FORM 5A

ANNUAL LISTING SUMMARY

Introduction

The requirement to file this Form 5A does not apply to NV Issuers. NV 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:
Integrated Quantum Technologies, Inc.

Website:
www.integratedquantum.com

Listing Statement Date:
October 30, 2026

Description(s) of listed securities(symbol/type):
VEIL

Brief Description of the Issuer's Business:
The Company is building quantum-ready infrastructure to help secure and scale artificial intelligence (AI). The Company is developing technologies that address the threats of emerging postquantum security risks, increasing compute demands, and the complexity of deploying AI at scale. As at June 30, 2026, the Company's revenue is being earned from delivering cybersecurity managed services to the Small-to-Medium Business and Small-to-Medium Enterprise segments, integrating capabilities from

third-party cybersecurity providers.

Description of additional (unlisted) securities outstanding

NONE

Jurisdiction of Incorporation:

Vancouver, BC

Fiscal Year End:

June 30, 2026

Date of Last Shareholders' Meeting and Date of Next Shareholders' Meeting (if scheduled):

The last Annual general meeting was held March 12, 2026. Future meetings have not been scheduled.

Financial Information as at: June 30, 2026

	Current (June 30, 2026) (USD)	Previous (June 30, 2025) (USD)
Cash	632,314	20,886
Current Assets	813,049	78,251
Non-current Assets	396,368	1,033
Current Liabilities	1,217,590	1,667,636
Non-current Liabilities	-	119,898
Shareholders' equity (deficiency)	(8,175)	(1,718,250)
Revenue	125,275	174,200
Net Income (loss)	(4,082,530)	(1,305,237)
Net Cash Flow from Operations	(2,792,472)	(364,977)

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.

SEE NOTE 9 in Schedule A for the relevant information

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,

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
July 7, 2025	Common shares	Exercise of warrants	153,650	CDN$0.25	US$27,411	Cash	Agent. Not related party	Nil
July 15, 2025	Common shares	Debt settlement	205,231	CDN$0.275	US$41,166	Debt settlement	IT Consultant. Not related party	Nil
October 2, 2025	Common shares	Exercise of warrants	75,000	CDN$0.25	US$12,970	Cash	Agent. Not related party	Nil
October 6, 2025	Common shares	Exercise of warrants	26,600	CDN$0.25	US$4,625	Cash	Agent. Not related party	Nil
November 12, 2025	Common shares	Private placement	12,100,000	CDN$0.25	US$2,159,850	Cash	N/A - investors	Nil
March 30, 2026	Common shares	Shares issued to Alke investment advisory agreement	442,230		US$69,148	Shares to be issued under agreement for cash	Consultant	Nil
May 1, 2026	Common shares	Private placement	5,015,000	CDN$0.50	US$1,847,025	Cash	N/A - investors	Nil
September 4, 2025	RSUs	Compensation	500,000	Nil	Nil	n/a	Director, related party	Nil

September 4, 2025	RSUs	Compensation	2,000,000	Nil	Nil	n/a	Consultant, not related party	Nil
September 4, 2025	RSUs	Compensation	1,000,000	Nil	Nil	n/a	Consultant, related party	Nil
September 4, 2025	RSUs	Compensation	1,000,000	Nil	Nil	n/a	Consultant, not related party	Nil
January 31, 2026	RSU	Compensation	480,000	Nil	Nil	n/a	Executive VP of AI, related party	Nil
March 4, 2026	RSU	Compensation	480,000	Nil	Nil	n/a	Chief technical officer, related party	Nil
May 25, 2026	RSU	Compensation	900,000	Nil	Nil	n/a	Executive VP of AI, related party	Nil

(b) summary of options granted during the period,

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
July 7, 2025	200,000	Consultant	Consultant	CDN $0.345	July 7, 2025	CDN$0.345
September 4, 2025	500,000	Marc Branson, Director	n/a	CDN $0.25	September 4, 2027	CDN$0.25
September 4, 2025	200,000	Consultant	Consultant	CDN $0.25	September 4, 2027	CDN$0.25
September 4, 2025	1,000,000	Anit Oehley, Chief Technical Officer	n/a	CDN $0.25	September 4, 2027	CDN$0.25
September 4, 2025	1,300,000	Jeremy Sameulson, Executive VP of AI and Innovation	n/a	CDN $0.25	September 4, 2027	CDN$0.25
September 4, 2025	200,000	Consultant	Consultant	CDN $0.25	September 4, 2027	CDN$0.25
September 4, 2025	100,000	Consultant	Consultant	CDN $0.25	September 4, 2027	CDN$0.25

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,

(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

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

Security	Amount	Exercise price	Expiry Date
Common shares – Class A	79,722,544	n/a	n/a
Stock options	200,000	CDN$0.30	June 6, 2027
Stock options	250,000	CDN$0.30	July 1, 2027
Stock options	3,300,000	CDN$0.25	September 4, 2027
Warrants	6,000,000	CDN$0.10	December 14, 2026
Warrants	320,000	CDN$0.25	February 5, 2028
Warrants	140,000	CDN$0.25	May 12, 2028
Warrants	2,664,650	CDN$0.75	May 1, 2028
Warrants	1,000,000	CDN$0.25	June 13, 2028
Restricted share units	6,360,000	Nil	
Convertible debentures	160	CAD$1,000	February 5, 2027
Convertible debentures	500	CAD$1,000	June 13, 2027

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.

Name	Position	Date Appointed	E-mail / Fax / Address
Alan Guibord	Director & Chairman	May 12, 2023	alang@integratedquantum.com

Marc Branson	Director AC	June 6, 2025	marcb@intergratedquantum.com
Robert Bain	Director AC	June 6, 2022	R_bain@hotmail.com
Husam Fezzani	CEO	August 25, 2026	husamf@integratedquantum.com
Mickey Goldstein	CFO	Dec 3, 2025	mickeyg@integratedquantum.com
Jeremy Samuelson	CTO	July 13, 2026	jsamuelson@rhodata.solutions

5. Financial Resources

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

The Company's primary objective over the next 12 months is to commercialize and expand the deployment of its AIQu™ VEIL™ product across leading enterprise cloud and data infrastructure environments. The Company has completed the development of the VEIL™ Snowflake Native Application, and the product has been approved for listing on the Snowflake Marketplace. The company intends to expand availability of VEIL™ to Amazon Web Services ("AWS") Marketplace, Databricks Marketplace, Microsoft Azure Marketplace, and Google Cloud Marketplace ("GCP"). These deployments are expected to enable enterprise customers to utilize VEIL™ as a privacy-preserving AI infrastructure layer supporting artificial intelligence, machine learning and data processing workloads across multiple cloud environments.

The Company also intends to continue the commercialization of the AIQu™ platform by expanding platform capabilities and product offerings to support additional enterprise use cases, including large language models, agentic AI environments, backup and recovery solutions, general data transfer/mobility, and distributed data infrastructure applications.

The Company intends to transition SecureGuard360™ from its current free pilot program to a paid pilot program during the third quarter of 2026. The objective of the pilot program is to validate customer adoption, establish recurring revenue opportunities, and support broader commercialization of the platform. Expenditures associated with SecureGuard360™ during the period are expected to be limited primarily to customer enablement, onboarding and support activities.

The Company also intends to pursue customer acquisition, strategic partnerships, intellectual property development and revenue generation initiatives across its platforms.

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)

Milestone	Expected Timing	Estimated Cost
Launch of VEIL™ on Amazon Web Services (AWS), including customer deployment and marketplace readiness activities	Within 4 weeks of filing	CDN$100,000
Development and launch of VEIL™ on Databricks, including creation of proprietary usage metering, billing and cost-management capabilities required for commercial deployment	Within 4 weeks of filing	CDN$200,000
Launch of VEIL™ on Microsoft Azure infrastructure	Q1 of calendar year 2027	CDN$100,000
Launch of VEIL™ on Google Cloud Platform (GCP) infrastructure	Q2 of calendar year 2027	CDN$100,000
Expansion of AIQu™ functionality to support additional enterprise AI workloads, agentic AI environments, backup and recovery applications, and distributed data infrastructure use cases	Throughout the period	CDN$600,000
Transition SecureGuard360™ from its current free pilot program to a paid pilot program, including customer enablement, onboarding and support activities	Throughout the period	CDN$50,000

Total estimated expenditures: CDN$1,115,000

The Company must obtain additional financing to accomplish the goals in item A and has commenced the process of raising funds to fund its software development efforts

d) 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,

Working capital deficiency of US$404,541 as at June 30 2026

(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);

The Company currently has no funds available but intends to raise additional funds

(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.

n/a

6. Status of Operations

During the fiscal year, did the Listed Issuer

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

NO

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

NO

(c) Provide details:

N/A

7. Business Activity

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

N/A

(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.

(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.

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?

YES, excess of $100,000 in development expenditures, and excess of $100,000 in revenue during the year

Provide details.

Development expenditure	Rho Data Solutions	US$444,073	Cash	Development of VEIL and AIQu - expensed
Development expenditure	Rho Data Solutions	US$426,169	Cash	Development of VEIL and AIQu – capitalized as intangible assets
Revenue	Various customers	US$125,275	Cash	Cyber security managed services

(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?

N/A

Provide details.

N/A

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 30, 2026

Mickey Goldstein
Name of Director or Senior Officer

Mickey Goldstein

Chief Financial Officer
Official Capacity

Issuer Details Name of Issuer Integrated Quantum Technologies Inc.	For Year Ended June 30, 2026	Date of Report YY/MM/D October 30, 2026
Issuer Address 2600,1066 West Hastings St		
City/Province/Postal Code Vancouver BC v6E 3X1 Canada	Issuer Fax No. ( )	Issuer Telephone No. 1-604-219-4824
Contact Name Husam Fezzani	Contact Position CEO	Contact Telephone No. 1-604-219-4824
Contact Email Address husamf@integratedquantum.com	Web Site Address www.integratedquantum.com	

Appendix A

Audited Consolidated Financial Statements
For the Years Ended June 30, 2026 and 2025

Integrated Quantum Technologies Inc.

Integrated Quantum Technologies Inc.
(Formerly Integrated Cyber Solutions, Inc.)

Consolidated Financial Statements

For The Years Ended June 30, 2026 and 2025

(Expressed in United States Dollars)

DAVIDSON

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Integrated Quantum Technologies Inc (Formerly Integrated Cyber Solutions, Inc.)

Opinion

We have audited the accompanying consolidated financial statements of **Integrated Quantum Technologies Inc (Formerly Integrated Cyber Solutions, Inc.)** (the "Company"), which comprise the consolidated statements of financial position as at June 30, 2026 and 2025, and the consolidated statements of statements of loss and comprehensive loss, changes in shareholders equity (deficiency), cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

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

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 the 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 in our audit is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the consolidated financial statements, which indicates that as at June 30, 2026, the Company had a working capital deficiency of $404,541 and an accumulated deficit of $12,654,031. As stated in Note 1, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. 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 year. 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.

In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matter described below to be the key audit matter to be communicated in our auditor's report.

Intangible Assets - Valuation

As described in Note 5 to the consolidated financial statements, the carrying amount of the Company's intangible assets is $395,783 as at June 30, 2026. As more fully described in Note 3, the Company capitalizes development costs provided they meet certain conditions and assesses them for indicators of impairment as of the reporting date.

The principal consideration for our determination that the valuation of intangible assets is a key audit matter is that significant judgement is required by management in order to assess the qualification criteria to capitalize development costs under IFRS, and in determining whether indicators of impairment exist. This in turn lead to a significant degree of auditor judgement, subjectivity, and effort in performing procedures to evaluate audit evidence relating to these judgments made by management. As a result, we consider this to be a key audit matter.

Our audit procedures included, but were not limited to:

- Testing a sample of capitalized additions and assessing the satisfaction of criteria under IAS 38.
- Assessing the stage of development of the intangible assets and whether they were available for use in the manner intended by management.
- Evaluating the reasonableness of the estimated useful life and amortization method, considering the nature of the underlying technology, expected period of use and other relevant factors;
- Assessing whether indicators of impairment existed and evaluate management's impairment assessment in accordance with IAS 36

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's 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.

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

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, 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.

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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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



Chartered Professional Accountants
Licensed Public Accountants

Vancouver, Canada

October 28, 2026

Integrated Quantum Technologies Inc.
(Formerly Integrated Cyber Solutions, Inc.)
Consolidated Statements of Financial Position as at June 30, 2026 and 2025
(Expressed in United States dollars unless otherwise specified)

	Note(s)	June 30, 2026 $	June 30, 2025 $
ASSETS			
Current assets			
Cash		632,314	20,886
Accounts receivable less allowance for doubtful accounts		20,916	34,025
Prepaid expenses		159,819	23,340
		813,049	**78,251**
Non-current assets			
Equipment	4	583	1,033
Intangible assets	5	395,783	-
TOTAL ASSETS		**1,209,415**	**79,284**
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	9	596,062	1,191,082
Loans payable	6, 9	145,471	287,208
Convertible debentures	7	381,573	-
Derivative liability	7	94,484	199,346
		1,217,590	**1,667,636**
Long term liabilities			
Convertible debentures	7	-	119,898
TOTAL LIABILITIES		**1,217,590**	**1,797,534**
SHAREHOLDERS' EQUITY (DEFICIENCY)			
Share capital	8	9,255,448	5,242,654
Equity component of convertible debentures	7	63,379	63,379
Share-based payment reserve	8	1,828,303	60,389
Warrants reserve	8	1,484,835	1,456,450
Shares to be issued	8, 10	-	7,888
Accumulated other comprehensive income (loss)		13,891	22,491
Accumulated deficit		(12,654,031)	(8,571,501)
TOTAL SHAREHOLDERS' EQUITY (DEFICIENCY)		**(8,175)**	**(1,718,250)**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)		**1,209,415**	**79,284**
Nature and continuance of operations	1		
Subsequent event	15		

These consolidated financial statements were approved for issue by the Board of Directors on October 28, 2026 and signed on its behalf by:

"Marc Branson", Director; "Alan Guibord", Director

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

Integrated Quantum Technologies Inc.
(Formerly Integrated Cyber Solutions, Inc.)
Consolidated Statements of Loss and Comprehensive loss for the years ended June 30, 2026 and 2025
(Expressed in United States dollars unless otherwise specified)

