PROGRESSIVE PLANET SOLUTIONS INC.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited – Prepared by Management)

FOR THE THREE MONTHS ENDED JULY 31, 2026, AND 2025

(Expressed in Canadian Dollars)

Registered Head Office
724 Sarcee Street East
Kamloops, British Columbia
V2H 1E7

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

PROGRESSIVE PLANET SOLUTIONS INC.
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Unaudited - Expressed in Canadian dollars)
AS AT,

	July 31, 2026	April 30, 2026
ASSETS		
Current		
Cash and cash equivalents (Note 3)	$ 2,544,068	$ 2,247,720
Accounts receivable (Note 4)	1,809,405	1,762,811
Inventories (Note 5)	3,061,799	2,408,195
Prepaid expenses and other	415,197	388,163
	7,830,469	6,806,889
Investments in public companies (Note 6)	-	1,147,390
Lease receivable (Note 7)	222,471	233,813
Investment in a private company (Note 8)	459,000	468,000
Property, plant and equipment (Note 9)	18,718,442	18,500,073
Mineral properties (Note 10)	2,214,806	2,081,651
Exploration and evaluation assets (Note 11)	62,473	62,473
	$ 29,507,661	$29,300,289
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (Note 12)	$ 2,442,267	$ 2,901,762
Deferred grant income (Note 13)	410,434	834,301
Lease obligations - current (Note 14)	133,443	121,128
Loans payable - current (Note 15)	272,121	292,691
Asset retirement obligations - current (Note 16)	20,000	20,000
	3,278,265	4,169,882
Long-term lease obligations (Note 14)	1,662,453	1,692,348
Long-term loans payable (Note 15)	5,329,669	5,376,867
Asset retirement obligations (Note 16)	320,669	319,182
Deferred income tax liability	1,882,355	1,985,149
	12,473,411	13,543,428
Shareholders' equity		
Share capital (Note 17)	30,259,620	30,052,803
Share-based payment reserve (Note 17)	6,384,396	6,423,755
Deficit	(19,609,766)	(20,719,697)
	$ 17,034,250	$ 15,756,861
	$ 29,507,661	$29,300,289

Commitments (Note 18)
Contingencies (Note 19)

Approved on behalf of the Board:

/s/ Stephen Harpur Director /s/ Randy Gue Director

PROGRESSIVE PLANET SOLUTIONS INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME
(Unaudited - Expressed in Canadian dollars, except number of shares)
FOR THE THREE MONTHS ENDED JULY 31,

	2026	2025
REVENUE (Note 24)	$ 7,296,702	$ 5,914,187
COST OF SALES		
Cost of goods sold (Note 5)	3,331,517	2,593,133
Freight	1,232,511	819,001
Amortization and depreciation (Note 9)	229,417	220,835
Depletion	5,500	4,236
	4,798,945	3,637,205
GROSS PROFIT	2,497,757	2,276,982
EXPENSES		
Selling expenses:		
Advertising and other	188,303	192,986
Personnel (Note 20)	251,526	183,297
	439,829	376,283
Research and development costs	472,982	138,301
General and administrative expenses:		
Office and administration (Note 20)	306,402	314,795
Personnel (Note 20)	244,960	299,653
Share-based compensation (Notes 17 and 20)	2,458	228,800
Consulting fees	3,657	-
Professional fees (Note 20)	103,345	201,789
	660,822	1,045,037
	1,573,633	1,559,621
INCOME FROM OPERATIONS	924,124	717,361
Finance costs	(94,811)	(91,630)
Grant income (Note 13)	234,182	447,454
Loss on investments in public companies (Note 6)	(117,476)	(565)
Other income (expense) (Note 21)	62,247	55,238
Income before income taxes	1,008,266	1,127,858
Current income tax expense	1,129	-
Deferred income tax recovery	(102,794)	(469,854)
Income and comprehensive income for the period	$ 1,109,931	$1,597,712
Basic and diluted income per common share	$ 0.01	$ 0.01
Weighted average number of common shares outstanding – basic	110,646,508	109,761,943
- diluted	113,481,335	110,144,175

PROGRESSIVE PLANET SOLUTIONS INC.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Unaudited - Expressed in Canadian dollars, except number of shares)
FOR THE PERIOD APRIL 30, 2025 TO JULY 31, 2026

	Number of shares		Share capital		Share-based payment reserve		Deficit		Total equity
April 30, 2025	109,761,943	$	29,913,928	$	6,223,501	$	(21,755,512)	$	14,381,917
Share-based compensation	-		-		228,800		-		228,800
Net income for the period	-		-		-		1,597,712		1,597,712
July 31, 2025	109,761,943	$	29,913,928	$	6,452,301	$	(20,157,800)	$	16,208,429
Share-based compensation	-		-		8,379		-		8,379
Exercise of stock options	540,000		138,875		(36,925)		-		101,950
Net loss for the period	-		-		-		(561,897)		(561,897)
April 30, 2026	110,301,943	$	30,052,803	$	6,423,755	$	(20,719,697)	$	15,756,861
Share-based compensation	-		-		2,458		-		2,458
Exercise of stock options	600,000		206,817		(41,817)		-		165,000
Net income for the period	-		-		-		1,109,931		1,109,931
July 31, 2026	110,901,943	$	30,259,620	$	6,384,396	$	(19,609,766)	$	17,034,250

PROGRESSIVE PLANET SOLUTIONS INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited - Expressed in Canadian dollars)
FOR THE THREE MONTHS ENDED JULY 31,

	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Income for the period	$ 1,109,931	$ 1,597,712
Adjustments:		
Reclamation work performed on mineral properties	-	(5,727)
Amortization and depreciation	241,520	220,835
Depletion	5,500	4,236
Share-based compensation	2,458	228,800
Finance costs	94,811	91,630
Gain on foreign exchange	-	(17,979)
Loss (Gain) on disposal of property, plant & equipment assets	4,761	(30,831)
Loss on investments in public companies	117,476	565
Loss on investment in a private company	9,000	-
Realized gain on settlement of lease liability	-	(14,166)
Deferred income tax recovery	(102,794)	(469,854)
Net change in non-cash operating working capital (Note 22)	(1,610,594)	(1,103,491)
Net cash (used in) provided by operating activities	(127,931)	501,730
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(435,577)	(411,151)
Proceeds from disposition of property, plant and equipment	-	36,200
Mineral property additions (Note 10)	(137,168)	(145,008)
Exploration and evaluation of assets acquisition and expenditures	-	(59,220)
Purchase of shares in a public company (Note 6)	-	(77,265)
Proceeds from dispositions of shares in public companies (Note 6)	1,029,914	-
Net cash provided by (used in) investing activities	457,169	(656,444)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from loan financing	-	5,680,000
Loan repayments	(138,940)	(6,165,608)
Repayment of bank indebtedness	-	(6)
Payments on lease obligations	(70,291)	(52,423)
Lease payments received	11,341	7,186
Proceeds from the exercise of stock options	165,000	-
Net cash used in financing activities	(32,890)	(530,851)
Change in cash during the period	296,348	(685,565)
Cash and cash equivalents, beginning of period	2,247,720	5,428,513
Cash and cash equivalents, end of period	$ 2,544,068	$ 4,742,948

Supplemental cash flow information (Note 22)

(Unaudited - Expressed in Canadian dollars)

1. NATURE OF OPERATIONS

Progressive Planet Solutions Inc. (the "Company") was incorporated under the laws of British Columbia, Canada on November 10, 2006. The Company's shares trade on the TSX Venture Exchange under the trading symbol PLAN and on the Frankfurt Stock Exchange under the symbol ARB3. On August 17, 2022, the Company's shares were listed to trade on the OTCQB Venture Market under the trading symbol ASHXF.

