warrants issued on July 4, 2022 pursuant to the July 2022 Offering were amended as a result of anti-dilution provisions contained in those warrants. The July 2022 Offering consisted of one common share and one warrant. Upon issuance, the warrants were exercisable at a price of $11.80 per warrant and included anti-dilution provisions in the case of a "dilutive issuance to reduce the exercise price of the warrants and increase the number of shares issuable thereunder, if common shares are sold or issued for consideration per share less than the warrant exercise price, subject to certain exceptions."

On August 22, 2022, the Company closed the August 2022 Offering at a price of $9.38 per unit. The August 2022 Offering resulted in a dilutive issuance and the exercise price of the warrants issued in the July 2022 Offering was reduced to $9.38 per share and the number of shares issuable under each warrant was increased such that the aggregate exercise price payable after taking into account the decrease in the exercise price shall be equal to the aggregate exercise price prior to the adjustment. The remaining 114,887 warrants are now exercisable at a price of $9.38 per common share for approximately 154,970 common shares, subject to the rounding down of each warrant exercise.

(2) The Company issued warrants to purchase common shares for a period of five years. Each warrant entitles the holder thereof to purchase one common share at an exercise price of $1.50 per common share until the first anniversary of the warrant's issuance. After the first anniversary, the exercise price will increase to $2.50 per common share until the second anniversary of the warrant's issuance. After the second anniversary, the exercise price will increase to $5.00 per common share for the remaining 36 months. If, prior to the first anniversary, the common shares trade on the CSE at a price of $2.00 or greater for a period of twenty consecutive trading days, and following 30 days written notice to the warrant holders, the exercise price will increase to $2.50 per common share until the date of the second anniversary, and on the second anniversary, the exercise price will increase to $5.00 per common share for a period of 36 months from the second anniversary.

Preferred share purchase warrants

The changes in preferred share purchase warrants outstanding are as follows:

	Number of Preferred Warrants	Weighted Average Exercise Price
Balance at August 31, 2025	-	$ -
Issued	1,084,167	$ 1.92
Balance at May 31, 2026	1,084,167	$ 1.92
Balance exercisable at May 31, 2026	1,084,167	$ 1.92

(Expressed in Canadian dollars)

8. SHARE CAPITAL AND RESERVES (continued)

Preferred share purchase warrants (continued)

As at May 31, 2026, the Company had the following common share purchase warrants outstanding:

Date of Expiry	Exercise Price	Number of Preferred Warrants	Weighted Average Remaining Life in Years
May 22, 2030 (1)	$ 2.50	450,000	3.98
June 30, 2030 (1)	$ 1.50	517,500	4.08
July 24, 2030 (1)	$ 1.50	116,667	4.15
Total	$ 1.92	1,084,167	4.04

(1) The Company issued warrants to purchase preferred shares for a period of five years. Each warrant entitles the holder thereof to purchase one preferred share at an exercise price of $1.50 per preferred share until the first anniversary of the warrant's issuance. After the first anniversary, the exercise price will increase to $2.50 per preferred share until the second anniversary of the warrant's issuance. After the second anniversary, the exercise price will increase to $5.00 per preferred share for the remaining 36 months. If, prior to the first anniversary, the common shares trade on the CSE at a price of $2.00 or greater for a period of twenty consecutive trading days, and following 30 days written notice to the warrant holders, the exercise price will increase to $2.50 per preferred share until the date of the second anniversary, and on the second anniversary, the exercise price will increase to $5.00 per preferred share for a period of 36 months from the second anniversary.

Common agent warrant units

The changes in common agent warrants outstanding are as follows:

	Number of Common Warrants	Weighted Average Exercise Price
Balance at August 31, 2024	49,527	$ 4.30
Expired	(16,517)	$ (2.50)
Balance at August 31, 2025	33,010	$ 5.30
Expired	(12,000)	$ (2.00)
Balance at May 31, 2026	21,010	$ 7.12
Balance exercisable at May 31, 2026	21,010	$ 7.12

As at May 31, 2026, the Company had the following common agent warrants outstanding:

Date of Expiry	Exercise Price	Number of Common Agent Warrant	Weighted Average Remaining Life in Years
August 1, 2026	$ 2.40	4,480	0.17
August 19, 2026	$ 2.40	4,000	0.22
July 4, 2027	$ 10.31	4,338	1.09
August 22, 2027	$ 10.31	8,192	1.23
Total	$ 7.12	21,010	0.78

(Expressed in Canadian dollars)

8. SHARE CAPITAL AND RESERVES (continued)

Preferred agent warrant units

The changes in preferred agent warrants outstanding are as follows:

	Number of Preferred Warrants	Weighted Average Exercise Price
Balance at August 31, 2025	-	$ -
Issued	28,000	$ 1.50
Balance at May 31, 2026	28,000	$ 1.50
Balance exercisable at May 31, 2026	28,000	$ 1.50

As at May 31, 2026, the Company had the following preferred agent warrants outstanding:

Date of Expiry	Exercise Price	Number of Preferred Agent Warrant	Weighted Average Remaining Life in Years
June 30, 2030 (1)	$ 1.50	28,000	4.08
Total	$ 1.50	28,000	4.08

(1) The Company issued agent warrants to purchase preferred shares for a period of five years. Each warrant entitles the holder thereof to purchase one preferred share at an exercise price of $1.50 per preferred share until the first anniversary of the warrant's issuance. After the first anniversary, the exercise price will increase to $2.50 per preferred share until the second anniversary of the warrant's issuance. After the second anniversary, the exercise price will increase to $5.00 per preferred share for the remaining 36 months. If, prior to the first anniversary, the common shares trade on the CSE at a price of $2.00 or greater for a period of twenty consecutive trading days, and following 30 days written notice to the warrant holders, the exercise price will increase to $2.50 per preferred share until the date of the second anniversary, and on the second anniversary, the exercise price will increase to $5.00 per preferred share for a period of 36 months from the second anniversary.

9. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION

Key management personnel are considered to be those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management includes senior officers and directors of the Company.

Related party transactions to key management personnel are as follows:

Nine months ended May 31	2026	2025
Short-term benefits (1)	$ 409,929	$ 409,984
Consulting fees – other (2)	2,250	2,250
Share-based payments	-	202,934
	$ 412,179	$ 615,168

(1) Salaries paid to officers and directors fees to independent directors:
- $165,000 (May 31, 2025 - $165,000) to Chief Executive Officer;
- $90,000 (May 31, 2025 - $90,000) to Chief Financial Officer;
- $97,500 (May 31, 2025 - $95,000) to the Vice President Research and Operations
- $18,000 (May 31, 2025 - $18,000) to Chairman and independent director;
- $13,500 (May 31, 2025 - $13,500) to an independent director;
- $13,500 (May 31, 2025 - $13,500) to an independent director;
- $12,430 (May 31, 2025 - $12,485) to an independent director.

(Expressed in Canadian dollars)

9. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION (continued)

(2) For the nine months ended May 31, 2026, $2,250 (2025 - $2,250) was paid to a partnership where the Chairman and independent director was a partner for corporate secretarial services.

Accounts payable and accrued liabilities include the following amounts due to related parties that are unsecured, non-interest bearing and due on demand.

As at	May 31, 2026	August 31, 2025
Key management personnel – directors fee	$ 128,000	$ 71,263
Key management personnel – salaries and consulting fees	128,795	61,071
Total	$ 256,795	$ 132,334

10. RISK AND CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it based on the funds available to the Company in order to support future business opportunities. The Company defines its capital as shareholders' equity. 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 manage its capital to be able to sustain the future development of the Company's business. The Company currently has no source of revenues, and therefore, is dependent upon external financings to fund activities. In order to carry future projects and pay administrative costs, the Company will spend its existing working capital and raise additional funds as needed. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the nine months ended May 31, 2026. The Company is not subject to externally imposed capital requirements.

11. SEGMENTED DISCLOSURES

Prior to May 22, 2025, the Company was a Canadian clinical stage pharmaceutical development company that operated in two geographical segments: drug development in Canada, and the facilitation of the Company's lead drug candidates into clinical trials in Australia and one reportable operating segment: drug development (the "Drug Development Segment").

Through the acquisition of NIC completed on May 22, 2025 (note 4), the Company has entered into a new reportable operating segment, the AD diagnostic and treatment market (the "AD Segment"). During the nine months ended May 31, 2026, the Company incurred $842,208 of expenses pertaining to the AD Segment.

Segment and geographical information of the Company's right of use asset and intangible assets as at May 31, 2026 are allocated as follows:

	Drug Development Segment	**AD Segment**	**Total**
Right of use asset	$ -	$ 747,974	$ 747,974
Intangible assets	3,145,916	994,524	4,140,440
	$ 3,145,916	$1,742,498	$ 4,888,414

(Expressed in Canadian dollars)

11. SEGMENTED DISCLOSURES (continued)

	Canada	United States	Total
Intangible assets	$ 4,140,440	$ 747,974	$ 4,888,414
	$ 4,140,440	$ 747,974	$ 4,888,414

Segment and geographical information of the Company's intangible assets as at August 31, 2025 are allocated as follows:

	Drug Development Segment	AD Segment	Total
Intangible assets	$ 3,216,623	$ 1,077,629	$ 4,294,252
	$ 3,216,623	$ 1,077,629	$ 4,294,252

	Canada	Total
Intangible assets	$ 4,294,252	$ 4,294,252
	$ 4,294,252	$ 4,294,252

12. SUBSEQUENT EVENTS

Subsequent to May 31, 2026:

On June 5, 2026, the Company closed the first tranche of its non-brokered private placement (the "Offering") for gross proceeds of $500,000 from the sale of 1,250,000 units (the "Units").

On June 18, 2026, the Company closed the second tranche of the Offering for gross proceeds of $750,000 from the sale of 1,875,000 Units.

Each Unit consisted of one common share and one common share purchase warrant. Each warrant entitles the holder to acquire one common share at an exercise price of $0.60 per common share for a period of 36 months from the issuance date.

The Company paid cash finder's fees of $36,000 and issued 90,000 finder's warrants pertaining to the Offering. Each finder's warrant entitles the holder to acquire one common share at an exercise price of $0.60 per common share for a period of 36 months from the issuance date.

On June 19, 2026, 350,000 preferred shares were converted into 350,000 common shares. The 350,000 common shares were issued from treasury and the 350,000 preferred shares were cancelled.