	Note(s)	For the years ended June 30, 2026 $	June 30, 2025 $
Income			
Services	14	125,275	174,200
Cost of Sales			
Service providers and other		33,688	68,788
Gross profit		**91,587**	**105,412**
Expenses			
Accounting and audit		180,527	158,499
Bad debt expense		33,150	-
Business development		115,026	100,500
Consulting	9	303,652	264,377
Contract labour		43,000	116,000
Depreciation and amortization	4, 5	31,359	317
Director and management fees	9	88,746	120,000
General and administrative costs		86,963	41,875
Insurance		25,115	21,261
Legal and professional fees		182,367	123,213
Marketing	9	556,820	281,036
Public relations		57,152	-
Research and development		444,073	-
Share-based compensation	9	1,748,273	-
Transfer agent and regulatory fees		57,057	55,617
Travel		41,172	5,428
		3,994,452	**1,288,123**
Loss before other items		**(3,902,865)**	**(1,182,711)**
Other income (expenses)			
Interest and financing fees	6,7	(300,645)	(34,061)
Gain (loss) on foreign exchange		(18,862)	(3,725)
Revaluation of derivative liability	7	99,647	(30,429)
Recovery of debt settlement		40,195	
Write off of accounts receivable		-	(54,311)
		(179,665)	**(122,526)**
Net loss		**(4,082,530)**	**(1,305,237)**
Other comprehensive income (loss):			
Foreign currency translation to reporting currency		(8,600)	9,651
Comprehensive loss		**(4,091,130)**	**(1,295,586)**
Basic and diluted loss per share for the year attributable to shareholders		(0.06)	(0.02)
Weighted average number of shares outstanding Basic and diluted		70,687,983	61,614,867

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

Integrated Quantum Technologies Inc.
(Formerly Integrated Cyber Solutions, Inc.)
Consolidated Statement of Changes in Shareholders Equity (Deficiency) for the years ended June 30, 2026 and 2025
(Expressed in United States dollars unless otherwise specified)

	Share Capital								
	Number	Amount	Equity component of convertible debenture	Share-based payment reserve	Warrants reserve	Shares to be issued	Accumulated other comprehensive income (loss)	Accumulated deficit	Total shareholders' equity (deficiency)
		$	$	$	$	$	$	$	$
Balance, June 30, 2024	**61,495,676**	**5,203,846**	**-**	**60,389**	**1,280,164**	**43,368**	**12,840**	**(7,266,264)**	**(665,657)**
Issuance of shares (Note 8 & 10)	209,157	38,808	-	-	-	(38,808)	-	-	-
Shares to be issued - interest expense (Note 8,10)	-	-	-	-	-	3,328	-	-	3,328
Warrants issued on convertible debt (Note 8,10)	-	-	(48,974)	-	176,286	-	-	-	127,312
Issuance of convertible debentures (Note 7)	-	-	112,353	-	-	-	-	-	112,353
Cumulative translation adjustment	-	-	-	-	-	-	9,651	-	9,651
Net loss for the year	-	-	-	-	-	-	-	(1,305,237)	(1,305,237)
Balance, June 30, 2025	**61,704,833**	**5,242,654**	**63,379**	**60,389**	**1,456,450**	**7,888**	**22,491**	**(8,571,501)**	**(1,718,250)**
Shares issued upon exercise of warrants	255,250	62,583	-	-	(17,577)	-	-	-	45,006
Shares to be issued for debt settlement	205,231	41,166	-	-	-	-	-	-	41,166
Shares issued in private placements	17,115,000	4,006,875	-	-	-	-	-	-	4,006,875
Share issuance costs -cash	-	(121,016)	-	-	-	-	-	-	(121,016)
Share issuance costs – warrants	-	(45,962)	-	-	45,962	-	-	-	-
Issuance of shares (Note 9,11)	442,230	69,148	-	-	-	(7,888)	-	-	61,260
Share-based compensation for issuance of stock options	-	-	-	380,830	-	-	-	-	380,830
Share-based compensation for issuance of RSUs	-	-	-	1,387,084	-	-	-	-	1,387,084
Cumulative translation adjustment	-	-	-	-	-	-	(8,600)	-	(8,600)
Net loss for the year	-	-	-	-	-	-		(4,082,530)	(4,082,530)
Balance, June 30, 2026	**79,722,544**	**9,255,448**	**63,379**	**1,828,303**	**1,484,835**	**-**	**13,891**	**(12,654,031)**	**(8,175)**

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

Integrated Quantum Technologies Inc.
(Formerly Integrated Cyber Solutions, Inc.)
Consolidated Statements of Cash Flows for the years ended June 30, 2026 and 2025
(Expressed in United States dollars unless otherwise specified)

	June 30, 2026 $	June 30, 2025 $
Cash flows from OPERATING ACTIVITIES		
Net loss	(4,082,530)	(1,305,237)
Adjustments for items not affecting cash:		
Depreciation and amortization	31,359	317
Accrued interest	300,645	34,037
Bad debt expense	33,150	-
Share-based compensation	1,748,273	-
Share-based compensation in research and development	23,520	-
Revaluation of derivative liability	(99,647)	30,429
Write off of accounts receivable	-	54,311
Gain from settlement of debt	(40,195)	-
Foreign exchange	18,862	3,365
Net changes in working capital items		
Accounts receivable, net	(20,328)	(38,143)
Prepaid expenses	(140,891)	(23,340)
Accounts payable and accrued liabilities	(564,690)	879,284
Cash flow used in operating activities	**(2,792,472)**	**(364,977)**
INVESTING ACTIVITIES		
Purchase of equipment	-	(1,350)
Acquisition of intangible assets	(270,956)	-
Cash flow used in investing activities	**(270,956)**	**(1,350)**
FINANCING ACTIVITIES		
Issuance of shares from private placement	4,006,875	-
Share issuance costs	(121,016)	-
Issuance of shares	61,260	-
Cash received from convertible debentures	-	320,339
Exercise of warrants	45,006	-
Cash received from loans	93,369	59,929
Repayment of loans	(412,469)	-
Cash flow provided by financing activities	**3,673,025**	**380,268**
Impact of currency translation on cash	1,831	-
Change in cash	**611,428**	**13,941**
Cash, beginning of year	**20,886**	**6,945**
Cash, end of year	**632,314**	**20,886**
Cash paid during the year for:		
Interest	-	-
Income tax	-	-

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

During the year ended June 30, 2026, the Company had the following non-cash transactions affecting cash flows from investing and financing activities:

- Included in accounts payable and accrued liabilities as at June 30, 2026 is $162,572 for the acquisition of intangible assets.

During the year ended June 30, 2025, the Company had the following non-cash transactions affecting cash flows from investing and financing activities:

- The Company settled $100,114 of loans, and $102,500 of accounts payable with the issuance of convertible debentures.
- The Company acquired $39,433 of new loans resulting from the lenders paying expenses of $39,433 on behalf of the Company.

1. NATURE OF OPERATIONS AND GOING CONCERN

Nature of operations

Integrated Quantum Technologies Inc. (formerly Integrated Cyber Solutions Inc.) (the "Company") was incorporated under the Business Corporations Act (British Columbia) on November 12, 2021, with the name 1332996 B.C. Ltd. The Company changed it's name to Integrated Quantum Technologies Inc. on July 30, 2026. The Company's registered office is located at 2600-1066 West Hastings St., Vancouver British Columbia V6E 3X1.

The Company is building quantum-ready infrastructure to help secure and scale artificial intelligence (AI). The Company is developing technologies that address the threats of emerging postquantum security risks, increasing compute demands, and the complexity of deploying AI at scale. As at June 30, 2026, the Company's revenue is being earned from delivering cybersecurity managed services to the Small-to-Medium Business and Small-to-Medium Enterprise segments, integrating capabilities from third-party cybersecurity providers.

The Company began trading on the Canadian Securites Exchange (CSE) under the stock symbol ICS on October 10, 2023.

Going concern

At June 30, 2026, the Company had working capital deficiency of $404,541 and an accumulated deficit of $12,654,031.

The 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 include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations. These adjustments could be material. There are no assurances that the Company will be successful in its efforts to secure additional financing in the future as required. However, while the Company has been successful in securing financing in the past, it will need to attain profitability from operations. There can be no assurance that the Company will be able to secure financings or generate positive cashflows in the future. These factors indicate the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern.

These consolidated financial statements were approved by the Board of Directors and authorized for issue on October 28, 2026.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES

Statement of compliance to International Financial Reporting Standards

These consolidated financial statements of the Company have been prepared in accordance with IFRS Accounting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB").

Basis of presentation

These consolidated financial statements, including comparatives, have been prepared on the basis of IFRS that are published at the time of preparation and that are effective on June 30, 2026.

The policies set out below were consistently applied to all periods presented unless otherwise noted below.

These consolidated financial statements have been prepared on a historical cost basis except for financial instruments carried 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 is determined using the currency of the primary economic environment in which that entity operates. The functional currency of the Company is the Canadian Dollar and the functional currency of Integrated Cyber Solutions LLC is the United States Dollar. All amounts presented are in United States dollars unless otherwise indicated.

Consolidation

These consolidated financial statements are presented on a consolidated basis and include the accounts of the Company and its controlled entities. Control occurs when the Company is exposed to, or has right to, variable returns from its involvement with an investee and has the ability to affect those returns through its power over the investee. Details of controlled entities are as follows:

			Percentage Owned
Entity	Country of Incorporation	Functional Currency	June 30, 2026
Integrated Cyber Solutions LLC	United States	United States Dollars	100%

All intercompany balances and transactions have been eliminated on consolidation.

Reclassification

Certain amounts from the year ended June 30, 2025 have been reclassified to conform to the current year's presentation. There have been no changes to net income, assets, or liabilities as a result of these classifications.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (CONTINUED)

Material accounting policies

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the periods presented, the Company did not hold any cash equivalents.

Revenue and Cost of Sales

The Company generates revenue from providing cyber security managed services to customers. Revenues from services are invoiced and recognized as milestones are completed as outlined in the contract terms. The Company records deferred revenue for cash payments received from customers in advance of when revenue recognition criteria are met.

The Company considers IFRS 5-step revenue recognition framework when assessing appropriate revenue recognition as follows:

- Identify the contract(s) with a customer.
- Identify the performance obligations in the contract.
- Determine the transaction price.
- Allocate the transaction price to the performance obligations in the contract.
- Recognise revenue when (or as) the entity satisfies a performance obligation.

The Company's cost of sales for services includes directly attributable costs in providing those services, including hardware costs, cost of service providers, and other.

Equipment

Equipment is recorded at cost less accumulated depreciation and accumulated impairment losses. Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

Depreciation is provided on a straight-line basis over the estimated useful lives of the equipment or lease term.

- Computer and office equipment 36 months

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (CONTINUED)

Material accounting policies (continued)

Intangible assets

The Company's intangible assets are internally generated. They consist of its AIQu™/VEIL™ technology and its patents and trademarks.

Intangible assets are measured at cost less accumulated amortization and accumulated impairment losses. Amortization starts when an asset is available for use. It's recognized on a straight-line basis over the asset's estimated useful life:

- AIQu™/VEIL™	36 months
- Patents and trademarks	Legal life of the related patent or trademark.

Research and development costs

Research costs are expensed in profit or loss as they're incurred. Development costs are capitalized only when the Company can demonstrate all of the following:

- it's technically feasible to complete the asset so it will be available for use or sale;
- the Company intends to complete the asset and use or sell it;
- the Company is able to use or sell the asset;
- the asset will probably generate future economic benefits;
- the Company has enough technical, financial and other resources to complete development and to use or sell the asset; and
- the Company can reliably measure the costs of the asset during development.

Capitalized development costs include directly attributable costs, such as materials, services, and employee and contractor costs. Development costs that don't meet these criteria are expensed as incurred. Costs directly related to registering and securing patents and trademarks are capitalized, including legal and filing fees.

Share capital

Common shares are classified as shareholders' equity. Transaction costs directly attributable to the issue of common shares and share purchase options are recognized as a deduction from equity, net of any tax effects.

When the Company issues units consisting of common shares and share purchase warrants, proceeds from unit offerings are allocated between common shares and warrants using the residual value method. Under this method, proceeds are first allocated to common shares based on the quoted market price of the Company's common shares on the date of issuance. Any residual amount is allocated to the warrants and recorded in warrants reserve.

Warrants issued to brokers and finders as compensation for services ("Compensation Warrants") are measured at fair value on the date of issuance using the Black-Scholes option pricing model. They are recorded as share issuance costs, with a corresponding increase to warrants reserve.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (CONTINUED)

Material accounting policies (continued)

Share capital (continued)

When warrants are exercised, the proceeds and the related amount in warrants reserve are transferred to share capital. When warrants expire unexercised, the related amount remains in warrants reserve.

Earnings (loss) per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the year. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive. Contingently issuable shares are not considered outstanding common shares and consequently are not included in loss per share calculations.

Share-Based-Compensation

The Company has an equity incentive plan, which allows the Company to issue stock options and restricted share units (RSUs) to employees and consultants of the Company. The fair value of share options granted is recognized as a share-based compensation expense with a corresponding increase in the equity settled share-based payments reserve in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

For employees, the fair value is measured at grant date and each tranche is recognized on a straight-line basis over the period during which the share options vest. The fair value of the share options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the share options were granted.

At the end of each reporting period, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

Equity-settled share-based payment transactions with non-employees are measured at the fair value of the goods or services received. However, if the fair value cannot be estimated reliably, the share-based payment transaction is measured at the fair value of the equity instruments granted at the date the Company receives the goods or the services.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (CONTINUED)

Material accounting policies (continued)

Financial instruments

Financial assets

- **Classification and measurement**
  The Company classifies its financial assets in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive income ("FVTOCI") or at amortized cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

  The classification of debt instruments is driven by the business model for managing the financial assets and their contractual cash flow characteristics. Debt instruments are measured at amortized cost if the business model is to hold the instrument for collection of contractual cash flows and those cash flows are solely principal and interest. If the business model is not to hold the debt instrument, it is classified as FVTPL. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payments of principal and interest.

  Equity instruments that are held for trading (including all equity derivative instruments) 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 assets at FVTOCI – Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income. There is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

  Financial assets at amortized cost – Financial assets at amortized cost are initially recognized at fair value and subsequently carried at amortized cost less any impairment. They are classified as current assets or non-current assets based on their maturity date.

- **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 loss allowance for the financial asset is measured 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 loss allowance is measured for the financial asset at an amount equal to twelve month expected credit losses. For trade receivables the Company applies the simplified approach to providing for expected credit losses, which allows the use of a lifetime expected loss provision.

  Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognized.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Financial assets (continued)

- **Derecognition of financial assets**
  Financial assets are derecognized when they mature or are sold, and substantially all the risks and rewards of ownership have been transferred. Gains and losses on derecognition of financial assets classified as FVTPL or amortized cost are recognized in profit or loss. Gains or losses on financial assets classified as FVTOCI remain within accumulated other comprehensive income.

