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: Britannia Life Sciences Inc. **Website: www.britannia.life** **Listing Statement Date: November 21, 2021** **Description(s) of listed securities(symbol/type): BLAB**
Brief Description of the Issuer's Business: The Company provides product testing, safety assessment and compliance services to the cosmetic, consumer packaged goods and nutraceutical industries
Description of additional (unlisted) securities outstanding: N/A
Jurisdiction of Incorporation: Ontario

Fiscal Year End: March 31, 2026		
Date of Last Shareholders' Meeting and Date of Next Shareholders' Meeting (if scheduled): **Date of Last Shareholders' Meeting: February 24, 2026** **Date of Next Shareholders' Meeting: TBD**		
Financial Information as at: March 31, 2026		
	Current	**Previous**
Cash	**1,325,900**	**7,848,756**
Current Assets	**18,787,688**	**9,925,375**
Non-current Assets	**5,079,426**	**1,685,106**
Current Liabilities	**2,860,910**	**3,653,072**
Non-current Liabilities	**257,185**	**1,656,630**
Shareholders' equity	**20,749,019**	**6,300,779**
Revenue	**474,834**	**369,279**
Net Income	**14,651,051**	**7,506,770**
Net Cash Flow from Operations	**(1,156,242)**	**(2,619,606)**

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

All related party transactions have been disclosed in the notes to the Issuer's audited financial statements for the fiscal year ended March 31, 2026.

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.

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

All securities issued and options granted have been disclosed in the notes to the Issuer's audited financial statements for the fiscal year ended March 31, 2026.

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

(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

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

A summary of securities has been provided in the Issuer's audited financial statements for the fiscal year ended March 31, 2026.

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.

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	Positions	Date of appointment
Peter Shippen	Director and Chief Executive Office	November 12, 2021
Scott Secord	Director	October 2, 2018
Greg Taylor	Director	November 12, 2021
Boris Novansky	President	November 12, 2021
Sarah Zilik	Secretary and Chief Financial Officer	November 12, 2021

5. **Financial Resources**

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

The Company announced that Board of Directors has approved a refined corporate strategy which repositions Britannia as a public market "venture builder and company accelerator." Separately, the Board has also approved the commencement of a normal course issuer bid (the "NCIB"), subject to acceptance by the Canadian Securities Exchange (the "CSE").

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;

The Company expects to commence the NCIB in Q3 2026 and remains subject to customary closing conditions and any required regulatory approvals, including approval of the CSE.

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

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

Consolidated working capital as of March 31 2026 was $15,926,778.

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

Investment/interest income on investments as noted in Note 7 of the Company's audited consolidated financial statements for the year ended March 31 2026.

(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.

The principal purpose of any funds available or raised will be to provide accredited and institutional investors with direct exposure to an arm's length portfolio of asset-backed, income-generating assets. Any excess funds will be used to settle any other existing debts of the Company.

6. Status of Operations

During the fiscal year, did the Listed Issuer

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

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

Provide details:

n/a

7. Business Activity

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

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

No.

(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?

No.

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?

No.

(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?

No.

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 July 29, 2026.

Sarah Zilik
Name of Director or Senior Officer

(signed) "Sarah Zilik"
Signature

Chief Financial Officer
Official Capacity

Issuer Details Name of Issuer Britannia Life Sciences Inc.	For Year Ended March 31, 2026	Date of Report YY/MM/D 26/07/28
Issuer Address 120 Adelaide Street West, Suite 2400		
City/Province/Postal Code Toronto, Ontario, M5H1T1	Issuer Fax No. ( )	Issuer Telephone No. (416) 930-7711
Contact Name Sarah Zilik	Contact Position CFO	Contact Telephone No. +44(0) 785 011 5178
Contact Email Address sarah@britannia.life	Web Site Address www.britannia.life	

Consolidated Financial Statements
(Expressed in Canadian Dollars)

Britannia Life Sciences Inc.

March 31, 2026 and 2025

Responsibility for Consolidated Financial Statements

The Company's management is responsible for the integrity and fairness of presentation of these consolidated financial statements. The consolidated financial statements have been prepared by management, in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, for approval by the Board of Directors.

Where necessary, management has made judgements and estimates in preparing the consolidated financial statements and such statements have been prepared within acceptable limits of materiality. Management maintains a system of internal accounting controls to ensure, on a reasonable and cost-effective basis, that the financial information is timely reported and is accurate and reliable in all material respects and that the Company's assets are appropriately accounted for and adequately safeguarded.

A firm of independent Chartered Professional Accountants, Zeifmans LLP, appointed by the shareholders, audited the consolidated financial statements in accordance with Canadian generally accepted auditing standards and provided an independent professional opinion on the consolidated financial statements.

/s/ Peter Shippen
Chief Executive Officer
July 29, 2026

Zeifmans

INDEPENDENT AUDITORS' REPORT

To the Shareholders of Britannia Life Sciences Inc.

Opinion

We have audited the consolidated financial statements of Britannia Life Sciences Inc. and its subsidiaries (together, the "Group"), which comprise the consolidated statements of financial position as at March 31, 2026 and 2025, and the consolidated statements of income and comprehensive income, changes in shareholders' equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2026 and 2025 and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB").

Basis of Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards ("GAAS"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audits of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audits of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements as at and for the year ended March 31, 2026. 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.

We have determined that there are no key audit matters to communicate in our report.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Management's Discussion and Analysis ("MD&A") but does not include the consolidated financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the MD&A and we do not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the MD&A, identified above and, in doing so, consider whether the MD&A is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits, or otherwise appears to be materially misstated.

We obtained the MD&A prior to the date of this auditors' report. If based on the work we have performed on this MD&A, we conclude that there is a material misstatement of this MD&A, we are required to report that fact in this auditors' report. We have nothing to report in this regard.

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Zeifmans

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 as issued by the IASB, 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 Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audits 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 auditors' 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 GAAS 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 GAAS, we exercise professional judgment and maintain professional skepticism throughout the audits. 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 audits 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 Group'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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Group 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audits. 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 audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

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 period and are therefore the key audit matters. We describe these matters in our auditors' 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 audits resulting in this independent auditors' report is Laurence W. Zeifman, CPA, CA.

Zeifmans LLP

Toronto, Ontario — Chartered Professional Accountants
July 29, 2026 — Licensed Public Accountants

Britannia Life Sciences Inc.

Consolidated Statements of Financial Position

As at March 31, 2026 and 2025

Expressed in Canadian Dollars

	Note	March 31 2026	March 31 2025
		$	$
ASSETS			
Current assets			
Cash		1,325,900	7,848,756
Marketable securities	5(b)	15,811,490	-
Contingent consideration	5(a)	459,160	1,736,779
Accounts receivable		1,143,811	228,111
Option	17	-	87,355
Prepaid expenses		47,326	24,374
Total current assets		18,787,688	9,925,375
Non-Current assets			
Property and equipment	4	79,427	142,959
Investment	5(b)	-	1,542,147
Investment in debenture receivable	7	5,000,000	-
Total non-current assets		5,079,426	1,685,106
Total Assets		**23,867,114**	**11,610,481**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable and accrued liabilities	17	2,381,117	3,451,791
Income tax payable	10	285,747	-
Other debt	11	86,337	99,608
Current portion of lease liability	8	78,581	72,338
Director's loan	9	29,128	29,335
Total current liabilities		2,860,910	3,653,072
Non-Current Liabilities			
Lease liability	8	35,095	114,483
Deffered tax liability	10	222,090	-
Convertible debentures	5(b)	-	1,542,147
Total non-current liabilities		**257,185**	**1,656,630**
Total Liabilities		**3,118,095**	**5,309,702**
Shareholders' Equity			
Share capital	12	17,107,347	17,107,347
Contributed surplus	12	3,409,434	3,409,434
Warrant reserve	12	49,514	49,514
Accumulated other comprehensive loss		(1,154,448)	(976,373)
Retained earnings (deficit)		1,337,172	(13,289,143)
Total Shareholders' Equity		**20,749,019**	**6,300,779**
Total Liabilities and Shareholders' Equity		**23,867,114**	**11,610,481**

Subsequent events (Note 18)

Approved and authorized for issue on July 29, 2026 by the board of directors and signed on its behalf by:

Peter Shippen Director Greg Taylor Director

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

Britannia Life Sciences Inc.

Consolidated Statements of Income and Comprehensive Income

For the Years Ended March 31, 2026 and 2025
Expressed in Canadian Dollars, except per share amounts

	Note	2026	2025
		$	$
Continuing Operations			
Product sales and other income	14	474,834	369,279
Cost of sales		373,174	341,951
Gross Margin		101,660	27,328
Expenses			
Selling, general and administration	15	1,558,534	2,242,908
Finance	8	24,629	34,365
		1,583,163	2,277,273
Loss from operations		(1,481,503)	(2,249,945)
Other Income (Expense)			
Investment income	7	719,179	-
Change in fair value of contingent receivable	5(a)	(1,277,618)	124,526
Share of net loss of Paragon Advanced Labs Inc. ("PALS")	5(b)	(1,911,526)	(2,087,110)
Gain on dilution in PALS	5(b)	1,668,717	231,531
Gain on disposal of PALS	5(b)	14,536,851	-
Fair value gain (loss) on financial assets at FVTPL	5(b)	1,274,639	-
Fair value gain (loss) on financial assets at FVTPL PALS		-	0
Accretion expense	10	(768)	(71,802)
Loss on early repayment of convertible debenture	6	-	(39,171)
Foreign currency translation loss		53,965	(468,637)
		15,063,439	(2,310,663)
Income (Loss) before income tax		13,581,936	(4,560,608)
Current income tax expense	10	285,747	-
Deferred income tax expense	10	222,090	-
Total income tax		507,837	-
Net income (loss) from continuing operations		13,074,099	(4,560,608)
Discontinued operations			
Net income from discontinued operations	5(a)	1,576,952	12,067,378
Net income		14,651,051	7,506,770
Other comprehensive income (loss)			
Currency translation differences		(235,480)	113,859
Share of other comprehensive income (loss) of PALS		32,669	40,462
		(202,811)	154,321
Currency translation differences from discontinued operations		-	719,101
		(202,811)	873,421
Comprehensive income for the year		14,448,240	8,380,192
Net income attributable to:			
Non-controlling interest		-	113,975
Equity shareholders of the Company		14,651,051	7,392,795
		14,651,051	7,506,770
Other comprehensive income (loss) attributable to:			
Non-controlling interest		-	201,348
Equity shareholders of the Company		(202,811)	672,073
		(202,811)	873,421
Basic and diluted weighted average shares outstanding		**162,254,339**	**162,254,339**
Basic and diluted income (loss) per share		**0.09**	**(0.03)**
Basic and diluted earnings per share discontinued operations		**0.01**	**0.07**

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

Britannia Life Sciences Inc.

Consolidated Statements of Changes in Shareholders' Equity

For the Years Ended March 31, 2026 and 2025

Expressed in Canadian Dollars

	Number of common shares	Share capital	Contributed surplus	Warrant reserve	Retained earnings (deficit)	Accumulated other comprehensive loss	Equity (deficiency) attributable to shareholders of the Company	Non-controlling interest	Total
		$	$	$	$	$	$	$	$
Balance at March 31, 2024	**162,254,339**	**17,107,347**	**3,409,434**	**-**	**(17,363,899)**	**(715,061)**	**2,437,821**	**4,232,707**	**6,670,528**
Warrants issued	-			49,514			49,514		49,514
Acquisition of non-controlling interest	-	-	-	-	(3,318,039)	(933,385)	(4,251,424)	-	(4,251,424)
Sale of non-controlling interest	-	-	-	-	-	-	-	(4,548,030)	(4,548,030)
Net income for the year	-	-	-	-	7,392,795	-	7,392,795	113,975	7,506,770
Other comprehensive income for the year	-	-	-	-	-	672,073	672,073	201,348	873,421
Balance at March 31, 2025	**162,254,339**	**17,107,347**	**3,409,434**	**49,514**	**(13,289,143)**	**(976,373)**	**6,300,779**	**-**	**6,300,779**
Net income for the year	-	-	-	-	14,651,051	-	14,651,051	-	14,651,051
Transfer of accumulated OCI on disposal of PALS					(24,736)	24,736	-	-	-
Other comprehensive loss for the year	-	-	-	-	-	(202,811)	(202,811)	-	(202,811)
Balance at March 31, 2026	**162,254,339**	**17,107,347**	**3,409,434**	**49,514**	**1,337,172**	**(1,154,448)**	**20,749,019**	**-**	**20,749,019**

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

Britannia Life Sciences Inc.

Consolidated Statements of Cash Flows

For the Years Ended March 31, 2026 and 2025
Expressed in Canadian Dollars

	Note	2026	2025
		$	$
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income (loss) from continuing operations		13,074,099	(4,560,608)
Adjustments for items not involving cash:			
Depreciation and amortization	4	62,798	60,174
Interest on lease liability	7	24,629	34,365
Foreign currency translation gain		(296,537)	(92,526)
Change in fair value of contingent receivable	5(a)	1,277,618	(124,526)
Accretion expense	10	768	71,802
Gain on dilution in PALS	5(b)	(1,668,717)	(231,531)
Share of net loss of PALS	5(b)	1,911,526	2,087,110
Elimination of associate's management fee	5(b)	39,900	85,163
Loss on early repayment of convertible debenture	11	-	39,171
Deferred tax liability	10	222,090	-
Gain on disposal of PALS	5(b)	(14,536,851)	-
Fair value gain on financial assets at FVTPL	5(b)	(1,274,639)	-
		(1,163,316)	(2,631,406)
Changes in non-cash working capital items:			
Accounts receivable		(762,000)	(94,580)
Accounts payable and accrued liabilities		(1,070,674)	992,488
Income tax payable		285,747	-
Prepaid expenses		(22,952)	(11,607)
Inventory		-	184,364
Total changes in non cash working capital items		(1,569,879)	1,070,666
Cash flows used in operating activites from continuing operations		(2,733,195)	(1,560,740)
Cash flows used in operating activites from discontinued operations		1,576,952	(1,058,866)
NET CASH FLOWS FROM OPERATING ACTIVITIES		**(1,156,242)**	**(2,619,606)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment in PALS	5(b)	(250,040)	-
Investment in debenture receivable	7	(5,000,000)	-
Investment in 2025 Debentures	5(b)	-	(1,250,000)
Investment in 2024 Debentures	5(b)	-	(760,000)
Cash flows provided by investing activites from continuing operations		(5,250,040)	(2,010,000)
Cash flows provided by investing activites from discontinued operations		-	12,326,366
NET CASH FLOWS FROM INVESTING ACTIVITIES		(5,250,040)	10,316,366
CASH FLOWS FROM FINANCING ACTIVITIES			
Lease payments	8	(96,772)	(90,953)
Loan repayment	11	(14,002)	(23,000)
Issuance of July Debenture units	6	-	722,000
Repayment of July Debentures Payable	6	-	(988,206)
Issuance of November Debentures Payable	5(b)	-	958,575
Cash flows provided by (used in) financing activites from continuing operations		(110,774)	578,416
Cash flows provided by (used in)financing activites from discontinued operations		-	(1,791,614)
NET CASH FLOWS FROM FINANCING ACTIVITIES		(110,774)	(1,213,198)
Effect of exchange rate changes on cash and cash equivalents		(5,800)	42,610
NET INCREASE (DECREASE) IN CASH FOR THE YEAR		(6,522,856)	6,526,172
Cash beginning of the year		7,848,756	1,322,584
CASH, END OF THE YEAR		1,325,900	7,848,756

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

(Expressed in Canadian Dollars, except per share amounts)

1. Nature and Continuance of Operations

Britannia Life Sciences Inc. ("BLS" or the "Company") (together with its subsidiaries, the "Group") is a company domiciled and incorporated in Canada under the laws of the Province of Ontario. The address of BLS's registered office is 120 Adelaide Street West, Suite 2400, Toronto, Ontario M5H 1T1. BLS's common shares are listed for trading on the Canadian Securities Exchange (CSE: BLAB). The Company provides product testing, safety assessment and manufacturing services to the cosmetic and consumer packaged goods industries in the United Kingdom and globally. The Company is pursuing a capital allocation strategy with a current focus on asset-backed lending and related credit opportunities. The Company is committed to building long-term shareholder value through recurring cash flow generation and disciplined deployment of capital.

