METAGUEST.AI INCORPORATED

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2026

NOTICE TO READER

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 condensed interim consolidated financial statements have been prepared by and are the responsibility of management.

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

METAGUEST.AI INCORPORATED
Consolidated Statements of Financial Position

As at		March 31 2026		December 2025
Assets				
Current assets				
Cash	$	35,852	$	39,953
Accounts receivable		25,291		38,612
Prepaid expenses		15,673		24,589
Deposits		3,580		3,580
		80,396		106,734
Non-current assets				
Equipment		930		1,006
Right of use asset (note 7)		80,621		104,652
Intellectual property (note 6)		284,397		350,026
Total assets	$	446,344	$	562,418
Liabilities				
Current liabilities				
Accounts payable and accrued liabilities	$	1,193,138	$	1,136,239
Deferred revenue (note 10)		193,357		181,151
Convertible debentures on demand (note 8)		170,000		170,000
Convertible debentures net of issuance costs (note 8)		297,579		286,177
Loans (note 9)		831,490		796,941
Lease liability (note 7)		65,709		90,040
		2,751,273		2,660,548
Non-current liabilities				
Lease liability (note 7)		17,103		18,206
Total liabilities		2,768,376		2,678,754
Shareholders' deficit				
Share capital (note 11)		5,502,390		5,502,390
Contributed surplus (note 11)		1,130,646		1,130,646
Equity portion of debentures (note 8, 9)		44,675		44,675
Deficit		(8,999,743)		(8,794,047)
Total shareholders' deficit		(2,322,032)		(2,116,336)
Total liabilities and shareholders' deficit	$	446,344	$	562,418

NOTES:

Going concern (note 2)
Subsequent events (note 16)

Approved on behalf of the Board

"Colin Keddy" Director

"Charlotte Jannsen" Director

See accompanying notes to consolidated financial statements.

METAGUEST.AI INCORPORATED

Consolidated Statements of Loss and Comprehensive Loss

For the three months ended March 31		2026		2025
Net revenue				
Revenue	$	626,080	$	659,656
Cost of sales		(67,455)		(119,249)
	$	558,625	$	540,407
Expenses				
Salaries, wages and benefits		147,677		501,333
Subcontractors		349,123		184,567
Amortization and depreciation		89,736		102,550
Professional fees		25,076		33,739
Office and administration		98,193		108,799
Interest and accretion		56,236		29,765
Travel		491		26,866
		766,532		987,619
Loss before other items		(207,907)		(447,212)
Gain on recognition of financial instruments (note 9)		(2,211)		-
Loss and comprehensive loss	$	(205,696)	$	(447,212)
Basic and diluted loss per share	$	(0.00)	$	(0.01)
Weighted average number of shares outstanding		72,046,599		70,626,867

See accompanying notes to consolidated financial statements.

METAGUEST.AI INCORPORATED
Consolidated Statements of Changes in Shareholders' Deficiency

	Number of shares	Share capital	Shares to be issued	Contributed Surplus	Convertible Debentures	Deficit	Total
Balance as at December 31, 2024	70,626,867	$ 5,373,749	$ 15,000	$ 1,127,863	$ 30,912	$ (7,077,720)	$ (530,196)
Share issuances (note 11(a))	150,000	15,000	(15,000)	-	-	-	-
Warrants issued (note 11 (d))	-	-	-	4,264	-	-	4,264
Loss and comprehensive loss for the period	-	-	-	-	-	(447,212)	(447,212)
Balance as at March 31, 2025	70,776,867	$ 5,388,749	$ -	$ 1,132,127	$ 30,912	$ (7,524,932)	$ (973,144)
Balance as at December 31, 2025	72,046,599	$ 5,502,390	$ -	$ 1,130,646	$ 44,675	$ (8,794,047)	$ (2,116,336)
Loss and comprehensive loss for the period	-	-	-	-	-	(205,696)	(205,696)
Balance as at March 31, 2026	72,046,599	$ 5,502,390	$ -	$ 1,130,646	$ 44,675	$ (8,999,743)	$ (2,322,032)

See accompanying notes to consolidated financial statements.