Financial liabilities

- **Classification and measurement**
  The Company classifies its financial liabilities into one of two categories as follows:

  Fair value through profit or loss (FVTPL) – This category comprises derivatives and financial liabilities incurred principally for the purpose of selling or repurchasing in the near term. They are carried at fair value with changes in fair value recognized in profit or loss.

  Other financial liabilities – This category consists of liabilities carried at amortized cost using the effective interest method. The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expire.

Convertible debt

Convertible debentures issued by the Company represent either a compound financial instrument or hybrid financial liability that includes the host debt liability and the convertible component, with the proceeds received allocated between the two components at the date of issue. The Company assesses whether the convertible component qualifies as equity or is considered a derivative liability. If the conversion feature meets the definition of equity, the fair value of the liability component is estimated at the date of issue of the instrument using the prevailing market interest rate for a similar non-convertible instrument. This amount is recorded as a liability (net of transaction costs) on an amortized cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date. The equity component is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognized and included in equity, net of income tax effects, and is not subsequent remeasured. Transaction costs are apportioned between the liability and equity components of the convertible instrument, based on the allocation of proceeds to the financial liability and equity components when the instruments are initially recognized. On conversion, the financial liability is reclassified to equity and no gain or loss is recognized.

If the conversion feature of a convertible instrument does not meet the definition of equity, it is classified as an embedded derivative and measured accordingly. The debt component of the instrument is determined by deducting the fair value of the embedded derivative at inception from the fair value of the consideration received for the instrument as a whole. The debt component is recorded as a liability on an amortized cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (CONTINUED)

Foreign currency translation

Foreign currency transactions

Foreign currency transactions are translated into US dollar using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss.

On translation of entities with functional currencies other than the US dollar, consolidated statement of loss and comprehensive items are translated at average rates of exchange where this is a reasonable approximation of the exchange rate at the dates of the transactions. Consolidated statement of financial position items are translated at closing exchange rates as at the reporting date. Exchange differences on the translation of the foreign currency entities at closing rates, together with differences between consolidated statement of loss and comprehensive loss translated at average and closing rates, are recorded in the foreign currency translation reserve within accumulated other comprehensive loss in equity.

Income taxes

Income tax on the profit or loss for the years presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting or taxable profit; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the financial position reporting date.

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.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (CONTINUED)

New Accounting Standards and Interpretations not yet mandatory or early adopted

IFRS 18 Presentation and Disclosure in Financial Statements

The International Accounting Standards Board (IASB) issued IFRS 18 in April 2024, which sets out new requirements for the presentation and disclosure of financial statements. IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, with earlier application permitted.

The Company is currently assessing the potential impact of IFRS 18 on its financial statements. The standard introduces significant changes, including mandatory sub-totals in the statement of profit or loss, and new requirements for the aggregation and disaggregation of information. The Company expects that the adoption of IFRS 18 will result in more detailed and transparent financial reporting.

3. CRITICAL ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of these consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in these consolidated financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. Revisions to estimates are adjusted prospectively in the period in which the estimates are revised. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) are discussed below.

Critical Judgments and Assumptions

Convertible debt

For convertible debts issued that can be converted to ordinary shares at the option of the holder, the Company identifies the components embedded within these financial instruments to determine if they should be accounted for separately dependent on their nature: a financial liability, a derivative or an equity instrument. The identification and determination of the accounting treatment of such components embedded within a convertible debt requires significant judgment given that it is based on the interpretation of the substance of the contractual arrangement. Where the conversion option has a fixed conversion rate, the financial liability component, which represents the obligation to pay coupon interest on the convertible debts in the future, is initially measured at the fair value of a similar liability that does not have an equity conversion option and subsequently measured at amortized cost. The residual amount is accounted for as an equity instrument at issuance and is not subsequently remeasured. Where the conversion option has a variable conversion rate, the conversion option is recognized as a derivative liability measured at fair value through profit and loss. The residual amount is recognized as a financial liability and subsequently measured at amortized cost. The determination of the fair value is also an area of significant judgment given that it is subject to various inputs, assumptions and estimates including: contractual future cash flows, discount rates, credit spreads, volatility and discount for lack of marketability ("DLOM"). Transaction costs are apportioned to the debt liability and equity components in proportion to their initial respective carrying amounts. On conversion at maturity, the liability is reclassified to equity and no gain or loss is recognized.

3. CRITICAL ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

Critical Judgments and Assumptions (continued)

Capitalization of development costs

Significant judgment is required in determining when a project moves from the research phase to the development phase, and when each of the criteria in IAS38, Intangible Assets, has been met. This includes assessing the technical feasibility of completing the asset, the Company's intention and ability to complete and use or sell it, how it will generate probable future economic benefits, whether adequate technical, financial and other resources are available to complete development, and whether the related costs can be reliably measured. Costs incurred before these criteria are met are expensed as research and development.

Income taxes

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law in the relevant jurisdiction. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision.

Management believes they have adequately provided for the probable outcome of these matters; however, the outcome may result in a materially different outcome than the amount included in the tax liabilities. In addition, the Company recognizes deferred tax assets relating to tax losses carried forward only to the extent that it is probable that taxable profit will be available against which a deductible temporary difference can be utilized. This is deemed to be the case when there are sufficient taxable temporary differences relating to the same taxation authority and the same taxable entity which are expected to reverse in the same year as the expected reversal of the deductible temporary difference, or in years into which a tax loss arising from the deferred tax asset can be carried back or forward. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

Going concern

Management's assessment that the Company will be able to execute its strategy and fund future working capital requirements to continue as a going concern requires significant judgment.

Critical Estimates

Share-based payment transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

3. CRITICAL ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

Critical Estimates (continued)

Revenue recognition

Application of the accounting principles related to the measurement and recognition of revenue requires the Company to make judgments and estimates. Revenue arrangements may be comprised of multiple performance obligations. Judgment is required in determining the performance obligations that exist in an arrangement and the nature of these deliverables. Management also applies judgement in the calculation of the estimated life of a contract, the value of amounts recoverable on contracts and the timing of revenue recognition.

Convertible debt

In determining the fair value for the convertible debt conversion feature considered to be a derivative liability, the Company uses the Black-Scholes pricing model and makes estimates of the expected volatility of the shares, risk-free interest rate, effective discount rate, share price, and major event expected date and probability, as the conversion feature is dependent on these estimates. The fair value of the liability component in the compound instrument was established by using the effective discount rate, the remaining balance was allocated to the equity component of the financial instrument.

4. EQUIPMENT

	Computer and Office Equipment $
Cost	
As at June 30, 2024	30,890
Derecognized	(30,890)
Additions	1,350
As at June 30, 2025 and 2026	1,350
Depreciation	
As at June 30, 2024	30,890
Derecognized	(30,890)
Charged for the year	317
As at June 30, 2025	317
Charged for the year	450
As at June 30, 2026	767
Net book value	
As at June 30, 2025	1,033
As at June 30, 2026	583

5. INTANGIBLE ASSETS

The Company's intangible assets consist of its internally developed AIQu™/VEIL™ technology, and patents and trademarks. AIQu™/VEIL™ is the Company's proprietary quantum-resilient artificial intelligence infrastructure layer, designed to enable organizations that handle sensitive data to deploy and scale artificial intelligence while protecting regulated, sensitive and proprietary data.

Development costs relating to AIQu™/VEIL™ have been capitalized from the date management determined that the capitalization criteria under IAS 38 were met. Development expenditures incurred before that date were recognized as research and development expense. AIQu™/VEIL™ is available for use and is amortized on a straight-line basis over 36 months.

Patents and trademarks are not yet available for use and therefore have not been amortized. No impairment was identified as at June 30, 2026.

	AIQu™/VEIL™	Patents	Trademarks	Total
	$	$	$	$
Cost				
As at June 30, 2024, and 2025	-	-	-	-
Additions	426,169	10,278	1,493	437,940
As at June 30, 2026	426,169	10,278	1,493	437,940
Amortization				
As at June 30, 2024 and 2025	-	-	-	-
Charged for the year	30,909	-	-	30,909
As at June 30, 2026	30,909	-	-	30,909
Effect of foreign exchange for 2026	(10,922)	(284)	(42)	(11,248)
Net book value				
As at June 30, 2025	-	-	-	-
As at June 30, 2026	384,338	9,994	1,451	395,783

6. LOANS PAYABLE

	June 30, 2026 $	June 30, 2025 $
Loan payable to an arm's length party. This loan started incurring interest of 15% per annum, beginning April 14, 2025. The loan is due on demand.	118,164	100,000
During the year ended June 30, 2023, the Company incurred marketing expenses valued at $70,000 from a related party. The amounts owing were converted into a non-interest-bearing loan, with a maturity date of October 31, 2024 (Note 9).	-	70,000
During the year ended June 30, 2024, the Company borrowed $83,320 from a related party. This amount is non-interest bearing, with no terms of repayment (Note 9).		
During the year ended June 30, 2025, the Company borrowed an additional $29,949, converted $37,788 into convertible debenture and accrued $12,727 in interest (Note 7).		
Effective July 1, 2024, this loan accrued interest at 15% per annum, and was due on demand.	-	88,208
Due to a related party. This amount is non-interest bearing, with no terms of repayment (Note 9).	-	27,000
Due to a third party. This amount is non-interest bearing, with no terms of repayment.	2,275	2,000
This amount is due to a third party, is non-interest bearing, and due on demand.	25,032	
	145,471	**287,208**
Less: Current portion of loans payable	**(145,471)**	**(287,208)**
Loans payable – non-current	**-**	**-**

7. CONVERTIBLE DEBENTURES

On February 5, 2025, the Company completed the first tranche closing of a proposed offering, by selling a total of 160 convertible debenture units of the Company (the "CD Units") at a price of $1,000 per CD Unit, for aggregate gross proceeds in the First Tranche Closing of $160,000.

Each CD Unit is comprised of:

(i) one 15.0% unsecured convertible debenture of the Company in the principal amount of US$1,000 (a "Convertible Debenture"); and

(ii) 2,000 common share purchase warrants (the "CD Warrants").

The Convertible Debentures sold in the First Tranche Closing will mature on February 5, 2027 unless extended to February 5, 2028 in the sole discretion of the Company (the "Maturity Date") and, subject to prior conversion in accordance with their terms, will be repaid in cash at the Maturity Date. Each CD Warrant sold in the First Tranche Closing is exercisable to acquire one common share at an exercise price of CDN$0.25 until February 5, 2028. From the date of issue until their Maturity Date, Convertible Debenture holders may elect to convert, in whole or in part, the face value of the Convertible Debentures into common shares at a conversion price (the “Conversion Price”) equal to the greater of $0.10 per common share or 75% of the 15-day volume weighted average price at the time of conversion. At any time prior to the Maturity Date, if the 15-day volume weighted average price of the common shares on the Canadian Securities Exchange (or such other Canadian stock exchange on which the greatest volume of common shares is traded) meets or exceeds CDN$0.60 for three consecutive trading days, any non-converted and remaining face value of the Convertible Debentures will be automatically converted into common shares at the Conversion Price.

Upon the conversion of the Convertible Debentures, the Company will pay to the Convertible Debenture holders, in cash, the interest accrued on the Convertible Debentures for the amount converted up to but excluding the date of conversion. The Convertible Debentures shall bear interest at a rate of 15.0% per annum from the date of issue, payable semi-annually in arrears in cash. Interest shall be computed on the basis of a 360-day year composed of twelve 30-day months.

The Company has determined that the conversion option is a derivative liability, and has recorded it at fair value using the Black-Scholes Option Pricing Model, with the following assumptions:

	At issuance, February 5, 2025	At year end, June 30, 2026
Expected life	2 years	0.60 years
Volatility	155%	96%
Share price	CDN$0.10	CDN$0.46
Expected dividend rate	0.00%	0.00%
Discount rate	2.61%	2.74%

The Company has accounted for the warrants issued in conjunction with the CD Units as finance costs, and has allocated these to the host debt.

7. CONVERTIBLE DEBENTURES (CONTINUED)

On June 13, 2025, the Company completed the second tranche closing of a proposed offering, by selling a total of 500 convertible debenture units of the Company (the "CD Units") at a price of CDN$1,000 per CD Unit, for aggregate gross proceeds in the First Tranche Closing of CDN$500,000 ($367,700). Of the proceeds to be collected of US$367,700, only $162,574 was received in cash, $102,626 was from loans converted and $102,500 was from accounts payable converted into convertible debt.

Each CD Unit is comprised of:

(i) one 20% unsecured convertible debenture of the Company in the principal amount of US$1,000 (a "Convertible Debenture"); and
(ii) 2,000 common share purchase warrants (the "CD Warrants").

The Convertible Debentures sold in the Second Tranche Closing will mature on June 13, 2027 unless extended to June 13, 2028 in the sole discretion of the Company (the "Maturity Date") and, subject to prior conversion in accordance with their terms, will be repaid in cash at the Maturity Date. Each CD Warrant sold in the Second Tranche Closing is exercisable to acquire one common share at an exercise price of CDN$0.25 until June 13, 2028 (the “Conversion Price”). At any time prior to the Maturity Date, if the 15-day volume weighted average price of the common shares on the Canadian Securities Exchange (or such other Canadian stock exchange on which the greatest volume of common shares is traded) meets or exceeds CDN$0.75, the Company shall have the option, but not the obligation, at any time thereafter to convert any non-converted and remaining face value of the Convertible Debentures into common shares at the Conversion Price.

Upon the conversion of the Convertible Debentures, the Company will pay to the Convertible Debenture holders, in cash, the interest accrued on the Convertible Debentures for the amount converted up to but excluding the date of conversion. The Convertible Debentures shall bear interest at a rate of 20.0% per annum from the date of issue, payable semi-annually in arrears in cash. Interest shall be computed on the basis of a 360-day year composed of twelve 30-day months.

The following shows a continuity of the Company’s convertible debentures

	Convertible debt $	Derivative liability $	Equity component $	Total $
Balance, June 30, 2024	**-**	**-**	**-**	**-**
Issued	255,347	160,000	112,353	527,700
Transaction costs	(145,575)	-	(48,974)	(194,549)
Interest	2,366	-	-	2,366
Amortization of transaction costs	9,446	-	-	9,446
Change in fair value	-	30,429	-	30,429
Foreign exchange	(1,685)	8,917	-	7,232
Balance, June 30, 2025	**119,898**	**199,346**	**63,379**	**382,623**
Interest and accretion	270,515	-	-	270,515
Change in fair value	-	(99,647)	-	(99,647)
Foreign exchange	(8,840)	(5,215)	-	(14,055)
Balance, June 30, 2026	**381,573**	**94,484**	**63,379**	**539,436**

8. SHAREHOLDERS' EQUITY (DEFICIENCY)

Authorized share capital

As at June 30, 2026, the authorized share capital of the Company consists of an unlimited number of common and preferred shares without par value.