2. Basis of Preparation

(a) Statement of compliance

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

The accounting policies adopted in the preparation of the consolidated financial statements are based on IFRS, which have been applied consistently to all periods presented. These consolidated financial statements were approved and authorized for issuance by the Board of Directors on July 29, 2026.

(b) Basis of consolidation

The consolidated financial statements comprise the financial statements of BLS, its wholly owned subsidiaries Britannia Bud Canada Holdings Inc. ("BBCH"), Britannia Bud Company Limited ("BBCL"), Jamaica-Blu Ltd., Rise Research Inc., Scout Assessment Corp., Rise Life Science (Colorado), LLC, Brand Max, Inc. (doing business as Cultivate Kind) ("Brand Max"), Life Bloom Organics, LLC ("Life Bloom") and Cosmetic Labs Limited ("CosLab"). BBCL and CosLab operate in the United Kingdom and have a functional currency of UK pounds sterling. Life Bloom, Brand Max, and Rise Life Science (Colorado), LLC are domiciled in the United States of America and have a functional currency of US dollars.

The Company's subsidiaries are as follows:

Entity	Jurisdiction of Incorporation	Ownership
BBCH	Ontario, Canada	100%
BBCL	United Kingdom	100%
Jamaica-Blu Ltd.	Ontario, Canada	100%
Rise Research Inc.	British Columbia, Canada	100%
Scout Assessment Corp.	Ontario, Canada	100%
CosLab	United Kingdom	100%

Note: Rise Life Science (Colorado LLC), Brand Max and Life Bloom have been dissolved.

All intercompany transactions and balances between and among BLS and its subsidiaries have been eliminated on consolidation. Where necessary, adjustments are made to assets, liabilities, and results of subsidiaries and associates to bring their accounting policies into line with those used by the Company.

Subsidiaries are entities controlled by BLS. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. BLS controls an entity if it has power to direct the activities of the entity that significantly affects its returns ("the relevant activities"), has exposure or rights to variable returns from its involvement with the entity and has the ability to use its power to affect those returns.

Changes in BLS's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of BLS's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the noncontrolling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

Net income (loss) and each component of other comprehensive income ("OCI") are attributed to the equity holders of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Company's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between BLS and its subsidiaries are eliminated in full on consolidation. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

(c) Basis of measurement

These consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value.

(d) Functional and presentation currency

The consolidated financial statements are presented in Canadian dollars, which is the Company's functional currency and the overall presentation currency. The Group's U.K. operations have a functional currency of UK pounds sterling. The Group's US operations have a functional currency of USD. All financial information presented has been rounded to the nearest dollar except where indicated otherwise.

(e) Use of significant estimates and judgements

The preparation of these consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates.

These consolidated financial statements have been prepared on a going concern basis in accordance with IFRS. The going concern basis of presentation assumes that the Group will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. Different bases of measurement may be appropriate if the Group is not expected to continue operations for the foreseeable future. Management carefully manages its cash flows and, as necessary, will undertake efforts to raise additional capital. These consolidated statements do not reflect the adjustments or reclassifications of assets and liabilities which would be necessary if the Group were unable to continue as a going concern and therefore be required to realize its assets and liquidate its liabilities and commitments in the normal course of business operations and at amounts different from those in the accompany consolidated financial statements.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

The determination of fair values to the net identifiable assets acquired in business acquisitions often require management to make assumptions or estimates about future events. Changes in any of the assumptions or estimates used in determining fair value of acquired assets and liabilities could impact the amount assigned to assets, liabilities and goodwill in the purchase price allocation.

Goodwill is tested for impairment annually or more frequently if there is an indication of impairment. The assessment of fair values includes estimates and assumptions, discount rates, future operating performance and capital requirements. These estimates and assumptions are based on industry and historical practices as well as future expectations. Changes to these estimates or assumptions could impact the impairment analysis of goodwill.

The Company recognizes an onerous contract liability for a contract where the unavoidable costs of meeting the contractual obligations exceed the economic benefits to be received under the contract. Unavoidable costs are the lower of the costs fulfilling the contract and any compensation or penalties from the failure to fulfill the contract. The Company records a provision equal to the total unavoidable costs, net of the expected benefits, and the result liability is presented on the consolidated statements of financial position.

Information about key assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year are included in the following notes to the consolidated financial statements:

- The measurement and period of use of intangible assets including patents and trademarks.
- The measurement and period of use of property and equipment
- The assumptions and judgements used in estimating expected credit losses on accounts receivable, including the assessment of customer creditworthiness, historical loss experience and forward-looking information.
- The assumptions used to value the right-of-use asset and associated lease obligation upon the adoption of the lease standard under IFRS 16, Leases.
- The assumptions used to determine the incremental borrowing rate.
- The assumptions used to fair value the debt component, the conversion feature and associated warrants on initial recognition.
- The assumptions used to value options and warrants issued.
- The assessment of a cash-generating unit to which goodwill is allocated.
- The assumptions used to estimate the carrying value of goodwill and intangible assets.

3. Material Accounting Policy Information

a. Foreign currency translation

Transactions in foreign currencies that are not hedged are translated to the respective functional currencies of the Group's subsidiaries at the exchange rate in effect on the date of the transaction. The monetary assets and liabilities denominated in currencies other than the functional currency of a subsidiary are translated at the exchange rates prevailing at the statement of financial position date and translation gains and losses are included in the consolidated statement of income (loss) and comprehensive income (loss). Non-monetary items denominated in foreign currencies other than the functional currency are translated at historical rates.

The assets and liabilities of foreign operations, whose functional currency is not the Canadian dollar, are translated into Canadian dollars at the exchange rates in effect at the statement of financial position date. Revenue and expenses that are not hedged are translated at the exchange rate in effect on the date of the transaction. Differences arising from the exchange rate changes are included in other comprehensive income in the cumulative translation account.

b. Financial instruments

Financial assets

Non-derivative financial assets are classified as "financial assets at fair value" either through fair value through other comprehensive income (FVOCI) or through fair value through profit and loss (FVTPL), and "financial assets at amortized cost" as appropriate. The Group determines the classification of its financial assetsat initial recognition based on the Group's business model and contractual terms of cash flows.

All financial assets are recognized initially at fair value plus, in the case of instruments not at FVTPL, directly attributable transaction costs on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

Where the fair values of financial assets recorded in the consolidated statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques. The inputs to these models are derived from observable market data where possible, but where observable market data are not available, judgement is required to establish fair values.

Business model assessment

The Group makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realizing cash flows through the sale of the assets;
- How the performance of the portfolio is evaluated and reported to the Group's management;
- The risks that affect the performance of the business model (and the financial assets held within that business model and how those risks are managed;

- How managers of the business are compensated e.g., whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- The frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectation about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of the Group's stated objective for managing the financial asset is achieved and how cash flows are realized.

Assessment whether contractual cash flows are solely payments of principal and interest

For the purpose of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of the contractual cash flows such that it would not meet this condition. In making the assessment, the Group considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse asset arrangements); and
- features that modify consideration of the time value of money – e.g. periodical rest of interest rates

Reclassifications

The Group would reclassify a financial asset when the Group changes its business model for managing the financial asset. All reclassifications are recorded at fair value at the date of the reclassification, which becomes the new carrying value.

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Group changes its business model for managing financial assets.

Financial assets at FVTPL

Financial assets measured at FVTPL include financial assets held-for-trading and any derivative financial instrument that is not designated as a hedging instrument in a hedge relationship. Financial assets measured at FVTPL are carried at fair value in the consolidated statements of financial position with changes in fair value recognized in finance expense in the consolidated statements of income (loss) and comprehensive income (loss).

Cash, options and marketable securities are measured at FVTPL.

Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost: (i) assets held for the collection of contractual cash flows; and (ii) contractual cash flows that consist solely of principal and interest payments on the principal amount outstanding.

Accounts receivable, contingent receivable and investment in debenture receivable are measured at amortized cost.

Financial assets at FVOCI

Financial assets measured at FVOCI are non-derivative financial assets that are not held for trading and the Group has made an irrevocable election at the time of initial recognition to measure the assets at FVOCI.

After initial measurement, instruments measured at FVOCI are subsequently measured at fair value with unrealized gains or losses recognized in other comprehensive income or loss in the consolidated statements of net income (loss) and comprehensive income (loss). When the instrument is sold, the cumulative gain or loss remains in accumulated other comprehensive income and is not reclassified to profit or loss. The Group does not hold any assets classified as FVOCI.

De-recognition

A financial asset is derecognized when the contractual rights to the cash flows from the asset expire, or the Group transfers substantially all the risks and rewards of ownership of the asset.

Impairment

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortized costs and debt financial assets carried at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default of past due event;
- The restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or
- The disappearance of an active market for a security because of financial difficulties.

A loan that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment.

Recognition of allowance of expected credit losses ("ECL") in the consolidated statement of financial position

The Group recognizes a loss allowance for ECL on trade receivables that are measured at amortized cost. The Group has applied the simplified approach for trade receivables and recognizes the lifetime ECL for these assets. The ECL on trade receivables is estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the customers, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial assets measured at amortized cost or FVOCI, the Group recognizes lifetime ECL only when there has been a significant increase in credit risk since initial recognition. If the credit risk on such financial instruments has not increased significantly since initial recognition, the Group measures the loss allowance on those financial instruments at an amount equal to 12-months ECL.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of a financial asset. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial asset that are possible within 12 months after the reporting date. In assessing whether the credit risk on a financial asset has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial asset at the reporting date with the risk of default occurring at the initial recognition. The Group considers both quantitative and qualitative factors that are supportable, including historical experience and forward-looking information that is available without undue cost or effort.

Irrespective of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 60 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise. Despite the foregoing, the Group presumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the reporting date.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

For internal credit risk management purposes, the Group considers a financial asset not recoverable if the customer balance owing is 180 days past due and information obtained from the customer and other external factors indicate that the customer is unlikely to pay its creditors in full.

Write-off

Financial assets are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when the Group determines that the counterparty does not have assets or sources of income that could general sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Financial liabilities

Non-derivative financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL as is the case for held for trading or derivative instruments, or the Group has opted to measure the financial liability at FVTPL. The Group's financial liabilities include accounts payable and accrued liabilities, interest payable, Director's loan, lease liability, and other debt, which are each measured at amortized cost.

All financial liabilities are recognized initially at fair value and in the case of loans and borrowings, net of directly attributable transaction costs.

Financial liabilities at amortized cost

After initial recognition, financial liabilities measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the Effective Interest Rate ("EIR") method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. The EIR amortization is included in finance expense in the consolidated statements of net income (loss) and comprehensive income (loss).

Accounts payable and accrued liabilities, director's loan, lease liabilities and other debt are measured at amortized cost.

De-recognition

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires with any associated gains or losses reported in finance expense in the consolidated statements of net income (loss) and comprehensive income (loss).

c. Share capital

Equity instruments are contracts that give a residual interest in the net assets of the Group. Financial instruments issued by the Group are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Group's common shares, common share purchase warrants, and options are classified as equity instruments.

Incremental costs directly attributable to the issue of common voting shares are recognized as a deduction from equity, net of any tax effects.

d. Share-based compensation

Under the Group's stock option plan, all stock options granted have graded vesting periods and are exercisable up to a maximum of 5 years form the date of grant. Each tranche of an award with graded vesting periods is considered a separate grant at each grant date for the calculation of fair value, and the resulting fair value is amortized over the vesting period of the respective tranches. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted, the estimated volatility, estimated risk free rate and estimated forfeitures.

If a grant of the share-based payments is cancelled or settled during the vesting period (other than a grant cancelled by forfeiture when the vesting conditions are not satisfied), the Group accounts for the cancellation or settlement as an acceleration of vesting and recognizes immediately the amount that otherwise would have been recognized for services over the remainder of the vesting period.

The amount recognized for goods or services received during the vesting period are based on the best available estimate of the number of equity instruments anticipated to vest. The Group revises that estimate, if necessary, if subsequent information indicates that the number of share options anticipated to vest differs from previous estimates. On vesting date, the Group revises the estimate to equal the number of equity instrument that ultimately vested. After vesting date, the Group makes no subsequent adjustment to total equity for goods or services received if the share options are later forfeited or they expire at the end of the share option's life.

If a grant of the share based payment is modified during the vesting period (other than a grant cancelled by forfeiture when the vesting conditions are not satisfied) and the fair value of the new instruments is higher than the fair value of the original instrument, the incremental fair value granted is included in the measurement of the amount recognized for services received over the period from modification date until the date when the modified equity instruments vests, in addition to the amount based on the grant date fair value of the original equity instruments, which is recognized over the remainder of the original vesting period of the original instrument.

Upon expiration of options, the amount applicable to expired options is moved to contributed surplus.

e. Warrants

The Group follows the relative fair value method with respect to the measurement of common shares and warrants issued as units. The proceeds from the issuance of units are allocated between share capital and warrants. The warrant component is recorded in equity reserve. Unit proceeds are allocated to common shares and warrants using the Black-Scholes option pricing model and the share price at the time of financing. If and when the warrants are exercised, consideration paid by the warrant holder, together with the amount previously recognized in warrant reserve, is recorded as an increase to share capital. A forfeiture rate is estimated on the grant date and is adjusted to reflect the actual number of warrants that vest. When stock options or warrants are cancelled, they are treated as if they have vested on the date of collation and any cost not yet recognized in profit or loss is immediately expensed. Upon expiration of warrants, the amount applicable to expired warrants is moved to contributed surplus.

f. Revenue recognition

Revenue is recognized at an amount that reflects the expected consideration receivable in exchange for transferring goods or services to a customer by applying the following five steps:

1. identify the contract with a customer;
2. identify the performance obligations in the contract;
3. determine the transaction price;
4. allocate the transaction price to the performance obligations in the contract; and
5. recognize revenue when (or as) the Group satisfies a performance obligation.

Revenue excludes sales taxes and other amounts that are collected on behalf of third parties and is recorded when control of a product or service is transferred to a customer.

For laboratory testing other compliance reports, an assessment is made at the execution of each contract to determine whether: i) the performance obligations are satisfied over time, or ii) the performance obligations are satisfied at a point in time. Revenue is only recognized to the extent of recoverable expenses when the outcome of the contract cannot be estimated reliably. Performance obligations not satisfied over time are satisfied at a point in time, which generally occurs when service reports are completed and available to the customer. When performance obligations are satisfied at a point in time, revenue is recognized when all of the recognition criteria are met. For laboratory manufacturing services, revenue is recognized once the service is complete and the product is ready for delivery to a customer.