METAGUEST.AI INCORPORATED
Consolidated Statements of Cash Flows

For the three months ended March 31		2026		2025
Operating activities				
Loss and comprehensive loss	$	(205,696)	$	(447,212)
Non-cash items				
Amortization and depreciation		89,736		102,550
Interest and accretion		56,234		20,432
Gain on recognition of financial instruments		(2,211)		-
Changes in non-cash working capital				
GST/HST receivable		-		(28,414)
Accounts receivable		13,321		(5,722)
Prepaid expenses		8,916		5,495
Deferred revenue		12,206		22,370
Accounts payable and accrued liabilities		56,899		282,211
		29,405		(48,290)
Financing activities				
Proceeds from issuance of debt		-		76,000
Interest paid		(4,192)		-
Lease liability		(29,314)		(33,373)
		(33,506)		42,627
Decrease in cash		(4,101)		(5,663)
Cash, beginning of period		39,953		53,984
Cash, end of period	$	35,852	$	48,321

See accompanying notes to consolidated financial statements.

1. Nature of operations

METAGUEST.AI INCORPORATED and its wholly owned subsidiary METAGUEST INCORPORATED (the "Company") were incorporated under the laws of Alberta on February 4, 2021, and Delaware on May 21, 2021, respectively.

The Company operates a digital platform that enables in-room and on-location commerce within partner hotels. The Company owns intellectual property related to its proprietary software applications, including METAGUEST, BNSELLIT and BNBUYIT, which operate on iOS and Android platforms.

The Company's corporate office is at 122 Judge Road, Unit 2, Toronto, Ontario, M8Z 5B7. The Company's Class A common shares are listed on the Canadian Securities Exchange under the symbol METG.

2. Going concern

These unaudited interim condensed consolidated financial statements have been prepared on a going concern basis which assumes the Company will continue operating for the foreseeable future and will be able to realize a return on its assets and discharge its liabilities and commitments in the ordinary course of its business.

For the three months ended March 31, 2026, the Company incurred a loss and comprehensive loss of $205,696 (March 31, 2025 – $447,212) and, as at March 31, 2026, had an accumulated deficit of $8,999,743 (December 31, 2025 – $8,794,047).

The Company's ability to continue as a going concern is dependent upon its ability to achieve profitable operations and obtain additional financing to meet its obligations and fund its ongoing operations.
Management has assessed the Company's ability to continue as a going concern and has concluded that material uncertainties exist that may cast significant doubt upon the Company's ability to continue as a going concern.

These consolidated financial statements do not include any adjustments to the carrying amounts and classification of assets and liabilities, revenues and expenses, that would be necessary if the going concern assumption were not appropriate. Such adjustments could be material.

3. Statement of compliance

These unaudited interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting, using accounting policies consistent with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), and do not include all of the information required for full annual financial statements.

The unaudited interim condensed consolidated financial statements were authorized for issue by the Board of Directors on May 27, 2026.

4. Material accounting policies

These unaudited interim condensed consolidated financial statements of the Company have been prepared following the same accounting policies and methods of computation as the annual audited consolidated financial statements at December 31, 2025. The disclosures included below are incremental to those included in the annual audited financial statements. These unaudited interim condensed consolidated financial statements should be read in conjunction with the annual audited financial statements and notes thereto for the year ended December 31, 2025.

5. Use of estimates and judgements

The preparation of the consolidated financial statements in conformity with International Financial Reporting Standards ("IFRS") requires management to make judgments, 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.

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

Key sources of estimation uncertainty

Estimates that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year include:

a. Fair value of loan and convertible debentures – Management is required to estimate the market interest rate used to determine the fair value of the liability component of loans and convertible debentures at initial recognition. These estimates affect the carrying amount of liabilities, accretion expense, and any gain or loss recognized on initial recognition or modification.