Issued share capital

As at June 30, 2026, the Company had 79,722,544 outstanding common shares and no preferred shares outstanding.

Share capital transactions

During the year ended June 30, 2026:

- On July 7, 2025, the Company issued 153,650 common shares from the exercise of the agent warrants, exercisable at CDN$0.25 per share, for total proceeds of $27,411. The fair value of the warrants exercised was $10,576. The agent warrants exercised consisted of one common share and one share purchase warrant, exercisable at CDN$0.50. Thus, the Company issued 153,650 warrants exercisable at CDN$0.50 expiring at the same time as the original agent warrants.

- On July 15, 2025, the Company issued 205,231 common shares, valued at $41,166, pursuant to a debt settlement agreement with an arms-length vendor to settle accounts payable of $51,648. As a result of the debt settlement, the Company recognized a gain of $10,482 on the statement of loss and comprehensive loss, on the settlement of this debt.

- On October 2, 2025, the Company issued 75,000 common shares from the exercise of the agent warrants, exercisable at CDN$0.25 per share, for total proceeds of $12,970. The fair value of the warrants exercised was $5,168. The agent warrants exercised consisted of one common share and one share purchase warrant, exercisable at CDN$0.50. Thus, the Company issued 75,000 warrants exercisable at CDN$0.50 expiring at the same time as the original agent warrants.

- On October 6, 2025, the Company issued 26,600 common shares from the exercise of the agent warrants, exercisable at CDN$0.25 per share, for total proceeds of $4,625. The fair value of the warrants exercised was $1,833. The agent warrants exercised consisted of one common share and one share purchase warrant, exercisable at CDN$0.50. Thus, the Company issued 26,600 warrants exercisable at CDN$0.50 expiring at the same time as the original agent warrants.

- On November 12, 2025, the Company closed a private placement financing and issued 12,100,000 common shares at a price of CDN$0.25 per share for aggregate gross proceeds of $2,159,850. The Company paid eligible dealers a cash commission of $23,537 and legal fees of $23,105 in connection with this financing.

- On March 30, 2026, the Company issued 442,230 common shares to Alke Capital Limited pursuant to the Investment and Advisory Agreement (Note 10). The shares were issued in consideration for cash of $61,260 received during the period, interest of $3,328, and $4,560 of cash received in the prior year.

8. SHAREHOLDERS' EQUITY (DEFICIENCY) (CONTINUED)

Share capital transactions (continued)

- On May 1, 2026, the Company closed a private placement financing and issued 5,015,000 units of the Company, with each unit comprising of one common share, and one-half of a common share purchase warrant, at a price of CDN$0.25 per unit for aggregate gross proceeds of $1,847,025. Each hole warrant is exercisable into one common share of the Company at a price of CDN0.75 for a period of 2 years from issuance. The Company paid eligible dealers a cash commission of $57,509 and legal fees of $16,865 in connection with this financing. In addition, the Company issued 157,150 finder's fee warrants, exercisable at CDN$0.75 for a period of 2 years. The finder's warrants were valued at $45,962 using the Black Scholes Option Pricing Model, with the following assumptions: volatility – 155%; expected life – 2 years; risk-free interest rate – 2.94%, and dividend rate of 0%.

During the year ended June 30, 2025:

- During the year ended June 30, 2024, the Company received an advance of $43,368 from Alke Capital Limited under the Investment and Advisory Agreement dated April 15, 2022 between the Company and Alke Capital Limited (Note 10). On January 24, 2025, the Company issued to Alke Capital Limited 209,157 common shares, which reduced the shares to be issued by $38,808, leaving a total of $4,560 to be issued for the remaining 24,578 shares as at June 30, 2025. Due to the late issuance of the shares, the Company agreed to issue an additional 59,639 common shares, valued at $3,328 as interest expense. All shares were issued during the year ended June 30, 2026.

- On February 5, 2025, the Company issued 320,000 warrants in connection with the convertible debentures (Note 7). Each warrant is exercisable into one common share of the Company at CDN$0.25 for a period of 3 years from the grant date.

- On June 14, 2025, the Company issued 1,000,000 warrants in connection with the convertible debentures (Note 7). Each warrant is exercisable into one common share of the Company at CDN$0.25 for a period of 3 years from the grant date.

8. SHAREHOLDERS' EQUITY (DEFICIENCY) (CONTINUED)

Stock Options

On July 7, 2025, the Company adopted a new omnibus equity incentive plan (the "Equity Incentive Plan") whereby it can grant equity-based incentive awards to directors, officers, employees, and consultants of the Company. The maximum number of shares that may be reserved for issuance under the Equity Incentive Plan is limited to 20% of the issued and outstanding common shares of the Company at any time. The vesting period for all options is at the discretion of the Board of Directors. The term of the options are at the discretion of the Board of Directors, but cannot exceed 5 years. The exercise price will be set by the Board of Directors at the time of grant and cannot be lower than the exercise price permitted by the Canadian Securities Exchange.

During the year ended June 30, 2026, the Company granted 3,500,000 stock options to directors, officers, and consultants. of the Company, with a weighted average fair value of CDN$0.25 per option, valued using the Black Scholes Option Pricing Model, with the following weighted average assumptions: volatility – 159%; discount rate – 2.63%; and expected life of 1.91 years. During the year ended June 30, 2026 the Company recorded $380,830 in equity (translated at the historical foreign exchange rate), and $381,203 in share-based compensation expense (translated at the average rate for the period) for the options vested in the period. The difference in values is recorded in the cumulative translation adjustment.

A summary of the Company's stock option activity is as follows:

	Number of Options	Weighted Average Exercise Price
Balance, June 30, 2024 and 2025	**450,000**	**CDN$0.30**
Granted	3,500,000	CDN$0.26
Expired	(200,000)	CDN$0.35
Balance, June 30, 2026	**3,750,000**	**CDN$0.26**

As at June 30, 2026, outstanding options were as follows:

Grant Date	Number of options outstanding	Number of options exercisable	Exercise Price	Expiry date	Remaining contractual life (years)
June 6, 2022	200,000	200,000	CDN$0.30	June 6, 2027	0.93
July 1, 2022	250,000	250,000	CDN$0.30	July 1, 2027	1.00
September 4, 2025	3,300,000	3,150,000	CDN$0.25	September 4, 2027	1.18
Total	**3,750,000**	**3,600,000**	**CDN$0.26**		**1.16**

8. SHAREHOLDERS'EQUITY (DEFICIENCY) (CONTINUED)

Warrants

A summary of the Company's warrant activity is as follows:

	Number outstanding	Weighted average exercise price
Balance, June 30, 2024	**17,108,808**	CDN$0.23
Issued	1,320,000	CDN$0.25
Expired	(5,227,132)	CDN$0.10
Balance, June 30, 2025	**13,201,676**	CDN$0.28
Exercised	(255,250)	CDN$0.25
Issued	2,919,900	CDN$0.73
Expired	(5,741,676)	CDN$0.48
Balance, June 30, 2026	**10,124,650**	CDN$0.29

As at June 30, 2026, outstanding warrants were as follows:

Number of warrants outstanding	Exercise Price	Expiry date	Remaining contractual life (years)
6,000,000	CDN$0.10	December 14, 2026	0.46
320,000	CDN$0.25	February 5, 2028	1.60
140,000	CDN$0.25	May 12, 2028	2.12
2,664,650	CDN$0.75	May 1, 2028	1.82
1,000,000	CDN$0.25	June 13, 2028	1.96
10,124,650	**CDN$0.29**		**1.00**

8. SHAREHOLDERS'EQUITY (DEFICIENCY) (CONTINUED)

Restricted Share Units

The Company adopted an equity incentive plan under which it is authorized to grant Restricted Share Units ("RSU") to directors, officers, employees, and consultants of the Company enabling them to acquire up to 20% of the issued and outstanding common stock of the Company. The RSUs can be granted for a maximum of three years and vest as determined by the Board of Directors. On the vesting date, the Company will be obligated to redeem the RSUs in cash or by issuing one common share for each RSU or a combination thereof, at the discretion of the Board.

During the period ended June 30, 2026:

- On September 4, 2025, the Company granted 4,500,000 RSUs to a director and consultants of the Company. The RSUs vest on January 5, 2026.

- On January 19, 2026, the Company entered into a contract with the Executive Vice President of Artificial Intelligence of the Company, committing to grant 480,000 RSUs, which vest 40,000 every month beginning January 31, 2026 for the next twelve months. The Company recorded a share-based-compensation expense with respect the vested RSUs.

- On February 4, 2026, the Company entered into a contract with the Chief Technology Officer of the Company, committing to grant 480,000 RSUs, which vest 40,000 every month beginning March 4, 2026 for the next twelve months. The Company recorded a share-based-compensation expense with respect the vested RSUs.

- On May 25, 2026, the Company granted 900,000 RSUs to the Executive Vice President of Artificial Intelligence of the Company, with 500,000 RSUs being for the research and development of ongoing and future patents.

During the year ended June 30, 2026, the Company recorded $1,387,084 in equity (translated at the historical foreign exchange rate); $1,367,069 in share-based compensation expense, and $23,520 in research and development (both translated at the average rate for the period) for RSUs that have vested during the period. The difference in values is recorded in the cumulative translation adjustment.

The following table summarized the continuity of the Company's Restricted Share Units:

	Number of Restricted Share Units
Balance, June 30, 2024 and 2025	-
Granted	6,360,000
Balance, June 30, 2026	**6,360,000**

9. RELATED PARTIES

Key management personnel

Key management personnel are persons responsible for planning, directing, and controlling the activities of an entity, and include the members of the Board of Directors and executive officers of the Company.

During the years ended June 30, 2026 and 2025, the Company incurred the following transactions with related parties:

	June 30, 2026 ($)	June 30, 2025 ($)
Management and director compensation to the former CEO of the Company [1]	65,000	120,000
Professional fees to the former CFO of the Company [1]	40,000	120,000
Management and director compensation to a director	24,000	24,000
Marketing fees to a company controlled by the former Chief Technical Officer and Chief Marketing Officer of the Company. [1]	40,000	125,000
Consulting fees to a significant shareholder	-	102,500
Research and development fees to a company controlled by the Executive Vice President of Artificial Intelligence	402,493	-
Research and development fees from the issuance of RSUs to the Executive Vice President of Artificial Intelligence	23,520	-
Costs for intangible to a company controlled by the Executive Vice President of Artificial Intelligence	426,169	-
Share-based compensation to directors and officers	743,895	
	1,765,077	**491,500**

As at June 30, 2026 and 2025, the Company had the following amounts due to related parties:

- As at June 30, 2026, $Nil (2025 - $70,000) is owing to a company controlled by two significant shareholders, in the form of a loan as discussed in Note 6.
- As at June 30, 2026, the Company a loan payable of $Nil (2025 - $27,000) to the former CEO, with no terms of repayment, as discussed in Note 6.
- As at June 30, 2026, the Company had$248,362 (2025 - $656,029) included in accounts payable, owing to management, directors, and other related parties.

10. COMMITMENTS AND CONTINGENCIES

Commitments

On April 15, 2022 the Company and Alke Capital Limited ("Alke") entered into the investment and advisory agreement (the "Alke Agreement"). Pursuant to the Alke Agreement, Alke will (a) provide certain advisory services to the Company, ("Alke Advisory Services"), and (b) make available to the Company a non-revolving equity drawdown facility in the aggregate amount of up to $5,000,000 (the "Funding Commitment").

During the year ended June 30, 2026, an additional $61,260 have been withdrawn under the funding commitment. The Company issued 442,230 common shares to Alke in consideration for the additional cash received during the period of $61,260, interest of $3,328, and cash received in the prior year of $4,560.

Contingencies

At times there may be claims and legal proceedings generally incidental to the normal course of business that are pending or threatened against the Company. Although the Company cannot predict the outcome of these matters when they arise, in the opinion of management, any liability arising from them will not have a material adverse effect on the balance sheet, result of operations, or liquidity of the Company. At June 30, 2026 and 2025, there were no claims or legal proceedings.

11. CAPITAL MANAGEMENT

The Company's objective when managing capital is to maintain adequate levels of funding in order to safeguard the Company's ability to continue as a going concern, fund its planned activities and commitments and retain financial flexibility to respond to unforeseen future events and circumstances. The Company manages and makes adjustments to its capital structure based on the level of funds on hand and anticipated future expenditures. In order to maintain or adjust the capital structure, the Company has, when required, raised additional capital from shareholders. The Company has not paid dividends, nor returned capital to shareholders to date. The Company considers items included in shareholders' equity as capital.

The Company is not subject to externally imposed capital requirements as at June 30, 2026 and the Company's overall strategy with respect to capital risk management remains unchanged.

12. FINANCIAL INSTRUMENTS

Fair value

The fair values of financial assets and liabilities, together with their carrying amounts, are presented by class in the following table:

	June 30, 2026	FVTPL $	Amortized cost $	FVTOCI $
ASSETS				
Cash	632,314	632,314	-	-
Accounts receivable	20,916	-	20,916	-
LIABILITIES				
Accounts payable and accrued liabilities	596,062	-	596,062	-
Loans payable - current	145,471	-	145,471	-
Convertible debentures	381,573	-	381,573	-
Derivative liability	94,484	94,484	-	-

	June 30, 2025	FVTPL $	Amortized cost $	FVTOCI $
ASSETS				
Cash	20,886	20,886	-	-
Accounts receivable	34,025	-	34,025	-
LIABILITIES				
Accounts payable and accrued liabilities	1,191,082	-	1,191,082	-
Loans payable - current	287,208	-	287,208	-
Convertible debentures	119,898	-	119,898	-
Derivative liability	199,346	199,346	-	-

There are three levels of the fair value hierarchy that prioritize the inputs to valuation techniques used to measure fair value, with Level 1 inputs having the highest priority.

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 – Quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 – Unobservable (supported by little or no market activity) prices.

The Company's cash is measured at fair value, using level 1 inputs.

The Company's derivative liability is measured at fair value, using level 3 inputs. (Note 7).

The recorded amounts of other financial instruments approximate their respective fair values due to either their short-term nature or market interest rate for long term debt.