The Company is a manufacturer of mineral-based products derived from diatomaceous earth, zeolite, and bentonite that is headquartered in Kamloops, BC. In conjunction with these manufacturing operations, the Company is the sole owner of a diatomaceous earth mine located near Kamloops and a bentonite mine, located near Princeton, BC, as well as the operator and partial owner of a zeolite mine, also located near Princeton. The Company is also engaged in research and development activities to expand the current operations by developing products for the agricultural and supplementary cementitious materials markets.

2. BASIS OF PREPARATION

(a) Statement of compliance:

These condensed consolidated financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting as issued by the International Accounting Standards Board ("IASB"). These statements should be read in conjunction with the Company's audited annual consolidated financial statements ended April 30, 2026.

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB of the International Financial Reporting Interpretations Committee. However, these updates either are not applicable to the Company or are not material to these consolidated financial statements.

The condensed consolidated financial statements were approved and authorized for issue by the Board of Directors on September 24, 2026.

(b) Basis of presentation:

These consolidated financial statements have been prepared on the historical cost basis, except for where otherwise stated. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

(c) Basis for consolidation:

These consolidated financial statements include the accounts of the Company and its subsidiaries. Subsidiaries are all entities over which the Company has control. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control is transferred to the Company until the date that control ceases. All intercompany transactions and balances are eliminated on consolidation. These consolidated financial statements include the accounts of the Company and its subsidiaries as described below:

Company	Location	Ownership Interest
Progressive Planet Products Inc.	BC, Canada	100%
0820443 B.C. Ltd.	BC, Canada	100%
Progressive Planet Alberta Inc.	Alberta, Canada	100%
Progressive Planet US LLC	Oregon, United States	100%

2. BASIS OF PREPARATION (cont'd…)

(d) Functional and presentation currency:

These consolidated financial statements are presented in Canadian dollars, which is the functional currency of the Company and its subsidiaries, with the exception of Progressive Planet US LLC, whose functional currency is US dollars.

(e) Use of estimates and judgments:

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

Information about judgments made that have the most significant effects on the amounts recognized in the financial statements include:

i) The recognition of deferred tax assets (which are deducted from the Company's deferred income tax liability).

ii) The measurement of raw material inventory stockpiles involves the use of significant judgments and assumptions, including the volume and bulk density of that material.

iii) Identification and correct interpretation of indicators of impairment of the Company's assets.

Areas of estimation uncertainty that may have a significant effect on the amounts recognized in the consolidated financial statements, and could result in a material adjustment within the next fiscal year is included in the following notes:

i) The measurement of the fair value of investment in a private company (Note 8).

ii) The expected taxable income the Company will generate in the subsequent 12-month period which is the basis for recognising unused tax losses or other deductible amounts.

Material Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, unless otherwise indicated.

(f) Revenue recognition:

The Company recognizes sales on deliveries once the goods are accepted at the customer's premises, and for customer pick-up orders, at the point of sale, which is when the customer obtains control, collection of the relevant receivable is probable, persuasive evidence of an arrangement exists and the sales price is fixed or determinable. Invoices are generated at time of shipment or pickup, as the case may be, and they are usually payable within 45 days. Revenue is measured based on the consideration specified in a contract with a customer. These contracts usually specify discounts granted. Therefore, discounts are recognized as a reduction of revenue. For contracts that permit the customer to return an item, revenue is recognized to the extent that a significant reversal in the amount of cumulative revenue will not occur. Returns are exchanged only for new goods. Revenue is recognized at a point in time and sales are made to customers in Canada and the United States.

2. BASIS OF PREPARATION (cont'd…)

(g) Cash and cash equivalents:

Cash and cash equivalents are held for the purpose of meeting short-term cash commitments and form an integral part of the Company's cash management. They include cash on hand, balances with bank and short-term deposits that are redeemable without penalty with less than three months' notice at the time of acquisition. Their carrying amount approximates their fair value.

(h) Inventories:

Raw materials and finished goods inventories are recorded at the lower of cost (determined on a weighted average basis) and net realizable value. Finished goods cost includes direct costs and attributable manufacturing overhead. Supplies are recorded at the lower of cost (determined on a weighted average basis) and replacement value.

Stockpiled ore inventories represent ore that has been extracted from the mine and is available for further processing. The average costs included in stockpiled ore inventories are based on mining costs incurred up to the point of stockpiling the ore, including depreciation and depletion related to mineral properties and equipment and are removed at the weighted average cost as ore is processed. The measurement of stockpiles involves the use of significant judgments and assumptions, including the volume of the stockpiles and bulk density. Stockpiled ore that is not expected to be processed within the next 12 months is classified as non-current.

The Company estimates net realizable value as the amount of inventories expected to be sold and taking into consideration fluctuations in price, less estimated costs necessary to make the sale. Inventories are written down to net realizable value when the cost of the inventories is not estimated to be recoverable due to obsolescence, damage or permanent declines in selling price. When circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in retail selling price, the amount of the write down previously recorded is reversed.

(i) Lease Receivables:

The Company classifies any assets leased to a third-party as either finance leases or operating leases. Under a finance lease, substantially all the risks and rewards of ownership of the asset are transferred to the lessee. Under an operating lease, the lessee obtains the right to use the asset for a period of time, but does not obtain substantially all the risks and rewards of ownership.

At the inception of a finance lease, the Company derecognizes the underlying asset (for example, an equipment asset) from its balance sheet and correspondingly recognizes a lease receivable. The lease receivable represents the present value of the future lease payments the Company will receive under the terms of the lease agreement.

The lease receivable is reduced as lease payments are received by the Company. Further, the Company recognizes interest income over the lease term based on the interest rate embedded in the lease.

2. BASIS OF PREPARATION (cont'd…)

(j) Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Costs include expenditures that are directly attributable to the acquisition of the asset. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized in the consolidated statement of income and comprehensive income.

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value. Depreciation is recognized in the consolidated statement of income and comprehensive income on a diminishing balance basis over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. In specific cases, the Company depreciates assets on a straight-line basis if it more appropriately reflects the consumption of future economic benefits embodied in the asset (i.e., the depreciation of right of use assets).

Asset	Estimated Useful Life
Buildings	20 to 40 years
Equipment	5 to 20 years
Vehicles	3 to 10 years

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

(k) Leases

At inception of a contract, the Company 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.

The Company recognizes a right of use asset and a lease liability at the lease commencement date (for new leases) or at the lease assumption date (for leases which exist and the Company is assuming from a third party). The right of use 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 (including any amount paid to assume a lease) and an estimate of any 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. Right of use assets are included in the Company's Property, Plant and Equipment balance as presented on the Consolidated Statement of Financial Position.

The right of use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. In addition, the right of use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

2. BASIS OF PREPARATION (cont'd…)

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 Company's incremental borrowing rate. The Company 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 the asset leased.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company 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 remeasured in this way, a corresponding adjustment is made to the carrying amount of the right of use asset or is recorded in the consolidated statement of income and comprehensive income if the carrying amount of the right of use asset has been reduced to zero.

The Company has elected not to recognize right of use assets and lease liabilities for leases of low-value assets and short-term leases where no purchase option exists. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(l) Exploration and evaluation assets

Exploration and evaluation activity involves the search for mineral resources, the determination of technical feasibility and the assessment of commercial viability of an identified resource. Exploration and evaluation activity includes exploratory drilling and sampling, surveying transportation and infrastructure requirements, and gathering exploration data through geophysical studies. The Company capitalizes these costs as exploration and evaluation assets.

In addition, the Company capitalizes any direct costs of acquiring resource property interests as exploration and evaluation assets. Option payments are considered acquisition costs if the Company has the intention of exercising the underlying option.

When technical feasibility and commercial viability of extracting a mineral resource are demonstrable for an area of interest, the Company stops capitalizing exploration and evaluation costs for that area, tests recognized exploration and evaluation assets for impairment and reclassifies any unimpaired exploration and evaluation assets as mineral properties.

Exploration and evaluation assets are not amortized. Exploration and evaluation assets are assessed for impairment when there is an indication that their carrying amount exceeds their recoverable amount. Management performs a review for such impairment indicators at the end of each reporting period.

