

DeepMarket Corp.

Consolidated Financial Statements

As at and for the years ended June 30, 2025 and 2024

(In Canadian dollars)



SRCO Professional Corporation
Chartered Professional Accountants
Licensed Public Accountants
Park Place Corporate Centre
15 Wertheim Court, Suite 409
Richmond Hill, ON L4B 3H7, Canada
Tel: 905 882 9500 & 416 671 7292
Fax: 905 882 9580
Email: info@srco.ca
www.srco.ca

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of DeepMarket Corp.

Opinion

We have audited the consolidated financial statements of DeepMarket Corp. and its subsidiaries (the "Company"), which comprise the consolidated statements of financial position as at June 30, 2025 and 2024, the consolidated statements of loss and comprehensive loss, changes in shareholders' deficit, and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at June 30, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company incurred a net loss during the year ended June 30, 2025 and, as of that date, had a negative working capital and a deficit. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements for the year ended June 30, 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Except for the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined that there are no other key audit matters to communicate in our auditor's report.

(continues)



Independent Auditor's Report to the Shareholders of DeepMarket Corp. (continued)

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS as issued by the IASB, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(continues)



Independent Auditor's Report to the Shareholders of DeepMarket Corp. (continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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

SRCO Professional Corporation

CHARTERED PROFESSIONAL ACCOUNTANTS
Authorized to practice public accounting by the
Chartered Professional Accountants of Ontario

Richmond Hill, Ontario
September 11, 2025

DeepMarket Corp.
Consolidated Statements of Financial Position
(In Canadian dollars)

As at June 30	Note	2025	2024
Assets			
Current assets			
Cash and cash equivalents		\$ 147,908	\$ 254,176
Harmonized sales tax receivable		11,017	–
Prepaid expenses		7,737	3,310
Total current assets		166,662	257,486
Equipment	4	1,105	1,578
Total assets		\$ 167,767	\$ 259,064
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	13, 15	\$ 706,119	\$ 625,179
Total current liabilities		706,119	625,179
CEBA loan	6	48,967	43,283
Total liabilities		755,086	668,462
Shareholders' deficit			
Share capital	7	33,347,873	33,299,802
Contributed surplus		6,136,088	6,122,088
Deficit		(40,071,280)	(39,831,288)
Total shareholders' deficit		(587,319)	(409,398)
Total liabilities and shareholders' deficit		\$ 167,767	\$ 259,064

Going concern (Note 1)

Approved on behalf of the Board of Directors:

{Signed}

Steve Vanry, Director

{Signed}

Paul McKenzie, Director

DeepMarkit Corp.
Consolidated Statements of Loss and Comprehensive Loss
(In Canadian dollars)

For the years ended June 30	Note	2025	2024
Expenses (income)			
Wages and benefits		\$ 98,242	\$ 97,378
General and administrative	13	215,667	301,668
Professional fees	13	102,955	101,395
Listing and filing fees		36,490	36,952
Amortization	4	473	676
(Recovery) impairment of harmonized tax receivable	11	(201,436)	29,586
Share-based payments	9, 13	–	238,082
Net finance (income) expense	10	(12,515)	2,991
Foreign exchange loss (gain)		116	(9,492)
Total expenses		239,992	799,236
Loss and comprehensive loss		\$ (239,992)	\$ (799,236)
Loss per share – basic and diluted	12	\$ (0.02)	\$ (0.14)

DeepMarkit Corp.
Consolidated Statements of Changes in Shareholders' Deficit
(In Canadian dollars)

	Note	Share Capital	Contributed Surplus	Deficit	Total Shareholders' Deficit
Balance, June 30, 2023		\$ 32,799,296	\$ 5,870,356	\$ (39,032,052)	\$ (362,400)
Unit private placement, net of share issue costs	7	500,506	13,650	–	514,156
Share-based payments	9	–	238,082	–	238,082
Loss for the year		–	–	(799,236)	(799,236)
Balance, June 30, 2024		33,299,802	6,122,088	(39,831,288)	(409,398)
Unit private placement, net of share issue costs	7	48,071	14,000	–	62,071
Loss for the year		–	–	(239,992)	(239,992)
Balance, June 30, 2025		\$ 33,347,873	\$ 6,136,088	\$ (40,071,280)	\$ (587,319)

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

DeepMarkit Corp.
Consolidated Statements of Cash Flows
(In Canadian dollars)