Significant judgments made by management in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements include:

a. Going concern – Management exercises judgment in assessing whether the Company is able to continue as a going concern and whether it is appropriate to prepare the consolidated financial statements on a going concern basis (note 2).
b. Indicators of impairment of IP – Management assesses, at each reporting date, whether there are indicators that an intangible asset may be impaired. This assessment requires judgment and consideration of both internal and external sources of information.

6. BNSELLIT platform intellectual property

	Intellectual property
Cost	
As at December 31, 2024	$1,312,598
Additions	-
As at December 31, 2025	1,312,598
Additions	-
As at March 31, 2026	$1,312,598
Accumulated amortization	
As at December 31, 2024	$ 700,052
Amortization for the year	262,519
As at December 31, 2025	962,571
Amortization for the period	65,630
As at March 31, 2026	$1,028,201
Net Book Value	
As at December 31, 2025	$ 350,026
As at March 31, 2026	$ 284,397

Amortization expense for the period ended March 31, 2026, was $65,630 (March 31, 2025 – $65,630) and is included in profit or loss.

7. Right of use asset and lease liability

On December 1, 2023, the Company entered into a lease for an office facility. The lease has a term of 36 months and expires November 30, 2026, with an interest rate of 10.2% per annum.

On August 1, 2024, the Company entered into a lease for an office facility in the United States. The lease had a term of 14 months expiring September 30, 2025, with an interest rate of 10.0% per annum.

On January 1, 2025, the company commenced a lease of a business machine. The lease has a term of sixty-six months, expiring June 30, 2030. The incremental borrowing rate of 12% was used to determine the fair value of the lease obligation.

Interest expense on lease liabilities for the period ended March 31, 2026, was $2,593 (March 31, 2025 – $5,142).

Right of use assets	
As at December 31, 2024	$ 339,556
Additions	25,385
As at December 31, 2025	$ 364,941
Additions	-
As at March 31, 2026	$ 364,941
Accumulated amortization	
As at December 31, 2024	$ 122,359
Amortization for the period	137,930
As at December 31, 2025	$ 260,289
Amortization for the period	24,031
As at March 31, 2026	$ 284,320
Net Book Value	
As at December 31, 2025	$ 104,652
As at March 31, 2026	$ 80,621
Lease liability	
As at December 31, 2024	$ 215,193
Additions	$ 25,385
Lease interest	18,184
Lease payments	(151,318)
Foreign exchange gain	802
As at December 31, 2025	$ 108,246
Additions	-
Lease interest	2,593
Lease payments	(28,027)
	$ 82,812
Less: current portion	(65,709)
As at March 31, 2026	$ 17,103

8. Convertible debentures

a) $0.25 Debentures

On June 6, 2022 ($100,000), June 30, 2022 ($46,000), July 4, 2022 ($90,000), September 12, 2022 ($95,000), October 21, 2023 ($112,000), November 9, 2022 ($50,000), January 31, 2023 ($25,000), February 28, 2023 ($15,000), and March 2, 2023 ($25,000), the Company issued 10% convertible debentures in the aggregate principal amount of $558,000.

The convertible debentures mature eighteen months from the issue date and are convertible at any time prior to maturity, at the option of the holders, into Class A common shares of the Company at a price of $0.25 per share. Interest on the principal amount outstanding is calculated and payable monthly.

If the volume weighted average price of the Class A common shares on the Canadian Securities Exchange for ten consecutive trading days equals or exceeds $0.60, the Company may force conversion of the principal amount of the convertible debentures at the conversion price upon providing fifteen days' advance written notice to the holders.

Upon initial recognition, the Company allocated the proceeds between the liability and equity components based on the fair value of the liability component, with the residual amount allocated to equity. The fair value of the liability component of $501,540 was determined using a market rate of 17%. The value of the equity component amounted to $56,460.

On April 21, 2023, the Company settled $388,000 of the convertible debentures for units of the Company at $0.06 per unit.

The Company amended the maturity date of the remaining $170,000 in convertible debentures to December 31, 2024.

As at March 31, 2026, the debentures have not been repaid or converted and are in default. Interest continues to be paid on the debentures which are classified as current in the statement of financial position.