Management fee revenue is recorded evenly over the term of the service provided.

g. Cash and cash equivalents

Cash and cash equivalents consist of cash on deposit held in reputable Canadian and UK financial institutions and highly liquid short-term interest-bearing variable rate investments with an original maturity of three months or less, or which are readily convertible into a known amount of cash with no significant changes. As at March 31, 2026 and 2025 there were no cash equivalents.

h. Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party, or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. All related party transactions are disclosed in the consolidated financial statements at their fair value.

i. Business combinations and related goodwill

A business combination is a transaction or event in which an acquirer obtains control of one or more businesses and is accounted for using the acquisition method. The total consideration paid for the acquisition is the aggregate of the fair values of assets given, liabilities incurred or assumed, and equity instruments issued in exchange for control of the acquiree at the acquisition date. The acquisition date is the date where the Company obtains control of the acquiree. The identifiable assets acquired and liabilities assumed are recognized at their acquisition date fair values, except for deferred taxes and share-based payment awards where IFRS provides exceptions to recording the amounts at fair value. Restructuring, transaction costs other than those associated with the issue of debt or equity securities, and other direct costs of a business combination are not considered part of the business acquisition transaction and are expensed as incurred. The Company measures goodwill as the fair value for the consideration transferred including the recognized amount of any non-controlling interest in the acquiree, less the net recognized amount of the identifiable assets acquired and liabilities assumed, all measured at the acquisition date. If this consideration is lower than the fair value of the net assets of the business acquired, the difference is recognized immediately in the consolidated statement of income (loss) and comprehensive income (loss) as a gain from a bargain purchase.

Non-controlling interest in the acquiree, if any, is recognized either at fair value or at the non-controlling interest’s proportionate share of the acquiree’s net assets, determined on an acquisition-by-acquisition basis. For each acquisition, the excess of total consideration, the fair value of previously held equity interest prior to obtaining control and the non-controlling interest in the acquiree, over the fair value of the identifiable net asset acquired, is recorded as goodwill.

The determination of fair values to the net identifiable assets acquired in business combinations or asset acquisitions often require management to make assumptions or estimates about future events. Changes in any of the assumptions or estimates used in determining fair value of acquired assets and liabilities could impact the amount assigned to assets, liabilities, and goodwill in the purchase price allocation. Where provisional values are used in accounting for a business combination, they may be adjusted retrospectively in subsequent periods. The measurement period is the period from the acquisition date to the date complete information about facts and circumstances that existed as of the acquisition date is received. However, the measurement period does not exceed one year from the acquisition date.

Acquisitions that do not meet the definition of a business combination are accounted for as an asset acquisition. Consideration paid for an asset acquisition is allocated to the individual identifiable assets acquired and liabilities assumed based on their relative fair values. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortized but tested for impairment at least annually and upon occurrence of an indication of impairment. The impairment testing process is described in the appropriate section of these accounting policies.

j. Investments in associates

Associates are entities over which the Group exercises significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but without control or joint control over those policies. The Group accounts for its in-substance equity investments in associates, including Paragon Advanced Labs Inc. (formerly, Britannia Mining Solutions Inc). ("BMS”), using the equity method of accounting (Note 6). Investments in associates, such as convertible debentures, that do not meet the criteria of in-substance equity instruments are accounted for in accordance with the nature of the instrument.

Under the equity method, the investment in an associate is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Group’s share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment separately.

The consolidated statement of income (loss) and comprehensive income (loss) reflects the Group's share of the results of operations of its associates. Any other comprehensive income ("OCI") of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognized directly in the equity of the associate, the Group recognizes its share of any changes, when applicable, in the statement of changes in equity. Unrealized gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the consolidated statement of income (loss) and comprehensive income (loss) and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate.

After application of the equity method, the Group determines whether it is necessary to recognize any impairment losses on its investments in its associates. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the investment in the associate and its carrying value, and then recognizes the loss in the consolidated statement of income (loss) and comprehensive income (loss).

Upon loss of significant influence over an associate, the Group measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognized in profit or loss.

k. Property and equipment

Recognition and measurement

Items of equipment are measured at cost less accumulated amortization and accumulated impairment losses. When parts of an item of equipment have different useful lives, they are accounted for as separate items (major components) of equipment. The costs of the day-to-day servicing of property and equipment are recognized in the consolidated statement of income and comprehensive income in the period in which they are incurred.

Depreciation

Depreciation is recognized when the asset is determined to be ready for use, over the estimated useful lives of each part of an item of property and equipment in a manner which most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives for the current and comparative periods are as follows:

Asset	Basis
Fixtures and Fittings	25% reducing balance.
Computer equipment	25% reducing balance.
Right-of-use asset	Straight-line over the lease term

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying value of the asset) is included in the consolidated statements of income (loss) and comprehensive income (loss) in the year the asset is derecognized.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year-end and adjusted prospectively if appropriate.

Subsequent expenditures

Subsequent expenditures are recognized as part of an existing asset's carrying value or as a separate asset, as appropriate, when it is probable that future economic benefits embodied in the specific asset to which they relate will flow to the Group and the cost of the items can be measured reliably. All other expenditures are recognized in profit or loss as incurred.

Subsequent expenditures

Subsequent expenditures are capitalized only when they increase the future economic benefits embodied in the specific asset to which they relate. All other expenditures are recognized in profit or loss as incurred.

l. Impairment of long-lived assets

The carrying amounts of long-lived assets, including property and equipment and intangible assets, are reviewed for impairment at each statement of financial position date or whenever events or changes in circumstances indicate that the carrying amount of the asset exceeds its recoverable amount. If any such indication exists, then the asset's recoverable amount is estimated. Where the carrying value of an asset exceeds its recoverable amount, which is higher of the value in use and fair value less costs to sell, the asset is written down accordingly. Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's cash-generating unit, which is the lowest group of assets in which the asset belongs for which there are separate cash inflows that are largely independent of the cash inflows from other assets. Intangible assets that have indefinite lives and intangible assets not yet put into use are evaluated for impairment at least annually. Write-downs as a result of impairment are recognized in the consolidated statements of income (loss) and comprehensive income (loss).

An impairment exists when the carrying amount of an asset exceeds its recoverable amount, which is the higher of its fair value less costs to sell or its value in use. The fair value less costs to sell calculation is based on available data from observable market prices, less incremental costs. The value in use calculation is based on a discounted cash flow model. These calculations require the use of estimates and forecasts of future cash flows. Qualitative factors, including market size and market growth trends, strength of customer demand and degree of variability in cash flows, as well as other factors, are considered when making assumptions about future cash flows and the appropriate discount rate. A change in any of the significant assumptions or estimates used to evaluate the underlying assets could result in a material change to the carrying amount of the asset and/or its recoverable amount.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed, to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of amortization, if no impairment had been recognized. Write-downs as a result of impairment are recognized in the consolidated statements of income (loss) and comprehensive income (loss).

m. Leases

The Group and its subsidiaries assess whether a contract is or contains a lease based on the definition of a lease, as explained below.

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16.

As lessee, the Group may lease assets from time to time including property and/or equipment and recognizes right-of-use ("ROU") assets and lease liabilities.

The Group recognizes a ROU asset and a lease liability at the lease commencement date. The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The ROU asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the ROU asset reflects that the Group will exercise a purchase option. In that case the ROU asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the ROU asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of asset leased.

Lease payments included in the measurement of the lease liability comprise fixed payments, including in- substance fixed payments; variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date; amounts expected to be payable under a residual value guarantee; and the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension, or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the ROU asset or is recorded in profit or loss if the carrying amount of the ROU asset has been reduced to zero.

n. Finance income and finance costs

Finance costs comprise interest expense on borrowings which are recognized in profit or loss using the effective interest method.

o. Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income (loss).

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities and the related deferred income tax expense or recovery are recognized for deferred tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized, or the liability settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment occurs.

A deferred tax asset is recognized to the extent that it is probable that future taxable income will be available against which the asset can be utilized. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Scientific research and experimental development tax credits, which are earned as a result of incurring qualifying research and development expenditures, are recorded as a reduction of the related expense or cost of the asset acquired when there is reasonable assurance that they will be realized.

p. Earnings (loss) per share

The Group presents basic earnings (loss) per share ("EPS") data for its common voting shares. Basic EPS is calculated by dividing the profit or loss attributable to common shareholders of the Group by the weighted average number of common shares outstanding during the period, adjusted for own shares held. The diluted earnings (loss) per share reflects potential dilution of common share equivalents, such as outstanding warrants and convertible debentures.

q. New standards and interpretations adopted

IFRS 18, Presentation and Disclosure in Financial Statements
In April 2024, the IASB issued IFRS 18 that is to replace IAS 1, Presentation of Financial Statements. The new standard aims to improve the quality of financial reporting by: (i) requiring defined subtotals in the statement of profit or loss; (ii) requiring disclosure about management defined performance measures; and (iii) adding new principles for aggregation and disaggregation of information. The standard is effective for the annual reporting periods beginning on or after January 1, 2027, with early application permitted. The Group is in the process of assessing the impact of this new standard on its consolidated financial statements.

IFRS 9, Financial Instruments ("IFRS 9") and IFRS 7, Financial Instruments: Disclosures ("IFRS 7")
In May 2024, the IASB issued targeted amendments to IFRS 9 and IFRS 7 in response to practical implementation issues and to introduce new requirements applicable to both financial institutions and corporate entities. These amendments aim to enhance the clarity and consistency of financial reporting for various types of financial instruments and their related disclosures by (i) clarifying the date of recognition and derecognition for certain financial assets and liabilities, including a new exception for financial liabilities settled through an electronic cash transfer system (ii) providing help to determine whether a financial asset meets the Solely Payments of Principal and Interest criterion (iii) introducing new disclosures for instruments with contractual terms that may alter cash flows, such as financial instruments linked to the achievement of environmental, social, and governance targets, and (iv) updating the disclosure requirements for equity instruments designated at fair value through other comprehensive income. The new standard is to be effective for annual periods beginning on or after January 1, 2026. The Group has determined that adoption of these amendments has no significant effect on the Group's consolidated financial statements.

All other IFRSs and amendments issued but not yet effective have been assessed by the Group and are not expected to have a material impact on the Group's consolidated financial statements.

(Expressed in Canadian Dollars, except per share amounts)

4. Property and Equipment

	Fixtures & Fittings	Computer Equipment	Right-of-Use Asset	Total
	$	$	$	$
Cost				
Balance, March 31, 2024	**729,535**	**47,209**	**580,293**	**1,357,037**
Additions	12,536	5,034	-	17,570
Disposals	(767,563)	(53,892)	(266,644)	(1,088,099)
Effect of foreign exchange	25,492	1,649	33,956	61,097
Balance, March 31, 2025	**-**	**-**	**347,605**	**347,605**
Effect of foreign exchange	-	-	(2,452)	(2,452)
Balance, March 31, 2026	**-**	**-**	**345,153**	**345,153**
Accumulated Depreciation				
Balance, March 31, 2024	**379,313**	**22,842**	**233,604**	**635,759**
Depreciation	93,401	7,539	98,936	199,876
Disposals	(486,289)	(31,179)	(143,155)	(660,623)
Effect of foreign exchange	13,575	798	15,261	29,634
Balance, March 31, 2025	**-**	**-**	**204,646**	**204,646**
Depreciation	-	-	62,798	62,798
Effect of foreign exchange	-	-	(1,718)	(1,718)
Balance, March 31, 2026	**-**	**-**	**265,726**	**265,726**
Net book value, March 31, 2025	**-**	**-**	**142,959**	**142,959**
Net book value, March 31, 2026	**-**	**-**	**79,427**	**79,427**

5. Business Developments

a) Advanced Development & Safety Laboratories Ltd.

Mark Richard Bowes-Cavanagh, Claire Suzanne Bowes-Cavanagh, Jonathan Bird Sumner and Robert Sumner (the "ADSL Sellers") and BBCH entered into a share purchase agreement dated March 10, 2020, wherein BBCH acquired 60% of the issued share capital of ADSL (the "Initial ADSL Acquisition"). Completion payments in relation to the Initial ADSL Acquisition were made on February 9, 2021 (the "Initial ADSL Completion Date"). The Initial ADSL Acquisition consideration included a cash payment of $5,278,445 (GBP 3,008,819), a loan payable to the ADSL Sellers of $7,819,478 (GBP 4,456,813), and a loan payable to ADSL of $6,551,624 (GBP 3,734,183).

Pursuant to the terms of the ADSL Acquisition, on the first three anniversaries of the Initial ADSL Completion Date, BBCH had the right to acquire from the Sellers up to an additional 40% of the share capital of ADSL for additional consideration. In circumstances where on expiry of the third anniversary of the Initial ADSL Completion Date BBCH has not acquired all the ADSL shares, the ADSL Sellers have the right to require BBCH to purchase all of the ADSL shares it does not yet own (the "ADSL Put Liability"). The total consideration payable for the additional shares (the "ADSL Put Shares") upon exercise of the ADSL Put Liability and the closing of the Company's acquisition of the ADSL Put Shares would be equal to the total equity value of the ADSL Put Shares, which would be based upon the applicable percentage acquired by BBCH of the total enterprise value for ADSL.

At the close of the Initial ADSL Acquisition, the value of the ADSL Put Liability was determined to be $2,464,315 (GBP 1,404,568), representing the difference between the market price and the contract value of the ADSL Put Liability, discounted at a rate of 0.23% per annum and assuming the transaction would take place on February 9, 2024. As at March 31, 2022, the fair value of the ADSL Put Liability was remeasured to $4,495,033 (GBP 2,738,035).

On April 7, 2022, BBCH acquired an additional 10% of the outstanding issued share capital of ADSL (the "Second ADSL Acquisition"). A cash payment of GBP 1,813,358 was paid as consideration for the Second ADSL Acquisition (CAD: $2,982,066).

(Expressed in Canadian Dollars, except per share amounts)

The ADSL Put Liability was reduced accordingly and an adjustment was made to non-controlling interest to reflect the change in ownership after the Second ADSL Acquisition and on March 31, 2023.

On November 22, 2023, BBCH acquired an additional 2% of the outstanding issued share capital of ADSL (the “Third ADSL Acquisition”). A cash payment of GBP 545,023 was paid as consideration for the Third ADSL Acquisition (CAD: $938,735).

The ADSL Put Liability was reduced accordingly and an adjustment was made to non-controlling interest to reflect the change in ownership post transaction.

	$
Cash payment to minority shareholders	938,735
Reduction in ADSL Put Liability	(15,745)
Reduction in non-controlling interest	(269,245)
Equity adjustment	653,745

On February 9, 2024, as BBCH had not yet acquired the remaining ADSL shares, the put option right became enforceable. On March 18, 2024, the ADSL Sellers informed BBCH of their intention to exercise their put right. BBCH has consequently reduced the ADSL Put Liability on the statement of financial position to nil, generating a gain on fair value of the ADSL Put Liability for the year ended March 31, 2024, of $1,403,966. The Group determined that a purchase commitment in the amount of £6,038,017 (CAD: $10,333,463) existed at March 31, 2024.