For the years ended June 30	Note	2025	2024
Operating activities			
Loss for the year		\$ (239,992)	\$ (799,236)
Items not affecting cash:			
Amortization	4	473	676
Impairment of harmonized tax receivable	11	–	29,586
Share-based payments	9	–	238,082
Finance expense	10	9,080	4,619
Change in non-cash working capital:			
Harmonized sales tax receivable		(11,017)	24,242
Prepaid expenses		(4,427)	9,797
Accounts payable and accrued liabilities		82,031	143,310
Net cash used in operating activities		(163,852)	(348,924)
Financing activities			
Private placement proceeds	7	70,000	551,590
Share issue costs	7	(7,929)	(37,434)
CEBA loan principal repayment	6	(371)	–
CEBA loan interest paid	6	(4,116)	–
Net cash provided by financing activities		57,584	514,156
Change in cash and cash equivalents		(106,268)	165,232
Cash and cash equivalents, beginning of year		254,176	88,944
Cash and cash equivalents, end of year		\$ 147,908	\$ 254,176
Cash and cash equivalents are comprised of:			
Cash		\$ 125,484	\$ 232,625
Redeemable term deposit		22,424	21,551
		\$ 147,908	\$ 254,176

DeepMarkit Corp.
Notes to the Consolidated Financial Statements
For the years ended June 30, 2025 and 2024
(In Canadian dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

DeepMarkit Corp. (the “Company” or “DeepMarkit”) was incorporated in Canada under the Business Corporations Act (Alberta) on November 20, 2007 under the name Challenger Deep Resources Corp. The Company changed its name to DeepMarkit Corp. on October 30, 2015. The Company is a Technology Issuer whose shares trade on the TSX Venture Exchange under the symbol “MKT.V”, on the OTCQB Venture Market under the symbol “MKTDF” and the Frankfurt Stock Exchange under the symbol “DEP”. To date, the Company has not generated revenues from operations. The Company’s registered office of record is Suite 202, 615 – 15th Avenue S.W., Calgary, Alberta, Canada, T2R 0R4.

These consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will continue to operate for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business.

The Company has not achieved profitable operations since its inception and to date has had limited sources of revenue. As at June 30, 2025, the Company had an accumulated deficit of \$40,071,280 (June 30, 2024 – \$39,831,288) and working capital deficit of \$539,457 (June 30, 2024 – \$367,693). Whether and when the Company can attain profitability and positive cash flows from operations is uncertain. The factors above give rise to a material uncertainty which may cast significant doubt on the Company’s ability to continue as a going concern.

While management believes the Company has cash resources to discharge its obligations in the normal course of operations for the short-term, future operations will continue to be dependent upon successful development of the Company’s business plan, raising sufficient capital to execute on that plan, and the corresponding generation of future cash flows. Management believes the going concern assumption is appropriate for these consolidated financial statements.

While the Company has been successful to date in obtaining financing, there is no assurance that it will be able to do so in the future or that such financing will be on terms acceptable to the Company. Global events have created uncertainties resulting in significant market volatility and a general restriction on access to capital. There is significant risk that additional debt and equity financing may not be attainable, in which event, the Company would not be able to continue its business operations. These factors give rise to material uncertainties that may cast significant doubt on the Company’s ability to continue as a going concern.

These consolidated financial statements do not reflect adjustments that would be necessary if the going concern basis was not appropriate. Consequently, adjustments would then be necessary to the carrying value of assets and liabilities, the reported revenues and expenses and their classifications. Such adjustments, if required, could be material.

2. BASIS OF PRESENTATION

(a) Statement of compliance

The consolidated financial statements of the Company and its subsidiaries have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board.

These consolidated financial statements were authorized for issue by the Board of Directors on September 11, 2025.

DeepMarkit Corp.
Notes to the Consolidated Financial Statements
For the years ended June 30, 2025 and 2024
(In Canadian dollars)

(b) Basis of consolidation

These consolidated financial statements include the accounts of the following entities:

<u>Name</u>	<u>Place of Business</u>	<u>Ownership</u>
DeepMarkit Corp. (“DeepMarkit”)	Canada	Parent company
DeepMarkit Digital Corp. (“Digital”)	Canada (inactive)	100% owned subsidiary of DeepMarkit
First Carbon Corp. (“First Carbon”)	Canada	100% owned subsidiary of DeepMarkit
DeepMarkit AI Corp.	Canada	100% owned subsidiary of DeepMarkit

Subsidiaries are entities controlled by the Company. 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 commences until the date on which control ceases.