The outstanding balances associated with the convertible debentures are as follows:

Liability component of the convertible debenture		**March 31 2026**		**December 31 2025**
Opening balance	$	170,000	$	170,000
Interest		4,192		17,000
Interest paid		(4,192)		(17,000)
	$	170,000	$	170,000
Less: Current portion	$	170,000		170,000
	$	-	$	-

8. Convertible debentures, continued

b) $0.30 Debentures

On February 8, 2024, the Company issued a secured convertible debenture in the principal amount of $235,000 with a private lender, a company with common officers and directors of the Company. The debenture bears interest at 12% per annum, is convertible into common shares of the Company at a price of $0.30 per share and had an original maturity date of February 6, 2025. The Company also issued 117,500 share purchase warrants to the lender, exercisable for two years at a price of $0.30 per share. The debenture is secured by a general security agreement. Proceeds from the debenture were used to repay the $210,000 secured bridge loan (note 9).

Upon initial recognition, the Company allocated the proceeds between the liability and equity components based on the fair value of the liability component, with the residual amount allocated to equity. The fair value of the liability component of $221,567 was determined using a market rate of 16%. The value of the equity component amounted to $13,433.

On May 14, 2025, the Company and the lender executed an amending agreement to modify the terms of the debenture. The principal amount was increased to $270,674, reflecting principal and accrued and unpaid interest, and the maturity date was extended to May 14, 2026. In connection with the amendment, the Company issued 649,432 Class A common shares, comprised of a 12% amendment fee, paid by issuing 324,716 shares at a deemed price of $0.10 per share, and a 12% participation fee, also paid by issuing 324,716 shares at a deemed price of $0.10 per share, in consideration for the lender agreeing to rank pari passu with newly issued secured debentures (note 9(d)) and relinquishing its previously exclusive security interest.

The amendment was assessed under IFRS 9 and determined to constitute a substantial modification, as the contractual cash flows and associated rights and obligations changed significantly. Accordingly, the original financial liability was derecognized and the amended debenture was recognized as a new financial liability at its fair value of $255,911, based on a market discount rate of 18%.The conversion feature of the amended debenture was assessed under IAS 32 and determined to meet the fixed-for-fixed criterion for equity classification, with a value of $13,763.

The equity consideration of $58,449 (649,432 shares at $0.9 per share) was recognized in equity with a corresponding charge to profit or loss. The amended debenture is subsequently measured at amortized cost using the effective interest rate method.

The outstanding balances associated with the convertible debenture is as follows:

Liability component of the convertible debenture	**March 31 2026**	**December 31 2025**
Opening balance	$ 286,177	$ 258,991
Interest	8,009	10,325
Accretion	3,393	1,358
Settlements	-	(270,674)
Additions	-	270,674
Fair value discounts	-	(13,763)
Interest	-	20,556
Accretion	-	8,710
	$ 297,579	$ 286,177
Less: Current portion	$ 297,579	$ 286,177
	$ -	$ -

9. Loans

a) 2024 Loan

On December 17, 2024, the Company closed loans in the amount of $235,000 with numerous arm's length lenders. The loans bear an interest rate of 12% and had a maturity date of December 17, 2025. The Company has the right to extend the maturity date for an additional six months. The Company also issued 156,661 share purchase warrants to the lenders with a conversion price of $0.30 expiring on June 17, 2026. Proceeds of the loan were used for working capital purposes.

Upon initial recognition, the Company allocated the proceeds between the components based on the fair value of the debt and the residual to the equity (warrants) component. The fair value of the liability component of $220,947 was determined using a market rate of 17%. The value of the equity component (warrants) amounted to $14,053.

In December 2025, the Company exercised its option to extend the maturity date of the loans to June 17, 2026. The modification was assessed under IFRS 9 and did not result in derecognition of the financial liability, as the change in contractual cash flows was not considered substantial based on the quantitative "10 percent" test. Accordingly, the extension was accounted for as a modification of the existing financial liability.