12. FINANCIAL INSTRUMENTS (CONTINUED)

Financial risk management

In the normal course of business, the Company is inherently exposed to certain financial risks, including market risk, credit risk and liquidity risk, through the use of financial instruments. The timeframe and manner in which the Company manages these risks varies based upon management's assessment of the risk and available alternatives for mitigating risk. The Company does not acquire or issue derivative financial instruments for trading or speculative purposes. All transactions undertaken are to support the Company's operations.

Market risk

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

Currency risk

Currency risk relates to the risk that the fair values or future cash flows of the Company's financial instruments will fluctuate because of changes in foreign exchange rates. Exchange rate fluctuations affect the costs that the Company incurs in its operations. The Company is exposed to minimal currency risk arising from transactions in Canadian dollars which would not have a material impact on the financial statements due to normal fluctuations against the United States Dollar.

Interest rate risk

Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have any financial instruments with variable rates of interest and is therefore not exposed to interest rate risk.

Price risk

The Company is exposed to price risk with respect to commodity prices, however, the risk of this exposure is low. The Company's ability to raise capital to fund operations is subject to risks associated with fluctuations in the market.

Credit risk

Credit risk is the risk of an unexpected loss if a third party to a financial instrument fails to meet its contractual obligations. The Company's maximum exposure to credit risk is attributable to its cash and accounts receivable before considering allowance for doubtful accounts. The Company limits the exposure to credit risk by only storing its cash with high-credit quality financial institutions and assessing customers credit worthiness prior to entering into contracts. Management believes that the credit risk is acceptably low.

12. FINANCIAL INSTRUMENTS (CONTINUED)

Financial risk management (continued)

Credit risk (continued)

As at June 30, 2026 and 2025 the Company had accounts receivable and allowance for doubtful accounts as follows:

	June 30, 2026	June 30, 2025
	$	$
Accounts receivable	62,154	171,025
Allowance for doubtful accounts	(41,238)	(137,000)
Accounts receivable, net of allowance	**20,916**	**34,025**

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. The Company manages liquidity by maintaining adequate cash balances to meet liabilities as they become due.

As at June 30, 2026, the Company had cash and cash equivalents of $632,314 and current liabilities of $1,217,590. At June 30, 2026, the Company's operations do not generate positive cash flows. The Company's primary source of funding has been the issuance of equity securities through private placements. Despite previous success in acquiring these financings, there is no guarantee of obtaining future financings (Note 1 "Going concern"). The Company is exposed to liquidity risk on its debt, which, as at June 30, 2026, is due within the next 12 months.

13. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	June 30, 2026	June 30, 2025
	$	$
Net loss for the year	(4,082,530)	(1,305,237)
Expected income tax recovery (27%)	(1,100,000)	(352,000)
Changes in tax rates, foreign exchange, and other items	2,000	64,000
Permanent difference	480,000	1,000
Share issuance costs	(33,000)	-
Change in unrecognized deductible temporary differences	651,000	287,000
Total income tax expense (recovery)	-	-

13. INCOME TAXES (CONTINUED)

The significant components of the Company's deferred tax assets (liabilities) that have not been included on the consolidated statement of financial position are as follows:

	June 30, 2026 $	June 30, 2025 $
Deferred Tax Assets (liabilities)		
Non-capital losses available for future period	1,359,000	788,000
Share issuance costs	39,000	21,000
Equipment and intangible assets	24,000	8,000
Convertible debentures	(10,000)	(56,000)
Unrecognized deferred tax assets	1,412,000	761,000
Unrecognized deferred tax assets	(1,412,000)	(761,000)
Net deferred tax assets	-	-

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the consolidated statement of financial position are as follows:

	June 30, 2026 $	Expiry Range	June 30, 2025 $
Temporary Differences			
Non-capital losses available for future period in Canada	1,777,000	2041-2046	860,000
Non-capital losses available for future period in the United States of America	3,317,000	No expiry	2,060,000
Share issuance costs	145,000	2027 – 2030	79,000
Equipment	90,000	No expiry	31,000

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

14. SEGMENTED INFORMATION

The Company operates in two operating segments, being the provision of cybersecurity managed services in the United States of America ("USA"), and the development of quantum-ready infrastructure to help secure and scale artificial intelligence (AI) in Canada.

The Company's revenue and non-current assets are segmented as follows:

	June 30, 2026 $	June 30, 2025 $
Revenues		
Canada	10,000	-
United States	115,275	174,200
Non-current assets		
Canada	395,783	-
United States	583	1,033

During the year ended June 30, 2026, the Company earned 69% (2025 – 77%) of its revenue from 2 customers

15. SUBSEQUENT EVENTS

- Subsequent to the year-end, a holder converted an aggregate of $90,000 of convertible debenture principal and $21,193 of accrued interest into 343,642 common shares of the Company pursuant to a conversion notice received on September 1, 2026.

- On July 13, 2026, the Company granted 4,140,000 restricted share units ("RSUs") and 850,000 stock options to eligible participants, including a director and an officer. The options are exercisable at CDN$0.75 per share for two years.

- Effective July 30, 2026, the Company changed its name from Integrated Cyber Solutions Inc. to Integrated Quantum Technologies Inc. Its shares began trading on the CSE under the symbol "VEIL" on August 5, 2026.

- On August 25, 2026, the Company announced the appointment of Husam Fezzani as Chief Executive Officer, effective immediately. Mr. Fezzani succeeds Alan Guibord, who transitioned to the role of Chairman of the Board and continues to serve as a director of the Company. The Company granted 500,000 fully vested stock options to its Chief Executive Officer. They are exercisable at CDN$0.75 per share until August 25, 2031.

- In August 2026, the Company incorporated Integrated Quantum USA, LLC, a wholly owned subsidiary in Delaware.

- On September 4, 2026, the Company issued 3,950,000 common shares upon the settlement of RSUs.

Appendix B

Management's Discussion and Analysis
For the Years ended June 30, 2026 and 2025.

Integrated Quantum Technologies Inc.

Integrated Quantum Technologies Inc.
(Formerly Integrated Cyber Solutions, Inc.)

Management's Discussion and Analysis

For the Years ended June 30, 2026 and 2025
(Expressed in USD, unless otherwise specified)

Prepared as of October 28, 2026

ABOUT THIS MD&A

The following management's discussion and analysis ("**MD&A**") of financial condition and results of operations of Integrated Quantum Technologies Inc. (formerly Integrated Cyber Solutions, Inc.) (the "**Company**") should be read in conjunction with the Company's audited consolidated financial statements for the years ended June 30, 2026 and 2025, and the accompanying notes thereto (the "**Financial Statements**"), which have been prepared in accordance with International Financial Reporting Standards ("**IFRS**"). This MD&A has been prepared as of October 28, 2026 pursuant to the disclosure requirements under National Instrument 51-102 - *Continuous Disclosure Obligations* of the Canadian Securities Administrators. Additional information relating to the Company is available on SEDAR+ at www.sedarplus.ca.

Unless otherwise indicated, all financial information in this MD&A and the Financial Statements has been prepared in accordance with IFRS Accounting Standards, as issued by the International Accounting Standards Board ("IASB"). Unless otherwise noted, all monetary amounts are expressed in United States dollars, and "we", "us" and "our" refer to the Company, including each of its subsidiaries.

Certain statements in this MD&A constitute forward-looking statements or forward-looking information within the meaning of applicable securities laws. The "Cautionary Statement Regarding Forward-Looking Statements" section of this MD&A should be carefully reviewed, and readers should not place undue reliance on any such forward-looking statements.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This MD&A contains certain statements which may constitute "forward-looking information" and "forward-looking statements" within the meaning of Canadian securities law requirements (collectively, "**forward-looking statements**" or "**FLS**"). These forward-looking statements are made as of the date of this MD&A and the Company does not intend, and does not assume any obligation, to update these FLS, except as required under applicable securities legislation. FLS relate to future events or future performance and reflect Company management's expectations or beliefs regarding future events. In certain cases, FLS can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved" or the negative of these terms or comparable terminology. In this document, certain forward-looking statements are identified by words including "may", "future", "expected", "intends" and "estimates". By their very nature FLS involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the FLS. The Company provides no assurance that FLS will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on FLS.

The Company's anticipated future operations are forward-looking in nature and, as a result, are subject to certain risks and uncertainties. Although the Company believes that the expectations reflected in these FLS are reasonable, undue reliance should not be placed on them as actual results may differ materially from the forward-looking statements. Such FLS are estimates reflecting the Company's best judgment based upon current information and involve a number of risks and uncertainties, and there can be no assurance that other factors will not affect the accuracy of such forward-looking statements.

DESCRIPTION OF BUSINESS

On July 30, 2026, the Company changed its name from Integrated Cyber Solutions, Inc. to Integrated Quantum Technologies Inc. The Company's registered office is located at 2600-1066 West Hastings St., Vancouver, British Columbia V6E 3X1.

The Company provides cybersecurity managed services to small-to-medium business ("SMB") and small-to-medium enterprise ("SME") customers through Integrated Cyber. SecureGuard360™ and AIQu™ VEIL™ are offerings within the Company's broader platform and reflect the ongoing evolution and expansion of the Company's cybersecurity consulting, managed services and AI infrastructure capabilities.

The Company has a wholly owned US subsidiary, Integrated Cyber, LLC, which was organized under the Limited Liability Company Act of the State of Connecticut, on November 8, 2016.

BUSINESS SUMMARY AND OVERVIEW

To the date of this MD&A, the Company has made significant progress in executing its strategic initiatives, including leadership, platform development, commercialization and capital strategy.

Significant Projects

The Company has invested in the development of certain technology initiatives that management considers significant. As at June 30, 2026, these initiatives had not generated material revenue. The discussion below summarizes each project, the Company's plan for advancement, the status of each project relative to that plan, and certain expenditures incurred to date.

AIQu™ / VEIL™

AIQu™ is the Company's infrastructure platform behind VEIL™ (Vector Encoded Information Layer). VEIL™ is designed to provide a privacy-preserving and security-focused information layer intended to support the secure use of data in artificial intelligence and machine learning workflows and, as applicable, other data infrastructure environments. The Company's plan for AIQu™ / VEIL™ has been to (i) complete core product development, (ii) complete internal and third-party security validation, (iii) prepare deployment capabilities across cloud, on-premise and hybrid environments, and (iv) advance commercialization activities, including customer deployment and go-to-market initiatives.

During the year ended June 30, 2026, management concluded that development of AIQu™ / VEIL™ was complete. On February 12, 2026, the Company announced that AIQu™ VEIL™ had reached commercial market readiness following the completion of development and security validation for enterprise deployment. During the year, the Company capitalized $426,169 of costs related to AIQu™ VEIL™ as an intangible asset, which is being amortized from the date it became available for use. The Company expects that the next stage of the project plan will be focused on commercialization, including customer deployments and continued expansion of the platform across additional computing and data infrastructure use cases.

In connection with the development and validation of AIQu™ and VEIL™, the Company incurred certain costs during the year ended June 30, 2026 that were unusual in nature and material to the year's results, including the following: (i) the Company granted 1,300,000 stock options to Jeremy Samuelson, subject to the applicable vesting conditions, and committed to grant RSUs to Mr. Samuelson, including 900,000 RSUs granted on May 25, 2026, of which 500,000 relate to the research and development of ongoing and future patents; (ii) the Company incurred $391,370 of research and development fees and $414,391 of costs capitalized to intangible assets with a company controlled by Mr. Samuelson; (iii) the Company paid Forward Security Inc. US$23,300; and (iv) the Company incurred third-party validation costs of US$12,000 and US$48,000 in conjunction with validation performed by Rho Data Solutions Inc. and Subtle Edge, respectively.

SecureGuard360™

SecureGuard360™ (formerly known as IC360) is the Company's cybersecurity platform focused on integrating people-centered security data to support the Company's "Human Firewall" strategy. The Company's plan for SecureGuard360™ has been to (i) complete platform development, (ii) integrate relevant data sources, (iii) build a reporting foundation to support customer use cases, and (iv) prepare for the incorporation of AI-driven predictive capabilities as part of the platform roadmap.

As at the date of this MD&A, management believes that the development of SecureGuard360™ is complete. During the year ended June 30, 2026, the Company advanced the project into a phase focused on data integration and reporting, and continued preparations for future AI-driven capabilities. The Company expects that the next stage of the SecureGuard360™ plan will be focused on commercialization, including customer onboarding and continued refinement of platform functionality based on customer requirements.

Expenditures related to SecureGuard360™ have been incurred primarily in connection with software development and platform enhancement activities, including data integration and reporting capabilities, and are reflected in the Company's operating expenses for the applicable periods.

Leadership

Subsequent to year-end, on August 25, 2026, the Company appointed Husam Fezzani as Chief Executive Officer, succeeding Alan Guibord, who transitioned to Chairman of the Board and continues to serve as a director. Mr. Fezzani brings nearly three decades of experience at HSBC across global banking and financial services, enterprise technology transformation, engineering and operations, including as Global Engineering Head for HSBC Group's Commercial Technology Division. As Chief Executive Officer, he leads the Company's corporate strategy, operations and commercial growth as the Company advances the commercialization of its enterprise AI infrastructure technologies.

Jeremy Samuelson, Chief Technology Officer (previously EVP, Artificial Intelligence and Innovation), is the inventor of AIQu™ and VEIL™. A mathematician and data scientist with a strong academic AI background, he also serves on AI advisory boards at several US universities. His industry experience includes senior data and technology roles at MasterCard, Equifax, and Coca-Cola. He is leading the expansion of AIQu™ across multiple computing verticals.

Anita Oehley served as Chief Technology Officer from February 5, 2026 and, subsequent to year-end, transitioned to an advisory role with the Company. She brings deep enterprise architecture expertise along with meaningful hyperscaler and go-to-market experience across multiple sectors, and her focus has been aligning the platform for scalable cloud deployment.

Technology

Architecturally, VEIL™, the Company's Vector Encoded Information Layer, is designed to apply an encoding framework at the infrastructure layer. Under certain testing configurations described below, VEIL™ has demonstrated high levels of data compression while maintaining certain protective characteristics. In addition, models operating on VEIL-processed data have shown improved downstream performance, including higher accuracy, when compared to models trained on raw data in the same tests. These results are based on the specific datasets, configurations and assumptions used in the applicable tests and may not be indicative of results in all customer environments.

AIQu™ is the foundational infrastructure platform behind VEIL™. It is a platform capable of extending across large language models, agentic AI systems, backup and recovery, distributed cloud environments, and broader data infrastructure. Compute is now the dominant cost driver in large scale AI. By operating at the infrastructure layer, AIQu reduces data and compute costs. As the platform evolves through the Innovation Centre, it has the potential to redefine the cost curve for large language models and improve enterprise AI economics.