(m) Mineral properties

Mineral properties include the costs incurred for acquisition and development of the Company's mineral properties as well as related asset retirement obligations. All costs related to the development of the diatomaceous earth material mine, the bentonite clay mine and the zeolite mine including associated administrative costs have been capitalized. Depletion of such costs is provided on the units of production basis. Mineral properties are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable and exceeds its fair value.

2. BASIS OF PREPARATION (cont'd…)

(n) Government assistance / Grant Income:

The Company periodically applies for financial assistance under available government incentive programs.

Government assistance relating to capital expenditures is reflected as a reduction of the cost of such assets. Government assistance relating to expenses incurred is recognized as grant income in the consolidated statement of income and comprehensive income as other income, on a systematic basis in the periods in which the corresponding expenses are recognized.

The Company recognizes grant income when there's a reasonable assurance that the Company will meet the grant's conditions and receive it. Grant proceeds received by the Company prior to the grant's conditions being met are reported as deferred grant income. The deferred grant income is recognized as income in the consolidated statement of income and comprehensive income in the same period, and in proportion to, the expenses the Company incurs in order to meet the conditions of the grant.

(o) Provisions

i. Asset retirement obligations

The Company recognizes a future asset retirement obligation as a liability in the year in which it incurs a legal or constructive obligation associated with the retirement of tangible long-lived assets that results from the acquisition, construction, development and/or normal use of the assets based on the best estimate of the expenditure required to settle the obligation. The Company concurrently recognizes a corresponding increase in the carrying amount of the related long-lived asset that is amortized over the life of the asset.

The amount of the asset retirement obligation is estimated using the expected cash flow approach discounted at a credit adjusted interest rate based on government bonds with a similar date to maturity. Subsequent to the initial measurement, the asset retirement obligation is adjusted at the end of the reporting period to reflect the passage of time and changes in the estimated future cash flows underlying the obligation. Changes in the obligation due to the passage of time are recognized in the consolidated statement of income and comprehensive income as finance costs using the effective interest method. Changes in the obligation due to changes in estimated cash flows are recognized as an adjustment of the carrying amount of the related long-lived asset that is amortized over the remaining life of the asset.

Establishing the appropriate provision for asset retirement obligations involves application of considerable judgment and risk of significant adjustments. These retirement activities are many years into the future hence the estimates include assumptions of the time required. Changes in the discount rate may impact the estimates. As a result, the initial recognition of the liability and the capitalized cost associated with the retirement obligations as well as the subsequent adjustment involves the application of judgment.

2. BASIS OF PREPARATION (cont'd…)

ii. Other provisions

A provision is recognized if, because of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined using the expected future cash flows discounted, if material, at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance expense in net income or loss.

(p) Income taxes

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

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination; affects neither accounting nor taxable profit or loss; and does not give rise to equal taxable and deductible temporary differences. Temporary differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future are also not recognized. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis, or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(q) Financial Instruments

Recognition and initial measurement

Trade receivables are initially recognized when they are originated. All other financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and liabilities are initially measured at fair value plus or minus transaction costs that are directly attributable to its acquisition or issue. Trade receivables, without a significant financing component, are initially measured at the transaction price.

2. BASIS OF PREPARATION (cont'd…)

Classification and subsequent measurement

Financial assets:

The Company's financial assets are cash and cash equivalents, accounts receivable, investments in public companies, lease receivable, and investment in a private company. On initial recognition, a financial asset is classified as: amortized cost, fair value through other comprehensive income ("FVOCI"), or fair value through profit or loss ("FVTPL").

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and

- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

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

Financial assets at amortized cost are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairments are recognized in consolidated statement of income and comprehensive income. Any gain or loss on derecognition is also recognized in the consolidated statement of income and comprehensive income.

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

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows.

Financial liabilities:

The Company's financial liabilities are accounts payable and accrued liabilities and loans payable. On initial recognition, a financial liability is classified as: amortized cost or fair value through profit or loss ("FVTPL")

All of the Company's financial liabilities are classified at amortized cost. They are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in the consolidated statement of income and comprehensive income. Any gain or loss on derecognition is also recognized in the consolidated statement of income and comprehensive income.

2. BASIS OF PREPARATION (cont'd…)

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid is recognized in the consolidated statement of income and comprehensive income.

Financial assets and liabilities are offset, and the net amount presented in the statement of financial position when, and only when, the Company has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(r) Foreign transactions

Transactions in foreign currencies are translated into the functional currency of the Company using the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the rate at the reporting date. Non-monetary assets and liabilities that are measured on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange gains and losses on translation of monetary assets and liabilities are recognized in the consolidated statement of income (loss) and consolidated income (loss).

If applicable, assets and liabilities of foreign operations are translated into the functional currency at the exchange rates at the reporting date. Income and expenses of foreign operations are translated into the functional currency at the dates of the transactions. Foreign currency differences are recognized in other comprehensive income or loss and accumulated in the translation reserve. When a foreign operation is disposed of in its entirety, the cumulative amount in the translation reserve related to that foreign operation is reclassified to the consolidated statement of income and comprehensive income as part of the gain or loss on disposal.

(s) Employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

The Company has a stock-based compensation plan, which is described in note 17. Equity instruments awarded to employees and the cost of the services received as consideration are measured and recognized based on the fair value of the equity instruments. The grant-date fair value is generally recognized as an expense, with a corresponding increase in equity over the vesting period of the awards. Consideration paid on the exercise of stock options is recorded as share capital, up to the fair value of the issued shares and the remaining amount to share-based payment reserve.

Under the fair value-based method, the compensation cost is recognized over the vesting period of the awards. Awards for past service are recognized as an expense in the period when granted.

2. BASIS OF PREPARATION (cont'd…)

(t) Impairment

i. Non-derivative financial assets

The Company recognizes loss allowances for expected credit losses ("ECLs") on financial assets measured at amortized cost. Loss allowances for trade receivables are measured at an amount equal to lifetime ECLs. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial asset. Twelve-month ECLs are the portion of ECLs that result from default events that are possible within twelve months after the reporting date (or a shorter period of the expected life of the instrument is less than twelve months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk. ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls. ECLs are discounted at the effective interest rate of the financial asset.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment, which includes forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when:
- The debtor is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realizing security (if any is held); or
- The financial asset is more than 90 days past due.

At each reporting date, the Company assesses whether the financial assets carried at amortized cost 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 assets have occurred. Evidence that a financial asset is credit-impaired includes observable data such as significant financial difficulty of the debtor and a breach of contract such as a default or being more than 90 days past due.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

Write off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Company has a policy of writing off the gross carrying amount when the financial asset is 120 days past due based on historical experience of recoveries of similar assets.

ii. Non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

2. BASIS OF PREPARATION (cont'd…)

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash generating units ("CGU"). The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the assets.

Impairment loss is recognized in the consolidated statement of income and comprehensive income if the carrying amount of an asset or CGU exceeds its recoverable amount. Non-financial assets that have been impaired in prior periods are reviewed for possible reversal of the impairment at each reporting date. When identified, a reversal of an impairment loss is recognized in the consolidated statement of income (loss) and comprehensive statement of income (loss) immediately, the amount of which would not exceed the depreciated cost of the asset had it not been previously impaired.

(u) Share capital

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

When shares recognised as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in the treasury share reserve until they are cancelled.

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the most easily measured component based on fair value and then the residual value, if any, to the less easily measurable component. Any fair value attributed to warrants is recorded as share-based payment reserve.

(v) Finance costs

The Company's finance costs include interest expense on loans and leases. Interest expense is recognized as it accrues in the consolidated statement of income and comprehensive income, using the effective interest method. The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset, or the amortized cost of the financial liability.

(w) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. When one is available, the Company measures the fair value of an instrument using the quoted price in active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

2. BASIS OF PREPARATION (cont'd…)

If there is no quoted price in active market, then the Company uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would consider in pricing a transaction.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e., the fair value of the consideration given or received. If the Company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price.