Intercompany balances and transactions, and any unrealized income and expenses arising from intercompany transactions are eliminated in preparing the consolidated financial statements.

(c) Basis of measurement

The consolidated financial statements have been prepared in accordance with IFRS on a historical cost basis except for financial instruments which are measured at fair value as explained in the accounting policies.

(d) Segmented information

The Company operates in one reportable segment. Segments are defined as components for which separate financial information is available and regularly evaluated by the chief operating decision maker.

(e) Functional and presentation currency

The functional currency of DeepMarkit and its wholly owned subsidiaries is the Canadian dollar (“CAD”). The presentation currency of the Company is CAD.

(f) Adoption of amended accounting standards

The Company adopted the following amendments to IFRS that are mandatorily effective for the Company’s accounting periods beginning on or after July 1, 2024. Their adoption has not had a material impact on disclosures or amounts reported in these consolidated financial statements.

IAS 1 Presentation of Financial Statements

Amendments to IAS 1 clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability as current or non-current.

(g) Use of judgments and estimates

The preparation of consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the review affects both current and future periods.

Significant estimates and underlying assumptions about the future made by management that could result

DeepMarkit Corp.
Notes to the Consolidated Financial Statements
For the years ended June 30, 2025 and 2024
(In Canadian dollars)

in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

(i) Going concern

The going concern assessment requires management's judgment on the ability of the Company to achieve positive cash flow from operating activities and/or obtain necessary equity or other financing to execute the Company's business plan.

(ii) Fair value of warrants

The fair value of broker compensation warrants is measured on the date of issuance using a pricing model, such as Black-Scholes, that takes into account the terms and conditions upon which the warrants were issued. Measurement inputs include the Company's share price on the measurement date, the exercise price of the warrants, the expected volatility of the Company's shares, the expected life of the warrants and the risk-free rate of return. The Company estimates volatility based on historical volatilities of its own common shares and of publicly traded peer companies. The expected life of warrants is based on historical experience and estimates of the holder's behavior. Dividends are not factored in as the Company does not expect to pay dividends in the foreseeable future.

3. MATERIAL ACCOUNTING POLICIES

An accounting policy is considered material to the Company if it provides information to facilitate the understanding of other material information reported and disclosed in the Company's consolidated financial statements. Accounting policy information may be material because of the nature of the related transactions, other events, or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The Company's material accounting policies are as follows:

(a) Cash and cash equivalents

Cash and cash equivalents include cash and redeemable term deposits at banking institutions with original maturities of three months or less.

(b) Intangible assets

Intangible assets consist of acquired development intellectual property. Intangible assets are accounted for at cost less accumulated amortization and impairment losses. Intellectual property has a finite useful life and is carried at cost less accumulated amortization and accumulated impairment losses.

In addition, the Company may capitalize development costs to intangible assets if the expenditures can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to, and has sufficient resources to, complete development and to use or sell the asset.

Intangible assets are amortized on straight-line basis over their estimated useful life.

(c) Impairment of non-financial assets

The Company reviews the carrying amounts of its non-financial assets, when events or changes in circumstances indicate the assets may not be recoverable at the end of each reporting period. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit ("CGU") to which the asset belongs. Assets carried at fair value are excluded from impairment analysis.

The recoverable amount is the higher of fair value, less costs of disposal and the value in use. In assessing value in use, the estimated future cash flows to be derived from continuing use of the asset or CGU are 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 asset. Fair value less costs of disposal is the amount

DeepMarkit Corp.
Notes to the Consolidated Financial Statements
For the years ended June 30, 2025 and 2024
(In Canadian dollars)

obtainable from the sale of an asset or CGU in an arm's length transaction between knowledgeable, willing parties, less the cost of disposal. When a binding sale agreement is not available, fair value less costs of disposal is estimated using a discounted cash flow approach with inputs and assumptions consistent with those of a market participant.

If the recoverable amount of an asset or CGU is estimated to be less than their carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. An impairment loss is recognized immediately in net income. Any impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to the other assets of the CGU. Impairments of goodwill cannot be reversed. Impairments of other assets recognized in prior periods are assessed at the end of each reporting period to determine if the indicators of impairment have reversed or no longer exist. Where an impairment loss subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, such that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized.

(d) Share capital

Common shares are classified as equity. The Company may issue common share warrants as part of a unit issuance comprised of a common share and common share warrant or as broker compensation warrants, which are treated as a share issue cost. Warrants are classified as equity instruments.