The carrying amount of the liability was adjusted to reflect the present value of the modified cash flows, discounted at the original effective interest rate. As a result of the modification, the Company recognized a gain of $6,904 in profit or loss.

The loans continue to be measured at amortized cost using the effective interest rate method.

The outstanding balance associated with the loans were as follows.

Loan	March 31 2026	December 31 2025
Balance	$ 257,922	$ 222,645
Gain on modification	-	(6,904)
Interest and fees	6,953	28,200
Accretion	3,227	13,981
	$ 268,102	$ 257,922

c) 2025 Loan 1

On January 30, 2025, and March 4, 2025, the Company closed loans in the amounts of $41,000 and $35,000 respectively with numerous arm's length lenders. The loans bear an interest rate of 12%, having maturity dates of January 30, 2026, and March 4, 2026, respectively. The Company has the right to extend the maturity dates for an additional six months (note 18). The Company also issued 50,665 share purchase warrants to the lenders with a conversion price of $0.30 expiring on June 17, 2026. Proceeds of the loan were used for working capital purposes.

Upon initial recognition, the Company allocated the proceeds between the components of equity (warrants) and debt using the residual method. The fair value of the liability component of $72,752 was determined using a market rate of 18%. The value of the equity component (warrants) amounted to $3,248.

Transaction costs of $8,258 directly attributable to the issuance were allocated between the liability and equity components on a pro rata basis. Costs allocated to the liability component were deducted from the carrying amount of the financial liability and are amortized using the effective interest rate method, while costs allocated to the equity component were recognized as a reduction of equity.

In January and March 2026, the Company exercised its option to extend the maturity dates of the loans to July 30,

9. Loans, continued

c) 2025 Loan 1, continued

2026, and to September 4, 2026, respectively. The modification was assessed under IFRS 9 and did not result in derecognition of the financial liability, as the change in contractual cash flows was not considered substantial based on the quantitative "10 percent" test. Accordingly, the extension was accounted for as a modification of the existing financial liability.

The carrying amount of the liability was adjusted to reflect the present value of the modified cash flows, discounted at the original effective interest rate. As a result of the modification, the Company recognized a gain of $2,211 in profit or loss.

The outstanding balances associated with the loans were as follows.

Loan		March 31 2026		December 31 2025
Balance	$	82,680	$	-
Additions		-		76,000
Fair value discounts and transaction costs		-		(11,041)
Gain on modification		(2,211)		
Interest and fees		2,249		8,016
Accretion		2,048		9,705
	$	84,766	$	82,680

d) 2025 Secured loan 2

On May 14, September 9, and December 3, 2025, the Company closed loans totaling $193,000, $224,000 and $34,000 with multiple arm's length lenders. The loans bear interest at 12% per annum, payable at maturity one year from inception. The Company has the right to extend the maturity date for an additional six-month period at its sole discretion. The loans are secured by a general security agreement ranking pari passu with other secured lenders.

In connection with the financings, the Company issued 541,200 Class A common shares to the lenders as a loan advance fee, representing 12% of the principal amounts. While the agreements specified a deemed price of $0.10 per share, the shares were measured at their fair value on the respective issuance dates, being $0.09, $0.09 and $0.055 per share for the May, September and December tranches, respectively.

Upon initial recognition, the Company allocated the proceeds between the liability and equity components using the residual method, whereby the fair value of the liability component was determined first, with the residual amount attributed to equity. The fair value of the liability components was determined by discounting the contractual cash flows using a market interest rate of 18%, reflecting the Company's estimated borrowing rate for similar instruments. The fair value of the liability component was determined to be $183,186 for the May tranche, $212,610 for the September tranche, and $32,271 for the December tranche.

The equity components recognized in respect of the share issuances were $9,814 for the May tranche, $11,390 for the September tranche and $1,729 for the December tranche.

Transaction costs of $13,321 directly attributable to the issuance were allocated between the liability and equity components on a pro rata basis. Costs allocated to the liability component were deducted from the carrying amount of the financial liability and are amortized using the effective interest rate method, while costs allocated to the equity component were recognized as a reduction of equity.