(x) Share-based compensation

The Company grants stock options to acquire common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes or provides services similar to those performed by an employee. The fair value of stock options and compensatory warrants are measured on the date of grant, using the Black-Scholes option pricing model, and are recognized over the vesting period. Consideration paid for the shares on the exercise of stock options is credited to share capital.

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

(y) Income per share

The Company presents basic income per share for its common shares, calculated by dividing the net income attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted income per share is calculated by adjusting the weighted average number of common shares outstanding for dilutive instruments. The number of shares included with respect to options, warrants and similar instruments is computed by assuming that outstanding options, warrants and similar instruments were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive. All of the Company's 5,975,000 stock options outstanding at July 31, 2026 are included in the income per share calculation as the effect would be dilutive.

(z) Contingencies

Contingent assets and contingent liabilities are not recognized in the consolidated financial statements. Contingent assets and contingent liabilities are possible assets or possible obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. A contingent liability can also be a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability. Contingent assets and contingent liabilities are continually assessed to ensure developments are appropriately reflected in the consolidated financial statements.

(Unaudited - Expressed in Canadian dollars)

3. CASH AND CASH EQUIVALENTS

	July 31, 2026	April 30, 2026
Cash	$ 1,444,305	$ 2,247,720
Cash equivalents	1,099,763	-
Cash and cash equivalents	$ 2,544,068	$ 2,247,720

Cash equivalents

As at July 31, 2026, the Company held $1,099,763 in a Government of Canada T-Bill. The T-Bill bears interest at 2.2% per annum, for a period of 30 days (maturing on August 26, 2026).

4. ACCOUNTS RECEIVABLE

	July 31, 2026	April 30, 2026
Trade receivables	$ 1,774,236	$ 1,653,297
Commodity tax recoverable	33,642	94,972
Other receivables	1,527	14,542
	$ 1,809,405	$ 1,762,811

5. INVENTORIES

	July 31, 2026	April 30, 2026
Finished goods	$ 381,355	$ 342,266
Raw materials	764,490	584,808
Supplies	1,915,954	1,481,121
	$ 3,061,799	$ 2,408,195

Inventories have been pledged as security for the Company's long-term debt (Note 15) in accordance with the respective agreement. During the three-month periods ended July 31, 2026, and 2025, no write-downs of inventories or reversals of previously recognized write-downs of inventories occurred.

(Unaudited - Expressed in Canadian dollars)

6. INVESTMENTS IN PUBLIC COMPANIES

During the three-month period ended July 31, 2026, the Company disposed of all its common shares in two Canadian public companies. These shares were classified as and subsequently measured at FVTPL.

The following is a summary of the Company's public company investment for the year ended April 30, 2026, and the three-month period ended July 31, 2026:

	Public Company #1	Public Company #2	Total
Balance, April 30, 2025	$ 420,700	$ -	$ 420,700
Shares purchased	605,955	43,272	649,227
Shares disposed of	(86,072)	-	(86,072)
Gain from change in fair value (Note 23)	162,617	918	163,535
Balance, April 30, 2026	1,103,200	44,190	1,147,390
Shares disposed of	(985,414)	(44,500)	(1,029,914)
Loss from change in fair value (Note 23)	(117,786)	310	(117,476)
Balance, July 31, 2026	$ -	$ -	$ -

7. LEASE RECEIVABLE

During the fiscal year ended April 30, 2026, the Company entered into an agreement to lease an under-utilized equipment asset to a third-party. The Company assessed the lease to be a finance lease as substantially all the risks and rewards of ownership were transferred to the third-party lessee. The lease has a term of 66 months with monthly lease payments of $4,800 (combined interest and principal) in addition to a down payment of $25,000 received by the Company at the commencement of the lease. The interest rate embedded in the lease is 5.45% per annum. The Company determined the net present value of the lease payments to be $274,149 which it recognized as a lease receivable.

A summary of the changes in the Company's lease receivable balance for the years ended April 30, 2026, and the three-month period ended July 31, 2026, is as follows:

	July 31, 2026	April 30, 2026
Lease receivable, beginning of period	$ 233,813	$ -
Lease inception	-	274,149
Lease payments received	(14,400)	(52,800)
Interest income	3,058	12,464
Lease receivable, end of period	$ 222,471	$ 233,813

(Unaudited - Expressed in Canadian dollars)

8. INVESTMENT IN A PRIVATE COMPANY

The following is a summary of the Company's investment in ZS2 for the year ended April 30, 2026, and the three months ended July 31, 2026:

			Total
ZS2 Technologies Ltd. – Common shares	Common shares		
Balance, April 30, 2025	450,000	$	225,000
Unrealized gain from change in fair value (a)	-		225,000
Balance, April 30 and July 31, 2026	450,000	$	450,000
ZS2 Technologies Ltd. – Share purchase warrants	Warrants		
Balance, April 30, 2025	300,000	$	15,000
Unrealized gain from change in fair value (b)	-		3,000
Balance, April 30, 2026	300,000	$	18,000
Unrealized loss from change in fair value (c)	-		(9,000)
Balance, July 31, 2026	300,000	$	9,000
Investments in common shares and warrants of ZS2 balance:			
As at April 30, 2026		$	468,000
As at July 31, 2026		$	459,000

(a) In the year ended April 30, 2026, ZS2 issued common shares under a private placement at $1.00 per share to arm's length investors. The Company did not participate in the private placement. However, the private placement price of $1.00 per share was an indicator of the fair value of the ZS2 shares as at April 30, 2026. Accordingly, the Company recorded an unrealized gain of $225,000 ($0.50 per share) to increase the carrying value of the investment from $225,000 to $450,000 during the year ended April 30, 2026. ZS2 completed an additional private placement in July 2026, in which shares were also issued at $1.00 each.

(b) On April 30, 2026, the Company estimated the fair value of its 300,000 share-purchase warrants to be $18,000 ($0.06 per warrant).

(c) On July 31, 2026, the Company estimated the fair value of its 300,000 share-purchase warrants to be $9,000 ($0.03 per warrant), which was $9,000 lower than the carrying value recorded as at April 30, 2026. Accordingly, the Company recorded an unrealized loss of $9,000 during the three-month period ended July 31, 2026.

The share-purchase warrants expire on March 8, 2027 and were valued using a Black-Scholes option pricing model, with the following assumptions:

	July 31, 2026	**April 30, 2026**
Spot price per share	$1.00	$1.00
Strike price per share	$2.00	$2.00
Risk-free interest rate	2.91%	2.96%
Expected life of options	0.60 years	0.85 years
Expected annualized volatility	67.00%	67.00%
Expected dividend rate	0.00%	0.00%

(Unaudited - Expressed in Canadian dollars)

9. PROPERTY, PLANT AND EQUIPMENT

A summary of the changes in the Company's property, plant and equipment for the years ended April 30, 2026, and the three months ended July 31, 2026, as follows:

	Land		Buildings		Equipment		Vehicles		Total
	Freehold	Leasehold	Owned	Leased	Owned	Leased	Owned	Leased	
Cost									
Balance, April 30, 2025	$ 2,170,000	$ 6,505,411	$ 2,273,362	$ –	$ 5,842,932	$ 402,433	$ 269,235	$ –	$ 17,463,373
Additions	–	–	764,810	135,070	4,286,672	–	–	–	5,186,552
Adjustments	–	71,754	–	–	75,124	(48,622)	–	–	98,256
Dispositions	–	–	–	–	(795,274)	–	–	–	(795,274)
Balance, April 30, 2026	2,170,000	6,577,165	3,038,172	135,070	9,409,454	353,811	269,235	–	21,952,907
Additions (a)	–	–	32,351	–	403,227	–	–	29,073	464,651
Dispositions	–	–	–	–	(119,017)	–	–	–	(119,017)
Balance, July 31, 2026	$ 2,170,000	$ 6,577,165	$ 3,070,523	$ 135,070	$ 9,693,664	$ 353,811	$ 269,235	$ 29,073	$ 22,298,541
Accumulated depreciaton									
Balance, April 30, 2025	$ –	$ 647,936	$ 237,594	$ –	$ 1,870,644	$ 132,317	$ 186,381	$ –	$ 3,074,872
Additions	–	209,824	98,312	6,754	500,173	65,127	24,856	–	905,046
Adjustments	–	–	–	–	47,430	(47,430)	–	–	–
Dispositions	–	–	–	–	(527,084)	–	–	–	(527,084)
Balance, April 30, 2026	–	857,760	335,906	6,754	1,891,163	150,014	211,237	–	3,452,834
Additions	–	52,672	25,769	6,754	135,615	16,884	3,827	–	241,521
Dispositions	–	–	–	–	(114,256)	–	–	–	(114,256)
Balance, July 31, 2026	$ –	$ 910,432	$ 361,675	$ 13,508	$ 1,912,522	$ 166,898	$ 215,064	$ –	$ 3,580,099
Net Book Value									
Balance, April 30, 2026	$ 2,170,000	$ 5,719,405	$ 2,702,266	$ 128,316	$ 7,518,291	$ 203,797	$ 57,998	$ –	$ 18,500,073
Balance, July 31, 2026	$ 2,170,000	$ 5,666,733	$ 2,708,848	$ 121,562	$ 7,781,142	$ 186,913	$ 54,171	$ 29,073	$ 18,718,442

(Unaudited - Expressed in Canadian dollars)

9. PROPERTY, PLANT AND EQUIPMENT (cont'd…)

(a) The total value of property, plant and equipment additions for three months ended July 31, 2026, was $654,335. Of these additions, $380,434 were determined to be eligible expenditures for previously awarded government grants (see Note 13), which reimburse 49.86% of such expenditures. Accordingly, consistent with the Company's accounting policies, the value of the property, plant and equipment additions have been reduced by the corresponding grant proceeds received, which was $189,685 for the three-month period ended July 31, 2026. Of this amount, $1,461 was applied to building additions and $188,223 was applied to equipment additions.

Depreciation has not been taken on the equipment and building additions related to the Company's PozGlass pilot plant, as the facility was not fully operational as at July 31, 2026.

Property, plant and equipment have been pledged as security for the Company's long-term debt (Note 15) in accordance with the respective agreements.

During the three-month period ended July 31, 2026, $12,104 of depreciation expense was included in the Company's Research and development expense. This depreciation expense pertains to equipment purchased and facilities leased exclusively for the Company's research and development lab.

10. MINERAL PROPERTIES

A summary of the changes in the Company's mineral properties for the year ended April 30, 2026, and the three months ended July 31, 2026, is as follows:

	Red Lake Mine Savona, BC	Bud Mine Princeton, BC	Bromley Creek Mine Princeton, BC	Total
Balance, April 30, 2025	$ 803,084	$ 324,812	$ 611,575	$ 1,739,471
Additions	147,865	133,834	2,614	284,313
Change in ARO estimate (Note 16)	1,319	71,713	(2,095)	70,937
Depletion	(8,683)	(4,387)	-	(13,070)
Balance, April 30, 2026	943,585	525,972	612,094	2,081,651
Additions	21,748	114,447	973	137,168
Change in ARO estimate (Note 16)	-	-	-	-
Depletion	(3,006)	(1,007)	-	(4,013)
Balance, July 31, 2026	$ 962,327	$ 639,412	$ 613,067	$ 2,214,806

As at July 31, 2026, the Company owned 100% interests in the Red Lake Mine and the Bud Bentonite Mine, as well as 32.1% interest in the Bromley Creek Mine. The Company pays a royalty of $4.50 per metric tonne of zeolite that is mined and removed from the Bromley Creek Mine property to International Zeolite Corporation.

(Unaudited - Expressed in Canadian dollars)

11. EXPLORATION AND EVALUATION ASSETS

A summary of the changes in the Company's exploration and evaluation assets for the year ended April 30, 2026, and the three-month period ended July 31, 2026, is as follows:

	Z1 Zeolite Property, BC	Ferguson Creek Property, BC	Total
Balance, April 30, 2025	$ 1,209,200	$ -	$ 1,209,200
Acquisition payments	-	50,000	50,000
Exploration cost additions	149	12,473	12,622
Impairment	(1,209,349)	-	(1,209,349)
Balance, April 30 and July 31, 2026	$ -	$ 62,473	$ 62,473

Title to exploration and evaluation asset interests involves certain inherent risks due to the difficulty of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral claims. The Company has investigated title to all of its exploration and evaluation assets interests and, to the best of its knowledge, expects title to all of its interests to be in good standing.

Z1 Zeolite Property, British Columbia

On January 23, 2017, the Company entered into a property option agreement, subsequently amended, for the Z1 Zeolite Property, located 3 km northeast of Cache Creek, BC, for the following consideration:

i) Cash payment of $20,000 (paid);
ii) 666,667 common shares (issued at a value of $430,000);
iii) 333,333 common shares (issued at a value of $105,000); and
iv) incur $500,000 of exploration expenditures on or before January 23, 2019 (incurred).

In November 2025, Management elected not to renew the Company's mine lease permit for the Z1 Zeolite property, which was expiring at that time. Accordingly, the Company wrote-off the entire capitalized cost of this property of $1,209,349 during the year ended April 30, 2026.

Ferguson Creek Property, British Columbia

On June 17, 2025, the Company entered into a purchase agreement to acquire a 100% interest in a pozzolan mineral property near Ferguson Creek, BC, for the following consideration:

i) $50,000 cash payment on June 17, 2025 (paid).
ii) $25,000 cash payment due within five days following the issuance of a bulk sample permit.
iii) $50,000 cash payment due within five days following the issuance of a mine permit.

(Unaudited - Expressed in Canadian dollars)

12. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Included in accounts payable and accrued liabilities are government remittances payable of $14,565 as at July 31, 2026 (April 30, 2026 - $73,151), which include amounts payable for Corporate taxes, GST, PST, EHT, payroll related taxes, workers' compensation and other federal remittances.

13. DEFERRED GRANT INCOME

Effective November 18, 2024, the Company was awarded a grant from Sustainable Development Technology Canada ("SDTC") to support the Company's construction of a pilot plant to produce PozGlass™, a low-carbon supplementary cementitious material derived from post-consumer glass. The total grant award from SDTC was equal to 40% of the Company's anticipated pilot plant project costs, to a maximum of $4,636,468. The first tranche of SDTC grant funding was received by the Company on January 31, 2025, in the amount of $1,555,682. A second tranche, in the amount of $1,112,509, was received in March 2026.

Additionally, effective March 25, 2025, the Company was awarded a grant from B.C.'s Innovative Clean Energy Fund ("ICE"), which was also to support the Company's construction of the PozGlass™ pilot plant. The total grant award from ICE was equal to 9.86% of the Company's anticipated pilot plant project costs, to a maximum of $1,140,000. The first tranche of ICE grant funding was received by the Company in April 2025 in the amount of $602,569. A second tranche of ICE grant funding in the amount of $268,715 was received in March 2026.

During the three-month period ended July 31, 2026, the Company incurred $850,113 of eligible project costs (2025: $897,420), of which $380,434 were related to the acquisition of property, plant and equipment assets (2025: Nil) and $469,679 were related to non-capital project costs (2025: $897,420). Consistent with the Company's accounting policy for recognizing government assistance, 49.86% ($189,685) of the property, plant and equipment costs were deducted from the acquisition cost of these assets (see Note 9). In addition, 49.86% ($234,182) of the non-capital eligible project costs were recognized as grant income in the statement of income and comprehensive income.