Consideration received on the sale of a unit is allocated, within equity, to the respective instruments based on fair values using the residual value method whereby fair value is assigned to the more readily determinable instrument, being the common share, with the remaining allocated to the warrant. Incremental costs directly attributable to the issuance of common shares are recognized as a deduction from equity.

The fair value of warrants issued as compensation to brokers in connection with a share issuance is measured on the date of issuance using a pricing model, such as Black-Scholes.

(e) Loss per share

The Company presents basic and diluted loss per share for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all warrants, stock options and restricted share units ("RSUs") outstanding that may add to the total number of common shares to the extent that that are not antidilutive.

(f) Share-based payments

Share-based payments are comprised of RSU awards granted to employees, directors and others which are equity-settled share-based payments.

RSUs granted by the Company may be settled by issuing one common share for each RSU or in cash, or some combination thereof, at the Company's option as determined at the time of grant. RSUs are accounted for as equity-settled share-based payments.

The fair value of RSUs is estimated based on the market value of the Company's common shares on the date of grant and is recognized as share-based payment expense, with a corresponding increase in contributed surplus, over the vesting period, based on the Company's estimate of RSUs that will eventually vest.

Upon settlement of the RSUs, if the Company elects to settle in cash, the cash payment is recognized as a repurchase of equity; if the Company elects to settle by issuing one common share for each RSU settled, no further accounting is required.

(g) Financial instruments

The Company measures its financial assets and liabilities at fair value on initial recognition, which is typically the transaction price unless a financial instrument contains a significant financing component. Subsequent measurement is dependent on the financial instrument's classification, which in the case of financial assets,

DeepMarkit Corp.
Notes to the Consolidated Financial Statements
For the years ended June 30, 2025 and 2024
(In Canadian dollars)

is determined by the context of the Company's business model and contractual cash flow characteristic of the financial asset.

The Company's financial assets are classified into two categories: (1) measured at amortized cost and (2) fair value through profit or loss ("FVTPL"). The Company's financial liabilities are subsequently measured at amortized cost, other than financial liabilities that are measured at FVTPL. The Company does not have any financial assets or liabilities measured at fair value through other comprehensive income (loss).

The Company classifies its cash and cash equivalents at FVTPL. The Company classifies its accounts payable and accrued liabilities and CEBA loan at amortized cost. The contractual cash flows received from the financial assets are solely the payment of principal and interest and are held within a business model whose objective is to collect the contractual cash flows. These financial assets and financial liabilities are subsequently measured at amortized cost using the effective interest method. The carrying value of the Company's cash and cash equivalents and accounts payable and accrued liabilities approximate their fair values due to their short term of maturity.

The Company does not currently have any risk management contracts. Financial assets and liabilities classified as FVTPL are subsequently measured at fair value with changes in fair value charged immediately to the consolidated statements of loss and comprehensive loss.

Financial assets are derecognized when the contractual rights to the cash flows from the financial assets expire or when the contractual rights to those assets are transferred.

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 (including any non-cash assets transferred or liabilities assumed) is recognized in the consolidated statement of loss and comprehensive loss.

(h) Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for objective evidence of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of financial asset have been affected. For financial assets carried at amortized cost, the amount of the impairment loss recognized is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate. Losses are recognized in profit or loss and reflected as an allowance against the related financial instrument. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

(i) Taxes

Tax expense or recovery on the income or loss for the period is comprised of current and deferred tax. Taxes are recognized in profit or loss except to the extent a tax relates to items recognized directly in equity, in which case they are recognized in equity.

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

Deferred tax is recognized using the asset and liability method based on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable income. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable income will be available against which those deductible temporary differences can be utilized. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based

DeepMarkit Corp.
Notes to the Consolidated Financial Statements
For the years ended June 30, 2025 and 2024
(In Canadian dollars)

on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

(j) Finance income and expenses

Interest income is accrued on a time basis by reference to the principal outstanding and at the effective interest rate applicable.

Finance expenses comprise the benefit of the CEBA loan and interest on and accretion of the CEBA loan.

(k) Foreign currencies

Transactions in currencies other than the Company's functional currency are recognized at the rates of exchange prevailing at the dates of the transactions. The Company's consolidated financial statements include monetary items, such as bank accounts and certain accounts payable, denominated in United States dollars. At the end of each reporting period, these monetary items are translated to CAD at the rates prevailing at that date. Exchange differences on monetary items are recognized in the consolidated statement of loss and comprehensive loss in the period in which they arise.