9. Loans, continued

d) 2025 Secured loan 2, continued

As the fair value of the consideration transferred to lenders, including the shares issued, exceeded the fair value of the financial liabilities recognized, the Company recorded a day one loss of $24,347 in profit or loss.

The loans are subsequently measured at amortized cost using the effective interest rate method.

The outstanding balances associated with the loans are as follows:

Loan	March 31 2026	December 31 2025
Balance	$ 456,339	$ -
Additions	-	451,000
Fair value discounts and transaction costs	-	(36,254)
Interest and fees	13,345	23,292
Accretion	8,938	18,301
	$ 478,622	$ 456,339

10. Deferred revenue

Deferred revenue represents amounts billed and collected in advance for subscription services to be provided in future periods.

Deferred revenue	March 31 2026	December 31 2025
Opening balance	$ 181,151	$ 177,101
Earned revenue	$ (181,151)	$ (177,101)
Additions from contracts with customers	193,357	181,151
	$ 193,357	$ 181,151
Less: Current portion	$ 193,357	$ 181,151
	$ -	$ -

11. Share capital

(a) Capital

Authorized with an unlimited number of the following shares:
Class A voting common shares
Class B non-voting common shares

Issued:

Class A common shares	Number of Shares		Value
Balance at December 31, 2024	70,626,867	$	5,373,749
Issued (i-iii)	1,419,732		128,641
Balance as at December 31, 2025	72,046,599	$	5,502,390
Balance as at March 31, 2026	72,046,599	$	5,502,390

(i) On July 9, 2025, the Company settled certain trade payables valued at $7,910 for 79,100 Class A Common Shares.

(ii) On May 14, 2025, and subsequently on September 9, 2025, and December 3, 2025, the Company closed loans totaling $193,000, $224,000 and $34,000 respectively, with multiple arm's length lenders. In connection with the financing, the Company issued 541,200 Class A Common Shares to the lenders as a loan advance fee, representing 12% of the principal amount at a deemed price of $0.10 per share resulting in a residual equity component of $22,933, recognized in share capital.

(iii) On May 14, 2025, the Company issued 649,432 class A common shares, comprised of a 12% amendment fee, paid by issuing 324,716 shares at a deemed price of $0.10 per share, and a 12% participation fee, also paid by issuing 324,716 shares at a deemed price of $0.10 per share in consideration for the lender agreeing to rank pari passu with newly issued secured debentures (note 9(d)), relinquishing their previously exclusive security interest. The total equity consideration of $58,449 (649,432 shares at fair value of $0.09 per share) was recorded in share capital.

(iv) On October 25, 2024, the Company received $15,000 for the exercise of 150,000 share purchase warrants. The Class A common shares were issued on March 31, 2025.

(b) Shares to be issued

On October 25, 2024, the Company received $15,000 for the exercise of 150,000 share purchase warrants. The Class A common shares were issued on March 31, 2025.

11.Share capital, continued

(c) Stock option plan

On October 1, 2025, the shareholders of the Company reapproved the stock option plan (the "Plan") under which the directors of the Company may grant options to qualified directors, officers and consultants of the Company. The exercise price of the options cannot be less than the closing price of the Company's shares on the trading day preceding the date of grant and the trading day. The maximum term of any option cannot exceed ten years. The maximum aggregate number of common shares under option at any time under the Plan shall not exceed 10% of the issued and outstanding Class A common shares on a non-diluted basis at any time.

A summary of the Company's stock option activity for the period ended March 31, 2026, is as follows:

	Number Of Options	Weighted-Average Exercise Price
Outstanding, December 31, 2024	3,410,000	0.375
Cancelled due to churn during the year	(830,000)	0.375
Outstanding, December 31, 2025	2,580,000	0.375
Outstanding, March 31, 2026	2,580,000	0.375

On July 20, 2022, the Company granted 3,205,000 stock options to employees, directors and consultants at a price of $0.375 expiring five years from the grant date. On August 9, 2022, the Company granted 105,000 stock options to employees and consultants at a price of $0.375 expiring five years from the grant date. On December 20, 2022, the Company granted 300,000 stock options to an officer at a price of $0.375 expiring 4 years from the grant date. All options vest over two years with one-third vesting immediately, one-third vest one year from the grant date and one-third vest two years from the grant date. The fair value of warrants issued was determined using the Black-Scholes option pricing model. The underlying expected volatility was determined by reference to historical data of the Company’s shares over the expected life of the options. The assumptions were volatility of 227%, 228% and 227%, respectively, risk free interest rate of 3.17%, 2.97% and 3.17%, respectively, expected life of five years, five years and three years, respectively.