Further, the Group recognized a liability in relation to the obligation to acquire the remaining ADSL shares. The Group determined that the contract price exceeded the fair value at March 31, 2024 of the shares to be purchased. The purchase commitment provision was presented on the consolidated statement of financial position at March 31, 2024 in the amount of $5,274,407 (GBP: 3,081,925).

ADSL Sale Transaction

On January 9, 2025 BBCH acquired the remaining 28% of ADSL’s share capital (the “Final ADSL Acquisition”). A cash payment of $14,258,160 (GBP 8,050,000) was paid as consideration. The transaction was accounted for as an equity transaction as control over ADSL had already been established. No gain or loss was recognized in comprehensive income (loss) as a result of the transaction. The difference between the consideration transferred and the carrying amount of the non-controlling interest derecognized was recorded directly in equity.

Immediately prior to the Final ADSL Acquisition, the Group remeasured the previously recognized purchase commitment provision associated with the obligation to acquire the remaining 28% interest. The remeasured amount of $5,458,706 was used to derecognize the liability, and the difference between this amount and the actual consideration paid was recorded as a reduction to equity.

Immediately following the Final ADSL acquisition, ADSL paid a dividend in the amount of $15,216,278 (GBP: 8,590,914) to BBCH which was used to settle in part the existing intercompany balances between the Company and ADSL.

	$
Cash consideration paid	14,258,160
Less: Carrying amount of purchase commitment provision	(5,458,706)
Non-controlling interest derecognized	(4,548,030)
Total impact on equity	4,251,424

Immediately following the Final ADSL Acquisition, BBCH entered into a share sale agreement with Cos Bidco Limited (the “Buyer”) to sell 100% of its interest in ADSL for a base consideration of $31,018,756 (GBP 18,700,000).

(Expressed in Canadian Dollars, except per share amounts)

As part of the sale agreement, BBCH is also entitled to an earnout based on the performance of ADSL for the twelve months ended March 31, 2025, and from January 1 to December 31, 2025. Management has assessed the likelihood of receiving any earnout payment at March 31, 2025, to be remote and has therefore not accrued any March 2025 consideration. However, a contingent receivable has been recognized at fair value based on the estimated probability-weighted expected EBITDA for the period from January 1 to December 31, 2025. Part of the proceeds of disposition were used to repay the GLL loan payable.

The consideration accrual also includes a contingent receivable related to certain withholdings of proceeds by the Buyer related to a previous tax liability at ADSL. This receivable has been present-valued at the date of sale and at March 31, 2025 to reflect its fair value, with differences recorded through net loss.

As a result of the sale, the Group derecognized net assets as follows:

	$
Total tangible assets derecognized	2,630,913
Intangible assets derecognized	431,753
Goodwill derecognized	18,403,363
Total liabilities derecognized	(6,274,485)
Net assets derecognized	15,191,544
Reclassification of AOCI to equity	(933,385)

The gain on the sale of ADSL for the year ended March 31, 2025 was as follows:

	$
Consideration received	26,207,397
Contingent consideration receivable	1,612,252
Transaction costs	(1,205,975)
Net assets derecognized	(15,191,544)
Gain on sale	**11,422,130**

The contingent receivable has been accounted for at its estimated present value at the date of the ADSL sale and at March 31, 2026. At March 31, 2026, the Group determined that the contingent receivable related to an earn out for the period from January 1, 2025 to December 31, 2025 would not be collectible. The derecognition of the contingent receivable was adjusted through profit and loss at March 31, 2026. The remaining contingent receivable which is related to a previous tax liability at ADSL and is expected to be collected in the year ending March 31, 2027, can be summarized as follows:

	$
Contingent consideration earnout	1,220,394
Contingent consideration for previous ADSL taxes	391,859
Contingent receivable at sale date	**1,612,252**
Gain on adjustment to fair value	124,526
Contingent receivable at March 31, 2025	**1,736,778**
Loss on adjustment to fair value	(1,277,618)
Contingent receivable at March 31, 2026	**459,160**

(Expressed in Canadian Dollars, except per share amounts)

For the year ended March 31, 2026, the Group recognized a $1,576,952 adjustment relating to the finalization of the completion accounts for the ADSL disposal which occurred during the year ended March 31, 2025. The adjustment reflects the final agreed purchase price under the terms of the sale and purchase agreement and has been recognized within discontinued operations in the current period.

The income from discontinued operations for the years ended March 31, 2026 and March 31, 2025 is as follows:

	2026	**2025**
	$	**$**
Product sales and other income	-	5,176,549
Cost of Sales	-	1,721,787
Gross margin	**-**	**3,454,762**
Selling, general and administration	-	1,783,353
Finance	-	668,834
Income from discontinued operations	-	1,002,575
Accretion expense	-	(191,231)
Gain on sale of subsidiary	1,576,952	11,422,130
Income before tax	1,576,952	12,233,474
Total income tax	-	166,097
Net income from discontinued operations	**1,576,952**	**12,067,378**
Currency translation differences from discontinued operations	-	719,101
Net income (loss) attributable to discontinued operations:		
Non-controlling interest	-	113,975
Equity Shareholders of the Company	-	293,078
Other comprehensive income attributable to discontinued:		
Non-controlling interest	-	201,348
Equity Shareholders of the Company	-	517,752

The cash flows from discontinued operations for the years ended March 31, 2026 and 2025 are as follows:

	2026	**2025**
	$	**$**
Cash provided by (used in) operating activities	-	(1,058,866)
Cash provided by investing activities	-	12,326,366
Cash used in financing activities	-	(1,791,614)
	-	9,475,886

(Expressed in Canadian Dollars, except per share amounts)

b) Britannia Mining Solutions Inc. ("BMS" or "PALS")

During the year ended March 31, 2025, BMS issued 18,500 BMS common shares at $10.00 per share, 104,932 BMS common shares at $12,75 per share and 12,905 BMS common shares as compensation.

On April 30, 2025, BMS issued 542,921 common shares in a private placement at a price of $17.50 per share and 34,386 common shares as compensation to brokers (the "April Financing"). BLS acquired an additional 14,288 common shares in the April Financing.

On December 9, 2025, BMS completed a reverse takeover transaction (the **"PALS RTO"**) of 1317220 B.C. Ltd.. BMS changed its name to Paragon Advanced Labs Inc., and its shares began trading on the TSX Venture Exchange on December 11, 2025.

Prior to the PALS RTO, the Company owned 24% of the outstanding share capital of BMS on a fully diluted basis. This investment in BMS combined with the Chief Executive Officer of the Company being both the Chief Executive Officer and sole director of BMS resulted in the Group being in a position to exercise significant influence on BMS. Accordingly, prior to the PALS RTO, the Group equity accounted for its investment in BMS.

In addition, prior to the PALS RTO, the Group owned the 2024 Debentures and the April 2025 Debentures (as defined below) that it expected to issue to the holders of the Debentures Payable (as defined below). Accordingly, the 2024 Debentures and the April 2025 Debentures were classified separately below and carried at FVTPL as were the Debentures Payable.

Pursuant to the terms of the 2024 Debentures and the April 2025 Debentures, on completion of the PALS RTO, all debentures automatically converted into shares of PALS and the Group effectively issued PALS shares to the holders of the Debentures payable.

The continuity of the equity-accounted investment in BMS up to the completion date of the PALS RTO is as follows:

	Debentures	Equity	Total
	$	$	$
Balance as at March 31, 2024	**-**	**731,204**	**731,204**
Gain on dilution on BMS equity issuances	-	231,531	231,531
Investment in the 2024 Debentures	958,575	-	958,575
Investment in the 2025 Debentures		1,250,000	1,250,000
Elimination of associate's management fee	-	(85,163)	(85,163)
Share of other comprehensive loss of BMS	-	(40,462)	(40,462)
Share of net loss of BMS	-	(2,087,110)	(2,087,110)
Change in fair value	576,796	-	576,796
Accrued interest	6,776	-	6,776
Balance as at March 31, 2025	**1,542,147**	**-**	**1,542,147**
Gain on dilution on BMS equity issuances	-	1,668,717	1,668,717
Investment in the April Financing (PALS)		250,040	250,040
Elimination of associate's management fee	-	(39,900)	(39,900)
Share of other comprehensive loss of BMS	-	32,669	32,669
Share of net loss of BMS	-	(1,911,526)	(1,911,526)
Investment in the April 2025 Debentures	500,010		500,010
Change in fair value	95,327	-	95,327
Accrued interest	17,727	-	17,727
Conversion on BMS liquidity event	(2,155,211)	-	(2,155,211)
Balance as at March 31, 2026	**-**	**-**	**-**

As of March 31, 2025, the Group's equity investment in BMS was fully written down to zero, as the share of cumulative losses exceeded the carrying amount of the investment. As a result of the gain on dilution post the April Financing, the Group has recognized further cumulative losses in relation to its investment in BMS and has written the equity investment down to zero as it had no obligation to provide further financial support to BMS.

(Expressed in Canadian Dollars, except per share amounts)

In relation to the PALS RTO, on December 9, 2025, the Group disposed of a portion of its interest in BMS, resulting in the loss of significant influence. Accordingly, the Group discontinued the application of the equity method in accordance with IAS 28. The retained investment has been reclassified as a financial asset at fair value through profit or loss in accordance with IFRS 9. The retained interest in PALS is measured at fair value based on the quoted market price of PALS' shares on that date.

Coincident with the PALS RTO, the Group completed a share exchange (the "Agreement") with McEwen Inc. ("McEwen") (NYSE and TSX V: MUX). Pursuant to the terms of the Agreement, McEwen acquired 648,002 common shares of PALS from the Group at a deemed price of $17.50 per share, payable in common shares of McEwen (the "McEwen Transaction"). The Group received 525,488 common shares of McEwan. No cash consideration was received in the McEwen Transaction.

The financial effects of the McEwen Transaction were as follows:

	Total $
Fair value of McEwan shares received	14,076,846
Carrying value of PALS	-
Gain on disposal	**14,076,846**

The gain has been recognized within "Other Income (Expense)" in the condensed interim consolidated statement of profit or loss. The gain is non-cash in nature and arose primarily as a result of the fair value of the McEwan shares received in exchange for the PALS common shares.

Following the transaction, the retained interest in PALS and the McEwan shares received have been classified as financial assets at fair value through profit or loss (FVTPL) in accordance with IFRS 9.

At March 31, 2026, the fair values were as follows:

	Fair Value December 9, 2025	Fair value gain on financial assets at FVTPL	Fair value March 31, 2026
	$	**$**	**$**
McEwan shares received	14,076,846	880,349	14,957,195
Retained interest in PALS	460,005	394,290	854,295
Balance as at March 31, 2026	**14,536,851**	**1,274,639**	**15,811,490**

The fair value gain of $1,274,639 arising subsequent to initial recognition has been recognized in net income as fair value gain on financial assets at FVTPL within other income (expense).

2024 Debentures
On November 22, 2024 the Group acquired 75,200 units of a convertible debenture issued by BMS (the "2024 Debentures"), at a total purchase price of $958,575. The debentures bore interest at a rate of 2% per annum, payable annually, and were to mature two years from the closing date, unless earlier converted in accordance with their terms. Each debenture was convertible, at the holder's option, into 100 common shares of BMS, representing a conversion price of $12.75 per share at any time prior to maturity. The 2024 Debentures could also be automatically converted by BMS upon the occurrence of certain triggering events, including but not limited to a go-public transaction. The 2024 Debentures were classified as financial assets at FVTPL. The carrying value of the conversion feature was determined using a Black-Scholes valuation model. The key assumptions included: Share price: $17.50, Expected volatility: 100%, Risk-free rate: 2.63%, Expected life: two years, Dividend yield: 0%. The conversion feature was remeasured at fair value at each reporting period, with changes in fair value recognized in the statement of income (loss) and comprehensive income (loss). In connection with the PALS RTO, the 2024 Debentures converted to PALS shares on December 9, 2025.

2025 Debentures
On January 25, 2025 the Group acquired 1,000 unsecured convertible debentures (the "2025 Debentures") of BMS at a price of $1,250 per debenture, due on January 26, 2027 (the "Maturity Date"). Each 2025 Debenture was comprised of $1,250 principal amount of debentures convertible into common shares of BMS. The 2025 Debentures bore interest at a rate of 2% per annum calculated and paid annually. The 2025 Debentures could also be automatically converted by BMS upon the occurrence of a liquidity event (such as a reverse takeover and listing on a stock exchange). At the sole option of BMS, following the occurrence of a liquidity event, any accrued and unpaid interest was to be paid in cash or in common shares. Such interest was calculated and paid on: (i) the one-year anniversary of the closing date; (ii) the maturity date; and (iii) if applicable, within 30 days of the occurrence of a liquidity event. The intention of BLS was that the 2025 Debentures would be converted to shares in BMS prior to their maturity date. They were therefore accounted for initially at cost as part of the Group's equity investment in BMS. In connection with the PALS RTO, the 2025 Debentures converted to PALS shares on December 9, 2025.

April 2025 Debentures
On April 30, 2025 the Group acquired 28,572 units of a convertible debenture issued by BMS (the "April 2025 Debentures"), at a total purchase price of $500,010. The debentures bore interest at a rate of 2% per annum, payable annually, and were to mature two years from the closing date, unless earlier converted in accordance with their terms. Each debenture was convertible, at the holder's option, into one common shares of BMS, representing a conversion price of $17.50 per share at any time prior to maturity. The April 2025 Debentures could also be automatically converted by BMS upon the occurrence of certain triggering events, including but not limited to a go-public transaction. The April 2025 Debentures were classified as financial assets at FVTPL. The carrying value of the conversion feature was determined using a Black-Scholes valuation model. The key assumptions included: Share price: $17.50, Expected volatility: 100%, Risk-free rate: 2.63%, Expected life: two years, Dividend yield: 0%. The conversion feature was remeasured at fair value at each reporting period, with changes in fair value recognized in the statement of income (loss) and comprehensive income (loss). In connection with the PALS RTO, the April 2025 Debentures converted to PALS shares on December 9, 2025.

November Debentures Payable
On November 22, 2024, the Company issued 75,200 unsecured convertible debentures (the "November Debentures Payable") for total gross proceeds of $958,575. The November Debentures Payable bore interest at a rate of 2% per annum, payable annually, and mature two years on November 22, 2026, unless earlier converted in accordance with their terms. Each November Debenture Payable was convertible, at the holder's option, into 100 common shares of BMS, representing a conversion price of $12.75 per share at any time prior to maturity. The November Debentures Payable could also be automatically converted by BMS upon the occurrence of certain triggering events, including but not limited to a go-public transaction by BMS. The November Debentures Payable were classified as financial liabilities at FVTPL. In accordance with IFRS 9, this classification reduced the measurement inconsistency resulting from the purchase of the 2024 Debentures.

The fair value of the conversion feature was determined using a Black-Scholes valuation model. The key assumptions included: Share price: $17.50, Expected volatility: 100%, Risk-free rate: 2.63%, Expected life: two years, Dividend yield: 0%. The conversion feature was remeasured at fair value at each reporting period, with changes in fair value recognized in the statement of income (loss) and comprehensive income (loss).

(Expressed in Canadian Dollars, except per share amounts)

In connection with the PALS RTO, the November Debentures Payable converted to PALS shares on December 9, 2025.