A summary of the changes in the Company's deferred grant income balance for the year ended April 30, 2026 and the three-month period ended July 31, 2026, is as follows:

	Project Funding	Project Spending			Deferred
	Grants received	Costs Incurred	Reimbursement Factor	Funding Recognized	Grant Income
Balance, April 30, 2025					$ 1,873,115
SDTC Tranche 2	$ 1,112,509				1,112,509
ICE Tranche 2	$ 268,715				268,715
Eligible project costs - non-capital		$ 1,733,996	49.86%	$ 864,571	(864,571)
Eligible project costs - capital		$ 3,119,670	49.86%	$ 1,555,467	(1,555,467)
Balance, April 30, 2026					834,301
Eligible project costs - non-capital		$ 469,679	49.86%	$ 234,182	(234,182)
Eligible project costs - capital		$ 380,434	49.86%	$ 189,685	(189,685)
Balance, July 31, 2026					$ 410,434

(Unaudited - Expressed in Canadian dollars)

14. LEASE OBLIGATIONS

The Company's leases as at April 30, 2026, and July 31, 2026, were comprised of the following:

	July 31, 2026	April 30, 2026
Equipment (1)	$ 202,618	$ 219,623
Building (2)	122,967	128,768
Land (3)	1,441,985	1,465,085
Vehicle (4)	28,326	-
	1,795,896	1,813,476
Less current portion of lease obligations	(133,443)	(121,128)
	$ 1,662,453	$ 1,692,348

(1) The Company's equipment leases balance as at July 31, 2026, is comprised of four 5-year leases for the use of four forklifts commencing between August 1, 2023 and March 1, 2024. In October 2025, the lease agreements were modified which resulted in an increase in the combined monthly lease payment to $6,571. This change resulted in an increase in the lease liability of $26,502 and a corresponding increase in the leased equipment value of $26,502 (see Note 9).

(2) The Company entered into a 5-year building lease effective February 1, 2026, for its research and development facility. Monthly lease payments are $2,444 for the first 12 months of the lease, which subsequently increase by approximately 1% on an annual basis. The Company recorded an initial value of $135,070 for this lease, based on an interest rate of 4.95%, which was an estimate of the Company's incremental cost of borrowing at the lease inception date.

(3) The Company's land leases are comprised of the following:

(a) A lease expiring June 30, 2055 (approximately 29 years remaining as at April 30, 2026) for 2.2 acres of industrial property in Kamloops, B.C. owned by the Tk'emlúps te Secwépemc First Nation. Annual lease payments increased from $27,225 to $33,990 effective January 2026. This change resulted in an increase in the lease liability of $34,042 and a corresponding increase in the leased land value of $34,042. The interest rate attributed to the lease is 4.95% based on an estimate of the Company's incremental borrowing rate at the lease modification date.

(b) A lease expiring June 30, 2055 (approximately 29 years remaining as at April 30, 2026) for 1.4 acres of industrial property in Kamloops, B.C. owned by the Tk'emlúps te Secwépemc First Nation. Annual lease payments increased from $23,595 to $29,458 effective January 2026. This change resulted in an increase in the lease liability of $29,569 and a corresponding increase in the leased land value of $29,569. The interest rate attributed to the lease is 4.95% based on an estimate of the Company's incremental borrowing rate at the lease modification date.

(c) A lease expiring June 30, 2055 (approximately 29 years remaining as at April 30, 2026) for 0.5 acres of industrial property in Kamloops, B.C. owned by the Tk'emlúps te Secwépemc First Nation. Annual lease payments increased from $8,250 to $10,300 effective January 2026. This change resulted in an increase in the lease liability of $8,142 and a corresponding increase in the leased land value of $8,142. The interest rate attributed to the lease is 4.95% based on an estimate of the Company's incremental borrowing rate at the lease modification date.

(Unaudited - Expressed in Canadian dollars)

14. LEASE OBLIGATIONS (cont'd…)

(d) A lease expiring August 31, 2055 (approximately 30 years remaining as at April 30, 2026) for 1.1 acres of industrial property in Kamloops, B.C. owned by the Tk'emlúps te Secwépemc First Nation. This lease was modified effective September 1, 2023 and annual lease payments were increased from $17,825 to $22,425 at that time. The interest rate attributed to the lease is 7.6% based on an estimate of the Company's incremental borrowing rate at the lease modification date.

(e) A lease expiring June 30, 2031 (approximately 5 years remaining as at April 30, 2026) for industrial storage property located near Kamloops, B.C. owned by a private landowner. Annual lease payments are $10,000. The interest rate attributed to the lease is 3.55% based on an estimate of the Company's incremental borrowing rate at the lease recognition date.

(4) The Company entered into a 3-year vehicle lease effective July 16, 2026. Monthly lease payments are $871 for the duration of the lease. The Company recorded an initial value of $29,073 for this lease, based on the implied interest rate in the lease of 5.29%.

During the three months ended July 31, 2026, interest expense of $23,638 (2025 - $18,854) to lease liabilities has been included in finance costs in the statement of income and comprehensive income related to these lease arrangements.

A summary of the changes in the Company's lease liabilities for the year ended April 30, 2026, and the three-month period ended July 31, 2026, is as follows:

		July 31, 2026		April 30, 2026
Lease liabilities, beginning of period	$	1,813,476	$	1,693,799
Lease additions		29,073		135,070
Lease modifications		-		98,256
Payments		(70,291)		(181,978)
Interest expense		23,638		82,495
Gain on settlement of lease liabilities		-		(14,166)
Lease liabilities, end of period	$	1,795,896	$	1,813,476

A schedule of the Company's lease maturities as at July 31, 2026, and at April 30, 2026, is as follows:

		July 31, 2026		April 30, 2026
Maturity analysis - contractual undiscounted cash flows				
Less than one year	$	225,079	$	214,490
More than one year		2,958,291		3,007,305
Total undiscounted lease liabilities	$	3,183,370	$	3,221,795

(Unaudited - Expressed in Canadian dollars)

15. LOANS PAYABLE

		July 31, 2026		April 30, 2026
Business Development Bank of Canada ("BDC") 23-year term non-revolving loan, interest at 5.05% per annum, repayable in monthly installments of $20,570 plus interest secured by a general security agreement of the Company's assets as well as first mortgages on the Company's leased properties. No principal payments were due until March 2026.	$	5,574,470	$	5,636,180
TD Auto Finance 48-month term loan, interest at 5.99% per annum, repayable in 48 equal blended payments of principal and interest of $2,176, with the final payment due on August 10, 2027		27,320		33,378
		5,601,790		5,669,558
Less current portion of loans payable		(272,121)		(292,691)
	$	5,329,669	$	5,376,867

A summary of changes in loans payable for the year ended April 30, 2026, and the three months ended July 31, 2026, is as follows:

		July 31, 2026		April 30, 2026
Loans payable, beginning of period	$	5,669,558	$	6,143,856
Loan proceeds		-		5,680,000
Loan repayments		(138,940)		(6,444,236)
Interest expense		71,172		289,938
Loans payable, end of period	$	5,601,790	$	5,669,558

16. ASSET RETIREMENT OBLIGATIONS

The Company has recorded asset retirement obligations for the estimated costs of reclaiming its mineral property assets. Due to the long-term nature of the liability, the greatest uncertainty in estimating the provision relates to the timing and costs that will be incurred. The estimated reclamation costs include costs of backfilling, grading, applying topsoil, and seeding and planting trees as required by the BC Ministry of Mining and Critical Minerals. The Company has calculated the present value of the reclamation costs as at July 31 and April 30, 2026, using a pre-tax discount rate of 3.07% and an inflation rate of 2.0%. The estimated total undiscounted cash flows for reclamation costs as at April 30 and July 31, 2026, is $445,449.

(Unaudited - Expressed in Canadian dollars)

16. ASSET RETIREMENT OBLIGATIONS (cont'd…)

The following is a reconciliation of the changes in the asset retirement obligations during the year ended April 30, 2026, and the three months ended July 31, 2026:

	July 31, 2026	April 30, 2026
Asset retirement obligations, beginning of period	$ 339,182	$ 270,439
Reclamation work performed	-	(7,484)
Change in estimated costs and assumptions	-	70,937
Accretion expense	1,487	5,290
Asset retirement obligations, end of period	340,669	339,182
Less estimated current portion	(20,000)	(20,000)
	$ 320,669	$ 319,182

17. SHARE CAPITAL AND SHARE-BASED PAYMENT RESERVE

Authorized: unlimited common shares without par value

During the three-month period ended July 31, 2026, the Company issued 600,000 common shares in relation to stock options that were exercised during the period.