(l) Amendments to standards not yet adopted

The Company has reviewed new and amended accounting pronouncements that have been issued but are not yet effective and determined that the following amendment is applicable to the Company but is not expected to have a material impact:

IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures

Effective for the Company on July 1, 2026, amendments to IFRS 9 and IFRS 7 provide:

- clarifications to the "solely payments of principal and interest" test to ensure consistent application while maintaining the principle-based approach;
- refinements to the treatment of modifications to financial assets and liabilities upon derecognition;
- guidance for the treatment of financial liabilities settled through electronic payment systems; and
- additional IFRS 7 disclosure requirements to support classification and measurement rules, including derecognition.

IFRS 18 Presentation and Disclosure in Financial Statements

Issued in April 2024 and effective for the Company on July 1, 2027, IFRS 18 provides guidance to enhance transparency and comparability in financial reporting by introducing requirements for the structured presentation of profit or loss, aggregation and disaggregation of financial data, disclosures of management-defined performance measures ("MPMs") and clarity in the classification of operating, investing, and financing activities in the statement of cash flows. New disclosures must reconcile MPMs to IFRS measures, explaining their relevance and calculation.

DeepMarkit Corp.
Notes to the Consolidated Financial Statements
For the years ended June 30, 2025 and 2024
(In Canadian dollars)

4. EQUIPMENT

Cost		
Balance, June 30, 2023, 2024 and 2025	\$	18,578
Accumulated amortization		
Balance, June 30, 2023	\$	16,324
Amortization		676
Balance, June 30, 2024		17,000
Amortization		473
Balance, June 30, 2025		17,473
Net carrying amount		
As at June 30, 2024	\$	1,578
As at June 30, 2025	\$	1,105

5. INTANGIBLE ASSETS

The Company owns intangible assets comprised of the MintCarbon.io platform (the “Platform”), a web-based software as a service platform that facilitates the minting of carbon offsets into non-fungible tokens. The carrying amount of intangible assets was fully impaired in 2023 due to persistent factors such as a decrease in the Company’s enterprise value and unfavorable changes in the crypto and carbon credit markets.

6. CEBA LOAN

The Company received a \$60,000 Canadian Emergency Business Account (“CEBA”) loan from the Canadian federal government in 2021 as a business support measure for COVID-19 which provided for forgiveness of 33% of the loan balance if the loan is repaid before the loan forgiveness deadline. The benefit of the \$20,000 forgiveness was recognized as income in 2021 resulting in a loan balance of \$40,000.

The Company was unable to repay the CEBA loan on or before January 18, 2024, at which time the CEBA loan converted to a term loan bearing interest at 5% per annum payable monthly, with full principal repayment due on December 31, 2026. As a result, the CEBA loan balance was increased by the previously recognized \$20,000 forgivable portion and subsequently reduced by \$18,217 for the effect of reporting the CEBA loan at amortized cost based on future cash flows discounted at 14% per annum. The reported amount of the CEBA loan is accreted up to the \$60,000 contractual amount over the term of the loan commencing March 28, 2024.

Amortized cost, June 30, 2023	\$	40,000
Reversal of forgiveness		20,000
Adjustment to amortized cost		(18,217)
Accretion		1,500
Amortized cost, June 30, 2024		43,283
Loan repayment		(371)
Accretion		6,055
Amortized cost, June 30, 2025	\$	48,967

During the year ended June 30, 2025, the Company recognized \$3,025 (2024 – \$1,336) of interest (Note 10) on the CEBA loan. During the year ended June 30, 2025, the Company paid \$4,116 (2024 – \$nil) of interest. As at June 30, 2025, \$245 of CEBA loan interest is included in accounts payable and accrued liabilities (2024 – \$1,336).

DeepMarket Corp.
Notes to the Consolidated Financial Statements
For the years ended June 30, 2025 and 2024
(In Canadian dollars)

7. SHARE CAPITAL

Authorized: Unlimited number of common shares with no par value
 Unlimited number of preferred shares, issuable in series with no par value

Issued: Common shares

	Number of common shares	Amount
Balance, June 30, 2023	4,246,571	\$ 32,799,296
Unit private placement (a)	950,000	95,000
Unit private placement (b)	4,726,497	283,590
Unit private placement (c)	1,730,000	173,000
Share issue costs (d)	–	(51,084)
Balance, June 30, 2024	11,653,068	33,299,802
Unit private placement (e)	700,000	56,000
Share issue costs (f)	–	(7,929)
Balance, June 30, 2025	12,353,068	\$ 33,347,873

(a) On October 26, 2023, the Company completed a non-brokered private placement of 950,000 units at a price of \$0.10 per unit for aggregate gross proceeds of \$95,000. The units are comprised of one common share of the Company and one common share purchase warrant. Each warrant will entitle the holder to purchase one common share at a price of \$0.20 per common share for a period of 12 months from the date of issuance. Using the residual value method, gross proceeds were allocated to the common shares with no residual allocation to the common share purchase warrants.