	$
At issuance	
Proceeds	958,575
Fair value of conversion feature	751,529
Adjustment to fair value of November Debentures Payable	(174,733)
Interest expense	6,776
Balance March 31, 2025	**1,542,147**
Adjustment to fair value of November Debentures Payable	(53,816)
Interest expense	13,289
Conversion on liquidity event	(1,501,619)
Balance March 31, 2026	**-**

April 2025 Debentures Payable
On April 30, 2025, the Company issued 28,572 unsecured convertible debentures (the "April 2025 Debentures Payable") for total gross proceeds of $500,010. The April 2025 Debentures Payable bore interest at a rate of 2% per annum, payable annually, and matured two years after issuance date, unless earlier converted in accordance with their terms. Each April 2025 Debenture Payable was convertible, at the holder's option, into one common share of BMS, representing a conversion price of $17.50 per share at any time prior to maturity. The April 2025 Debentures Payable could also be automatically converted by BMS upon the occurrence of certain triggering events, including but not limited to a go-public transaction by BMS. The April 2025 Debentures Payable were classified as financial liabilities at FVTPL.

The fair value of the conversion feature was determined using a Black-Scholes valuation model. The key assumptions included: Share price: $17.50, Expected volatility: 100%, Risk-free rate: 2.63%, Expected life: two years, Dividend yield: 0%. The conversion feature is remeasured at fair value at each reporting period, with changes in fair value recognized in the statement of income (loss) and comprehensive income (loss).

In connection with the RTO, the April 2025 Debentures Payable converted to BMS shares on December 9, 2025.

	$
At issuance	
Proceeds	500,010
Fair value of conversion feature	256,735
Adjustment to fair value of April 2025 Debentures Payable	(107,591)
Interest expense	4,438
Conversion on liquidity event	(653,952)
Balance March 31, 2026	**-**

6. Financing

July Debentures Payable
On July 22, 2024, the Group raised an aggregate of $932,000 through the issuance of 932 debenture units (each a "July Debenture Unit"). Each July Debenture Unit consisted of $1,000 principal amount of a 10% unsecured debenture of the Company (in aggregate, the "July Debentures Payable") and 16,666 common share purchase warrants (in aggregate, the "July Debenture Warrants"). Each July Debenture Warrant was exercisable to acquire one common share of the Group at a price of $0.06 until July 22, 2026. .

The July Debentures Payable bore interest at 10% per annum with annual interest payable one year from the closing date (the "Initial Maturity Date"). At the Group's option, the maturity of the July Debentures Payable could be extended for one year beyond the initial Maturity Date (the "Extended Maturity Date") with the interest rate of the July Debentures Payable for the period starting the day beyond the Initial Maturity Date until the Extended Maturity Date increasing to 12% per annum.

For accounting value of the July Debentures Payable at the time of issue was calculated as the present value of the cash flows assuming an effective rate of 13.1%, which was the estimated rate for a similar debenture. The accounting value of the July Debenture Warrants was determined at the time of issue as the difference between the face value of the July Debenture Units and the accounting value of the July Debentures Payable.

(Expressed in Canadian Dollars, except per share amounts)

The July Debentures Payable were repaid in full by the Group on February 11, 2025.

The continuity of the carrying value of the July Debentures Payable was as follows:

	$
Issuance of July Debenture Units	**932,000**
Allocation of proceeds to July Debenture Warrants	(49,514)
Carrying value of July Debentures Payable at issuance	**882,486**
Accretion expense up to repayment date	66,549
Loss on early repayment	39,171
Repayment on February 11, 2025	(988,206)
Balance, March 31, 2025 and 2026	**-**

7. Investment in Debenture Receivable

On July 2, 2025 the Company invested $5,000,000 into an arm's length portfolio of asset-backed loans (the "Investment"). The Investment consists of a subordinated debenture bearing interest at 25% per annum, payable monthly from September 1, 2025, and maturing July 1, 2027 at which time the principal is due in full. The investment ranks subordinate to certain defined senior indebtedness of the issuer, including existing and future secured bank financing and certain acquisition financing, and ranks pari passu with any additional subordinated secured debt issued by the issuer. The investment meets the criteria for classification at amortised cost under IFRS 9, as it is held within a hold-to-collect business model and the contractual terms give rise to solely payments of principal and interest (SPPI). No modifications to the terms of the debenture occurred during the period from July 2, 2025 to March 31, 2026. Accordingly, the investment is classified and measured at amortized cost in accordance with IFRS 9 Financial Instruments. As the investment was issued at par and the contractual interest rate equals the effective interest rate, the gross carrying amount remains $5,000,000 as at March 31, 2026. Interest income recognized for the year ended March 31, 2026 totaled $719,179 (2025: $nil).

8. Lease Liability

	$
Balance as at March 31, 2024	**410,152**
Disposals	(147,800)
Lease payments	(153,242)
Lease interest	54,864
Effect of foreign exchange	22,847
Balance as at March 31, 2025	**186,821**
Lease payments	(96,772)
Lease interest	24,629
Effect of foreign exchange	(1,002)
Balance as at March 31, 2026	**113,676**

Current	78,581
Non-current	35,095
Balance as at March 31, 2026	**113,676**

(Expressed in Canadian Dollars, except per share amounts)

9. Related Party Transactions and Balances

Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The directors, Chief Executive Officer, President and Chief Financial Officer are key management personnel.

	2026	2025
	$	**$**
Salaries, fees and short term benefits	**479,167**	1,431,708
	479,167	1,431,708

As at March 31, 2026, accounts payable and accrued liabilities included accrued executive and director salaries, fees and short-term benefits of $1,048,916 (March 31 2025 - $1,240,446).

Management fee income from BMS and accounts receivable

Management fee income of $120,100 for the year (2025 - $154,838) is from PALS. At March 31, 2026, included in accounts receivable, is $913,584 owing from BMS for management fees and working capital loans. The loans are non-interest bearing and are receivable on demand.

Director's loan

During the year ended March 31, 2024, a Company director extended a loan of $29,128 (GBP 15,796) to CosLab to cover expenses related to its working capital and growth needs. The loan is without interest, unsecured and is repayable on demand and remains outstanding at March 31, 2026.

10. Income Taxes

The reconciliation of the 2026 combined Canadian federal and provincial statutory income tax rate of 26.5% (2025 – 26.5%) to the effective tax rate is as follows:

		2026		2025
Income (loss) for the year before income taxes	**$**	**13,581,936**	$	(4,560,608)
Expected income tax expense (recovery)		**3,599,213**		(1,208,561)
Gain on disposal of PALS		**(1,670,921)**		491,728
Change in fair value of investments		**(237,591)**		-
Adjustment to prior year loss carryforwards		**(207,958)**		-
Accretion on convertible debt		**-**		17,365
Non-deductible expenses		**1,804**		15,747
Difference between corporate statutory rates		**68,895**		104,296
Change in tax benefits not recognized		**(1,045,605)**		579,425
Income tax expense (recovery)	**$**	**507,837**	$	-

The Company's income tax expense is allocated as follows:

	2026	2025
	$	$
Current income tax	**(285,747)**	-
Deferred income tax	**(222,090)**	-
	507,837	

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that are recognized in the consolidated statement of financial position are as follows:

		2026		2025
Non-capital loss carryforwards	**$**	**763,190**	$	1,789,381
Investments		**(222,090)**		-
Option		**-**		17,587
Capital assets, net of lease liability		**6,506**		8,333
		547,606		1,815,301
Valuation allowance		**(769,696)**		(1,815,301)
Deferred tax liability, net	**$**	**(222,090)**	$	-

Loss carryforwards

The non-capital losses, stated in Canadian dollars, expire as follows::

The non-capital losses for the United Kingdom entities are carried forward indefinitely and are stated in Canadian dollars as follows:

Year of expiry	$
2040	112,947
2041	98,170
2042	303,555
2043	380,241
2044	959,622
2045	1,241,975
2046	918,974
	4,015,484

(Expressed in Canadian Dollars, except per share amounts)

11. Other Debt

The continuity of other debt for the years ended March 31 2026 and March 31, 2025 is as follows:

	Note Payable (a)	Federal Capital (b)	Total
	$	$	$
Balance, March 31, 2024	**86,337**	**29,344**	**115,681**
Accretion expense	**-**	**5,253**	**5,253**
Repayment	**-**	**(23,000)**	**(23,000)**
Effect of foreign exchange	**-**	**1,674**	**1,674**
Balance, March 31, 2025	**86,337**	**13,271**	**99,608**
Accretion expense	**-**	**768**	**768**
Repayment	**-**	**(14,002)**	**(14,002)**
Effect of foreign exchange	**-**	**(37)**	**(37)**
Balance, March 31, 2026	**86,337**	**-**	**86,337**

Current	86,337	-	86,337
Non-current	-	-	-
Balance, March 31, 2026	**86,337**	**-**	**86,337**

(a) Note payable

On July 31, 2016, a private lender subscribed to a secured convertible note issued by RISE in the amount of $50,000, bearing interest at 8% per annum and maturing on July 31, 2017. The note was convertible at $0.20 per common share until July 31, 2017. Total interest payable at March 31, 2026 is $36,337 (March 31, 2024: $36,337). As of March 31, 2026, the note and accrued interest are still outstanding.

(b) Federal Capital loan

On October 19, 2023, CosLab obtained a $29,344 (GBP 20,000) loan from Federal Capital. The loan bears interest at 29.6% and is payable in equal instalments over a twenty-four-month period. The loan matured in October 2025. The Company made $14,002 (GBP: 7,560) in payments related to the Federal Capital loan in the year ended March 31, 2026.

12. Share Capital

Authorized

The Company has an unlimited number of authorized voting common shares (the “Common Shares”).

Issued

The outstanding share capital is as follows:

	Shares	Amount	Share issuance costs	Total
	#	$	$	$
As at March 31, 2025 and 2026	**162,254,339**	**17,121,061**	**(13,714)**	**17,107,347**

(Expressed in Canadian Dollars, except per share amounts)

Warrants

The continuity of the outstanding equity warrants is as follows:

	Number of Warrants	Weighted average exercise price
		$
As at March 31, 2025 and March 31, 2026	15,532,712	0.06
Exercisable as at March 31, 2025 and March 31, 2026	**15,532,712**	**0.06**

Expiration Date	Warrants Outstanding	Warrants Exercisable	Exercise Price	Weighted average remaining life	Estimated issue date fair value
	#	#	$		$
July 22, 2026	**15,532,712**	**15,532,712**	**0.06**	**0.29**	**49,514**

Options

The Company has a stock option plan to be used to grant stock options to directors, management, employees, management company employees and consultants as a form of compensation. The number of common shares reserved for issuance of stock options is limited to a maximum of 10% of the issued and outstanding shares of the Company at any one time. There are no options outstanding at March 31, 2026 (2025: nil).

13. Capital Disclosures

The Group's objectives when managing capital are to ensure its ability to continue as a going concern in order to pursue investments and opportunities which contribute to the success of the Group while providing shareholder returns. The company attempts to maximize returns to shareholders by also minimizing shareholder dilution and, when possible utilizing non-dilutive funding arrangements.

The Group includes equity comprised of share capital, contributed surplus, warrant reserve, options reserve and accumulated deficit in its definition of capital. The Group has financed it operations and capital requirements primarily through the issuance of shares and secured and convertible notes since inception.

The Group manages its capital structure and adjusts it in light of economic conditions and risk characteristics of its underlying assets. The Group may issue new shares or raise debt. The Company is not subject to any externally imposed capital requirements.

(Expressed in Canadian Dollars, except per share amounts)

14. Revenue

The Group generates its revenue from the sale to businesses of services related to the manufacture and packaging of products in the cosmetics goods industries as well as product formulation and laboratory testing of such goods. The Group also generates interest income on its Investment in Debenture Receivable (see Note 7) and management fees from BMS (See Note 9). In the following table, revenue for the years ended March 31, 2026 and 2025 is aggregated by the most relevant channels:

	2026	2025
	$	$
Manufacturing and packaging	**342,288**	114,592
Laboratory testing	**12,446**	99,850
Management fees from BMS	**120,100**	154,838
	474,834	369,279

15. Selling, General and Administrative Expense

Included in selling, general, and administrative expense for the years ended March 31, 2026 and 2025 are the following:

		2026	2025
			$
Pay, consulting and benefits	$	**921,358**	1,300,027
Office and general		**273,162**	264,895
Professional fees expense		**301,216**	426,629
Amortization and depreciation		**62,798**	60,174
Inventory write down		**-**	191,183
		1,558,534	2,242,908

16. Contingencies

From time to time the Group may become subject to legal proceedings, claims, and litigation arising in the ordinary course of business. While the outcome of these matters is currently not determinable, the Group does not expect that the ultimate costs to resolve these matters will have a material adverse effect on its consolidated financial position, results of operations, or cash flow.

(Expressed in Canadian Dollars, except per share amounts)

17. Financial Instruments and Risk Management

The Company has classified its financial instruments as follows:

	March 31, 2026	March 31, 2025
	$	$
FVTPL assets, measured at fair value:		
Cash	**1,325,900**	7,848,756
Marketable securities	**15,811,490**	-
Contingent receivable	**459,160**	1,736,779
Option asset	**-**	87,355
FVTPL liabilities, measured at fair value:		
Convertible debenture	**-**	**1,542,147**
Financial assets, measured at amortized cost:		
Accounts receivable	**913,584**	228,111
Investment in debenture	**5,000,000**	-
Financial liabilities, measured at amortized cost:		
Accounts payable and accrued liabilities	**2,381,117**	**3,451,791**
Director's loan	**29,128**	**29,335**
Lease liability	**113,676**	**186,821**
Other debt	**86,337**	**99,608**

The carrying value of the Company's financial instruments approximate their fair value.

Fair values of financial assets and financial liabilities

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. Fair value estimates are made at the statement of financial position date, based on relevant market information and other information about financial instruments.

The three levels of the fair value hierarchy are:

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

	Level 1	Level 2	Level 3	Total
Financial assets				
Cash	1,325,900	-	-	1,325,900
Marketable securities	15,811,490	-	-	15,811,490
Contingent receivable	-	-	459,160	459,160
March 31, 2026	**$ 17,137,390**	**$ -**	**$459,160**	**$ 17,596,550**

(Expressed in Canadian Dollars, except per share amounts)

	Level 1	Level 2	Level 3	Total
Financial assets				
Cash	7,848,756	-	-	7,848,756
Contingent receivable	-	-	1,736,779	1,736,779
Option	-	87,355	-	87,355
March 31, 2025	**$ 7,848,756**	**$ 87,355**	**$1,736,779**	**$ 9,672,890**

As at March 31 2025, the Company held foreign currency options to purchase Canadian Dollars (CAD) using British Pounds Sterling (GBP). These instruments were held for trading purposes and are classified as financial assets at fair value through profit or loss (FVTPL) in accordance with IFRS 9 – Financial Instruments. The Company uses foreign currency options to take trading positions based on anticipated movements in exchange rates between GBP and CAD. These positions are not designated in hedge relationships and are entered into to generate trading gains. All of the Company's options were short term and they matured on April 1, 2025.

There were no transfers between level levels 1 and 2 for recurring fair value measurements for the year ended March 31, 2026 or March 31, 2025. Further there was no transfer out of level 3 measurements.