During the year ended April 30, 2026, the Company issued 540,000 common shares in relation to stock options that were exercised during the period.

Stock options

The Company has a stock option plan under which it is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company. Under the plan, the exercise price of each option equals the market price of the Company's stock, less an applicable discount, as calculated on the date of grant. The options can be granted for a maximum term of five years. Vesting is determined by the Board of Directors.

(Unaudited - Expressed in Canadian dollars)

17. SHARE CAPITAL AND SHARE-BASED PAYMENT RESERVE (cont'd…)

A summary of the Company's stock option activity for the year ended April 30, 2026, and the three months ended July 31, 2026, is as follows:

	Options		Weighted Average Exercise Price
Balance, April 30, 2025	6,180,000	$	0.23
Granted	2,960,000		0.18
Exercised	(540,000)		0.19
Expired	(450,000)		0.33
Balance, April 30, 2026	8,150,000	$	0.21
Exercised	(600,000)		0.28
Expired	(1,575,000)		0.29
Balance, July 31, 2026	5,975,000	$	0.18
Exercisable, July 31, 2026	5,900,000	$	0.18

The Company did not grant any stock options during three-month period ended July 31, 2026.

As at July 31, 2026, the Company had the following stock options outstanding:

Options Outstanding	Options Exercisable	Exercise Price	Expiry Date
100,000	25,000	0.29	20-Oct-28
3,265,000	3,265,000	0.18	14-Mar-29
2,610,000	2,610,000	0.18	09-May-30
5,975,000	5,900,000		

Warrants

The Company did not issue any warrants during the year ended April 30, 2026, or the three-month period ended July 31, 2026. The Company did not have any warrants outstanding as at April 30, 2026, or at July 31, 2026.

Share-based Compensation

During the three-month period ended July 31, 2026, the Company recognized share-based compensation of $2,458 (2025 - $228,800) for stock options vesting in the period.

18. COMMITMENTS

The Company is committed to four equipment leases with combined annual lease payments totalling $78,855 for the twelve-month period following July 31, 2026 (Note 14(1)). The expiry dates of these leases range between November 30, 2028, and June 30, 2029.

The Company is committed to one building lease with payments, including additional rent, totalling $45,614 for the twelve-month period following July 31, 2026 (Note 14(2)). This lease expires January 31, 2031.

The Company is committed to four land leases with Tk'emlúps te Secwépemc and one lease with a private landowner with annual payments totalling $106,173 (Note 14(3)). The leases contain clauses allowing the rental amount to be reviewed and adjusted every five years. The lease with the private landowner expires on June 30, 2031. Three of the leases with Tk'emlúps te Secwépemc expire on June 30, 2055 and one lease expires on August 31, 2055.

The Company is committed to a vehicle lease with annual payments totalling $10,455 for the twelve-month period following July 31, 2026 (Note 14(4)). This lease expires on July 16, 2029.

The Company is committed to a non-revolving 23-year term loan payable to BDC in the amount of $5,574,470. Annual principal payments on this loan are $246,840 and the interest rate is equal to 5.05% per annum. The loan matures on November 23, 2049.

The Company is committed to a non-revolving 48-month term loan payable to TD Auto Finance in the amount of $27,320, with an annual interest rate of 5.99%. Annual combined principal and interest payments on this loan are $26,109. The loan matures on August 10, 2027.

19. CONTINGENCIES

Due to the nature of the Company's operations, various contingencies such as, but not limited to, environmental obligations, litigation, regulatory proceedings, and tax matters arise in the ordinary course of business. The Company accrues such items as liabilities when the amount can be reasonably estimated, and settlement of the matter is probable to require an outflow of future economic benefits from the Company.

The Company, by agreement with the Government of British Columbia, is responsible for any future site restoration costs on its mining properties. At this time, the need for, or the nature of, any future site restoration costs in addition to those already disclosed in Note 16 cannot be reasonably determined.

The Company is contingently liable with respect to financial letters of credit for $356,200 as at July 31, 2026 (April 30, 2026 - $356,200).

(Unaudited - Expressed in Canadian dollars)

20. RELATED PARTY TRANSACTIONS

Compensation of key management personnel

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company, and comprises the Company's Chief Executive Officer, Chief Financial Officer, President and Directors. The spouses of two of the Company's key management personnel are employed by the Company in sales or marketing positions.

The following table summarizes the compensation of key management personnel during the three-month periods ended July 31, 2026 and 2025:

		2026		2025
Selling expenses – Personnel	$	35,587	$	26,561
General and administrative expenses – Personnel		129,231		129,449
General and administrative expenses – Professional fees		26,496		25,875
Share-based compensation		-		162,800
	$	191,314	$	344,685

As at July 31, 2026, $14,511 (April 30, 2026: $14,699) is included in accounts payable and accrued liabilities which is comprised of amounts owed to a director and a corporation owned by the Company's CFO.

21. OTHER INCOME

A summary of the Company's other income (expenses) for the three months ended July 31, 2026, and 2025 is as follows:

		2026		2025
Gain (loss) on foreign exchange	$	42,433	$	(20,255)
(Loss) gain on disposal of property, plant and equipment assets		(4,761)		30,831
Loss on investment in a private company		(9,000)		-
Other income (a)		33,575		30,496
Gain on settlement of lease liabilities		-		14,166
	$	62,247	$	55,238

(a) The Company earns royalty income for the use of one of its proprietary product formulations by a third-party. In addition, the Company earned dividend income on its Public Company shares (see Note 6).

(Unaudited - Expressed in Canadian dollars)

22. SUPPLEMENTAL CASH FLOW INFORMATION

The Company's additions to property, plant and equipment assets for the three months ended July 31, 2026, and 2025 presented on the statement of cash flows are net of government grant funding utilized for those asset additions. The gross cash cost of the property plant and equipment additions was as follows:

		2026		2025
Purchase of property, plant and equipment, net of grant proceeds	$	435,577	$	411,151
Grant proceeds allocated to purchase of property, plant and equipment		189,685		-
Gross cash cost of property, plant and equipment additions	$	625,262	$	411,151

The following supplemental cash flow information is provided for the three months ended July 31, 2026, and 2025:

		2026		2025
Lease receivable addition (a)	$	-	$	274,149
Property, plant and equipment disposition (a)	$	-	$	(274,149)
Addition of leased assets (b)	$	29,073	$	-
Lease liability addition (b)	$	(29,073)	$	-

(a) During the three-month period ended July 31, 2025, the Company disposed of an under-utilized equipment asset by entering into an agreement to lease the asset to a third-party (see Note 7). The Company determined the net present value of the lease payments to be $274,149 at the inception of the lease which were recorded as a Lease receivable.

(b) During the three-month period ended July 31, 2026, the Company entered into a 3-year lease for a corporate vehicle. The Company capitalized the value of this lease of $29,073 as a Leased Vehicle asset (see Note 9) and recorded a corresponding lease liability of $29,073 at the lease inception date.

The following table summarizes the net changes in non-cash operating working capital, during the three-month periods ended July 31, 2026, and 2025:

		2026		2025
Accounts receivable	$	(46,594)	$	(187,185)
Inventories		(653,604)		140,246
Prepaid expenses and other		(27,034)		(511,789)
Accounts payable and accrued liabilities		(459,495)		(97,309)
Deferred grant income		(423,867)		(447,454)
	$	(1,610,594)	$	(1,103,491)

(Unaudited - Expressed in Canadian dollars)

23. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company has exposure to the following risks arising from financial instruments:

(a) Market risk

Market risk is the risk that changes in market prices – e.g., foreign exchange rates, interest rates – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing returns.