The weighted average remaining contractual life and weighted average exercise price of options outstanding and of options exercisable as at March 31, 2026, are as follows:

	Options Outstanding			**Options Exercisable**	
Exercise Price	Number Outstanding	Weighted-Average Exercise Price	Average Remaining Contractual Life (years)	Number Exercisable	Weighted-Average Exercise Price
$0.375	2,580,000	$0.375	1.31	2,580,000	$0.375

11. Share capital, continued

(d) Warrants

Warrants	Number of Warrants	Value
Balance as at December 31, 2024	1,669,521	$ 14,053
Warrants issued for debt (9(c)) and (ii)	50,665	2,783
Warrants expired (iii)	(873,175)	-
Balance as at December 31, 2025	847,011	$ 16,836
Warrants expired (i)	(639,685)	-
Balance March 31, 2026	207,326	$ 16,836

(i) During the period ended March 31, 2026, 639,685 at a price of $0.50 expired.

(ii) During the year ended December 31, 2025, 50,665 warrants were issued exercisable at a price of $0.30. Of the warrants issued, 27,332 warrants expire on July 30, 2026, and 23,333 warrants expire on September 4, 2026.

(iii) During the year ended December 31, 2025, 873,175 warrants at a price of $0.50 expired.

12. Related party transactions

During the period, the Company incurred contractor fees to individuals and or companies controlled by individuals related to a director of the Company in the amount of $259,083 (March 31, 2025 - $56,288).

During the period, the Company incurred professional fees of $nil (March 31, 2025 - $5,842) from companies related to directors of the Company for legal services.

During the period the Company incurred contractor fees of $24,000 (March 31, 2025 - $nil) from companies related to directors for consulting services.

Included in accounts payable and accrued liabilities is $239,464 (December 31, 2025 - $185,812) due to directors and officers for consulting, marketing and legal services.

The Company has identified its Chief Executive Officer and Chief Financial Officer as key management personnel. During the period, the Company incurred subcontractor fees related to key management personnel of $75,759 (March 31, 2025 – $86,700) and recognized share-based compensation of $nil (March 31, 2025 – $nil). Total compensation to key management personnel for the year amounted to $75,759 (March 31, 2025 – $86,700).

13. Operating Segments

The Company operates as one business segment, being connecting guests staying in hotels with in-room and on-location commerce driven by artificial intelligence. The Company has two reportable segments based on geographic location as the Company operates the business in the United States of America and Canada. The breakdown of the Company's net income by location and assets by location is as follows:

For the period ended March 31	**2026**			**2025**		
Revenue	Canada	USA	Total	Canada	USA	Total
Revenue	$ 42	$ 626,038	$ 626,080	$ 33	$ 659,623	$ 659,656
Cost of sales	(1)	(67,454)	(67,455)	(3)	(119,246)	(119,249)
	$ 41	$ 558,584	$ 558,625	$ 30	$ 540,377	$ 540,407
Expenses						
Salaries, wages and benefits	$ 49,709	$ 97,968	$ 147,677	$ 480,475	$ 20,858	$ 501,333
Subcontractors	113,970	235,153	349,123	130,298	54,267	184,565
Amortization and depreciation	89,736	-	89,736	88,615	13,935	102,550
Professional fees	25,076	-	25,076	33,741	-	33,741
Office and administration	68,336	29,857	98,193	87,455	21,344	108,799
Interest and accretion	54,948	1,288	56,236	28,926	839	29,765
Travel	491	-	491	3,069	23,797	26,866
Total expenses before other items	$ 402,266	$ 364,266	$ 766,532	$ 852,579	$ 135,040	$ 987,619
Gain on recognition of financial Instruments	(2,211)	-	(2,211)	-	-	-
(Loss) income and comprehensive (loss) income	$ (400,014)	$ 194,318	$ (205,696)	$ (852,549)	$ 405,337	$ (447,212)