The Company's activities expose it to a variety of financial risks including foreign currency risk, interest rate risk, credit risk, and liquidity risk. These financial instrument risks are actively managed by the Company's management under the policies approved by the Board of Directors. The principal financial risks are managed by the Company's finance department who work hand in hand with the Board and other key management personnel.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company is mainly exposed to credit risk from credit sales and manages this risk by endeavoring only to deal with customers which are demonstrably creditworthy and through the continuous monitoring of financial exposure by customers.

Credit risk arises from cash and deposits with banks as well as credit exposure to outstanding receivables, the carrying amounts represent the Company's maximum exposure to credit risk.

The Company does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company is exposed to liquidity risk with respect to its contractual obligations and financial liabilities. The Company manages liquidity risk by forecasting its cash needs on a regular basis and seeking additional financing from operations and other sources including debt and equity markets as required.

The following table summarizes the maturities of the Company's non-derivative financial liabilities and contingent financial liabilities as at March 31, 2026 and 2025 based on undiscounted contractual cash flows:

	Payment due by period			
	< 1 year	2 - 3 years	4 - 5 years	Total
Accounts payable and accrued liabilities	$ 2,381,117	$ -	$ -	$ 2,381,117
Lease liability	89,664	36,650	-	126,314
Director's loan	29,128	-	-	29,128
Other debt	86,337	-	-	86,337
March 31, 2026	**$ 2,586,246**	**$ 36,650**	**$ -**	**$ 2,622,896**

	Payment due by period			
	< 1 year	2 - 3 years	4 - 5 years	Total
Accounts payable and accrued liabilities	$ 3,451,791	$ -	$ -	$ 3,451,791
Lease liability	97,033	75,212	-	172,245
Convertible debenture	-	996,918	-	996,918
Director's loan	29,335	-	-	29,335
Other debt	99,608	-	-	99,608
March 31, 2025	**$ 3,677,767**	**$ 1,072,130**	**$ -**	**$ 4,749,897**

Currency risk

The Group is exposed to currency risk to the extent that monetary operational expenses are denominated in US dollar and UK Pounds sterling while the functional currency of Canadian dollar is used for reporting. The Group enters into option contracts to mitigate some of the risk of fluctuations in the exchange rate of its holding of UK pounds sterling. Changes in the fair value of the contracts and the corresponding gains or losses are recorded quarterly and are included in the fair value adjustment on option contracts in the consolidated statement of income and comprehensive income. The Group's strategy is to reduce the risk of fluctuations associated with foreign exchange rate changes. The option contracts are held to maturity and are either exercised at for a net profit or loss or expire at no obligation to the Group.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is not exposed to significant interest rate risk.

18. Subsequent Events

Sale of McEwen shares
On May 7, 2026, the Company sold its holding of 525,489 shares in McEwen Inc. for proceeds of USD $11,933,855.

Purchase of debenture
On May 19, 2026 the Company subscribed for a $5,300,000 subordinated secured debenture of Cash Today Inc. bearing interest at 25% per annum, payable monthly, and maturing May 19, 2027.

Normal Course Issuer Bid
On May 21, 2026, the Company's Board approved the commencement of a normal course issuer bid (the "NCIB"), subject to acceptance by the Canadian Securities Exchange (the "CSE").

Warrant Exercise
During June and July 2026, 13,066,183 warrants were exercised at an exercise price of $0.06 for total proceeds of $783,971. The Company issued 13,066,183 common shares in connection with the exercise.

Management's Discussion and Analysis

The following management's discussion and analysis ("MD&A") is current to July 29, 2026, and should be read in conjunction with Britannia Life Sciences Inc.'s ("BLS" or the "Company") consolidated financial statements for the years ended March 31, 2026 and March 31, 2025 which have been prepared under International Financial Reporting Standards ("IFRS"). Except as otherwise noted, the financial information contained in this MD&A and in the consolidated financial statements have been prepared in accordance with IFRS. All amounts are expressed in Canadian dollars unless otherwise noted.

The consolidated financial statements can be found at www.sedarplus.ca and www.britannia.life. The Company's registered head office 120 Adelaide Street West, Suite 2400, Toronto, Ontario M5H 1T1. The Company's common shares are publicly traded on the Canadian Securities Exchange (BLAB: CSE).

The consolidated financial statements comprise the financial statements of the Company, its wholly owned subsidiaries Britannia Bud Canada Holdings Inc. ("BBCH"), Britannia Bud Company Limited ("BBCL"), Jamaica-Blu Ltd., Rise Research Inc., Scout Assessment Corp., and Cosmetics Labs Limited ("CosLab") (the "Group"). BBCL and CosLab operate in the United Kingdom and have a functional currency of UK pounds sterling. Life Bloom Organics, Brand Max Inc. dba Cultivate Kind, and Rise Life Science (Colorado), LLC are domiciled in the United States of America and have a functional currency of US dollars.

The Company's subsidiaries are as follows:

Entity	Jurisdiction of Incorporation	Ownership
BBCH	Ontario, Canada	100%
BBCL	United Kingdom	100%
Jamaica-Blu Ltd.	Ontario, Canada	100%
Rise Research Inc.	British Columbia, Canada	100%
Scout Assessment Corp.	Ontario, Canada	100%
CosLab	United Kingdom	100%

Note: Rise Life Science (Colorado) LLC, Brand Max and Life Bloom have been dissolved and deconsolidated in the year ended March 31, 2026

All intercompany transactions and balances between and among BLS and its subsidiaries have been eliminated on consolidation. Where necessary, adjustments are made to assets, liabilities, and results of subsidiaries and associates to bring their accounting policies into line with those used by the Company.

Forward-Looking Statements

This Management's Discussion and Analysis ("MD&A") contains forward-looking information as defined in applicable securities laws (referred to herein as "forward-looking statements") that reflect the Company's current expectations and projections about its future results. All statements other than statements of historical fact are forward-looking statements. Forward-looking statements are based on the current assumptions, estimates, analysis and opinions of management of the Company made considering its experience and its perception of trends, current conditions and expected developments, as well as other factors which the Company believes to be relevant and reasonable in the circumstances.

The Company uses words such as "believes," "may," "plan," "will," "estimate," "continue," "anticipates," "intends," "expects," and similar expressions to identify forward-looking statements, which, by their very nature, are not guarantees of the Company's future operational or financial performance, and are subject to risks and uncertainties, both known and unknown, as well as other factors that could cause the Company's actual results, performance, prospects or opportunities to differ materially from those expressed in, or implied by, these forward-looking statements.

Inherent in forward-looking statements are known and unknown risks, uncertainties and other factors beyond the Company's ability to predict or control that may cause the actual results, events or developments to be materially different from any future results, events or developments expressed or implied by such forward-looking statements.

Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward- looking statements contained in this MD&A. Such statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to, assumptions about the availability of financing, or the availability of financing on reasonable terms; general business and economic conditions; regulatory developments; interest rates and foreign exchange rates; the Company's costs; the regulatory environment in which the Company operates; the Company's ability to attract and retain skilled staff; the impact of changes in Canadian-Great British Pound, and other foreign exchange rates on the Company's costs and results; market competition; tax benefits and tax rates; and the Company's ongoing relations with its employees and with its business partners.

Although management of the Company believes that these forward-looking statements are based on reasonable assumptions, a number of factors could cause the actual results, performance or achievements of the Company to be materially different from the future results, performance or achievements expressed or implied by such forward-looking statements. The forward-looking statements contained in this MD&A and any documents incorporated by reference herein are expressly qualified by this cautionary statement. The Company cautions you that the foregoing list of important factors and assumptions is not exhaustive. Events or circumstances could cause actual results to differ materially from those estimated or projected and expressed in, or implied by, these forward-looking statements. You should also carefully consider the matters discussed under “Risk Factors” in this MD&A which provides for additional risks and uncertainties relating to the Company and its business.

The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements or the foregoing list of factors, whether as a result of new information or future events or otherwise, other than as may be required by applicable legislation. No assurance can be given that any of the events anticipated will transpire or occur, or if any of them do so, what benefits the Company will derive from them. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether because of new information, future events, or otherwise unless required by law.

Nature and Continuance of Operations

Britannia Life Sciences Inc. (“BLS” or the “Company”) (together with its subsidiaries, the "Group") is a company domiciled and incorporated in Canada under the laws of the Province of Ontario. The Company provides product testing, safety assessment and manufacturing services to the cosmetic and consumer packaged goods industries in the United Kingdom and globally. The company is pursuing a disciplined capital allocation strategy with a current focus on asset-backed lending and related credit opportunities. The Company is committed to building long-term shareholder value through recurring cash flow generation and disciplined deployment of capital.

Operational Highlights and Business Development

Britannia Mining Solutions Inc. (“BMS” or “PALS”)

During the year ended March 31, 2025, BMS issued 18,500 BMS common shares at $10.00 per share, 104,932 BMS common shares at $12,75 per share and 12,905 BMS common shares as compensation.

On April 30, 2025, BMS issued 542,921 common shares in a private placement at a price of $17.50 per share and 34,386 common shares as compensation to brokers (the “April Financing”). BLS acquired an additional 14,288 common shares in the April Financing.

On December 9, 2025, BMS completed a reverse takeover transaction (the “PALS RTO”) of 1317220 B.C. Ltd.. BMS changed its name to Paragon Advanced Labs Inc., and its shares began trading on the TSX Venture Exchange on December 11, 2025.

Prior to the PALS RTO, the Company owned 24% of the outstanding share capital of BMS on a fully diluted basis. This investment in BMS combined with the Chief Executive Officer of the Company being both the Chief Executive Officer and sole director of BMS resulted in the Group being in a position to exercise significant influence on BMS. Accordingly, prior to the PALS RTO, the Group equity accounted for its investment in BMS.

In addition, prior to the PALS RTO, the Group owned the 2024 Debentures and the April 2025 Debentures (as defined below) that it expected to issue to the holders of the Debentures Payable (as defined below). Accordingly, the 2024 Debentures and the April 2025 Debentures were classified separately below and carried at FVTPL as were the Debentures Payable.

Pursuant to the terms of the 2024 Debentures and the April 2025 Debentures, on completion of the PALS RTO, all debentures automatically converted into shares of PALS and the Group effectively issued PALS shares to the holders of the Debentures payable.

The continuity of the equity-accounted investment in BMS up to the completion date of the PALS RTO is as follows:

	Debentures	Equity	Total
	$	$	$
Balance as at March 31, 2024	**-**	**731,204**	**731,204**
Gain on dilution on BMS equity issuances	-	231,531	231,531
Investment in the 2024 Debentures	958,575	-	958,575
Investment in the 2025 Debentures		1,250,000	1,250,000
Elimination of associate's management fee	-	(85,163)	(85,163)
Share of other comprehensive loss of BMS	-	(40,462)	(40,462)
Share of net loss of BMS	-	(2,087,110)	(2,087,110)
Change in fair value	576,796	-	576,796
Accrued interest	6,776	-	6,776
Balance as at March 31, 2025	**1,542,147**	**-**	**1,542,147**
Gain on dilution on BMS equity issuances	-	1,668,717	1,668,717
Investment in the April Financing		250,040	250,040
Elimination of associate's management fee	-	(39,900)	(39,900)
Share of other comprehensive loss of BMS	-	32,669	32,669
Share of net loss of BMS	-	(1,911,526)	(1,911,526)
Investment in the April 2025 Debentures	500,010		500,010
Change in fair value	95,327	-	95,327
Accrued interest	17,727	-	17,727
Conversion on BMS liquidity event	(2,155,211)	-	(2,155,211)
Balance as at March 31, 2026	**-**	**-**	**-**

As of March 31, 2025, the Group's equity investment in BMS was fully written down to zero, as the share of cumulative losses exceeded the carrying amount of the investment. As a result of the gain on dilution post the April Financing, the Group has recognized further cumulative losses in relation to its investment in BMS and has written the equity investment down to zero as it had no obligation to provide further financial support to BMS.

In relation to the PALS RTO, on December 9, 2025, the Group disposed of a portion of its interest in BMS, resulting in the loss of significant influence. Accordingly, the Group discontinued the application of the equity method in accordance with IAS 28. The retained investment has been reclassified as a financial asset at fair value through profit or loss in accordance with IFRS 9. The retained interest in PALS is measured at fair value based on the quoted market price of PALS' shares on that date.

Coincident with the PALS RTO, the Group completed a share exchange (the "Agreement") with McEwen Inc. ("McEwen") (NYSE and TSX V: MUX). Pursuant to the terms of the Agreement, McEwen acquired 648,002 common shares of PALS from the Group at a deemed price of $17.50 per share, payable in common shares of McEwen (the "McEwen Transaction"). The Group received 525,488 common shares of McEwan. No cash consideration was received in the McEwen Transaction.

The financial effects of the McEwan Transaction were as follows:

	Total
	$
Fair Value of McEwan shares received	14,076,846
Carrying value of PALS	-
Gain on disposal	**14,076,846**

The gain has been recognized within "Other Income (Expense)" in the consolidated statement of profit or loss. The gain is non-cash in nature and arose primarily as a result of the fair value of the McEwan shares received in exchange for the PALS common shares.

Following the transaction, the retained interest in PALS and the McEwan shares received have been classified as financial assets at fair value through profit or loss (FVTPL) in accordance with IFRS 9.

At March 31 2026, the fair values were as follows:

	Fair Value December 9, 2025	Fair value gain/(loss) on financial assets at FVTPL	Fair Value March 31, 2026
	$	**$**	**$**
McEwan shares received	14,076,846	880,349	14,957,195
Retained interest in PALS	460,005	394,290	854,295
Balance as at March 31, 2026	**14,536,851**	**1,274,639**	**15,811,490**

The fair value gain of $1,274,639 arising subsequent to initial recognition has been recognized in net income as fair value gain on financial assets at FVTPL within other income (expense).

2024 Debentures
On November 22, 2024 the Group acquired 75,200 units of a convertible debenture issued by BMS (the "2024 Debentures"), at a total purchase price of $958,575. The debentures bore interest at a rate of 2% per annum, payable annually, and were to mature two years from the closing date, unless earlier converted in accordance with their terms. Each debenture was convertible, at the holder's option, into 100 common shares of BMS, representing a conversion price of $12.75 per share at any time prior to maturity. The 2024 Debentures could also be automatically converted by BMS upon the occurrence of certain triggering events, including but not limited to a go-public transaction. The 2024 Debentures were classified as financial assets at FVTPL. The carrying value of the conversion feature was determined using a Black-Scholes valuation model. The key assumptions included: Share price: $17.50, Expected volatility: 100%, Risk-free rate: 2.63%, Expected life: two years, Dividend yield: 0%. The conversion feature was remeasured at fair value at each reporting period, with changes in fair value recognized in the statement of income (loss) and comprehensive income (loss). In connection with the PALS RTO, the 2024 Debentures converted to PALS shares on December 9, 2025.

2025 Debentures

On January 25, 2025 the Group acquired 1,000 unsecured convertible debentures (the “2025 Debentures”) of BMS at a price of $1,250 per debenture, due on January 26, 2027 (the “Maturity Date”). Each 2025 Debenture was comprised of $1,250 principal amount of debentures convertible into common shares of BMS. The 2025 Debentures bore interest at a rate of 2% per annum calculated and paid annually. The 2025 Debentures could also be automatically converted by BMS upon the occurrence of a liquidity event (such as a reverse takeover and listing on a stock exchange). At the sole option of BMS, following the occurrence of a liquidity event, any accrued and unpaid interest was to be paid in cash or in common shares. Such interest was calculated and paid on: (i) the one-year anniversary of the closing date; (ii) the maturity date; and (iii) if applicable, within 30 days of the occurrence of a liquidity event. The intention of BLS was that the 2025 Debentures would be converted to shares in BMS prior to their maturity date. They were therefore accounted for initially at cost as part of the Group’s equity investment in BMS. In connection with the PALS RTO, the 2025 Debentures converted to PALS shares on December 9, 2025.