(b) On May 3, 2024, the Company closed the first tranche of a non-brokered private placement, issuing 4,126,498 units at a price of \$0.06 per unit for gross proceeds of \$247,590. The Company closed the second tranche on May 10, 2024, issuing an additional 599,999 units for gross proceeds of \$36,000. Each unit is comprised of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one additional common share of the Company at an exercise price of \$0.10 for a period of two years from the date of issuance of the units. Using the residual value method, gross proceeds were allocated to the common shares with no residual allocation to the common share purchase warrants.

The Company issued 130,082 broker compensation warrants entitling the holder thereof to receive one common share for each warrant at an exercise price of \$0.06 for a period of one year from the date of issuance.

(c) On June 26, 2024, the Company closed the first tranche of a non-brokered private placement, issuing 1,730,000 units at a price of \$0.10 per unit for gross proceeds of \$173,000. Each unit is comprised of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one additional common share of the Company at an exercise price of \$0.20 for a period of two years from the date of issuance of the units. Using the residual value method, gross proceeds were allocated to the common shares with no residual allocation to the common share purchase warrants.

The Company issued the following broker compensation warrants:

- 23,100 warrants entitling the holder thereof to receive one common share for each warrant at an exercise price of \$0.10 for a period of one year from the date of issuance; and
- 70,000 warrants entitling the holder thereof to receive one common share for each warrant at an exercise price of \$0.16 for a period of one year from the date of issuance.

(d) In connection with the private placements completed during the year ended June 30, 2024, the Company paid cash finder's fees to qualified non-related parties in the aggregate amount of \$18,115, issued an aggregate of 223,182 broker compensation warrants and incurred \$19,319 of other cash issuance costs.

The aggregate issue date fair value of the broker compensation warrants was estimated to be \$13,650

DeepMarkit Corp.
Notes to the Consolidated Financial Statements
For the years ended June 30, 2025 and 2024
(In Canadian dollars)

using the Black-Scholes pricing model based on the following assumptions:

Expected volatility	78% – 123%	Expected dividend yield	0%
Expected life	1 year	Risk-free interest rate	4.04% – 4.16%

(e) On July 26, 2024, the Company closed the second tranche of a non-brokered private placement, issuing 700,000 units at a price of \$0.10 per unit for gross proceeds of \$70,000. Each unit is comprised of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one additional common share of the Company at an exercise price of \$0.20 for a period of two years from the date of issuance of the units. Using the residual value method and an \$0.08 market price of the Company's shares on the closing date, \$56,000 of the gross proceeds were allocated to the common shares with a residual amount of \$14,000 allocated to the common share purchase warrants.

(f) In connection with the July 26, 2024 private placement, the Company issued 42,000 broker compensation warrants entitling the holder thereof to receive one common share for each warrant at an exercise price of \$0.145 for a period of one year from the date of issuance. The issue date fair value of broker compensation warrants was estimated to be a nominal amount using the Black-Scholes pricing model based on the following assumptions:

Expected volatility	78%	Expected dividend yield	0%
Expected life	1 year	Risk-free interest rate	3.60%

The Company paid \$4,200 of cash finder's fees and incurred \$3,729 of other cash share issue costs.

8. WARRANTS

	Number of warrants	Weighted average exercise price
Balance, June 30, 2023	1,086,529	\$ 11.14
Issued (Note 7(a) and (c))	2,680,000	0.20
Issued (Note 7(b))	4,726,497	0.10
Issued (Note 7(d))	223,182	0.10
Expired	(628,004)	(10.45)
Balance, June 30, 2024	8,088,204	0.81
Issued (Note 7(e))	700,000	0.20
Issued (Note 7(f))	42,000	0.145
Expired	(1,631,707)	(3.51)
Balance, June 30, 2025	7,198,497	\$ 0.13

Information about warrants outstanding at June 30, 2025 is as follows:

Number of warrants	Weighted average exercise price	Weighted average life remaining (years)
4,726,497	\$ 0.10	0.84
42,000	0.145	0.07
2,430,000	0.20	1.01
7,198,497	\$ 0.13	0.90