As at	**March 31, 2026**			**December 31, 2025**		
	Canada	USA	Total	Canada	USA	Total
Assets						
Current assets						
Cash	$ 12,308	$ 23,544	$ 35,852	$ 39,654	299	$ 39,953
Accounts receivable	-	25,291	25,291	-	38,612	38,612
Deposits	3,580	-	3,580	3,580	-	3,580
Prepaid expenses	15,673	-	15,673	20,777	3,812	24,589
	$ 31,561	$ 48,835	$ 80,396	$ 64,011	$ 42,723	$ 106,734
Equipment	930	-	930	1,006	-	1,006
Right of use asset	80,621	-	80,621	104,652	-	104,652
Intellectual property	284,397	-	284,397	350,026	-	350,026
Total Assets	$ 397,509	$ 48,835	$ 446,344	$ 519,695	$ 42,723	$ 562,418

14. Capital management

The Company's objectives when managing capital is to safeguard its ability to continue as a going concern, provide adequate working capital and maintain cash on hand. The Company defines capital as the Company's shareholders' equity. At March 31, 2026, the Company had a deficit of $8,999,743 (December 2025 - $8,794,047) and a shareholder's deficiency of $2,322,032 (December 31, 2025 – $2,116,336) The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets.

15. Financial instruments and risk management

Fair value measurements

Financial instruments carried at fair value on the statement of financial position are assessed using the following hierarchy based on the amount of observable inputs used to value the instrument.

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

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

- Level 3 – Valuations in this level are those with inputs for the asset or liability that are not based on observable market data. Assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the placement within the fair value hierarchy level.

The Company's exposure to credit risk on accounts receivable is limited, as substantially all customer payments are collected in advance through a third-party payment platform. Amounts outstanding at year-end primarily represent settlement timing differences for funds already collected. Accordingly, management has concluded that the expected credit loss allowance as at March 31, 2026 is $nil (December 31, 2025 - $nil).

Due to the short-term nature of the cash, accounts receivable and accounts payable and accrued liabilities the carrying value approximates its fair value. The loan and convertible debenture have been recorded at fair value using market rates for debt with similar terms.

Liquidity risk

Liquidity risk is the potential for the Company to have difficulty in meeting its obligations associated with financial liabilities as they become due. The Company's financial liabilities consist of the accounts payable and accrued liabilities, loan and convertible debentures. The accounts payable and accrued liabilities, loan and the current portion of convertible debentures have contractual maturities of less than one year.

	Payments Due By Period			
	< 1 year	2-3 Years	4-5 Years	Total
Accounts payable	$ 1,193,138			$ 1,193,138
Convertible secured debt	456,176			456,176
Secured debt	776,201			776,201
Unsecured debt	522,868			522,868
Lease obligations	65,709	8,363	8,740	82,812
Total	$ 3,014,092	$ 8,363	$ 8,740	$ 3,031,195

The composition of accounts payable and accrued liabilities as at the period end specified is set out in the table below.

	March 31 2026	**December 31 2025**
Trade payables	$ 658,962	$ 548,055
Accrued liabilites	123,277	159,629
Payroll liabilities	410,899	428,555
Total	$ 1,193,138	$ 1,136,239

16. Subsequent events

In April 2026, a former sales manager of the Corporation, who had converted from employee to independent contractor in early 2025, alleged a breach of obligations by the Corporation and has threatened to issue a claim. The claim has not yet been issued or received. The Corporation intends to vigorously defend any such claim. As the matter arose subsequent to year-end and does not relate to conditions existing at the reporting date, no provision has been recognized in these financial statements.