April 2025 Debentures

On April 30, 2025 the Group acquired 28,572 units of a convertible debenture issued by BMS (the “April 2025 Debentures”), at a total purchase price of $500,010. The debentures bore interest at a rate of 2% per annum, payable annually, and were to mature two years from the closing date, unless earlier converted in accordance with their terms. Each debenture was convertible, at the holder’s option, into one common shares of BMS, representing a conversion price of $17.50 per share at any time prior to maturity. The April 2025 Debentures could also be automatically converted by BMS upon the occurrence of certain triggering events, including but not limited to a go-public transaction. The April 2025 Debentures were classified as financial assets at FVTPL. The carrying value of the conversion feature was determined using a Black-Scholes valuation model. The key assumptions included: Share price: $17.50, Expected volatility: 100%, Risk-free rate: 2.63%, Expected life: two years, Dividend yield: 0%. The conversion feature was remeasured at fair value at each reporting period, with changes in fair value recognized in the statement of income (loss) and comprehensive income (loss). In connection with the PALS RTO, the April 2025 Debentures converted to PALS shares on December 9, 2025.

November Debentures Payable

On November 22, 2024, the Company issued 75,200 unsecured convertible debentures (the "November Debentures Payable") for total gross proceeds of $958,575. The November Debentures Payable bore interest at a rate of 2% per annum, payable annually, and mature two years on November 22, 2026, unless earlier converted in accordance with their terms. Each November Debenture Payable was convertible, at the holder’s option, into 100 common shares of BMS, representing a conversion price of $12.75 per share at any time prior to maturity. The November Debentures Payable could also be automatically converted by BMS upon the occurrence of certain triggering events, including but not limited to a go-public transaction by BMS. The November Debentures Payable were classified as financial liabilities at FVTPL. In accordance with IFRS 9, this classification reduced the measurement inconsistency resulting from the purchase of the 2024 Debentures.

The fair value of the conversion feature was determined using a Black-Scholes valuation model. The key assumptions included: Share price: $17.50, Expected volatility: 100%, Risk-free rate: 2.63%, Expected life: two years, Dividend yield: 0%.
The conversion feature was remeasured at fair value at each reporting period, with changes in fair value recognized in the statement of income (loss) and comprehensive income (loss).

In connection with the PALS RTO, the November Debentures Payable converted to PALS shares on December 9, 2025.

	$
At issuance	
Proceeds	958,575
Fair value of conversion feature	751,529
Adjustment to fair value of November Debentures Payable	(174,733)
Interest expense	6,776
Balance March 31, 2025	**1,542,147**
Adjustment to fair value of November Debentures Payable	(53,816)
Interest expense	13,289
Conversion on liquidity event	(1,501,619)
Balance March 31, 2026	**-**

April 2025 Debentures Payable

On April 30, 2025, the Company issued 28,572 unsecured convertible debentures (the "April 2025 Debentures Payable") for total gross proceeds of $500,010. The April 2025 Debentures Payable bore interest at a rate of 2% per annum, payable annually, and matured two years after issuance date, unless earlier converted in accordance with their terms. Each April 2025 Debenture Payable was convertible, at the holder's option, into one common share of BMS, representing a conversion price of $17.50 per share at any time prior to maturity. The April 2025 Debentures Payable could also be automatically converted by BMS upon the occurrence of certain triggering events, including but not limited to a go-public transaction by BMS. The April 2025 Debentures Payable were classified as financial liabilities at FVTPL.

The fair value of the conversion feature was determined using a Black-Scholes valuation model. The key assumptions included: Share price: $17.50, Expected volatility: 100%, Risk-free rate: 2.63%, Expected life: two years, Dividend yield: 0%.
The conversion feature is remeasured at fair value at each reporting period, with changes in fair value recognized in the statement of income (loss) and comprehensive income (loss).

In connection with the RTO, the April 2025 Debentures Payable converted to BMS shares on December 9, 2025.

	$
At issuance	
Proceeds	500,010
Fair value of conversion feature	256,735
Adjustment to fair value of April 2025 Debentures Payable	(107,591)
Interest expense	4,438
Conversion on liquidity event	(653,952)
Balance March 31, 2026	**-**

Investment in Debenture Receivable

On July 2, 2025 the Company invested $5,000,000 into an arm's length portfolio of asset-backed loans (the "Investment"). The Investment consists of a subordinated debenture bearing interest at 25% per annum, payable monthly from September 1, 2025, and maturing July 1, 2027 at which time the principal is due in full. The investment ranks subordinate to certain defined senior indebtedness of the issuer, including existing and future secured bank financing and certain acquisition financing, and ranks pari passu with any additional subordinated secured debt issued by the issuer. The investment meets the criteria for classification at amortised cost under IFRS 9, as it is held within a hold-to-collect business model and the contractual terms give rise to solely payments of principal and interest (SPPI). No modifications to the terms of the debenture occurred during the period from July 2, 2025 to March 31, 2026. Accordingly, the investment is classified and measured at amortized cost in accordance with IFRS 9 Financial Instruments. As the investment was issued at par and the contractual interest rate equals the effective interest rate, the gross carrying amount remains $5,000,000 as at March 31, 2026. Interest income recognized for the year ended March 31, 2026 totaled $719,179 (2025: $nil).

Discussion of Operations

The Company's consolidated financial statements have been prepared on a going concern basis in accordance with IFRS. The going concern basis of presentation assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those set out in note 2 "Basis of Preparation" and note 3 "Material Accounting Policy Information" of the Company's annual consolidated financial statements for the year ended March 31, 2026.

Discontinued Operations

On January 9, 2025, the Company completed the strategic sale of its wholly owned subsidiary, ADSL. The disposal of ADSL allows the Company to focus on maximizing shareholder value through strategic capital allocation to deliver optimal returns for its shareholders. Accordingly, the results of ADSL have been classified as discontinued operations for all periods presented in accordance with IFRS 5. The comparative amounts for the consolidated statements of loss and comprehensive loss and the consolidated statements of cash flows have been restated to show the discontinued operation separately from continuing operations. The impact on consolidated results of the sale are presented below.

The income from discontinued operations for the years ended March 31, 2026 and March 31, 2025 is as follows:

	2026	**2025**
	$	**$**
Product sales and other income	-	5,176,549
Cost of Sales	-	1,721,787
Gross margin	**-**	**3,454,762**
Selling, general and administration	-	1,783,353
Finance	-	668,834
Income from discontinued operations	-	1,002,575
Accretion expense	-	(191,231)
Gain on sale of subsidiary	1,576,952	11,422,130
Income before tax	1,576,952	12,233,474
Total income tax	-	166,097
Net income from discontinued operations	**1,576,952**	**12,067,378**
Currency translation differences from discontinued operations	-	719,101
Net income (loss) attributable to discontinued operations:		
Non-controlling interest	-	113,975
Equity Shareholders of the Company	-	293,078
Other comprehensive income attributable to discontinued:		
Non-controlling interest	-	201,348
Equity Shareholders of the Company	-	517,752

For the year ended March 31, 2026, the Group recognized a $1,576,952 adjustment relating to the finalization of the completion accounts for the ADSL disposal which occurred during the year ended March 31, 2025. The adjustment reflects the final agreed purchase price under the terms of the sale and purchase agreement and has been recognized within discontinued operations in the current period.

The cash flows from discontinued operations for the years ended March 31, 2026 and 2025 are as follows:

	2026	**2025**
	$	**$**
Cash provided by (used in) operating activities	-	(1,058,866)
Cash provided by investing activities	-	12,326,366
Cash used in financing activities	-	(1,791,614)
	-	9,475,886

Continuing Operations

The results of continuing operations for the year ended March 31, 2026 and March 31, 2025 are presented below.

Selected financial information, presented under IFRS in the table below:

	For the year ended March 31, 2026	For the year ended March 31, 2025
	$	$
Sales	474,834	**369,279**
Gross margin	101,660	**27,328**
Loss from operations	(1,481,503)	**(2,249,945)**
Net income (loss) from continuing operations	13,581,936	**(4,560,608)**
Comprehensive income (loss) for the period	14,488,240	**8,380,192**
Basic and diluted earnings (loss) per share	0.09	**(0.03)**

Revenue

Revenue is generated by the Company's operating subsidiary CosLab and management fees from its previously held equity investment in BMS. For the year ended March 31, 2026, CosLab contributed $354,734 (March 31, 2025: $214,441) to total revenues which is a 65% increase over prior year due to both new customer acquisition and organic growth. For the year ended March 31, 2026, Cosmetics Labs Limited reported a loss from operations of $311,749 (March 31, 2025: $548,796).

In the year ended March 31, 2026, the Company recognized management fee in come from BMS of $120,100 (March 31, 2025: $154,838). Management fee income from BMS ceased post the RTO transaction on December 9, 2025.

For the year ended March 31, 2026, the Company recognized interest income related to the investment in Debenture Receivable of $719,179 (March 31, 2025: $nil) in Other Income.

Cost of Sales and Gross Margin

Cost of sales is comprised of the direct consumables required for the formulation and testing of products as well as associated labour costs, and expenses related to manufacturing and production at CosLab. The increase in cost of goods sold to $373,174 (March 31, 2025: $341,951) for the year ended March 31, 2026 is driven by general increases in consumable costs at CosLab as a result of increased activity during the period. CosLab's gross profit for the year ended March 31, 2026, was ($18,440) compared to ($127,510) in the prior year as a result of the favourable revenue realized versus the prior period.

For the year ended March 31, 2026, the Company realized a net loss from operations of $1,481,503 compared to a $2,249,945 loss in the prior year due to the favourable performance at CosLab and a decrease in selling, general and administrative costs in the year as per below.

The Company had net income from continuing operations in the year ended March 31, 2026, of $13,581,936 (March 31, 2025: $4,560,608 loss). The variances impacting on net income (loss) from continuing operations are mainly interest income on its investment in Debenture Receivable, non-cash revaluations of the Company's derivative instruments, gains on dilution of the Company's investment in Paragon Advanced Labs Inc. and its share of losses in Paragon Advanced Labs Inc. In the current period, as a result of the disposal of PALS via the share exchange with McEwan, the Company has recorded a gain on disposal of $14,536,851 in the year ended March 31, 2026.

Selling, general and administrative expenses
Included in selling, general, and administrative expense for the years ended March 31, 2026 and 2025 are the following:

		2026	2025
			$
Pay, consulting and benefits	$	**921,358**	1,300,027
Office and general		**273,162**	264,895
Professional fees expense		**301,216**	426,629
Amortization and depreciation		**62,798**	60,174
Inventory write down		**-**	191,183
		1,558,534	2,242,908

Selling, general and administrative expenses for the year ended March 31, 2026, were $1,558,534 compared to $2,242,908 in the prior year. The decrease is driven by a reduction in staffing costs at the Group level as well as a reduction in professional fees realized as the prior year included additional fees related to the sale of the ADSL.

Finance costs
Finance expense for year ended March 31, 2026 was $24,629 compared to $34,365 for the prior period. Finance expense is related to the interest cost on the Company's lease liabilities.

Other Income and Expense
Other Income and Expense for the year ended March 31, 2026 was $15,063,439 (March 31, 2025: $(2,310,663)). Other income and expenses consist of the revaluation of the Company's marketable securities at year end and are unrealized, as well as a gain on dilution of the Company's previous equity investment in Paragon Advanced Labs Inc. and the Company's share in the losses of Paragon Advanced Labs Inc. for the period. The current period increase is mainly resulting from the Company's realized gain on the share exchange with McEwan related to the sale of the PALS equity investment totaling $14,076,846 and the mark to market of the resulting financial assets held at FVTPL.

The Company experienced a foreign exchange gain of $53,965 for the year ended March 31, 2026, compared to a $468,637 loss in the prior period.

Liquidity and Capital Resources
Current assets increased by $8,862,313 to $18,787,688 at March 31, 2026, compared to $9,925,375 at March 31, 2025. This increase was mainly due to the share exchange with McEwan and the value of the resulting marketable securities held as current assets along with the value of the retained investment in PALS totaling $15,811,490. This has been offset by the investment in Debenture Receivable in July 2025 of $5,000,000, which is classified as long term, a decrease of $1,277,619 in the contingent consideration due to the Company's reassessment of the ADSL December 2025 earn out to nil, an increase in accounts receivable of $915,700 and the maturity of the Company's option asset in April 2025.

Current liabilities decreased by $792,162 to $2,860,910 from $3,653,072 at March 31, 2025, mainly due to a current tax expense accrual in the period in relation to the disposal of PALS of $285,747 offset by the settlement of outstanding trade and compensation payables previously accrued post year end.

The Company's cash position was $1,325,900 as at March 31, 2026, compared to $7,848,756 at March 31, 2025. Working capital as at March 31, 2026 was $15,926,778 compared to $6,272,303 at March 31, 2025. The variance is mainly related to the fair value of the McEwan and PALS shares recorded as Marketable Securities, offset by $5,000,000 cash invested in the Debenture Receivable which is classified as long term at March 31, 2026.

The net cash used in operating activities from continuing operations for the year ended March 31, 2026 was $(1,156,242) (March 31, 2025: $(2,616,606)), which included a net gain of $13,074,099, the deduction of non-cash items of $14,237,415 mainly related to the Company’s investment in PALS and the gain on dilution and share of losses in PALS plus the gain on the sale of the equity investment in PALS and share exchange with McEwan, plus a change in working capital items of $(1,569,879) driven by the decrease in accounts payable for the year. During the period, the Company recognized a $1,576,952 adjustment relating to the finalization of the completion accounts for the ADSL disposal which occurred during the year ended March 31, 2025 which has been recognized within discontinued operations in the current period.

In the year ended March 31, 2026, the Company had investing outflows of $5,250,040 (March 31, 2025: $(2,010,000) related to additional equity investments in PALS of $250,040 and the investment in debenture of $5,000,000.

The Company had negative net cash flows from financing activities of $110,774 (March 31 2025: $578,416). Financing activities in the current year relates to payments made on the Company’s lease liabilities and debt repayments. The variance from the prior year is mainly due to the issuance and repayment of the Company’s debentures in the prior year.

The Company’s objectives when managing capital are to ensure its ability to continue as a going concern in order to pursue investments and opportunities which contribute to the success of the Company while providing shareholder returns. The company attempts to maximize returns to shareholders by also minimizing shareholder dilution and, when possible, utilizing non-dilutive funding arrangements.

The Company includes equity comprised of share capital, contributed surplus, warrant reserve, and accumulated deficit in its definition of capital. The Company has financed its operations and capital requirements primarily through the issuance of shares and secured and convertible notes since inception.

The Company manages its capital structure and adjusts it in light of economic conditions and risk characteristics of its underlying assets. The Company may issue new shares or raise debt. The Company is not subject to any externally imposed capital requirements.

Off Balance Sheet Arrangements

As at March 31, 2026 and the date of this MD&A, the Company does not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on the results of operations or financial conditions of the Company.