VEIL™ can be deployed in cloud, on-premises or hybrid environments. The Company has pursued intellectual property protection in respect of certain elements of its technology. On January 13, 2026 the Company announced the filing of a provisional patent application with the U.S. Patent and Trademark Office in respect of its proprietary AI and machine learning infrastructure supporting the AIQu™ platform and AIQu™ VEIL™.

The Company continues to grow and develop its flagship cybersecurity platform, SecureGuard360™, (formerly known as IC360), furthering its commitment to the Human Firewall by integrating people-centered security data. During the year ended June 30, 2026, the Company also entered the next phase of development, focusing on data integration, building a robust reporting foundation, and preparing for AI-driven predictive capabilities. As at the date of this MD&A, the development of SecureGuard360™, was substantially completed.

Intellectual Property

The Company has pursued intellectual property protection in respect of certain elements of its technology and branding, including through the filing of a provisional patent application and trademark applications. During the year ended June 30, 2026, the Company capitalized $9,994 of patent costs and $1,451 of trademark costs. The following table summarizes certain information regarding these applications.

IP type	Application / filing date	Application / filing number	Jurisdiction / office	Trademark / invention	Status / validity	Other pertinent information
Trademark application	February 3, 2026	2453902	Canada (Canadian Intellectual Property Office)	AIQu	Pending (awaiting examination)	Nice classes / goods and services: 9, 41, 42
Trademark application	February 3, 2026	2453903	Canada (Canadian Intellectual Property Office)	VEIL	Pending (awaiting examination)	Nice classes / goods and services: 9, 41, 42
Trademark application	February 3, 2026	2453904	Canada (Canadian Intellectual Property Office)		Pending (awaiting examination)	Nice classes / goods and services: 9, 41, 42

AIQu™ / VEIL™ – Validation and Testing

The Company has undertaken a combination of internal testing, proof-of-concept evaluations, research collaboration activities and third-party assessments to evaluate the performance, privacy characteristics and security considerations of AIQu™ / VEIL™ under certain use cases and threat models. The testing and validation activities described below are intended to provide additional context; however, results are based on the specific datasets, configurations and assumptions used in the applicable tests and may not be indicative of performance in all customer environments.

- White paper publication (March 16, 2026): the Company's EVP, Artificial Intelligence and Innovation published a paper introducing informationally compressive anonymization and the VEIL™ architecture (the "VEIL Paper"), which summarizes certain testing and validation work undertaken in connection with VEIL™. The VEIL Paper is available at https://arxiv.org/abs/2603.15842. Mr. Samuelson began his work on the VEIL Paper in August 2023 and transferred his rights to the Company during the year ended June 30, 2026.
- Proof-of-concept verifications: the Company conducted proof-of-concept testing to evaluate downstream model performance and compression characteristics of VEIL-encoded representations using the MNIST dataset and the Pima County Property Sales dataset (structured real-world data).
- Research collaboration (MURA dataset): the Company has been collaborating with an academic medical group to evaluate VEIL™ in a healthcare setting using the MURA dataset, including comparisons of baseline and VEIL-enabled model metrics and compression rates under tested configurations.
- Third-party security assessment: the Company engaged third parties to perform an AI security risk assessment that included protocol-level security testing, threat modelling and AI security evaluations based on standard attacker models.
- Technical validation against AI/ML attack vectors: the Company incurred third-party validation costs associated with work performed by Rho Data Solutions Inc. and Subtle Edge to assess certain modern AI and machine learning attack vectors and related security considerations.

As at the date of this MD&A, management believes that, with development complete, AIQu™ / VEIL™ is deployable across on-premise and cloud customer environments. The Company has also undertaken validation activities against certain modern AI and machine learning attack vectors, including through third-party security assessment work as described below.

Verification

The Company conducted three proof-of-concept verifications using the MNIST dataset, as follows:

(i). MNIST Early Proof of Concept - 64-Dimensional VEIL Encoding

Initial internal proof of concept using the MNIST dataset showed model accuracy was improved by 6.77%.

For additional background on the MNIST dataset, refer to the TensorFlow Datasets page (link provided below).

Dataset Properties
MNIST images are 28 × 28 pixels (784 features per image) with grayscale values from 0 to 255.

Accuracy Improvement
Raw accuracy: 92.44%
VEILed accuracy: 99.21%
Difference: +6.77% (Increase)

Note:

- Dimensionality refers to how many data values are used to represent one record.
- All performance metrics are test, or out-of-sample. This implies that the reported results were measured on data that the model did not see during training.
- Due to randomness (sampling, initialization), numerical values may vary slightly between runs.

(ii) MNIST Proof of Concept (Reported) - 10-Dimensional VEIL Encoding

Improved internal proof of concept, achieving greater compression while maintaining comparable downstream model performance, using the MNIST dataset, showed model accuracy was improved by 6.80%. This proof of concept included an "extreme compression" configuration (10-dimensional encoding) and reported approximately 94.898% compression, with downstream model accuracy as described below.

Publicly available documentation regarding the MNIST dataset is available at the TensorFlow Datasets page: https://www.tensorflow.org/datasets/catalog/mnist

Accuracy Improvement

Raw accuracy: 92.25%
VEILed accuracy: 99.25%
Difference: +6.80% (Increase)

Note:

- All performance metrics are test, or out-of-sample. This implies that the reported results were measured on data that the model did not see during training.
- Due to randomness (sampling, initialization), numerical values may vary slightly between runs.
- Dimensionality refers to how many data values are used to represent one record.

(iii) MNIST Proof of Concept with Extreme Compression (8-dimensional encoding)

A second experiment applied more aggressive compression, reducing MNIST to an 8-dimensional latent representation (8 × 32 bits = 256 bits).

Compression: 1 - (256/6,272) = 0.95918 = 95.918%

Accuracy Improvement

Raw baseline Accuracy: 85.56%
VEILed Accuracy: 97.86%
Increase in Accuracy: 12.3%

Note:

- All performance metrics are test, or out-of-sample. This implies that the reported results were measured on data that the model did not see during training.

The Company also conducted a proof of concept using structured real-world data, as described below:

Pima County Property Sales Dataset

A proof of concept using structured real-world data was conducted to assess whether observed performance characteristics extend beyond image classification tasks.

Dimensionality

Original dimensionality (D) = 312 (every record is represented as a 312-number vector)
Encoded dimensionality (E) = 16 (a flat 1-Dimensional vector of length 16 is the output)
Both are 32-bit floats:
1 float (1 number): 32 bits
16 floats × 32 bits = 512 bits per encoded record (64 bytes)
The VEIL latent space has 16 numeric components, each using 32 bits of storage.

Compression

Compression: 1 - (16/312) = 0.94872 = 94.872%

Model Metrics

Raw baseline R-squared: 0.7356
VEILed R-squared: 0.7501
Increase: 0.7501−0.7356=0.0145
This corresponds to a 1.45-point improvement in out-of-sample explanatory power, which is modest but statistically meaningful, especially given >94% dimensionality reduction.

Note:

All of these performance metrics are test, or out-of-sample, metrics. This implies that the reported results were measured on data that the model did not see during training.

Research Collaboration with the University of Texas at San Antonio

Integrated Quantum Technologies has been collaborating on research with the Long School of Medicine of the University of Texas Health Science Center at San Antonio. The goal of this research is to validate VEIL's claims in a healthcare setting. The current study focuses on detecting musculoskeletal anomalies in medical images. The goal is to evaluate whether VEIL can preserve data signals to support clinical decision workflows while protecting patient privacy by preventing reconstruction of the input data.

The study is currently in the first phase. The team is evaluating the preservation of predictive utility to support clinical decisions. The teams are using the MURA dataset, which consists of images labeled as either normal or containing a musculoskeletal anomaly.

- The baseline is a Convolutional Neural Network (CNN) model trained on raw images to establish a performance baseline for an unprotected model.
- The other values are metrics for a machine learning model pipeline in which a VEIL encoder transforms images into vectors with dimensionality E, and these latent encodings are passed to a downstream Logistic Regression model for classification.

Note that for E = 8, the VEIL system achieves comparable performance with better precision and AUC (Area Under Curve), while recall and F1 score are lower than the baseline. For all other tested encodings E > 8, the VEIL system outperformed the baseline model in all metrics.

Regarding compression, the raw images are 224x224 pixels, with each pixel brightness value represented by an 8-bit integer. In the VEILed representations, each encoded dimension as a 32-bit float. This means the size of the raw images is 224x224x8 bits = 401,408 bits. For all VEILed encodings, the encoding size is 32xE. This results in the following compression rates:

E=8: 8x32 bits = 256 bits | Compression: 1 – (256/401,408) = 0.99936 = 99.936%
E=16: 16x32 bits = 512 bits | Compression: 1 – (512/401,408) = 0.99872 = 99.872%
E=32: 32x32 bits = 1,024 bits | Compression: 1 – (1,024/401,408) = 0.99745 = 99.745%
E=64: 64x32 bits = 2,048 bits | Compression: 1 – (2,048 /401,408) = 0.99490 = 99.490%
E=128: 128x32 bits = 4,096 bits | Compression: 1 – (4,096 /401,408) = 0.98980 = 98.980%

MURA Dataset Experience: Baseline vs VEIL Comparison
Results Summary (mean over runs):

Model	E	Precision	Recall	F1 Score	ROC-AUC	Explanation
Baseline	NA	0.678700	0.564575	0.565965	0.715385	Not Applicable
VEIL	8	0.759732	0.528105	0.622140	0.767115	Better diagnostic balance than baseline
VEIL	16	0.789406	0.560458	0.655150	0.793664	Strong improvement in overall diagnostic balance
VEIL	32	0.780431	0.561111	0.652739	0.790197	Consistently high performance
VEIL	64	0.785139	0.578170	0.665676	0.794232	Highest F1 score among all configurations
VEIL	128	0.781029	0.579673	0.664545	0.793918	Very similar to E = 64

Note

- The baseline model uses raw, non-anonymized X-ray features.
- VEIL models use compressed, anonymized representations (latent vectors)
    - Low-dimensional latent vector
    - Encoded with E values (E = 8, 16, 32, 64, 128); E = encoded dimensionality
    - Each representing a safe, non-invertible representation of the original image

In management's view, the results summarized above indicate that, under the tested configurations, VEIL-encoded representations achieved performance that was generally comparable to, and in certain cases higher than, the baseline across selected metrics, while significantly reducing the size of the underlying data representation.

In Summary

Based on the tests performed and the configurations described above, the Company observed improvements in certain performance metrics for models trained on VEIL-encoded representations, as compared to the baseline model trained on raw MURA images. These results are specific to the datasets and methodologies used and may not be indicative of results in all deployment environments.

Third-Party Security Assessment of AIQu™ VEIL™

An AI security risk assessment is a specialized process designed to systematically find weaknesses in an AI-enabled system, identify applicable threat scenarios, and assign appropriate risk levels based on likelihood and impact to the business. In February 2026, third parties performed an AI security risk assessment of a VEIL-style deployment, in which raw engineered inputs are transformed into latent vectors and consumed by downstream scoring. The assessment involved protocol-level security testing, threat modelling, and AI security evaluations based on standard attacker models. In addition, the Company engaged Rho Data Solutions Inc. and Subtle Edge to perform technical validation work on certain modern AI and machine learning attack vectors and related security considerations. These engagements were intended to assess the Company's security assumptions and identify potential areas for further enhancement prior to customer deployment.

Commercialization

Subsequent to year-end, the Company began executing on the commercialization stage of its AIQu™ VEIL™ plan. The Company entered into a channel agreement with Synergis on August 5, 2026 and a channel partner agreement with ARMI on September 2, 2026 to expand its go-to-market reach, and announced its first VEIL™ proof-of-concept customer engagement with Pivotly in September 2026. To support its commercialization activities in the United States, the Company formed a wholly owned Delaware subsidiary, Integrated Quantum USA, LLC, in August 2026. As at the date of this MD&A, these arrangements had not generated material revenue.

OVERALL PERFORMANCE AND SIGNIFICANT EVENTS FOR THE YEAR ENDED JUNE 30, 2026

Significant developments during the year ended June 30, 2026 included the following:

- On July 7, 2025, the Company adopted a new omnibus equity incentive plan. During the year, the Company granted 3,500,000 stock options and 6,360,000 restricted share units ("RSUs") to directors, officers, employees and consultants.

- On July 8, 2025, the Company announced the formation of its Cyber Future Advisory Board to guide the Company's strategy as it expands into emerging areas of cybersecurity and prepares for the impact of quantum computing, and appointed Peter Buckley as its first member.

- On July 14, 2025, the Company rebranded its flagship cybersecurity platform, formerly known as IC360, as SecureGuard360™.

- On July 15, 2025, the Company issued 205,231 common shares to settle accounts payable of $51,648. In July and October 2025, the Company issued 255,250 common shares on the exercise of agent warrants for proceeds of $45,006.

- On September 4, 2025, the Company appointed Richard Noonan as Technology Advisor to its Cyber Future Advisory Board.

- On November 12, 2025, the Company closed a non-brokered private placement of 12,100,000 common shares at CDN$0.25 per share for gross proceeds of CDN$3,025,000 ($2,159,850). The offering was over-subscribed by CDN$525,000. The Company paid cash commissions of $23,537 and legal fees of $23,105 in connection with this financing. The net proceeds were used for general working capital and software development.

- On December 3, 2025, the Company appointed Mickey Goldstein as Chief Financial Officer.

- On December 9, 2025, the Company began doing business as Integrated Quantum Technologies Inc., reflecting its transition from a traditional cybersecurity provider to a research and technology-driven organization focused on the security and infrastructure challenges of next-generation AI. These include quantum-era threats, rapidly expanding demand for compute power, vulnerabilities within machine-learning pipelines, and the difficulty of deploying AI securely and consistently across global environments.

- On January 13, 2026, the Company announced the filing of a provisional patent application with the U.S. Patent and Trademark Office for its proprietary AI and machine learning infrastructure supporting the AIQu™ platform and AIQu™ VEIL™.

- On January 20, 2026, the Company announced the appointment of Jeremy Samuelson as EVP, Artificial Intelligence and Innovation, and on February 5, 2026, the appointment of Anita Oehley as Chief Technology Officer.

- On February 3, 2026, the Company filed trademark applications with the Canadian Intellectual Property Office for AIQu, VEIL and the VEIL design mark.

- On February 12, 2026, the Company announced that AIQu™ VEIL™ had reached commercial market readiness, following the completion of development and security validation for enterprise deployment.

- On March 16, 2026, the Company's EVP, Artificial Intelligence and Innovation published a white paper introducing informationally compressive anonymization and the VEIL™ architecture.