DeepMarket Corp.
Notes to the Consolidated Financial Statements
For the years ended June 30, 2025 and 2024
(In Canadian dollars)

9. SHARE-BASED PAYMENTS

(a) Stock options

	Number of stock options	Weighted average exercise price
Balance, June 30, 2023	374,500	\$ 6.00
Expired	(374,500)	(6.00)
Balance, June 30, 2024 and 2025	–	\$ –

(b) Restricted share units (“RSUs”)

	Number of RSUs	Weighted average exercise price
Balance, June 30, 2023 and 2024	395,000	\$ 0.004
Forfeited	(335,000)	(0.004)
Balance, June 30, 2025	60,000	\$ 0.004

RSUs vested on August 19, 2023, and expire on August 19, 2027. Upon exercise, the Company will issue one common share for each RSU.

During the year ended June 30, 2025, the Company recognized \$nil (2024 – \$238,082) of share-based payment expense in respect of RSUs.

10. NET FINANCE (INCOME) EXPENSE

For the years ended June 30	2025	2024
Net adjustment to CEBA loan (Note 6)	\$ –	\$ 1,783
Accretion of CEBA loan (Note 6)	6,055	1,500
Interest on CEBA loan (Note 6)	3,025	1,336
Interest income	(21,595)	(1,628)
	\$ (12,515)	\$ 2,991

During the year ended June 30, 2025, the Company paid \$4,116 (2024 – \$nil) of interest on the CEBA loan (Note 6).

Interest income is comprised of \$2,046 (2024 – \$1,628) of bank account and term deposit interest and \$19,549 (2024 – \$nil) of interest on the recovery of HST (Note 11).

11. (RECOVERY) IMPAIRMENT OF HARMONIZED SALES TAX RECEIVABLE

In 2023, the Company received an unfavorable reassessment of its harmonized sales tax (“HST”) filings for the period October 1, 2021 to December 31, 2022 from the Canada Revenue Agency resulting in the denial of certain input tax credits. The Company appealed the decision, however, due to the uncertainty of the appeal outcome at the time, the Company impaired the HST receivable in the years ended June 30, 2024 and 2023.

During the year ended June 30, 2024, the Company further recognized \$29,586 of impairment of HST receivable.

During the year ended June 30, 2025, the Canada Revenue Agency reassessed the input tax credits claimed for the period October 1, 2021, to December 31, 2022, and the Company recovered \$201,436 of previously impaired HST filings plus \$19,549 of interest.

DeepMarkit Corp.
Notes to the Consolidated Financial Statements
For the years ended June 30, 2025 and 2024
(In Canadian dollars)

12. LOSS PER SHARE

For the years ended June 30	2025	2024
Loss for the period	\$ (239,992)	\$ (799,236)
Basic and diluted ⁽¹⁾ weighted average number of shares	12,303,205	5,646,726
	\$ (0.02)	\$ (0.14)

(1) All warrants and RSUs have been excluded from the diluted per share amounts as their effect is anti-dilutive in loss periods.

13. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION

Transactions with related parties are in the normal course of business and recorded at the exchange amount.

For the years ended June 30	2025	2024
Charged/earned by officers and directors of the Company		
Consulting fees (included in general and administrative expenses)	\$ 162,000	\$ 225,000
Professional fees	32,573	31,985
Share-based payments	–	49,726
	\$ 194,573	\$ 306,711

The Company considers its key management personnel to consist of its officers and directors. The Company's directors and officers participate in the Company's equity compensation plans. As at June 30, 2025, key management personnel included 5 individuals (June 30, 2024 – 6 individuals).

Consulting fees for the year ended June 30, 2025 include \$75,000 (2024 – \$140,000) charged by an individual who ceased to be an officer in February 2024 and a director in March 2025.

As at June 30, 2025, accounts payable and accrued liabilities includes the following non-interest bearing amounts in respect of key management compensation: \$211,750 (June 30, 2024 – \$132,250) owing to current officers and directors, \$376,584 (June 30, 2024 – \$77,000) owing to a former officer and director and \$nil (June 30, 2024 – \$305,834) owing to a former director.