Related Party Transactions

Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The directors, Chief Executive Officer, President and Chief Financial Officer are key management personnel.

	2026	**2025**
	$	**$**
Salaries, fees and short term benefits	**479,167**	1,431,708
	479,167	1,431,708

As at March 31, 2026, accounts payable and accrued liabilities included accrued executive and director salaries, fees and short-term benefits of $1,048,916 (March 31 2025 - $1,240,446).

Management fee income from BMS and advances receivable

Management fee income of $120,100 for the year (2025 - $154,838) is from BMS. At March 31, 2026, included in accounts receivable, is $913,584 owing from BMS for management fees and working capital loans. The loans are non-interest bearing and are receivable on demand.

Director’s loan

During the year ended March 31, 2024, a Company director extended a loan of $29,128 (GBP 15,796) to CosLab to cover expenses related to its working capital and growth needs. The loan is without interest, unsecured and is repayable on demand and remains outstanding at March 31, 2026.

Financial Instruments and Risk Management

The Company has classified its financial instruments as follows:

	March 31, 2026	March 31, 2025
	$	$
FVTPL assets, measured at fair value:		
Cash	**1,325,900**	7,848,756
Marketable securities	**15,811,490**	-
Contingent receivable	**459,160**	1,736,779
Option asset	**-**	87,355
FVTPL liabilities, measured at fair value:		
Convertible debentures	**-**	1,542,147
Financial assets, measured at amortized cost:		
Accounts receivable	**913,584**	228,111
Investment in debenture	**5,000,000**	-
Financial liabilities, measured at amortized cost:		
Accounts payable and accrued liabilities	**2,381,117**	3,451,791
Director's loan	**29,128**	29,335
Lease liability	**113,676**	186,821
Other debt	**86,337**	99,608

The carrying value of the Company's financial instruments approximate their fair value.

Fair values of financial assets and financial liabilities

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. Fair value estimates are made at the statement of financial position date, based on relevant market information and other information about financial instruments.

The three levels of the fair value hierarchy are:

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

	Level 1 $	Level 2 $	Level 3 $	Total $
Financial assets				
Cash	1,325,900	-	-	1,325,900
Marketable securities	15,811,490	-	-	15,811,490
Contingent receivable	-	-	459,160	459,160
March 31, 2026	**$ 17,137,390**	**$ -**	**$459,160**	**$ 17,596,550**

	Level 1 $	Level 2 $	Level 3 $	Total $
Financial assets				
Cash	7,848,756	-	-	7,848,756
Contingent consideration	-	-	1,736,779	1,736,779
Option	-	87,355	-	87,355
March 31, 2025	**$ 7,848,756**	**$ 87,355**	**$1,736,779**	**$ 9,672,890**

As at March 31 2025, the Company held foreign currency options to purchase Canadian Dollars (CAD) using British Pounds Sterling (GBP). These instruments are held for trading purposes and are classified as financial assets at fair value through profit or loss (FVTPL) in accordance with IFRS 9 – Financial Instruments. The Company uses foreign currency options to take trading positions based on anticipated movements in exchange rates between GBP and CAD. These positions are not designated in hedge relationships and are entered into to generate trading gains. All of the Company's options matured on April 1, 2025.

There were no transfers between level levels 1 and 2 for recurring fair value measurements for the year ended March 31, 2026. Further there was no transfer out of level 3 measurements.

The Company's activities expose it to a variety of financial risks including foreign currency risk, interest rate risk, credit risk, and liquidity risk. These financial instrument risks are actively managed by the Company's management under the policies approved by the Board of Directors. The principal financial risks are managed by the Company's finance department who work hand in hand with the Board and other key management personnel.

<u>Credit risk</u>

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company is mainly exposed to credit risk from credit sales and manages this risk by endeavoring only to deal with customers which are demonstrably creditworthy and through the continuous monitoring of financial exposure by customers.

Credit risk arises from cash and deposits with banks as well as credit exposure to outstanding receivables, the carrying amounts represent the Company's maximum exposure to credit risk.

The Company does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

<u>Liquidity risk</u>

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company is exposed to liquidity risk with respect to its contractual obligations and financial liabilities. The Company manages liquidity risk by forecasting its cash needs on a regular basis and seeking additional financing from operations and other sources including debt and equity markets as required.

The following table summarizes the maturities of the Company's non-derivative financial liabilities and contingent financial liabilities as at March 31, 2026 and March 31, 2025 based on undiscounted contractual cash flows:

	Payment due by period			
	< 1 year	2 - 3 years	4 - 5 years	Total
Accounts payable and accrued liabilities	$ 2,381,117	$ -	$ -	$ 2,381,117
Lease liability	89,664	36,650	-	126,314
Director's loan	29,128	-	-	29,128
Other debt	86,337	-	-	86,337
March 31, 2026	**$ 2,586,246**	**$ 36,650**	**$ -**	**$ 2,622,896**

	Payment due by period			
	< 1 year	2 - 3 years	4 - 5 years	Total
Accounts payable and accrued liabilities	$ 3,451,791	$ -	$ -	$ 3,451,791
Lease liability	97,033	75,212	-	172,245
Convertible debenture	-	996,918	-	996,918
Director's loan	29,335	-	-	29,335
Other debt	99,608	-	-	99,608
March 31, 2025	**$ 3,677,767**	**$ 1,072,130**	**$ -**	**$ 4,749,897**

Currency risk

The Group is exposed to currency risk to the extent that monetary operational expenses are denominated in US dollar and UK Pounds sterling while the functional currency of Canadian dollar is used for reporting. The Group enters into option contracts to mitigate some of the risk of fluctuations in the exchange rate of its holding of UK pounds sterling. Changes in the fair value of the contracts and the corresponding gains or losses are recorded quarterly and are included in the fair value adjustment on option contracts in the consolidated statement of comprehensive income and loss. The Group's strategy is to reduce the risk of fluctuations associated with foreign exchange rate changes. The option contracts are held to maturity and are either exercised at for a net profit or loss or expire at no obligation to the Group.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is not exposed to significant interest rate risk.

Capital Disclosures

The Company's objectives when managing capital are to ensure its ability to continue as a going concern in order to pursue investments and opportunities which contribute to the success of the Company while providing shareholder returns. The company attempts to maximize returns to shareholders by also minimizing shareholder dilution and, when possible utilizing non-dilutive funding arrangements.

The Company includes equity comprised of share capital, contributed surplus, warrant reserve, options reserve and accumulated deficit in its definition of capital. The Company has financed it operations and capital requirements primarily through the issuance of shares and secured and convertible notes since inception.

The Company manages its capital structure and adjusts it in light of economic conditions and risk characteristics of its underlying assets. The Company may issue new shares or raise debt. The Company is not subject to any externally imposed capital requirements.

Share Capital

Authorized
The Company has an unlimited number of authorized voting common shares (the "Common Shares").

Issued
The outstanding share capital is as follows:

	Shares	Amount	Share issuance costs	Total
	#	$	$	$
As at March 31, 2025 and 2026	**162,254,339**	**17,121,061**	**(13,714)**	**17,107,347**

Warrants

The continuity of the outstanding equity warrants is as follows:

	Number of Warrants	Weighted average exercise price
		$
As at March 31, 2025 and March 31, 2026	15,532,712	0.06
Exercisable as at March 31, 2025 and March 31, 2026	**15,532,712**	**0.06**

Options

The Company has a stock option plan to be used to grant stock options to directors, management, employees, management company employees and consultants as a form of compensation. The number of common shares reserved for issuance of stock options is limited to a maximum of 10% of the issued and outstanding shares of the Company at any one time. There are no options outstanding at March 31, 2026 (2025: nil).

Risk Factors

Risks Relating to the Company's Common Shares

The Company has not paid any cash dividends on its common shares and, for the foreseeable future, the Company does not intend to pay any cash dividends on its common shares and therefore its shareholders may not be able to receive a return on their shares unless they sell them. Any decision to pay dividends on the common shares of the Company will be made by the Board of Directors based on the assessment of, among other factors, earnings, capital requirements and the operating and financial condition of the Company.

The market price and trading volume of the Company's common shares have been volatile and may continue to be volatile in the future. Variations in earnings estimates by securities analysts and the market prices of the securities of competitors may also lead to fluctuations in the trading price of the common shares. In addition, the financial markets may experience significant price and volume fluctuations that affect the market price of the Company's common shares that are not related to the Company's operating performance. Broad market fluctuation and economic conditions generally, may adversely affect the market price of the Company's common shares.

The significant costs that the Company will incur as a result of being a public company in Canada could adversely affect its business.

Regulatory Compliance

In the normal course of operations, the Company is subject to various regulations, and violation of these could limit markets into which it can sell or lead to unknown liabilities. The Canadian consumer finance industry is subject to a complex and evolving regulatory environment. Federal and provincial authorities regulate interest rates, lending disclosures, debt collection practices, anti-money laundering (AML) compliance, and data privacy standards. Regulatory shifts, such as caps on maximum allowable interest rates or changes in licensing requirements, may significantly impact Cash Today's revenue model, operational cost base, and scalability. Heightened regulatory scrutiny, or failure by Cash Today to comply with applicable laws, could result in fines, sanctions, or reputational damage, which may materially reduce the value of the Company's investment and lead to adverse financial reporting outcomes. The Company considers itself well prepared and operates under caution to ensure the highest levels of safety and compliance exist.

Legal Matters

In the normal course of operations, the Company may be subject to a variety of legal proceedings, including commercial, product liability, employment, as well as governmental and other regulatory investigations and proceedings. Such matters can be time-consuming, divert management's attention and resources, and can cause the Company to incur significant expenses. Furthermore, because litigation is inherently unpredictable, and can be very expensive, the results of any such actions may have a material adverse effect on our business, operations, or financial condition.

Management of Growth

The Company may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of the Company to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of the Company to deal with this growth may have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

While management believes that it will have made the necessary investments in infrastructure to process anticipated volume increases in the short term, the Company may experience growth in the number of its employees and the scope of its operating and financial systems, resulting in increased responsibilities for the Company's personnel, the hiring of additional personnel and, in general, higher levels of operating expenses. In order to manage its current operations and any future growth effectively, the Company will also need to continue to implement and improve its operational, financial and management information systems and to hire, train, motivate, manage and retain its employees. The Company will periodically review and manage its systems and processes through introduction of necessary planning solutions, as well as human resource functions, however there can be no assurance that the Company will be able to manage such growth effectively, that its management, personnel or systems will be adequate to support the Company's operations or that the Company will be able to achieve the increased levels of revenue commensurate with the increased levels of operating expenses associated with this growth.

In addition, contemplated collaborations involve numerous risks, including, but not limited to: substantial cash expenditures; technology development risks; potentially dilutive issuances of equity securities; incurrence of debt and contingent liabilities, some of which may be difficult or impossible to identify at the outset; difficulties in maintaining partnerships; potential disputes regarding contingent consideration; diverting the Company's management's attention away from other business concerns; entering markets in which the Company has limited or no direct experience; and potential loss of the Company's key employees or key employees. The Company's management has experience in entering collaborations; however, the Company cannot provide assurance that any collaboration will result in short-term or long-term benefits to it. Furthermore, the development or expansion of the Company's business may require a substantial capital investment by the Company.

Exposure to Subprime Credit Risk

The Company's recent investment in Cash Today Inc., a Canadian consumer finance company, involves inherent credit risk due to the nature of its target market, namely underbanked individuals and small businesses that may lack access to traditional financial institutions. These borrowers often have limited or poor credit histories, irregular income sources, or volatile cash flows, all of which contribute to a higher probability of delinquency or default. Although the debenture is secured, the collateral value may not fully cover outstanding obligations in adverse scenarios. Additionally, any deterioration in macroeconomic conditions, such as rising interest rates, inflationary pressure, or regional economic downturns, may further impair the borrower's repayment capacity, thereby increasing credit losses and negatively impacting the performance and valuation of the Company's investment.

Liquidity Risk

The Company's recent investment in Cash Today Inc. consists of a senior secured debenture issued by a single private company operating in a specialized segment of the financial services sector. This concentrated exposure increases our vulnerability to risks specific to the issuer's operational performance and ability to service its debt obligations. While the debenture is secured by a first-priority claim over substantially all of the issuer's assets, there can be no assurance that the collateral will be sufficient to satisfy the obligation in the event of default or liquidation. As the debenture is issued by a non-public entity, it is inherently illiquid, with no active secondary market, and the ability to exit the position may be limited by a lack of qualified buyers or unfavorable market conditions. Should the issuer encounter financial distress or become unable to raise additional capital, the value of the debenture could be impaired, potentially affecting the recoverability of principal and interest.

Concentration Risk

The Company's recent financing provided to Cash Today Inc. represents a concentrated and material commitment to a single private company, which operates in a specialized segment of the financial services sector. This lack of diversification increases the Company's exposure to idiosyncratic risk tied to the borrower's operating and financial performance. There is limited or no public market for the securities held, and any attempt to divest our position may be constrained by a lack of buyers, contractual lock-up periods, or unfavorable pricing. In the event the company requires additional capital and is unable to raise funds on acceptable terms, or at all, it may experience financial distress that could jeopardize the Company's recovery of invested capital.

Reputational Risk

Engagement in lending to subprime or non-prime consumers can attract public and regulatory scrutiny, especially when involving high interest rates, aggressive collection tactics, or vulnerable populations. Even though the Company is not directly involved in the day-to-day operations of Cash Today Inc., the Company's affiliation as an investor may result in reputational risk. Negative media coverage, consumer complaints, or political pressure surrounding the investee's practices could influence public perception of the Company, potentially affecting stakeholder relationships, brand equity, or access to capital.

Confidentiality of Proprietary Information

The Company and its subsidiaries' employees and consultants have access, in the course of their duties, to proprietary information of clients of the Company and specifically their formulations, research data, marketing strategies, and trade secrets. The Company endeavors to maintain strict confidentiality agreements and internal data protection policies with regards to the proprietary material of its clients', however there can be no guarantee that these existing policies, procedures, and systems will be sufficient to address the privacy concerns of existing and future clients in the event that a breach of privacy occurs as a result of inadvertent disclosure, misappropriation, cyberattacks, employee misconduct, or breaches of physical or digital security protocols.. If a client's privacy is violated, or if the Company is found to have violated any law or regulation, it could be liable for damages or for criminal fines and/or penalties.

People and Process Risk

A variety of factors may affect the Company's future growth and operating results, including the strength and demand for the Company's services, the extent of competition in our markets, the ability to recruit and retain qualified personnel, and the ability to address consumer demand. The Company relies on certain key employees whose skills and knowledge are critical to maintaining the Company's success. The Company always strives to identify and retain key employees and always strives to be competitive with compensation and working conditions.

Management’s responsibility for financial reporting

Under the supervision of the CEO and CFO, the Company maintains systems of internal accounting and administrative controls to provide reasonable assurance that the financial information is relevant, reliable, and accurate, and that transactions are authorized, assets are safeguarded, and proper records are maintained. Internal controls over financial reporting, no matter how well designed, have inherent limitations, and may not prevent or detect all misstatements. There were no changes to the Company’s internal control over financial reporting during the year ended March 31, 2026 that have materially affected, or are reasonably likely to materially affect, the Company’s internal control over financial reporting.

The Board of Directors is responsible for ensuring that management fulfills its responsibility principally through its Audit Committee.