- On March 30, 2026, the Company issued 442,230 common shares to Alke Capital Limited under the Alke Agreement.

- On May 1, 2026, the Company closed a private placement of 5,015,000 units at CDN$0.25 per unit for gross proceeds of $1,847,025. Each unit consists of one common share and one-half of a common share purchase warrant exercisable at CDN$0.75 for two years. The Company will use the net proceeds of this financing for general working capital and software development.

- On May 25, 2026, the Company granted 900,000 RSUs to its EVP, Artificial Intelligence and Innovation, of which 500,000 RSUs relate to the research and development of ongoing and future patents.

- During the year, the Company capitalized $437,940 of intangible asset additions, consisting of $426,169 for its internally developed AIQu™ VEIL™ technology and $11,771 for patents and trademarks. The Company also expensed $444,073 of research and development costs.

SELECTED ANNUAL INFORMATION

The Company's Financial Statements for the years ended June 30, 2026, 2025 and 2024 have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The following selected financial information is taken from the annual consolidated financial statements and should be read in conjunction with those statements.

	Year Ended June 30, 2026 $	Year Ended June 30, 2025 $	Year Ended June 30, 2024 $
Cash and cash equivalents	632,314	20,886	6,945
Total assets	1,209,415	79,284	57,138
Total liabilities	1,217,590	1,797,534	722,795
Shareholders' equity (deficiency)	(8,175)	(1,718,250)	(665,657)
Revenue	125,275	174,200	131,546
Accumulated deficit	(12,654,031)	(8,571,501)	(7,266,264)
Comprehensive loss	(4,091,130)	(1,295,586)	(979,868)
Basic and diluted loss per share	(0.06)	(0.02)	(0.02)

Results of Operations

For the years ended June 30, 2026 and 2025

During the year ended June 30, 2026, the Company incurred a comprehensive loss of $4,091,130 compared to a comprehensive loss of $1,295,586 for the year ended June 30, 2025. The change in comprehensive loss is primarily a result of:

(i) Revenues of $125,275 (2025 – $174,200) and gross profit of $91,587 (2025 – $105,412). During the year ended June 30, 2026, the Company provided cybersecurity managed services and solutions, supported by tools and processes, to 5 customers, compared to 6 customers during the year ended June 30, 2025, which is the reason for the decrease in revenue over the years. Revenue for the year ended June 30, 2026 includes $10,000 earned by the Canadian parent company from a customer located in the United States (2025 – $Nil). Cost of sales of $33,688 (2025 – $68,788) consists of amounts paid to service providers, including licenses and fees for the use of their security products, and decreased in line with revenue.

(ii) Share-based compensation of $1,748,273 (2025 – $Nil) from stock options and RSUs granted and vested during the year under the equity incentive plan adopted on July 7, 2025. During the year, the Company granted 3,500,000 stock options and 6,360,000 RSUs to directors, officers, advisors and consultants as follows:

a. 1,200,000 stock options to various directors and consultants of the Company, valued at $131,657;
b. 1,000,000 stock options to Anita Oehley, vested immediately, valued at $109,548. Ms. Oehley was a consultant of the Company at the grant date and was appointed Chief Technology Officer on February 5, 2026. The options were granted as an incentive to retain Ms. Oehley while conserving the Company's cash resources;
c. 1,300,000 stock options to Jeremy Samuelson, with 1,000,000 vesting immediately and 300,000 vesting in 4 equal installments commencing 3 months following the grant date. The value of the vested options was $139,998. Mr. Samuelson leads the development of the Company's AIQu™ and VEIL™ platforms, and the options were granted as an incentive to retain his expertise while conserving the Company's cash resources;

d. 2,000,000 RSUs, vesting January 5, 2026, to a consultant for business advisory services on expanding in the UAE, valued at $303,954. The RSUs were granted to conserve the Company's cash resources;
e. 1,000,000 RSUs, vesting January 5, 2026, to a consultant for business advisory services, valued at $151,977. The RSUs were granted to conserve the Company's cash resources;
f. 1,000,000 RSUs, vesting January 5, 2026, to a consultant for business advisory services, valued at $151,977. The RSUs were granted to conserve the Company's cash resources;
g. 500,000 RSUs, vesting January 5, 2026, to a director for director services, valued at $75,989. The RSUs were granted to conserve the Company's cash resources;
h. 480,000 RSUs issued to Criollo Solutions LLC, a company controlled by Ms. Oehley, under a consulting agreement effective February 4, 2026 for technology strategy and advisory services, vesting monthly over 12 months from the agreement date. The value of the vested RSUs was $137,873;
i. 880,000 RSUs granted on May 25, 2026 to Rho Data Solutions, LLC, a company controlled by Mr. Samuelson, for prior and continuing services, of which 400,000 vested on grant and 480,000 vest monthly over 12 months from June 1, 2026. The value of the vested RSUs was $546,504;
j. 500,000 RSUs granted on May 25, 2026 to Mr. Samuelson for the development of patents and other intellectual property, vesting monthly over 12 months from June 1, 2026. Given the nature of the services, the value of the vested RSUs of $23,520 was recorded as research and development rather than share-based compensation.

(iii) Research and development of $444,073 (2025 – $Nil) for the development of the Company's quantum-ready AI technologies. This includes $402,493 in fees to a company controlled by the Company's EVP, Artificial Intelligence and Innovation (now Chief Technology Officer) and $23,520 for RSUs issued to that individual.

(iv) Marketing of $556,820 (2025 – $281,036) and public relations of $57,152 (2025 – $Nil). During the year ended June 30, 2026, the Company incurred $100,026 on a new marketing campaign to highlight the Company's work on VEIL™ and AIQu™; $386,694 on web-based advertising; $30,100 on website development and press releases; $40,000 in fees paid to a company controlled by the former Chief Marketing Officer.

(v) Legal and professional fees of $182,367 (2025 – $123,213) related to the Company's equity debt offerings, securities compliance, and other general corporate matters.

(vi) Consulting fees of $303,652 (2025 - $264,377). During the year ended June 30, 2026, the Company incurred $135,435 for the development of the Company's VEIL technology and AIQu platform, $52,835 for corporate advisory ; and $115,382 for business development in Europe and the UAE.

(vii) Depreciation and amortization of $31,359 (2025 – $317), primarily from $30,909 of amortization on the AIQu™ VEIL™ intangible asset, which became available for use during the year.

(viii) Interest and financing fees of $300,645 (2025 – $34,061), mainly from accretion of its convertible debentures, and amortization of transaction costs on the convertible debentures, plus interest on loans payable.

These increases were partially offset by lower director and management fees of $88,746 (2025 - $120,000) and contract labour of $43,000 (2025 - $116,000). Other items also offset the increases of expenses: a gain on revaluation of the derivative liability of $99,647 (2025 – loss of $30,429), a recovery on debt settlement of $40,195 (2025 – $Nil), and no write-off of accounts receivable (2025 – $54,311).

SELECTED QUARTERLY INFORMATION

The following is selected financial information for the Company's eight most recently completed quarters and has been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

	June 30, 2026 $	March 31, 2026 $	December 31, 2025 $	September 30, 2025 $	June 30, 2025 $	March 31, 2025 $	December 31, 2024 $	September 30, 2024 $
Cash and cash equivalents	632,314	23,641	1,443,239	50,793	20,886	19,091	28,089	24,233
Total assets	1,209,415	353,673	1,585,349	121,322	79,284	74,081	211,070	75,867
Total liabilities	1,217,590	1,062,845	1,895,792	2,180,124	1,797,534	1,294,520	1,061,805	853,125
Shareholders' equity (deficiency)	(8,175)	(916,683)	(310,443)	(2,058,802)	(1,718,250)	(1,219,294)	(850,735)	(777,258)
Revenue	28,229	18,212	16,150	62,684	16,675	(140,238)	250,311	47,452
Accumulated deficit	(12,654,031)	(11,514,190)	(10,683,600)	(9,549,495)	(8,571,501)	(7,847,793)	(7,454,194)	(7,375,059)
Comprehensive loss	(1,132,515)	(831,306)	(1,171,709)	(955,598)	(726,724)	(383,784)	(73,477)	(111,601)
Basic and diluted loss per share	(0.02)	(0.01)	(0.02)	(0.02)	(0.01)	(0.01)	(0.00)	(0.00)

Results of Operations

For the three months ended June 30, 2026 and 2025

During the three months ended June 30, 2026, the Company incurred a comprehensive loss of $1,132,515 compared to a comprehensive loss of $726,724 for the three months ended June 30, 2025. The change in comprehensive loss is primarily a result of:

(i) Depreciation and amortization of $31,021 (2025 – $317), primarily from $30,909 of amortization on the AIQu™ VEIL™ intangible asset, which became available for use during the year.

(ii) Marketing of $256,633 (2025 – $216,570) and public relations of $26,740 (2025 – $Nil). During the period ended June 30, 2026, the Company incurred $11,120 on a new marketing campaign to highlight the Company's work on VEIL™ and AIQu™; $227,406 on web-based advertising; and $18,107 on website development and press releases.

(iii) Share-based compensation of $326,076 (2025 - $Nil) from the stock options and restricted share units granted and vested during the period, as discussed above in the results of operations for the year ended June 30, 2026.

(iv) Interest and financing fees of $203,608 (2025 - $5,493) from the additional loans and convertible debentures during the period.

LIQUIDITY AND CAPITAL RESOURCES

CASH FLOW ANALYSIS	**June 30, 2026**
Cash at the beginning of the period	$ 20,886
Operating Activities	
Loss for the period	$ (4,082,530)
Items not involving cash	$ 2,015,967
Net changes in non-cash working capital items:	
Accounts payable and accrued liabilities	$ (564,690)
Accounts Receivable, net	$ (20,328)
Prepaids	$ (140,891)
Investing Activity:	
Acquisition of intangible assets	$ (270,956)
Financing Activity:	
Issuance of shares from private placements	$ 4,006,875
Share issuance costs	$ (121,016)
Issuance of shares	$ 61,260
Exercise of warrants	$ 45,006
Loans received	$ 93,369
Repayment of loans	$ (412,469)
Currency translation on cash	$ 1,831
Cash, end of the period	$ 632,314

The financial statements have been prepared on a going-concern basis, which assumes the realization of assets and liquidation of liabilities in the normal course of business. Continuing operations, as intended, are dependent on management's ability to raise required funding through future equity issuances and its ability to commercialize its technologies and develop profitable operations, or a combination thereof, which is not assured, given today's volatile and uncertain financial markets. The Company may revise programs depending on its working capital position.

As of June 30, 2026 the Company had a cash balance of $632,314 and an accumulated deficit of $12,654,031. The working capital deficit was $404,541. The Company has $1,209,415 in total assets and has no pledges as security for loans, or otherwise and is not subject to any debt covenants.

As of June 30, 2026, the Company has current, and total liabilities of $1,217,590. The Company has no short-term capital spending requirements and future plans and expectations that the Company will continue as a going concern are based on the assumption that the Company will realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The Company will require additional funding in order to settle its liabilities as they become due. There can be no assurance that the Company will be able to obtain adequate financing in the future or if available that such financing will be on acceptable terms. If adequate financing is not available when required, the Company may be required to delay, scale back or eliminate various programs and may be unable to continue in operation. The Company may seek such additional financing through debt or equity offerings. Any equity offering will result in dilution to the ownership interests of the Company's shareholders and may result in dilution to the value of such interests.

Historically, the Company's sole source of funding has been from private placements and loans. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

OFF-BALANCE SHEET TRANSACTIONS

During the twelve months ended June 30, 2026, the Company has not entered into any off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

Key management personnel

Key management personnel are persons responsible for planning, directing, and controlling the activities of an entity, and include the members of the Board of Directors and executive officers of the Company.

During the years ended June 30, 2026 and 2025, the Company incurred the following transactions with related parties:

	June 30, 2026 ($)	June 30, 2025 ($)
Management and director compensation to the former CEO of the Company (Alan Guibord)	65,000	120,000
Professional fees to the former CFO of the Company (Robert Consaga)	40,000	120,000
Management and director compensation to a director (Robert Bain)	24,000	24,000
Marketing fees to a company controlled by the former Chief Technical Officer and Chief Marketing Officer of the Company (Purple Koru)	40,000	125,000
Consulting fees to a significant shareholder (Strategic Investments)	-	102,500
Research and development fees to a company controlled by the Executive Vice President of Artificial Intelligence (Rho Data Solutions - Jeremy Samuelson)	402,493	-
Research and development fees from the issuance of RSUs to the Executive Vice President of Artificial Intelligence (Rho Data Solutions - Jeremy Samuelson)	23,520	-
Costs for intangible to a company controlled by the Executive Vice President of Artificial Intelligence (Rho Data Solutions - Jeremy Samuelson)	426,169	-
Share-based compensation to directors and officers	743,895	
	1,765,077	**491,500**

Except as described under Commitments and Contingencies, the Company has no ongoing contractual obligations or other commitments to these related parties. The amounts recorded represent fair value and have been mutually agreed upon by the Company and the related party.

As at June 30, 2026 and 2025, the Company had the following amounts due to related parties:

- As at June 30, 2026, $Nil (2025 – $70,000) is owing to a company controlled by two significant shareholders, in the form of a loan as discussed in Note 6 of the Financial Statements.

- As at June 30, 2026, the Company had a loan payable of $Nil (2025 – $27,000) to the former CEO, with no terms of repayment, as discussed in Note 6 of the Financial Statements.

- As at June 30, 2026, the Company had $248,362 (2025 – $656,029) included in accounts payable, owing to management, directors, and other related parties.

COMMITMENTS AND CONTINGENCIES

On April 15, 2022 the Company and Alke Capital Limited ("Alke") entered into the investment and advisory agreement (the "Alke Agreement"). Pursuant to the Alke Agreement, Alke will (a) provide certain advisory services to the Company, ("Alke Advisory Services"), and (b) make available to the Company a non-revolving equity drawdown facility in the aggregate amount of up to $5,000,000 (the "Funding Commitment").

During the year ended June 30, 2026, an additional $61,260 have been withdrawn under the funding commitment. The Company issued 442,230 common shares to Alke in consideration for the additional cash received during the period of $61,260, interest of $3,328, and cash received in the prior year of $4,560.At times there may be claims and legal proceedings generally incidental to the normal course of business that are pending or threatened against the Company. Although the Company cannot predict the outcome of these matters when they arise, in the opinion of management, any liability arising from them will not have a material adverse effect on the balance sheet, result of operations, or liquidity of the Company. At June 30, 2026 and 2025, there were no claims or legal proceedings.