14. TAXES

The following table reconciles the expected tax recovery to tax expense at the statutory tax rate:

For the years ended June 30	2025	2024
Loss before taxes	\$ (239,992)	\$ (799,236)
Statutory tax rate	23%	23%
Expected tax recovery	(55,000)	(184,000)
Non-taxable items	(49,000)	–
Non-deductible items	–	46,000
Tax return filings	8,000	(57,000)
Tax benefit not recognized	96,000	195,000
Tax expense	\$ –	\$ –

DeepMarket Corp.
Notes to the Consolidated Financial Statements
For the years ended June 30, 2025 and 2024
(In Canadian dollars)

Details of deferred tax assets (liabilities) are as follows:

As at June 30	2025	2024
Non-capital and capital tax loss carryforwards	\$ 5,738,000	\$ 5,618,000
Equipment and intangible assets	167,000	177,000
Reserves	81,000	81,000
Share issue costs	29,000	45,000
CEBA loan	(2,000)	(4,000)
	6,013,000	5,917,000
Accumulated tax benefits not recognized	(6,013,000)	(5,917,000)
	\$ –	\$ –

Details of unrecognized deductible (taxable) temporary differences are as follows:

As at June 30	2025	2024
Equipment and intangible assets	\$ 724,000	\$ 769,000
Share issue costs	124,000	197,000
Reserves	356,000	356,000
Capital losses	6,998,000	6,998,000
Non-capital losses	21,448,000	20,924,000
CEBA loan	(11,000)	(17,000)
	\$ 29,639,000	\$ 29,227,000

As at June 30, 2025, the Company has approximately \$21,448,000 of non-capital losses available for carry-forward against taxable income which will begin to expire in 2028 and \$6,998,000 of capital losses available for carry-forward against capital gains which do not expire.

During the year ended June 30, 2025, the Company paid \$nil (June 30, 2024 – \$nil) of taxes.

15. FINANCIAL INSTRUMENTS AND RISK FACTORS

The Company's financial instruments consist of cash and cash equivalents, accounts payable and accrued liabilities and the CEBA loan. Accounts payable and accrued liabilities and the CEBA loan are reported at amortized cost. The fair values of the Company's financial instruments approximate their carrying values due to the relatively short-term maturity of these instruments.

Fair value hierarchy

Financial instruments recorded at fair value are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities. Cash and cash equivalents are Level 1 financial instruments.
- Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company is exposed to the following risks as at June 30, 2025 and 2024:

Credit risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfil its payment obligations. Financial instruments that potentially subject the Company to concentrations of credit risks consist

DeepMarket Corp.
Notes to the Consolidated Financial Statements
For the years ended June 30, 2025 and 2024
(In Canadian dollars)

principally of cash and cash equivalents.

All the Company's cash and cash equivalents are held at a financial institution which is a Canadian Chartered Bank. Management believes that the risk of loss is minimal, but the Company is subject to concentration of credit risk.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. The Company does not hold any cash in fixed rate or variable rate term deposits. The Company is not exposed to any interest rate risk on its accounts payable and accrued liabilities. There is no interest rate risk on the CEBA loan as it is at a fixed rate of interest.

Currency risk

Currency risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company minimizes its currency risk by maintaining the majority of its liquid assets in stable currencies, including Canadian and US currencies. The Company holds United States dollars ("USD"); a 10% change in the exchange rate between CAD and USD would result in the Company incurring a foreign currency gain or loss at June 30, 2025 of approximately \$2,190 (June 30, 2024 – \$2,210).

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations with cash. As at June 30, 2025, the Company's financial liabilities consist of accounts payable and accrued liabilities and the CEBA loan, a portion of which can be settled through the cash and cash equivalents balance of \$147,908. The Company manages its liquidity risk by reviewing its capital requirements on an ongoing basis. There have been no changes in the Company's strategy with respect to credit/liquidity risk in the period.

The timing of cash outflows relating to the Company's financial liabilities as at June 30, 2025 are as follows:

	Carrying amount	Contractual cash flows	Due within 1 year	Due December 31, 2026
	\$	\$	\$	\$
Accounts payable and accrued liabilities	706,119	706,119	706,119	–
CEBA loan (Note 6)	48,967	59,629	–	59,629
	755,086	765,748	706,119	59,629

16. CAPITAL MANAGEMENT

The Company's objectives when managing capital are:

- To safeguard the Company's ability to continue as a going concern.
- To maintain appropriate cash reserves on hand to meet ongoing development and operating costs.
- To invest cash on hand in highly liquid and highly rated financial instruments.

In the management of capital, the Company includes the CEBA loan of \$48,967 and shareholders' deficit of \$587,319 in the definition of capital. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company (upon approval from its Board of Directors, as required) may issue additional capital primarily through equity financing. The Company has no externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the years ended June 30, 2025 and 2024.