Interest rate risk:

The Company's long-term debt is not subject to short-term interest rate risk as its long-term debt carries a fixed interest rate for a five-year term.

Currency risk:

The Company is exposed to financial risks as a result of exchange rate fluctuations and the volatility of these rates. There has been an increase to the Company's currency risk during the three-month period ended July 31, 2026 because US denominated revenues increased compared with the prior year period.

The summary quantitative data about the Company's exposure to currency risk is as follows:

		July 31, 2026, USD		April 30, 2026, USD
Cash	$	401,801	$	97,322
Trade receivables		671,353		701,774
Accounts payable		(334,439)		(182,582)
	$	738,715	$	616,514

If the US dollar had strengthened by 10% against the Canadian dollar, with all other variables held constant, net income before tax for quarter ended July 31, 2026, would have increased by approximately $104,000 (Three-month period ended July 31, 2025: $187,000), as a result of the retranslation of USD-denominated monetary assets and liabilities summarized above. Conversely, a 10% weakening of the US dollar would have resulted in an equal and opposite impact.

(b) Credit risk

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Company deals with creditworthy counterparties to mitigate the risk of financial loss from defaults.

Cash and cash equivalents

The Company held cash and cash equivalents of $2,544,068 at July 31, 2026 (April 30, 2026 - $2,247,720). The balance as at July 31, 2026, included $1,099,763 in a Government of Canada T-Bill, which bears interest at 2.2% per annum and matures on August 26, 2026.

(Unaudited - Expressed in Canadian dollars)

23. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd…)

Accounts receivable

The Company monitors the credit risk of customers through credit rating reviews. The Company limits its exposure to credit risk from trade receivables by establishing a maximum payment period of 90 days.

In management's opinion, the maximum amount of credit risk is the carrying value of those assets. There has not been a change in who the Company extends credit to. The Company uses a provision matrix to analyze impairment of its trade receivables at the end of each reporting date. During the three-month period ended July 31, 2026, the Company recognized an impairment loss allowance on trade receivables of $Nil (April 30, 2026 - $112,627).

As at July 31, 2026, the Company's aged trade receivables and related expected credit loss allowance are as follows:

As at July 31, 2026	Geographic location				
	Canada	US	Total	ECL allowance	Credit impairment
Current (not past due)	$ 717,117	$ 907,074	$ 1,624,191	$ -	No
1 – 30 days past due	104,211	27,651	131,862	-	No
31 – 60 days past due	1,112	17,052	18,164	-	No
Over 60 days past due	19	-	19	-	No
	$ 822,459	$ 951,777	$ 1,774,236	$ -	No

As at July 31, 2026, $741,581 of the Company's trade receivables were due from three customers (April 30, 2026: $845,347).

(c) Liquidity risk

Liquidity risk is the risk that the Company will be unable to fulfil its obligations on a timely basis or at a reasonable cost. The Company manages its liquidity risk by monitoring its operating requirements and prepares budget and cash forecasts to ensure it has sufficient funds to fulfil its obligations. In addition, the Company maintains an operating line of credit facility that can be drawn on to meet short-term financing needs.

A summary of the Company's prospective undiscounted contractual cash flows (i.e., including known or estimated interest costs) that existed as at July 31, 2026, is as follows:

As at July 31, 2026		Undiscounted contractual cash flows			
	Carrying amount	Remaining Fiscal 2027	Fiscal 2028	Fiscal 2029	Fiscal 2030 and thereafter
Accounts payable	$ 2,442,267	$ 2,442,267	$ -	$ -	$ -
Lease liabilities	1,795,896	153,412	225,479	217,745	2,586,735
Loans payable	5,601,790	412,939	521,806	500,823	7,357,667
Asset retirement obligation	340,669	20,000	20,000	20,000	385,449
	$ 10,180,622	$ 3,028,618	$ 767,285	$ 738,568	$ 10,329,851

(Unaudited - Expressed in Canadian dollars)

23. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd…)

(d) Fair value disclosure

The Company's financial instruments consist of cash and cash equivalents, accounts receivable, investments in public companies, lease receivable, investment in a private company, accounts payable and accrued liabilities, and loans payable. The fair values of cash and cash equivalents, accounts receivable, and accounts payable and accrued liabilities approximate their carrying amounts due to their short-term nature.

The lease receivable and the loans payable have been valued using the discounted cash flow method. This valuation model considers the present value of expected payments, discounted using a risk-adjusted discount rate. Management determined the fair values of the lease receivable and the loans payable approximate their respective carrying values as at July 31, 2026, and as at April 30, 2026.

Investments in public companies and investment in a private company are carried at fair value.

The following table presents the Company's financial assets measured at fair value on a recurring basis, categorized within the fair value hierarchy, as at July 31, 2026:

	Level 1	Level 2	Level 3	Total
Investments in public companies	$ -	$ -	$ -	$ -
Investment in a private company	-	-	459,000	459,000
	$ -	$ -	$ 459,000	$ 459,000

Investments in public companies

The investment in public companies (see Note 6) is classified as Level 1, as it is measured using the quoted closing market price in an active market at the reporting date, with no adjustments made to that price. The Company had disposed of the remaining portion of its investments in public companies during the three-month period ended July 31, 2026.

Investment in a private company

The investment in a private company (see Note 8) is classified as Level 3. The fair value is based on the transaction price for the same class of shares the Company received during a private placement that was completed during the month of July 2026. As this date does not exactly coincide with the Company's reporting date of July 31, 2026, management has assumed no significant change in fair value occurred between the closing of the private placement and July 31, 2026. This assumption is a significant unobservable input, as it is not corroborated by observable market transactions or data for the intervening period, and accordingly the investment is classified as Level 3 within the fair value hierarchy.

(e) Capital management:

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company monitors capital using a ratio of "net debt" to equity. For this purpose, net debt is defined as total liabilities (as shown in the statement of financial position) less cash and cash equivalents. Equity comprises all components of equity. Net debt to equity is not a measure recognized under IFRS and does not have a standardized meaning. It may not be comparable to similarly titled measures presented by other companies.

(Unaudited - Expressed in Canadian dollars)

23. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd…)

The Company's net debt to equity ratio at the end of the reporting period was as follows:

		July 31, 2026		April 30, 2026
Total liabilities	$	12,473,411	$	13,543,428
Less: cash and cash equivalents		(2,544,068)		(2,247,720)
Net debt		9,929,343		11,295,708
Total equity	$	17,034,250	$	15,756,861
Net debt to equity		0.58		0.72

24. SEGMENTED INFORMATION

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer. The Company has identified one operating segment being the Canadian operations. All the Company's assets are located in Canada.

Revenue by geographic location

The Company sells to customers located in Canada and in the US. The following is a summary of sales by geographic location for three months ended July 31, 2026, and 2025:

		2026		2025
Revenue from customers located in Canada	$	2,422,677	$	2,229,001
Revenue from customers located in the US		4,874,025		3,685,186
	$	7,296,702	$	5,914,187

Customer concentration

During the three months ended July 31, 2026 there was one customer that individually accounted for more than 10% of total revenues (three months ended July 31, 2025, one customer). This customer accounted for 26% of total revenues (three months ended July 31, 2025: 23%).

25. SUBSEQUENT EVENTS

(a) Subsequent to July 31, 2026, 600,000 stock options with a strike price of $0.18 were exercised for gross proceeds of $108,000.

(b) Subsequent to July 31, 2026, the Company accepted a letter of offer from BDC for a $4,000,000 ten-year term loan to finance the acquisition of equipment. The loan will bear interest at BDC's floating base rate less 2.00% (an effective rate of 4.55% based on BDC's current base rate of 6.55%), and will be repayable in equal monthly principal installments of approximately $33,330, plus interest. The loan will be secured by a first-ranking security interest in the financed equipment, in addition to the security held by BDC under the Company's existing credit facilities. Disbursement is subject to the completion of security documentation. No amounts had been drawn on the loan as at the date these financial statements were authorized for issue.