CRITICAL ACCOUNTING ESTIMATES

The preparation of these consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in these consolidated financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. Revisions to estimates are adjusted prospectively in the period in which the estimates are revised. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) are discussed below.

Convertible debt

For convertible debts issued that can be converted to ordinary shares at the option of the holder, the Company identifies the components embedded within these financial instruments to determine if they should be accounted for separately dependent on their nature: a financial liability, a derivative or an equity instrument. The identification and determination of the accounting treatment of such components embedded within a convertible debt requires significant judgment given that it is based on the interpretation of the substance of the contractual arrangement. Where the conversion option has a fixed conversion rate, the financial liability component, which represents the obligation to pay coupon interest on the convertible debts in the future, is initially measured at the fair value of a similar liability that does not have an equity conversion option and subsequently measured at amortized cost. The residual amount is accounted for as an equity instrument at issuance and is not subsequently remeasured. Where the conversion option has a variable conversion rate, the conversion option is recognized as a derivative liability measured at fair value through profit and loss. The residual amount is recognized as a financial liability and subsequently measured at amortized cost. The determination of the fair value is also an area of significant judgment given that it is subject to various inputs, assumptions and estimates including: contractual future cash flows, discount rates, credit spreads, volatility and discount for lack of marketability (“DLOM”). Transaction costs are apportioned to the debt liability and equity components in proportion to their initial respective carrying amounts. On conversion at maturity, the liability is reclassified to equity and no gain or loss is recognized.

Income taxes

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company’s current understanding of the tax law in the relevant jurisdiction. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision.

Management believes they have adequately provided for the probable outcome of these matters; however, the outcome may result in a materially different outcome than the amount included in the tax liabilities. In addition, the Company recognizes deferred tax assets relating to tax losses carried forward only to the extent that it is probable that taxable profit will be available against which a deductible temporary difference can be utilized. This is deemed to be the case when there are sufficient taxable temporary differences relating to the same taxation authority and the same taxable entity which are expected to reverse in the same year as the expected reversal of the deductible temporary difference, or in years into which a tax loss arising from the deferred tax asset can be carried back or forward. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

Capitalization of development costs

Significant judgment is required in determining when a project moves from the research phase to the development phase, and when each of the criteria in IAS38, Intangible Assets, has been met. This includes assessing the technical feasibility of completing the asset, the Company's intention and ability to complete and use or sell it, how it will generate probable future economic benefits, whether adequate technical, financial and other resources are available to complete development, and whether the related costs can be reliably measured. Costs incurred before these criteria are met are expensed as research and development.

Going concern

Management's assessment that the Company will be able to execute its strategy and fund future working capital requirements to continue as a going concern requires significant judgment.

Estimates

Share-based payment transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Revenue recognition

Application of the accounting principles related to the measurement and recognition of revenue requires the Company to make judgments and estimates. Revenue arrangements may be comprised of multiple performance obligations. Judgment is required in determining the performance obligations that exist in an arrangement and the nature of these deliverables. Management also applies judgement in the calculation of the estimated life of a contract, the value of amounts recoverable on contracts and the timing of revenue recognition.

Convertible debt

In determining the fair value for the convertible debt conversion feature considered to be a derivative liability, the Company uses the Black-Scholes pricing model and makes estimates of the expected volatility of the shares, risk-free interest rate, effective discount rate, share price, and major event expected date and probability, as the conversion feature is dependent on these estimates. The fair value of the liability component in the compound instrument was established by using the effective discount rate, the remaining balance was allocated to the equity component of the financial instrument.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

IFRS 18 Presentation and Disclosure in Financial Statements

The International Accounting Standards Board (IASB) issued IFRS 18 in April 2024, which sets out new requirements for the presentation and disclosure of financial statements. IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, with earlier application permitted.

The Company is currently assessing the potential impact of IFRS 18 on its financial statements. The standard introduces significant changes, including mandatory sub-totals in the statement of profit or loss, and new requirements for the aggregation and disaggregation of information. The Company expects that the adoption of IFRS 18 will result in more detailed and transparent financial reporting.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

Fair value

The fair values of financial assets and liabilities, together with their carrying amounts, are presented by class in the following table:

	June 30, 2026	FVTPL $	Amortized cost $	FVTOCI $
ASSETS				
Cash and cash equivalents	632,314	632,314	-	-
Accounts receivable	20,916	-	20,916	-
LIABILITIES				
Accounts payable and accrued liabilities	596,062	-	596,062	-
Loans payable - current	145,471	-	145,471	-
Convertible debentures	381,573	-	381,573	-
Derivative liability	94,484	94,484	-	-

	June 30, 2025	FVTPL $	Amortized cost $	FVTOCI $
ASSETS				
Cash and cash equivalents	20,886	20,886	-	-
Accounts receivable	34,025	-	34,025	-
LIABILITIES				
Accounts payable and accrued liabilities	1,191,082	-	1,191,082	-
Loans payable - current	287,208	-	287,208	-
Convertible debentures	119,898	-	119,898	-
Derivative liability	199,346	199,346	-	-

There are three levels of the fair value hierarchy that prioritize the inputs to valuation techniques used to measure fair value, with Level 1 inputs having the highest priority.

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 – Quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 – Unobservable (supported by little or no market activity) prices.

The Company's cash is measured at fair value, using level 1 inputs.

The Company's derivative liability is measured at fair value, using level 3 inputs.

The recorded amounts of financial instruments approximate their respective fair values due to either their short-term nature or market interest rate for long term debt.

Financial risk management

In the normal course of business, the Company is inherently exposed to certain financial risks, including market risk, credit risk and liquidity risk, through the use of financial instruments. The timeframe and manner in which the Company manages these risks varies based upon management's assessment of the risk and available alternatives for mitigating risk. The Company does not acquire or issue derivative financial instruments for trading or speculative purposes. All transactions undertaken are to support the Company's operations.

Market risk

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

Currency risk

Currency risk relates to the risk that the fair values or future cash flows of the Company's financial instruments will fluctuate because of changes in foreign exchange rates. Exchange rate fluctuations affect the costs that the Company incurs in its operations. The Company is exposed to minimal currency risk arising from transactions in Canadian dollars which would not have a material impact on the financial statements due to normal fluctuations against the United States Dollar.

Interest rate risk

Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have any financial instruments with variable rates of interest and is therefore not exposed to interest rate risk.

Price risk

The Company is exposed to price risk with respect to commodity prices, however, the risk of this exposure is low. The Company's ability to raise capital to fund operations is subject to risks associated with fluctuations in the market.

Credit risk

Credit risk is the risk of an unexpected loss if a third party to a financial instrument fails to meet its contractual obligations. The Company's maximum exposure to credit risk is attributable to its cash and accounts receivable before considering allowance for doubtful accounts. The Company limits the exposure to credit risk by only storing its cash with high-credit quality financial institutions and assessing customers credit worthiness prior to entering into contracts. Management believes that the credit risk is acceptably low.

As at June 30, 2026 and 2025 the Company had accounts receivable and allowance for doubtful accounts as follows:

	June 30, 2026 $	June 30, 2025 $
Accounts receivable	62,154	171,025
Allowance for doubtful accounts	(41,238)	(137,000)
Accounts receivable, net of allowance	**20,916**	**34,025**

During the year ended June 30, 2026, the Company recorded bad debt expense of $33,150 (2025 - $Nil). During the year ended June 30, 2025, the Company wrote off $54,311 of uncollectable accounts receivable.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. The Company manages liquidity by maintaining adequate cash balances to meet liabilities as they become due.

As at June 30, 2026, the Company had cash and cash equivalents of $632,314 and current liabilities of $1,217,590. At June 30, 2026, the Company's operations do not generate positive cash flows. The Company's primary source of funding has been the issuance of equity securities through private placements. Despite previous success in acquiring these financings, there is no guarantee of obtaining future financings (Note 1 "Going concern"). The Company is exposed to liquidity risk on its debt, which, as at June 30, 2026, is due within the next 12 months.

Management of Capital

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of equity and cash. There were no changes in the Company's approach to capital management during the period. The Company is not subject to any externally imposed capital requirements.

SIGNIFICANT ACCOUNTING POLICIES

The accounting policies in Note 2 of the Company's audited financial statements as of June 30, 2026, have been consistently applied to all periods presented in the Financial Statements.

SUBSEQUENT EVENTS

- Subsequent to the year-end, a holder converted an aggregate of $90,000 of convertible debenture principal and $21,193 of accrued interest into 343,642 common shares of the Company pursuant to a conversion notice received on September 1, 2026.

- On July 13, 2026, the Company granted 4,140,000 restricted share units ("RSUs") and 850,000 stock options to eligible participants, including a director and an officer. The options are exercisable at CDN$0.75 per share for two years.

- Effective July 30, 2026, the Company changed its name from Integrated Cyber Solutions Inc. to Integrated Quantum Technologies Inc. Its shares began trading on the CSE under the symbol "VEIL" on August 5, 2026.

- On August 25, 2026, the Company announced the appointment of Husam Fezzani as Chief Executive Officer, effective immediately. Mr. Fezzani succeeds Alan Guibord, who transitioned to the role of Chairman of the Board and continues to serve as a director of the Company. The Company granted 500,000 fully vested stock options to its Chief Executive Officer. They are exercisable at CDN$0.75 per share until August 25, 2031.

- In August 2026, the Company incorporated Integrated Quantum USA, LLC, a wholly owned subsidiary in Delaware.

- On September 4, 2026, the Company issued 3,950,000 common shares upon the settlement of RSUs.

OUTSTANDING SHARE DATA

The Company's authorized share capital is unlimited common shares without par value.

The following table summarizes information about the share data as at June 30, 2026 and October 28, 2026:

	June 30, 2026	October 28, 2026
Number of common shares outstanding	79,722,544	84,295,528
Number of options outstanding	3,750,000	4,600,000
Number of warrants outstanding	10,124,650	10,124,650
Number of RSUs outstanding	6,360,000	6,550,000

RISK FACTORS

In addition to the other information included in this report, readers should consider carefully the following factors, which describe the risks, uncertainties and other factors that may materially and adversely affect the Company's business, products, financial condition and operating results. There are many factors that affect the Company's business and results of operations, some of which are beyond the Company's control. The following is a description of some of, but not all of, the important factors that may cause the Company's actual results of operations in future periods to differ materially from those currently expected or discussed in the FLS set forth in this report relating to the Company's financial results, operations and business prospects. Except as required by law, the Company undertakes no obligation to update any such FLS to reflect events or circumstances after the date of this MD&A.

For the purposes of this section, "**Material Adverse Change**" means any change of circumstances or any event which has, or would reasonably be expected to have, a material adverse effect in respect of the Company, any one or more changes, events or occurrences, and "**material adverse effect**" means, in respect of the Company, any change (or any condition, event or development involving a prospective change) in the business, operations, affairs (including the employment status of key employees), assets, liabilities (including any contingent liabilities that may arise through outstanding, pending or threatened litigation or otherwise) capitalization, financial condition, licenses, permits, rights or privileges of the Company or any of its subsidiaries which in the judgment of the Company, acting reasonably in the circumstances, could reasonably be expected to materially and adversely affect the Company and its subsidiaries taken as a whole or the value of the securities of the Company.

These risks include, but are not limited to the following:

Going-Concern Risk

The Company's financial statements have been prepared on a going-concern basis under which an entity is considered to be able to realize its assets and satisfy its liabilities in the ordinary course of business. The Company's future operations are dependent upon the identification and successful completion of equity or debt financing and the achievement of profitable operations at an indeterminate time in the future. There can be no assurances that the Company will be successful in completing equity or debt financing or in achieving profitability. The financial statements do not give effect to any adjustments relating to the carrying values and classification of assets and liabilities that would be necessary should the Company be unable to continue as a going concern.

Technology Sector Risk

As a technology company, the Company is subject to the general risks of technology companies, including the risks of rapidly changing technologies, short product life cycles, fierce competition, aggressive pricing and reduced profit margins, loss of patent, copyright and trademark protections, cyclical market patterns, evolving industry standards and frequent new product introductions.

Regulatory Risks

Changes in or more aggressive enforcement of laws and regulations could have a material adverse effect on the companies involved in the infrastructure, technology, and technological infrastructure sector. Failure or delays in obtaining necessary approvals, changes in government regulations and policies and practices could result in a Material Adverse Change to such businesses' future cash flows, earnings, results of operations and financial condition.

Intellectual Property Rights

Companies involved in the development and operation of certain technologies may be dependent on intellectual property rights; the loss of which could harm its business, results of operations and its financial condition. There can be no assurance that any of the Company's products will not violate proprietary rights of third parties or that third parties will not assert or claim that such violation has occurred.

Any such claims and disputes arising may result in liability for substantial damages which in turn could harm the underlying business, results of operations and financial condition.

Cyber Security Risks

The Company is dependent on information technologies to conduct its operations, including management information systems and computer control systems. Business and supply chain disruptions, plant and utility outages and information technology system and network disruptions due to cyber-attacks could seriously harm operations and result in a Material Adverse Change to the operation results. Cyber security risks include attacks on information technology and infrastructure by hackers, damage or loss of information due to viruses, the unintended disclosure of confidential information, the issue or loss of control over computer control systems, and breaches due to employee error.

The Company's exposure to cyber security risks includes exposure through third parties on whose systems it places significant reliance for the conduct of its business. There can be no assurance that the Company has the resources or technical sophistication to anticipate, prevent, or recover from rapidly evolving types of cyber-attacks. Compromises to its information and control systems could have severe financial and other business implications.

Key Personnel

The Company is dependent upon the continued availability and commitment of its management, whose contributions to immediate and future operations are of significant importance. The loss of any such management could negatively affect the Company's business operations. From time to time, the Company will also need to identify and retain additional skilled management to efficiently operate its business. Recruiting and retaining qualified personnel is critical to the Company's success and there can be no assurance of its ability to attract and retain such personnel. If it is not successful in attracting and training qualified personnel, the Company's ability to execute its business model and growth strategy could be affected, which could have a material adverse effect on its profitability, results of operations and financial condition.

Internal Controls

Effective internal controls are necessary for the Company to provide reliable financial reports and to help prevent fraud. Although the Company has undertaken a number of procedures and implemented a number of safeguards, in each case, in order to help ensure the reliability of its financial reports, including those imposed on the Company, the Company cannot be certain that such measures will ensure that the Company will maintain adequate control over financial processes and reporting. Failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm the Company's results of operations or cause it to fail to meet its reporting obligations. If the Company or its auditors discover a material weakness, the disclosure of that fact, even if quickly remedied, could reduce the market's confidence in the Company's financial statements and result in a Material Adverse Change.